Dubai Aerospace Enterprise

Dubai Aerospace Enterprise (DAE) Ltd

Results for the year ended

December 31, 2025

www.dubaiaerospace.com

ABOUT DAE

Dubai Aerospace Enterprise (DAE) Ltd is a globally recognized aviation services corporation with two divisions: DAE Capital and DAE Engineering. Headquartered in Dubai, DAE serves over 200 airline customers in over 80 countries from seven office locations in Dubai, Dublin, Limerick, Amman, Singapore, Miami, and Seattle.

DAE Capital is an award-winning aircraft lessor with an owned, managed and committed fleet of approximately 700 Airbus, ATR, Boeing and Embraer aircraft with a fleet value of USD 25 billion. DAE Engineering provides regional MRO services to customers in Europe, Middle East, Africa, and South Asia from its state-of-the-art facility in Amman, Jordan, accommodating up to 22 wide and narrow body aircraft. It is authorized to work on 15 aircraft types and has regulatory approval from over 30 regulators globally. More information can be found on the company's web site at www.dubaiaerospace.com.

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WEBCAST AND CONFERENCE CALL DETAILS

Dubai Aerospace Enterprise (DAE) Ltd will host its earnings conference call on Wednesday, 04 February 2026 at 09:00 EST / 14:00 GMT / 18:00 GST / 22:00 SGT to review its financial results for the year ended December 31, 2025.

The earnings conference call will be in audio and video format, and the webcast can be accessed by registering at www.dubaiaerospace.com/investors.

Alternatively, please click here to generate your unique dial-in PIN and to access the full list of toll-free dial in numbers to access the conference call in audio-only mode.

Further information can be found on our website www.dubaiaerospace.com.

FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended. These forward-looking statements relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. We have used the words "anticipate", "assume", "believe", "budget", "continue", "could", "estimate", "expect", "future", "intend", "may", "plan", "potential", "predict", "project", "will" and similar terms and phrases to identify forward-looking statements. Forward-looking statements reflect our current expectations regarding future events, results, or outcomes. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgements that prove to be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our financial condition, results of operations and cash flows. Any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to vary materially from our future results, performance, or achievements, or those of our industry, expressed or implied in such forward-looking statements. All amounts expressed in "USD" or "dollars" refer to U.S. dollars.

RESULTS ANNOUNCEMENT

We present management's discussion and analysis of the financial condition and results of operations for the year ended December 31, 2025 which should be read in conjunction with the audited consolidated financial statements (the "financial statements") of Dubai Aerospace Enterprise (DAE) Ltd ("DAE") and its subsidiaries (together and hereinafter "we" or "us"). References to "December 31, 2025" are for the year ended December 31, 2025 and to "December 31, 2024" are for the year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

- Total revenue was USD 1,725.2 million for the year ended December 31, 2025 compared to USD 1,429.6 million for the year ended December 31, 2024, an increase of USD 295.6 million, or 20.7%. This increase was primarily driven by the incremental lease revenue associated with the aircraft acquired through business combination and other channels and higher maintenance revenue.
- Profit was USD 702.2 million for the year ended December 31, 2025 compared to USD 477.5 million for the year ended December 31, 2024, an increase of USD 224.7 million, or 47.1%, which was primarily due to higher operating profit and insurance recoveries partly offset by increased net finance costs and income tax expense during the year.
- Operating profit before exceptional items was USD 922.6 million for the year ended December 31, 2025 compared to USD 711.1 million for the year ended December 31, 2024, an increase of USD 211.5 million or 29.7%, which is mainly attributable to higher revenue as noted above and gain on aircraft disposal partially offset by overall increase in total expenses.
- Total assets were USD 16,547.7 million at December 31, 2025 compared to USD 13,033.3 million at December 31, 2024. This increase was mainly due to the aircraft acquisitions during the year, including the acquired aircraft through business combination.
- Available liquidity was USD 3,400.2 million as at December 31, 2025 compared to USD 3,785.6 million as at December 31, 2024. The Liquidity coverage ratio was 277% at December 31, 2025 compared to 274% at December 31, 2024.
- Net Debt-to-Equity ratio was 2.58:1 times at December 31, 2025 compared to 2.42:1 times at December 31, 2024.

OPERATIONAL HIGHLIGHTS

- Total number of aircraft in the fleet at December 31, 2025 was 678 (December 31, 2024: 506) which consisted of 492 owned (December 31, 2024: 329), 112 managed (December 31, 2024: 110) and 74 committed aircraft (December 31, 2024: 67).
- During the year ended December 31, 2025, we purchased 261 owned aircraft which included aircraft acquired as a result of business combination (December 31, 2024: 30 aircraft) and 19 managed aircraft (December 31, 2024: 53 managed aircraft) and sold 94 owned aircraft (December 31, 2024: 19 aircraft) and 17 managed aircraft (December 31, 2024: 49 managed aircraft).
- The weighted average age of our owned fleet for passenger and freighter aircraft was 6.8 years and 11.5 years, respectively at December 31, 2025 compared to 7.3 years and 10.5 years, respectively at December 31, 2024. The weighted average remaining lease term of our owned passenger and freighter fleet at December 31, 2025 was 6.4 years and 8.9 years, respectively compared with 6.5 years and 7.2 years respectively, at December 31, 2024.
- The ratio of unsecured debt to total debt was 87.8% at December 31, 2025 compared to 79.4% at December 31, 2024.

RESULTS OF OPERATIONS

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

Results of operations *(in millions of USD)*	**Year ended Dec 31**	
	2025	**2024**
Consolidated statement of profit or loss and comprehensive income		
Total revenue	1,725.2	1,429.6
Gain on disposal of aircraft	186.2	101.6
Expenses		
Depreciation and amortization	(654.2)	(566.6)
General and administrative expenses	(141.9)	(124.2)
Cost of providing engineering maintenance services	(108.2)	(107.2)
(Provision for)/reversal of loss allowance	(24.9)	5.0
Aircraft maintenance	(59.6)	(27.1)
Operating profit before exceptional items	**922.6**	**711.1**
Finance income	36.3	62.2
Finance expense	(509.5)	(441.6)
Net finance costs	**(473.2)**	**(379.4)**
Profit before income tax before exceptional items	**449.4**	**331.7**
Insurance recoveries	312.2	200.6
Profit before income tax	**761.6**	**532.3**
Income tax expense	(59.4)	(54.8)
Profit for the year	**702.2**	**477.5**

Consolidated statement of financial position (Extract)	**As at Dec 31**	
	2025	**2024**
Total cash and cash resources	916.1	662.0
Aircraft held for lease	14,408.3	11,208.6
Aircraft held-for-sale	129.8	247.3
Total assets	**16,547.7**	**13,033.3**
Total loans and borrowings	10,227.6	7,999.7
Total equity	3,635.3	3,068.4
Total liabilities and equity	**16,547.7**	**13,033.3**

	Year ended Dec 31	
Adjusted EBITDA calculation [(1)]	**2025**	**2024**
Profit for the year	702.2	477.5
Add back		
Net finance costs	473.2	379.4
Income tax expense	59.4	54.8
Provision for/(reversal of) loss allowance	24.9	(5.0)
Depreciation and amortization	654.2	566.6
Insurance recoveries	(312.2)	(200.6)
Adjusted EBITDA	**1,601.7**	**1,272.7**

[(1)] *We define Adjusted EBITDA as profit excluding net finance costs, loss allowance, income tax expense, depreciation and amortization, and insurance recoveries.*

Financial metrics	**Year ended Dec 31**	
	2025	**2024**
Pre-tax margin (*per cent*) [2][4]	26.0	23.2
Pre-tax return on equity (*per cent*) [3][4]	13.4	11.0
	As at Dec 31	
	2025	**2024**
Net debt to equity (*times*) [5]	2.58	2.42
Total available liquidity (*USD billions*) [6]	3.4	3.8
Unsecured debt/total debt (*per cent*) [7]	87.8	79.4
Liquidity coverage ratio (*per cent*) [8]	277	274

All financial information above has been rounded for presentation purposes. Any percentages are based on unrounded figures.

(2) *Calculated as profit before income tax (before exceptional items) divided by total revenue.*

(3) *Calculated as profit before income tax (before exceptional items) divided by average total equity.*

(4) *Profit before tax (before exceptional items) excludes exceptional items of USD 312.2 million and USD 200.6 million pertaining to insurance recoveries for the year ended December 31, 2025 and 2024, respectively.*

(5) *Calculated as net debt (being total loans and borrowings, net of debt issuance costs less cash and cash equivalents) divided by total equity.*

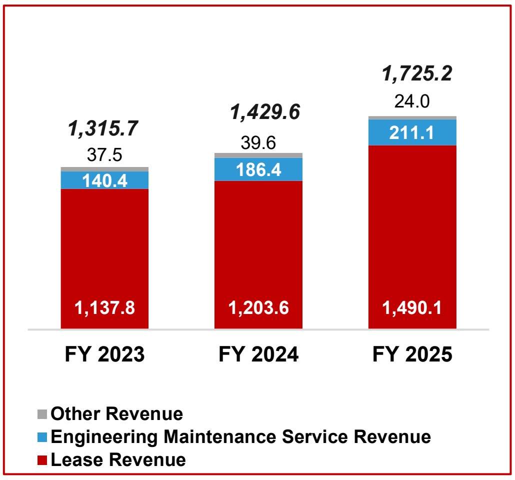
(6) *Calculated as the sum of available credit facilities and cash and cash equivalents.*

(7) *Calculated as unsecured loans and borrowings divided by total loans and borrowings.*

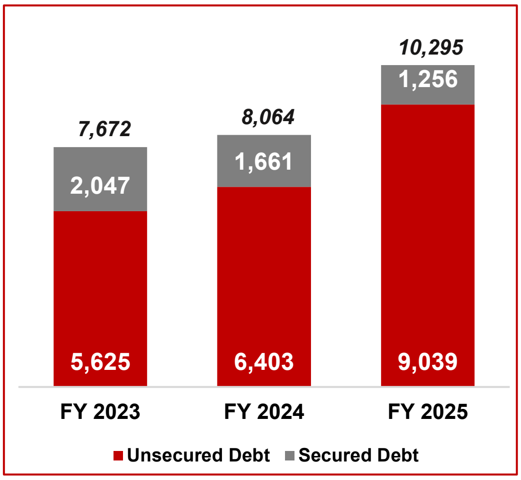
(8) *Calculated as total available liquidity divided by recourse debt payments in the next 12 months.*

FINANCIAL AND OPERATIONAL HIGHLIGHTS AT A GLANCE

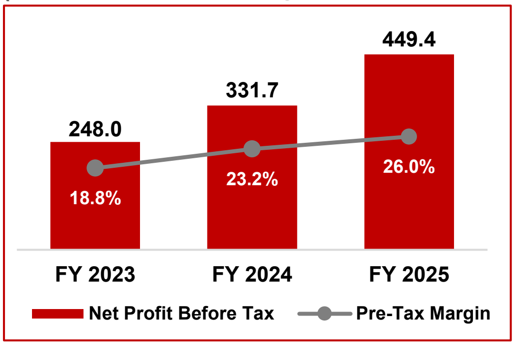
Total Revenue
(USD millions)



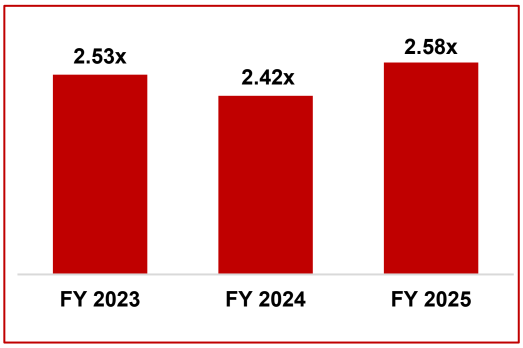
Total Debt
(USD millions)



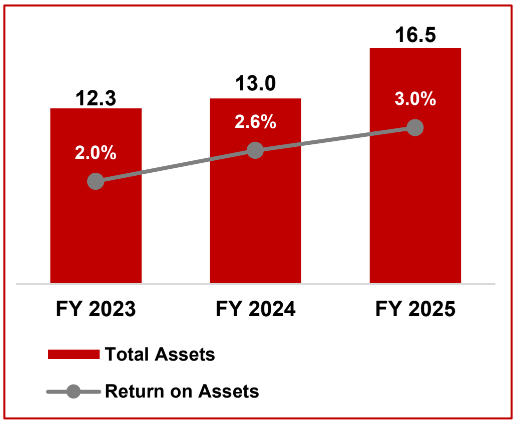
Profit Before Income Tax and Pre-Tax Margin
(USD millions and percentage %)[9]



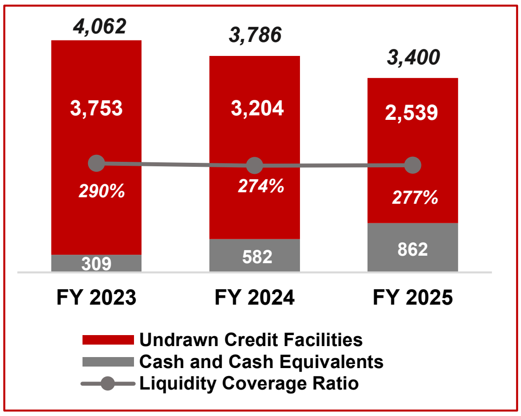
Net-Debt-to-Equity
(Times)



Total Assets and Return on Assets [9][10]
(USD billions and percentage %)



Available Liquidity and 12-Month Liquidity Coverage
(USD millions and percentage %)

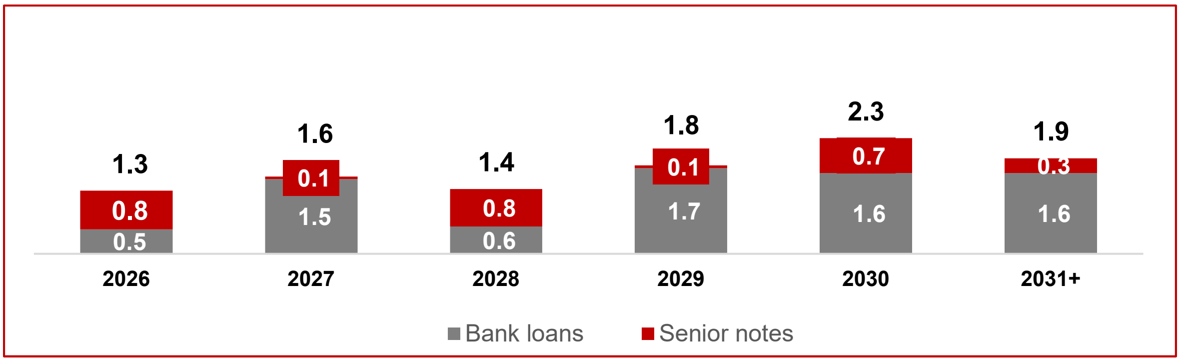


[9] *Profit before income tax is adjusted to exclude exceptional items of USD 312.2 million in FY 2025, USD 200.6 million in FY 2024 and USD 118.3 million in FY 2023.*

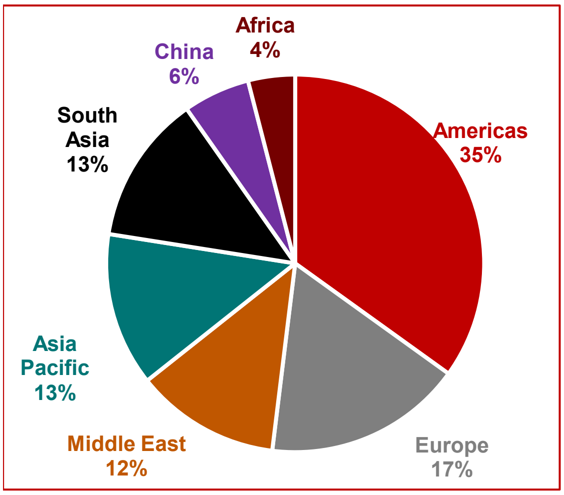
[10] *Calculated as profit before income tax (before exceptional items) divided by average total assets.*

FINANCIAL AND OPERATIONAL HIGHLIGHTS AT A GLANCE (CONTINUED)

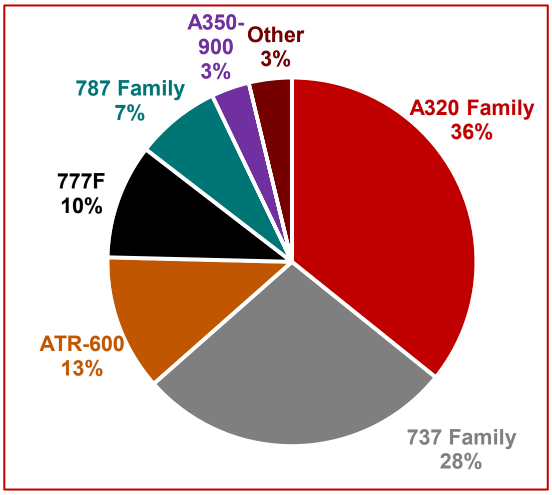
Debt Maturity Profile
(USD billions)



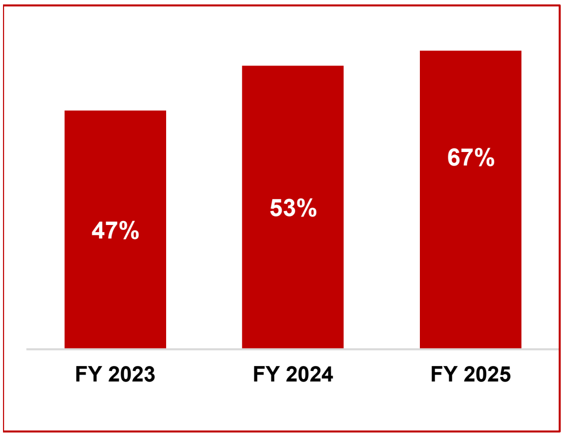
DAE Capital Fleet by Region as of December 31, 2025 [11]



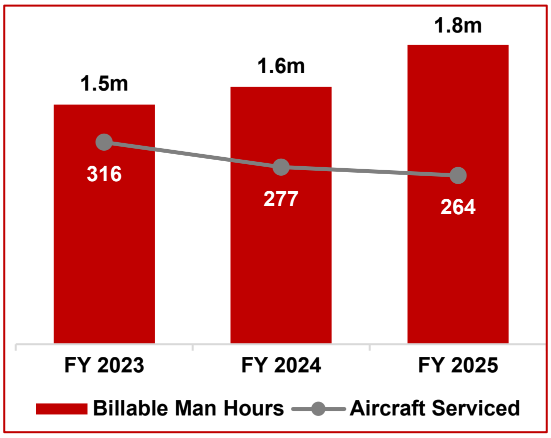
DAE Capital Fleet by Type as of December 31, 2025 [11]



DAE Capital Proportion of Next Generation, Fuel Efficient Aircraft [11][12]



DAE Engineering Billable Man Hours and Number of Aircraft Serviced



(11) *Based on Ascend Half Life Current Market Value (HLCMV) as of the stated reference date and refers to owned fleet only and excludes aircraft in Russia and aircraft held-for-sale.*

(12) *The following aircraft are considered as "next generation and fuel efficient": Airbus A320neo Family, Airbus A330neo Family, Airbus A350 Family, Boeing 737 MAX Family, Boeing 787 Family, and ATR-600.*

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

Overview

DAE is a global aviation services company headquartered in Dubai serving over 200 airline customers in over 80 countries from seven locations in the United Arab Emirates, Jordan, Ireland, Singapore, and the United States of America. DAE conducts its activities through two divisions: (i) Aircraft Leasing (DAE Capital) and (ii) Engineering (DAE Engineering). The Aircraft Leasing division is engaged in acquiring and leasing commercial aircraft to airlines, selling, and trading aircraft, and managing aircraft on lease for third-party investors. The Engineering division provides commercial aircraft maintenance, repair and overhaul (MRO) services through an 80% ownership interest in Joramco.

DAE is 100% indirectly owned by Investment Corporation of Dubai ("ICD"), the principal investment arm of the Government of Dubai.

DAE Capital

Our Aircraft Leasing Division is one of the largest aircraft lessors in the world. At December 31, 2025, we had a total owned, managed and committed fleet of 678 aircraft which was made up of 492 owned aircraft (including 14 aircraft classified as finance lease and loan receivables and 19 aircraft classified as aircraft held-for-sale), 112 managed aircraft and commitments to acquire 74 new aircraft for our owned fleet. Our owned and managed aircraft are on lease to 143 lessees in 68 countries.

As of December 31, 2025 the aggregate carrying value of our owned fleet, including aircraft held-for-sale and finance lease and loan receivables, was USD 14,996.7 million. Future contracted lease rental income from our owned fleet amounted to USD 8,865.2 million. As of December 31, 2025, 98.4% of our leases were subject to fixed lease rates as a percentage of lease revenue.

Our lease portfolio is highly diversified, geographically and by airline, with our top five lessees representing 23.5% of our portfolio based on the fleet's carrying value as of December 31, 2025. Indigo Airlines is our largest customer representing 6.7% of our fleet based on its net book value. In addition, the estimated value of our managed fleet was USD 4.0 billion.

On May 7, 2025, DAE acquired 100% ownership of Nordic Aviation Capital Designated Activity Company and its subsidiaries ("NAC"). The primary business of NAC is the provision of aircraft leasing services.

Analysis by aircraft type for our owned and managed portfolio

Aircraft Type	Owned Portfolio	Managed Portfolio	Committed Portfolio*	Total
A320 CEO family	68	38	-	106
A320 NEO family	68	11	9	88
A330 family	13	5	-	18
A220 family	-	-	8	8
A350-900	5	-	-	5
A330 NEO family	1	2	-	3
Total Airbus	**155**	**56**	**17**	**228**
B737 MAX family	58	11	50	119
B737 NG family	51	36	-	87
B787 family	13	-	-	13
B777F	13	-	-	13
B777	2	-	-	2
Total Boeing	**137**	**47**	**50**	**234**
ATR 72-600	163	-	7	170
ATR 72-500	4	5	-	9
ATR 42-600	16	-	-	16
ATR 42-500	2	-	-	2
Total ATR	**185**	**5**	**7**	**197**
E190 FAMILY	13	-	-	13
Q400 FAMILY	1	4	-	5
E170 FAMILY	1	-	-	1
Total Others	**15**	**4**	**-**	**19**
Total	**492**	**112**	**74**	**678**

Aircraft Type	Owned Portfolio	Managed Portfolio	Committed Portfolio*	Total
Narrow body	259	96	67	422
Wide body – Passenger	34	7	-	41
Wide body – Freighter	13	-	-	13
Turboprop	186	9	7	202
Total	**492**	**112**	**74**	**678**

**Committed portfolio includes 74 aircraft for the owned fleet.*

	As at	
Fleet metrics	**Dec 31, 2025**	**Dec 31, 2024**
Owned fleet *(number of aircraft)* (1)	492	329
Managed fleet *(number of aircraft)*	112	110
Weighted average passenger aircraft age *(years)* (2)	6.8	7.3
Weighted average freighter aircraft age *(years)* (2)	11.5	10.5
Weighted average remaining passenger aircraft lease term (*years*) (2)	6.4	6.5
Weighted average remaining freighter aircraft lease term (*years*) (2)	8.9	7.2
(in millions of USD)		
Net book value of aircraft held for lease	14,408.3	11,208.6
Net book value of aircraft held-for-sale	129.8	247.3
Carrying value of finance lease and loan receivables	458.6	324.6
Aggregate net book value	**14,996.7**	**11,780.5**

(1) Owned fleet includes 19 aircraft mainly in Russia not in our control.

(2) Owned fleet only (excluding 19 aircraft mainly in Russia and 19 aircraft classified as Held-for-Sale), weighted averages calculated based on the Cirium/Ascend half-life current market value

DAE Engineering

Our Engineering division operates under the brand name Joramco and is a leading independent provider of airframe MRO services in the Middle East with a track record of more than 60 years. We have an 80% ownership stake in Joramco. Joramco's facility of over 250,000 square meters in size is strategically located in Amman, Jordan. We believe that the strategic location, combined with a skilled and experienced workforce of approximately 1,300 people giving it a current man-hour capability approaching two million per year, allows the Engineering division to offer a compelling value proposition to airline customers in the Middle East, Europe, Asia, Africa, and the CIS countries. Joramco focuses on providing airframe MRO services on Airbus, Boeing, and Embraer aircraft, with a comprehensive suite of MRO capabilities including interiors, composites, paint, and avionics.

In FY 2025, Joramco completed the construction of a new hangar with five additional heavy maintenance lines. Joramco now has a total capacity of 22 heavy maintenance lines.

Joramco's six aircraft hangars, occupying more than 37,000 square meters of the Joramco facility, can accommodate up to 22 parallel maintenance lines of wide and narrow body aircraft. Joramco currently has 15 aircraft type approvals including the Boeing 737, 787 and 777 aircraft families, Airbus A320, A330 and A340 families, and Embraer E175, E190 and E2 families. Joramco is also certified by more than 30 international regulatory aviation authorities including EASA in the European Union, the FAA in the United States, and the CARC in Jordan.

Environment, Social and Governance Framework

DAE is committed to maintaining an effective Environmental, Social and Governance ("ESG") Framework. DAE's ESG Policy, Stakeholder Engagement Policy, and other relevant documents have been published to deepen our engagement with Stakeholders on ESG issues and hold ourselves accountable on our ESG journey and are available on DAE's ESG website.

DAE provides annual ESG Reporting to stakeholders which is presented in accordance with the Global Reporting Institute (GRI) Standards. DAE's most recent ESG Report is published on DAE's ESG website and fully incorporates all the Group's activities. Limited Assurance has been provided by KPMG on certain metrics reported within DAE's ESG Report. KPMG's independent assurance statement is available within the ESG Report.

In the ESG Report, DAE set out targets which seek to continually enhance our ESG frameworks, and which further demonstrate DAE's commitment to effective ESG risk management. DAE provides annual updates on its progress against these targets in its ESG Report.

DAE holds an ESG Risk Rating of 12.3 from Morningstar Sustainalytics, who consider DAE's enterprise value to be of 'Low Risk' of material financial impacts driven by ESG factors. This is one of the lowest ratings (lower the better) among rated aircraft lessors. In January 2025, Morningstar Sustainalytics awarded DAE with its ESG Industry Top-Rated and ESG Regional Top-Rated accreditations, indicating that in 2024, DAE's ESG Risk Rating from Morningstar Sustainalytics was among the 50 lowest ratings issued by Sustainalytics in both DAE's industry (Trading & Distribution) and region (Middle East & Africa). This is the fourth year in which DAE has received these accreditations from Morningstar Sustainalytics.

DAE also makes voluntary ESG disclosures through CDP, a global non-profit that runs the world's environmental disclosure system for companies, cities, states, and regions, which awarded DAE a 'C' score for its 2024 response, and S&P's Corporate Sustainability Assessment (CSA), in order to support our stakeholders' access to DAE's ESG disclosures and to improve transparency.

The latest ESG Report, Risk Rating Summary, Policy Documents, and further information is available on DAE's ESG website, which can be accessed at https://dubaiaerospace.com/esg/.

DAE Capital has a young fleet with the average age of its passenger fleet being 6.8 years as of December 31, 2025. At that same date, approximately 67% of DAE Capital's fleet were next generation and fuel-efficient aircraft, and DAE Capital is committed to continue to grow the proportion of these aircraft in its fleet.

DAE has a comprehensive aircraft end of life strategy. We work directly with our customers and industry partners to recycle end of life aircraft to reduce waste while maximizing the remaining value of the aircraft components and engines. Engines and landing gear from disassembled aircraft are, where possible, put to use elsewhere in the DAE fleet. Alternatively, engines are consigned and sold for disassembly. We encourage our aircraft recycling and dismantling service providers to comply with industry best practice including IATA's Best Practices for Aircraft Decommissioning, and where applicable to obtain AFRA (Aircraft Fleet Recycling Association) accreditation.

In addition, in its premises DAE supports a variety of internal environmental initiatives including the use of energy efficient lighting, water conservation and a continued focus on recycling and reducing waste. Furthermore, DAE encourages staff to communicate using the latest conferencing facilities leading to reduced travel between offices.

We also encourage commuting to work using public transport, walking, or cycling where appropriate to do so. We have a multi-cultural, diverse working environment with over 28 nationalities. In addition, at December 31, 2025, our DAE Capital business had a ratio of 58% male employees and 42% female employees. Through our Community Giving initiative we support a number of charities linked to our local offices and encourage staff to engage in physical and mental well-being activities. We maintain a robust corporate governance framework via our internal boards and committees.

DAE is committed to good corporate governance, which helps us compete more effectively, sustain success, and build long-term shareholder value. DAE maintains strong corporate governance policies.

DAE is committed to good corporate governance, which helps us compete more effectively, sustain success, and build long-term shareholder value. DAE maintains strong corporate governance policies, procedures, and practices that foster board stewardship, management accountability, and proactive risk management. All our directors, employees, and contractors are expected to conduct themselves in accordance with the highest ethical and moral standards, as informed by our Code of Conduct, which is available on our website https://dubaiaerospace.com/corporate-governance/.

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

Total revenue

Total revenue comprises of (i) lease revenue from aircraft leasing, which also includes maintenance revenue (which comprises the release of maintenance reserves net of the derecognition of maintenance right assets) and is net of amortization of lease incentives and other lease costs, (ii) engineering maintenance services revenue which is derived from Joramco's engineering maintenance services and (iii) other income (which includes income from the management of aircraft on behalf of third parties, proceeds from the sale of spare parts and the release of security deposits).

The table below shows a breakdown of our total revenue for each of the year ended December 31, 2025 and December 31, 2024.

Total Revenue *(in millions of USD)*	**Year ended Dec 31**	
	2025	**2024**
Lease revenue	1,364.8	1,137.7
Maintenance revenue	150.2	88.9
Amortization of lease incentives and other lease costs	(47.4)	(43.6)
Net lease revenue	**1,467.6**	**1,183.0**
Engineering maintenance services revenue	211.1	186.4
Finance lease and loan receivables income	22.5	20.6
Total lease, engineering maintenance services revenue and finance lease and loan receivables income	**1,701.2**	**1,390.0**
Other income	24.0	39.6
Total revenue	**1,725.2**	**1,429.6**

Total revenue was USD 1,725.2 million for the year ended December 31, 2025 compared to USD 1,429.6 million for the year ended December 31, 2024, an increase of USD 295.6 million, or 20.7%, due to the reasons outlined below.

Net lease revenue increased by 284.6 million, or 24.1%, to USD 1,467.6 million for the year ended December 31, 2025, from USD 1,183.0 million for the year ended December 31, 2024. This increase was primarily driven by the incremental lease revenue associated with the aircraft acquired through business combination and other channels and higher maintenance revenue during the year.

Engineering maintenance services revenue increased by USD 24.7 million, or 13.3%, to USD 211.1 million for the year ended December 31, 2025 compared to USD 186.4 million for the year ended December 31, 2024. This increase in revenue was attributable to higher billed labor hours on heavy maintenance checks, higher airframe material revenues and overall operational efficiencies.

Finance lease and loan receivables income increased by USD 1.9 million to USD 22.5 million for the year ended December 31, 2025 compared to USD 20.6 million for the year ended December 31, 2024.

Gain on disposal of aircraft

Gain on disposal of aircraft was USD 186.2 million for the year ended December 31, 2025 compared to USD 101.6 million for the year ended December 31, 2024. During the year ended December 31, 2025, we sold 94 owned aircraft compared to 19 aircraft in the prior year.

Fluctuations in the gain or loss on disposal of aircraft are not only a function of the number of disposals but are also dependent on the type and age of aircraft, accounting adjustments for revenue earned from the economic closing date to the transfer of title to the buyer, as well as the prevailing market trading conditions in the underlying period.

Expenses

Expenses comprised (i) depreciation and amortization, (ii) general and administrative expenses, (iii) provision for (reversal of) loss allowance, (iv) cost of providing the engineering maintenance services provided by Joramco and (v) aircraft maintenance.

The table below shows a breakdown of our expenses for the year ended December 31, 2025 and December 31, 2024.

Total Expenses *(in millions of USD)*	**Year ended Dec 31**	
	2025	**2024**
Depreciation and amortization	654.2	566.6
General and administrative expenses	141.9	124.2
Cost of providing engineering maintenance services	108.2	107.2
Provision for/(reversal of) loss allowance	24.9	(5.0)
Aircraft maintenance	59.6	27.1
Total expenses	**988.8**	**820.1**

Expenses for the year ended December 31, 2025 increased by USD 168.7 million to USD 988.8 million compared to USD 820.1 million for the year ended December 31, 2024.

Depreciation and amortization expense increased by USD 87.6 million, or 15.5%, for the year ended December 31, 2025 to USD 654.2 million compared to USD 566.6 million in the prior year due to increased portfolio of aircraft acquired through business combination and other channels.

General and administrative expenses increased by USD 17.7 million, or 14.3%, for the year ended December 31, 2025 to USD 141.9 million from USD 124.2 million in the prior year. This increase was primarily due to increase in staff costs and other expenses, including the costs attributed to the business combination.

Cost of providing engineering maintenance services increased by USD 1.0 million, or 0.9%, for the year ended December 31, 2025 to USD 108.2 million from USD 107.2 million in the prior period. This increase reflects the increased headcount, higher labor and material costs which corresponds to the increase in engineering maintenance services revenue over the same period.

Provision for loss allowance was USD 24.9 million for the year ended December 31, 2025 compared to reversal of loss allowance of USD 5.0 million in the prior year. Further information can be found in the financial statements Note 27.

Aircraft maintenance increased by USD 32.5 million to USD 59.6 million for the year ended December 31, 2025 from USD 27.1 million for the year ended December 31, 2024 due to heavy maintenance activities, transition and repossession costs incurred on an increased portfolio of aircraft.

Operating profit

Operating profit before exceptional items was USD 922.6 million for the year ended December 31, 2025, an increase of USD 211.5 million or 29.7% compared to USD 711.1 million in the corresponding period of 2024 which is mainly attributable to higher revenue and gain on aircraft disposal partially offset by overall increase in total expenses.

Net finance costs

Finance expense increased by USD 67.9 million, or 15.4%, to USD 509.5 million for the year ended December 31, 2025 from USD 441.6 million for the year ended December 31, 2024 due to loan drawdowns to finance the acquisition of a subsidiary and the aircraft deliveries during the year and to refinance debt at higher interest rates.

Finance income decreased by USD 25.9 million, or 41.6%, to USD 36.3 million for the year ended December 31, 2025 from USD 62.2 million for the year ended December 31, 2024. This was mainly due to the lower short-term deposit placements and lower gains on financial assets compared to the prior year.

Net finance costs increased by USD 93.8 million, or 24.7%, to USD 473.2 million for the year ended December 31, 2025 from USD 379.4 million for the year ended December 31, 2024 primarily due to increase in average loan balance compared to the prior year.

Income tax expense

During the year ended December 31, 2025, we recorded a tax expense of USD 59.4 million compared to USD 54.8 million for the year ended December 31, 2024. The income tax expense for the year ended December 31, 2025 was driven by the tax arising on the Group's Irish activities at 12.5% that included the insurance settlement proceeds received and the Pillar Two income taxes payable in jurisdictions with effective tax rates below 15%.

Profit for the year

Profit for the year ended December 31, 2025 increased by USD 224.7 million to USD 702.2 million from USD 477.5 million for the year ended December 31, 2024 which was primarily due to higher operating profit and insurance recoveries partly offset by increased net finance costs and income tax expense during the year.

Consolidated Cash Flows

The following table presents our consolidated cash flows for the year ended December 31, 2025 and the year ended December 31, 2024. Cash and cash equivalents shown below refer to unrestricted cash.

Consolidated cash flow (Extract) (in millions of USD)	**Year ended Dec 31**	
	2025	**2024**
Net cash generated from operating activities	1,291.8	1,386.0
Net cash used in investing activities	(2,615.7)	(798.3)
Net cash generated from/(used in) financing activities	1,603.5	(314.3)
Net increase in cash and cash equivalents	**279.6**	**273.4**
Cash and cash equivalents at the beginning of the year	582.1	308.7
Cash and cash equivalents at the end of the year	**861.7**	**582.1**

For the year ended December 31, 2025, net cash generated from operating activities was USD 1,291.8 million, a decrease of USD 94.2 million, or 6.8%, from USD 1,386.0 million for the year ended December 31, 2024 which is mainly driven by the acquisition of three aircraft recognized as finance lease and loan receivables.

For the year ended December 31, 2025, net cash used in investing activities was USD 2,615.7 million compared to USD 798.3 million for the year ended December 31, 2024. The movement was mainly due to acquisition of NAC. Please refer to the details in Note 30.

Net cash generated from financing activities for the year ended December 31, 2025 was USD 1,603.5 million compared to net cash used of USD 314.3 million for the year ended December 31, 2024. The movement was mainly due to higher net proceeds from borrowings during the year ended December 31, 2025.

Our cash and cash equivalents as at December 31, 2025 was USD 861.7 million, an increase of USD 279.6 million from USD 582.1 million as at December 31, 2024.

Our total cash and cash resources, which includes restricted cash, was USD 916.1 million as at December 31, 2025. This represents an increase of USD 254.1 million compared to USD 662.0 million as at December 31, 2024.

Loans and Borrowings, Liquidity and Capital Resources

Loans and borrowings

Our total loans and borrowings (net of debt issuance costs) increased to USD 10,227.6 million as at December 31, 2025 from USD 7,999.7 million as at December 31, 2024.

At December 31, 2025 our level of unsecured debt was 87.8% compared to 79.4% at December 31, 2024. The average cost of debt as at December 31, 2025 and as at December 31, 2024 was 4.6%, and the weighted average debt maturity as at December 31, 2025 was 4.7 years compared to 4.3 years as at December 31, 2024.

Loans and Borrowings (in millions of USD)

	Aircraft Collateral	Dec 31 2025
Unsecured		
Senior unsecured notes		2,115.0
Senior unsecured facilities		6,923.9
Total unsecured		**9,038.9**
Secured		
Recourse obligations (incl. EDC)	30	709.6
Senior secured notes	22	546.6
Total secured	**52**	**1,256.2**
Debt issuance costs		(67.5)
Net loans and borrowings		**10,227.6**

We own 440 aircraft with a total carrying value of USD 12,460.7 million which were unencumbered as at December 31, 2025 and 52 aircraft which were used as collateral on our secured facilities. Further information on the loan facilities can be found in the financial statements, Note 19.

Our unsecured credit facilities at December 31, 2025 of USD 2.5 billion were undrawn and available.

We expect to meet our contractual payment obligations on future capital expenditure through a combination of equity, cash flows from operations, commercial debt raising activities and the utilization of revolving credit facilities in aggregate.

Liquidity and Capital Resources

Available liquidity was USD 3,400.2 million as at December 31, 2025 compared to USD 3,785.6 million as at December 31, 2024. Our total equity increased to USD 3,635.3 million as at December 31, 2025 from USD 3,068.4 million as at December 31, 2024. Our Net Debt to Equity ratio was 2.58:1 times as at December 31, 2025 compared to 2.42:1 times as at December 31, 2024.

We believe that the sources of liquidity mentioned above, together with cash generated from operations, will be fully sufficient to operate our business and repay our debt maturities for at least the next 12 months.

- END -

Dubai Aerospace Enterprise (DAE) Ltd

Consolidated financial statements
for the year ended December 31, 2025

Dubai Aerospace Enterprise (DAE) Ltd

Consolidated financial statements for the year ended December 31, 2025

Independent auditor's report

To the Shareholders of Dubai Aerospace Enterprise (DAE) Ltd

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dubai Aerospace Enterprise (DAE) Ltd (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent auditor's report (continued)

To the Shareholders of Dubai Aerospace Enterprise (DAE) Ltd

Our audit approach (continued)

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Valuation of aircraft held for lease
 	
As at December 31, 2025, the carrying value of aircraft held for lease was USD 14,408.3 million. Refer to notes 2 and 9 to the consolidated financial statements.
 	
Management has performed an impairment test over the aircraft held for lease. No impairment charge was recognised in the current year ended December 31, 2025 (December 31, 2024: nil).
 	
The recoverable amount attributable to each aircraft is determined as being the higher of the fair value and the value in use of the aircraft. The recoverable amount is compared to the carrying value of the aircraft in order to determine whether an impairment exists.
 	
The fair value is determined by reference to independent aircraft valuation reports provided by external appraisers.
 	
The value in use is determined by calculating the discounted cash flows expected to be generated by the aircraft. The calculation of value in use incorporates key assumptions including:
 	
• Continuation of existing contracted lease rates for the period of the lease;
• Assumed future non-contracted lease rates with reference to independent appraiser data;
• Estimates relating to lease transition periods and related costs;
• Assumed future aircraft fair values at the end of the aircraft's life with reference to independent appraiser data; and
• The discount rate applied to the cash flows within the value in use model.
 	
We focused on this area because the determination of whether an impairment loss should be recognized is inherently complex and required management to exercise significant judgement over the calculation of the fair value and value in use of aircraft held for lease.
	We obtained an understanding of management's impairment model and key assumptions. We then tested this impairment model, in particular with regard to the appropriateness of key assumptions within the model, as follows:
	
	• We agreed the carrying values of aircraft held for lease within the impairment model to the register of aircraft held for lease;
	• With respect to the fair value of aircraft held for lease, we agreed on a sample basis, the fair value of aircraft held for lease to independent aircraft valuation reports provided by external appraisers and other supporting evidence;
	• With respect to the value in use calculation, we agreed on a sample basis;
	  o Existing contracted lease rates to signed lease contracts;
	  o The future non-contracted lease rentals to independent aircraft valuation reports provided by external appraisers and other supporting evidence; and
	  o The future value of the aircraft at the end of its useful life to independent aircraft valuation reports provided by external appraisers.
	• We utilized our internal valuation specialists to perform an independent calculation of the discount rate, with particular reference to comparable companies and compared this calculation to the rate used by management; and
	• We confirmed with senior operational personnel that the estimates relating to the lease transition periods and related costs were reasonable across the portfolio.
	
	We evaluated the competence, capabilities and objectivity of the external appraisers as independent aircraft appraisers.
	
	We tested the mathematical accuracy of the impairment model.
	
	We performed sensitivity analyses over the discount rate and the ranges of valuations obtained from the independent appraisers.
	
	We assessed whether the related disclosures in notes 2 and 9 to the consolidated financial statements are consistent with the requirements of IFRS Accounting Standards.

Independent auditor’s report (continued)

To the Shareholders of Dubai Aerospace Enterprise (DAE) Ltd

Other information

Management is responsible for the other information. The other information comprises the Results for the year ended December 31, 2025 (but does not include the consolidated financial statements and our auditor’s report thereon).

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

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

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.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of Companies Law - DIFC Law No.5 of 2018, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report (continued)

To the Shareholders of Dubai Aerospace Enterprise (DAE) Ltd

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

Further, we report that the Company's financial statements have been properly prepared in accordance with the applicable provisions of the Companies Law – DIFC Law No. 5 of 2018.

/s/ PricewaterhouseCoopers Limited

PricewaterhouseCoopers Limited
February 4, 2026
Dubai, United Arab Emirates

Dubai Aerospace Enterprise (DAE) Ltd

Consolidated statement of profit or loss and other comprehensive income

	Note	Year ended December 31 2025 USD'000	2024 USD'000
Revenue	3	1,701,128	1,389,952
Other income	4	24,042	39,630
Total		1,725,170	1,429,582
Gain on disposal of aircraft		186,153	101,560
Insurance recoveries	7	312,154	200,638
Expenses			
Depreciation and amortization		(654,178)	(566,558)
General and administrative expenses	5	(141,895)	(124,222)
Cost of providing engineering maintenance services		(108,189)	(107,150)
Aircraft maintenance		(59,573)	(27,081)
(Provision for)/reversal of loss allowance	27	(24,861)	4,956
Operating profit		1,234,781	911,725
Finance income	6	36,266	62,212
Finance expense	6	(509,493)	(441,602)
Net finance costs		(473,227)	(379,390)
Profit before income tax		761,554	532,335
Income tax expense	8	(59,316)	(54,845)
Profit for the year		702,238	477,490
Other comprehensive income			
Items that may be reclassified to profit or loss			
Unrealized (loss) / gain on interest rate hedges	24	(42,158)	8,567
Amounts reclassified to profit or loss	24	1,722	(769)
Income tax relating to components of other comprehensive loss / gain	24	5,145	(853)
Total comprehensive income for the year		666,947	484,435
Profit for the year attributable to:			
Equity holders of Dubai Aerospace Enterprise (DAE) Ltd		689,503	468,854
Non-controlling interests		12,735	8,636
		702,238	477,490
Total comprehensive income for the year attributable to:			
Equity holders of Dubai Aerospace Enterprise (DAE) Ltd		654,212	475,799
Non-controlling interests		12,735	8,636
		666,947	484,435

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

Dubai Aerospace Enterprise (DAE) Ltd

Consolidated statement of financial position

	Note	As at December 31 2025 USD'000	2024 USD'000
ASSETS			
Non-current assets			
Aircraft held for lease	9	14,408,345	11,208,565
Property, plant and equipment	10	120,025	119,315
Intangible assets		2,422	2,993
Goodwill	11	44,668	44,668
Finance lease and loan receivables	28	426,961	297,836
Other non-current assets	12	221,825	163,240
Financial assets at fair value and amortized cost	13	46,433	58,794
		15,270,679	11,895,411
Current assets			
Cash and cash equivalents	16	861,723	582,073
Restricted cash	16	54,381	79,891
Inventories		39,374	24,479
Trade and other receivables	15	71,632	74,792
Prepayments		15,814	5,806
Finance lease and loan receivables	28	31,562	26,795
Derivative financial assets	24	8,141	40,428
Other current assets	12	64,563	56,354
		1,147,190	890,618
Assets classified as held-for-sale	17	129,793	247,287
Total current assets		1,276,983	1,137,905
Total assets		16,547,662	13,033,316
EQUITY AND LIABILITIES			
EQUITY	18		
Authorized and issued share capital		2,011,069	2,011,069
Additional paid-in-capital		634,585	634,585
Treasury shares		(2,192,059)	(2,092,059)
Other reserves		(176)	35,115
Retained earnings		3,143,978	2,454,475
		3,597,397	3,043,185
Non-controlling interests		37,914	25,179
Net equity		3,635,311	3,068,364
LIABILITIES			
Non-current liabilities			
Loans and borrowings	19	8,938,613	6,572,539
Deferred tax liabilities	14	387,338	339,566
Maintenance reserves and security deposits	20	1,280,457	1,055,089
Lease liabilities	21	40,289	39,242
Deferred revenue	22	72,711	22,200
		10,719,408	8,028,636
Current liabilities			
Loans and borrowings	19	1,288,974	1,427,164
Trade and other payables	23	203,024	129,481
Current tax liabilities		30,411	893
Maintenance reserves and security deposits	20	462,746	183,550
Lease liabilities	21	4,834	3,675
Deferred revenue	22	140,117	102,814
Derivative financial liabilities	24	9,872	-
		2,139,978	1,847,577
Liabilities relating to assets classified as held-for-sale	17	52,965	88,739
Total current liabilities		2,192,943	1,936,316
Total liabilities		12,912,351	9,964,952
Total liabilities and equity		16,547,662	13,033,316

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

Consolidated statement of cash flows

	Year ended December 31 2025 USD'000	2024 USD'000
Cash flows from operating activities		
Profit for the year	702,238	477,490
Adjustments for:		
Depreciation and amortization	654,178	566,558
Insurance recoveries	(312,154)	(200,638)
Gain on disposal of aircraft	(186,153)	(101,560)
Amortization of debt issuance costs	34,259	32,475
Net finance cost	438,968	346,915
Income tax expense	59,316	54,845
Changes in operating assets and liabilities		
Movement in trade and other receivables	5,620	(36,901)
Movement in accrued revenue	10,085	13,260
Movement in finance lease and loan receivables	(133,892)	25,150
Movement in maintenance reserves and security deposits	166,623	118,688
Movement in other assets and liabilities	(147,262)	89,689
Net cash generated from operating activities	1,291,826	1,385,971
Cash flows from investing activities		
Acquisition of aircraft held for lease	(2,323,986)	(1,525,885)
Deposits paid for the purchase of aircraft	(4,044)	-
Acquisition of property, plant and equipment	(16,252)	(24,403)
Acquisition of subsidiary, net of cash acquired	(1,867,159)	-
Proceeds from disposal of aircraft	1,249,601	504,035
Interest received	34,018	47,335
Insurance recoveries	312,154	200,638
Net cash (used in) investing activities	(2,615,668)	(798,280)
Cash flows from financing activities		
Movement in restricted cash	25,510	16,223
Proceeds from borrowings	5,539,973	1,819,860
Repayment of borrowings	(3,354,991)	(1,396,614)
Debt repurchased	-	(29,293)
Interest paid	(469,585)	(407,183)
Debt issuance costs	(37,415)	(17,324)
Repurchase of share capital	(100,000)	(300,000)
Net cash generated from/(used in) financing activities	1,603,492	(314,331)
Net increase in cash and cash equivalents	279,650	273,360
Cash and cash equivalents at the beginning of the year	582,073	308,713
Cash and cash equivalents at the end of the year	861,723	582,073

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

Consolidated statement of changes in equity

In thousands of US Dollars	Share capital	Additional paid-in capital	Treasury shares	Other reserves	Retained earnings	Attributable to the equity holders of the Company	Non-controlling interests	Net equity
At December 31, 2023	2,011,069	634,585	(1,792,059)	28,170	1,985,621	2,867,386	16,543	2,883,929
Profit for the year	-	-	-	-	468,854	468,854	8,636	477,490
Other comprehensive income	-	-	-	6,945	-	6,945	-	6,945
Total comprehensive income for the year	-	-	-	6,945	468,854	475,799	8,636	484,435
Purchase of own shares	-	-	(300,000)	-	-	(300,000)	-	(300,000)
At December 31, 2024	2,011,069	634,585	(2,092,059)	35,115	2,454,475	3,043,185	25,179	3,068,364

In thousands of US Dollars	Share capital	Additional paid-in capital	Treasury shares	Other reserves	Retained earnings	Attributable to the equity holders of the Company	Non-controlling interests	Net equity
At December 31, 2024	2,011,069	634,585	(2,092,059)	35,115	2,454,475	3,043,185	25,179	3,068,364
Profit for the year	-	-	-	-	689,503	689,503	12,735	702,238
Other comprehensive loss	-	-	-	(35,291)	-	(35,291)	-	(35,291)
Total comprehensive income for the year	-	-	-	(35,291)	689,503	654,212	12,735	666,947
Purchase of own shares	-	-	(100,000)	-	-	(100,000)	-	(100,000)
At December 31, 2025	2,011,069	634,585	(2,192,059)	(176)	3,143,978	3,597,397	37,914	3,635,311

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

1 Corporate information

Dubai Aerospace Enterprise (DAE) Ltd ("DAE or the "Company") (the Company and its subsidiaries are together referred to as the "Group") is the parent company of the Group. The Company is limited by shares and was incorporated on 19 April 2006 in the Dubai International Financial Centre ("DIFC") under the Companies Law, DIFC law No. 2 of 2004 which was superseded by DIFC law No. 5 of 2018. The Company's registered office is at L20-00, Level 20, ICD Brookfield Place, DIFC, PO Box 506592, Dubai, United Arab Emirates.

The Company's immediate parent is DAE Aviation Group Ltd, a DIFC incorporated entity, ("DAG"). DAG is owned by Investment Corporation of Dubai ("ICD") and Dubai Integrated Economic Zones Authority ("DIEZ"). ICD indirectly owns 100% of the Company and is therefore the ultimate controlling party of the Group. ICD is owned by the Government of Dubai.

The Group is made up of two divisions:

(a) DAE Capital - a provider of aircraft leasing to the global aviation industry; and
(b) DAE Engineering - a provider of commercial aircraft maintenance, repair and overhaul services. DAE Engineering consists of an 80% ownership stake in Jordan Aircraft Maintenance Limited ("Joramco").

The operational highlights for the Group's owned fleet for the year ended December 31, 2025 (the "year") are summarized below:

- The Group owned 492 aircraft, including 19 aircraft held-for-sale at December 31, 2025 (December 31, 2024: 329 aircraft including 12 aircraft held-for-sale).
- The Group purchased 261 aircraft during the year which includes 211 aircraft acquired as part of a business combination (December 31, 2024: 30 aircraft).
- The Group disposed of 94 aircraft and transferred four aircraft from held-for-sale to inventory during the year (December 31, 2024: 19 aircraft and transferred four aircraft from held for lease to finance lease).

The Group also manages 112 aircraft on behalf of third parties at December 31, 2025 (December 31, 2024: 110 aircraft). During the year, 19 managed aircraft were acquired (December 31, 2024: 53 managed aircraft) and 17 managed aircraft were sold (December 31, 2024: 49 managed aircraft).

On May 7, 2025, DAE acquired 100% ownership of Nordic Aviation Capital Designated Activity Company and its subsidiaries ("NAC"). The primary business of NAC is the provision of aircraft leasing services. Please refer to the details in Note 30 - Business combination.

The consolidated financial statements were approved on February 4, 2026 and signed by:

/s/Firoz Tarapore

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Firoz Tarapore
Chief Executive Officer

2 Accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared under the historical cost basis as modified for the valuation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The carrying values of recognized financial instruments that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to reflect changes in the fair value attributable to the risks that are being hedged.

The consolidated financial statements have been presented in US Dollars (USD), which is the functional currency of the Group, and all values are rounded to the nearest thousands, except when otherwise indicated.

As at December 31, 2025, the current liabilities of the Group exceeded its current assets. The shortfall will be met by a combination of the operating cash flows of the Group, new and existing credit facilities, and other cash management initiatives. At December 31, 2025, the Group’s undrawn credit facilities amounted to USD 2,538.5 million.

As such, the Directors are of the opinion that the going concern basis is appropriate for the consolidated financial statements for the year ended December 31, 2025.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries include entities controlled by the Group.

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

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

Special Purpose Entities (SPEs) are entities that are created to accomplish a well-defined objective such as the securitization of assets, or the execution of a specific borrowing or lending transaction. The above-mentioned circumstances may indicate a relationship in which, in substance, the Group controls and consequently consolidates an SPE.

2 Accounting policies (continued)

2.2 Basis of consolidation (continued)

As at December 31, 2025, the Group had 13 SPEs (2024: 17 SPEs). These entities have aircraft with a net book value of USD 863.9 million at December 31, 2025 (2024: USD 1,016.3 million) and debt of USD 2,352.5 million (2024: USD 1,943.2 million) which are included in the consolidated statement of financial position.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's existing and potential voting rights.

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (continued)

2.2 Basis of consolidation (continued)

Transactions involving entities under common control

Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method, for transactions involving entities under common control where the transaction does not have any substance, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities in the books of the transferor (as adjusted for the Group accounting policies), are used to account for these transactions. No goodwill is recognized as a result of the transfer. The only goodwill recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the net assets 'acquired' is reflected as "merger reserve" within equity.

A number of factors are considered in evaluating whether the transaction has substance including the following:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as non-controlling interests or other third parties;
- whether or not the transactions are conducted at fair values;
- the existing activities of the entities involved in the transaction; and
- whether or not it is bringing entities together into a "reporting entity" that did not exist before.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase/gain on business combination.

2 Accounting policies (continued)

2.2 Basis of consolidation (continued)

Business combinations (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income.

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

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous year, except for the adoption of new standards (including IFRS Accounting Standards and International Accounting Standards ("IAS")), amendments to the existing standards and interpretations effective as of January 1, 2025, as explained below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(a) New and amended standards adopted by the Group

The following amendments became effective January 1, 2025 and have been adopted by the Group. The impact of the adoption of these amendments has not had a material impact on the Group's consolidated financial statements.

- Lack of Exchangeability – Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rate

All other accounting policies applied are consistent with those of the consolidated financial statements for the year ended December 31, 2024.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations that have been published are effective for future reporting periods, and have not been applied in preparing these consolidated financial statements:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective 1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)
- IFRS 19, 'Subsidiaries without Public Accountability' – Disclosures (effective 1 January 2027)
- IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027)

2 Accounting policies (continued)

2.3 Changes in accounting policies and disclosures (continued)

(b) New standards, amendments and interpretations not yet adopted (continued)

These are all effective for annual periods beginning on or after January 1, 2026. None of these are early adopted. Except for IFRS 18, 'Presentation and Disclosures in Financial Statements', none of these are expected to have a material impact on the Group. Management is currently assessing the detailed implications of applying this new standard on the consolidated financial statements.

2.4 Significant estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Aircraft held for lease

In accounting for aircraft held for lease, the Group make estimates about the expected useful lives and the estimated residual value of aircraft. In estimating useful lives and residual values of aircraft, the Group relies upon management's industry experience, supported by estimates received from independent appraisers, for the same or similar aircraft types along with the Group's anticipated utilization of the aircraft.

In accordance with IAS 36 – Impairment of Assets, the Group's aircraft that are to be held and used, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the aircraft may not be recoverable. An impairment review involves consideration as to whether the carrying value of an aircraft is not recoverable and is in excess of its fair value. In such circumstances an impairment charge is recognized as a write down of the carrying value of the aircraft to the higher of value in use and fair value less cost to sell.

The fair value less cost to sell is based on current market values from independent appraisers.

2 Accounting policies (continued)

2.4 Significant estimates and judgements (continued)

The calculation of value in use requires the use of judgement in the assessment of estimated future cash flows associated with the aircraft and its eventual disposition. Expected future lease rates beyond the period of any contracted rentals are based upon all relevant information available, including the existing lease and current contracted rates for similar aircraft, appraiser data and industry trends.

The factors considered in estimating the future cash flows are impacted by changes in contracted lease rates, estimated residual values, economic conditions, technology advancements and airline demand for particular aircraft types. These estimated cash flows are discounted at 5.9% per annum, which management believe is appropriate for each individual aircraft assessed (2024: 5.7%).

Loss allowance for financial assets

The Group recognizes a loss allowance for financial assets in accordance with IFRS 9 – Financial Instruments, this requires estimation of both the timing and quantum of expected losses. The Group assigns a credit rating to each counterparty which is determined to be predictive of the risk of loss, having considered collateral arrangements (security deposits & letters of credit), external ratings (where available), the financial result and position of the airline customer (based on audited and/or management accounts where available) and the experienced credit judgment of the dedicated Risk Management team.

Purchase price accounting

In order to account for the acquisition of NAC on May 7, 2025, the Group measured the assets acquired and liabilities assumed at fair value in accordance with the guidance issued under IFRS 3, ‘Business Combinations’. The most significant assets acquired relate to aircraft held for lease and the methodology used in determining the fair value is outlined in the accounting policy for aircraft held for lease. Refer to Note 30 for details.

2.5 Summary of material accounting policies

Revenue

Lease income

The Group, as a lessor, leases aircraft principally under operating leases and records rental income on a straight-line basis over the life of the lease as it is earned. The Group accounts for lease rental income under lease agreements that include step rent clauses on a straight-line basis over the lease term. In certain cases, lease agreements provide for rentals based on usage. The usage may be calculated based on hourly usage or on the number of cycles operated, depending on the lease contract. The Group accounts for lease rentals under such agreements on a basis that represents the time pattern in which the revenue is earned. For past-due rentals on all leases, a loss allowance may be established in accordance with IFRS 9 on the basis of management’s assessment of collectability and to the extent such past-due rentals exceed related security deposits and letters of credit held. Loss allowances are expensed through the consolidated statement of profit or loss and other comprehensive income.

Most of the Group’s lease contracts require payment in advance. Rentals received, but unearned under these lease agreements, are recorded as deferred revenue.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Revenue (continued)

Lease income (continued)

In certain contracts, the lessee is required to re-deliver the aircraft in a specified maintenance condition (normal wear and tear excepted), with reference to major life-limited components of the aircraft. To the extent that such components are re-delivered in a different condition than specified, there is normally an end-of-lease compensation adjustment for the difference at re-delivery. Amounts received as part of these re-delivery adjustments are recorded as lease rental income at lease termination.

The Group also recognizes maintenance reserves that are not expected to be reimbursed to lessees, as lease revenue, when the Group is certain that such reserves are not required to be reimbursed to the lessee.

Engineering maintenance services

Revenue from the provision of engineering maintenance services is recognized in proportion to stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work completed.

Interest income

Interest income is recognized as the interest accrues using the effective interest rate (“EIR”) method.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets or for leased assets, the term of the lease, as follows:

Leased hangars	25 years
Leasehold improvements – the shorter of economic life or term of the lease	5 to 10 years
Furniture and fittings	5 to 10 years
Machinery, computer equipment and other corporate assets	3 to 15 years
Right-of-use assets	Lease term

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognized in the consolidated statement of profit or loss and other comprehensive income as the expense is incurred.

The assets’ residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. As assets carrying amount is written down to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Aircraft held for lease

Aircraft held for lease are stated at cost net of accumulated depreciation and impairment losses, if any. Aircraft held for lease are depreciated on a straight-line basis over the estimated useful lives of 25 to 30 years from the date of manufacture, to estimated residual values. Residual values do not exceed 15% of cost. Management reviews residual values and useful lives annually. If either of these estimates is adjusted, the future depreciation charge is adjusted.

Aircraft held for lease acquired under a business combination are recognized at fair value based on the maintenance adjusted current market values obtained from independent appraisers.

Maintenance right assets, presented as a component of aircraft held for lease represents the value of the difference between the contractual right under the acquired leases to receive the aircraft in a specified maintenance condition at the end of the lease and the actual physical condition of the aircraft at the date of acquisition.

Maintenance right assets are amortized over the remaining useful life of the aircraft. Once the related maintenance work is performed, the unamortized amount is capitalized as part of the physical aircraft. If the work is not performed during the term of the lease, the amount will be derecognized, and any related maintenance reserves will be released, and the net amount recorded within lease income in the consolidated statement of profit or loss and other comprehensive income.

Major improvements to be performed by the Group pursuant to the lease agreement are accounted for as lease incentives and are amortized against revenue over the term of the lease, assuming no lease renewals. Generally, lessees are required to provide for repairs, scheduled maintenance and overhauls during the lease term and to be compliant with return conditions of flight equipment at lease termination.

Major improvements and modifications incurred for an aircraft that is off-lease are capitalized and depreciated over the remaining life of the aircraft held for lease when these increase the future economic benefit of related aircraft. Miscellaneous repairs are expensed as incurred.

At the time of an aircraft acquisition, the Group evaluates whether the lease acquired with the aircraft is at fair market value by comparing the contractual lease rates to the range of current lease rates of similar aircraft. A lease premium is recognized when it is determined that the acquired lease’s terms are above market value; lease discounts are recognized when it is determined that the acquired lease’s terms are below fair market value. Lease premiums and discounts are capitalized as a component of the aircraft held for lease and are amortized as rental revenue on a straight-line basis over the lease term.

Expenditures incurred to transition an aircraft from one lessee to another due to either lease termination or bankruptcies are expensed as aircraft maintenance costs.

Aircraft purchase deposits

Aircraft purchase deposits represent the progress payments made to various aircraft manufacturers for future aircraft deliveries. Such amounts are included as a component of aircraft held for lease and are capitalized once the Group take delivery of the related aircraft.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated profit or loss and other comprehensive income.

Intangible assets (excluding goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit or loss and other comprehensive income within depreciation and amortization, based on the following useful lives:

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Intangible assets (excluding goodwill) (continued)

Lease agreements	13.5 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets at the date of acquisition. If the consideration transferred is less than the fair value of the net identifiable assets, the difference is recognized directly in the consolidated statement of profit or loss and other comprehensive income as a bargain purchase.

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

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and depreciation and are tested annually for impairment. Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets or cash generating unit’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Inventories

The Group values its inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

Management reviews the carrying values of the inventory held at each reporting date. Any write down in value is recognized in the consolidated statement of profit or loss and other comprehensive income.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Restricted cash

Under certain of the Group's debt arrangements, payments received from lessees serve as collateral to the lenders and are thus subject to withdrawal restrictions. The Group's restricted cash consists primarily of (i) security deposits and maintenance reserves received from lessees under the terms of various lease agreements and (ii) a portion of rent collected required to be held for debt repayments.

Dividend distribution

Dividends to the Company's shareholders are recognized as a liability in the consolidated financial statements in the year in which the dividends are approved by the shareholders.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss and other comprehensive income as other income or finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Borrowings (continued)

Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the year in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Classification of financial assets and financial liabilities

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

	Note	Classification
Financial assets		
Cash and cash equivalents	16	Amortized cost
Restricted cash	16	Amortized cost
Finance lease and loan receivables	28	Amortized cost
Accrued revenue (within other assets)	12	Amortized cost
Trade and other receivables	15	Amortized cost
Financial assets at FVTPL and amortized cost	13	Amortized cost / FVTPL
Financial assets at FVOCI	13	FVOCI
Financial liabilities		
Loans and borrowings	19	Amortized cost
Maintenance reserves and security deposits	20	Amortized cost
Lease liabilities	21	Amortized cost
Trade and other payables	23	Amortized cost

Initial recognition

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

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Classification of financial assets and financial liabilities (continued)

Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold the financial 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.

Financial assets measured at FVOCI

(a) Debt instruments

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

(b) Equity instruments

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

Financial assets measured at FVTPL

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

All other financial assets are classified as measured at FVTPL.

Financial liabilities

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

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

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Classification of financial assets and financial liabilities (continued)

Financial liabilities (continued)

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

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

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

Subsequent measurement and gain or losses

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest rate method (“EIR”). The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss and other comprehensive income.

Financial assets at FVOCI

(a) Debt instruments

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

(b) Equity instruments

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

Financial assets at FVTPL

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

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Subsequent measurement and gain or losses (continued)

Financial liabilities at FVTPL

These liabilities are subsequently measured at fair value and net gains or losses are recognized in the consolidated statement of profit or loss and other comprehensive income. Adjustments due to own credit risk are recognized in OCI.

Financial liabilities at amortized cost

These primarily include borrowings and lease liabilities, security deposits and trade and other payables. After initial recognition, the aforementioned liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated income statement.

Derecognition

Financial assets

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

(a) the rights to receive cash flows from the asset have expired; or
(b) the Group retains the right to receive cash flows from the asset, but assumes an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
(c) the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial liabilities

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

Offsetting

Financial assets and financial liabilities are only offset, and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ('ECL') model associated with its financial assets. Assessing how changes in economic factors affect ECL requires considerable judgement. ECLs are determined on a probability-weighted basis.

The Group recognizes loss allowances for ECLs on the following instruments that are not measured at FVTPL:

- financial assets that are debt instruments carried at amortized cost or FVOCI; and,
- lease receivables in the scope of IFRS 16.

The Group measures loss allowances either using the general or simplified approach as considered appropriate.

Under the general approach, loss allowances are measured at an amount equal to 12-month ECL except when there has been a significant increase in credit risk since inception. In such cases, the Group measures loss allowances at an amount equal to credit loss expected over the life of the financial asset.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL.

Lifetime ECL: These losses are the ECL that result from all possible default events over the expected life of a financial instrument, if there is a significant increase in credit risk under simplified approach.

12-month ECL: These losses are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The Group's trade receivables and accrued revenue are subject to the expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued revenue. The Group applies the general model to measure the credit losses on financial assets other than trade receivables and accrued revenue. The identified credit losses from these financial assets are not material.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: measured as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive upon such drawdown; and
- financial guarantee contracts: measured as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Impairment of financial assets (continued)

Write-off

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

Derivative financial instruments and hedging

The Group uses derivative financial instruments as trading investments as well as to hedge its risks associated with interest rate, foreign currency, commodity price fluctuations and also to satisfy the requirements of its customers. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives that do not qualify for hedge accounting are taken directly to the consolidated statement of profit or loss and other comprehensive income.

The Group applies hedge accounting only if all of the following conditions are met:

- There is formal designation and written documentation at the inception of the hedge;
- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

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

- Hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges); or
- Hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The documentation also includes the hedge ratio and potential sources of ineffectiveness.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Derivative financial instruments and hedging (continued)

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedge

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognized asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognized immediately in the consolidated statement of profit or loss and other comprehensive income together with changes in the fair value of the hedged item that are attributable to the hedged risk.

If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item for which the effective interest method is used, is amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

Cash flow hedge

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of derivative is recognized in OCI. Any gain or loss in fair value relating to an ineffective portion is recognized immediately in the consolidated statement of profit or loss.

The accumulated gains and losses recognized in other comprehensive income are reclassified to the statement of profit or loss in the years in which the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income are removed from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively, any cumulative gain or loss recognized in other comprehensive income at that time remains in equity until the forecast transaction is eventually recognized in the statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognized in other comprehensive income is immediately reclassified to the statement of profit or loss.

Fair value measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- At the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Current versus non-current classification (continued)

The Group classifies all other liabilities as non-current. Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities, respectively.

Taxes

(a) Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Taxes (continued)

(b) Deferred tax (continued)

Deferred tax relating to items recognized outside consolidated statement of comprehensive income is recognized outside the consolidated statement of comprehensive income. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in consolidated statement of profit or loss.

Leases

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

(a) Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate on the Group’s net investment outstanding in respect of the leases. Finance lease income is recorded within Revenue in the consolidated statement of profit or loss and other comprehensive income.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Leases (continued)

(b) Group as lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between principal and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Security deposits

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

Maintenance reserves

Maintenance reserves comprise of maintenance advances, lessor contributions, repossession provisions, re-lease provisions and heavy maintenance provisions. In many aircraft operating lease contracts, the lessee has the obligation to make periodic payments which are calculated with reference to the utilization of airframes, engines and other major life-limited components during the lease (supplemental amounts). In such contracts, upon lessee presentation of invoices evidencing the completion of qualifying work on the aircraft, the Group reimburses the lessee for the work, up to a maximum of the supplemental amounts received with respect to such work.

The Group also recognizes maintenance reserves that are not expected to be reimbursed to lessees, as lease revenue, when the Group is certain that such reserves are not required to be reimbursed to the lessee.

When aircraft are sold the portion of the accrued liability not specifically assigned to the buyer is derecognized from the consolidated statement of financial position as part of the gain or loss on disposal of the aircraft.

Lessor contributions

At the beginning of each new lease subsequent to the first lease on a new aircraft, lessor contributions representing contractual obligations on the part of the Group to contribute to the lessee’s cost of the next planned major maintenance event, expected to occur during the lease, are established. The Group regularly reviews the level of lessor contributions to cover its contractual obligations under current lease contracts and makes adjustments as necessary.

Lessor contributions represent a lease incentive and are recorded as a charge against lease rental income over the life of the associated lease.

Lessor contributions in respect of end of lease adjustments are recognized when the Group believes it is probable that it will be required to reimburse amounts to a lessee and the amount can be reasonably estimated.

2 Accounting policies (continued)

2.5 Summary of material accounting policies (continued)

Foreign currencies

The functional currency of the Company and its subsidiaries is USD. The financial statements of one foreign subsidiary, Joramco has a functional currency of Jordanian Dinar (JOD). Results are translated into USD at current rates, except that revenues and expenses are translated at average current rates during each reporting period. Joramco's financial statements are presented in JOD, which is pegged to USD, and thus, did not result in foreign currency translation adjustment in the consolidated financial statements.

Monetary assets and liabilities denominated in foreign currencies are remeasured in the functional currency at the exchange rates in effect as of the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are remeasured in the functional currency at the exchange rate in effect at the date of the transaction. All gains and losses from the remeasurement of assets and liabilities denominated in currencies other than the respective functional currencies are included in the consolidated statement of profit or loss and other comprehensive income.

Equity

Ordinary shares are classified as equity.

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Group as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Group.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The chief operating decision maker is considered to be the Chief Executive Officer who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

3 Revenue

	2025 USD'000	**2024** USD'000
Lease rental income	1,467,512	1,182,973
Engineering maintenance services revenue	211,067	186,382
Finance lease and loan receivables income	22,549	20,597
	1,701,128	1,389,952

Lease rental income includes the release of maintenance reserves totaling USD 150.2 million (2024: USD 88.9 million) which is net of the derecognition of maintenance right assets of USD nil (2024: USD 4.5 million).

3 Revenue (continued)

Lease rental income also includes a net charge associated with the amortization of lease incentive assets of USD 37.3 million (2024: USD 29.9 million) and other lease costs of USD 10.2 million for the year (2024: USD 13.7 million).

Engineering maintenance services revenue of USD 211.1 million (2024: USD 186.4 million) relates to commercial aircraft maintenance, repair and overhaul services provided by the Group through its engineering division.

Lease rental income from the top five customers represented 25.4% of the lease rental income for the year ended December 31, 2025 (2024: 34.4%). Customers based in Bahrain, India United Arab Emirates, accounted for 6.7%, 6.2% and 5.2% of lease rental income respectively in the year ended December 31, 2025 (2024: 8.1%, 5.6% and 14.8%).

Lease rental income is derived mainly from leasing commercial jet aircraft to various operators around the world. The distribution of lease rental income by the operator's geographic region is as follows:

	2025	**2025**	**2024**	**2024**
	USD'000	%	USD'000	%
Americas	362,472	25	237,763	20
Middle East	345,757	23	372,645	32
Europe	217,214	15	136,051	12
Asia Pacific	213,439	15	199,039	16
South Asia	174,156	12	119,355	10
Africa	82,437	5	68,488	6
China	72,037	5	49,632	4
Total lease rental income	1,467,512	100	1,182,973	100

4 Other income

	2025	**2024**
	USD'000	USD'000
Servicer fee income	19,159	25,474
Other income	4,883	14,156
	24,042	39,630

Servicer fee income relates to income earned from the management of aircraft on behalf of third parties.

Other income relates to settlements received from customers, proceeds from sale of spare parts and the release of security deposits.

5 General and administrative expenses

	2025 USD'000	2024 USD'000
Compensation and benefits expenses	88,512	67,872
Legal and professional expenses	25,137	33,512
Travel expenses	5,127	4,682
Office expenses	2,686	1,920
Other expenses	20,433	16,236
	141,895	124,222

DAE Capital had 179 people (2024: 143 people) in employment as at December 31, 2025. The average number of employees during the year was 181 (2024: 142).

DAE Engineering had 1,159 people (2024: 1,070 people) in employment as at December 31, 2025. The average number of employees during the year was 1,088 (2024: 976).

6 Finance income and expense

	2025 USD'000	2024 USD'000
Interest on bank accounts and short-term investments	29,769	42,972
Interest from investments	1,613	2,759
Net foreign exchange gain	202	889
Gains on financial instruments	-	1,343
Other finance income	4,682	14,249
Total finance income	36,266	62,212
Interest on borrowings	(470,042)	(405,720)
Amortization of debt issuance costs	(34,259)	(32,475)
Lease interest expense	(3,030)	(2,230)
Other charges	(2,162)	(1,177)
Total finance expense	(509,493)	(441,602)
Net finance cost	(473,227)	(379,390)

7 Insurance recoveries

In 2022, the Group wrote-off its net exposure of USD 576.5 million in respect of the 19 aircraft which were previously leased to airlines based in Russia.

During the year, the Group received settlement proceeds of USD 312.2 million (2024: USD 200.6 million) in relation to part of the value of the aircraft which were written off in 2022. The Group has recognized these proceeds within insurance recoveries in the consolidated statement of profit or loss and other comprehensive income.

In addition, the Group still has insurance cover in respect of the aircraft formerly leased to airlines in Russia, under a number of insurance policies and has filed insurance and litigation claims to recover amounts due under the policies.

8 Income tax expense

	2025 USD'000	2024 USD'000
Current tax		
Current year	29,926	534
Total current tax expense	29,926	534
Deferred tax		
Origination and reversal of temporary differences	29,390	45,346
Adjustments for prior years	-	8,965
Total deferred tax expense	29,390	54,311
Total income tax expense	59,316	54,845

Reconciliation of effective tax rate

	2025 USD'000	2024 USD'000
Profit before income tax	761,554	532,335
Tax on profit at the United Arab Emirates statutory rate of 0%	-	-
Reconciling items		
Profit taxable in Ireland at 12.5%	76,343	31,413
Pillar Two income tax	25,562	-
Net loss taxable at other rates	(22,459)	(4,920)
Net impact of tax losses not recognized or previously not recognized	(6,897)	14,672
Other permanent differences	13,336	4,662
Adjustment in respect of tax for previous years	(26,569)	9,018
Total income tax expense	59,316	54,845

The income tax expense for the year ended December 31, 2025 was driven by the tax arising on the Group's Irish activities at 12.5% and Pillar Two taxes. The Irish income tax included the insurance settlement proceeds received, and the net impact of tax losses not recognized during the year or previously not recognized.

UAE current taxes are payable on the Group's UAE activities which are conducted within Free Zones in the UAE. The Group expects the income of its UAE operations to be regarded as Qualifying Income on which a domestic 0% tax rate applies.

The financial year ended December 31, 2025 is the first year in which the Group is fully within the scope of the OECD Pillar Two model rules, previously the only material in scope jurisdiction was Ireland. The Group applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

8 Income tax expense (continued)

The Group may incur top-up taxes due to the Pillar Two legislation that became effective 1 January 2024. Under the Pillar Two legislation, the Group is liable to pay a top-up tax in each jurisdiction in scope of the rules, calculated as the difference between its GloBE effective tax rate and the 15% minimum tax rate. In the UAE, a Qualifying Domestic Minimum Top Up Tax ("DMTT") has been enacted and is effective from 1 January 2025.

9 Aircraft held for lease

	Aircraft and engines USD'000	Aircraft purchase deposits USD'000	Maintenance right asset USD'000	Lease premium / (discount) USD'000	Total USD'000
Cost					
At December 31, 2023	12,721,679	-	289,977	139,832	13,151,488
Additions	1,494,694	-	55,288	5,473	1,555,455
Transfers	38,713	-	(29,107)	(9,606)	-
Transfers to finance lease receivables	(114,572)	-	-	-	(114,572)
Transfers to assets held for sale	(507,728)	-	-	-	(507,728)
Derecognition	-	-	(7,026)	-	(7,026)
Disposals	(821,741)	-	(5,293)	-	(827,034)
At December 31, 2024	12,811,045	-	303,839	135,699	13,250,583
Additions	2,357,510	4,044	57,717	(51,815)	2,367,456
Acquired on business combination	1,747,084	65,271	127,550	(76,715)	1,863,190
Transfers	20,695	(4,282)	(16,413)	-	-
Transfers to assets held for sale	(416,615)	-	(8,641)	-	(425,256)
Derecognition	-	-	-	(5,096)	(5,096)
Disposals	(408,470)	-	(11,759)	-	(420,229)
At December 31, 2025	16,111,249	65,033	452,293	2,073	16,630,648
Accumulated Depreciation					
At December 31, 2023	2,108,051	-	87,651	4,046	2,199,748
Charge for the year	535,929	-	14,361	15,704	565,994
Transfers to finance lease receivables	(70,574)	-	-	-	(70,574)
Transfers to assets held for sale	(258,615)	-	-	-	(258,615)
Derecognition	-	-	(2,565)	-	(2,565)
Disposals	(389,186)	-	(2,784)	-	(391,970)
At December 31, 2024	1,925,605	-	96,663	19,750	2,042,018
Charge for the year	617,806	-	19,290	(303)	636,793
Transfers to assets held for sale	(210,820)	-	(3,622)	-	(214,442)
Derecognition	-	-	-	(1,103)	(1,103)
Disposals	(235,326)	-	(5,637)	-	(240,963)
At December 31, 2025	2,097,265	-	106,694	18,344	2,222,303
Net book value					
At December 31, 2024	10,885,440	-	207,176	115,949	11,208,565
At December 31, 2025	14,013,984	65,033	345,599	(16,271)	14,408,345

9 Aircraft held for lease (continued)

As at December 31, 2025, the Group owned 492 aircraft (2024: 329 aircraft), of which 459 aircraft are held for lease on an operating lease basis (2024: 302 aircraft), 19 aircraft are held-for-sale (2024: 12 aircraft) and 14 aircraft are recognized as finance lease and loan receivables (2024: 15 aircraft). During the year, the Group purchased 50 aircraft (2024: 30 aircraft) and sold 33 aircraft (2024: 19 aircraft). In addition, the Group acquired 211 aircraft as a result of a business combination during the year, of which 61 aircraft were sold during the year. Please refer to Note 30.

During the year, the Group derecognized USD nil (2024: USD 4.5 million) of maintenance right assets related to aircraft which were redelivered to the Group during the year. An amount of USD nil has been recognized as maintenance income in relation to these aircraft (2024: USD 4.5 million). These amounts are netted within revenue in the consolidated statement of profit or loss and other comprehensive income.

The Group's obligations under certain of its secured bank loans are secured by charges over, amongst other things, the Group's aircraft and related assets, details of which are included in Note 19.

Geographic concentration:

The distribution of net book value ("NBV") of the aircraft held for lease (excluding aircraft purchase deposits) by operator's geographic region is as follows:

	2025 USD'000	**2025** %	**2024** USD'000	**2024** %
Americas	4,463,122	31	2,745,702	25
Europe	2,372,247	17	1,789,753	16
Middle East*	2,037,707	14	2,359,581	21
South Asia	1,962,374	14	1,165,922	10
Asia Pacific	1,897,317	13	1,944,502	17
China	873,411	6	644,969	6
Africa	737,134	5	558,136	5
	14,343,312	100	11,208,565	100

* The geographical region of aircraft not on lease and without a letter of intent at year end has been determined as Middle East based on the location of the Group's head office.

The Group's top 5 customers represent 24.6% (2024: 27.0%) of the fleet based on the NBV. The Group's top customer represents 7.0% (2024: 7.6%) of the fleet based on the NBV and is based in South Asia (2024: the Middle East).

Impairment of aircraft held for lease

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

9 Aircraft held for lease (continued)

Impairment of aircraft held for lease (continued)

The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. The value in use represents the present value of cash flows expected to be received from the aircraft in the future, including its expected residual value. Expected future lease rates are based on all relevant information available, including the existing lease, current contracted rates for similar aircraft, appraiser data and industry trends.

The factors considered in estimating the future cash flows are impacted by changes in contracted lease rates, estimated residual values, economic conditions, technology advancements and airline demand for particular aircraft types. These estimated cash flows are discounted at 5.9% per annum, which management believe is appropriate for each individual aircraft assessed (2024: 5.7%).

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

1. Current market values of aircraft based on independent appraiser data;
2. Management estimates relating to lease transition periods and related costs;
3. Assumed future aircraft values and residual values at the end of the aircraft's life based on independent appraiser data and management estimates (where appropriate);
4. Management's assumed future non contracted lease rates assessed against appraiser rates for each aircraft; and
5. The discount rate applied to forecast cash flows based on the Group's WACC of 5.9% (2024: 5.7%).

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

- 0.5% increase/decrease in the discount rate to determine the Group's WACC;
- 10% increase/decrease in the current market values of aircraft;
- 10% increase/decrease in the future non contracted rental income of each aircraft; and
- 10% increase/decrease in the residual value of aircraft at end of its useful life.

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

10 Property, plant and equipment

	Building USD'000	Capital WIP USD'000	ROU Assets - Land and Buildings USD'000	Other USD'000	Total USD'000
Cost					
At December 31, 2023	-	5,474	55,341	141,328	202,143
Additions	-	13,996	18,041	10,076	42,113
Disposals	-	-	(7,906)	(9,479)	(17,385)
Transfers	-	(1,379)	-	1,379	-
At December 31, 2024	-	18,091	65,476	143,304	226,871
Additions		9,870	886	6,382	17,138
Transferred from WIP	27,600	(27,600)	-	-	-
At December 31, 2025	27,600	361	66,362	149,686	244,009
Accumulated depreciation					
At December 31, 2023	-	-	21,871	85,616	107,487
Charge for the year	-	-	5,165	9,911	15,076
Disposals	-	-	(5,528)	(9,479)	(15,007)
At December 31, 2024	-	-	21,508	86,048	107,556
Charge for the year	154	-	6,205	10,069	16,428
At December 31, 2025	154	-	27,713	96,117	123,984
Net book value					
At December 31, 2024	-	18,091	43,968	57,256	119,315
At December 31, 2025	27,446	361	38,649	53,569	120,025

Property, plant and equipment consists of right-of-use assets related to property and land leases, buildings, leasehold improvements, furniture and fittings, machinery, computer and other corporate assets.

11 Goodwill

	2025 USD'000	2024 USD'000
Goodwill	44,668	44,668
	44,668	44,668

On August 17, 2017, the Group acquired 100% of AWAS Aviation Capital DAC ("AACD") and goodwill of USD 44.7 million arose as a result of the acquisition.

The Group tests whether goodwill has suffered any impairment on an annual basis. No impairment under any reasonably possible scenarios was identified during the year ended December 31, 2025 (2024: nil).

12 Other assets

	2025 USD'000	2024 USD'000
Non-current assets		
Lease incentives	148,988	93,158
Lease acquisition costs	44,277	36,325
Accrued revenue	28,560	33,757
	221,825	163,240
Current assets		
Lease incentives	32,829	29,083
Lease acquisition costs	21,781	12,985
Accrued revenue	8,518	13,406
Other assets	1,435	880
	64,563	56,354

Lease incentives

The lease incentive asset represents lessor contributions to the cost of maintenance events during current leases. This asset is amortized over the respective lease terms and amortization is recorded as a reduction of lease rental income.

Lease acquisition cost

Lease acquisitions costs represents initial direct costs associated with negotiating and arranging a lease. This asset is amortized over the respective lease terms and amortization is recorded as a reduction of lease rental income.

Included in lease acquisition costs is an amount of USD 4.6 million (2024: USD 6.0 million) incurred in respect of lease agreements entered into with a company under common control.

Accrued revenue

As a result of the impact of COVID-19 on the aviation sector, the Group has granted rental deferrals to certain customers. Accrued revenue represents lease payments deferred by the Group which are not yet billed or due from the customer. The Group continues to recognize revenue on a straight-line basis.

At December 31, 2025, the Group has 14 customers with deferral agreements in place (2024: 15). The total amount accrued was USD 68.7 million at December 31, 2025 (2024: USD 65.9 million) and a loss allowance of USD 31.6 million (2024: USD 18.7 million) has been recognized related to these amounts.

At December 31, 2025 the average default rate applied in calculating the loss allowance was 46.0% (2024: 28.4%). Details of deposits and letters of credit held as collateral are disclosed in Note 20. Details of the Group's exposure to credit risk and movement in the loss allowance are disclosed in Note 27.

13 Financial assets at fair value and amortized cost

Financial assets at fair value and amortized cost consist of the following:

	2025 USD'000	2024 USD'000
Investment in debt instruments - FVTPL	15,484	22,918
Investment in debt instruments - amortized cost	16,503	22,724
Investment in equity instruments - FVOCI	13,089	13,089
Investment in equity instrument - FVTPL	1,357	63
	46,433	58,794

The Group holds investments in debt instruments (FVTPL), in the form of E-Notes, issued by Asset Backed Securitization ("ABS") vehicles, to which it also acts as servicer. The debt instruments are non-recourse, and the Group receives principal and interest payments in accordance with the priority of payments of the respective ABS vehicle. As at December 31, 2025, the value of the debt outstanding is USD 15.5 million (2024: USD 21.0 million). Debt instruments are measured at fair value, net gains and losses, including any interest receivable are recognized in the consolidated statement of profit or loss and other comprehensive income. Interest income during the year ended December 31, 2025 was USD nil (2024: USD 0.1 million). As at December 31, 2025 the Group has investment in debt and equity instruments with a fair value of USD nil and USD 1.4 million, respectively (2024: USD 1.9 million and USD 0.1 million, respectively) resulting from settlement of claims with customers.

The Group also holds a non-controlling investment in an entity, to which it also acts as servicer. The Group's equity investment is measured at fair value through OCI. As at December 31, 2025, the value of the equity investment is USD 13.1 million (2024: USD 13.1 million). There was no dividend income received during the year ended December 31, 2025 (2024: nil). The Group also advanced loans to the same entity, which are accounted for at amortized cost. The loans outstanding at December 31, 2025 were USD 14.0 million (2024: USD 20.0 million). Interest income during the year ended December 31, 2025 was USD 1.1 million (2024: USD 1.7 million).

14 Deferred tax

Consolidated deferred tax assets and liabilities are attributable to the following:

	Property, plant and equipment USD'000	Employee benefits USD'000	Purchase price adjustments USD'000	Trade losses USD'000	Other USD'000	Total USD'000
At December 31, 2023	(497,540)	496	(11,198)	223,761	79	(284,402)
Charged						
- to profit or loss	(30,303)	8	(1,223)	(22,714)	(79)	(54,311)
- to other comprehensive income	-	-	-	(853)	-	(853)
At December 31, 2024	(527,843)	504	(12,421)	200,194	-	(339,566)
Charged						
- to profit or loss	(151,355)	-	2,611	119,354	-	(29,390)
- to other comprehensive income	-	-	-	5,145	-	5,145
Acquired through business combination	-	-	(23,527)	-	-	(23,527)
At December 31, 2025	(679,198)	504	(33,337)	324,693	-	(387,338)

At December 31, 2025, the Group had an unrecognized deferred tax asset of USD 60.3 million, of which USD 53.1 million are in relation to Irish tax losses (2024: USD 30.7 million).

The Group is allowed to carry forward any Irish tax losses for an indefinite period to be offset against income of the same trade. Hungarian tax losses expire at various dates after a period of 5 years, and US Federal tax losses are set to expire at various dates beginning in the fiscal year November 30, 2028.

15 Trade and other receivables

	2025 USD'000	**2024** USD'000
Trade receivables	76,023	66,602
Less: loss allowances	(22,536)	(12,882)
Trade receivables, net	53,487	53,720
Other receivables	18,145	21,072
	71,632	74,792

To measure the expected loss allowance, trade receivables have been grouped based on shared credit risk characteristics. The Group has a customer credit rating model which calculates a ranking score based on qualitative and quantitative information about the customer such as its business activities, senior management team, financial fitness, resources and performance, and business risks. The score translates into a 12-level credit rating model, with each level being designated a default risk percentage for the receivable amount, net of collateral held by the Group. The Group has used this risk percentage at year end when calculating the expected loss allowance, specific additional provisions are recognized where evidence of lessee distress is available. Details of deposits and letters of credit held as collateral are disclosed in Note 20.

15 Trade and other receivables (continued)

The loss allowance as December 31, 2025 and 2024 was determined as follows for trade receivables:

	Current USD'000	30-60 days USD'000	60-90 days USD'000	90-360 days USD'000	>360 days USD'000	Total USD'000
December 31, 2025						
Gross carrying amount	35,328	5,726	2,708	9,809	22,452	76,023
Loss allowance	571	204	314	3,202	18,245	22,536
Default rate	2%	4%	12%	33%	81%	30%
December 31, 2024						
Gross carrying amount	35,934	6,930	2,948	8,854	11,936	66,602
Loss allowance	1,663	490	-	2,138	8,591	12,882
Default rate	5%	7%	0%	24%	72%	19%

The Group considers a financial asset to be in default when the lessee is unlikely to pay its credit obligations to the Group, without recourse by the Group to action such as realizing security held (if any). The instrument is considered in default when it is 30 days past due.

Details of the Group's exposure to credit risk and movement in the loss allowance are disclosed in Note 27.

The exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2025 USD'000	2025 %	2024 USD'000	2024 %
Europe	24,822	33	28,988	44
Middle East	16,688	22	15,020	23
China	13,964	18	-	-
South Asia	8,355	11	707	1
Africa	6,188	8	3,083	5
Asia Pacific	5,779	8	8,787	13
Americas	227	0	10,017	14
	76,023	100	66,602	100

16 Cash and cash resources

	2025 USD'000	2024 USD'000
Cash and cash equivalents	861,723	582,073
Restricted cash	54,381	79,891
	916,104	661,964

Restricted cash represent balances subject to withdrawal restrictions securing the Group's obligation under third party credit facilities. Certain amounts received from lessees in respect of aircraft subject to certain funding arrangements are required to be held in segregated accounts to support, amongst other things, certain maintenance related payments including major airframe overhauls, engine overhauls, engine life limited parts replacements, auxiliary power units overhauls and landing gear overhauls, as well as interest and principal payments on the related debt facility.

16 Cash and cash resources (continued)

Cash and cash resources include USD 133.2 million (2024: USD 13.4 million) held with financial institutions under common control.

17 Held-for-sale

At December 31, 2025, the Group had agreements for the sale of 19 aircraft which met the requirement to be classified as held-for-sale (December 31, 2024: 12 aircraft). These are measured at the lower of carrying value and fair value less costs to sell.

	2025 USD'000	**2024** USD'000
Assets classified as held-for-sale		
Aircraft held for lease	129,793	247,287
	129,793	247,287
Liabilities relating to assets classified as held-for-sale		
Maintenance reserves	47,364	83,902
Security deposits	5,601	4,837
	52,965	88,739

18 Share capital and reserves

	2025 USD'000	**2024** USD'000
Authorized, issued and paid-up capital	2,011,069	2,011,069
Additional paid-in capital	634,585	634,585
Treasury shares	(2,192,059)	(2,092,059)
Other reserves	(176)	35,115
Retained earnings	3,143,978	2,454,475
Attributable to equity holders of the Company	3,597,397	3,043,185
Non-controlling interests	37,914	25,179
Net equity	3,635,311	3,068,364

The authorized and issued share capital of the Company at December 31, 2025 comprised of 2,011,069 ordinary shares of USD 1,000 par value each (2024: comprised of 2,011,069 ordinary shares of USD 1,000 par value each).

The movement in retained earnings relates to the profit generated by the Group during the year.

The movement in other reserves contains the movement in hedging reserves during the year. Detail of movement in hedging reserves are included in Note 24.

During the year ended December 31, 2025, the Group repurchased ordinary shares for USD 100.0 million (2024: USD 300.0 million). These shares are reported as treasury shares within equity in the consolidated statement of financial position.

19 Loans and borrowings

Loans and borrowings, net of issuance costs, consists of the following:

	2025 USD'000	2024 USD'000
Principal	10,295,475	8,089,464
Accrued and unpaid interest	45,345	39,696
Fair value adjustments	(45,697)	(65,077)
Total loans and borrowings	10,295,123	8,064,083
Debt issuance costs	(67,536)	(64,380)
Net loans and borrowings	10,227,587	7,999,703

	2025 USD'000	2024 USD'000
Non-current liabilities		
Bank loans	7,115,804	4,622,737
Unsecured notes	1,359,641	1,441,641
Secured notes	509,150	545,752
Debt issuance costs	(45,982)	(37,591)
Non-current loans and borrowings	8,938,613	6,572,539
Current liabilities		
Unsecured notes	755,386	483,607
Bank loans	517,716	936,972
Secured notes	37,425	33,374
Debt issuance costs	(21,553)	(26,789)
Current loans and borrowings	1,288,974	1,427,164

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

	2025 USD'000	2024 USD'000
At January 1	8,064,083	7,671,674
Loan drawdowns	5,539,973	1,819,860
Acquired through business combination	40,931	-
Loan repayments	(2,892,030)	(476,980)
Unsecured notes repayments	(462,961)	(919,634)
Unsecured notes repurchased	-	(30,636)
Movement in accrued interest	5,650	1,944
Movement in fair value adjustments	(738)	(985)
Revaluation of loans	215	(1,160)
At December 31	10,295,123	8,064,083

19 Loans and borrowings (continued)

Terms and conditions of outstanding loans after the impact of derivatives at December 31, 2025 is as follows:

	Average nominal interest rate %	Year of maturity	2025 USD'000
Floating rate loans:			
Unsecured facilities	4.72	2026-2035	6,920,518
Recourse obligations (including EDC)	4.85	2026-2030	337,315
Fixed rate loans:			
Senior unsecured notes	3.86	2026-2030	2,115,027
Secured notes	2.77	2035-2046	546,575
Recourse obligations (including EDC)	4.37	2026-2030	372,302
Unsecured facilities	3.75	2030	3,386
Total interest-bearing liabilities			10,295,123

Terms and conditions of outstanding loans after the impact of derivatives at December 31, 2024 is as follows:

	Average nominal interest rate %	Year of maturity	2024 USD'000
Floating rate loans:			
Unsecured facilities	5.60	2025-2033	4,473,655
Recourse obligations (including EDC)	4.80	2025-2030	453,474
Non-recourse obligations			
Fixed rate loans:			
Senior unsecured notes	3.34	2025-2028	1,925,248
Secured notes	2.77	2035-2046	579,126
Recourse obligations (including EDC)	4.58	2025-2030	628,484
Unsecured facilities	3.75	2030	4,096
Total interest-bearing liabilities			8,064,083

19 Loans and borrowings (continued)

The number of aircraft used as collateral for the Group's facilities are as follows:

	2025	2024
Facility:		
Recourse obligations (including Ex-Im & EDC)	30	55
Secured notes	22	22
Total	52	77

In addition to the number of aircraft above, which have a carrying value of USD 2,536.0 million (2024: USD 3,292.5 million), 440 aircraft were unencumbered, with a carrying value of USD 12,460.7 (2024: 252 aircraft were unencumbered, with a carrying value of USD 8,488.0 million).

Certain facilities contain various customary financial and non-financial loan covenants including:

- Financial information obligations;
- Limitations on activities which would negatively impact concentration limits such as regional location of lessees and types of aircraft in the portfolio; and
- Loan to value covenants.

The aggregate principal and contractual repayment amount of loans for each of the financial years subsequent to December 31, 2025 and 2024 are as follows.

In thousands of USD	Principal cash flows		Contractual cash flows*	
	2025	2024	2025	2024
Due within one year	1,284,528	1,434,376	1,724,850	1,778,588
Due within two and five years	7,061,527	5,643,163	8,189,472	6,367,110
Due after five years	1,949,420	1,011,925	2,098,668	1,097,662
Total	10,295,475	8,089,464	12,012,990	9,243,360

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

Recourse obligations (including EDC):

As at December 31, 2025, 30 aircraft (2024: 55 aircraft) were financed on a full recourse basis (including loans guaranteed by the EDC (Export Development Canada) on standard export credit agency supported financing terms). The loans amortize over their lives of between 1 and 6 years remaining and bear interest at fixed rates or 1 or 3 month SOFR, or MIDSWAP plus margins with a weighted average interest rate of 4.37% and 4.85%, respectively.

19 Loans and borrowings (continued)

Senior unsecured notes:

As at December 31, 2025, the balance of senior unsecured notes was USD 2,115.0 million (2024: USD 1,925.2 million) with average nominal interest rate of 3.86% and maturities which range from 2026 to 2030.

During the year ended December 31, 2025 senior unsecured notes of USD nil were repurchased (2024: USD 30.6 million).

Unsecured facilities:

The Group has drawn unsecured credit facilities totaling USD 6,923.9 million (2024: USD 4,477.8 million). These have maturity dates ranging from 2026 to 2035 and bear interest of 1 or 3 month SOFR or EIBOR plus margins with a weighted average interest rate of 4.72%.

Revolving credit facilities:

The Group has access to three unsecured revolving credit facilities totaling USD 2,538.5 (2024: USD 2,903.5 million) which can be drawn until maturity in 2026 and 2027.

The revolving credit facilities accrue interest 1 or 3 month SOFR plus margins. The outstanding balance (including accrued interest) as at December 31, 2025 was USD nil (2024: nil).

Secured notes:

As at December 31, 2025, the balance of secured notes was USD 546.6 million (2024: USD 579.1 million) with average nominal interest rate of 2.77% and maturities which range from 2035 and 2046.

20 Maintenance reserves and security deposits

	2025 USD'000	**2024** USD'000
Non-current		
Maintenance reserves	1,093,693	891,273
Security deposits	186,764	163,816
Total	1,280,457	1,055,089
Current		
Maintenance reserves	440,302	167,281
Security deposits	22,444	16,269
Total	462,746	183,550

20 Maintenance reserves and security deposits (continued)

	2025 USD'000	2024 USD'000
Maintenance reserves		
At January 1	1,058,554	1,113,158
Additions	593,209	434,598
Acquired through business combination (Note 30)	269,483	-
Reimbursed	(163,541)	(169,389)
Released	(160,703)	(235,911)
Reclassified to held-for-sale	(63,007)	(83,902)
At December 31	1,533,995	1,058,554
Security deposits		
At January 1	180,085	174,866
Additions	135,042	57,650
Acquired through business combination (Note 30)	29,166	-
Repaid/offset	(116,579)	(47,594)
Reclassified to held-for-sale	(18,506)	(4,837)
At December 31	209,208	180,085

Security deposits relate to cash security received from lessees as collateral. Security deposits are refundable at the end of the contract lease period after all lease obligations have been met by the lessee.

In addition, the Group holds security on lease obligations in the form of letters of credit in the amount of USD 405.8 million as of December 31, 2025 (December 31, 2024: USD 438.6 million).

21 Lease liabilities

	2025 USD'000	2024 USD'000
Non-current	40,289	39,242
Current	4,834	3,675
Total	45,123	42,917

Lease liabilities relate to property and land leases. The associated right of use asset associated is recognized within Property, plant and equipment. The following are the contractual undiscounted cash outflows associated with the lease liabilities, including interest payments:

		Contractual cash flows		
	Carrying amount USD'000	**Within 1 year** USD'000	**Within 1 to 5 years** USD'000	**After 5 years** USD'000
2025				
Lease liabilities	45,123	7,651	29,472	38,558
2024				
Lease liabilities	42,917	6,435	23,824	44,059

22 Deferred revenue

	2025 USD'000	2024 USD'000
Due after one year	72,711	22,200
Due within one year	140,117	102,814
	212,828	125,014

Included in deferred revenue is unearned lease rentals received from a company under common control of USD 3.3 million (2024: USD 2.6 million) which is included in current liabilities.

23 Trade and other payables

	2025 USD'000	2024 USD'000
Trade payables	50,397	32,003
Employee benefits	48,128	39,883
Advances from customers	15,233	-
Other accrued liabilities	89,266	57,595
	203,024	129,481

24 Derivative financial instruments

The Group has the following derivative financial instruments:

	2025 USD'000	2024 USD'000
Current assets		
Interest rate swaps – cash flow hedges	8,141	40,428
	8,141	40,428

	2025 USD'000	2024 USD'000
Current liabilities		
Interest rate swaps – cash flow hedges	(9,872)	-
	(9,872)	-

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through consolidated statement of profit or loss and other comprehensive income. As at December 31, 2025 and 2024 all derivatives were in designated hedge relationships.

The Group has amortizing interest rate swaps with an aggregate current notional of USD 4,195.3 million (2024: USD 3,318.1 million) and maturities ranging from March 2026 to July 2030. The weighted average strike rate on the fixed leg of these instruments is 3.10% (2024: 3.09%).

During 2020 the Group terminated swap contracts which were designated as fair values hedges. The amount recognized within the fair value hedge reserve (within loans and borrowings) is USD nil as at December 31, 2025 (2024: USD 0.7 million) and is amortized to the consolidated statement of profit or loss and other comprehensive income over the original term of the swap contracts which matured during the year.

Further information about the Group's risk management strategy, fair value measurement and derivatives used by the Group is provided in Note 27.

24 Derivative financial instruments (continued)

Hedge ineffectiveness

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

The Group generally enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities, and notional amount. The Group may not hedge 100% of a loan, therefore the hedged item is identified as a proportion of the outstanding loan up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

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

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

A net gain was recognized within interest expense of USD 1.7 million (2024: expense of USD 0.8 million) related to hedge ineffectiveness.

Effect on financial position and performance

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

December 31, 2025
USD'000

	Nominal amounts of the hedging instrument	Carrying value of the hedging instrument Assets	Liabilities	Line item in statement of financial position	Change in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve
Cash flow hedges						
Interest rate risk	4,195,289	8,141	(9,872)	Derivative financial Assets/ (Liabilities)	(42,158)	1,681
	4,195,289	8,141	(9,872)		(42,158)	1,681

December 31, 2024
USD'000

	Nominal amounts of the hedging instrument	Carrying value of the hedging instrument Assets	Liabilities	Line item in statement of financial position	Change in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve
Cash flow hedges						
Interest rate risk	3,318,112	40,428	-	Derivative financial assets	8,567	38,756
	3,318,112	40,428	-		8,567	38,756

24 Derivative financial instruments (continued)

Movement in hedge reserve

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	Total hedge reserve USD'000
At December 31, 2023	28,170
Changes in fair value	8,567
Amounts reclassified to profit or loss	(769)
Tax movements during the year	(853)
At December 31, 2024	35,115
Changes in fair value	(42,158)
Amounts reclassified to profit or loss	1,722
Tax movements during the year	5,145
At December 31, 2025	(176)

Sensitivity analysis

The Group recognizes that movements in certain risk variables (such as interest rates or foreign exchange rates) might affect the value of its derivatives and also the amounts recorded in its consolidated statement of profit or loss and other comprehensive income for the year. Therefore, the Group has assessed:

- what would be reasonably possible changes in the risk variables at the reporting date and
- the effects on the consolidated statements of profit or loss and other comprehensive income and changes in equity if such changes in the risk variables were to occur

The following table considers "shocks" to forward interest rate curves of +/- 50 basis points. If these shocks were to occur, the impact on the consolidated statement of profit or loss and other comprehensive income for each category of financial instrument held at the reporting date is shown below:

The impact of the modelled interest rate shocks on our fair value hedge accounting relationships is excluded from this analysis as an offsetting hedge accounting adjustment would be made to the hedged item.

24 Derivative financial instruments (continued)

Sensitivity analysis (continued)

As at December 31, 2025, the sensitivity to interest rates was as follows:

Interest rate swap **Risk variable**	**Change in risk variable**	**Change in value as of December 31, 2025** USD'000	**Impact on consolidated statement of profit or loss and other comprehensive income for the year** USD'000	**Impact on consolidated statement of financial position** USD'000
3 month USD-SOFR-BBA	+50bps	29,757	-	29,757
3 month USD-SOFR-BBA	-50bps	30,220	-	30,220

As at December 31, 2024, the sensitivity to interest rates was as follows:

Interest rate swap **Risk variable**	**Change in risk variable**	**Change in value as of December 31, 2024** USD'000	**Impact on consolidated statement of profit or loss and other comprehensive income for the year** USD'000	**Impact on consolidated statement of financial position** USD'000
3 month USD-SOFR-BBA	+50bps	21,701	-	21,701
3 month USD-SOFR-BBA	-50bps	22,024	-	22,024

25 Related party transactions

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control and the key management personnel of the Group. Related parties may be individuals or other entities.

25 Related party transactions (continued)

(a) Transactions with related parties included in the consolidated statement of profit or loss and other comprehensive income that have taken place on an arm's length basis are as follows:

- During the year, the Group received an amount of USD 161.8 million being aircraft lease rentals and end of lease compensation (2024: USD 213.7 million) from companies under common control.
- The Group also provided engineering maintenance services to companies under common control amounting to USD 17.0 million (2024: USD 37.2 million).
- Finance income on the bank balances with companies under common control for the year amounts to USD 1.1 million (2024: USD 1.5 million).
- Finance expense for the year in respect of loans from related companies under common control amounts to USD 168.5 million (2024: USD 103.9 million).

Aircraft sale agreement

In 2023, the Company (as the "Purchaser") entered into an aircraft sale agreement with its affiliate (as the "Seller") whereby the Seller shall transfer to the Purchaser its rights under an external contract between the Seller and an aircraft manufacturer for the purchase and delivery of a portfolio of 64 aircraft. The Purchaser shall pay the Seller the purchase price at the time of delivery of each aircraft. Fourteen aircraft were delivered as at December 31, 2025 and the purchase price of USD 0.7 billion was paid to the Seller in full. The remaining 50 aircraft are scheduled to be delivered between 2026 and 2028.

In 2025, the Company (as the seller) entered into a sale and purchase agreement ("SPA") with a managed asset client, a related party, (as the purchaser) for the sale of a portfolio of 25 aircraft and their associated leases for an aggregate sales price of USD 0.1 billion. 10 aircraft were sold to the purchaser during the year with an aggregate net purchase price of USD 44.3 million, of which, one aircraft was reacquired and transferred to inventory. In accordance with the SPA amendment, four aircraft remained held for sale to the purchaser. The aircraft and related liabilities are presented as held-for sale in Note 17.

Compensation of key management personnel for the year:

	2025 USD'000	**2024** USD'000
Salaries and other benefits	10,716	9,223

(b) Amounts due (to) and due from entities under common control and shareholders, included in the consolidated statement of financial position are as follows:

	2025 USD'000	**2024** USD'000
Trade receivables	1,373	4,147
Derivative financial assets	6,162	27,786
Derivative financial liabilities	(1,318)	-
Current tax liabilities*	(15,194)	-
Loans and borrowings**	(2,969,426)	(2,380,405)

* The Pillar Two income tax liability in relation to the profits (GloBE income) of the Group is presented within current tax liability in the consolidated statement of financial position, however, DAG, as the ultimate parent entity for Pillar Two purposes, is responsible for the return filing and payment of the Pillar Two top-up tax.

** Loans and borrowings advanced by companies under common control have an average interest rate of 6.0% (2024: 5.07%)

Amounts related to leasing transactions with companies under common control such as lease acquisition costs and deferred revenue are disclosed in Notes 12 and 22, respectively.

25 Related party transactions (continued)

(c) Other related party transactions

- DAE Engineering consists of 80% ownership stake in Joramco, a provider of commercial aircraft maintenance, repair and overhaul services which is based in Jordan. The remaining 20% is owned by a third party and is reflected within equity as non-controlling interest. As at December 31, 2025, non-controlling interest was USD 37.9 million (2024: USD 25.2 million).

- During the year ended December 31, 2025 and 2024, the Group repurchased ordinary shares from its shareholder. These ordinary shares are now held as treasury shares by the Group.

26 Commitments and contingent liabilities

(a) Capital commitments

At December 31, 2025 the Group had committed to purchase 74 aircraft which are mainly under the aircraft sale agreement with a related party as disclosed in Note 25. The aircraft are scheduled to deliver between 2026 and 2030. The total capital commitment based on the current market value of the underlying assets is approximately USD 4.0 billion.

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

(b) Contingent liability

A contingent loss may exist at December 31, 2025 and 2024 in relation to unpaid Eurocontrol charges incurred by operators of the Group's aircraft.

No accrual has been made at December 31, 2025 (2024: nil) in relation to contingent liabilities pertaining to Eurocontrol charges as any potential liability is not considered probable at this time, and the amount of any potential liability cannot be reasonably estimated.

27 Financial instruments – fair values and risk management

The Group utilizes financial instruments to reduce exposures to market risks throughout its business. Equity, borrowings and cash and cash resources are used to finance the Group's operations. The Group uses derivative financial instruments, principally interest rate swaps and caps, to manage interest rate risks and achieve the desired profile of borrowings.

(a) Accounting classification and fair values

The following tables shows the carrying amounts and fair values of financial assets and liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

At December 31, 2025

	Fair value – hedging instruments USD'000	**Financial assets at amortized cost** USD'000	**Financial assets at FV** USD'000	**Other financial liabilities** USD'000	**Fair value** USD'000
Financial assets measured at fair value					
Investments	-	-	29,930	-	29,930
	-	-	29,930	-	29,930
Financial assets not measured at fair value					
Cash and cash equivalents	-	861,723	-	-	-
Restricted cash	-	54,381	-	-	-
Trade and other receivables	-	71,632	-	-	-
Accrued revenue	-	37,078	-	-	-
Finance lease and loan receivables	-	458,523	-	-	458,523
Investments	-	16,503	-		16,503
	-	1,499,840	-	-	475,026
Financial assets measured at fair value					
Interest rate swaps used for hedging	8,141	-	-	-	8,141
	8,141	-	-	-	8,141
Financial liabilities not measured at fair value					
Loans and borrowings	-	-	-	10,227,587	10,197,517
Lease liabilities	-	-	-	45,123	-
Maintenance reserves and security deposits	-	-	-	1,743,203	-
Trade and other payables	-	-	-	203,024	-
	-	-	-	12,218,937	10,197,517
Financial liabilities measured at fair value					
Interest rate swaps used for hedging	9,872	-	-	-	9,872
	9,872	-	-	-	9,872

27 Financial instruments – fair values and risk management (continued)

(a) Accounting classification and fair value (continued)

At December 31, 2024

	Fair value – hedging instruments USD'000	Financial assets at amortized cost USD'000	Financial assets at FV USD'000	Other financial liabilities USD'000	Fair value USD'000
Financial assets measured at fair value					
Investments	-	-	36,070	-	36,070
	-	-	36,070	-	36,070
Financial assets not measured at fair value					
Cash and cash equivalents	-	582,073	-	-	-
Restricted cash	-	79,891	-	-	-
Trade and other receivables	-	74,792	-	-	-
Accrued revenue	-	47,163	-	-	-
Finance lease and loan receivables	-	324,631	-	-	324,631
Investments	-	22,724	-		22,724
	-	1,131,274	-	-	347,355
Financial assets measured at fair value					
Interest rate swaps used for hedging	40,428	-	-	-	40,428
	40,428	-	-	-	40,428
Financial liabilities not measured at fair value					
Loans and borrowings	-	-	-	7,999,703	7,886,056
Lease liabilities	-	-	-	42,917	-
Maintenance reserves and security deposits	-	-	-	1,238,639	-
Trade and other payables	-	-	-	129,481	-
	-	-	-	9,410,740	7,886,056

The following tables presents the Group's financial assets and liabilities and the associated fair value. Derivative financial assets and liabilities are carried in the consolidated statement of financial position at fair value, all others are carried at amortized cost.

27 Financial instruments – fair values and risk management (continued)

(a) Accounting classification and fair value (continued)

At December 31, 2025

	Fair value		Fair value level	
		Level 1	Level 2	Level 3
	USD'000	USD'000	USD'000	USD'000
Finance lease and loan receivables	458,523	-	458,523	-
Investments	16,503	-	16,503	-
Interest rate swaps used for hedging	8,141	-	8,141	-
	483,167	-	483,167	-
Loans and borrowings	10,197,517	-	10,197,517	-
Interest rate swaps used for hedging	9,872	-	9,872	-
	10,207,389	-	10,207,389	-

At December 31, 2024

	Fair value		Fair value level	
		Level 1	Level 2	Level 3
	USD'000	USD'000	USD'000	USD'000
Finance lease and loan receivables	324,631	-	324,631	-
Investments	22,724	-	22,724	-
Interest rate swaps used for hedging	40,428	-	40,428	-
	387,783	-	387,783	-
Loans and borrowings	7,886,056	-	7,886,056	-
	7,886,056	-	7,886,056	-

There were no transfers between levels during the year. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined by using other valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Group's valuation technique is discounted cashflows using market rates allowing for credit risk and broker quotes for derivatives.

(b) Risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

27 Financial instruments – fair values and risk management (continued)

(b) Risk management (continued)

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

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk) and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, finance lease and loan receivables and notes receivable. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

The Group has established counterparty credit guidelines and enters into transactions only with financial institutions of investment grade or better. The Group monitors counterparty exposures on a regular basis and reviews for any downgrades in counterparty credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before security. The maximum exposure to credit risk at the reporting date was:

	Note	**2025** USD'000	**2024** USD'000
Cash and cash equivalents	16	861,723	582,073
Restricted cash	16	54,381	79,891
Finance lease and loan receivables	28	458,523	324,631
Trade and other receivables	15	71,632	74,792
Accrued revenue (within other assets)	12	37,078	47,163
Total		1,483,337	1,108,550

Provision for loss allowance on financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for financial assets. The cash security deposits and letters of credits that the Group holds on behalf of its customers are considered in the calculation of the loss allowance.

27 Financial instruments – fair values and risk management (continued)

(b) Risk management (continued)

(i) Credit risk (continued)

Loss allowances on financial assets were as follows:

	Note	2025 USD'000	2024 USD'000
Trade receivables	15	22,536	12,882
Accrued revenue (within other assets)	12	31,572	18,745
Total		54,108	31,627

During the year the following movement on the loss allowance was recognized:

	2025 USD'000	2024 USD'000
At January 1	31,627	35,284
Provision on acquired trade receivables	13,962	-
Provision for / (reversal of loss allowance)*	30,447	(3,657)
Utilization of loss allowance	(21,928)	-
At December 31	54,108	31,627

* *During the year ended December 31, 2025 the provision for loss allowance (2024: reversal of loss allowance) in the consolidated statement of profit or loss is shown net of security deposits released and applied and recovery of receivable balances previously written off amounting to USD 5.6 million (2024: USD 1.3 million).*

Trade and other receivables, accrued revenue and finance lease and loan receivables

The value of trade receivables, accrued revenue and finance lease and loan receivables is highly dependent upon the financial strength of the commercial aviation industry as described in the asset risk section. Default by one or more of the Group's major customers could have a material adverse effect on the cash flow and earnings and the Group's ability to meet its debt obligations.

The Group is subject to the credit risk of its lessees as to collection of rental payments under its operating leases and finance lease and loan receivables. The effective monitoring and controlling of airline customer credit risk is a competency of a dedicated Risk Management team. The concentration of credit risk is limited due to the fact that the customer base is large and geographically diverse.

Creditworthiness of each new customer is assessed, and the Group seeks security deposits in the form of cash or letter of credits and maintenance reserves to mitigate overall financial exposure to its lessees. In the case of finance lease and loan receivables, the Group retains legal title to the underlying leased aircraft which acts as further collateral for the finance lease and loan receivables in addition to cash security deposits, letters of credits and maintenance reserves that the Group holds.

The Group utilizes an internal credit rating system to assess credit risk. Internal credit ratings are aligned to Standard & Poor's ratings. The assessment process considers qualitative and quantitative information about the customer such as business activities, senior management team, financial fitness, resources and performance, and business risks, to the extent that this information is publicly available or otherwise disclosed to the Group. The Group's credit analysis also includes consideration of industry level risks.

27 Financial instruments – fair values and risk management (continued)

(b) Risk management (continued)

(i) Credit risk (continued)

As at December 31, 2025, the Group's gross trade receivables balance was USD 76.0 million (2024: USD 66.6 million) with a loss allowance of USD 22.5 million (2024: USD 12.9 million) recognized. See further details in Note 15. In addition, the Group had an accrued revenue (within other assets) of USD 68.7 million (2024: USD 65.9 million) and a loss allowance of USD 31.6 million (2024: USD 18.7 million) has been recognized related to these amounts, see further details in Note 12.

Cash and cash equivalents and restricted cash

Cash balances are held with bank and financial institution counterparties. The Group invests in counterparties with a rating lower than A3 (Moody's) on an exceptional basis only. The Group typically does not enter into deposits with a duration of more than three months.

Credit risk is managed by restricting exposure to pre-approved counterparties of high credit quality, limiting the aggregate amount and duration of the exposure to any one counterparty. The risk associated with the Group's cash and cash equivalents is nominal due to the fact that these amounts are placed with large commercial financial institutions.

Derivatives

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

(ii) Market risk

Foreign exchange risk

The Group has a minimum exposure to foreign exchange risk as the majority of the transactions are denominated in US Dollar.

Interest rate risk

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

The Group's interest rate risk arises from loans and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Loans and borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group manages its cash flow interest rate risk by matching lease payments to floating exposure where possible using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting debt from floating rates to fixed rates. Generally, the Group raises long term debt at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

At December 31, 2025, the fair values of outstanding derivatives designated as cash flow hedges of forecast transactions were assets of USD 8.1 million (2024: assets of USD 40.4 million) and liabilities of USD 9.9 million (2024: liabilities of USD nil).

27 Financial instruments – fair values and risk management (continued)

(b) Risk management (continued)

(ii) Market risk (continued)

At December 31, 2025, if interest rates on debt had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been USD 19.6 million higher /lower (2024: USD 13.2 million higher /lower), mainly as a result of higher/lower interest expense on floating rate debt, including the effect of the interest rate swaps.

Interest rate risk related to interest rate derivatives is explained in Note 24 to these consolidated financial statements.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed credit facilities to reduce the risk that an entity would be unable to meet financial commitments. The Group has cash and cash equivalents on hand at December 31, 2025 of USD 861.7 million (2024: USD 582.1 million). Additionally, the Group has access to a number of undrawn credit facilities of USD 2,538.5 million as of December 31, 2025 (2024: USD 3,203.5 million).

The Group's principal exposure to liquidity risk arises from its long-term debt obligations and the table disclosed in Note 19 to these consolidated financial statements analyses the Group’s long-term debt maturity groupings based on the contractual maturity profile at the reporting date.

If the Group cannot meet its obligations or if it breaches certain covenants under the various debt arrangements, it may be subject to contract breach damages suits, it may be required to restrict or apply all cash flows from aircraft pledged as collateral for certain debt facilities to meet principal and interest payments, and / or to paydown such debt facilities on an accelerated basis.

(iv) Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to provide a return to equity holders commensurate with the level of business and financial risk. The Group makes appropriate adjustments to the capital structure in light of changing economic and market conditions and the risk characteristics of the underlying assets.

Capital comprises share capital, retained earnings and cumulative changes in fair value, and is measured at USD 3,635.1 million as at December 31, 2025 (2024: USD 3,068.4 million).

27 Financial instruments – fair values and risk management (continued)

(b) Risk management (continued)

(v) Financial covenants

Under the terms of certain borrowing facilities, the Group is required to comply with certain financial covenants which include the maintenance of a minimum net worth and minimum cash balances.

The Group has complied with these covenants throughout the reporting period.

28 Leases

Operating leases

Future minimum annual rentals to be received under the leases are as follows:

	2025 USD'000	**2024** USD'000
Not later than one year	1,568,312	1,304,485
Later than one year and not later than five years	3,877,524	3,707,149
Later than five years	3,419,406	2,284,174
Total	8,865,242	7,295,808

During the term of most leases, lessees pay an additional amount based on usage to fund the estimated costs of scheduled major maintenance of the airframe and engines. These amounts are accounted for as maintenance reserves.

Finance lease and loan receivables

Non-current	**2025** USD'000	**2024** USD'000
Finance lease receivables	124,594	32,920
Loan receivables	302,367	264,916
	426,961	297,836
Current		
Finance lease receivables	17,916	15,876
Loan receivables	13,646	10,919
	31,562	26,795

Finance lease

As at December 31, 2025, the Group owned eight aircraft under finance lease agreements (December 31, 2024: ten aircraft). During the year, the Group acquired two aircraft which qualified as finance leases and sold four aircraft by way of exercise of purchase option under the leases by the customer. The Group's finance lease receivables are secured by the Group's title to the leased assets.

Loan receivables

As at December 31, 2025, the Group holds six aircraft classified as loan receivables (December 31, 2024: five aircraft). During the year, the Group acquired one aircraft classified as loan receivable. These leases do not meet the definition of a lease under IFRS 16 and therefore the amounts are classified as loan receivables.

28 Leases (continued)

Finance lease and loan receivables (continued)

The gross amounts receivable and unearned interest income are as follows:

	2025 USD'000	**2024** USD'000
Gross receivables	509,538	350,466
Unearned income on finance lease and loan receivables	(82,577)	(52,630)
Total non-current finance lease and loan receivables	426,961	297,836
Gross receivables	57,581	45,117
Unearned income on finance lease and loan receivables	(26,019)	(18,322)
Total current finance lease and loan receivables	31,562	26,795

	2025		**2024**	
	Minimum payments USD'000	**Present value of payments** USD'000	**Minimum payments** USD'000	**Present value of payments** USD'000
Not later than one year	57,581	31,562	45,117	26,795
Later than one year and not later than five years	376,569	307,463	350,466	297,836
Later than five years	132,969	119,498	-	-
Total	567,119	458,523	395,583	324,631
Less: unearned finance income	(108,596)	-	(70,952)	-
	458,523	458,523	324,631	324,631

The expected credit loss of the Group's finance lease and loan receivables is assessed based on historic loss rates and the carrying value of the finance lease and loan receivables net of collateral held. No material expected credit loss has been recognized on the Group's finance lease and loan receivables.

29 Segment reporting

The Group's Chief Operating Decision Maker monitors the operating results of its business units for the purpose of making decisions about performance assessment. The aircraft leasing business, which leases commercial aircraft, is the main reportable segment. Engineering maintenance services is another reportable segment which consists of an 80% stake in Joramco which provides commercial maintenance, repair and overhaul services.

The performance of the aircraft leasing and engineering maintenance services is evaluated based on segment profit or loss and is measured consistently with profit for the year in the consolidated financial statements.

Segment revenue is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

29 Segment reporting (continued)

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets are allocated based on the segments in which they operate and are owned.

December 31, 2025	Aircraft leasing USD'000	Engineering maintenance USD'000	Group USD'000
Total segment revenue and other income	1,514,103	211,067	1,725,170
Adjusted EBITDA	1,530,470	71,196	1,601,666
Finance income	31,486	4,780	36,266
Finance costs	(507,448)	(2,045)	(509,493)
Income tax expense	(59,316)	-	(59,316)
Depreciation and amortization	(645,121)	(9,057)	(654,178)
Loss allowance	(23,661)	(1,200)	(24,861)
Insurance recoveries	312,154	-	312,154
Segment profit for the year	638,564	63,674	702,238
Segment assets	16,289,767	257,895	16,547,662
Segment liabilities	12,845,621	66,730	12,912,351

December 31, 2024	Aircraft leasing USD'000	Engineering maintenance USD'000	Group USD'000
Total segment revenue and other income	1,243,200	186,382	1,429,582
Adjusted EBITDA	1,221,572	51,117	1,272,689
Finance income	58,964	3,248	62,212
Finance costs	(440,185)	(1,417)	(441,602)
Income tax expense	(54,845)	-	(54,845)
Depreciation and amortization	(557,988)	(8,570)	(566,558)
Loss allowance	6,155	(1,199)	4,956
Insurance recoveries	200,638	-	200,638
Segment profit for the year	434,311	43,179	477,490
Segment assets	12,824,554	208,762	13,033,316
Segment liabilities	9,883,681	81,271	9,964,952

The results and financial position of the engineering maintenance division include the impact of purchase price accounting and do not represent the results or financial position of Joramco as a standalone business. The Group defines adjusted EBITDA as profit for the year before net finance costs, income tax expense, depreciation and amortization, loss allowance and insurance recoveries.

30 Business combination

On May 7, 2025, DAE acquired 100% ownership of NAC. The primary business of NAC is the provision of aircraft leasing services. This acquisition augments the Group's position as a global leader in aircraft leasing and enhances its ability to offer more cost-effective solutions to current and prospective clients. This transaction also offers the opportunity for the Group to deepen relationship with the OEMs across a broader range of aircraft types.

The following table summarizes the fair value of the major assets acquired, and liabilities assumed at the acquisition date.

Fair value of assets and liabilities acquired on May 7, 2025	USD'000
Aircraft held for lease	1,863,190
Aircraft held-for-sale	668,542
Cash and cash equivalents	88,433
Loans and borrowings	(40,931)
Maintenance reserves	(269,483)
Security deposits	(29,166)
Liabilities transferred to held-for-sale	(231,460)
Other assets and liabilities	(93,533)
Estimate of fair value of net assets acquired	1,955,592
Net consideration paid	1,955,592
Goodwill	-

Revenue and profit contribution

Total revenue included in the consolidated statement of profit or loss and other comprehensive income contributed by NAC from May 7, 2025, to December 31, 2025 was USD 162.4 million. NAC also contributed a net income of USD 84.9 million over the same period.

Had the acquisition occurred on January 1, 2025 management estimates the Group's consolidated revenue would have been approximately USD 1.8 billion and the Group's consolidated profit would have been approximately USD 700.0 million for the period up to December 31, 2025, respectively.

Acquisition-related costs

Costs related to the acquisition of NAC of USD 5.4 million are included in legal and professional fees within general and administrative expenses in the consolidated statement of comprehensive income and in operating cash flows in the statement of cash flows for the year ended December 31, 2025.

31 Subsequent events

There were no significant events subsequent to December 31, 2025.

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