

NOTICE TO CAYMAN ISLANDS STOCK EXCHANGE

Date: 1 October 2026

PAC Aviation III Designated Activity Company and PAC DAC LLC

(the "Issuer")

**Issuer announcement in relation to the
US\$592,000,000 Variable Rate Note due 2030**

(the "Notes")

The Issuer wishes to announce and advise to the Cayman Islands Stock Exchange (the **"Exchange"**) that audited financial statements for PAC Aviation III DAC for the financial period 10 September 2025 to 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

PAC Aviation III DAC

Directors' Report and Financial Statements

For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

PAC Aviation III DAC

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PAC Aviation III DAC

Directors and Other Information

Directors	David Talty Peter Glancy	
Registered Office	1st Floor Universal House Shannon Free Zone Shannon Clare Ireland	
Registered Number	797013	
Company Secretary	Pivotal Corporate Secretaries Limited 1st 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 Limited 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

PAC Aviation III DAC

Directors and Other Information (continued)

Bankers

Morgan Stanley
24-26 City Quay
Dublin 2
Dublin
Ireland

Corporate Service Provider

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

PAC Aviation III DAC

Directors' Report

For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

The Directors present their annual report and the audited financial statements of PAC Aviation III DAC (the “Company”) for the period ended 31 December 2025 (the “financial period”). The financial statements have been prepared in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ and in accordance with the provisions of the Companies Act 2014.

Principal Activities, Business Review and Future Developments

PAC Aviation III Designated Activity Company is a single member private company limited by shares. The company is a qualifying company under Section 110 of the Taxes Consolidation Act 1997. The Company acts as the holding company to its six subsidiaries which are Jingwei Aviation Capital Limited, AIP Aircraft 4 Ireland Limited, Feng Aviation Capital Limited, Huma Aviation Capital Limited, AIP Aircraft 5 Ireland Limited and Itsumade Aviation Capital Limited. The subsidiaries are 100% owned by the Company. The principal activities of the subsidiaries is the purchasing, leasing and trading of aircraft.

On 27 October 2025, the Company entered into a term loan financing facility with Citibank, Morgan Stanley and RBC Capital Markets. The maturity date of the financing facility is October 2030.

The Company entered into Profit Participating Notes up to an aggregated amount of US\$592 million (the “PPN”) on 27 October 2025 between the Company, as issuer, and Phoenix Aviation Capital Limited, as subscriber. The maturity date of the PPN is October 2030. The PPN is considered a liability in the Consolidated Statement of Financial Position. The PPN calculates the return as the Company’s profit less a margin of US\$10,000 per annum.

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

The Company is a wholly owned subsidiary of Phoenix Aviation Capital Limited (the “Parent”), a company with a registered address of 1st Floor, Universal House, Shannon Free Zone, Shannon, Clare, Ireland.

Principal Risks and Uncertainties

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company’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 Company’s reputation. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The Company may also rely on its Shareholder to fund any shortfalls in balances required for working capital management.

Currency Risk

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

Operational risk

Operational risk is the risk of indirect or direct loss arising from a wide variety of causes associated with the Company’s operations. The Company’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.

PAC Aviation III DAC

Directors' Report (continued)

For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

Principal Risks and Uncertainties (continued)

Geopolitical and economic risks

The Company's subsidiaries lease 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.

Results and Dividends

The Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2025 and the Statement of Financial Position as at 31 December 2025 are set out on pages 12 and 13 respectively. The loss for the period before taxation amounted to US\$2.7 million and is transferred to reserves.

The Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 period.

Going Concern

The Directors have considered the going concern basis of preparation of the financial statements and concluded that they have a reasonable expectation that the Company will continue in operational existence for 12 months from the date of approval of the financial statements ("the period of assessment"). Notwithstanding the result of for the financial period, the Directors believe the Company has sufficient liquidity to meet its obligations as they fall due.

Having considered the Company's financial position, future business plans, and the current economic and aviation environment and confirmation from the Company's parent undertaking that it will provide such financial support as is necessary to enable the Company to continue to meet its liabilities as they fall due, the Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least one period subsequent to the date of approval by the Board of Directors of the financial statements for the financial period ended 31 December 2025. The Directors have a reasonable expectation that the liquidity position does not give rise to a material uncertainty that would cast significant doubt on the going concern basis of preparation and that the financial statements have been properly prepared on a going concern basis.

Directors' and Company Secretary's Interests

The Directors and Company Secretary who served during the period are set out on page 1. Unless indicated otherwise, they served during the entire period.

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

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 period ended 31 December 2025.

Political Donations

The Company made no political donations during the period ended 31 December 2025.

PAC Aviation III DAC

Directors' Report (continued)

For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

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 service 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 Company'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 Company'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 period 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 Company does not meet the requirements to establish an audit committee for the current financial period ended 31 December 2025.

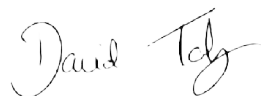
Director compliance statement

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

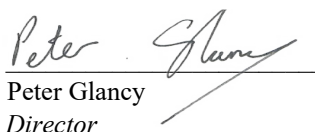
Events after the Reporting Period

Details of events after the reporting period are outlined in note 19.

This report was approved by the Board of Directors on 13 August 2026.



David Talty
Director


Peter Glancy
Director

PAC Aviation III DAC

Statement of Directors' Responsibilities For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

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

Irish Company Law requires the Directors to prepare financial statements for each financial period that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial period and of the profit or loss of the Company for the financial period. Under the Law, the Directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

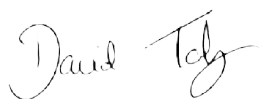
Under Irish Company Law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial period and of the profit or loss of the Company for the financial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

In preparing the 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 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; and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 Company and enable them to ensure that the 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 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 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 13 August 2026.



David Talty
Director



Peter Glancy
Director

Independent auditor's report to the members of PAC Aviation III DAC

Opinion

We have audited the financial statements of PAC Aviation III DAC ("the Company"), which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity for the financial period from 10 September 2025 to 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 accounting standards issued by the Financial Reporting Council including FRS 101 "Reduced Disclosure Framework" (the "relevant accounting framework").

In our opinion, PAC Aviation III DAC's financial statements:

- give a true and fair view of the assets, liabilities, and financial position of the company as at 31 December 2025 and of its profit or loss for the financial period 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 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 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 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.

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

Independent auditor's report to the members of PAC Aviation III DAC

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 Company were sufficient to permit the financial statements to be readily and properly audited.

The statement of financial position and profit and loss and other 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 period 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 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 PAC Aviation III DAC

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 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 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 PAC Aviation III DAC

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

This report is made solely to the Company'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 Company'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 Company and the Company'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

13 August 2026

PAC Aviation III DAC

Statement of Profit or Loss and Other Comprehensive Income For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

	Note	Period Ended 31 December 2025
Revenue		
Interest income	4	6,974
Operating expenses		
General and administrative expenses	6	(1,315)
Total operating expenses		<u>(1,315)</u>
Net operating profit		5,659
Finance costs	7	(8,353)
Loss before taxation		<u>(2,694)</u>
Taxation	8	-
Loss for the period		<u>(2,694)</u>
Other comprehensive income		-
Total comprehensive loss for the period		<u><u>(2,694)</u></u>

All the results of the Company derive from continuing operations. The Company has no gains or losses in the current financial period 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.

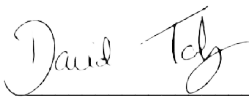
PAC Aviation III DAC

Statement of Financial Position As at 31 December 2025

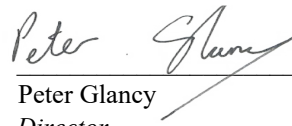
	Note	31 December 2025 US\$'000
Non-current assets		
Investment in subsidiaries	15	171,360
Intercompany loans and interest receivable	11	391,993
Total non-current assets		<u>563,353</u>
Current assets		
Cash and cash equivalents	9	146,499
Trade and other receivables	10	6,253
Intercompany loans and interest receivable	11	627
Total current assets		<u>153,379</u>
Total assets		<u>716,732</u>
Non-Current Liabilities		
PPN and PPN interest payable	13	147,818
Loans and borrowings	13	567,300
		<u>715,118</u>
Current liabilities		
Trade and other liabilities	12	32
Loans and borrowings	13	14,737
Total current liabilities		<u>14,769</u>
Equity		
Share capital	14	-
Accumulated deficit		(2,694)
Merger Reserve		(10,461)
Total equity		<u>(13,155)</u>
Total liabilities and equity		<u>716,732</u>

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

Approved by the Board of Directors on 13 August 2026.



 David Talty
 Director



 Peter Glancy
 Director

PAC Aviation III DAC

Statement of Changes in Equity For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

	Ordinary Share Capital US\$'000	Merger Reserve US\$'000	Accumulated deficit US\$'000	Total equity US\$'000
Balance at 10 September 2025	-	-	-	-
Issuance of share capital	-	-	-	-
Loss for the period	-	-	(2,694)	(2,694)
Merger reserve	-	(10,461)	-	(10,461)
Balance at 31 December 2025	-	(10,461)	(2,694)	(13,155)

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

PAC Aviation III DAC
Notes to the Financial Statements
For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

1 General information

PAC Aviation III Designated Activity Company is a single member private company limited by shares, company incorporated on 10 September 2025. The registered address for the Group is 1st Floor, Universal House, Shannon Free Zone, Shannon, Clare, Ireland.

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

The financial statements have been prepared in accordance with the Companies Act 2014 and Financial Reporting Standard 101 ("FRS 101") 'Reduced Disclosure Framework' issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS") as adopted by the EU, but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on a going concern basis and under the historic cost convention except where otherwise stated. The Directors are satisfied given the confirmation from the Company's parent undertaking that it will provide such financial support as is necessary to enable the Company to continue to meet its liabilities as they fall due that it is appropriate to prepare financial statements as of 31 December 2025 on a going concern basis.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The company is a wholly owned subsidiary of Phoenix Aviation Capital Limited (the "Parent"). The results of the Company are included in the consolidated financial statements of Phoenix Aviation Capital LLC which prepares consolidated financial statements in accordance with US GAAP. Accordingly, the Company has availed of the exemption from the requirement to prepare consolidated financial statements.

Financial Reporting Standard 101 - Reduced Disclosure Framework

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- The requirements of paragraphs 10(d), 16, 111 and 134-136 of International Accounting Standard ("IAS") 1 Presentation of Financial Statements
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- The disclosure requirements of IAS 12 Income Taxes in relation to the OECD Pillar Two model rules, as the relevant disclosures are included in the consolidated financial statements of the parent company
- The Company taken advantage of the disclosure exemption in relation to standards and interpretations issued but not yet effective, on the basis that equivalent disclosures are made in the consolidated financial statements of the Parent company.

PAC Aviation III DAC
Notes to the Financial Statements
For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

2 Basis of preparation (continued)

Functional and presentation currency

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

Foreign currency translation

Foreign currency transactions are translated to the 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 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 Company’s financial statements.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 101 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 Company’s accounting policies which have the most significant effect on the amounts recognised in the financial statements are as follows:

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 Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions, as well as forward looking estimates at the end of each reporting period.

Merger Reserve

During the year, the Company acquired shares in subsidiary undertakings as part of transactions under common control. As IFRS does not prescribe a specific accounting treatment for business combinations under common control, the Company has adopted the predecessor value method.

PAC Aviation III DAC
Notes to the Financial Statements
For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

3 Material accounting policies (continued)

Critical accounting estimates and judgements (continued)

Merger Reserve (continued)

Under the predecessor value method, the assets and liabilities acquired are recognised at their existing carrying values at the date of the transaction. No fair value adjustments are recognised and no goodwill arises on acquisition. Any difference between the consideration and capital contributions recognised by the Company in respect of the acquired subsidiaries and the underlying capital acquired is recognised within equity as a merger reserve.

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. Intercompany loans are recognised at amortised cost and bear interest at an appropriate arms' length rate per annum to be agreed in writing between the Lender and the Borrower.

Financial instruments

Financial assets

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire, are extinguished, or if the Company transfers the financial assets to third party and transfers all the risks and rewards of ownership of the asset, or if the Company does not retain control and transfers substantially all the risk and rewards of ownership of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Company commits itself to purchase or sell the asset.

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.

Financial liabilities

Issued financial instruments are classified as liabilities where the substance of the contractual arrangement results in the Company having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares.

Financial liabilities are initially measured at fair value and are subsequently carried at amortised cost using the effective interest method. The amortised cost of the financial liabilities 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.

PAC Aviation III DAC
Notes to the Financial Statements
For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

3 Material accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Profit participating notes are debt instruments and all amounts, paid or payable by the Company (other than payments of principal on the notes) will be treated as an interest expense in the statement of profit and loss and other comprehensive income of the Company. The notes are carried at amortised cost and recognised as liabilities in the statement of financial position. The note is structured as limited recourse in nature. The return of interest and principal to the Noteholders is contingent on the realisable value of the assets. The interest payable to the Noteholder is computed based on the taxable profits and gains in accordance with Irish taxation principles of the Company for the period less a margin of US\$ 10,000 ("Net Return").

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

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired, or subject to a substantial modification of terms

Interest income and expense

Interest income and expense are recognised on an effective interest rate ("EIR") basis. The EIR method is a method of calculating the amortised cost of liabilities and allocating the interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, when appropriate, a shorter period of the net carrying amount of the financial asset or liability.

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.

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Notes to the Financial Statements
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3 Material accounting policies (continued)

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.

4 Interest income

	Period Ended 31 December 2025 US\$'000
Intercompany loan interest income	6,124
Bank interest income	850
Total interest revenue	6,974

5 Statutory information

	Period Ended 31 December 2025 US\$'000
Audit of financial statements	14
Tax compliance services	9
Total	23

Auditor's fees

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

Directors' remuneration

The Company had no employees during the financial period ended 31 December 2025. All servicer functions of the Company are outsourced to AIP Capital Limited. Pivotal Corporate & Trust Solutions Limited have been engaged to provide corporate administration services to the Company, included in the services is the provision of Directors services, the Directors of the Company are employees of Pivotal Corporate & Trust Solutions Limited and do not receive any remuneration from the Company. A theoretical charge of US\$ 8,000 would have been charged for two directors if the costs were borne by the Company.

6 General and administrative expenses

	Period Ended 31 December 2025 US\$'000
Professional and consultancy fees	50
Administrative expenses	1,265
Total general and administrative expenses	1,315

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Notes to the Financial Statements
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7 Finance costs

	Period Ended 31 December 2025 US\$'000
Interest expense on external loans	7,715
Amortisation of debt issuance costs	638
Total finance costs	8,353

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%.

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

b) Factors affecting tax credit / charge for the 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:

	Period Ended 31 December 2025 US\$'000
Loss before taxation	(2,694)
Tax on loss before taxation for the period/period at Irish corporation tax rate of 12.5%	(337)
Effects of:	
Unrecognised deferred tax asset	674
Income taxed at a higher rate	(337)
Total tax charge / (credit)	-

c) Circumstances affecting current and future tax credits / charges

Tax is chargeable in future periods unless Company 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 2026, the standard Irish corporation tax rate is expected to remain at its current 12.5%.

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Notes to the Financial Statements
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8 Taxation (continued)

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 Company calculated deferred tax assets of US\$ 0.7 million in the financial period. The Company 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.

9 Cash and cash equivalents

	31 December 2025 US\$'000
Cash and cash equivalents	146,499
Total cash & cash equivalents	146,499

10 Trade and other receivables

	31 December 2025 US\$'000
VAT receivable	19
Intercompany receivable	6,234
Total trade and other receivables	6,253

All trade and other receivables are due within one year.

11 Intercompany loans and interest receivable

During the financial period, the Company entered into five loan agreements with its subsidiaries, Feng Aviation Capital Limited, AIP Aircraft 4 Ireland Limited, Huma Aviation Capital Limited and Itsumade Aviation Capital Limited and AIP Aircraft 5 Ireland Limited. The loans bear interest at an appropriate arms' length rate per annum to be agreed in writing between the Lender and Borrower. The interest rate agreed for the current period end is 10%. The maturity date and repayment date of the loans is October 2030. The loans together with all accrued interest thereon will be repaid in full on the repayment date or such other dates as the parties agree. The loans are limited recourse in nature.

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Notes to the Financial Statements
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11 Intercompany loans and interest receivable (continued)

	31 December 2025 US\$'000
Loans receivable	
Opening Balance	-
Loan drawdowns	400,003
Loan repayments	(8,010)
Closing Balance	391,993
Accrued Interest	
Opening Balance	-
Acquired on loan novation	2,807
Interest income during the period	6,124
Interest paid	(8,304)
Closing Balance	627
Total Intercompany loans and interest receivable	392,620
Current	627
Non-Current	391,993
Total Intercompany loans and interest receivable	392,620

12 Trade and other liabilities

	31 December 2025 US\$'000
Current Liabilities	
Accruals and other payables	32
Total current liabilities	32

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

13 Loans and borrowings

On 27 October 2025, the Company entered into a financing facility with Citibank, Morgan Stanley and RBC Capital Markets with a maximum commitment of \$592m. The maturity date of the financing facility is October 2030. The facility bears a variable interest rate of SOFR plus a margin of 3.25%. The Company has one charge registered with the Companies Registration Office in favour of the third-party financier.

PAC Aviation III DAC
Notes to the Financial Statements
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13 Loans and borrowings (continued)

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

	31 December 2025 US\$'000
Loans payable	
Opening Balance	-
Loan drawdowns	592,000
Loan repayments	-
Debt issuance costs paid	(18,316)
Amortisation of debt issuance costs	638
Closing Balance	574,322
Accrued Interest	
Opening Balance	-
Interest expense during the period	7,715
Interest paid	-
Closing Balance	7,715
Total Loans and Borrowings	582,037
Current	14,737
Non-Current	567,300
Total Loans and Borrowings	582,037

The Company issued the PPN to Phoenix Aviation Capital Limited on 27 October 2025 up to an aggregated amount of US\$ 592,000,000. The maturity date of the PPN is October 2030. The PPN calculates the return as the Company's profit less a margin of \$10,000 per annum.

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

	31 December 2025 US\$'000
Loans payable	
Opening balance	-
PPN drawdowns	147,818
PPN repayments	-
Closing Balance	147,818

14 Share capital

	31 December 2025 US\$'000
<i>Authorised</i>	
100,000,000 ordinary share of EUR €1 each	117,070
<i>Allotted, called up and fully paid</i>	
100 Ordinary shares of EUR €1 each	-

The shareholder of the Company is Phoenix Aviation Capital Limited, holding 100 ordinary shares.

PAC Aviation III DAC

Notes to the Financial Statements

For the Financial Period from 10 September 2025 (Date of Incorporation) to 31 December 2025

15 Investment in subsidiaries

Name	Place of Incorporation	Date of Acquisition	% Holding	31 December 2025 US\$'000
Jingwei Aviation Capital Limited	Ireland	16/09/2025	100	-
Itsumade Aviation Capital Limited	Ireland	27/10/2025	100	35,256
Huma Aviation Capital Limited	Ireland	27/10/2025	100	12,194
AIP Aircraft 5 Ireland Limited	Ireland	27/10/2025	100	35,643
Feng Aviation Capital Limited	Ireland	27/10/2025	100	57,122
AIP Aircraft 4 Ireland Limited	Ireland	27/10/2025	100	31,145
				171,360

Breakdown of Investments:

Name	Share Capital US\$	Investment on Acquisition US\$'000	Capital Contribution US\$'000	Subsidiary Disposal US\$'000	31 December 2025 US\$'000
Jingwei Aviation Capital Limited	118.07	-	-	-	-
Itsumade Aviation Capital Limited	108.82	-	35,256	-	35,256
Huma Aviation Capital Limited	107.32	-	12,194	-	12,194
AIP Aircraft 5 Ireland Limited	1	-	35,643	-	35,643
Feng Aviation Capital Limited	108.28	-	57,122	-	57,122
AIP Aircraft 4 Ireland Limited	1	11,242	19,903	-	31,145
	444.49	11,242	160,118	-	171,360

16 Merger Reserve

During the year, the Company acquired and disposed of subsidiary undertakings as part of transactions accounted for using the predecessor value method. The resulting difference between the consideration and capital contributions recognised by the Company and the underlying capital acquired or disposed of has been recognised as a merger reserve within equity.

Company	31 December 2025 US\$'000
Opening balance	-
Subsidiaries acquired	452,397
Consideration paid	(462,858)
Merger Reserve	(10,461)

17 Employees

The Company did not employ any person during the period ended 31 December 2025. All servicing and administrative functions are outsourced to the Servicer and the Corporate Servicer Provider, respectively.

18 Ultimate Company and immediate parent undertaking

The company is a wholly owned subsidiary of Phoenix Aviation Capital Limited (the "Parent") which holds the primary beneficial interest in the Company. The results of the Company are included in the consolidated financial statements of Phoenix Aviation Capital LLC which prepares consolidated financial statements in accordance with US GAAP.

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Notes to the Financial Statements
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19 Commitments

The Company had no commitments to acquire aircraft or any other capital items at 31 December 2025.

The Company had no contingent liabilities at 31 December 2025.

20 Events after the reporting period

Subsequent to the reporting date, the Company entered into an amendment to its existing loan facility, increasing the facility commitment and outstanding borrowings by US\$42.2 million.

Geopolitical tensions in the Middle East have escalated. While the Company 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 Company 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.

21 Approval of financial statements

The Board of Directors approved and authorised these financial statements on 13 August 2026.