AerFin Limited

Annual report and financial statements

Registered number 07371844

31 December 2025

Contents

Company information

Directors

S Goodson
R J James
L Lynge
A Hoad
M J Humphreys
L W Mollan
P Ryttergaard
F Scott

Registered number

07371844

Registered office

Unit 8, Indurent Park
Queens Way
Newport
Wales
NP19 4RJ

Independent auditor

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Strategic report

Business review

2025 marked the 15th anniversary of AerFin Ltd, which has been crowned with another year of strong growth and further celebrated with the relocation to the state-of-the-art, BREAMM ++ rated Indurent Park global headquarters in Newport, South Wales.

AerFin continued our post-COVID era growth in 2025, building on the momentum achieved in 2024. The year was characterised by further significant increases in revenue and profit and driven by the ongoing global expansion of activities and facilities across EMEA, the Americas, and Asia-Pacific. This success stems from our unwavering commitment to delivering confidently, reliably and progressively the solutions and service levels demanded by our loyal customers. Furthermore, our focus on enhancing operational efficiency has strengthened our ability to meet market demands, positioning AerFin as one of the most trusted leaders in the aviation aftermarket sector. We therefore have pleasure in sharing AerFin's 2025 financial results that demonstrate the increasing strength of the business that is seeing a very strong demand for our products and services that we expect to continue to grow for the foreseeable future across our product lines.

2025 marked another year of strong global aircraft usage, with average global aircraft utilisation levels continuing above pre-pandemic 2019 levels for a second consecutive year, being 110.7% of the 2019 utilisation rate *(2024: 106%)*. Notwithstanding this, aircraft build rates remain significantly below 2019 levels and are not expected to recover until at least 2027, with the 'lost' production unlikely to be recovered during this decade. As these production rates are significantly lower than operator demand, airline operators continue to extend the life of mature aircraft, resulting in a 21st century record low level of retirements in 2024 and an increase in the average age of the global fleet (15.3 years Vs 15.1 years 2024). Retirements in 2024 were 385 versus the previous low of 406 in 2007. 2025 has seen a consistent trend, with 499 retirements, which is still significantly below the pre-pandemic levels which averaged 853 retirements per year from 2018-2020). This shortage of supply of aircraft, coupled with the post-COVID increase in utilisation and an ageing of the global fleet continues to drive an increased demand for aftermarket parts and services across the industry.

AerFin's 2025 financial performance saw growth levels that were significantly above that seen in the wider market and driven by many of the factors outlined above:

Revenue of $372,554,000 was up $74,666,000 (25%) from 2024 *(2024: $297,888,000)*. This was driven by strong growth in our three regions of Americas, EMEA and Asia Pacific. Customer demand for used serviceable material increased globally as a result of a range of factors: increased flying hours as airlines continued to recover their post-COVID operations drove maintenance activity that could not rely as much on the supply of new parts due to the significant supply chain challenges of the Original Equipment Manufacturers ("OEMs"); and, airlines were also adversely impacted by the delivery delays of new narrowbody and widebody aircraft that resulted in the extended operation of mature aircraft that would otherwise have been retired and requiring even greater demand for used serviceable material consumption to maintain cost-effective flying operations.

This extended operation of mature aircraft had a significant resulting impact on the availability of mature aircraft and engines as feedstock for used serviceable material. It was therefore pleasing that, in this constrained market, AerFin was able to continue to work confidently and reliably with our key customers to secure a record level of aircraft and engine acquisitions during 2025. This pipeline of material provides an excellent foundation for further growth in 2026 and beyond.

2025 also saw continued investment in our people and platform as we seek to scale efficiently by thinking differently. We believe that our focus on a high-performance culture, our leadership capabilities and bench strength, learning and development, and a fair reward structure sets us apart from the crowd. Notwithstanding this investment, strong governance over operating costs was maintained with EBITDA (operating profit adding back depreciation, amortisation and exceptional administrative expenses) of $71,170,000, up 33% from 2024 *(2024: $53,425,000)*. EBITDA margin has improved significantly more than revenue as a result of good cost control in the year.

Strategic Report *(continued)*

Business review *(continued)*

EBITDA is calculated as follows:

	2025 ($)	2024 ($)
Total comprehensive income for the year	29,144,000	26,089,000
Add:		
Tax on profit	11,760,000	9,773,000
Depreciation of tangible fixed assets	4,697,000	3,663,000
Amortisation of intangible assets	236,000	85,000
Interest payable and similar expenses	15,838,000	12,188,000
Exceptional items (note 10)	9,495,000	3,119,000
Deduct:		
Other interest receivable and similar income	-	(1,492,000)
EBITDA	**71,170,000**	**53,425,000**

2025 marked another strong year of asset acquisitions, accelerated by strategic asset management agreements entered into with our commercial partners. These agreements facilitate greater levels of capital efficiency through unlocking access to higher value assets including A320neo aircraft, whilst allowing our revolving credit facility to continually be put to use on core product lines.

Inventory decreased by $10,464,000 ($159,703,000 vs $170,167,000 in 2024) while simultaneously borrowing reduced by $28,859,000 ($63,395,000 vs $92,254,000 in 2024), underscoring enhanced operational efficiency and strategic agility. Heading into 2026 Management remain confident of continuing AerFin's strong growth trajectory with market conditions continuing to drive strong demand for our goods and services, backed up by the quality of inventory on hand made up of parts from a relatively young vintage narrowbody and widebody aircraft and engine types plus access to new generation airframe parts through profit share agreements and a record secured forward pipeline of assets.

Principal risks and uncertainties

The group uses financial instruments comprising borrowings, some cash and liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to assist in financing the group's operations.

The directors consider the group well placed in mitigating asset risk, due to the liquid nature of the group's existing portfolio of trading assets and component/piece part inventory. The directors have an established and successful track record of operating in this sector and managing the risks outlined below through detailed market analysis, technical due diligence, and careful investment.

Strategic Report *(continued)*

Principal risks and uncertainties *(continued)*

The following factors have the ability to impact the future trading success of the business:

- Oil prices: the group focuses on civil aircraft which are aged typically from 7 to 20 years. Newer-generation aircraft have been designed to maximise fuel efficiencies through the introduction of fuel-efficient technologies. With fuel costs typically accounting for around 40% of an airline's operating cost, rising fuel costs can render older aircraft less profitable, whereas falling fuel costs can increase the profitability of these older aircraft, due to their lower operating cost;
- Global demand for air travel: demand for global air travel drives aircraft utilisation which increases the requirement for leased engines, leased aircraft and components used in the refurbishment of aircraft and engines and the Maintenance, Repair and Overhaul ("MRO") sector. A reduction in global air travel will impact the volume of MRO and thus spare parts demand;
- New equipment manufacture/aircraft retirement cycle: both market-leading aircraft manufacturers (Boeing and Airbus) boast strong order books for new generation aircraft. The ability of the manufacturers to meet delivery timescales will in effect determine the rate at which older equipment is phased out. Mass retirements of a particular model of aircraft will reduce aircraft utilisation and MRO and thus the demand for parts. This would reduce the acquisition price at which the group acquires new inventory and would in turn reflect the reduced sale and lease opportunities of parts;
- Original Equipment Manufacturers (OEMs) and air safety regulations: in the interest of improving the operating reliability of products, from time-to-time equipment modifications are enforced by the OEMs or the relevant air safety agency. Such modifications can affect the merchantability or airworthiness of a component or aircraft which can lead to unforeseen overhaul costs or even the scrapping of inventory where no such corrective programme exists;
- Cost/availability of financing: both the cost and availability of financing may play a part in deciding the type of an aircraft that an airline will operate. The low cost of capital and increased availability of financing opportunities provides established and new start-up airlines opportunities for new technology aircraft that require less MRO spend;
- Exchange fluctuations: AerFin transacts in US dollars (asset sales, purchases and lease revenues), with operating costs mainly incurred in Sterling. US dollars is therefore the functional currency, thereby creating foreign exchange translation risk;
- Customer Credit Risk: While AerFin makes informed decisions when granting credit lines to its customers, counterparty credit risk remains a key consideration to the financial performance of the business. Despite a clear focus on debtors and managing overdue accounts, with many customers seeking to extend payment terms, an increase in debtor days and increased risk of airline defaults would represent clear risks to the business;
- Asset Values: with the debt facility advanced against appraised value of inventory, a reduction in the 12-month Orderly Liquidated Value and Current Market Value of assets could reduce the amount of leverage available to AerFin under the credit facility, thereby adversely impacting funding availability;
- Interest Rates: the business is financed in part through a revolving credit facility that is funded through 1-month USD Term SOFR loans. The business can be impacted by changes in 1-month USD Term SOFR rates;
- Asset Availability: a reduction in the economic life of commercial aircraft that are core products of the business could result from the grounding of aircraft fleets. Although an increase in supply and a reduction in demand could see declining market pricing achievable from AerFin inventory, no such declines have been experienced to date; and,
- Maintenance Activity: increased availability of used aircraft could result in global repair facilities and OEMs reducing their MRO capacity as airlines seek to conserve cash and minimise maintenance spend. A reduction in MRO activity could see a decline in material demand and result in a reduction in revenues.

Strategic Report *(continued)*

Section 172 statement:

Commensurate with an investment by majority shareholder CataCap II K/S, a roadmap for establishing best practice in governance has been established:

Board Composition:

In addition to the CEO, a team of seven independent non-executive directors has been established. The nonexecutive team comprises seasoned commercial aviation industry professionals, each bringing a different specialism, to ensure a diverse range of viewpoints is considered at board meetings and to support the strategic growth of the company.

The role of the non-executive team is to ensure that the performance of the business continues to align with the desired strategy of the shareholders. The independent nature of the appointment also ensures that board decisions are balanced and not in favour of any particular shareholder nor group of shareholders.

Strategy and Development of 5 Year Plan:

We further refined our 5 Year Plan during 2025 to define the way ahead. Teams across the business conducted in-depth reviews of key areas of strategic focus and developed blueprints for our commercial, operational and people strategies.

The review looked at AerFin's existing core skills and competencies, our products and services and considered the future size and shape of the industry, key global markets and changes in fleet composition. The review identified improvements and areas of focus for the business to meet the investment goals and timeframe. The review culminated in creating an ambitious, yet sustainable business model focussed on growing the enterprise value of AerFin for the benefit of all stakeholders.

Management Incentivisation and Development:

Attracting, retaining and rewarding key managers within the business is considered key to underpinning the growth of enterprise value. The Management Investment & Incentivisation Programme was rolled out in March 2020 to provide managers the opportunity to purchase shares in the business. There was a second wave of managers offered in 2023, with the subscription date in January 2024.

The learning and development of all employees remains a key focus. Skills and competencies are regularly assessed through a performance enablement framework that reviews each individual's performance through a series of operational delivery metrics and their behaviours according to our values. Our Progressive Leaders course was rolled out during 2024 to all people leaders, with modules including Strategic Thinking and Coaching & Feedback. This course continued in 2025.

The directors aim to create a challenging, enjoyable and rewarding place to work where all staff have equal opportunity to thrive and develop.

Quality and Consistency:

With AerFin being a key supplier to airline, lessor and MRO customers across the globe, safety and quality are considered of primary importance throughout the organisation.

The business maintains EASA, CAA and FAA Part 145 regulatory approvals, along with AS9120 and ASA100 quality approvals:

We are committed to continuously evaluating and improving our Quality Management System (QMS) and rigorously adhere to the following code of conduct:

- Promoting a culture of ethical behaviour throughout the organisation, with an emphasis on customer support and high levels of customer service;
- Remaining focused on the market we serve, targeting areas of opportunity so that we can continue to work in line with our strategy for growth;
- Ensuring product safety remains a priority throughout every aspect of our operations and that our staff are acutely aware of their contribution to this;

Strategic Report *(continued)*

Quality and Consistency *(continued)*

- Ensuring our objectives and KPI's add value and drive the correct behaviour in line with group values;
- Empowering staff to fulfil their duties whilst ensuring they remain aware of their responsibilities to uphold group values at all times; and,
- Maintaining effective communication channels through a series of informal and formal meetings and communications at various levels of the organization.

As proof of AerFin's commitment to delivering the highest standards of Quality Procedure, we have been examined and accredited by one of the world's leading certification bodies, ASACB (ASA Certification Body).

External Stakeholders:

AerFin follows the guidance of our quality standards in the approval of both customers and suppliers prior to transactions being entered into.

Relationships with both customers and suppliers are key to ensuring that the organisation thrives.

Key metrics are established on behalf of both customers and suppliers and performance in relation to turn around times and despatch times which are closely monitored.

Regularly meetings are held with key customers and suppliers to evaluate and review performance to ensure that highest standards are adhered to at all times.

Going Concern:

As at 31 December 2025, the group's financial arrangements consisted of a revolving credit facility of USD $120m in place through to February 2027. AerFin's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group will be able to operate within the level of its facilities for a forecast period of at least 12 months from the approval date of these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing its financial statements.

As detailed earlier in the business review, the demand for air travel has increased through 2025, and now shows that global air traffic is above 2019 levels. However, aircraft build rates remain below pre-pandemic levels, resulting in operators extending the life of mature aircraft, leading to increasing demand for aftermarket parts and services from the industry.

The business has managed to grow revenues across all regions, due to a strong committed forward order book, embedded relationships with creditworthy customers and wide global reach allowing expansion of trade.

AerFin has also benefitted through its primary strategic focus and inventory holding that supports young narrowbody and regional jet aircraft types. The group has further benefitted through the acquisition of wide-body aircraft, that are showing increased utilisation and therefore demand of aftermarket parts.

Management consider AerFin to be prudently resourced, well stocked with in-demand inventory and to have retained ability to control repair investment expenditure. Collectively, this has enabled the business to manage its liquidity position through a period of significant growth and investment in inventory.

AerFin has created a flexible model to assess performance under a range of scenarios. Under the most adverse set of foreseeable circumstances (using 2025 as the floor), the forecast has concluded that the group has sufficient cash and covenant headroom during this period to conclude that the business remains a going concern.

The management team continues to closely monitor performance and update regular rolling forecasts. These take into account various commercial aviation outlook forecasts, and commentary produced by reputable consultancy and advisory firms, to balance the continued growth of the business and preserving its liquidity position.

Under the most severe of the "worst-case scenarios" considered by the reverse stress-testing, management remains confident that the business will be able to take sufficient mitigation action to ensure that the group's financial resources remain sufficient over the forecast.

Strategic Report *(continued)*

Streamlined Energy and Carbon Reporting:

AerFin's principal business activities include the recycling and reuse of aircraft parts. In order to prevail this environmentally responsible outlook throughout the operation, the business is continually considering the impact of its wider activities on the environment and looking at ways to improve and reduce its carbon footprint.

During 2025 the business operated over 3 UK based sites, Bedwas Caerphilly (until 31st March 2025), Indurent Park Newport and Newton Road Crawley. Electricity and gas are the main drivers of AerFin's carbon emissions as the facilities need to be well lit and warmed to create a safe working environment.

The relocation of our headquarters from Bedwas to the newly built and BREEAM Excellent rated Indurent Park facility has delivered pleasing results in reducing our greenhouse gas emissions. Overall AerFin's energy usage dropped by 27% and associated greenhouse gas emissions by 22% (location-based conversion methodology). Underlying results show a 280 tCO2e (74%) reduction from 2024 levels, by stripping out the 3-month headquarters cross over period and using the market-based conversion method.

In the year, the following energy efficiency actions were taken:

- Continuation of hybrid working following return-to-work guidance form the Government
- South Wales headquarters completed the move to its new BREEAM Excellent accredited premises with an EPC rating of A+
- Onsite car charging to encourage staff members to utilise the company EV lease scheme
- Maintaining the ISO14001 standard which has resulted in 54.1t of general waste was diverted from landfill and 35.5t was recycled, saving 12t of CO2e
- All UK electricity and gas supplies are from renewable sources and REGO
- Miami facility is now fully operational and storing assets to reduce global shipping of parts
- During 2025 we contracted with a wood reclamation company to remove a large proportion of our wood from the waste stream altogether.

The following projects, aimed at reducing the business carbon footprint, are being considered:

- The lease of some EV cars at both UK sites to be used as pool cars to avoid staff using own diesel/petrol vehicles for travel
- Cycle to work salary sacrifice scheme
- Carbon offsetting
- Battery Technology to store surplus electricity generated by Solar PV array

The business will continue to monitor its energy usage and effect improvements where practically possible, whilst maintaining a safe environment for our colleagues to work in.

Energy and carbon reporting for 2025:

	2025	2024	2023	2022	2021
UK energy use (kWh) - see (1)	1,661,279	2,277,055	1,730,810	1,702,459	1,555,035
Associated Greenhouse gas emissions (tonnes CO2 equivalent) - see (2)	356	457	374	344	306
Intensity Ratio: Emissions (Tonnes) per square ft of floor space	0.002	0.002	0.003	0.003	0.002

Strategic Report *(continued)*

Streamlined Energy and Carbon Reporting *(continued)*

(1) UK energy use covers electricity, gas and transport as follows:

Activity	Source of Information
Electric use	Total kWh used from electricity bills
Natural gas use	Total kWh used from gas bills
Fuel used in company owned vehicles	Litres of fuel purchased from invoices and receipts
Business Travel - Land	Mileage travelled taken from expense claims

(2) The collected data is converted into greenhouse gas emissions associated with each activity, using the Government conversion factors as published by DEFRA (DEFRA- GHG-CONVERSION-FACTORS-2025-CONDENSED-SET-UPDATE) for company reporting of greenhouse gas emissions (Data x Emission Factor = Greenhouse gas emissions).

On behalf of the board and the co-investors I would like to thank the team at AerFin for their efforts through 2025 in achieving these pleasing results.

By order of the board on 20/02/2026

S Goodson
Director

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2025.

Principal activity

The principal activity of the company is to supply aircraft components and technical services to the aviation industry.

Results and dividends

The profit for the year, after taxation, amounted to $29,144,000 (*2024: $26,089,000*).

No dividends have been paid in the year (*2024: £Nil*).

Directors

The directors who served during the year were:

S Goodson
R J James
L Lynge
A Hoad
M J Humphreys
L W Mollan
P Ryttergaard
F Scott

Disclosure of information to auditor

The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Political contributions

The Company made no political donations and incurred no political expenditure during the year *(2024: $nil)*.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

S Goodson
Director

Unit 8, Indurent Park
Queens Way
Newport
Wales
NP19 4RJ

20/02/2026

Statement of directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

kpmg

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

Independent auditor's report to the members of AerFin Limited

Opinion

We have audited the financial statements of AerFin Limited ("the company") for the year ended 31 December 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Independent auditor's report to the members of AerFin Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board meeting minutes; and
- Considering remuneration incentive schemes and performance targets; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that revenue is recorded in the wrong period or is fictitiously recorded.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls

We performed procedures including:

- Year-end cut-off and post year-end credit note testing to assess whether revenue has been recognised in the correct financial year.
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.

Identifying and responding to risks of material misstatement relating to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent auditor's report to the members of AerFin Limited *(continued)*

Identifying and responding to risks of material misstatement relating to compliance with laws and regulations (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and complying with aviation industry standards.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of AerFin Limited *(continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for; the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Thomas

Jeremy Thomas (Senior Statutory Auditor) for and
on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

24 February 2026

Statement of Comprehensive Income
for the year ended 31 December 2025

	Note	2025	2024
		$'000	$'000
Turnover	*3*	**372,554**	297,888
Cost of sales		**(270,338)**	(211,421)
Gross profit		**102,216**	86,467
Administrative expenses		**(35,979)**	(36,790)
Exceptional administrative expenses	*10*	**(9,495)**	(3,119)
Operating profit	4	56,742	46,558
Interest payable and similar expenses	8	**(15,838)**	(12,188)
Other interest receivable and similar income		-	1,492
Profit before taxation		40,904	35,862
Tax on profit	*9*	**(11,760)**	(9,773)
Profit for the financial year		**29,144**	26,089
Total comprehensive income for the year		**29,144**	26,089

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

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

Statement of Financial Position

at 31 December 2025

	Note		2025		2024
		$'000	**$'000**	$'000	$'000
Fixed assets					
Intangible assets	*11*		**725**		636
Tangible assets	*12*		**16,197**		20,153
Investments	*13*		**-**		-
			16,922		20,789
Current assets					
Stocks	*14*	**159,703**		170,167	
Debtors *(including $2,140,000 (2024: $2,140,000) due after more than one year)*	*15*	**79,314**		52,509	
Cash at bank and in hand	*16*	**3,065**		442	
		242,082		223,118	
Creditors: amounts falling due within one year	*17*	**(79,471)**		(67,856)	
Net current assets			**162,611**		155,262
Total assets less current liabilities			**179,533**		176,051
Creditors: amounts falling due after more than one year	*18*		**(63,395)**		(92,254)
Provisions for liabilities					
Deferred taxation	*21*		**(2,072)**		(2,559)
Other provisions	*22*		**(3,684)**		-
Net assets			**110,382**		81,238
Capital and reserves					
Called up share capital	*23*		**184**		184
Profit and loss account	*24*		**110,198**		81,054
Shareholder's funds			**110,382**		81,238

These financial statements were approved by the board of Directors on 20/02/2026 and were signed on its behalf by:

S Goodson
Director

The accompanying notes form an integral part of these financial statements
Company registered number: 07371844

Statement of Changes in Equity

for the year ended 31 December 2025

	Called up share capital $'000	Profit and loss account $'000	Total equity $'000
Balance at 1 January 2024	184	54,965	55,149
Comprehensive income for the year:			
Profit for the year	-	26,089	26,089
Total comprehensive income for the year	-	26,089	26,089
At 31 December 2024	**184**	**81,054**	**81,238**
Balance at 1 January 2025	184	81,054	81,238
Comprehensive income for the year:			
Profit for the year	-	29,144	29,144
Total comprehensive income for the financial year	-	29,144	29,144
At 31 December 2025	**184**	**110,198**	**110,382**

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

Notes
(forming part of the financial statements)

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (note 2). The Company's functional and presentational currency is USD. Monetary amounts in these financial statements are rounded to the nearest $'000.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Atlantic Holdco Limited as at 31 December 2025 and these financial statements may be obtained from Companies House.

1.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its parent undertaking and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006. These financial statements present information about the Company as an individual and not about its group.

1.4 Going concern

As at 31 December 2025, the company had net current assets of $162,611,000, net assets of $110,382,000 and reported a profit for the year then ended of $29,144,000. The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonable downside scenarios, the Company will have sufficient funds, through its existing revolving credit facility and ongoing trading, to meet its liabilities as they fall due for that period.

In preparing these forecasts the directors have considered reasonably possible downside scenarios including factors resulting from the current economic situation and overall market conditions. As detailed earlier in the business review, the demand for air travel has increased through 2025, and now shows that global air traffic is above 2019 levels. However, aircraft build rates remain below pre-pandemic levels, resulting in operators extending the life of mature aircraft, leading to increasing demand for aftermarket parts and services from the industry.

The business has managed to grow revenues across all regions, due to a strong committed forward order book, embedded relationships with creditworthy customers and wide global reach allowing expansion of trade.

Management consider AerFin to be conservatively resourced, well stocked with in-demand inventory and to have retained ability to control repair investment expenditure. Collectively, this has enabled the business to manage its liquidity position through a period of significant growth and investment in inventory, with further growth forecast for 2026 and beyond.

Notes *(continued)*

1. Accounting policies *(continued)*

1.4 Going concern (continued)

AerFin has created a flexible model to assess performance under a range of scenarios. Under the most adverse set of circumstances, the forecast has concluded that the group has sufficient cash and covenant headroom during this period, supporting the going concern assessment.

During the year, the Company increased its revolving credit facility ("RCF"), by $20m to $120m and as at 31 December 2025 had drawn down $63,147,000. The RCF was initially in place through to October 2024 but was extended in February 2024 for 3 years until 5 February 2027.

The next RCF renewal date falls narrowly inside the minimum 12 month going concern period, ,however the Directors note that both banks have consistently demonstrated strong support for the Company, as demonstrated by previous extensions and the increase in the facility limit agreed during the year, and have verbally expressed a desire to remain long-term financing partners. Based on the Company's financial strength, robust profitability, sustained revenue growth, its long history with the lenders, and the attractiveness of the sector in which it operates, the Directors do not expect any difficulties in renewing or extending the facility. As with any company with financing facilities in place, the directors acknowledge that there can be no certainty that the support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

As a private equity owned business, there will be ongoing considerations by shareholders regarding a future sale of the business. Such considerations are standard for private equity investors. The Directors do not consider this ongoing review to create a risk or any adverse impact on the Group's going concern assessment. As at the date of approval of these financial statements, no formal sale process has commenced.

Having taken all of the above factors into account, including the RCF maturity, the Directors are confident that the Company will have sufficient funds and covenant headroom to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when Company has transferred the significant risks and rewards of ownership to the buyer; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the Company will receive the consideration due under the transaction; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from arrangements to provide services, including the continual access to serviceable parts, is recognised in the period in which the services are provided using the method that measures most reliably the work performed when the amount of revenue can be measured reliably; it is probable that the Company will receive the consideration associated with the service.

Notes *(continued)*

1. Accounting policies *(continued)*

1.5 Revenue (continued)

Significant revenue streams and how they are recognised by the company include:

- **i)** Piece part – individual parts derived from the tear down of an aircraft or engine are sold on to customers. The revenue is generally recognised at the point at which the part is despatched as this is when the significant risks and rewards of ownership are transferred.
- **ii)** Whole assets – for aircraft or engines sold on as whole assets, revenue is recognised at the point the asset title, and therefore ownership, transfers to the customer typically when a bill of sale is issued.
- **iii)** Contract revenue – for support and service contracts revenue is recognised over the duration of the contract based on a predetermined variable such as flight hour or per aircraft landing. Contracts provide for the supply, repair, and overhaul of components as required over the period of the contract. For certain repairs a replacement part, held in fixed assets, is lent to the customer, and swapped back upon completion. **iv)**
- **iv)** Repair exchange – replacement parts are provided to customers when a component repair is needed. The customer keeps this replacement part, and the company will either keep and repair the customer part or charge an additional fee if the part is beyond repair. Revenue is recognised at the point at which the repair is agreed as risks and rewards of ownership have transferred to the customer.
- **v)** Consignment revenue – revenue is earned from activities relating to the management and sale of aircraft parts under Asset Management agreements. For inventory that is not owned by the company, legal title remains with the consignor until passing immediately before sale to a customer. Revenue is recorded when individual parts are sold, generally on despatch, at which point the company is considered to be acting as principal in the arrangement and accordingly revenue is recognised gross.
- **vi)** Repair management - where the company manages a repair on behalf of a customer revenue is recognised when the repair is completed.

1.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	3 – 6 years straight line
Trademarks	5 years straight line

1.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU'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 (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Notes *(continued)*

1. Accounting policies *(continued)*

1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	5 years
Plant and machinery	-	3 – 4 years
Fixtures and fittings	-	4 years
Office equipment	-	4 years
Warehouse and storage equipment	-	4 years
Capitalised inventory	-	10 – 12 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

The company is involved with purchasing aircraft or engines. The cost of stock includes the purchase price and directly attributable costs incurred in bringing the inventory to their present location and condition. When an aircraft or engine is acquired, the purchase price plus direct costs are apportioned to each saleable component based on its estimated fair market value as a percentage of the overall fair market value of the aircraft or engine.

When a component is sold, the apportioned net book value for that part is recognised as the cost of goods sold in the Statement of Comprehensive Income.

1.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loan receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes *(continued)*

1. Accounting policies ***(continued)***

1.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not a market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount arid best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14 Foreign currency translation, functional and presentation currency

The Company's functional and presentational currency is USD.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income consistent with the nature of the underlying transactions.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'.

Notes *(continued)*

1. Accounting policies *(continued)*

1.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.17 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.18 Operating leases: the Company as lessor

Rental income from operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Incentives granted to lessees to enter into an operating lease are recognised as a reduction of rental income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.19 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Notes *(continued)*

1. **Accounting policies** *(continued)*

1.20 Provisions for liabilities

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
  Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.22 Exceptional items

The company classifies certain non-recurring charges or credits that have an impact on the financial results as "exceptional items" being transactions that fall within the operating activities of the Company but are presented separately to helps users understand the underlying performance of the company.

1.23 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Notes *(continued)*

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting judgements in applying the Company's accounting policies:

Certain critical accounting judgements (apart from those involving estimations which are dealt with separately below) in applying the Company's accounting policies are described below.

Consignment revenue

The Company earns revenue from activities relating to the management and sale of [Airframe] parts under Asset Management agreements and is considered to be acting as principal in relation to all parts sales. Determining whether an entity is acting as principal or as an agent requires judgement and consideration of all relevant facts and circumstances. For consignment revenue, whilst there are certain mixed indicators, management's judgement is that the company is acting as principal. This is on the basis of the key contractual features including: (i) As the asset manager in the arrangement, the company's obligation is to promote and market the parts in its own name, (ii) responsibility for repair, fulfilment, customer delivery and overall execution, (iii) custody and insurance risk is borne by the company, and (iv) the company has certain pricing discretion. These indicators, taken together, satisfy the principal criteria under FRS 102 Section 23.

For inventory that is not owned by the company, legal title remains with the consignor until passing immediately before sale to a customer. Whilst certain aspects of the arrangement indicate that the company has control of the inventory, it is considered that the criteria for recognition of the inventory, in paragraphs 2.27 to 2.32 of FRS 102 is not fully satisfied. In particular, the expectation that future economic benefits will flow to or from an entity must be sufficiently certain to meet the probability criterion before an asset is recognised. Therefore, it is not until the point of sale, when legal title has formally also passed to the company, that it is considered the full criteria for inventory recognition is met.

As a result of these judgements, revenue is recorded when individual parts are sold, generally on despatch, at which point, the company is considered to be acting as principal in the arrangement and accordingly revenue is recognised gross. These are critical judgements in the process of applying the Company's accounting policies that has a significant effect on the amounts recognised in the financial statements.

Source of estimation uncertainty and judgements involving estimations:

The Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notwithstanding this, the Group has significant inventory holdings and as a significant portion of the Group's activities relate to engine and aircraft teardown projects which are undertaken over a period of time to sell all the related piece parts, the Group is required to allocate the cost of the inventory on a piece part basis The allocation method is determined from the expected costs and sales values to derive an expected margin for each project at the outset. The margin is then used to determine a cost for each saleable part based on anticipated selling prices (fair market value). This enables a specific cost to be allocated to each piece part which is then recognised as the cost of sale when a part is sold. The company uses a well-established methodology for accurately calculating the expected profit margin on individual projects. The inventory cost per piece part is then subject to a periodic impairment review to check whether the net realisable value is higher than cost.

Further detail is provided in the respective accounting policies.

Notes *(continued)*

3. Turnover

The whole of the turnover is attributable to sales, repairs and leasing of airline components.
Analysis of by country of destination:

	2025	2024
	$'000	$'000
United Kingdom	33,385	33,641
United States of America	145,425	95,806
Rest of the world	193,744	168,441
	372,554	297,888

4. Operating profit

The operating profit is stated after charging/(crediting):

	2025	2024
	$'000	$'000
Tangible fixed assets – depreciation	4,697	3,663
Intangible fixed assets – amortisation	236	85
Exchange differences	960	(74)
Write down of inventories	575	-

5. Auditor's remuneration

	2025	2024
	$'000	$'000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	199	153

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the company has not disclosed the auditor's remuneration for other (non-audit) services in these financial statements as this information is included in the consolidated financial statements of the parent company on a group basis.

6. Staff numbers and costs

Staff costs, including directors' remuneration, were as follows:

	2025	2024
	$'000	$'000
Wages and salaries	15,276	19,949
Social security costs	2,615	1,916
Cost of defined contribution scheme	761	861
	18,652	22,726

Notes *(continued)*

6. Staff numbers and costs *(continued)*

The average monthly number of employees, including the directors, during the year was as follows:

	2025 No.	2024 No.
Operational	49	53
Administration	152	132
Management	8	8
	209	193

7. Directors' remuneration

	2025 $'000	2024 $'000
Directors' emoluments	691	1,195
Company contributions to defined contribution pension schemes	27	28
	718	1,223

During the year retirement benefits were accruing to 3 directors (*2024: 4*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of $463,552 (*2024: $973,726*). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to $22,949 *(2024: $22,003)*.

8. Interest payable and similar expenses

	2025 $'000	2024 $'000
Interest payable on bank facilities	8,496	8,947
Finance leases and hire purchase contracts	11	28
Other interest payable on amounts due to group undertakings	3,843	3,213
Foreign exchange loss on amounts due to group undertakings	3,488	-
	15,838	12,188

Notes *(continued)*

9. Taxation

	2025 $'000	2024 $'000
Current tax		
Current tax on profit for the year	12,165	9,329
Adjustments in respect of prior periods	82	(117)
Total current tax	12,247	9,212
Deferred tax		
Origination and reversal of timing differences	(597)	563
Adjustments in respect of prior periods	110	(2)
Effect of tax rate change on opening balance	-	-
Total deferred tax	(487)	561
Total tax	11,760	9,773

Reconciliation of effective tax rate

	2025 $'000	2024 $'000
Profit for the year	29,144	26,089
Total tax expense	11,760	9,773
Profit excluding taxation	40,904	35,862
Tax using the UK corporation tax rate of 25% *(2024: 25%)*	10,226	8,966
Effects of:		
Fixed asset differences	91	64
Expenses not deductible for tax purposes	1,251	862
Adjustment in respect of prior periods – current tax	82	(117)
Adjustment in respect of prior period – deferred tax	110	(2)
Total tax expense included in profit or loss	11,760	9,773

Factors that may affect future tax charges

The deferred tax liability at 31 December 2025 has been calculated based on the UK corporation rate of 25% *(2024: 25%)*, reflecting the expected timing of reversal of the related timing differences.

Notes *(continued)*

10. Exceptional items

	2025	2024
	$'000	$'000
Professional fees	990	1,516
Facility move	(241)	1,442
Restructuring costs	760	161
Onerous contracts costs and provision	7,710	-
Other items	276	-
	9,495	3,119

Exceptional items are disclosed separately where they are non-recurring in nature to provide further understanding of the underlying financial performance of the company.

Professional fees include consultancy fees in respect of an automated valuation/pricing model that did not come to fruition and other non-recurring projects . Prior-year costs also included consultancy relating to an external review of our 5-year plan.

Facility move amounts represent a net credit arising from the release of prior-year accruals associated with the relocation of the Group's headquarters from Bedwas to Indurent Park, Newport. The net credit is partially offset by remaining expenditure incurred during 2025 relating to the completion of the move. The prior year included the initial costs of the Bedwas to Newport relocation and set-up costs related to establishing a new office in Singapore.

Restructuring costs comprise redundancy charges, settlement agreement costs and consultancy fees incurred as part of the Group's ongoing organisational restructuring programme. These costs reflect actions taken to align the Group's operating structure with its strategic growth plans.

Onerous contracts provision charges relate to losses incurred in the year and the establishment of provisions for forecast losses on certain long-term customer contracts. The provisions reflect assumptions regarding future cash flows and expected contract performance.

Other items include bad debt provision charges reflecting an increase in expected credit loss provisions against receivables relating to customers operating in sanctioned jurisdictions.

Notes (continued)

11. Intangible assets

	Development $'000	Trademarks $'000	Total $'000
Cost			
At 1 January 2025	772	5	777
Additions	325	-	325
At 31 December 2025	1,097	5	1,102
Amortisation			
At 1 January 2025	136	5	141
Charge for the year	236	-	236
At 31 December 2025	372	5	377
Net book value			
At 31 December 2025	**725**	-	**725**
At 31 December 2024	636	-	636

12. Tangible fixed assets

	Longterm leasehold property $'000	Plant and machinery $'000	Warehouse & storage equipment $'000	Fixtures and fittings $'000	Office equipment $'000	Capitalised inventory $'000	Total $'000
Cost or valuation							
At 1 January 2025	252	4,469	1,230	5,700	2,650	27,134	41,435
Additions	-	356	281	572	68	442	1,719
Disposals	-	-	-	-	-	(1,911)	(1,911)
31 December 2025	252	4,825	1,511	6,272	2,718	25,665	41,243
Depreciation							
At 1 January 2025	76	2,564	1,029	1,665	1,779	14,169	21,282
Charge for the year	49	687	100	1,196	339	2,326	4,697
Disposals	-	-	-	-	-	(933)	(933)
31 December 2025	125	3,251	1,129	2,861	2,118	15,562	25,046
Net book value							
At 31 December 2025	127	1,574	382	3,411	600	10,103	16,197
At 31 December 2024	176	1,905	201	4,035	871	12,965	20,153

Notes *(continued)*

12. Tangible fixed assets *(continued)*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2025 $'000	2024 $'000
Plant and machinery	474	637
Warehousing and storage	172	-
	646	637

13. Fixed asset investments

	Investments in subsidiary companies $'000
Cost or valuation	
At 1 January 2025	25
At 31 December 2025	**25**
Impairment	
At 1 January 2025	25
At 31 December 2025	**25**
Net book value	
At 31 December 2025	-
At 31 December 2024	-

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
AerFin US LLC	U.S.A.	Marketing of airline components	Ordinary	100%

The registered office for AerFin US LLC is 3740 West 104th Street, Suite 16, Hialeah, FL 33018, U.S.A..

14. Stocks

	2025 $'000	2024 $'000
Finished goods and goods for resale	159,703	170,167

Notes *(continued)*

15. Debtors

	2025 $'000	2024 $'000
Trade debtors	**63,882**	33,064
Amounts owed by group undertakings	**2,140**	2,140
VAT receivable	**621**	1,242
Prepayments and accrued income	**12,671**	16,063
	79,314	52,509

Amounts owed by group undertakings to the company, are unsecured and repayable on demand but are expected to be recovered in more than 12 months.

16. Cash and cash equivalents

	2025 $'000	2024 $'000
Cash at bank and in hand	**3,065**	442
	3,065	442

17. Creditors: Amounts falling due within one year

	2025 $'000	2024 $'000
Bank loans	**-**	-
Trade creditors	**8,432**	12,994
Amounts owed to group undertakings	**35,893**	27,879
Corporation tax	**6,213**	5,333
Other taxation and social security	**526**	419
Obligations under finance lease and hire purchase contracts	**271**	203
Other creditors	**2,302**	1,348
Accruals and deferred income	**25,568**	19,680
Contract liability	**266**	-
	79,471	67,856

Bank loans consist of $nil (*2024: $nil*) being amounts falling due within one year in respect of the group's senior revolving credit facility, due in February 2027.

Amounts owed to group undertakings are repayable on demand. Included within amounts owed to group undertakings is $32,385,000 *(2024: $25,054,000)*, being funding provided to the company by Atlantic Holdco Limited related to its issue of preference shares in 2023, including accrued interest. This amount accrues interest annually of 14% and incorporates foreign exchange differences arising on translation.

Notes *(continued)*

18. Creditors: Amounts falling due after more than one year

	2025 $'000	2024 $'000
Bank loans	**63,147**	91,883
Obligations under finance leases and hire purchase contracts	**248**	371
	63,395	92,254

Bank loans consist of $63,147,000 *(2024: $91,883,000)* due under the group's senior revolving credit facility, due in February 2027. A 3-year extension to the facility was signed in February 2024, with the option to extend for a further year after year one and then for another year after year, or a further two years if no request was made in year one. The senior revolving credit facility is secured via a fixed and floating charge over assets of the group headed at Atlantic Offerco Limited, and interest is charged at 1-month USD Term SOFR plus a credit spread of between 250bps and 400 bps (was 300 bps as at the Balance Sheet date) depending on the "Net Leverage". This is defined as the ratio of Total Net Debt on the last day of the relevant 12month period to EBITDA in respect of that 12-month period.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2025 $'000	2024 $'000
Within one year	**271**	203
Between 1 - 2 years	**189**	226
Between 2-3 years	**59**	145
	519	574

Obligations under finance leases and hire purchase consists of $248,000 *(2024: $371,000)* relating to a three-year hire purchase agreement for a gantry crane maturing in July 2027, a three-year hire purchase agreement for a Hanel lean lift maturing in December 2028, and a five-year lease for a floor cleaner maturing in April 2030.

20. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2025 $000	2024 $000
Amounts falling due after more than one year:		
Revolving credit facility	**63,147**	91,883
Finance lease liabilities	**248**	371
	63,395	92,254

Notes *(continued)*

20. Interest-bearing loans and borrowings *(continued)*

	2025	2024
	$000	$000
Amounts falling due within less than one year:		
Revolving credit facility	-	-
Amounts owed to group undertakings	32,385	25,054
Finance lease liabilities	271	203
	32,656	25,257

Amounts owed to group undertakings of $32,385,340 (*2024: $25,054,043*) is in respect of amounts received from Atlantic Holdco Limited, obtained in July 2023, is repayable on demand when majority shareholders CataCap Investment A/S sell their shares. Interest is charged at 14% per annum.

Amounts of $63,146,624 *(2024: $91,882,992)* due under the group's senior $120m revolving credit facility are secured via a fixed and floating charge over all assets of the group headed by Atlantic Offerco Limited. The facility was renewed in February 2024 and is in place until February 2027.

Terms and debt repayment schedule

	Currency	Nominal Interest rate	Year of maturity	Repayment schedule	2025 $000	2024 $000
Revolving credit facility	USD($)	Variable	2027	Variable	63,147	91,883
Amounts owed to group undertakings	EUR(€)	14%	N/A	N/A	32,385	25,054
Finance lease liabilities	GBP(£)	Fixed	2030	Monthly	519	574
					96,051	117,511

21. Deferred taxation

	2025	2024
	$'000	$'000
At beginning of year	(2,559)	(1,998)
Credited/(charged) to profit or loss	487	(561)
At the end of year	(2,072)	(2,559)

The provision for deferred taxation is made up as follows:

	2025	2024
	$'000	$'000
Accelerated capital allowances	(2,072)	(2,684)
Short term timing differences	-	125
At the end of year	(2,072)	(2,559)

Notes *(continued)*

22. Provisions

	Onerous contracts $000
Balance at 1 January 2025	-
Provisions made during the year	3,864
Provisions used during the year	-
At the end of year	3,684

Onerous contracts provision charges relate to losses incurred in the year and the establishment of provisions for forecast future losses on certain long-term customer contracts. The provisions reflect assumptions regarding future cash flows and expected contract performance.

23. Share capital

	2025 $	2024 $
Allotted, called up and fully paid		
115,741 *(2024: 115,741)* Ordinary shares of £1 each	**183,984**	183,984

There is a single class of ordinary share. There are no restrictions on dividends and the repayment of capital.

24. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Commitments under operating leases

At 31 December 2025 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2025 $'000	2024 $'000
Less than one year	**2,090**	1,708
Between one and five years	**7,707**	7,787
More than five years	**4,238**	5,284
	14,035	14,779

During the year $1,815,461 *(2024: $1,063,234)* was recognised as an expense to the profit and loss account in respect of operating leases. The operating lease for the Bedwas Facility continued into 2025 and ended in March 2025. A new operating lease agreement for the company's new head office premises at Indurent Park, Newport was signed on 1st May 2024. The new premises replaced the Bedwas Facility.

Notes *(continued)*

26. Related party transactions

During the year, the company made purchases of $31,300 *(2024: $36,264)* from CataCap Management A/S. CataCap Management A/S, an entity incorporated in Denmark, is the ultimate controlling party.

During the year, the company made sales of $700,000 *(2024: $nil)* to and made purchases of $5,500 *(2024: $nil)* from TP Aerospace, an entity incorporated in Denmark, whose ultimate controlling party is CataCap Management A/S. The company also made sales of $nil *(2024: $652,600)* to TP Aerospace Americas Corp., an entity incorporated in the United States of America, whose ultimate controlling party is CataCap Management A/S.

The group has taken the exemption permitted by Financial Reporting Standard 102 section 33 not to disclose any related party transactions with any companies in the group headed by Atlantic Holdco Limited, on the basis that they are a wholly owned group, and consolidated accounts are publicly available.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to $2,100,427 *(2024: $3,840,074)*.

27. Controlling party

The immediate parent company by virtue of its 100% shareholding in the Company is AerFin Holdings Limited, registered in the United Kingdom. The ultimate parent company and controlling party is considered to be CataCap II K/S.

The largest group in which the results of the Company and its group are consolidated is that headed by Atlantic Holdco Limited, registered office address is as per the company. The consolidated financial statements of this group is available to the public and may be obtained from the registered office address.

No other group financial statements include the results of the Company. The accounts of CataCap II K/S are prepared in accordance with IFRS as an investment vehicle, hence there is no consolidation. Accounts are available at CataCap, Oster Alle 48, 8th, DK-2100 Copenhagen, Denmark.