

NOTICE TO CAYMAN ISLANDS STOCK EXCHANGE

Date: 1 October 2026

Terra Mater Aviation Capital Designated Activity Company

(the "Issuer")

Issuer announcement in relation to the:

**Up to US\$727,205.96 unsecured profit participating notes due 14 February 2050;
Up to US\$1,580,651.72 unsecured profit participating notes due 14 February 2050;
Up to USD 13,977,429.59 Unsecured Profit Participating Notes Due 14 February 2050; and
Up to USD 2,911,327.63 Unsecured Profit Participating Notes Due 14 February 2050**

(together, the "Notes")

The Issuer wishes to announce and advise to the Cayman Islands Stock Exchange (the **"Exchange"**) that audited financial statements for Terra Mater Aviation Capital DAC the financial year ended 31 December 2025, a copy of which is attached hereto, are now available. A copy of the audited financial statements is being provided to the Exchange in furtherance of the Issuer's continuing obligations in relation to the Notes.

For further information in relation to the above announcement please contact Barnabas Finnigan of Conyers Dill & Pearman LLP, as follows:

Telephone: +1 345 945 7350

Email: barnabas.finnigan@conyers.com

Schedule 1
Financial Statements

Terra Mater Aviation Capital DAC and subsidiaries

Directors' Report and Consolidated Financial Statements

For the Financial Year ended 31 December 2025

Terra Mater Aviation Capital DAC and subsidiaries

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Terra Mater Aviation Capital DAC and subsidiaries

Directors and Other Information

Directors	Neil O'Donnell (appointed 14 February 2025) Mathew Adamo (appointed 14 February 2025) John McInerney (appointed 14 February 2025) David Talty (appointed 28 November 2024, resigned 14 February 2025, appointed alternate Director 12 March 2025) Peter Glancy (appointed 28 November 2024, resigned 14 February 2025)	
Registered Office	1 st Floor Universal House Shannon Free Zone Shannon Clare Ireland	
Registered Number	776745	
Company Secretary	Pivotal Corporate Secretaries Limited 1 st Floor Universal House Shannon Free Zone Shannon Clare Ireland	
Independent Auditor	Grant Thornton Chartered Accountants and Statutory Audit Firm 13-18 City Quay Dublin 2 Dublin Ireland	
Tax Advisors	PricewaterhouseCoopers One Spencer Dock North Wall Quay Dublin 1 Ireland	
Servicer	AIP Capital Ireland First Floor 2 Hume Street Dublin 2 Ireland	
Solicitors	McCann FitzGerald LLP Riverside One Sir John Rogerson's Quay Dublin 2 Ireland	A&L Goodbody LLP 3 Dublin Landings North Wall Quay IFSC Centre Dublin 1 Ireland

Terra Mater Aviation Capital DAC and subsidiaries

Directors and Other Information (continued)

Bankers

UMB Bank
Newmount House
Lower Mount Street
Dublin 2
Ireland

HSBC
1 Grand Canal Square
Grand Canal Harbour
Grand Canal Dock
Dublin 2
Ireland

Corporate Service Provider

Pivotal Corporate & Trust Solutions Limited
1st Floor
Universal House
Shannon Free Zone
Shannon
Co. Clare
Ireland

Terra Mater Aviation Capital DAC and subsidiaries

Directors' Report For the Financial Year ended 31 December 2025

The Directors present their annual report and the audited financial statements of Terra Mater Aviation Capital DAC (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2025 (the “financial year”). The consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

Principal Activities, Business Review and Future Developments

Terra Mater Aviation Capital DAC is a private company limited by shares. The company is a qualifying company under Section 110 of the Taxes Consolidation Act 1997. The principal activities of the Group are the purchasing, leasing and trading of aircraft. The Company acts as the holding company to its subsidiary, Opis Aviation Capital DAC (the “Subsidiary”). The subsidiary is 100% owned by the Company.

During the year, the Group acquired three aircraft which were subsequently leased to third party airlines. There were no disposals in the current year. On 13 February 2025, the Subsidiary entered into a financing arrangement comprising a senior facility with Deutsche Bank AG (the “Senior Facility”) and a junior facility with LuminArx Opportunistic Alternative Solutions Holdings I Fund LP and LuminArx Pavo Holdings I LP (the “Junior Facility”) in connection with the financing of the aircraft.

On 14 February 2025, the Company entered into Profit Participating Notes (“PPNs”) with each of its shareholders, under which the Company acted as issuer and the respective shareholders acted as subscribers. The PPNs have a maturity date of February 2050. The principal amounts subscribed were as follows:

- Phoenix Aviation Capital Limited – US\$13,977,493
- AIP Capital (Earth) LLC – US\$2,911,328
- LuminArx Opportunistic Alternative Solutions Holdings II Fund LP – US\$1,722,441. A deed of rectification dated 19 August 2025 reduced the principal amount to US\$1,580,652.
- LuminArx Pavo Holdings II LP – US\$797,590. A deed of rectification dated 19 August 2025 reduced the principal amount to US\$727,206.

The return on the PPNs is determined by reference to the Company’s available profits for each accrual period. The return available for distribution is equal to 100% of the Company’s accounting profit or, if greater, 100% of the Company’s taxable profit for the relevant period, after retaining a profit reserve amount of US\$1,000 per annum. The available amount is generally determined on the basis that accumulated retained earnings for accounting purposes do not fall below zero, unless otherwise agreed at the discretion of the PPN holders. The available amount for any accrual period cannot be less than zero.

The Company was wholly owned by Phoenix Aviation Capital Limited (the “Parent”), a company with a registered address at 1st Floor, Universal House, Shannon Free Zone, Shannon, Co. Clare, Ireland, until 14 February 2025. On that date, additional shareholders were admitted to the Company. As at the reporting date, the Company’s issued share capital was held as follows: Phoenix Aviation Capital Limited – 720 shares, AIP Capital (Earth) LLC – 150 shares, LuminArx Opportunistic Alternative Solutions Holdings II Fund LP – 89 shares and LuminArx Pavo Holdings II LP – 41 shares. Each shareholder also subscribed for Profit Participating Notes issued by the Company on 14 February 2025.

The Company intends to further develop the business in line with opportunities that present themselves in the future.

Principal Risks and Uncertainties

The Group in the course of its business activities is exposed to various risks. The Group has adopted policies to ensure that risks are identified and managed in accordance with the objectives of the Group. The Directors have determined the Principal Risks and Uncertainties to be as follows:

Terra Mater Aviation Capital DAC and subsidiaries

Directors' Report (Continued) For the Financial Year ended 31 December 2025

Principal Risks and Uncertainties (continued)

Asset Risk

The Group leases its aircraft to customers who assume responsibility for the operation and maintenance of the assets.

When the contracted lease term ends, the Group bears the risk of re-leasing or selling the aircraft. The Directors mitigate these risks through lease structuring, including contractual redelivery conditions, security deposits where applicable, and active asset management strategies such as lease extensions and remarketing of aircraft. If demand for aircraft decreases, market lease rates may fall. Should this continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge.

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 and arises principally from the Group's receivables from lessees. There is a risk that should the lessee experience financial difficulties this could result in default or the early termination of the Group's leases. The Group monitors the performance of the lessee on an ongoing basis. The Directors mitigate this risk by collecting cash security deposits or letters of credit from its lessee where appropriate, through ongoing monitoring of the lessee's performance and assessing the creditworthiness of each new customer. Refer to supporting notes for year end balances.

The Company is exposed to credit risk in respect of Profit Participating Note ("PPN") receivables due from its wholly-owned and controlled subsidiary. The PPN receivable was issued to fund aircraft acquisitions and related operations of the subsidiary. Returns under the PPN are determined by reference to the subsidiary's available profits for each accrual period, being equal to 100% of accounting profit or, if greater, 100% of taxable profit for the relevant period, after retention of a US\$1,000 annual profit reserve amount, subject to the terms of the PPN agreement.

Given the wholly-owned nature of the subsidiary and the integrated nature of the operations, no significant increase in credit risk was identified at the reporting date.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they become due. 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 due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors rolling forecasts of the its liquidity requirements to ensure it has sufficient cash to meet operational needs.

Currency Risk

The principal assets and liabilities of the Group are denominated in US\$ which is the functional currency of the Company. Therefore, the Company has limited exposure to currency risk.

Interest rate risk

The Company issued PPN Notes which calculate the return as the Company's profit less a margin of \$1,000 per annum. The securities are limited recourse in nature and the interest rate risk is deemed low.

The Group's borrowings under its credit facilities bear interest at both fixed and variable rates. Variable rate borrowings are generally referenced to market benchmark rates, including SOFR, plus an applicable margin, while fixed rate borrowings bear interest at predetermined contractual rates. Interest expense is recognised based on the applicable rates in effect during the reporting period. The Group is exposed to interest rate risk in respect of its variable rate borrowings due to fluctuations in market interest rates. The Group does not currently utilise derivative financial instruments to hedge its exposure to changes in interest rates. Accordingly, increases in market interest rates may increase the Group's interest expense and adversely affect cash flows and earnings.

For variable rate debt, management will continuously monitor interest rate trends, conduct sensitivity analyses and stress tests, and provide detailed reports to stakeholders, ensuring effective risk management and financial stability. Regular reviews and updates will refine strategies based on the latest data and market conditions.

Terra Mater Aviation Capital DAC and subsidiaries

Directors' Report (Continued) For the Financial Year ended 31 December 2025

Principal Risks and Uncertainties (continued)

Operational risk

Operational risk is the risk of indirect or direct profit arising from a wide variety of causes associated with the Group's operations. The Group's objective is to manage operational risk and does so primarily by outsourcing all administrative functions to a professional service provider. The Company was incorporated with the purpose of engaging in the activities outlined in the 'Principal activities, business review and future developments' section of the Directors' Report.

Geopolitical and economic risks

The Group leases aircraft exposing it to (i) many and varying economic, social, legal and geopolitical risks, (ii) instability in key markets and (iii) global health pandemics. The Directors continue to monitor ongoing worldwide sanctions the Russian Federation and Belarus, noting the entity has no connections or aircraft in either jurisdiction. The Directors are also closely monitoring developments in the Middle East, including ongoing regional conflicts, and assessing any potential impacts on operations, counterparties, and market conditions.

Exposure to the commercial airline industry

As a supplier to and partner of the airline industry, the Group is exposed to the financial condition of the airline industry, and in particular that of its customer. The financial condition of the airline industry is affected by, among other things, geopolitical events, outbreaks of communicable pandemic diseases and natural disasters, fuel costs and the demand for air travel. To the extent that any of these factors adversely affect the airline industry they may result in (i) downward pressure on lease rates and aircraft values, (ii) higher incidences of lessee defaults, restructuring, and repossessions and (iii) inability to lease aircraft on commercially acceptable terms.

Results and Dividends

The Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2025 and the Consolidated Statement of Financial Position as at 31 December 2025 are set out on page 13 and page 14. The loss for the financial year before taxation amounted to US\$ 3,175,441 (2024: US\$ 9,116) and after a taxation expense of US\$ 500 (2024: US\$ nil), a loss of US\$ 3,175,941 (2024: US\$ 9,116) is transferred to reserves.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Statement of Cash Flows and accompanying notes to the financial statements are rounded to the nearest thousand (US\$'000).

No dividends were paid or proposed by the Directors during the financial year.

Going Concern

The Directors have considered the going concern basis of preparation of the financial statements and have concluded that the Group has a reasonable expectation that it will continue in operational existence for a period of at least 12 months from the date of approval of the financial statements (the "period of assessment"). Following the disposal, the Group will no longer generate lease rental income. The Directors have therefore based their assessment on the Group's expected liquidity position and reduced cost base, rather than ongoing operating cash flows from aircraft leases.

Having considered the Group's financial position, the expected outcome of the disposal transaction, future business plans, and the availability of shareholder support and funding for future opportunities, the Directors believe that the Group will have sufficient resources to meet its obligations as they fall due for the period of assessment. Accordingly, the Directors confirm that they have a reasonable expectation that the Group will continue in operational existence for at least one year from the date of approval of these financial statements. The Directors have concluded that the liquidity position does not give rise to a material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern and that the financial statements have been properly prepared on a going concern basis.

Terra Mater Aviation Capital DAC and subsidiaries

Directors' Report (Continued) For the Financial Year ended 31 December 2025

Directors' and Company Secretary's Interests

The Directors and Company Secretary who served during the period are set out on page 1.

In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.

The Directors do not hold any interest in Phoenix Aviation Capital Limited, AIP Capital (Earth) LLC, LuminArx Opportunistic Alternative Solutions Holdings II Fund LP and LuminArx Pavo Holdings II LP, the shareholders of the Company.

Other than as disclosed above, the Directors and Company Secretary who held office on 31 December 2025 did not hold any shares in, or debentures or loan stock of, the Company or any other Group company on that date or during the period. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the year ended 31 December 2025.

Political Donations

The Company made no political donations during the financial year ended 31 December 2025 (2024: US\$ nil).

Accounting Records

The measures taken by the Directors to ensure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to keeping of accounting records is through an outsourcing arrangement whereby the outsourced corporate servicer provider employs accounting personnel with the appropriate expertise and provides adequate resources to the finance function.

The Company's accounting records are maintained at 1st Floor, Universal House, Shannon Free Zone, Shannon, Clare, Ireland.

Disclosure of Information to Auditors

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

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

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

Independent Auditors

The auditors, Grant Thornton, Chartered Accountants and Statutory Audit Firm were appointed as auditors during the financial year and have indicated their willingness to continue in office in accordance with section 383 (2) of the Companies Act 2014.

Audit Committee

As at date of the financial statements, the Company is operating within the thresholds as set out under Section 167 (1) of the Act, and as such the Group does not meet the requirements to establish an audit committee for the current financial year ended 31 December 2025.

Terra Mater Aviation Capital DAC and subsidiaries

Directors' Report (Continued) For the Financial Year ended 31 December 2025

Director compliance statement

At this present time the Group does not exceed the balance sheet and turnover threshold limits as set out under Section 225(7) of the Act, which enables the Group to avail of an exemption to the Compliance Policy Statement obligations. Accordingly, the Directors are not required to include a Compliance Statement.

Events after the Reporting Period

Details of events after the reporting period are outlined in note 23.

This report was approved by the Board of Directors on 17 June 2026.

Neil O'Donnell

Neil O'Donnell
Director

John McInerney

John McInerney
Director

Terra Mater Aviation Capital DAC and subsidiaries

Statement of Director's Responsibilities For the Financial Year ended 31 December 2025

The Directors are responsible for preparing the Directors' Report and the consolidated and company financial statements in accordance with Irish law and regulations.

Irish Company Law requires the Directors to prepare the consolidated and company financial statements for each financial period. Under Irish Company Law, the Directors have elected to prepare the consolidated and company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applied in accordance with Irish Company Law.

Under Irish Company Law, the Directors shall not approve the consolidated and company financial statements unless they are satisfied that they give a true and fair view of the Group and Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Group for the financial year and otherwise comply with the Companies Act 2014.

In preparing the consolidated and company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the consolidated and company financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- Assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and,
- Prepare the consolidated and company financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and enable them to ensure that the consolidated and Company financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of the consolidated and Company financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

This report was approved by the Board of Directors on 17 June 2026.

Neil O'Donnell

Neil O'Donnell
Director

John McInerney

John McInerney
Director

Independent auditor's report to the members of Terra Mater Aviation Capital Designated Activity Company

Opinion

We have audited the financial statements of Terra Mater Aviation Capital Designated Activity Company ("the Company") and its subsidiaries ("the Group"), which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity and the Consolidated and Company Statement of Cash Flows for the financial year ended 31 December 2025, and the related notes to the financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRS Accounting Standards as adopted by EU ("IFRS") (the "relevant accounting framework").

In our opinion, Terra Mater Aviation Capital Designated Activity Company's financial statements:

- give a true and fair view of the assets, liabilities, and financial position of the Group and the Company as at 31 December 2025 and of the Group's profit or loss and cash flows for the financial year then ended,
- have been properly prepared in accordance with the relevant accounting framework, and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Group and Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Terra Mater Aviation Capital Designated Activity Company

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Director's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on the matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which to the best of our knowledge and belief, we considered necessary for the purposes of our audit.

In our opinion, the accounting records of the Group and Company were sufficient to permit the financial statements to be readily and properly audited.

The Consolidated and Company Statement of Financial Position and the Consolidated Statement of Comprehensive Income are in agreement with the accounting records and returns.

In our opinion, based on the work undertaken in the course of our audit

- the information given in the Directors' report for the financial year is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements, excluding the requirements on sustainability reporting in Part 28.

Based on our knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Independent auditor's report to the members of Terra Mater Aviation Capital Designated Activity Company

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of sections 305 to 312 of the Act, which relate to the disclosure of directors' remuneration and transactions with directors have not been complied with by the company. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process and for the preparation of financial statements that give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>. This description forms part of our auditor's report.

Independent auditor's report to the members of Terra Mater Aviation Capital Designated Activity Company

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Group's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shahnawaz Mirza

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Audit Firm
Dublin
Ireland

18 June 2026

Terra Mater Aviation Capital DAC and subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Financial Year ended 31 December 2025

		Year Ended 31 December 2025 US\$'000	Unaudited* Period Ended 31 December 2024 US\$'000
	Note		
Revenue			
Operating income	4	14,001	-
Operating expenses			
Depreciation	9	(4,389)	-
General and administrative expenses	6	(3,018)	(10)
Total operating expenses		(7,407)	(10)
Net operating profit/(loss)		6,594	(10)
Finance costs	7	(9,664)	-
Net loss on PPN payable	15	(105)	-
Loss before taxation		(3,175)	(10)
Taxation expense	8	(1)	-
Loss for the year/period		(3,176)	(10)
Other comprehensive income		-	-
Total comprehensive loss for the year/period		(3,176)	(10)

All the results of the Group derive from continuing operations. The Group has no gains or losses in the current financial year other than those dealt with in the profit and loss account, and therefore no separate statement of other comprehensive income has been prepared.

The accompanying notes form an integral part of these financial statements.

* The comparative figures for the period ended 31 December 2024 represent the aggregated results of the Company and its subsidiary, derived from their respective statutory financial statements prepared under FRS 101 on a single-entity basis, which were unaudited. The Group availed of the small company exemption from the requirement to prepare consolidated financial statements in the prior period. As both the Company and its subsidiary were largely dormant during that period, the comparative figures are not directly comparable to the current year, in which consolidated financial statements have been prepared under IFRS.

Terra Mater Aviation Capital DAC and subsidiaries

Consolidated Statement of Financial Position As at 31 December 2025

	Note	31 December 2025 US\$'000	Unaudited* 31 December 2024 US\$'000
Non-current assets			
Aircraft	9	79,707	-
Lease intangible asset	10	8,145	-
Total non-current assets		87,852	-
Current assets			
Cash and cash equivalents	11	5	-
Restricted cash	11	336	-
Trade and other receivables	12	249	-
Lease intangible asset	10	14,025	-
Total current assets		14,615	-
Total assets		102,467	-
Current liabilities			
Trade & other liabilities	14	1,201	10
Loans and borrowings	15	19,686	-
Total current liabilities		20,887	10
Non-Current Liabilities			
Trade & other liabilities	14	332	-
Profit participating notes payable	15	17,880	-
Loans and borrowings	15	66,553	-
Total non-current liabilities		84,765	-
Total liabilities		105,652	10
Equity			
Share capital	16	1	-
Accumulated deficit		(3,186)	(10)
Total equity		(3,185)	(10)
Total liabilities and equity		102,467	-

* The comparative figures for the period ended 31 December 2024 represent the aggregated results of the Company and its subsidiary, derived from their respective statutory financial statements prepared under FRS 101 on a single-entity basis, which were unaudited. The Group availed of the small company exemption from the requirement to prepare consolidated financial statements in the prior period. As both the Company and its subsidiary were largely dormant during that period, the comparative figures are not directly comparable to the current year, in which consolidated financial statements have been prepared under IFRS.

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on 17 June 2026.

Neil O'Donnell

Neil O'Donnell
Director

John McInerney

John McInerney
Director

Terra Mater Aviation Capital DAC and subsidiaries

Consolidated Statement of Changes in Equity For the Financial Year ended 31 December 2025

	Ordinary share capital US\$'000	Accumulated deficit US\$'000	Total equity US\$'000
Balance at 28 November 2024	-	-	-
Issue of share capital	-	-	-
Loss for the period	-	(10)	(10)
Balance at 31 December 2024*	-	(10)	(10)

	Ordinary share capital US\$'000	Accumulated deficit US\$'000	Total equity US\$'000
Balance at 01 January 2025	-	(10)	(10)
Issue of share capital	1	-	1
Loss for the year	-	(3,176)	(3,176)
Balance at 31 December 2025	1	(3,186)	(3,185)

* The comparative figures for the period ended 31 December 2024 represent the aggregated results of the Company and its subsidiary, derived from their respective statutory financial statements prepared under FRS 101 on a single-entity basis, which were unaudited. The Group availed of the small company exemption from the requirement to prepare consolidated financial statements in the prior period. As both the Company and its subsidiary were largely dormant during that period, the comparative figures are not directly comparable to the current year, in which consolidated financial statements have been prepared under IFRS.

The accompanying notes form an integral part of these financial statements.

Terra Mater Aviation Capital DAC and subsidiaries

Consolidated Statement of Cash Flows For the Financial Year ended 31 December 2025

	Note	31 December 2025 US\$'000	31 December 2024 US\$'000
Cash flows from operating activities			
Loss before taxation		(3,175)	-
Depreciation	9	4,389	-
Finance costs	7	9,664	-
Net loss on PPN payable	15	105	-
Amortisation of lease incentive assets	10	11,774	-
Total		22,757	-
<u>Working capital adjustments</u>			
(Increase) in trade and other receivables	12	(249)	-
Increase in trade and other liabilities	14	1,522	-
Net cash inflows from operations		24,030	-
Cash flows from investing activities			
Purchase of aircraft & capitalised expenses	9	(84,096)	-
Acquisition of lease intangible assets	10	(33,944)	-
Net cash used in investing activities		(118,040)	-
Cash flows from financing activities			
Proceeds of debt from external parties	15	103,117	-
Repayment of debt to external parties	15	(15,254)	-
Payment of arrangement fees	15	(2,275)	-
Finance costs paid	15	(9,013)	-
Proceeds from PPN drawdown	15	17,775	-
Proceeds from issuance of shares	16	1	-
Net cash inflows from financing activities		94,351	-
Net increase in cash and cash equivalents and restricted cash	11	341	-
Cash and cash equivalents and restricted cash at the beginning of the period	11	-	-
Cash and cash equivalents and restricted cash at the end of the year		341	-

The above cash flow statement represents movements in both cash and cash equivalents and restricted cash during the year.

The accompanying notes form an integral part of these financial statements.

Terra Mater Aviation Capital DAC and subsidiaries

Company Statement of Financial Position As at 31 December 2025

	Note	31 December 2025 US\$'000	31 December 2024 US\$'000
Non-current assets			
Profit participating notes receivable	13	17,946	-
Total non-current assets		17,946	-
Current assets			
Cash and cash equivalents	11	5	-
Trade and other receivables	12	1	-
Total current assets		6	-
Total assets		17,952	-
Current liabilities			
Trade & other liabilities	14	70	5
Total current liabilities		70	5
Non-current liabilities			
Profit participating notes payable	15	17,880	-
Total non-current liabilities		17,880	-
Equity			
Share capital	16	1	-
Retained earnings		1	(5)
Total equity		2	(5)
Total liabilities and equity		17,952	-

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on 17 June 2026.

Neil O'Donnell

Neil O'Donnell
Director

John McInerney

John McInerney
Director

Terra Mater Aviation Capital DAC and subsidiaries

Company Statement of Changes in Equity For the Financial Year ended 31 December 2025

	Ordinary share capital US\$'000	Accumulated deficit US\$'000	Total equity US\$'000
Balance at 28 November 2024	-	-	-
Issue of share capital	-	-	-
Loss for the period	-	(5)	(5)
Balance at 31 December 2024	-	(5)	(5)

	Ordinary share capital US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 01 January 2025	-	(5)	(5)
Issue of share capital	1	-	1
Profit for the year	-	6	6
Balance at 31 December 2025	1	1	2

The accompanying notes form an integral part of these financial statements.

Terra Mater Aviation Capital DAC and subsidiaries

Company Statement of Cash Flows For the Financial Year ended 31 December 2025

	Note	31 December 2025 US\$'000	31 December 2024 US\$'000
Cash flows from operating activities			
Profit before taxation		6	-
Net loss on PPN payable	15	105	-
Net gain on PPN receivable	13	(171)	-
Total		(60)	-
<u>Working capital adjustments</u>			
(Increase) in trade and other receivables	12	(1)	-
Increase in trade and other liabilities	14	65	-
Net cash inflows from operations		4	-
Cash flows from investing activities			
Issuance of PPN to subsidiaries	13	(17,775)	-
Net cash used in investing activities		(17,775)	-
Cash flows from financing activities			
Proceeds from PPN drawdown	15	17,775	-
Proceeds from issuance of shares	16	1	-
Net cash inflows from financing activities		17,776	-
Net increase in cash and cash equivalents and restricted cash	11	5	-
Cash and cash equivalents and restricted cash at the beginning of the period	11	-	-
Cash and cash equivalents and restricted cash at the end of the year		5	-

The above cash flow statement represents movements in both cash and cash equivalents and restricted cash during the year.

The accompanying notes form an integral part of these financial statements.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

1 General information

Terra Mater Aviation Capital DAC (the “Company”) is a limited liability company incorporated on 28 November 2024. The Company is domiciled and tax resident in Ireland, with a registered number 776745 and registered office at 1st Floor, Universal House, Shannon Free Zone, Shannon, Co. Clare.

The nature of the Company’s operations and its principal activities are set out in the business review in the Directors’ report.

2 Basis of preparation

These consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB and EU-endorsed IFRSs, for the financial year ended 31 December 2025. They have been prepared under the historical cost convention except the PPN receivable and PPN payable which are carried at fair value through the Statement of Profit or Loss and Other Comprehensive Income. These consolidated and company financial statements have been prepared on a going concern basis. The consolidated financial statements for the year ended 31 December 2025 represent the first period in which the Group has prepared consolidated financial statements.

In the comparative period ended 31 December 2024, the Company and its subsidiary were dormant and the Company availed of the exemption from the preparation of consolidated financial statements under section 365 of the Companies Act 2014. Accordingly, no consolidated financial statements were prepared for that period. The comparative figures presented in these financial statements represent the aggregated results and financial position of the Company and its subsidiary, derived from their respective statutory financial statements prepared under FRS 101 on a single-entity basis, which were unaudited. As the comparative figures have not been prepared on a consolidated IFRS basis, they are not directly comparable to the current year financial statements, which have been prepared on a consolidated basis in accordance with IFRS.

In accordance with section 304 (2) of the Companies Act 2014, the Company as a holding entity is availing the exemption of presenting its individual Income statement in these consolidated financial statements and from filing it with the register of Companies.

Standards and interpretations issued but not yet effective

The below lists the recent changes to IFRS that are required to be applied for annual periods beginning after 1 January 2026. The Group and Company intends to apply such standards where relevant from their effective date.

Effective date	New standard or guidance
01 January 2026	IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 - Annual Improvements to IFRS Accounting Standards - Volume 11
01 January 2026	IFRS 9, IFRS 7 - Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
01 January 2026	IFRS 9, IFRS 7 - Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
01 January 2027	IFRS 18 ‘Presentation and Disclosure in Financial Statements’
01 January 2027	IFRS 19 ‘Subsidiaries without Public Accountability: Disclosure’

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group and Company.

The Group and Company has not adopted any other new standards or interpretations that are not mandatory.

The Directors anticipate that the adoption of those standards or interpretations will have no material impact on the consolidated financial statements of the Group or the financial statements of the Company in the financial period of initial application.

Terra Mater Aviation Capital DAC and subsidiaries
Notes to the Financial Statements
For the Financial Year ended 31 December 2025

2 Basis of preparation (continued)

Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between Group companies are eliminated in full.

These consolidated financial statements represent the first period in which the Group has prepared consolidated financial statements.

Going Concern

The Directors have considered the going concern basis of preparation of the financial statements and have concluded that the Group has a reasonable expectation that it will continue in operational existence for a period of at least 12 months from the date of approval of the financial statements (the “period of assessment”). Following the disposal, the Group will no longer generate lease rental income. The Directors have therefore based their assessment on the Group’s expected liquidity position and reduced cost base, rather than ongoing operating cash flows from aircraft leases.

Having considered the Group’s financial position, the expected outcome of the disposal transaction, future business plans, and the availability of shareholder support and funding for future opportunities, the Directors believe that the Group will have sufficient resources to meet its obligations as they fall due for the period of assessment. Accordingly, the Directors confirm that they have a reasonable expectation that the Group will continue in operational existence for at least one year from the date of approval of these financial statements. The Directors have concluded that the liquidity position does not give rise to a material uncertainty that would cast significant doubt on the Group’s ability to continue as a going concern and that the financial statements have been properly prepared on a going concern basis.

Functional and presentational currency

The financial statements are presented in US dollars (“US\$”) which is the Group and Company’s functional and presentation currency. All financial information presented in US\$ has been rounded to the nearest thousand. The Directors of the Group and Company believe that US\$ most faithfully represents the economic effects of the underlying transactions, events and conditions.

Foreign currency translation

Foreign currency transactions are translated to the Group’s and Company’s functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the Statement of Financial Position date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

3 Material accounting policies

The accounting policies set out below have been applied consistently in dealing with items which are considered material in relation to the Group’s and Company’s financial statements.

Terra Mater Aviation Capital DAC and subsidiaries
Notes to the Financial Statements
For the Financial Year ended 31 December 2025

3 Material accounting policies (continued)

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. These estimates and associated assumptions are based upon historical experience and an expectation of future events, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed by the Directors on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, the judgements and assumptions involved in the Group's accounting policies which have the most significant effect on the amounts recognised in the financial statements are as follows:

Aircraft

In accounting for the aircraft, the Group makes estimates about the expected useful lives and the estimated residual values of aircraft. Aircraft are evaluated for impairment in each reporting period, or when there are indicators of impairment. Estimates and judgement are used in determining the value in use and fair value of aircraft. The Group estimates future lease cash flows, remaining useful life, discount rate, residual value and current and future fair values. The estimates and assumptions used are based on historical trends as well as future expectations. For some of these estimates, the Group utilises the services of independent valuation firms to determine the appropriate inputs. See note 9 for further details on aircraft.

Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. See note 8 for further details on deferred tax.

Provision for expected credit losses

The impairment provisions for accounts receivable under IFRS 9 are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward looking estimates at the end of each reporting period.

Revenue

Revenue from servicing aircraft is recognised as it is earned in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Group leases out aircraft under operating leases and records rental income on a straight-line basis over the term of the lease. Rentals received but unearned under the lease agreement are recorded in "Deferred revenue" in Trade and other Liabilities on the Group's Consolidated Statement of Financial Position until earned. A lease is classified as an operating lease where it does not transfer substantially all the risks and rewards incidental to the ownership.

The Group's current lease arrangements do not include supplemental rentals or maintenance reserve payments. Accordingly, no maintenance provision is recognised.

Depreciation of lease components is recorded as a component of lease income. The depreciation charge is calculated on a straight-line basis over the life of each lease.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

3 Material accounting policies (continued)

Revenue (continued)

Lease modifications on an operating lease are accounted for as a new lease from the effective date of the modification. As part of the lease payments for the new lease, it considers any prepaid or accrued lease payments relating to the original lease. Lease income continues to be recognised on a systematic basis that is representative of the pattern in which the benefit of the underlying asset is diminished.

A rental deferral which does not result in overall change in the consideration for the lease, is not accounted for as a lease modification. The Group continues to recognise operating lease income on a straight-line basis, which is representative of the pattern in which the Group benefit from use of the underlying asset is diminished.

Expenses

Expenses are recognised as incurred on an accrual basis.

Leases

Leases where the Group transfers substantially all of the risks and rewards of ownership to the lessee are classified as finance leases. All other leases are classified as operating leases.

Initial direct costs incurred in negotiating and executing operating leases are added to the carrying amount of the leased assets and recognised as an expense on a straight-line basis over the lease terms.

The Group leases aircraft on an operating lease and bears i) the asset deterioration risk in the underlying value of the aircraft and ii) the credit risk of the lessee during the life of the lease. The Directors mitigate these risks through lease structuring, including contractual redelivery conditions, security deposits where applicable, and active asset management strategies such as lease extensions and remarketing of aircraft.

Aircraft

Aircraft are carried at cost less accumulated depreciation and impairment. The costs of the asset are made up of the purchase price of the asset plus any costs directly attributable to bringing the asset to a working condition for its intended use.

Aircraft assets are depreciated on a straight-line basis over the expected useful life of 25 years, to a residual value of 15% of the original cost. The asset's residual value, useful life, and depreciation method are reviewed and adjusted if appropriate at each financial period end.

In accordance with IAS 16 'Property, plant and equipment', the Group's aircraft are reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and, in these circumstances, a loss is recognised as a write down of the carrying value to the higher of its value in use and fair value less costs to sell.

Value in use is calculated as the present value of the future cash flows to be derived from the operation of the asset. Future cash flows are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

Fair value less costs to sell is calculated based on current market values which are supported by values received from independent appraisers.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

3 Material accounting policies (continued)

Investments in subsidiaries

Investments in subsidiary companies are measured at cost less impairment. Investments are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying value may not be recoverable. Determining whether an impairment has occurred typically requires various estimates and judgements. The recoverable amount is the higher of the net realisable value and value in use. Net realisable value is the amount at which an investment could be disposed of less any direct selling costs, and value in use is the present value of future cash flows obtainable as a result of an investment's continued use, including those resulting from its ultimate disposal. These reviews are carried out with reference to the future cash flow expected to be generated by the investment.

Intercompany receivables and payables

All intercompany receivables and payables are carried at amortised cost, callable / repayable on demand and interest free.

Security deposits

In accordance with the terms of the lease agreements, the lessees are required to provide letters of credit as security against their rental obligations.

Maintenance reserves

The Group's aircraft lease agreements do not require the collection or payment of maintenance reserves during the term of the lease. Under the terms of the lease, the lessee is responsible for performing and bearing the cost of maintenance during the lease term in accordance with the approved maintenance program and applicable regulatory requirements. The lessor does not collect supplemental rent or maintenance reserves based on flight hours, cycles, or calendar intervals for any components or systems of the aircraft. No end-of-lease compensation is contractually required from the lessee for usage or degradation of the airframe, engines, or components, except in limited cases where redelivery conditions are not met. In such situation, the lessee is required to correct the discrepancies at its own expense prior to redelivery or provide mutually agreed compensation to the lessor in lieu of corrective maintenance. As a result, no maintenance reserve assets or liabilities are recognised in the financial statements, and no cash is received or held for future maintenance performance by the lessee.

Financial instruments

Financial assets classification and recognition

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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

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

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial instruments and PPN instruments. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

3 Material accounting policies (continued)

Financial instruments (continued)

Financial assets classification and recognition (continued)

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. The financial assets held by the Group are trade receivables and cash. Since these are held to collect contractual cash flows and those cash flows are solely payments of principal and interest, they have been classified as measured at amortised cost.

As detailed above, in order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. The PPN is a financial asset that bears no contracted interest rate or principal payments. Instead, the PPN is structured as a limited recourse instrument, whereby amounts receivable are contingent on the performance of the underlying issuer and the availability of distributable cash.

Specifically, amounts receivable under the PPN are determined by reference to the issuer's distributable returns for the relevant period, being an amount equal to 100% of the issuer's accounting profit or, if greater, 100% of its taxable profit, after the retention of a minimum annual profit reserve of US\$1,000 (the "Net Return"). Cash flows are therefore variable, non-linear, and dependent on the performance of the underlying assets, and are distributed in accordance with the priority of payments set out in the relevant credit agreement.

Accordingly, the PPN fails the SPPI test and is classified and measured at FVTPL. Subsequent changes in fair value are recognised in net gain/(loss) on financial assets at FVTPL in the Statement of Profit or Loss and Other Comprehensive Income.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which either:

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, restricted cash, loans and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method.

Fair values of non-derivative financial instruments, which are determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change of value.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

3 Material accounting policies (continued)

Financial instruments (continued)

Restricted cash

Restricted cash comprises cash held by the Group, but which is ring-fenced or used as security for specific financing arrangements, and which the Group does not have unfettered access.

Profit participating notes

The profit participating notes are debt instruments and all amounts, paid or payable by the Company (other than payments of principal on the profit participating notes) will be treated as interest expense in the Statement of Profit or Loss and Other Comprehensive Income of the Company. The profit participating notes are structured as limited recourse in nature. The return of interest and principal to the note holders is contingent on the value of the assets. Ad-hoc principal payments may be made by the Company once due notice is given to the note holders.

The interest payable on the PPNs is determined by reference to the Company's distributable returns for the relevant period. Specifically, the return available for distribution to noteholders is equal to 100% of the Company's accounting profit or, if higher, 100% of its taxable profit for the period, after the retention of a minimum annual profit reserve of US\$1,000 (the "Net Return").

The Company has designated the profit participating notes as a financial liability at FVTPL in order to eliminate measurement or recognition inconsistency that would otherwise arise if measured at amortised cost as the underlying investments, being the PPN under loans receivable to subsidiaries, which is classified at FVTPL. Subsequent changes in the fair value of the profit participating notes are recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The profit participating notes have been classified as a financial liability due to the contractual obligation to make payments whenever the appropriate cash is available.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and are thereafter measured at amortised cost using the effective interest rate. Trade and other receivables are discounted when the time value of money is considered material. The information considered for impairment are probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs using the simplified approach and general approach for all other financial assets not held at fair value through profit and loss. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

3 Material accounting policies (continued)

Financial instruments (continued)

Loan payable

Loans payable are initially measured at fair value and are subsequently carried at amortised cost using the effective interest method. The amortised cost of the loans and borrowings is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount. Where the expected cash flows cannot be reliably estimated, contractual cash flows are used at each reporting date. The Group's borrowings under its credit facility bear interest at a fixed rate for the junior facility and bear interest at a variable rate tied to market benchmarks, SOFR plus a margin for the senior facility .

Arrangement fees that arise on loans and borrowings are initially netted against loans payable in the Consolidated Statement of Financial Position and are amortised to the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the term of the related loan.

Current and deferred taxation

Tax expenses comprise current and deferred tax. Current and deferred tax expense is recognised through profit or loss in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the Statement of Changes in Equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous periods. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period date in Ireland, where the Company operates and generates taxable income. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, in respect of all temporary differences that have originated but not reversed at the end of the reporting period where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less tax. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Share capital

Share capital is classified as equity. Any incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of tax effects.

Dividends are recognised as a liability in the financial period in which they are approved.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

4 Operating Income

	Year Ended 31 December 2025 US\$'000	Period Ended 31 December 2024 US\$'000
Operating lease revenue	25,775	-
Lease Intangible Asset Amortisation	(11,774)	-
Total operating income	14,001	-

An analysis of operating lease revenue by geographical distribution of the lessees is as follows:

Geographical location	2025 %	2025 Revenue US\$'000	2024 Revenue US\$'000	2024 %
Asia / Asia Pacific	100%	14,001	-	-
Total	100%	14,001	-	-

The Group is contracted to receive the following minimum cash lease rentals under the non-cancellable operating lease agreements entered into:

	31 December 2025 US\$'000	31 December 2024 US\$'000
Within 1 year	30,576	-
Between 1 and 2 years	17,048	-
Total contracted lease rentals	47,624	-

5 Statutory Information

	Year Ended 31 December 2025 US\$'000	Period Ended 31 December 2024 US\$'000
Audit of financial statements	20	-
Tax compliance services	23	-
Depreciation	4,389	-
Total	4,432	-

Directors' remuneration

The Company had no employees during the financial year ended 31 December 2025. All service and administrative functions of the Group and Company are outsourced to AIP Capital Limited and Pivotal Corporate & Trust Solutions Limited, respectively.

Pivotal Corporate & Trust Solutions Limited have been engaged to provide corporate administration services to the Group. As part of these services, Pivotal Corporate & Trust Solutions Limited provides directors to the subsidiary entity within the Group. These directors are employees of Pivotal Corporate & Trust Solutions Limited and do not receive any remuneration from the Group. At the Company level, Pivotal Corporate & Trust Solutions Limited provides an alternate director to the board, while the primary directors are not employees of Pivotal Corporate & Trust Solutions Limited. No remuneration was paid by the Company to any directors during the financial year (2024: US\$ nil).

Auditor's fees

No other services were provided by the statutory auditor. Auditor's fees arise solely on fees incurred for the statutory audit.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

6 General and administrative expenses

	Year Ended 31 December 2025 US\$'000	Period Ended 31 December 2024 US\$'000
Lease Management Fees	2,522	-
Professional and consultancy fees	396	10
Administration expenses	100	-
Total general and administrative expenses	3,018	10

7 Finance Costs

	Year Ended 31 December 2025 US\$'000	Period Ended 31 December 2024 US\$'000
Interest expense on external loans	9,013	-
Amortisation of deferred financing costs	634	-
Other finance costs	17	-
Total finance costs	9,664	-

8 Taxation

The Company is subject to taxation in Ireland on taxable income from approved activities at a rate of 12.5%, however, the Company is a qualifying company under the Section 110 of the Taxes Consolidation Act 1997 of Ireland and as such, the profits are chargeable to corporation tax of 25%

	Year Ended 31 December 2025 US\$'000	Period Ended 31 December 2024 US\$'000
a) Analysis of tax credit / charge for the year/period		
<i>Current tax:</i>		
Corporation tax for the year/period	1	-
Current tax (credit) / charge for the year/period	1	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Deferred tax (credit)/charge for the year/period	-	-
Total income tax (credit) / charge for the year/period	1	-

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

8 Taxation (continued)

b) Factors affecting tax credit / charge for the year/period

The reconciliation of tax on profit / loss on ordinary activities at the standard rate of Irish corporation tax to the actual tax credit / charge is analysed as follows:

	Year Ended 31 December 2025 US\$'000	Period Ended 31 December 2024 US\$'000
Loss before taxation	(3,175)	(10)
Tax on loss before taxation for the period at Irish corporation tax rate of 12.5%	(397)	(2)
Effects of:		
Pre-trading expenses	(1)	-
Tax at a higher rate	(398)	-
Unrecognised deferred tax assets	797	2
Total tax (credit) / charge	1	-

c) Circumstances affecting current and future tax credits / charges

Tax is chargeable in future periods unless Group relief is available. To the extent losses are incurred in the future, these can be carried forward for offset against taxable profits. From 1 January 2025, the standard Irish corporation tax rate is expected to remain at its current 12.5%.

d) Deferred tax

Deferred tax represents the amount of tax recoverable in respect of tax losses in the current period which are available for carry forward and the excess of capital allowances over accounting depreciation. The Group calculated deferred tax assets of US\$ 796,639 (2024: US\$ 2,280) in the financial year. The Group recognises deferred tax assets to the extent that future profits will be available to utilise the asset. On this basis the above deferred tax asset has not been recognised due to the uncertainty surrounding its future recoverability.

e) BEPS Pillar 2

In October 2021, the OECD/G20 Inclusive Framework on BEPS released the Global Anti-Base Erosion (GloBE) Model Rules under Pillar Two, which introduce a global minimum tax rate of 15%. These rules are expected to be effective for fiscal years beginning on or after January 1, 2024. The Company's ultimate shareholder does not have consolidated revenue exceeding EUR 750 million; accordingly, the Company does not fall within the scope of these rules.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

9 Aircraft

Group	31 December 2025 US\$'000	31 December 2024 US\$'000
Cost		
Balance at 1 January 2025	-	-
Additions for the year	84,096	-
Balance at 31 December 2025	84,096	-
Accumulated Depreciation		
Balance at 1 January 2025	-	-
Depreciation charge for the year	(4,389)	-
Balance at 31 December 2025	(4,389)	-
Net book value at 31 December 2025	79,707	-

The Company holds no aircraft asset in its own right. During the financial year, the Group acquired 3 aircraft from third parties.

No impairment charge has been required to be recorded in the financial statements for the year ended 31 December 2025.

The distribution of aircraft by region based on airline location is as follows:

	31 December 2025 US\$'000	2025 %
Asia / Asia Pacific	79,707	100
Total	79,707	100

10 Lease intangible assets

Group	31 December 2025 US\$'000	31 December 2024 US\$'000
Cost		
Balance at 1 January 2025	-	-
Additions for the year	33,944	-
Balance at 31 December 2025	33,944	-
Accumulated Amortisation		
Balance at 1 January 2025	-	-
Amortisation charge for the year	(11,774)	-
Balance at 31 December 2025	(11,774)	-
Net book value at 31 December 2025	22,170	-
Current	14,025	-
Non-Current	8,145	-
	22,170	-

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

11 Cash and cash equivalents and restricted cash

Group	31 December 2025 US\$'000	31 December 2024 US\$'000
Cash at bank	5	-
Restricted cash	336	-
Total cash and cash equivalents and restricted cash	341	-
Company	31 December 2025 US\$'000	31 December 2024 US\$'000
Cash at bank	5	-
Total cash and cash equivalents and restricted cash	5	-

12 Trade and other receivables

Group	31 December 2025 US\$'000	31 December 2024 US\$'000
VAT receivable	36	-
Other receivables	213	-
Total trade & other receivables	249	-
Company	31 December 2025 US\$'000	31 December 2024 US\$'000
Other receivables	1	-
Total trade & other receivables	1	-

All current trade and other receivables are due within one year.

13 Profit participating notes receivable

The Subsidiary issued the PPN to the Company up to an aggregated amount of US\$ 19,408,851. The maturity date of the PPN is 14 February 2050. The return available for distribution is equal to 100% of the Subsidiary's accounting profit or, if greater, 100% of the Subsidiary's taxable profit for the relevant period, after retaining a profit reserve amount of US\$1,000 per annum.

The carrying value of the PPN receivable is as follows:

Company	31 December 2025 US\$'000	31 December 2024 US\$'000
Balance at 1 January 2025	-	-
PPN drawdown	17,775	-
Balance at 31 December 2025	17,775	-
Cumulative gains on PPN receivable		
Balance at 1 January 2025	-	-
Net gain on PPN receivable	171	-
Balance at 31 December 2025	171	-
Current	-	-
Non-Current	17,946	-
Total profit participating notes receivable	17,946	-

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

14 Trade and other liabilities

Group	31 December 2025 US\$'000	31 December 2024 US\$'000
Current Liabilities		
Accruals & other payables	45	10
Lease revenue received in advance	1,155	-
Corporation tax payable	1	
Total current liabilities	1,201	10
Non-Current Liabilities		
Deferred income	332	-
Total non-current liabilities	332	-
Total trade & other liabilities	1,533	10
Company	31 December 2025 US\$'000	31 December 2024 US\$'000
Current Liabilities		
Accruals & other payables	70	5
Total trade & other liabilities	70	5

All current trade and other liabilities are due within one year. Amounts due to group companies are interest free and are repayable on demand.

15 Loans and borrowings

On 13 February 2025, the Subsidiary entered into a financing arrangement comprising a senior facility with Deutsche Bank AG (the “Senior Facility”) and a junior facility with LuminArx Opportunistic Alternative Solutions Holdings I Fund LP and LuminArx Pavo Holdings I LP (the “Junior Facility”) in connection with the financing of the aircraft.

The Senior Facility matures on a per-aircraft basis on 28 February 2027, 30 July 2027 and 30 November 2027. The Junior Facility matures on 31 August 2027.

The Senior Facility bears interest at a variable rate of SOFR plus 2.9%, while the Junior Facility bears interest at a fixed rate of 18%.

The Subsidiary has three charges registered with the Companies Registration Office in favour of the third-party financier.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

15 Loans and borrowings (continued)

The carrying value of the third-party loans are as follows:

Group	31 December 2025 US\$'000	31 December 2024 US\$'000
Balance at 1 January 2025	-	-
Loan drawdowns	103,117	-
Loan repayments	(15,254)	-
Debt issuance costs paid	(2,275)	-
Amortisation of arrangement fees	634	-
Balance at 31 December 2025	86,222	-
Accrued Interest		
Balance at 1 January 2025	-	-
Interest expense for the year	9,013	-
Interest paid	(8,996)	-
Other finance costs	17	-
Other finance costs paid	(17)	-
Balance at 31 December 2025	17	-
Current	19,686	-
Non-Current	66,553	-
Total Loans and Borrowings	86,239	-

On 14 February 2025, the Company issued the PPNs to Phoenix Aviation Capital Limited, AIP Capital (Earth) LLC, LuminArx Opportunistic Alternative Solutions Holdings II Fund LP and LuminArx Pavo Holdings II LP up to an aggregated amount of US\$ 19 million. The maturity date of the PPNs is February 2050. The return available for distribution is equal to 100% of the Company's accounting profit or, if greater, 100% of the Company's taxable profit for the relevant period, after retaining a profit reserve amount of US\$1,000 per annum.

The carrying value of the profit participating notes are as follows:

Group & Company	31 December 2025 US\$'000	31 December 2024 US\$'000
Balance at 1 January 2025	-	-
PPN drawdowns	17,775	-
PPN Repayments	-	-
Balance at 31 December 2025	17,775	-
Cumulative loss on PPN payable		
Balance at 1 January 2025	-	-
Net loss on PPN payable	105	-
Balance at 31 December 2025	105	-
Current	-	-
Non-Current	17,880	-
Total PPN payable	17,880	-

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements For the Financial Year ended 31 December 2025

16 Share Capital

	31 December 2025 US\$'000	31 December 2024 US\$'000
<i>Authorised</i>		
100,000,000 ordinary shares of €1 each	105,420	105,420
<i>Allotted, called up and fully paid</i>		
1000 Ordinary shares of €1 each	1	-

The shareholder of the Company is as follows: Phoenix Aviation Capital Limited – 720 shares, AIP Capital (Earth) LLC – 150 shares, LuminArx Opportunistic Alternative Solutions Holdings II Fund LP – 89 shares and LuminArx Pavo Holdings II LP – 41 shares.

17 Investments in subsidiaries

Company Name	Place of incorporation	Date of acquisition	% Holding	31 December 2025	31 December 2024
Opis Aviation Capital DAC	Ireland	19/12/2024	100	103.95	103.95
Total				103.95	103.95

Breakdown of Investments 31 December 2025:

Name	Share Capital US\$'000	Capital Contribution US\$'000	Total US\$'000
Opis Aviation Capital DAC	-	-	-
Total	-	-	-

18 Risk and uncertainties

The Group in the course of its business activities is exposed to various risks. The Group has adopted policies to ensure that risks are identified and managed in accordance with the objectives of the Group. The Directors have determined the Principal Risks and Uncertainties to be as follows:

Asset Risk

The Group leases its aircraft to customers who assume responsibility for the operation and maintenance of the assets. When the contracted lease term ends, the Group bears the risk of re-leasing or selling the aircraft. The Directors mitigate these risks through lease structuring, including contractual redelivery conditions, security deposits where applicable, and active asset management strategies such as lease extensions and remarketing of aircraft. If demand for aircraft decreases, market lease rates may fall. Should this continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

18 Risk and uncertainties (continued)

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 and arises principally from the Group receivables from lessees. There is a risk that should the lessee experience financial difficulties this could result in default or the early termination of the Company's leases. The Group monitors the performance of the lessee on an ongoing basis. The Directors mitigate this risk by collecting cash security deposits or letters of credit from its lessee where appropriate, through ongoing monitoring of the lessee's performance and assessing the creditworthiness of each new customer.

The maximum exposure of the Company and Group's financial assets to credit risk as at 31 December 2025 are as follows:

Group		31 December 2025 US\$'000	31 December 2024 US\$'000
<u>Financial assets</u>			
Cash and cash equivalents	11	5	-
Restricted cash	11	336	-
Trade and other receivables	12	249	-
Total financial assets		590	-
Company		31 December 2025 US\$'000	31 December 2024 US\$'000
<u>Financial assets</u>			
Cash and cash equivalents	11	5	-
Profit participating notes receivables	13	17,946	-
Total financial assets		17,951	-

Expected Credit Loss for airline-lessee customers

The Group, based on inputs from the Servicer, assigns a credit rating to each airline-lessee customer that it has determined to be predictive of the risk of loss having considered collateral arrangements (security deposits & letter of credit) as well as available additional qualitative and quantitative factors that are indicative of the risk of default.

Receivables from related parties are also subject to the impairment requirements of IFRS 9. The Group and the Company has performed an ECL assessment for these and determined that there is no material expected credit losses at year end and accordingly no allowance for expected credit losses is required.

Cash

While Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The counterparty is a financial institution with good credit status and the Group expects its related parties to be able to settle the amounts due to them. The Group and Company manages its exposure to credit risk by placing cash with recognised financial institution.

The long-term credit ratings of the counterparties are as follows for the financial year ended 31 December 2025:

Financial Institution	Fitch	Standard and Poor's
UMB	A-	BBB+
HSBC	A+	A-

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

18 Risk and uncertainties (continued)

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they become due. 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 due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The contractual maturity of the Group's financial liabilities for the year ended 31 December 2025, including expected interest payments (except the PPN interest which is based of available cash) is as follows:

Group	< 1 Year	1 - 2 Years	2 - 5 Years	> 5 Years	Total Cash Flows	Total Carrying Value
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Financial liabilities</i>						
Loans payable	28,172	70,057	-	-	98,229	86,239
PPN payable	-	-	-	17,880	17,880	17,880
Trade and other liabilities	45	-	-	-	45	45
Total financial liabilities	28,217	70,057	-	17,880	116,154	104,164

The contractual maturity of the Group's financial liabilities for the period ended 31 December 2024, including expected interest payments (except the PPN interest which is based of available cash) is as follows:

Group	< 1 Year	1 - 2 Years	2 - 5 Years	> 5 Years	Total Cash Flows	Total Carrying Value
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Financial liabilities</i>						
Trade and other liabilities	10	-	-	-	10	10
Total financial liabilities	10	-	-	-	10	10

The contractual maturity of the Company's financial liabilities for the year ended 31 December 2025 including expected interest payments (except the PPN interest which is based of available cash) is as follows:

Company	< 1 Year	1 - 2 Years	2 - 5 Years	> 5 Years	Total Cash Flows	Total Carrying Value
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Financial liabilities</i>						
PPN payable	-	-	-	17,880	17,880	17,880
Trade and other liabilities	70	-	-	-	70	70
Total financial liabilities	70	-	-	17,880	17,950	17,950

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

18 Risk and uncertainties (continued)

Liquidity Risk (continued)

The contractual maturity of the Company's financial liabilities for the period ended 31 December 2024 including expected interest payments (except the PPN interest which is based of available cash) is as follows:

Company	< 1 Year	1 - 2 Years	2 - 5 Years	> 5 Years	Total Cash Flows	Total Carrying Value
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Financial liabilities</i>						
Trade and other liabilities	10	-	-	-	10	10
Total financial liabilities	10	-	-	-	10	10

The Company periodically performs reviews of its carrying value of its assets and the sufficiency of accruals and provisions, substantially all of which are susceptible to the above risks and uncertainties.

Operational risk

Operational risk is the risk of indirect or direct profit arising from a wide variety of causes associated with the Group's operations. The Group's objective is to manage operational risk and does so primarily by outsourcing all administrative functions to a professional service provider. The Company was incorporated with the purpose of engaging in the activities outlined in the 'Principal activities, business review and future developments' section of the Directors' Report.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments. The Group is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect the Group through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and aircraft on the ground all of which may require the carrying value of the aircraft to be materially reduced.

Currency Risk

The principal assets and liabilities of the Group are denominated in US\$ which is the functional currency of the Company. Therefore, the Company has limited exposure to currency risk.

Interest rate risk

The Company has issued the PPN Notes, the return available for distribution is equal to 100% of the Company's accounting profit or, if greater, 100% of the Company's taxable profit for the relevant period, after retaining a profit reserve amount of US\$1,000 per annum. The securities are limited recourse in nature and the interest rate risk is deemed low.

The Subsidiary's senior debt borrowings under its credit facility bear interest at variable rates tied to market benchmarks (e.g., SOFR plus a margin). Interest expense is recognized based on the applicable rates in effect during the reporting period. The junior debt is at a fixed interest rate therefore no sensitivity analysis is presented for the junior debt.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

18 Risk and uncertainties (continued)

Interest rate risk (continued)

The interest rate profile of the Group's financial assets and financial liabilities as at 31 December 2025 is as follows:

	Fixed US\$'000	Floating US\$'000	Non-Bearing US\$'000	Total US\$'000
<u>Financial assets</u>				
Cash and cash equivalents	-	5	-	5
Restricted cash	-	336	-	336
Trade and other receivables	-	-	249	249
Total financial assets	-	341	249	590
	Fixed US\$'000	Floating US\$'000	Non-Bearing US\$'000	Total US\$'000
<u>Financial liabilities</u>				
Loans payable	24,797	61,442	-	86,239
PPN payable	-	17,880	-	17,880
Trade & other liabilities	-	-	45	45
Total financial liabilities	24,797	79,322	45	104,164

Sensitivity analysis

If the US\$ SOFR interest rate applicable to the Group's third-party loan facility increased by 100 bps, the impact on the Consolidated Statement of Profit or Loss and Other Comprehensive Income is shown below:

Description	31 December 2025 US\$'000
1% increase in SOFR interest rate at year end	562
Decrease in profit for the financial year	562

A decrease in the US\$ SOFR interest rate of 1% will have an equal but opposite effect.

The interest rate profile of the Group's financial liabilities as at 31 December 2024 is as follows:

	Fixed US\$'000	Floating US\$'000	Non-Bearing US\$'000	Total US\$'000
<u>Financial liabilities</u>				
Trade & other liabilities	-	-	10	10
Total financial liabilities	-	-	10	10

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

18 Risk and uncertainties (continued)

Interest rate risk (continued)

The interest rate profile of the Company's financial assets and financial liabilities at 31 December 2025 is as follows:

	Fixed US\$'000	Floating US\$'000	Non-Bearing US\$'000	Total US\$'000
<u>Financial assets</u>				
Cash and cash equivalents	-	5	-	5
PPN receivable	-	17,946	-	17,946
Total financial assets	-	17,951	-	17,951
	Fixed US\$'000	Floating US\$'000	Non-Bearing US\$'000	Total US\$'000
<u>Financial liabilities</u>				
PPN payable	-	17,880	-	17,880
Trade & other liabilities	-	-	70	70
Total financial liabilities	-	17,880	70	17,950

The interest rate profile of the Company's financial liabilities at 31 December 2024 is as follows:

	Fixed US\$'000	Floating US\$'000	Non-Bearing US\$'000	Total US\$'000
<u>Financial liabilities</u>				
Trade & other liabilities	-	-	5	5
Total financial liabilities	-	-	5	5

Geopolitical and economic risks

The Group leases aircraft exposing it to (i) many and varying economic, social, legal and geopolitical risks, (ii) instability in key markets and (iii) global health pandemics. The Directors continue to monitor ongoing worldwide sanctions on the Russian Federation and Belarus, noting the entity has no connections or aircraft in either jurisdiction. The Directors are also closely monitoring developments in the Middle East, including ongoing regional conflicts, and assessing any potential impacts on operations, counterparties, and market conditions.

Exposure to the commercial airline industry

As a supplier to and partner of the airline industry, the Group is exposed to the financial condition of the airline industry, and in particular that of its customer. The financial condition of the airline industry is affected by, among other things, geopolitical events, outbreaks of communicable pandemic diseases and natural disasters, fuel costs and the demand for air travel. To the extent that any of these factors adversely affect the airline industry they may result in (i) downward pressure on lease rates and aircraft values, (ii) higher incidences of lessee defaults, restructuring, and repossessions and (iii) inability to lease aircraft on commercially acceptable terms.

19 Capital Structure

The Group and Company manages its capital and reviews its capital structure at least annually to ensure that it is able to continue as a going concern. The capital structure of the Group includes the loans issued disclosed in note 15, cash and cash equivalents, restricted cash and equity, comprising issued capital and retained deficit. The Group and Company is required to make payments of cash in accordance with the priority of payments and other provisions within the financing agreements and the Group's and Company's capital is therefore managed in line with this.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

20 Fair Value

IFRS 13: Fair value measurement sets out a single framework for measuring fair value and also sets out required disclosures. It defines fair value as 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. IFRS 13 also establishes a fair value hierarchy which requires an entity to maximise the use of observable inputs and minimise the use of unobservable inputs when measuring fair value.

The three levels of inputs that may be used to measure fair value are:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and,
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between instruments.

Trade and other receivables, cash, trade and other liabilities, and related party balances due within one year are short-term in nature and as such the carrying value is considered to approximate fair value.

The following table presents the Group's financial assets and liabilities that are measured at amortised cost and FVTPL as of 31 December 2025.

Group

31 December 2025	Carrying value US\$'000	Fair value US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
<i>Financial assets</i>					
Cash and cash equivalents	5	5	5	-	-
Restricted cash	336	336	336	-	-
Trade and other receivables	249	249	-	249	-
	590	590	341	249	-
<i>Financial liabilities</i>					
Loans and borrowings	86,239	86,239	-	86,239	-
PPN payable	17,880	17,880	-	-	17,880
Trade and other liabilities	45	45	-	45	-
Financial liabilities	104,164	104,164	-	86,284	17,880

The following table presents the Group's financial liabilities that are measured at amortised cost as of 31 December 2024.

Group

31 December 2024	Carrying value US\$'000	Fair value US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
<i>Financial liabilities</i>					
Trade and other liabilities	10	10	-	10	-
Financial liabilities	10	10	-	10	-

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

20 Fair value (Continued)

The following table presents the Company's financial assets and liabilities that are measured at amortised cost and FVTPL as of 31 December 2025.

Company

31 December 2025	Carrying value US\$'000	Fair value US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
<i>Financial assets</i>					
Cash and cash equivalents	5	5	5	-	-
PPN receivable	17,946	17,946	-	-	17,946
	17,951	17,951	5	-	17,946

31 December 2025	Carrying value US\$'000	Fair value US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
<i>Financial liabilities</i>					
PPN payable	17,880	17,880	-	-	17,880
Trade and other liabilities	70	70	-	70	-
Financial liabilities	17,950	17,950	-	70	17,880

The following table presents the Company's financial liabilities that are measured at amortised cost as of 31 December 2024.

Company

31 December 2024	Carrying value US\$'000	Fair value US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
<i>Financial liabilities</i>					
Trade and other liabilities	5	5	-	5	-
Financial liabilities	5	5	-	5	-

Determination of fair values

Cash and cash equivalents and restricted cash

The carrying amount approximates to fair value due to the short-term nature of these instruments. Cash and cash equivalents comprise of unrestricted and restricted cash.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows and discounted at the market rate of interest when the impact is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows and is discounted at the market rate of interest when the impact is material.

Loans issued

The fair value of Loans is estimated as the present value of future cash outflows discounted at market rates of similar credit quality.

Fair value measurement of profit participating notes

The profit participating note is measured at fair value through profit or loss and classified as Level 3. Fair value is sensitive to assumptions regarding the existence, timing and amount of distributable profits and the discount rate applied. Changes in these assumptions would result in a lower or higher fair value, with movements recognised in profit or loss. Given the contingent nature of the cash flows, quantitative sensitivities are not considered meaningful.

Terra Mater Aviation Capital DAC and subsidiaries
Notes to the Financial Statements
For the Financial Year ended 31 December 2025

21 Related Party Transactions

The following provides a list of outstanding balances with related parties as at 31 December 2025.

All transaction with related parties were made on terms equivalent to those that prevail in arm's length transactions.

Receivables and payables with affiliated entities

Receivables and payables with affiliated entities are interest free and repayable on demand. The Group had the following positions with affiliated entities as at 31 December 2025:

Group

Group Entity	Related Party	Nature of transactions	31 December 2025 US\$'000
Opis Aviation Capital DAC	Phoenix Aviation Capital LLC	Intercompany receivable	212
Total receivables from affiliated entities			212

Receivables and payables with affiliated entities are interest free and repayable on demand. The PPN receivable entitles the Company to a return equal to 100% of the Subsidiary's accounting profit or, if greater, 100% of its taxable profit for the relevant period, after deduction of a margin of US\$1,000 per annum. The Company had the following positions with affiliated entities as at 31 December 2025:

Company

Related party	Nature of transactions	31 December 2025 US\$'000
Opis Aviation Capital DAC	PPN receivable	17,946
Total receivables from affiliated entities		17,946

Related party	Nature of transactions	31 December 2025 US\$'000
Opis Aviation Capital DAC	Intercompany payable	44
Total payable to affiliated entities		44

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity. Key management personnel for the Group are the Board of Directors. Compensation paid to key management personnel for the financial year amounted to US\$ Nil (2024: US\$ nil). Pivotal Corporate & Trust Solutions Limited have been engaged to provide corporate administration services to the Group, incurring fees of US\$ 99,946 for the financial year ended 31 December 2025 (2024: US\$ nil). As part of these services, Pivotal Corporate & Trust Solutions Limited provides directors to the subsidiary entity within the Group. These directors are employees of Pivotal Corporate & Trust Solutions Limited and do not receive any remuneration from the Group. At the Company level, Pivotal Corporate & Trust Solutions Limited provides an alternate director to the board, while the primary directors are not employees of Pivotal Corporate & Trust Solutions Limited.

The Group incurred fees of US\$ 2,522,496 (2024: US\$ nil) during the financial year ended 31 December 2025 relating to services provided by AIP Capital Limited as Servicer.

Terra Mater Aviation Capital DAC and subsidiaries

Notes to the Financial Statements

For the Financial Year ended 31 December 2025

21 Related Party Transactions (Continued)

The balance outstanding as at 31 December 2025 relating to the profit participating notes, including interest, is as follows:

- Phoenix Aviation Capital Limited - US\$ 12,876,488
- AIP Capital (Earth) LLC – US\$2,682,002
- LuminArx Opportunistic Alternative Solutions Holdings II Fund LP – US\$1,590,011
- LuminArx Pavo Holdings II LP – US\$731,512

22 Commitments

The Company had no commitments at 31 December 2025 (2024: nil).

The Company had no contingent liabilities at 31 December 2025 (2024: nil).

23 Events after the reporting Period

Subsequent to the reporting date, Phoenix Aviation Capital Limited has entered into a share purchase agreement for the disposal of its shares & PPN receivable in the Company to an external party.

The Company has entered into a binding agreement for the disposal of its equity interest & PPN receivable in its subsidiary to an external party.

Geopolitical tensions in the Middle East have escalated. While the Group does not have direct operations or assets located in the affected areas, the situation has resulted in broader impacts on global aviation markets. Given the evolving nature of the situation, the Group is unable to reasonably estimate the financial impact at this time.

Except as disclosed above, there were no other material events since the statement of financial position date, up to the date of this report that require disclosure in the financial statements.

24 Approval of financial statements

The Board of Directors approved and authorised these financial statements on 17 June 2026.