



AVILEASE
AIRCRAFT LEASING COMPANY

AviLease (Aircraft Leasing Company)

Results for the year ended 31 December 2025

About AviLease

AviLease is global aircraft lessor which continues to grow its portfolio by focusing on high-quality, in-demand aircraft and by fostering strong partnerships with both local and international carriers. Headquartered in Riyadh, Saudi Arabia with office locations in Dublin, Limerick, Singapore and Fort Lauderdale.

As of 31 December 2025, AviLease's portfolio comprises 202 owned and managed aircraft on lease to +50 airlines across +30 countries.

As a wholly-owned entity of PIF, AviLease is strategically positioned, as an industrial, disciplined, long term investor. Our approach at AviLease integrates stable financial returns for our shareholders with sustainable country-level impact.

For more information, please contact

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Financial Results Conference Call

AviLease will issue its 2025 Full Year Results on Thursday, February 26th at 5pm AST (2pm GMT, 9am ET). The AviLease executive team will conduct a webcast and conference call. The results documents, webcast, and conference call access for eligible participants are provided through a secure link on avilease.com/investors

RESULTS ANNOUNCEMENT

We present management's discussion and analysis of the financial condition and results of operations for the year ended 31 December 2025 which should be read in conjunction with the audited consolidated financial statements (the "financial statements") of Aircraft Leasing Company ('ALC'; 'AviLease' or the 'Company') and its subsidiaries (together the 'Group', 'we', 'our', or 'us'). References to 2025 are for the year ended 31 December 2025 and to 2024 are for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

Total revenue was U.S.\$663.8 million for the year ended 31 December 2025, compared to U.S.\$557.5 million for the year ended 31 December 2024, representing an increase of U.S.\$106.3 million, or 19.1%. The increase was primarily attributable to incremental lease revenue generated from aircraft acquired during the year, as well as higher gains on aircraft sales.

Operating profit was U.S.\$304.6 million for the year ended 31 December 2025 compared to U.S.\$236.1 million for the year ended 31 December 2024, representing an increase of U.S.\$68.5 million, or 29.0%. The increase was mainly attributable to higher lease revenue as noted above and increased gain on aircraft disposal partially offset by overall increase in total expenses.

Profit was U.S.\$108.4 million for the year ended 31 December 2025, compared to U.S.\$61.0 million for the year ended 31 December 2024, an increase of U.S.\$47.4 million, or 77.7%. The increase was mainly driven by portfolio growth, higher gains on aircraft sales, and increased finance income, partially offset by higher general and administrative expenses, finance costs, and income tax expense incurred during the year.

Total assets were U.S.\$9,255.6 million as at 31 December 2025, compared to U.S.\$7,990.6 million as at 31 December 2024, representing an increase of U.S.\$1,265.0 million, or 15.8%. The increase was primarily attributable to aircraft acquisitions during the year, as well as pre-delivery payments made to Airbus and Boeing in respect of future aircraft deliveries.

Available liquidity was U.S.\$2,752.4 million as at 31 December 2025, compared to U.S.\$1,656.9 million as at 31 December 2024. The liquidity coverage ratio was 3.7 times as at 31 December 2025.

Net debt-to-equity ratio was 0.91:1 as at 31 December 2025, compared to 0.66:1 as at 31 December 2024.

OPERATIONAL HIGHLIGHTS

Fleet size as at 31 December 2025 comprised 202 aircraft (31 December 2024: 185), of which 177 were owned (31 December 2024: 163) and 25 were managed (31 December 2024: 22).

The Group acquired 29 owned aircraft (31 December 2024: 19) and 5 managed aircraft (31 December 2024: none) and sold 15 owned aircraft (31 December 2024: 1) and 2 managed aircraft (31 December 2024: 1).

The weighted average age of the owned fleet was 5.1 years as at 31 December 2025, compared to 5.0 years as at 31 December 2024. The weighted average remaining lease term of the owned fleet was 6.8 years as at 31 December 2025, compared to 6.6 years as at 31 December 2024.

The ratio of unsecured debt to total debt was 100% as at 31 December 2025, unchanged from 31 December 2024.

RESULTS OF OPERATIONS

The following discussion of our results of operations is based on the consolidated statement of income and other comprehensive income and consolidated statement of financial position which have been extracted from our financial statements for the year ended December 31, 2025.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

	As at 31 December	
	2025	2024
	<i>(U.S.\$ thousand)</i>	
Assets		
Aircraft and related balances	7,291,678	6,602,163
Other property, plant and equipment	6,649	8,973
Goodwill	272,534	272,534
Other assets	47,271	15,210
Derivative financial instruments	-	544
Financial assets at fair value	47,245	35,448
Trade and other receivables	14,024	13,063
Cash and cash equivalents	952,444	906,856
	8,631,845	7,854,791
Assets held for sale	623,714	135,779
Total assets	9,255,559	7,990,570
Total equity	3,999,924	3,954,714
Liabilities		
Loans and borrowings	4,607,198	3,488,620
Deferred tax liabilities	117,468	104,440
Maintenance reserves	124,413	110,286
Security deposits	36,852	28,613
Derivative financial instruments	71,105	8,325
Accruals and other liabilities	237,040	253,093
Deferred revenue	46,078	39,610
Tax and zakat liabilities	391	1498
	5,240,545	4,034,485
Liabilities related to assets held for sale	15,090	1,371
Total liabilities	5,255,635	4,035,856
Total equity and liabilities	9,255,559	7,990,570

CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME DATA

	For the Year Ended 31 December	
	2025	2024
	<i>(U.S.\$ thousand)</i>	
Lease revenue	625,888	549,415
Other income	37,935	8,053
Total revenue	663,823	557,468
Depreciation	(251,443)	(232,208)
Other aircraft-related costs	(13,329)	(9,725)
General and administrative expenses	(94,415)	(79,401)
Total expenses	(359,187)	(321,334)
Net operating profit / (loss)	304,636	236,134
Finance income	37,148	24,304
Finance expense	(219,934)	(201,452)
Net finance cost	(182,786)	(177,148)
Profit / (loss) before zakat and income tax	121,850	58,986
Zakat and income tax (expense) / credit	(13,407)	2,054
Profit / (loss) for the year	108,443	61,040
Other comprehensive income / (loss)		
<i>Items that will not be reclassified to statement of income</i>		
Remeasurement gain on employees' end of service benefits	91	62
<i>Items that may be reclassified to statement of income</i>		
Movement in cash flow hedge reserve	(63,324)	66,658
Total other comprehensive income / (loss) for the year	(63,233)	66,720
Total comprehensive profit / (loss) for the year	45,210	127,760

CONSOLIDATED STATEMENTS OF CASH FLOWS DATA

	For the Year Ended 31 December	
	2025	2024
	<i>(U.S.\$ thousand)</i>	
Net cash flows from operating activities	548,742	509,787
Net cash flows from investing activities	(1,402,323)	(1,128,160)
Net cash flows from financing activities	899,169	1,179,110
Net increase/(decrease) in cash and cash equivalents	45,588	560,737
Cash and cash equivalents at the beginning of the year	906,856	346,119
Cash and cash equivalents at the end of the year	952,444	906,856

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Group, which commenced its business in March 2022, is a global aircraft leasing enterprise headquartered in Saudi Arabia, which as at 31 December 2025, served over 50 global airline customers in over 30 countries from locations in Saudi Arabia, Ireland, Singapore and the United States. The Group acquires and leases commercial jet aircraft to airlines and manages aircraft on lease for third-party investors. In addition, the Group sells aircraft from its fleet with a view to optimising its portfolio. The Group's operating performance is driven by the growth of its fleet, the terms of its leases, the interest rates on its debt and the aggregate amount of its indebtedness, supplemented by its management fees and any gains from aircraft sales.

The PIF, which is leading Saudi Arabia's national economic transformation strategy to diversify away from oil, known as Vision 2030, is the sole owner of AviLease. In line with Vision 2030, aviation is a critical sector in the planned diversification of Saudi Arabia's economy.

As at 31 December 2025, the Group's Owned, Managed and Committed Portfolio comprised 210 aircraft which was made of 177 owned aircraft, 25 managed aircraft and commitments to acquire 8 new aircraft from other lessors and third parties. In addition, as of 31 December 2025, the Group had firm orders for 70 aircraft with OEMs, such as Airbus and Boeing, with an estimated aggregate value of U.S.\$6.0 billion.

As at 31 December 2025, the aggregate book value of our owned fleet, including aircraft held for sale, was U.S.\$7,915.4 million. Future contracted lease rental income from our owned fleet amounted to U.S.\$4,665.0 million. As of December 2025, 100% of our leases were subject to fixed lease rates.

The table below shows the analysis by aircraft type our owned and managed portfolio:

Manufacturer	Aircraft Type	Owned Portfolio	Managed Portfolio	Total
Airbus	A320 family	113	19	132
	A330 family	4	-	4
	A350	2	-	2
		119	19	138
Boeing	B737 family	56	6	62
	B787	2	-	2
		58	6	64
Total		177	25	202

The table below shows our fleet as of 31 December in 2025 and 2024:

Fleet Metrics	As at 31 December	
	2025	2024
Owned Portfolio (number of aircraft)	177	163
Managed Portfolio (number of aircraft)	25	22
Weighted average age (years) (Owned Portfolio) ⁽¹⁾	5.1	5.0
Weighted average remaining lease term (years) (Owned Portfolio) ⁽¹⁾	6.8	6.6
Net book value of aircraft and related balances (U.S.\$ million)	7,291	6,602
Net book value of aircraft held for sale (U.S.\$ million)	624	136
Aggregate net book value (U.S.\$ million)	7,915	6,738

Note:

(1) Weighted averages calculated based on net book value as at each relevant date.

Year ended 31 December 2025 compared to year ended 31 December 2024

Total Revenue

The Group's total revenue comprises:

- (i) lease revenue in the form of lease rental income derived from leasing commercial jet aircraft to airlines around the world, which is stated net of amortisation of lease premium/(discount). Lease revenue also includes maintenance income, which represents release of maintenance reserves and end of lease compensation; and
- (ii) other income which comprises income from the management of aircraft on behalf of third parties, dividend income, gain on disposal of aircraft and other income (such as fair value gain on financial assets at fair value through profit and loss (**FVTPL**), proceeds from the sale of spare parts and tax subsidies).

The table below shows a breakdown of the Group's total revenue for each of 2025 and 2024.

	Year ended 31 December	
	2025	2024
	<i>(U.S.\$ thousand)</i>	
Lease revenue	625,888	549,415
Other income	37,935	8,053
Total revenue	663,823	557,468

The Group's total revenue increased by U.S.\$106.3 million, or 19.1%, to U.S.\$663.8 million in 2025 from U.S.\$557.5 million in 2024. The change reflected increases in both categories of total revenue.

Lease revenue

The Group's lease revenue increased by U.S.\$76.5 million, or 13.9%, in 2025 to U.S.\$625.9 million from U.S.\$549.4 million in 2024. This increase was primarily driven by a full year of revenue contribution in 2025 from the 19 aircraft acquired in 2024, as well as revenue generated from the additional 29 aircraft acquired during 2025. This growth was partially offset by the loss of revenue from the 15 aircraft sold during the year.

Lease revenue for 2025 included maintenance income of U.S.\$5.5 million, compared to U.S.\$10.3 million in 2024. It also included a net charge related to the amortisation of lease premiums amounting to U.S.\$2.6 million in 2025, compared to U.S.\$1.9 million in 2024.

Other income

The Group's other income increased by U.S.\$29.8 million, or 367.9%, to U.S.\$37.9 million in 2025 compared to U.S.\$8.1 million in 2024. The increase is primarily attributable to higher gains on aircraft sales. In 2025, the Group recorded gains of U.S.\$29.4 million, compared to U.S.\$0.3 million in 2024.

Total expenses

The table below shows a breakdown of the Group's total expenses for each of 2025 and 2024.

	Year ended 31 December	
	2025	2024
	<i>(U.S.\$ thousand)</i>	
Depreciation	251,443	232,208
Other aircraft-related costs	13,329	9,725
General and administrative expenses	94,415	79,401
Total expenses	359,187	321,334

The Group's total expenses increased by U.S.\$37.9 million, or 11.8%, to U.S.\$359.2 million in 2025 from U.S.\$ 321.3 million in 2024. The change principally reflected increases in:

Depreciation

The Group's depreciation expense increased by U.S.\$19.2 million, or 8.3%, to U.S.\$251.4 million in 2025 from U.S.\$232.2 million in 2024. The increase was primarily attributable to a full year of depreciation in 2025 relating to the 19 aircraft acquired in 2024, as well as depreciation on additional aircraft acquired during 2025. This was partially offset by lower depreciation resulting from aircraft sold during the year and those classified as held for sale.

General and administrative expenses

The Group's general and administrative expenses increased by U.S.\$15.0 million, or 18.9%, in 2025 to U.S.\$94.4 million from U.S.\$79.4 million in 2024. The increase was primarily attributable to higher staff costs, legal and professional fees, and office expenses, reflecting the expansion of the Group's operations.

Net operating profit/(loss)

Reflecting the above factors, the Group's operating profit increased by U.S.\$68.5 million, or 29.0%, in 2025 U.S.\$304.6 million from U.S.\$236.1 million in 2024.

Net finance cost

The Group's net finance cost increased by U.S.\$5.7 million, or 3.2%, in 2025 to U.S.\$182.8 million from U.S.\$177.1 million in 2024.

Finance income increased by U.S.\$12.8 million, or 52.7%, in 2025 to U.S.\$37.1 million from U.S.\$24.3 million in 2024. The increase was primarily attributable to higher average cash balances following the capital injection of U.S.\$1 billion received towards the end of 2024 to support the Company's future growth.

Finance expenses increased by U.S.\$18.4 million, or 9.1%, to U.S.\$219.9 million in 2025 from U.S.\$201.5 million in 2024. The increase was mainly due to additional drawdowns under the revolving credit facility (RCF) and the issuance of bonds to finance aircraft acquisitions.

Zakat and income tax (expense)/credit

During 2025, the Group recorded zakat of U.S.\$0.3 million and an income tax of U.S.\$13.1 million compared to U.S.\$0.8 million of zakat and an income tax credit of U.S.\$2.9 million in 2024. The income tax credit in 2024 primarily related to losses incurred by the Group's Irish subsidiaries.

Profit/(loss) for the year

The Group reported a profit of U.S.\$108.4 million for the year ended 2025, compared to U.S.\$61.0 million for the year ended 2024.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Group generally funds its operations through a mixture of equity and debt, currently comprising loan facilities (including committed revolving credit facilities) and bonds issued in U.S. capital markets.

The Group's total loans and borrowings (net of debt issuance cost) were U.S.\$4,607.2 million as at 31 December 2025, U.S.\$3,488.6 million as at 31 December 2024. The Group's total equity was U.S.\$3,999.9 million as at 31 December 2025, U.S.\$3,954.7 million as at 31 December 2024.

The Group's net debt to equity ratio, calculated as the ratio of loans and borrowings (gross of unamortised debt issuance cost) less cash and cash equivalents to total equity excluding cash flow hedge reserve, was 0.91 times as at 31 December 2025 compared to 0.66 times as at 31 December 2024. As at 31 December 2025, the Group's total available liquidity (measured as the sum of available credit facilities and cash and cash equivalents) was U.S.\$2,752.4 million compared to U.S.\$1,656.9 million as at 31 December 2024.

The Group's total equity increased by U.S.\$45.2 million as at 31 December 2025 compared to 31 December 2024, principally as a result of profit of U.S.\$108.4 million for the year ended 2025, partially offset by negative mark-to-market movements of U.S.\$63.3 million in cash flow hedge reserve.

Total debt increased by U.S.\$1,118.6 million as at 31 December 2025 compared to 31 December 2024, mainly driven by new drawdowns of U.S.\$450 million under the RCF and U.S.\$ 850 million raised through issuance of bonds to finance aircraft acquisitions. This increase partially offset by schedule debt repayment of U.S.\$ 180 million.

Consolidated statement of cash flows data

The table below summarizes the Group's consolidated statement of cash flows data for each of 2025 and 2024.

	For the Year Ended 31 December	
	2025	2024
	<i>(U.S.\$ thousand)</i>	
Net cash flows from operating activities	548,742	509,787
Net cash flows from investing activities	(1,402,323)	(1,128,160)
Net cash flows from financing activities	899,169	1,179,110
Net increase/(decrease) in cash and cash equivalents	45,588	560,737
Cash and cash equivalents at the beginning of the year	906,856	346,119
Cash and cash equivalents at the end of the year	952,444	906,856

Operating cash flow

In 2025, the Group generated net cash from operating activities of U.S.\$548.7 million compared to U.S.\$509.8 million in 2024, an increase of U.S.\$38.9 million, or 7.6%. This was primarily due to higher lease revenue as the Group's business expanded.

Investing cash flow

In 2025, net cash used in investing activities was U.S.\$1,402.3 million compared to U.S.\$1,128.2 million in 2024. During 2025, the Group utilized U.S.\$1,956.6 primarily for the acquisition of 29 aircraft and pre-delivery payments made to Airbus and Boeing, partially offset by sale proceeds of U.S.\$ 529.5 million from the disposal of 15 aircraft. In 2024, the Group used U.S.\$1,172.0 million for acquisition of 19 aircraft which is partially offset by proceeds from the disposal of one aircraft.

Financing cash flow

In 2025, net cash generated from financing activities was U.S.\$899.2 million compared to U.S.\$1,179.1 million in 2024. In 2025, the Group borrowed U.S.\$1,120.0 million (net of repayments of borrowings) and paid finance cost (including debt issuance cost) of U.S.\$220.8 million. In 2024, Group received U.S.\$1,000.0 million in respect of share capital from the PIF, borrowed U.S.\$345.0 million (net of repayments of borrowings) and paid finance cost (including debt issuance cost) of U.S.\$165.9 million.

The Group's cash and cash equivalents as at 31 December 2025 were U.S.\$952.4 million compared to U.S.\$906.9 million as at 31 December 2024, an increase of U.S.\$45.5 million, or 5.0 %.

CERTAIN SIGNIFICANT STATEMENT OF FINANCIAL POSITION ITEMS

Assets

Aircraft and related balances

The Group's aircraft are stated at cost net of accumulated depreciation and impairment charges, if any, on its statement of financial position.

The Group's principal assets are its aircraft and related balances (including aircraft held for sale) which amounted to U.S.\$7,915.4 million, representing 85.5 % of the total assets as at 31 December 2025, compared to U.S.\$6,738.0 million, or 84.3% of the total assets, as at 31 December 2024.

As at 31 December 2025, the Group owned 177 aircraft (including 15 aircraft held for sale) compared to 163 aircraft (including three held for sale) as at 31 December 2024. All the aircraft are leased under the operating lease arrangement.

In 2025, the Group sold 15 aircraft and purchased 29 aircraft. In 2024, the Group sold one aircraft and purchased 19 aircraft.

The Group had no secured borrowings as at 31 December 2025 and as at 31 December 2024.

Other Assets

Although representing a relatively small proportion of total assets, other assets are noteworthy due to their underlying components, which primarily comprise lease incentives, deferred leasing expenditures, deferred arrangement fees for undrawn revolving credit facilities, accrued bank interest income, and accrued lease revenue.

Other assets amounted to U.S.\$47.3 million as at 31 December 2025 compared to U.S.\$15.2 million as at 31 December 2024. The increase of U.S.\$32.1 million or 211.2 % was mainly attributable to the recognition of additional lease incentive assets on certain aircraft re-leased or acquired during the year and deferred arrangement fee related to the arrangement of a U.S.\$1,500 million long-term revolving credit facility.

Liabilities

Loans and borrowings

The Group's principal liabilities are its loans and borrowings which, net of debt issuance cost, amounted to U.S.\$4,607.2 million, or 87.7 % of its total liabilities, as at 31 December 2025 compared to U.S.\$3,488.6 million, or 86.4 %, as at 31 December 2024.

Accrual and other liabilities

Accrual and other liabilities are also one of the important components of the Group's liabilities, primarily comprising lessor's contribution liabilities, accruals of employee benefits and accrued finance cost.

Accrual and other liabilities amounted to U.S.\$237.0 million as at 31 December 2025 compared to U.S.\$253.1 million as at 31 December 2024, Decrease was primarily attributable to a reduction in lessor contribution balance.

COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

As at 31 December 2025, the Group had committed to purchase 78 aircraft (including 70 firm orders placed with OEMs) to be delivered between 2026 and 2033, with an aggregate commitment value of U.S.\$6.4 billion, of which U.S.\$745.3 million represented commitments for the next 12 months following 31 December 2025.

A portion of the aggregate purchase price for the purchase of aircraft is expected to be funded by incurring additional debt. The exact amount of indebtedness to be incurred will depend upon the actual purchase price of the aircraft, which can vary due to numerous factors, including inflation, and the percentage of the purchase price of the aircraft which must be financed.

AIRCRAFT LEASING COMPANY
(A SINGLE SHAREHOLDING CLOSED JOINT STOCK
COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

AIRCRAFT LEASING COMPANY

Consolidated Financial Statements

For the year ended 31 December 2025

INDEX	Pages
Independent Auditor's Report	1
Consolidated Statement of Financial Position	6
Consolidated Statement of Income and Other Comprehensive Income	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10-52



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ٥,500,000 (Five Million Five Hundred Thousand Saudi Riyals)

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INDEPENDENT AUDITOR’S REPORT
To the Shareholder of Aircraft leasing company
(A single shareholding closed joint stock company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aircraft leasing company and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement and statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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INDEPENDENT AUDITOR’S REPORT

To the Shareholder of Aircraft leasing company (continued)

(A single shareholding closed joint stock company) (continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of aircraft and maintenance intangibles</p> <p>As at 31 December 2025, the net book value of the Group’s aircraft and maintenance intangibles amounted to SAR 26.3 billion (U.S. \$ 7.0 billion), for a total assets of SAR 34.7 billion (U.S.\$ 9.3 billion)</p> <p>The carrying values of these assets are reviewed annually by management for potential indicators of impairment. For assets where such indicators exist, management performs detailed impairment reviews. Where applicable, an impairment is recognised to bring the net book value down to recoverable value which is the highest of the fair value less cost of disposal and the value in use ‘VIU’ of aircraft.</p> <p>We considered the Impairment of aircraft and maintenance intangibles to be a key audit matter for the following reasons:</p> <ul style="list-style-type: none"> • Impairment analysis requires a significant degree of judgment by management in considering external and internal factors. • the potential impairment, if exists, could have material impact to the consolidated financial position and results of operation of the Group <p>Refer to Note 3.1 to the consolidated financial statements for the accounting policy that relates to impairment of Aircraft and related balances, Note 3.23 for significant estimates and judgements and Note 4 for the disclosure of aircraft and related balances.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We assessed the design and effectiveness of the management’s process to determine whether impairment indications exist or not. • We assessed the consistency of key assumptions used by management in particular: <ul style="list-style-type: none"> • Compared assumptions used by management to external appraisers’ data, notably current market value, assumed future aircraft values and residual values at the end of the aircraft’s life and future non contracted lease rates. We also assessed the competency and independence of the external appraiser used by the management. • With the involvement of our valuation experts, we assessed other assumptions used by management to determine projected future cash flows, in particular the discount rate used in WACC and lease transition period. • We conducted sensitivity analysis on the impairment test performed by the management notably with regard to the discount rate. • We tested the mathematical accuracy of impairment assessment. • We assessed the adequacy of the relevant disclosures in the consolidated financial statements.



Shape the future
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INDEPENDENT AUDITOR'S REPORT

**To the Shareholder of Aircraft leasing company (continued)
(A single shareholding closed joint stock company) (continued)**

Other information included in The Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws or the Company's Articles of Association, and for such internal control as management 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e, the Audit Committee is responsible for overseeing the Group's financial reporting process.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Aircraft leasing company (continued)

(A single shareholding closed joint stock company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate 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 fair presentation.



INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Aircraft Leasing Company (continued)
(A single shareholding closed joint stock company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)



Riyadh: 6 Ramadhan 1447 H
23 February 2026

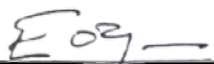
AIRCRAFT LEASING COMPANY

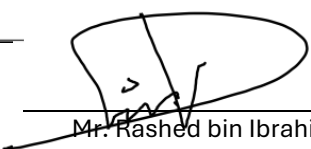
Consolidated Statement of Financial Position


As at 31 December 2025

	Notes	2025		2024	
		ﷲ'000	U.S.\$.'000*	ﷲ'000	U.S.\$.'000*
Assets					
Aircraft and related balances	4	27,343,793	7,291,678	24,758,111	6,602,163
Other property, plant and equipment	5	24,934	6,649	33,649	8,973
Goodwill	6	1,022,003	272,534	1,022,003	272,534
Other assets	8	132,045	35,212	39,555	10,548
Derivative financial instruments	17	-	-	2,040	544
Financial assets at fair value	10	177,168	47,245	132,930	35,448
Total non-current assets		28,699,943	7,653,318	25,988,288	6,930,210
Other assets	8	45,220	12,059	17,483	4,662
Trade and other receivables	11	52,590	14,024	48,985	13,063
Cash and cash equivalents	12	3,571,665	952,444	3,400,710	906,856
		3,669,475	978,527	3,467,178	924,581
Assets held for sale	7	2,338,928	623,714	509,171	135,779
Total current assets		6,008,403	1,602,241	3,976,349	1,060,360
Total assets		34,708,346	9,255,559	29,964,637	7,990,570
Equity					
Share capital	13	14,750,000	3,933,333	11,000,000	2,933,333
Payments in respect of share capital	13	-	-	3,750,000	1,000,000
Statutory reserve	13	-	-	56,108	14,962
Cash flow hedge reserve	17	(266,642)	(71,105)	(29,178)	(7,781)
Retained earnings		516,360	137,696	53,249	14,200
Total equity		14,999,718	3,999,924	14,830,179	3,954,714
Liabilities					
Loans and borrowings	14	14,953,257	3,987,535	12,418,365	3,311,564
Deferred tax liabilities	9	440,506	117,468	391,651	104,440
Maintenance reserves	15	396,728	105,794	392,576	104,687
Security deposits	16	130,994	34,932	105,499	28,133
Derivative financial instruments	17	266,642	71,105	31,218	8,325
Accruals and other liabilities	18	401,876	107,167	347,610	92,696
Deferred revenue		36,758	9,802	35,599	9,493
Total non-current liabilities		16,626,761	4,433,803	13,722,518	3,659,338
Loans and borrowings	14	2,323,736	619,663	663,960	177,056
Maintenance reserves	15	69,821	18,619	20,996	5,599
Security deposits	16	7,200	1,920	1,800	480
Accruals and other liabilities	18	487,023	129,873	601,486	160,397
Current tax liabilities		265	71	2,625	700
Zakat liabilities	19	1,200	320	2,993	798
Deferred revenue		136,035	36,276	112,939	30,117
		3,025,280	806,742	1,406,799	375,147
Liabilities related to assets held for sale	7	56,587	15,090	5,141	1,371
Total current liabilities		3,081,867	821,832	1,411,940	376,518
Total liabilities		19,708,628	5,255,635	15,134,458	4,035,856
Total equity and liabilities		34,708,346	9,255,559	29,964,637	7,990,570

*This information is converted at a fixed rate of U.S dollar 1.00 = Saudi Riyals 3.75 for convenience only.


Edward O'Byrne
Chief Executive Officer


Mr. Rashed bin Ibrahim Sharif
Vice Chairman of Board of Director


Brendan O'Neill
Chief Financial Officer

The accompanying notes 1 to 33 forms an integral part of these consolidated financial statements.

AIRCRAFT LEASING COMPANY

Consolidated Statement of Income and Other Comprehensive Income

For the year ended 31 December

	Notes	2025		2024	
		RM'000	U.S.\$.'000*	RM'000	U.S.\$.'000*
Lease revenue	20	2,347,080	625,888	2,060,306	549,415
Other income	21	142,256	37,935	30,199	8,053
Total revenue		2,489,336	663,823	2,090,505	557,468
Depreciation		(942,912)	(251,443)	(870,780)	(232,208)
Other aircraft-related costs	22	(49,984)	(13,329)	(36,469)	(9,725)
General and administrative expenses	23	(354,054)	(94,415)	(297,755)	(79,401)
Total expenses		(1,346,950)	(359,187)	(1,205,004)	(321,334)
Net operating profit / (loss)		1,142,386	304,636	885,501	236,134
Finance income	24	139,305	37,148	91,140	24,304
Finance expense	24	(824,753)	(219,934)	(755,445)	(201,452)
Net finance cost		(685,448)	(182,786)	(664,305)	(177,148)
Profit / (loss) before zakat and income tax		456,938	121,850	221,196	58,986
Zakat	19	(1,069)	(285)	(2,993)	(798)
Income tax (expense)/credit	25	(49,208)	(13,122)	10,695	2,852
Profit / (loss) for the year		406,661	108,443	228,898	61,040
Other comprehensive income / (loss)					
<i>Items that will not be reclassified to statement of income</i>					
Remeasurement gain on employees' end of service benefits	30	342	91	233	62
<i>Items that may be reclassified to statement of income</i>					
Movement in cash flow hedge reserve		(237,464)	(63,324)	249,968	66,658
Total other comprehensive income / (loss) for the year		(237,122)	(63,233)	250,201	66,720
Total comprehensive profit / (loss) for the year		169,539	45,210	479,099	127,760

*This information is converted at a fixed rate of U.S.\$. 1.00 = RM 3.75 for convenience only.

AIRCRAFT LEASING COMPANY

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

For the year ended 31 December 2025	฿,000						U.S.\$.'000*
	Share capital	Payments in respect of share capital	Statutory reserve	Cash flow hedge reserve	Retained earnings	Total	Total
Balance at 31 December 2024	11,000,000	3,750,000	56,108	(29,178)	53,249	14,830,179	3,954,714
Profit / (loss) for the year	-	-	-	-	406,661	406,661	108,443
Other comprehensive income / (loss) for the year	-	-	-	(237,464)	342	(237,122)	(63,233)
Total comprehensive profit / (loss) for the year	-	-	-	(237,464)	407,003	169,539	45,210
Conversion to share capital**	3,750,000	(3,750,000)	-	-	-	-	-
Transfer from statutory reserve (Note 13)	-	-	(56,108)	-	56,108	-	-
Balance at 31 December 2025	14,750,000	-	-	(266,642)	516,360	14,999,718	3,999,924

For the year ended 31 December 2024	฿,000					U.S.\$.'000*	
	Share capital	Payments in respect of share capital	Statutory reserve	Cash flow hedge reserve	(Accumulated losses) / Retained earnings	Total	Total
Balance at 31 December 2023	11,000,000	-	-	(279,146)	(119,774)	10,601,080	2,826,954
Profit / (loss) for the year	-	-	-	-	228,898	228,898	61,040
Other comprehensive income / (loss) for the year	-	-	-	249,968	233	250,201	66,720
Total comprehensive profit / (loss) for the year	-	-	-	249,968	229,131	479,099	127,760
Additional share capital paid (Note 13)**	-	3,750,000	-	-	-	3,750,000	1,000,000
Transfer to statutory reserve (Note 13)	-	-	56,108	-	(56,108)	-	-
Balance at 31 December 2024	11,000,000	3,750,000	56,108	(29,178)	53,249	14,830,179	3,954,714

* This information is converted at a fixed rate of U.S.\$ 1.00 = ฿ 3.75 for convenience only.

** The shareholder provided cash of ฿ 3,750,000,000 on 10 October 2024 in respect of additional share capital, but the legal formalities were under process as at 31 December 2024. This was reclassified to share capital as the legal formalities were completed during the year ended 31 December 2025 (refer to Note 13).

The accompanying notes 1 to 33 forms an integral part of these consolidated financial statements.

AIRCRAFT LEASING COMPANY

Consolidated Statement of Cash Flows

For the year ended 31 December

	Notes	2025		2024	
		RM'000	U.S.\$.'000*	RM'000	U.S.\$.'000*
Cash flows from operating activities					
Profit / (loss) before zakat and income tax		456,938	121,850	221,196	58,986
Adjustments for:					
Depreciation and amortisation		952,749	254,066	877,909	234,109
Amortisation of deferred leasing expenditure	22	5,126	1,367	3,225	860
Write-down of aircraft held for sale	22	7,781	2,075	-	-
Finance income	24	(139,305)	(37,148)	(91,140)	(24,304)
Finance expense	24	824,753	219,934	755,445	201,452
Gain sale of aircraft	21	(110,134)	(29,369)	(1,301)	(347)
Dividend income	21	(7,875)	(2,100)	(6,750)	(1,800)
Fair value gain on financial assets at fair value		(9,401)	(2,507)	(6,942)	(1,851)
		<u>1,980,632</u>	<u>528,168</u>	<u>1,751,642</u>	<u>467,105</u>
Changes in working capital:					
Trade and other receivables		1,645	439	3,647	972
Other assets		(24,095)	(6,426)	12,161	3,243
Maintenance reserves		98,423	26,246	184,750	49,267
Security deposits		36,895	9,839	(20,854)	(5,561)
Accruals and other liabilities		(54,395)	(14,506)	(27,424)	(7,313)
Deferred revenue		24,255	6,468	16,117	4,298
		<u>2,063,360</u>	<u>550,228</u>	<u>1,920,039</u>	<u>512,011</u>
Zakat and income tax paid		(5,575)	(1,486)	(8,340)	(2,224)
Net cash flows from operating activities		<u>2,057,785</u>	<u>548,742</u>	<u>1,911,699</u>	<u>509,787</u>
Cash flows from investing activities					
Acquisition of aircraft and related balances	4	(6,368,704)	(1,698,321)	(4,395,109)	(1,172,029)
Pre-delivery payments	4	(968,591)	(258,291)	-	-
Proceeds from derecognition of aircraft and related assets	4	1,985,724	529,527	89,297	23,812
Acquisition of other property plant and equipment	5	(1,133)	(302)	(14,389)	(3,837)
Dividends received		2,625	700	4,500	1,200
Investment in financial assets at fair value through OCI		(34,837)	(9,290)	-	-
Deferred leasing expenditure		(13,928)	(3,714)	(2,182)	(582)
Finance income received		140,130	37,368	87,285	23,276
Net cash flows from investing activities		<u>(5,258,714)</u>	<u>(1,402,323)</u>	<u>(4,230,598)</u>	<u>(1,128,160)</u>
Cash flows from financing activities					
Proceeds from payments in respect of share capital		-	-	3,750,000	1,000,000
Proceeds from loans and borrowings		5,025,000	1,340,000	10,725,000	2,860,000
Repayment of loans and borrowings		(825,000)	(220,000)	(9,431,250)	(2,515,000)
Finance cost paid including debt issuance cost		(828,116)	(220,831)	(622,088)	(165,890)
Net cash flows from financing activities		<u>3,371,884</u>	<u>899,169</u>	<u>4,421,662</u>	<u>1,179,110</u>
Net increase/(decrease) in cash and cash equivalents		<u>170,955</u>	<u>45,588</u>	<u>2,102,763</u>	<u>560,737</u>
Cash and cash equivalents at the beginning of the year		<u>3,400,710</u>	<u>906,856</u>	<u>1,297,947</u>	<u>346,119</u>
Cash and cash equivalents at the end of the year		<u>3,571,665</u>	<u>952,444</u>	<u>3,400,710</u>	<u>906,856</u>

Significant non-cash transactions mainly include conversion of the payments in respect of share capital to share capital (Note 13).

*This information is converted at a fixed rate of U.S.\$ 1.00 = RM 3.75 for convenience only.

The accompanying notes 1 to 33 forms an integral part of these consolidated financial statements.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. Corporate and group information

1.1 Corporate information

Aircraft Leasing Company ('ALC' or 'the Company') is a single shareholding closed joint stock company formed under the laws of the Kingdom of Saudi Arabia issued by Royal Decree No. (M/3) dated 28/01/1437H, its amendments and its implementing regulations and registered under the commercial register under No. 1010789633 on Sha'ban 17 1443 H (corresponding to March 20, 2022 G) with a unified identification No. 7028354418. The Company is wholly owned by the Public Investment Fund ('PIF' or 'the Ultimate Parent Company').

The Company's office is registered at King Abdullah Financial District, Building 1.17, AlAqiq District, P.O. Box 7213, Riyadh 13519, the Kingdom of Saudi Arabia.

The core activities of the Company and its subsidiaries (collectively referred to as 'the Group') comprise of aircraft leasing and aircraft lease management services provided on behalf of third parties.

1.2 Overview of fleet activities

The Group's fleet activities for the year ended 31 December 2025 are summarized below:

- The Group owned 177 aircraft and managed 25 aircraft as at 31 December 2025 (31 December 2024: owned 163 aircraft and managed 22 aircraft).
- Purchases and Disposals – the Group purchased 29 aircraft and sold 15 aircraft during the year ended 31 December 2025 (2024: the Group purchased 19 aircraft and sold 1 aircraft).
- The Group has committed to acquire 8 additional aircraft under multiple purchase agreements worth of approximately U.S.\$ 638 million, with deliveries scheduled to take place throughout 2026. Including these commitments, the Group's fleet is expected to comprise 184 owned and 25 managed aircraft upon completion of the scheduled deliveries.
- As part of its fleet expansion strategy, in 2nd quarter of 2025, the Group has entered into purchase agreements with Airbus S.A.S. and The Boeing Company for the acquisition of a total of 107 aircraft comprising firm orders for 70 aircraft and options for a further 37 aircraft. These agreements were signed to secure future deliveries of multiple aircraft types, consistent with the Group's long-term fleet planning and customer requirements. The aircraft are scheduled to be delivered over a multi-year period, with delivery dates ranging from 2029 to 2033.

1.3 Group information

Subsidiaries

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the 'Group') which are listed below. The Company directly holds 100% ownership in Air Structured Holding Company ('ASHC'), AviLease Holding Company ('AHC') and AviLease Capital Limited ('ACL'), and indirectly holds 100% ownership in all other subsidiaries through ASHC and AHC.

Company	Registered address	Nature of business	Value per Share	No. of Shares held
AviLease Capital Limited	Six Cricket Square, PO Box 1344, Grand Cayman KY1-1108, Cayman Islands	Financing Entity	U.S.\$ 1.0	1
Avilease Holding Company	Financial Boulevard 3229, Al Aqiq District, Tadawul Tower, Riyadh, 13519, Saudi Arabia	Holding Company	ﷲ 10.00	3,750
Avi1 Company		Aircraft Leasing	ﷲ 37.5	1,000
Air Structured Holding Company	Atra'idah Digital City, Build. MU04, Al Nakhil Dist., Riyadh, Saudi Arabia	Holding company	ﷲ 10.00	3,750
AviLease Asia Pte. Ltd.	6 Raffles Quay, #14-07, Singapore 048580	Aircraft management services	SGD 1.00	1

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. Corporate and group information (continued)

1.3 Group information (continued)

Company	Registered address	Nature of business	Value per Share	No. of Shares held
Avilease SC 1 Limited	Suite 5B201, 2 nd Floor, Once Nexus Way, Camana Bay, Grand Cayman KY1-1108, Cayman Islands	Holding Company	U.S.\$ 1.0	1
Avilease Beacon 4 Limited	4 th Floor 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland	Holding Company	U.S.\$ 1.00	1
AviLease Aviation Ireland Limited	4 th Floor 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland	Holding company	U.S.\$ 1.00	1
AviLease Aviation Management US LLC	651 N. Broad Street, Middletown, Delaware 19709	Aircraft management services	U.S.\$ 1.00	100
Pembroke Capital Limited	32 Molesworth Street, Dublin 2, D02 Y512, Ireland	Holding company and provision of aircraft management services	U.S.\$ 1.00 and EUR 1.25	320,000 and 2 respectively
AviLease Aviation Management Ireland Limited**	4 th Floor 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland	Aircraft management services	U.S.\$ 1.00	100
AviLease Finance 1 Ireland DAC		Aircraft leasing and financing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing Holdings Limited		Holding Company	U.S.\$ 1.00	10,000
Dune Aviation 1 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 2 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 3 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 4 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 5 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 6 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 7 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 8 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 9 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 10 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 11 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 12 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 13 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 14 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 15 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation 16 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing 1 Limited		32 Molesworth Street, Dublin 2, D02 Y512, Ireland	Aircraft ownership and leasing	EUR 1.00
Pembroke Aircraft Leasing 2 Limited	Aircraft ownership and leasing		EUR 1.00	2
Pembroke Aircraft Leasing 3 Limited	Aircraft ownership and leasing		U.S.\$ 1.00	100
Pembroke Aircraft Leasing 4 Limited	Aircraft ownership and leasing		U.S.\$ 1.00	100
Pembroke Aircraft Leasing 5 Limited	Aircraft ownership and leasing		U.S.\$ 1.00	100
Pembroke Aircraft Leasing 6 Limited	Aircraft ownership and leasing		U.S.\$ 1.00	100
Pembroke Aircraft Leasing 7 Limited	Aircraft ownership and leasing		U.S.\$ 1.00	100
Pembroke Aircraft Leasing 8 Limited	Aircraft ownership and leasing		U.S.\$ 1.00	100
Pembroke Aircraft Leasing 9 Limited	Aircraft ownership and leasing		U.S.\$ 1.00	100

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. Corporate and group information (continued)

1.3 Group information (continued)

Company	Registered address	Nature of business	Value per Share	No. of Shares held
Pembroke Aircraft Leasing 10 Limited	32 Molesworth Street, Dublin 2, D02 Y512, Ireland	Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing 11 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing 12 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing 13 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing 14 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing 15 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing 16 Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Inishbrophy Leasing Limited		Aircraft ownership and leasing	EUR 1.00	2
Inishcannon Leasing Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Inishcrean Leasing Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Inishdawson Leasing Limited		Aircraft ownership and leasing	EUR 1.00	2
Inisherkin Leasing Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Inishoo Leasing Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Nightjar Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Skua Limited		Aircraft ownership and leasing	U.S.\$ 1.00	100
Pembroke Aircraft Leasing (UK) Limited	2nd Floor, 20-22 Bedford Row, London, England, WC1R 4EB	Aircraft ownership and leasing	STG 1.00	1
Dune Aviation US 1 LLC	651 N. Broad Street, Middletown, Delaware 19709	Aircraft ownership and leasing	U.S.\$ 1.00	100
Avilease Aircraft leasing Sweden 1 AB	c/o Scandinavian Trust AB Birger Jarlsgatan 12 114 34 Stockholm	Aircraft Leasing	SEK 25.00	1,000
AviLease Beacon 3 Limited	4 th Floor 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland	Holding Company	U.S.\$ 1.00	1
Pembroke Aircraft Leasing (Tianjin) Limited	Room 202, Office Area of Inspection Warehouse No. 6262	Aircraft leasing	Limited Liability Company	U.S.\$. 50,000***
Pembroke Aircraft Leasing Tianjin 1 Limited	Aozhou Road, Dongjiang Free Trade	Aircraft leasing	U.S.\$ 1.00	RMB 100,000***
Pembroke Aircraft Leasing Tianjin 2 Limited	Port Zone, Tianjin Pilot Free Trade Zone	Aircraft leasing	U.S.\$ 1.00	RMB 100,000***
Pembroke Group Limited*	33-37 Athol Street, Douglas, IM1 1LB, Isle of Man	Holding company	U.S.\$ 0.01	419,900
AviLease Finance 2 Ireland Limited*	4 th Floor 35 Shelbourne Road, Ballsbridge, Dublin 4, Ireland	Aircraft leasing and financing	U.S.\$ 1.00	1
AviLease Beacon 1 Limited*		Holding Company	U.S.\$ 1.00	1
AviLease Beacon 2 Limited*		Holding Company	U.S.\$ 1.00	1
Dune Aviation US 2 LLC*	651 N. Broad Street, Middletown, Delaware 19709	Aircraft ownership and leasing	U.S.\$ 1.00	100
Dune Aviation US 3 LLC*		Aircraft ownership and leasing	U.S.\$ 1.00	100

* Liquidated or under liquidation process during the year with no significant impact on the Group's consolidated financial statements.

** The company has merged with Pembroke Capital Limited during the year.

*** This represents the invested capital as of 31 December 2025, as there are no shares in the companies since they are limited liability entities.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) ('IFRS') endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ('SOCPA') ('IFRS endorsed in the Kingdom').

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Basis of measurement

These consolidated financial statements of the Group have been prepared on a historical cost basis modified for the valuation of employees' long-term benefits which are stated at the present value of the obligation and certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The functional currency of the Company and its subsidiaries is the United States Dollar ("U.S.\$."). The presentation currency of the consolidated financial statements is Saudi Riyals (ﷲ). However, the financial information in these financial statements have also been presented in U.S.\$ for convenience purposes. This information is converted at a fixed rate of U.S.\$ 1.00 = ﷲ 3.75.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of ALC and its subsidiaries. Subsidiaries are entities directly or indirectly controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. In support of this assumption, when the Group has less than a majority of the voting rights or similar rights in the investee, the Group takes into consideration all relevant facts and circumstances when determining whether it exercises control over the investee, including:

- contractual arrangement(s) with other voting rights holders in the investee entity
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control mentioned above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired (or disposed of) during the year are included (or derecognized) in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Basis of preparation (continued)

2.3 Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holder of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the identifiable assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Goodwill is initially measured at an amount equals to the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income and other comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the consolidated statement of income and other comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in the consolidated statement of income and other comprehensive income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the consolidated statement of income and other comprehensive income.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2 Basis of preparation (continued)

2.4 Changes in accounting policies and disclosures

(a) New standards, interpretations and amendments adopted by the Group

The below mentioned amendments became effective from 1 January 2025 and have been adopted by the Group. These amendments have been reflected in these consolidated financial statements where applicable and have not had a material impact on the Group.

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);

(b) Accounting standards and amendments issued but not yet effective

The International Accounting Standards Board (IASB) has issued the following accounting standards, amendments, which are effective for the periods commencing on or after 1 January 2026. The Group did not opt for early adoption of these pronouncements.

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective date deferred indefinitely);
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Effective January 1, 2026);
- Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependency Electricity (Effective January 1, 2026); and
- Annual improvements to IFRS – Volume 11 (Effective January 1, 2026).

Except for IFRS 18 for which the Group is currently assessing the impact of the amendments on the primary consolidated financial statements and related notes, the Group does not expect the adoption of the above accounting standards and amendments to have a material impact on the consolidated financial statements.

3 Summary of material accounting policies

Material accounting policies applied in the preparation of these consolidated financial statements are set out below.

3.1 Aircraft and related balances

Aircraft are stated at cost less accumulated depreciation and impairment charges, if applicable. Cost comprises purchase price or, in the case of new equipment, the invoiced cost net of manufacturers' discounts, but inclusive of applicable capitalized interest and other related costs. Depreciation is calculated on a straight-line basis over the estimated useful life of the aircraft to estimated realizable values.

Aircraft are depreciated over a maximum useful life of 25 years from the date of manufacture. Residual values are calculated as 15% of estimated industry cost. Management reviews residual value and useful life annually.

A charge is raised to reduce the carrying value of specific assets to the recoverable amount where impairment is considered to have occurred. Where the recoverable amount is greater than the carrying value, no adjustment is made. The recoverable amount is the higher of the fair value less cost of disposal and the value in use. Fair value less cost of disposal is the amount at which an asset could be disposed of less any incremental cost of selling the asset, and value in use is the present value of future cash flows obtainable as a result of the continued use of assets, including those resulting from an ultimate disposal.

Impairment analysis requires a series of assumptions to be applied. The Group prepares value-in-use calculations based on estimated future cash flows and discounts them at an appropriate rate. These assumptions require subjectivity and are based on management best estimates at year end. Valuations are obtained from independent aircraft appraisers to benchmark the carrying value of aircraft.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.1 Aircraft and related balances (continued)

Maintenance intangibles

At the time of acquisition of aircraft with an in-place lease, the Group identifies, measures and accounts for maintenance intangible assets and liabilities associated with its acquisition. A maintenance intangible asset represents the fair value of the Group's contractual right under a lease to receive aircraft in an improved maintenance condition at lease expiry as compared to the maintenance condition on the acquisition date. A maintenance intangible liability represents the Group's obligation to pay the lessee for the difference between the contractual maintenance condition of the aircraft at lease expiry and the actual maintenance condition of the aircraft on the acquisition date.

Maintenance intangibles are not subject to depreciation but are subject to impairment review on a periodic basis. The Group's aircraft are typically subject to triple-net leases pursuant to which the lessee is responsible for maintenance, which is accomplished through (i) end of lease return conditions ('EOL leases') or (ii) periodic maintenance payments ('MR leases').

EOL leases

At lease expiry, maintenance intangibles are released and offset against end of lease ('EOL') compensation. Any difference in maintenance intangibles and EOL compensation is either capitalized to aircraft cost or charged to the consolidated statement of income and other comprehensive income as appropriate.

Cash MR leases

When major maintenance events occur and the Group has reimbursed the lessee for the performance of qualifying major maintenance, a portion of the maintenance intangible asset may be capitalized to aircraft to the extent improvement in the condition of the aircraft is substantiated and meets the Group's capitalization policy. At lease expiry, maintenance intangibles are offset with the associated maintenance reserves liabilities and any excess is recorded as supplementary rental income.

Lease premiums / discounts

Lease premium / lease discounts represent the value at the date of acquisition of contracted leases where the contractual rental payments are above or below market lease rentals. A lease premium is recognized when it is determined that the acquired lease's terms are above market value; lease discounts are recognized when it is determined that the acquired lease's terms are below fair market value. Lease premiums / discounts are amortized on a straight-line basis over the term of the related lease and recorded as an adjustment in lease rental income.

Aircraft pre-delivery payments

Aircraft pre-delivery payments represent progress payments made towards the purchase of aircraft from various aircraft manufacturers and related capitalized borrowing costs, if any. Such amounts are transferred to aircraft balance upon delivery of aircraft.

3.2 Other property, plant and equipment

Leased premises

In accordance with IFRS 16, the Group assesses whether a contract is a lease in scope of this policy by determining whether the contract gives it the right to use a specified underlying physical asset for a lease term greater than 12 months.

Where the Group is a lessee and the lease is deemed in scope, it recognizes a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable in the economic environment of the lease. The liability is recognized in 'Accruals and other liabilities'. A corresponding right-of-use asset equal to the liability, adjusted for any lease payments made at or before the commencement date, is recognized in 'Other property, plant and equipment'. The lease term includes any extension options contained in the contract that the Group is reasonably certain it will exercise.

The Group subsequently depreciates the right-of-use asset using the straight-line method over the lease term and measures the lease liability using the effective interest method. Depreciation is recognized on the asset and interest expense is recognized on the lease liability.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.2 Other property, plant and equipment (continued)

Leased premises (continued)

The judgements in determining lease balances are the determination of whether the Group is reasonably certain that it will exercise extension options present in lease contracts and the determination of incremental borrowing rates in the respective economic environments.

Other property, plant and equipment

Other property, plant and equipment is stated at cost less accumulated depreciation. The charge for depreciation is calculated on a straight-line basis to write down the cost less the expected residual value of the assets over their expected useful lives as given below:

Asset class	Depreciation period
Office furniture and equipment	5 years
Computer equipment	3 Years
Leasehold improvements	Contractual Lease Term

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

3.3 Asset held for sale

In accordance with IFRS 5 non-current assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell, except for certain items that continue to be measured in accordance with usual accounting policies. These include financial assets, deferred tax assets and employee benefit assets (where applicable).

When liabilities directly associated with assets held for sale will be transferred in the transaction, they are presented separately from other liabilities, within the liabilities held for sale category, in the consolidated statement of financial position.

Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized through the consolidated statement of income and other comprehensive income. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held for sale, aircraft and related balances, intangible assets and property, plant and equipment are no longer amortized or depreciated.

3.4 Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets at the date of acquisition.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash generating units or a group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. An impairment loss is recognized when the carrying value of the cash generating units or a group of cash generating units exceeds its recoverable amount. Impairment losses on goodwill are not reversed.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.5 Financial instruments

Initial recognition and subsequent measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

The following table shows the measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities.

Financial assets	Classification
Financial assets at fair value	FVOCI / FVTPL
Other assets	Amortized cost
Derivative financial assets	FVOCI / FVPTL
Trade and other receivables	Amortized cost
Cash and cash equivalents	Amortized cost
Financial liabilities	
Loans and borrowings	Amortized cost
Maintenance reserves	Amortized cost
Security deposits	Amortized cost
Derivative financial liabilities	FVOCI / FVPTL
Accrual and liabilities (excluding employee's benefits under IAS 19)	Amortized cost

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

Financial assets measured at amortized cost

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

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement income and other comprehensive income.

Financial assets measured at FVOCI

Debt instruments

Debt instruments may be classified as at FVOCI, where the contractual cash flows are solely payments of principal and interest on the outstanding principal, and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling the underlying financial assets.

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method ('EIR'), foreign exchange gains and losses and impairment (including reversals) are recognized in the consolidated statement of income and other comprehensive income. Other net gains and losses are recognized in the consolidated statement income and other comprehensive income.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.5 Financial instruments (continued)

Financial assets (continued)

Financial assets measured at FVOCI (continued)

Equity instruments

In case of equity instruments which are not held for trading or designated as FVTPL, the Group may irrevocably elect to recognize subsequent changes in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Foreign exchange gains or losses are recognized in the consolidated statement of income and other comprehensive income. Dividends are also recognized as income in the consolidated statement of income and other comprehensive income unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in the consolidated statement of income and other comprehensive income.

Financial assets measured at FVTPL

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of income and other comprehensive income.

Financial liabilities

Financial liabilities other than derivatives financial instruments, are classified and measured at amortized cost or FVTPL. Financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of income and other comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income and other comprehensive income.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities, at initial recognition, may be designated at FVTPL if the following criteria are met:

1. the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognizing gains or losses on them on a different basis;
2. the liabilities which are managed, and their performance is evaluated on fair value basis; or
3. the financial liability contains an embedded derivative that would otherwise need to be separately recorded.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of income and other comprehensive income. Adjustments due to own credit risk are recognized in other comprehensive income.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.5 Financial instruments (continued)

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

1. the rights to receive cash flows from the asset have expired; or
2. the Group retains the right to receive cash flows from the asset, but assumes an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
3. the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has not retained the control of the asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the relevant accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group’s trading activity.

Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition (fair value), less principal repayments, plus the cumulative interest income/expense recognised using the effective interest method and less any reduction for impairment.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.5 Financial instruments (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b. Level 2 — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- c. Level 3 — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Identification and measurement of impairment

The Group considers an allowance for expected credit losses ('ECLs') for financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements, if any, that are integral to the contractual terms.

ECLs are recognized in two stages.

1. For credit loss exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).
2. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date, taking into account credit enhancements held.

The Group considers a financial asset to be in default when contractual payments are over 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts not covered by any credit enhancements held by the Group. A financial asset may be written off when it is considered that there is no reasonable expectation of recovering the amount outstanding.

Write-off

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

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.6 Trade and other receivables

Trade and other receivables are recognized initially at fair value and are subsequently carried at amortized cost using the effective interest method, less the loss allowance determined applying the expected credit losses model.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables (Refer Note 3.5)

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the placement date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

Restricted cash includes amounts received in relation to security deposits, maintenance deposits and rental accounts over which restrictions have been placed by financiers.

3.8 Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of income and other comprehensive income over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are capitalized as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalization of borrowing costs commences when the activities to prepare the asset for its intended use are in progress, and the expenditure of the asset and borrowing costs are incurred. Borrowing costs are capitalized until the assets are substantially completed for their intended use. The Group borrows to finance certain aircraft pre-delivery payments for aircraft under construction. The interest incurred on borrowings directly attributable to the acquisition of the aircraft under construction is capitalized and presented as part of aircraft pre-delivery payments. Capitalization of interest is suspended during the extended periods in which active development of a qualifying asset is suspended and ceases when the aircraft is delivered. All other borrowing costs are expensed in the period they occur.

Debt issue costs

Debt issue costs are costs incurred in connection with obtaining financing. These costs comprise primarily front-end fees, agency fees and other arrangement fee. On initial recognition of a financial liability, debt issue costs that are directly attributable to the acquisition of the financial liability are included in the initial measurement of that liability. These costs are amortized over the related life of the debt using the effective interest method and written off upon prepayment of the financial liability, except for those debt issue costs relating to credit facilities which remain available for re-drawing after prepayment.

3.9 Maintenance reserves and lessor contributions

Maintenance reserves

In many aircraft operating lease contracts, the lessee has the obligation to make periodic payments which are calculated with reference to the utilization of airframes, engines and other major life-limited components during the lease. In most lease contracts, upon presentation by the lessee of invoices evidencing the completion of qualifying work on the aircraft, the Group reimburses the lessee for the work, up to a maximum of the advances received with respect to such work.

The Group records such amounts as maintenance reserves. Maintenance reserves expected to be utilized within one year are classified as current liabilities. Where the Group has reliable information that maintenance reserves collected will not require reimbursement to the lessee, these amounts may be recognized as supplemental lease revenue. Any amounts not already recognized as lease revenue and not refunded during the lease are recorded as lease revenue at lease termination.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.9 Maintenance reserves and lessor contributions (continued)

Lessor contributions and lease incentive assets

At the beginning of each new lease, accruals for lessor contributions representing net contractual obligations on the part of the Group to contribute to the lessee's cost of the next planned major maintenance event, expected to occur during the lease, or lessor reimbursements to lessees for capital expenditure on the aircraft, are established.

The Group regularly reviews the level of lessor contributions to cover its contractual obligations under current lease contracts and makes adjustments if necessary.

Lessor contributions represent a lease incentive. Lease incentives are measured initially at the amount of the estimated contractual lessor contribution to the lessee or the amount due for capital expenditure on the aircraft. Lease incentives are recorded as a charge to the consolidated statement of income and other comprehensive income over the life of the associated lease.

When aircraft are sold the portion of the maintenance reserves, lessor contribution and lease incentives not specifically assigned to the buyer is derecognized from the consolidated statement of financial position and released to the consolidated statement of income and other comprehensive income.

3.10 Security deposits

Security deposits represent cash received from the lessee as security in accordance with the lease agreement. The deposits are repayable to the lessees on the expiration/termination of the lease agreements subject to satisfactory compliance of the lease agreement by the lessee.

3.11 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, child education allowance and, furniture allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long-term obligations

1. Long Term Incentive Plan

Liabilities for the long term incentive plan are recognized as employee benefit expenses over the relevant service period. The liabilities are presented as employee benefit obligations in the consolidated statement of financial position.

2. Employees' post-employment benefits

Provision is made for the end of service benefits for employees in accordance with the Saudi Labor Law for their period of service with the Company. The provision relating to end of service benefits is disclosed as a non-current liability and the is calculated by an independent actuary using the Projected Unit Credit Cost method as per IAS 19 'Employee Benefits'. The present value of the defined benefit obligations is unfunded and calculated using assumptions on the average annual rate of increase in salaries, average period of employment and an appropriate discount rate.

Post-employment benefit costs are categorized as follows:

Service cost

Service costs, which include current service cost and past service cost, are recognized immediately in the consolidated statement of income and other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of income and other comprehensive income as past service costs.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

311 Employee benefits (continued)

Interest cost

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in the employee benefits expense in the consolidated statement of income and other comprehensive income.

Re-measurement gains or losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of other comprehensive income.

3.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost.

3.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability

3.14 Commitments and contingent liabilities

The Group discloses the amount of contractual commitments to purchase property, plant and equipment at the financial year end and any contingent liabilities that require disclosure.

3.15 Revenue

Lease revenue

The Group, as a lessor, leases aircraft principally under operating leases and records rental income on a straight-line basis over the life of the lease as it is earned unless another systematic basis is more appropriate. Most of the Group's lease contracts require payment in advance. All lease rentals received but unearned under the lease agreements are recorded as deferred revenue in the consolidated statement of financial position.

Under certain circumstances the Group may grant payment concessions to customers in the form of the deferral of lease payments. Lease deferrals are accounted for as accrued income and are recognized in the consolidated statement of financial position where rental income has been booked on a straight-line basis but the related rentals have not yet been billed to, or fall due from, the lessee.

In certain contracts, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear expected) as when accepted under the lease. To the extent that the aircraft components are re-delivered in a different condition than at acceptance, there is normally an end of lease compensation adjustment for the difference at re-delivery. Amounts received as part of these re-delivery adjustments are recorded under lease revenue at lease termination. Lease termination payments are included in lease revenue.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.15 Revenue (continued)

Other income

Proceeds from the sale of aircraft is measured at the fair value of the consideration received or receivable.

Fees and commissions in relation to lease origination and management services are recognized as other income on completion of the related service.

Dividend income arising from investments held at fair value is recognized in the consolidated statement of income and other comprehensive income once the entitlement to receive the dividend is established, following declaration by the investee company.

3.16 Finance income and expense

Finance income may comprise interest income on funds invested and interest earned on late lessee payments that are recognized in the consolidated statement of income and other comprehensive income.

Finance expense may comprise interest expense on borrowings, amortization of debt issue cost and interest expenses on lease liabilities and employee benefits that are recognized in the consolidated statement of income and other comprehensive income. All finance expenses are recognized in the consolidated statement of income and other comprehensive income using the effective interest rate method.

Deferred costs

Expenditure incurred which represents initial expenditure directly attributable to aircraft lease and other aircraft management related agreements, to the extent that such expenditure is recoverable, is deferred and amortized to the consolidated statement of income and other comprehensive income on a straight-line basis over the term of the related agreement.

3.17 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessor

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

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease.

Operating lease

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is more appropriate. Initial direct costs incurred in negotiating and arranging an operating lease are deferred and amortized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.17 Leases (continued)

Finance lease

When assets are held subject to a finance lease, the amount due from a lessee, where the entire cost of the asset is recovered, is shown in the consolidated statement of financial position at the net amount receivable under this lease, net of provisions. The related finance revenue is recognized as income over the period of the lease in proportion to the amounts outstanding.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Group as lessee

The Group recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the Group's incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the principal and finance cost. The finance cost is charged to the consolidated statement of income and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. For short-term leases, or where the underlying asset is of low value, lease payments are recognized as an expense on a straight-line basis over the lease term or on another systematic basis if more appropriate.

3.18 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the consolidated statement of income and other comprehensive income.

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

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

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.18 Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

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

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the consolidated statement of income and other comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of income and other comprehensive income.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through the consolidated statement of income and other comprehensive income over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in the consolidated statement of income and other comprehensive income.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in consolidated statement of income and other comprehensive income.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI, while any ineffective portion is recognized immediately in the consolidated statement of income and other comprehensive income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the consolidated statement of income and other comprehensive income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect consolidated statement of income and other comprehensive income.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to consolidated statement of income and other comprehensive income as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.19 Taxation

Zakat

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ('ZATCA') as applicable in the Kingdom of Saudi Arabia.

The ultimate parent company (PIF) has obtained specific exemption from the ZATCA in this regard i.e., wholly owned companies which hold all the direct investments outside the Kingdom of Saudi Arabia are exempted from Zakat.

Although exempted subsidiaries are not subject to Zakat, the requirement to submit their Zakat return to ZATCA annually continues to remain effective.

Corporation tax

The Company is not subject to corporate tax in accordance with the regulation of ZATCA as applicable in the Kingdom of Saudi Arabia. However, subsidiaries incorporated outside KSA are subject to income tax as per tax laws applicable in respective jurisdictions.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary difference arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as at the consolidated statement of financial position date and that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognized as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of income and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Withholding tax

The Group withholds taxes on certain transactions with non-resident parties in the KSA, including dividend payments to the non-resident shareholders, as required under Saudi Arabian Income Tax Law.

Value added tax ('VAT')

Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included, the net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.20 Functional and presentation currency

The functional currency of the Company and its subsidiaries is the United States Dollar ('U.S.\$').

The consolidated financial statements are presented in Saudi Arabian Riyal ('ﷲ'). The financial position and results of the operations of the Company and subsidiaries that have a functional currency which is different from the presentation currency are translated at reporting date exchange rates and the average exchange rates that approximate the cumulative effect of rates prevailing at the transaction dates, respectively. All resulting exchange differences are recognized through other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that foreign operation is recognized in the consolidated statement of income and other comprehensive income.

Translations from ﷲ to U.S.\$, presented as supplementary information in the consolidated statement of financial position, consolidated statement of income and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows are for convenience and are calculated at the rate of U.S.\$ 1.00 = ﷲ 3.75 representing the exchange rate at the consolidated statement of financial position dates.

All financial information presented in ﷲ and U.S.\$, has been rounded to the nearest thousand.

3.21 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the consolidated statement of income and other comprehensive income. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, or financial year-end exchange rates if held at fair value, and the resulting foreign exchange gains and losses are recognized in the consolidated statement of income and other comprehensive income statement of changes in equity depending on the treatment of the gain or loss on the asset or liability.

3.22 Current vs non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 Summary of material accounting policies (continued)

3.23 Significant estimates and judgements

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions about the effects of uncertain future events on those assets and liabilities at the consolidated statement of financial position date. The estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This excludes uncertainty over future events and judgements in respect of measuring financial instruments. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty, are set out in the related notes.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the financial year in which the estimate is revised and any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is set out in the following notes:

- Aircraft and related balances – useful life, residual value and impairment – Note 3.1
- Assets held for sale – Note 3.3
- Goodwill – Note 3.4
- Lease classification determination – Note 3.17
- Derivative financial instruments and hedge accounting – Note 3.18
- Recoverability of deferred tax assets – Note 3.19

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 Aircraft and related balances

	Aircraft	Aircraft pre- delivery payments	Maintenance intangibles	Lease Premium/ (discount)	Total	Total
	£'000	£'000	£'000	£'000	£'000	U.S.\$'000
Cost						
At 31 December 2023	20,364,507	-	1,679,798	68,471	22,112,776	5,896,740
Additions	3,996,713	-	363,465	34,931	4,395,109	1,172,029
Disposals / releases	(65,486)	-	(80,411)	-	(145,897)	(38,906)
Transfers to held for sale (Note 7)	(535,470)	-	-	-	(535,470)	(142,792)
At 31 December 2024	23,760,264	-	1,962,852	103,402	25,826,518	6,887,071
Additions*	5,830,256	974,400	580,193	(18,435)	7,366,414	1,964,377
Maintenance intangible transfers to aircraft	119,783	-	(119,783)	-	-	-
Disposals / releases	(1,329,499)	-	(260,205)	-	(1,589,704)	(423,921)
Transfers to held for sale	(2,560,144)	-	-	-	(2,560,144)	(682,705)
At 31 December 2025	25,820,660	974,400	2,163,057	84,967	29,043,084	7,744,822
Accumulated depreciation and amortisation						
At 31 December 2023	224,372	-	-	2,726	227,098	60,560
Depreciation / amortisation charge	861,271	-	-	7,129	868,400	231,573
Disposals / releases	(792)	-	-	-	(792)	(212)
Transfers to held for sale	(26,299)	-	-	-	(26,299)	(7,013)
At 31 December 2024	1,058,552	-	-	9,855	1,068,407	284,908
Depreciation / amortisation charge	933,064	-	-	9,837	942,901	251,440
Disposals / releases	(98,582)	-	-	-	(98,582)	(26,288)
Transfers to held for sale	(213,435)	-	-	-	(213,435)	(56,916)
At 31 December 2025	1,679,599	-	-	19,692	1,699,291	453,144
Carrying amount						
At 31 December 2024	22,701,712	-	1,962,852	93,547	24,758,111	6,602,163
At 31 December 2025	24,141,061	974,400	2,163,057	65,275	27,343,793	7,291,678

Aircraft pre-delivery payments ('PDPs') represent advance payments made to aircraft manufacturers, including Airbus S.A.S. and The Boeing Company, in connection with committed future aircraft purchases under purchase agreements signed during the current year (Note 31). PDPs are not subject to depreciation as they do not represent aircraft placed into service.

The PDPs were assessed as qualifying assets, accordingly, certain finance expenses were eligible for capitalisation. As at 31 December 2025, the Group capitalised finance expense amounting to U.S.\$ 1.5 million (£ 5.8 million) (2024: nil) as part of additions to aircraft pre-delivery payment. The weighted average interest rate of the general borrowings used for capitalisation of finance expense was determined to be 5.1% per annum.

Disposals represent the derecognition of aircraft in accordance with IFRS, comprising of aircraft that were classified as held for sale and sold during the year.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 Aircraft and related balances (continued)

Impairment of aircraft and related balances

The Group evaluates aircraft and related balances for impairment where circumstances indicate and at each reporting date where there is an indication that an asset may be impaired. Where an impairment indicator exists, the Group assesses whether the aircraft and related balances are subject to an impairment charge. The impairment charge is measured as the excess of the carrying amount of the impaired asset over its recoverable amount.

The most recent annual impairment assessment was performed as at 31 August 2025, and management reassessed whether any indicators of impairment arose between that date and 31 December 2025 and concluded that none has arisen.

Based on the Group's analysis, no impairment charge was recognised for the year ended 31 December 2025 (for the year ended 31 December 2024: nil). The key assumptions and judgments associated with the Group's review of impairment are:

1. Current market values of aircraft based on independent appraiser data.
2. Assumed future aircraft values and residual values at the end of the aircraft's life based on independent appraiser data and management estimates (where appropriate);
3. Management estimates relating to lease transition periods and related costs.
4. Management's assumed future non contracted lease rates assessed against appraiser rates for each aircraft; and
5. The discount rate applied to forecast cash flows based on the Group's WACC of 5.9% (31 December 2024: 6.0%).

A sensitivity analysis was carried out to determine the potential impact of the below movements in the various risk variables:

- 50 basis points increase/decrease in the discount rate to determine the Group's WACC.
- 5% increase/decrease in the current market values of aircraft.
- 5% increase/decrease in the future non contracted rental income of each aircraft; and
- 5% increase/decrease in the residual value of aircraft at end of its useful life.

None of the above movements in risk variables would have led to a material impact on the impairment charge for the year ended 31 December 2025 (for the year ended 31 December 2024: nil).

Refer to the table below for the reconciliation of net cash flows from investing activities:

	2025		2024	
	£'000	U.S.\$.'000	£'000	U.S.\$.'000
Additions to aircraft and related balances	(7,366,414)	(1,964,377)	(4,395,109)	(1,172,029)
Non-cash adjustments				
Accruals and other liabilities	23,310	6,216	-	-
Finance expense capitalised	5,809	1,549	-	-
Net cash outflows presented in cash flow statement*	(7,337,295)	(1,956,612)	(4,395,109)	(1,172,029)
	2025		2024	
	£'000	U.S.\$.'000	£'000	U.S.\$.'000
Proceeds from derecognition of aircraft and related assets				
Gross proceeds including lessor contribution	2,110,427	562,781	146,406	39,041
Release of lessor contribution	(13,418)	(3,578)	(12,109)	(3,229)
Adjustment against lessor contribution	(111,285)	(29,676)	-	-
Other adjustments	-	-	(45,000)	(12,000)
Net proceeds presented in cash flow statement	1,985,724	529,527	89,297	23,812

*This includes cash outflows for acquisition of aircraft and related balances and aircraft pre-delivery payments.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 Other property, plant and equipment

	Leased premises (Right-of-use assets)	Other*	Total	Total
	£'000	£'000	£'000	U.S.\$.'000
Cost				
At 31 December 2023	28,617	2,775	31,392	8,371
Additions	-	14,389	14,389	3,837
At 31 December 2024	28,617	17,164	45,781	12,208
Additions	-	1,133	1,133	302
At 31 December 2025	28,617	18,297	46,914	12,510
Accumulated depreciation				
At 31 December 2023	2,445	178	2,623	699
Depreciation	5,793	3,716	9,509	2,536
At 31 December 2024	8,238	3,894	12,132	3,235
Depreciation	5,798	4,050	9,848	2,626
At 31 December 2025	14,036	7,944	21,980	5,861
Carrying amount				
At 31 December 2024	20,379	13,270	33,649	8,973
At 31 December 2025	14,581	10,353	24,934	6,649

* Others represent computer equipment and Office furniture and equipment.

6 Goodwill

In 2023, the Group acquired 100% ownership of Standard Chartered's aircraft leasing platform and recognised goodwill of £1,022 million (U.S.\$ 272.5 million).

As of 31 December 2025, there was no movement in the carrying amount of goodwill compared to 31 December 2024. The Group conducts an annual impairment assessment of goodwill. The impairment charge is recognised if the carrying amount of non-current assets, including goodwill, exceeds their recoverable amount.

The recoverable amount is determined as the higher of fair value less costs to sell of cash generating unit (aircraft and related balances) and value in use. Fair value less cost to sell is estimated based on the current market values of the aircraft, obtained from a range of appraisers and taking an average of the values. Value in use is calculated using projected future cash flows over a five-year period, incorporating a residual value derived from the average of future base values provided by appraisers. These cash flows are discounted at the Group's weighted average cost of capital (WACC) of 5.9% (31 December 2024: 6.0%) to reflect their present value.

The Group conducted its annual impairment test of goodwill in August 2025. No impairment charge was recognised for the year ended 31 December 2025 (for the year ended 31 December 2024: nil). The sensitivity assessment of the key assumption does not result in any impairment charge.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7 Assets and related liabilities classified as held for sale

As at 31 December 2025, the Group had agreements for the sale of 15 aircraft which met the requirements to be classified as held for sale (31 December 2024: three aircraft). Therefore, the assets and related liabilities have been classified as held for sale. All the assets held for sale are measured at the lower of carrying value and fair value less costs to sell as per IFRS 5.

Aircraft classified as held for sale as of 31 December 2024, were sold during the current year.

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Assets – Aircraft and related balances	2,338,928	623,714	509,171	135,779
Liabilities				
Maintenance reserves (Note 15)	45,446	12,119	-	-
Security deposits (Note 16)	11,141	2,971	5,141	1,371
	56,587	15,090	5,141	1,371

The Group recorded a write-down of ฿ 7.8 million (U.S.\$ 2.1 million) on aircraft classified as held for sale as at 31 December 2025, in accordance with the sale agreement signed with the buyers (refer to Note 22).

8 Other assets

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Non-current				
Lease incentive assets	83,752	22,334	11,835	3,156
Deferred leasing expenditure	18,008	4,802	10,935	2,916
Deferred financing expenditure	17,404	4,641	-	-
Accrued income	10,658	2,842	15,135	4,036
Other assets	2,223	593	1,650	440
Total other non-current assets	132,045	35,212	39,555	10,548
Current				
Lease incentive assets	15,878	4,234	-	-
Deferred leasing expenditure	3,473	926	1,744	465
Deferred financing expenditure	13,418	3,578	-	-
Accrued income	11,069	2,952	14,415	3,844
Prepayments	908	242	818	218
Other assets	474	127	506	135
Total other current assets	45,220	12,059	17,483	4,662

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9 Deferred tax assets and liabilities

	Property, plant and equipment	Trade losses	Purchase price adjustments	Total	Total
	€'000	€'000	€'000	€'000	U.S.\$.'000
At 31 December 2023	(892,816)	588,353	(100,467)	(404,930)	(107,981)
(Charged)/credited to consolidated statement of income	(267,269)	292,811	(12,263)	13,279	3,541
At 31 December 2024	(1,160,085)	881,164	(112,730)	(391,651)	(104,440)
(Charged)/credited to consolidated statement of income	(177,240)	108,101	20,284	(48,855)	(13,028)
At 31 December 2025	(1,337,325)	989,265	(92,446)	(440,506)	(117,468)

The Group had tax losses that arose in Ireland that are available indefinitely for offsetting against future taxable profits of the group entities in which the losses arose.

10 Financial assets at fair value

Financial assets at fair value include a 10% non-controlling interest in SDH Wings International Leasing Limited (SDH Wings) and shares and bonds issued by Garuda Airlines, a former lessee.

	2025		2024	
	€'000	U.S.\$.'000	€'000	U.S.\$.'000
Investment of 10% share of SDH Wings (FVOCI)	147,337	39,290	112,500	30,000
Shares and bonds of Garuda Airlines (FVTPL)	29,831	7,955	20,430	5,448
	177,168	47,245	132,930	35,448

The investment in SDH Wings has increased following additional investments made during the year.

The movement in the valuation of shares and bonds of Garuda Airlines reflects adjustments based on mark-to-market valuations using relevant market prices and observable data.

Dividend income from SDH Wings and fair value adjustments related to Garuda Airlines' shares and bonds have been recognized as other income in the consolidated statement of income.

11 Trade and other receivables

	2025		2024	
	€'000	U.S.\$.'000	€'000	U.S.\$.'000
Trade receivables	13,988	3,730	13,365	3,564
VAT receivables	17,354	4,628	17,381	4,635
Other receivables	21,248	5,666	18,239	4,864
	52,590	14,024	48,985	13,063

Trade receivables represent rent, maintenance and other balances relating to leasing. As at 31 December 2025, other receivables mainly include dividend receivable amounting to € 15.8 million (U.S.\$ 4.2 million) (31 December 2024: € 10.5 million (U.S.\$ 2.8 million)) from SDH Wings.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12 Cash and cash equivalents

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Short-term deposits	2,071,515	552,404	2,074,999	553,333
Cash and bank balances	1,500,150	400,040	1,325,711	353,523
	3,571,665	952,444	3,400,710	906,856

Short-term deposits are with maturity of less than 3 months from the date of placement which earn an average profit rate of 3.0%-6.1% per annum (2024: 4.0%-5.7% per annum). Refer to Note 24 for the interest earned on cash balances and short-term deposits held in various bank accounts.

13 Share capital and statutory reserve

Share capital

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Authorized capital	14,750,000	3,933,333	11,000,000	2,933,333
Issued, called up and paid-up capital	14,750,000	3,933,333	11,000,000	2,933,333
Payments in respect of share capital	-	-	3,750,000	1,000,000
	14,750,000	3,933,333	14,750,000	3,933,333

The authorized, issued called up and paid-up share capital comprises 1,475,000,000 ordinary shares of ฿ 10 each (2024: 1,100,000,000 ordinary shares of ฿ 10 each).

The authorized, issued and paid-up share capital disclosed in the table above aligns with the Company's Bylaws and its commercial registration. During February 2025, the payments in respect of share capital of ฿ 3.75 billion (U.S.\$. 1 billion) were converted to the authorized, issued, called up and paid-up capital.

Statutory reserve

The board of directors in its meeting on 17 December 2025, approved the amendments to the bylaws to remove the requirement to transfer 10% of profit to statutory reserve, in compliance with the new Companies Law. The board also approved transferring the balance of the existing statutory reserve balance to retained earnings. The relevant regulatory procedures and requirements have been completed by 31 December 2025, accordingly the balance of the statutory reserve was transferred to retained earnings.

During the prior year, as required by the Bylaws and Articles of Association, a wholly owned subsidiary has transferred 10% of its profit for the year to statutory reserve, amounting to ฿ 56.1 million (U.S.\$. 14.7 million) for the year ended 31 December 2024 (2023: Nil). This reserve was not available for distribution.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14 Loans and borrowings

Loans and borrowings, net of debt issuance cost, consist of the following:

	2025		2024	
	€'000	U.S.\$.'000	€'000	U.S.\$.'000
Unsecured bank loans	14,226,563	3,793,750	13,214,063	3,523,750
Unsecured notes	3,187,500	850,000	-	-
Unamortised debt issuance cost	(137,070)	(36,552)	(131,738)	(35,130)
Net loans and borrowings	17,276,993	4,607,198	13,082,325	3,488,620
	2025		2024	
	€'000	U.S.\$.'000	€'000	U.S.\$.'000
Non-Current				
Unsecured bank loans	11,864,063	3,163,750	12,539,063	3,343,750
Unsecured notes	3,187,500	850,000	-	-
Unamortised debt issuance cost	(98,306)	(26,215)	(120,698)	(32,186)
Net non-current loans and borrowings	14,953,257	3,987,535	12,418,365	3,311,564
Current				
Unsecured bank loans	2,362,500	630,000	675,000	180,000
Unamortised debt issuance cost	(38,764)	(10,337)	(11,040)	(2,944)
Net current loans and borrowings	2,323,736	619,663	663,960	177,056

The movement in loans and borrowings, excluding debt issuance costs, is summarized as below:

	2025		2024	
	€'000	U.S.\$.'000	€'000	U.S.\$.'000
At the beginning of the year	13,214,063	3,523,750	11,920,313	3,178,750
Loans obtained during the year	1,837,500	490,000	10,725,000	2,860,000
Unsecured notes issued during the year*	3,187,500	850,000	-	-
Repayments during the year	(825,000)	(220,000)	(9,431,250)	(2,515,000)
At the end of the year	17,414,063	4,643,750	13,214,063	3,523,750

*During November 2025, the Group issued U.S.\$. 850 million (€ 3,188 million) 5-year notes with a coupon rate of 4.75% due in November 2030.

Terms and conditions of outstanding loans before the impact of derivatives:

	Average nominal interest rate	Years of Maturity	2025	
			€'000	U.S.\$.'000
Floating rate loans:				
Unsecured notes	4.75%	2030	3,187,500	850,000
Unsecured bank loans*	5.44%	2026-2029	12,539,063	3,343,750
Unsecured bank loans	4.86%	2026	1,687,500	450,000
Total interest-bearing liabilities			17,414,063	4,643,750
	Average nominal interest rate	Years of Maturity	2024	
			€'000	U.S.\$.'000
Floating rate loans:				
Unsecured bank loans*	6.15%	2025-2029	13,214,063	3,523,750
Total interest-bearing liabilities			13,214,063	3,523,750

Finance costs accrued on total loans and borrowings amounted to € 256.8 million (U.S.\$. 68.5 million) as at 31 December 2025 (31 December 2024: € 250.6 million (U.S.\$. 66.8 million)) (refer to Note 18).

*As at 31 December 2025, the average interest rate on floating rate loans and borrowings after the impact of derivatives is 5.54% (31 December 2024: 5.54%).

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14 Loans and borrowings (continued)

The aggregate principal and contractual repayments of loans for each of the financial years subsequent to 31 December 2025 are as follows:

Year of Maturity	Principal cash flows		Contractual cash flows*	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
2026	2,362,500	630,000	3,217,935	858,116
2027	675,000	180,000	1,487,776	396,740
2028	3,689,063	983,750	4,395,687	1,172,183
2029	7,500,000	2,000,000	8,062,667	2,150,045
2030	3,187,500	850,000	3,341,009	890,936
Total	17,414,063	4,643,750	20,505,074	5,468,020

*Contractual cash flows include scheduled payments of both principal and interest after the impact of derivatives.

The aggregate principal and contractual repayments of loans for each of the financial years subsequent to 31 December 2024 are as follows:

Year of Maturity	Principal cash flows		Contractual cash flows*	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
2025	675,000	180,000	1,435,440	382,784
2026	675,000	180,000	1,369,868	365,298
2027	675,000	180,000	1,334,267	355,805
2028	3,689,063	983,750	4,241,757	1,131,135
2029	7,500,000	2,000,000	7,909,158	2,109,109
Total	13,214,063	3,523,750	16,290,490	4,344,131

*Contractual cash flows include scheduled payments of both principal and interest after the impact of derivatives.

Unsecured Revolving Credit Facilities

As of 31 December 2025, the aggregate borrowing capacity of the Group under the Revolving Credit Facility was approximately U.S.\$ 1.8 billion (31 December 2024: U.S.\$ 750 million), with revolving commitments totalling approximately U.S.\$ 1.5 billion that mature in April 2028 and U.S.\$ 0.3 billion that mature in March 2026.

15 Maintenance reserves

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Non-Current	396,728	105,794	392,576	104,687
Current	69,821	18,619	20,996	5,599
	466,549	124,413	413,572	110,286
At the beginning of the year	413,572	110,286	228,822	61,019
Additions during the year	280,174	74,713	268,654	71,641
Released on disposal	(134,925)	(35,980)	(14,479)	(3,861)
Reclassified to liabilities held for sale (Note 7)	(45,446)	(12,119)	-	-
Reimbursed or paid during the year	(46,826)	(12,487)	(69,425)	(18,513)
At the end of the year	466,549	124,413	413,572	110,286

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16 Security deposits

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Non- Current	130,994	34,932	105,499	28,133
Current	7,200	1,920	1,800	480
	138,194	36,852	107,299	28,613
At the beginning of the year	107,299	28,613	133,294	35,545
Additions during the year	54,953	14,654	27,007	7,202
Repaid during the year	(12,917)	(3,444)	(47,861)	(12,763)
Reclassified to liabilities held for sale (Note 7)	(11,141)	(2,971)	(5,141)	(1,371)
At the end of the year	138,194	36,852	107,299	28,613

17 Derivative financial instruments

The Group has the following derivative financial instruments:

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Non-current financial assets				
Interest rate swaps – cash flow hedges	-	-	2,040	544
	-	-	2,040	544
Non-current financial liabilities				
Interest rate swaps – cash flow hedges	266,642	71,105	31,218	8,325
	266,642	71,105	31,218	8,325

Cash flow hedge reserves movement in other comprehensive income (OCI)

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Cash receipt under derivative financial instruments	(15,806)	(4,215)	(110,813)	(29,550)
Fair valuation gain /(loss)	(221,658)	(59,109)	360,781	96,208
Cash flow hedge reserve movement in OCI	(237,464)	(63,324)	249,968	66,658

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group uses derivative financial instruments, principally floating-to-fixed interest rate swaps, to manage interest rate risks and achieve the desired profile of borrowings.

The fair values of interest rate swaps as shown above are determined with reference to marked-to-market values based on valuation techniques that use data from observable markets. Hedge accounting has been applied for interest rate swaps that are assessed by the Group to be highly effective hedges. The Group determines the economic relationship between the highly probable cashflows from the loans and borrowings and the derivatives by creating a hypothetical derivative having a payment structure reflecting the underlying hedged risk.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument

The Group generally enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities, and notional amount. The hedge ratio (the ratio between the notional amount of the derivative financial instrument to the amount of the loans and borrowings being hedged) is determined to be 1:1. As the change in fair value of interest rate swaps and the hypothetical derivative matched during the year, there is an economic relationship.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17 Derivative financial instruments (continued)

Hedge ineffectiveness for interest rate swaps is assessed using the following principles:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the hedged item, and
- differences in critical terms between the interest rate swaps and the hedged item.

There was no material hedge ineffectiveness as at 31 December 2025 (31 December 2024: nil).

Effect on financial position and performance

The amounts relating to items designated as hedging instruments and hedge ineffectiveness as at the reporting date were as follows:

31 December 2025	Currency	Outstanding notional amounts	Carrying value of hedging instruments		Hedge ineffectiveness recognized in statement of income	Cash flow hedge reserve
			Assets	Liabilities		
Cash flow hedges						
Interest rate swaps	฿'000	12,539,063	-	266,642	-	(266,642)
Interest rate swaps	U.S.\$.'000	3,343,750	-	71,105	-	(71,105)

31 December 2024	Currency	Outstanding notional amounts	Carrying value of hedging instruments		Hedge ineffectiveness recognized in statement of income	Cash flow hedge reserve
			Assets	Liabilities		
Cash flow hedges						
Interest rate swaps	฿'000	13,214,063	2,040	31,218	-	(29,178)
Interest rate swaps	U.S.\$.'000	3,523,750	544	8,325	-	(7,781)

18 Accruals and other liabilities

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Non-Current				
Lessor contributions	328,912	87,710	331,380	88,368
Employee benefits	66,484	17,729	3,682	982
Lease liabilities	6,480	1,728	12,548	3,346
Total non-current accruals and other liabilities	401,876	107,167	347,610	92,696
Current				
Lessor contributions	-	-	57,743	15,398
Employee benefits	-	-	82,421	21,979
Lease liabilities	6,371	1,699	5,745	1,532
Trade payables	6,574	1,753	15,476	4,127
Accrued finance cost	256,785	68,476	250,560	66,816
Other accrued liabilities*	200,528	53,474	178,385	47,570
Prepaid debtors	13,270	3,539	8,940	2,384
VAT and withholding tax payable	3,495	932	2,216	591
Total current accruals and other liabilities	487,023	129,873	601,486	160,397

*Other accrued liabilities primarily include accrual for legal and professional fee, aircraft maintenance costs and short-term employee benefits totalling ฿ 126.5 million (U.S.\$ 33.7 million) (2024: ฿ 150.4 million (U.S.\$ 40.1 million)).

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19 Zakat Liabilities

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Balance at the beginning of the year	2,993	798	-	-
Zakat charge during the year	1,069	285	2,993	798
Zakat paid during the year	(2,862)	(763)	-	-
Balance at the end of the year	1,200	320	2,993	798

20 Lease revenue

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Lease rental income	2,326,350	620,360	2,021,516	539,071
Maintenance income	20,730	5,528	38,790	10,344
	2,347,080	625,888	2,060,306	549,415

Lease rental income is stated net of amortisation of lease premium/(discount) (Note 4). Maintenance income represents release of maintenance reserve and end of lease compensation upon redelivery of aircraft.

At 31 December 2025, the Group had contracted to receive the following minimum lease rental payments under non-cancellable operating leases:

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Within one year	2,641,054	704,281	2,186,663	583,110
Between one and five years	9,153,521	2,440,939	7,314,862	1,950,630
Later than 5 years	5,699,190	1,519,784	5,074,125	1,353,100
	17,493,765	4,665,004	14,575,650	3,886,840

21 Other Income

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Gain on sale of aircraft	110,134	29,369	1,301	347
Dividend income	7,875	2,100	6,750	1,800
Management fee income	13,908	3,709	11,288	3,010
Others	10,339	2,757	10,860	2,896
	142,256	37,935	30,199	8,053

Management fee income relates to income earned from the provision of lease management and related services to third parties, including SDH Wings. Others include fair value gain on financial asset at FVTPL, proceeds from sale of spare parts and tax subsidies.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22 Other aircraft-related costs

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Aircraft insurance	17,936	4,783	20,779	5,541
Write-down of aircraft held for sale (Note 7)	7,781	2,075	-	-
Amortization of deferred leasing expenditure	5,126	1,367	3,225	860
Amortization of lease incentive assets	8,280	2,208	1,414	377
Other costs	10,861	2,896	11,051	2,947
	49,984	13,329	36,469	9,725

23 General and administrative expenses

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Compensation and benefits expenses	241,534	64,409	210,611	56,163
Legal and professional fees	47,633	12,702	33,653	8,974
Travel, transport and entertainment expenses	19,714	5,257	14,055	3,748
Office expenses	22,354	5,961	15,128	4,034
Directors' fees	7,500	2,000	7,534	2,009
Other expenses	15,319	4,086	16,774	4,473
	354,054	94,415	297,755	79,401

24 Finance income and expense

	2025		2024	
	฿'000	U.S.\$.'000	฿'000	U.S.\$.'000
Interest on bank balances and short-term deposits	137,231	36,595	91,140	24,304
Other interest income	2,074	553	-	-
Total finance income	139,305	37,148	91,140	24,304
Interest on borrowings	(781,466)	(208,391)	(735,442)	(196,118)
Amortisation of debt issuance cost	(41,734)	(11,129)	(18,731)	(4,995)
Interest expense on lease liabilities	(1,553)	(414)	(1,272)	(339)
Total finance expense	(824,753)	(219,934)	(755,445)	(201,452)
Net finance expense	(685,448)	(182,786)	(664,305)	(177,148)

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25 Income tax expense / (credit)

	2025		2024	
	£'000	U.S.\$.'000	£'000	U.S.\$.'000
Current tax expense / (credit)				
Current year	728	194	2,584	689
Prior year	(375)	(100)	-	-
	353	94	2,584	689
Deferred tax expense / (credit)				
Origination and reversal of temporary differences	140,618	37,498	263,640	70,304
Recognition of deferred tax on current year losses	(91,763)	(24,470)	(276,919)	(73,845)
	48,855	13,028	(13,279)	(3,541)
Total income tax expense / (credit)	49,208	13,122	(10,695)	(2,852)
Reconciliation of tax expense / (credit):				
	2025		2024	
	£'000	U.S.\$.'000	£'000	U.S.\$.'000
Profit / (loss) for the year before zakat and income tax	456,938	121,850	221,196	58,986
Profit / (loss) taxable in Ireland at 12.5%	34,238	9,130	(10,620)	(2,832)
Amounts taxable at other tax rates	6,094	1,625	5,239	1,397
Non-deductible expenses	6,709	1,789	221	59
Tax exempt revenue	(1,084)	(289)	(844)	(225)
Adjustments in respect of prior year provisions	3,251	867	934	249
Others	-	-	(5,625)	(1,500)
	49,208	13,122	(10,695)	(2,852)
Effective tax rate	10.8%	10.8%	-	-

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26 Related party transactions and balances

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control and also includes the key management personnel of the Group. Related parties may be individuals or other entities which are part of PIF, the sovereign wealth fund of the Kingdom of Saudi Arabia. In line with IAS 24 'Related Party Disclosures', the Group has used the exemptions in respect of related party disclosures for government-related entities.

In the normal course of business, the Group has entered into transactions with other government-related entities, including aircraft leasing and operational expenditure. These transactions were conducted on mutually agreed terms and are individually insignificant.

Transactions with related parties included in the consolidated statement of income and other comprehensive income are as given below in table:

Nature Related party	Nature of transactions	2025		2024	
		₪'000	U.S.\$.'000	₪'000	U.S.\$.'000
Companies under common Control	Finance income	68,724	18,326	62,486	16,663
	Finance expense	(68,912)	(18,377)	(57,215)	(15,257)
	General and administrative expenses	(108)	(29)	(364)	(96)
	Amortisation of debt issuance costs	(9)	(2)	-	-
	Amortisation of right of use of assets – Leased premises	(4,438)	(1,183)	(4,438)	(1,183)
Other related parties*	Finance expense	(87,818)	(23,418)	(62,184)	(16,583)
	Finance income	1,719	458	-	-
	Amortisation of debt issuance costs	(9)	(2)	-	-
	General and administrative expenses	(128)	(34)	(2,502)	(668)

Transactions with related parties included in the consolidated statement of cash flows are as given below in table:

Nature of Related party	Nature of transactions	2025		2024	
		₪'000	U.S.\$.'000	₪'000	U.S.\$.'000
Companies under common control	Hedge gain received during the year	2,407	642	8,109	2,162
	Debt issuance cost paid	319	85	-	-
Other related parties*	Hedge loss paid during the year	(886)	(236)	6,074	1,620
	Debt issuance cost paid	319	85	31,800	8,480

Amounts due (to) and due from related parties, included in the consolidated statement of financial position are as follows:

Nature of Related party	Nature of balances	2025		2024	
		₪'000	U.S.\$.'000	₪'000	U.S.\$.'000
Companies under common control	Other assets	2,249	600	6,835	1,823
	Cash and cash equivalents	138,379	36,901	2,635,914	702,910
	Derivative financial instrument – Assets	-	-	663	177
	Loans and borrowings	(1,263,840)	(337,024)	(1,118,341)	(298,224)
	Derivative financial instrument - Liabilities	(20,631)	(5,502)	(488)	(130)
	Accruals and other liabilities	(28,914)	(7,712)	(33,514)	(8,937)
Other related parties*	Cash and cash equivalents	10	3	10	3
	Loans and borrowings	(1,927,181)	(513,915)	(1,320,979)	(352,261)
	Derivative financial instrument - Liabilities	(16,259)	(4,336)	(10,686)	(2,850)
	Accruals and other liabilities	(19,762)	(5,270)	(23,492)	(6,265)

*Other related parties mainly include associates of PIF.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26 Related party transactions and balances (continued)

Compensation of key management personnel:

Key management personnel are those people, including the Board of Directors and top executives, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Their compensation includes basic salaries, bonuses, and other benefits as per the Group's policies:

	2025		2024	
	£'000	U.S.\$ '000	£'000	U.S.\$ '000
Salaries and other short-term benefits	47,222	12,593	41,168	10,978
Long term benefits	27,845	7,425	19,725	5,260
Directors' remuneration	7,500	2,000	7,125	1,900

27 Financial assets and liabilities

The Group's financial assets consist of financial assets at fair value, other assets, derivative, trade and other receivables and cash and cash equivalents. Its financial liabilities consist of loans and borrowings, maintenance reserves, security deposits, derivatives, and accruals and liabilities (excluding statutory payables).

The Group utilises financial instruments to reduce exposure to market risks throughout its business. Equity, borrowings and cash and cash resources are used to finance the Group's operations. The Group uses derivative financial instruments, principally interest rate swaps, to manage interest rate risks and achieve the desired profile of borrowings. The gross undiscounted cashflows of the financial liabilities are materially consistent with the amount presented in the below table.

Financial assets and liabilities by maturity

31 December 2025	Within 3 months	3 months to 1 year	1-5 years	More than 5 years	Total	Total
	£'000	£'000	£'000	£'000	£'000	U.S.\$ '000
Financial assets						
Financial assets at fair value	-	-	-	177,168	177,168	47,245
Other assets ¹	8,070	3,059	11,202	1,080	23,411	6,243
Derivative financial instruments ²	-	-	-	-	-	-
Trade and other receivables	36,840	15,750	-	-	52,590	14,024
Cash and cash equivalents	3,571,665	-	-	-	3,571,665	952,444
Total financial assets	3,616,575	18,809	11,202	178,248	3,824,834	1,019,956
Financial liabilities						
Loans and borrowings ³	1,945,313	417,187	15,051,563	-	17,414,063	4,643,750
Maintenance reserves	-	69,821	44,321	352,407	466,549	124,413
Security deposits	-	7,200	22,706	108,288	138,194	36,852
Derivative financial instruments ²	-	-	266,642	-	266,642	71,105
Accruals and other liabilities	418,028	68,995	91,133	310,743	888,899	237,040
Total financial liabilities	2,363,341	563,203	15,476,365	771,438	19,174,347	5,113,160

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27 Financial assets and liabilities (continued)

Financial assets and liabilities by maturity (continued)

31 December 2024	Within 3	3 months		More than 5		
	months	to 1 year	1-5 years	years	Total	Total
	฿'000	฿'000	฿'000	฿'000	฿'000	U.S.\$.'000
Financial assets						
Financial assets at fair value	-	-	-	132,930	132,930	35,448
Other assets ¹	9,526	4,889	16,822	-	31,237	8,330
Derivative financial instruments ²	-	-	2,040	-	2,040	544
Trade and other receivables	38,486	10,499	-	-	48,985	13,063
Cash and cash equivalents	3,400,710	-	-	-	3,400,710	906,856
Total financial assets	3,448,722	15,388	18,862	132,930	3,615,902	964,241
Financial liabilities						
Loans and borrowings ³	257,813	417,187	12,539,063	-	13,214,063	3,523,750
Maintenance reserves	-	20,996	175,931	216,645	413,572	110,286
Security deposits	-	1,800	19,061	86,438	107,299	28,613
Derivative financial instruments ²	-	-	31,218	-	31,218	8,325
Accruals and other liabilities	52,564	548,922	343,444	4,166	949,096	253,093
Total financial liabilities	310,377	988,905	13,108,717	307,249	14,715,248	3,924,067

¹ Other assets include accrued income and deposit for office.

² The carrying value of derivative financial assets and liabilities is based on the fair value rather than the contractual amount.

³ Loans and borrowings represent the repayment of contractual principal payments.

Fair values and hierarchy level

The following tables show the fair values and fair value hierarchy of financial assets and liabilities that are measured at fair value as at reporting date.

31 December 2025	Carrying value	Fair value				
	Total	Level 1	Level 2	Level 3	Total (FV)	Total (FV)
	฿'000	฿'000	฿'000	฿'000	฿'000	U.S.\$.'000
Financial assets						
Financial assets at fair value	177,168	-	29,831	147,337	177,168	47,245
	177,168	-	29,831	147,337	177,168	47,245
Financial liabilities						
Derivative financial instruments	266,642	-	266,642	-	266,642	71,105
	266,642	-	266,642	-	266,642	71,105

31 December 2024	Carrying value	Fair value				
	Total	Level 1	Level 2	Level 3	Total (FV)	Total (FV)
	฿'000	฿'000	฿'000	฿'000	฿'000	U.S.\$.'000
Financial assets						
Financial assets at fair value	132,930	-	20,430	112,500	132,930	35,448
Derivative financial instruments	2,040	-	2,040	-	2,040	544
	134,970	-	22,470	112,500	134,970	35,992
Financial liabilities						
Derivative financial instruments	31,218	-	31,218	-	31,218	8,325
	31,218	-	31,218	-	31,218	8,325

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27 Financial assets and liabilities (continued)

Fair values and hierarchy level (continued)

As at the reporting date, the carrying amount of financial assets and liabilities (not measured at fair value at reporting date) is a reasonable approximation of their fair value. The financial assets of the Group as at 31 December 2025 and 31 December 2024 are neither past due nor impaired.

The fair value of financial instruments that are not traded in an active market is determined by using other valuation techniques. These valuation techniques maximize the use of observable market data.

28 Financial risk management

Financial risk factors

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group audit and risk committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk) and liquidity risk. The Group reviews and agrees policies for managing each of these risks. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's objective in using derivatives is to manage its exposure to interest rate movements and to provide certainty to interest expense. To accomplish this objective, the Group primarily uses interest rate swaps as part of its cash flow hedging strategy. The interest rate swaps are designated as cash flow hedges and are used by the Group to limit its exposure to changes in interest rates on its variable rate debt.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group has established counterparty credit guidelines and enters into transactions only with reputable financial institutions. The Group monitors counterparty exposures on a regular basis and reviews any downgrades in counterparty credit risk. The carrying amounts of financial assets represent the maximum credit exposure before collateral.

The maximum exposure to credit risk at the reporting date was:

	2025		2024	
	£'000	U.S.\$'000	£'000	U.S.\$'000
Financial assets				
Other assets*	23,411	6,243	31,706	8,455
Financial assets at fair value	147,337	39,290	112,500	30,000
Trade and other receivables (excluding VAT and tax receivables)	33,855	9,028	30,514	8,137
Derivative financial instruments	-	-	2,040	544
Cash at bank and short-term deposits	3,571,665	952,444	3,400,710	906,856
	3,776,268	1,007,005	3,577,470	953,992

*Other assets include accrued income and deposit for office.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28 Financial risk management (continued)

(i) Credit risk (continued)

Other assets and trade and other receivables

The Group is subject to the credit risk of its lessees as to collection of rental payments under its operating leases and complying with the end of lease obligations. The concentration of credit risk is limited due to the fact that the customer base is large and geographically diverse.

Creditworthiness of each new customer is assessed, and the Group seeks security deposits in the form of cash or letters of credit and maintenance reserves to mitigate overall financial exposure to its lessees. The Group utilizes an internal credit rating system to assess credit risk. The assessment process considers qualitative and quantitative information about the customer such as business activities, senior management team, financial fitness, resources and performance, and business risks, to the extent that this information is publicly available or otherwise disclosed to the Group.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. At the reporting date, these are considered to be of low risk and therefore the Group has not recognized loss allowances.

Derivatives

The counterparties to the Group's derivatives are major financial institutions. As at 31 December 2025, the Group could be exposed to loss in the event of non-performance by the counterparty. However, credit ratings and concentration of risk of the financial institutions are monitored on a continuing basis and present no significant credit risk to the Group.

Cash at bank

Cash balances are held with bank with banks with credit ratings ranging from AA to A- (Fitch) and Aa3 (Moodys) (2024: A- to AA- (Fitch and S&P)). The Group typically does not enter into deposits with a duration of more than three months.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding to reduce the risk that an entity would be unable to meet financial commitments. As at 31 December 2025, the Group has cash and cash equivalents of ₪ 3,572 million (U.S.\$ 952 million) (2024: ₪ 3,401 million (U.S.\$ 907 million)).

(iii) Market risk

The Group is exposed to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity products, all of which are exposed to general and specific market movements.

Currency / foreign exchange risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has a minimum exposure to foreign exchange risk as the majority of the transactions are denominated in U.S.\$ or in currencies which are pegged to U.S.\$.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28 Financial risk management (continued)

(iii) Market risk (continued)

Interest rate risk

Interest rate risk arises primarily from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments.

The Group's interest rate risk arises from loans and borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting debt from floating rates to fixed rates. Generally, the Group raises long term debt at floating rates and swaps it into fixed rates in compliance with the Group's hedging policy. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts. As at 31 December 2025, the fair values of outstanding derivatives designated as cash flow hedges of forecast transactions were net liabilities of ₪ 266.6 million (U.S.\$ 71.1 million) (2024: ₪ 29.2 million (U.S.\$ 7.8 million)).

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to provide a return to equity holders commensurate with the level of business and financial risk. The Group manages the capital structure in the context of economic conditions and risk characteristics of the underlying assets.

The Group monitors capital using net debt to equity ratio, which is net debt divided by equity. The Group calculates net debt as total loans and borrowings gross of unamortised debt issuance cost less cash and cash equivalents. The Group calculates equity as total equity excluding cash flow hedge reserve.

	2025		2024	
	₪'000	U.S.\$.'000	₪'000	U.S.\$.'000
Loans and borrowings (Note 14)	17,414,063	4,643,750	13,214,063	3,523,750
Less: Cash and cash equivalents (Note 12)	(3,571,665)	(952,444)	(3,400,710)	(906,856)
Net debt	13,842,398	3,691,306	9,813,353	2,616,894
Share capital	14,750,000	3,933,333	11,000,000	2,933,333
Payments in respect of share capital	-	-	3,750,000	1,000,000
Statutory reserve	-	-	56,108	14,962
Retained earnings	516,360	137,696	53,249	14,200
Equity	15,266,360	4,071,029	14,859,357	3,962,495
Net debt to equity (times)	0.91	0.91	0.66	0.66

Financial covenants

Under the terms of certain borrowing facilities, the Group is required to comply with certain financial covenants including net debt to equity ratio. The Group has complied with these covenants throughout the current year and previous year.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM), who is the chief executive officer of the Group. The Group operates a single reportable segment, which comprises of aircraft leasing and aircraft lease management services provided on behalf of third parties. This segment represents the level at which the CODM reviews financial performance and makes decisions regarding the allocation of resources, risk management, and strategic decision making.

All revenues are mainly derived from the Group's principal activities of aircraft leasing. The main revenue and assets are analysed by geographical region as follows.

Lease revenue

	2025			2024		
	£'000	U.S.\$.'000	%	£'000	U.S.\$.'000	%
Middle East	557,010	148,536	24%	649,525	173,207	32%
Asia Pacific	748,609	199,629	32%	639,919	170,645	31%
Americas	691,871	184,499	29%	533,089	142,157	26%
Europe	334,939	89,317	14%	231,473	61,726	11%
Africa	14,651	3,907	1%	6,300	1,680	0%
	2,347,080	625,888	100%	2,060,306	549,415	100%

Aircraft and related balances including held for sale assets (excluding PDP)

	2025			2024		
	£'000	U.S.\$.'000	%	£'000	U.S.\$.'000	%
Middle East	6,679,961	1,781,323	23%	7,903,234	2,107,529	31%
Asia Pacific	9,749,441	2,599,851	34%	7,499,981	1,999,995	30%
Americas	8,121,649	2,165,773	28%	6,367,432	1,697,982	25%
Europe	4,011,920	1,069,845	14%	3,433,211	915,523	14%
Africa	145,350	38,760	1%	63,424	16,913	0%
	28,708,321	7,655,552	100%	25,267,282	6,737,942	100%

30 Employees' end of service benefits

	2025		2024		
	£'000	U.S.\$.'000	£'000	U.S.\$.'000	
As the beginning of the year		3,682	982	1,630	435
Cost charged to consolidated statement of income					
Service cost		2,442	651	2,185	582
Interest expense		191	51	100	27
		2,633	702	2,285	609
Remeasurement gains/(losses) in other comprehensive income		(342)	(91)	(233)	(62)
Payments during the year		(850)	(227)	-	-
At the end of the year		5,123	1,366	3,682	982

This is included as part of the employee benefits under accruals and other liabilities.

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30 Employees' end of service benefits (continued)

Key actuarial assumptions and sensitivity:

	2025	2024
Discount rate (percentage)	5.0%	5.90%
Average salary increase rate (percentage)	7.5%	5.75%

		Sensitivity of the key actuarial assumptions			
		Increase/(decrease) of employees' end of service			
		benefits as on 31 December			
£'000	Change in assumption	2025		2024	
Discount rate	+/-1.0%	(319)	359	(385)	457
Average salary increase rate	+/-1.0%	366	(332)	476	(407)

31 Contingencies and commitments

Commitments	2025		2024	
	£'000	U.S.\$.'000	£'000	U.S.\$.'000
Aircraft purchase	2,392,500	638,000	919,344	245,158
Pre-delivery payments	21,453,432	5,720,915	-	-
	23,845,932	6,358,915	919,344	245,158

As of 31 December 2025, the Group had placed orders for 107 aircraft with Airbus and Boeing (including 70 firm orders as well as 37 options), with an estimated aggregate commitment of £21.5 billion (U.S.\$ 5.7 billion) (2024: Nil) in respect of the firm orders.

The below table presents the maturity profile of our contractual commitments for the purchase of aircraft and pre-delivery payments:

Commitments	2025		2024	
	£'000	U.S.\$.'000	£'000	U.S.\$.'000
2026	2,794,838	745,290	919,344	245,158
2027	70,226	18,727	-	-
2028	274,541	73,211	-	-
2029	2,815,470	750,792	-	-
2030	4,752,593	1,267,358	-	-
2031 and onwards	13,138,264	3,503,537	-	-
	23,845,932	6,358,915	919,344	245,158

AIRCRAFT LEASING COMPANY

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32 Subsequent events

Subsequent to the year end, the following subsequent events took place:

- the Group completed the acquisition of 2 aircraft and sale of 10 aircraft that was classified as held for sale; and
- the subsequent sales include 7 aircraft sold to an entity in which the Group has acquired a 10% interest.

33 Date of authorization for issue

The consolidated financial statements were approved by the management of the Group and authorised for issue on 19 February 2026.