Annual Report
2023

Nordic Aviation Capital

Introduction

Financial Statements

A note from the Chairman

2023 was a progressive year for the aviation industry. Global airline seat capacity finished 2023 at 99% of 2019 levels. Given that in 2022, global seat capacity was at a mere 50% of historic levels, this return to near normality is a remarkable achievement[1]. The recovery in travel bodes well for a return to normal growth patterns in 2024.

Aircraft lessors have had a noteworthy year with increased aircraft demand and substantial lease rate improvements resulting in strong profitability[2]. These attributes, together with the positive trends in asset values, provide ample opportunity for lessors to drive shareholder return in 2024.

While there are many reasons to be optimistic, the industry needs to remain cognisant of the current near-term challenges. The lingering OEM supply chain issues continue to put pressure on the industry. Problems will persist as deliveries ramp up in the next two years, and the focus has been and will continue to be on minimizing the effects of this on stakeholders. If managed correctly, there is much opportunity for aircraft lessors in terms of lease extensions and lease rates.

While the macroeconomic outlook appears to be stabilizing, geopolitical tensions, including conflicts in Ukraine and the Middle East and ongoing disputes between China and the West, could further disrupt the aviation landscape. Careful review of exposure concentration and country risk will be crucial for mitigating risk.

The interest rate environment is also impacting the raising of debt and profitability; however, NAC's debt is well structured, with 85% of its debt on its legacy fleet fixed or hedged until 2026, ensuring the business is in good shape heading into the new financial year.

Throughout the year, NAC reported solid operational and financial performance. This, coupled with a strong aviation trading environment, resulted in the firm initiating a review of strategic alternatives. While the aviation industry will undoubtedly face many challenges in the year ahead, the positive results and progress made by NAC during 2023 will ensure it is well-positioned to execute our strategy and maximize shareholder value in 2024.

I would like to thank our former Chairman, Klaus Heinemann, for his experienced leadership of the NAC Board during his tenure. In particular, for his substantial contribution to the establishment of a "best in class" corporate governance structure to reinforce and enhance NAC's standing as a leading aircraft lessor on its emergence from Chapter 11 in June 2022. I would also like to acknowledge the significant commitment and invaluable contributions of Patrick Blaney and Martin Cooke to the board of NAC both pre and post its Chapter 11 financial restructuring.

Finally, I want to thank the Board, our senior management team, and all employees for their efforts over the past year. I look forward to working with the team to drive the next phase of development for NAC.

Yadin Rozov,
Chairman of the Board

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[1] Elsegood, S. (2024) *For at least the next two years, aviation will be supply-constrained rather than demand driven, CAPA - Centre for Aviation*. Available at: https://centreforaviation.com/analysis/reports/for-at-least-the-next-two-years-aviation-will-be-supply-constrained-rather-than-demand-driven-675236 (Accessed: 20 January 2024).

[2] PWC (2024) *2024 Aviation Industry Review & Outlook*. https://www.pwc.ie/reports/aviation-industry-review.html (Accessed: 20 January 2024)

A note from the President & CEO

The NAC team performed strongly on multiple fronts during 2023.

1. Solid fleet management.

Numerous aircraft previously AOG during 2022 delivered during the first half of 2023. We managed the supply chain well with modest delays and preserved cash using our inventory of engines and components. Operating cash flows increased on the delivered units as rentals commenced and technical expenditures ebbed. AOGs were maintained at an average of 5 units, with just 1 at year end. Several lease restructurings and a repossession and sale of 12 units for Flybe were completed. Our risk team updates lessee credit scores annually, monitoring watch accounts closely. A cash collection rate of 98% was achieved, and we anticipate moderating credit loss reserves.

2. Substantial aircraft sales.

A top priority at NAC is to sell out-of-production Q400s and E1s and instead focus on best-in-class, more fuel-efficient regional aircraft like the ATR 72 and A220 families, plus expand into the much larger adjacent market of the Boeing 737 and Airbus A320 families. Our original plan was to sell 100 aircraft for $400 million over 3 years. In the last 18 months, we have sold 124 units for over $450 million. At the end of 2023, we also awarded the sale of 35 additional units to several lessors, aggregating over $400 million. After these sales, our Q400 fleet will decline to approximately 10 units and our E1 fleet to 50 units compared to previous peak exposure of approximately 90 Q400s and 180 E1s.

3. Selective growth capex/strong lender backing.

Over $830 million of purchase/leasebacks and new order placements were contracted/awarded. Portfolio construction is a priority in maintaining geographic and credit diversification, a balance of new technology aircraft vs. used aircraft, and primary origination with our airline customers vs. secondary trading purchases. 85% by value of this capex is new technology and 77% is primary origination. On debt funding, we added an additional $250 million of bank warehouse commitments during the year and extended the availability period under the facility until mid-2025.

4. Disciplined capital allocation/debt reduction.

Our strong operating and aircraft trading performance enabled us to opportunistically repurchase the debt at a discount and at acceptable returns for the Company. $105.5 million of face value debt was repurchased during the second half of the year. In addition, debt was prepaid at par from the sales of aircraft, which was completed at an accelerated pace compared to our original business plan.

5. Financial results well above plan.

$71.9 million of net income and $82.2 million of pretax profit was generated, over double our budget. Cash flow from operations was $242.6 million which was over budget. We have continued to focus on our cost base in FY2023 and have seen reductions in production and staff-related costs. Average number of employees is 111 for FY2023 compared to 151 in FY2022 and we ended the year at 100 staff.

6. Sustainability/ diversity initiatives.

Our inaugural ESG report was published in March 2023. On sustainability, we offset certain long-haul travel with carbon offsets under schemes managed by GE and Pratt & Whitney; we baselined our fleet carbon footprint including contrails; we initiated SAF-powered customer delivery flights in partnership with Total Energies; and we engaged with Embraer on a letter of intent for the purchase of 15 firm Eve Air Mobility eVTOLs plus options. On diversity, we established NAC Women in Aviation Scholarships with Cranfield University and Embry Riddle Singapore and 60% of our hires were women.

2023 was an excellent year in terms of financial results, reshaping the portfolio and delivering on the capability of NAC's strong platform. I would like to sincerely thank our customers, our team, the Board, shareholders, lenders, and suppliers for their continued support. While the geopolitical and macro environment could remain volatile, I look forward to continued progress in 2024 in reshaping the portfolio, positioning our platform to realize its growth potential, and delivering even more shareholder value.

Norman C.T. Liu,
President & CEO

Finance overview update for FY2023

Financial highlights

— Overall adjusted EBITDA of $421.0 million for NAC for the year ended 31 December 2023.

— Overall profit before tax for NAC was $82.2 million for the year ended 31 December 2023, compared to $2,784.2 million in FY 2022 a variance of $2,702.0 million this is primarily attributable to one off items as a result of a substantial debt write off carried out in 2022 as part of the chapter 11 process and the disposal of entities. Other contributing factors are due higher gains on sale, lower ECL provisions and lower costs.

— Cashflows from operations for the year ended December 2023 were equal to $242.6 million compared to prior year of $424.0 million. The other significant movement on the cashflow was cashflows from investing activities the company invested $612.7 million in the acquisition of aircraft offset by disposal proceeds for the sale of aircraft of $201.9 million.

— Available liquidity was $856.0 million for the year ended December 2023, made up of available cash, plus undrawn warehouse capacity and disposal proceeds for investment compared to $994.0 million in prior year.

Operational highlights

— NAC is an aircraft leasing company, headquartered in Limerick, Ireland. The company has 306 aircraft in the fleet, 265 for lease, 36 on forward order and 5 on finance lease. The total net book value of the aircraft in the fleet at the end of 31 December 2023 was $2,943.1 million (incl. Held for sale, and finance lease aircraft). 2023 has been a pivotal year for NAC with significant developments in many areas of the business.

— As part of the companies' new business strategy to expand into the narrowbody market, the company acquired 13 aircraft (8 x A320/321) and (5 x B737/8max). The aircraft deliveries were a mix of Purchase and Leasebacks ("PLBs") directly with our customers and purchases in the secondary market through other lessor entities.

— During the year, the company also sold a total of 60 aircraft, mix of E1's, Q400's and ATR's valued over $178.4 million, the aircraft sales were primarily sold to other lessors with some direct sales to lessees. Proceeds from the sales were used to i) repay debt on the secured loans and Term loan B and ii) remaining proceeds were made available for reinvestment in the acquisition of narrowbody aircraft.

— During the year we upsized the warehouse facility from $400.0 million to $650.0 million with additional banks joining the facility in the year ended 31 December 2023. The expansion of the warehouse will aid to the growth strategy and purchase of narrowbody aircraft in the short to medium term. The company also closed a bi-lateral secured facility in the amount of ~$44.0 million for the acquisition of 1 aircraft.

— Debt buyback programs were initiated during the year with $105.5 million in debt repurchased.

— The company also published its inaugural ESG report.

Aircraft Fleet overview	**Owned**	**Orders**	**Total**	**%**
ATR	128	16	144	47%
Q400	28	-	28	9%
EMBRAER	101	-	101	33%
AIRBUS 320/321	8	-	8	2%
BOEING 737/Max	5	-	5	1%
A220	-	20	20	7%
Total	**270**	**36**	**306**	100%
Average age of the fleet weighted by net book value				*8.1 years*
Average remaining lease term weighted by net book value				*3.9 years*

Results of operations

Profit & (Loss) - $ millions	2023	2022
Revenue	401.7	619.2
Profit on disposal of property, plant, and equipment	54.7	32.9
Expected credit loss on trade receivables	12.0	(62.0)
Other operating costs/ (production costs)	(50.2)	(58.6)
General and administrative expenses	(80.4)	(89.3)
Operating profit before depreciation, impairment, and amortization	**337.8**	**442.2**
Depreciation, impairment, and amortization	(132.4)	(372.7)
Operating profit/(loss) (EBIT)	**205.4**	**69.5**
Net finance income/(costs)	**(123.1)**	**2,714.7**
Profit/(loss) before tax	**82.2**	**2,784.2**
Tax on profit/(loss)	(10.4)	18.1
Profit/(loss) for the year	**71.9**	**2,802.3**

Adjusted EBITDA:	2023	2022
Profit for the year	**71.9**	**2,802.3**
Add back:		
Tax	(10.4)	18.1
Net finance income/(costs)	(123.1)	2,714.7
Depreciation, impairment, and amortization	(132.4)	(372.7)
Lease incentive amortisation	(83.2)	(90.7)
Adjusted EBITDA:	**421.0**	**532.9**

Balance sheet extract - $ millions	2023	2022
Aircraft and related components, HFS* & finance leases	2.943.1	2,648.9
Total cash and cash equivalents	451.5	560.5
Total other assets	382.4	488.3
Total assets	**3,777.0**	**3,697.7**
Total equity	736.0	666.0
Total loans & borrowings	2,309.9	2,279.2
Total other liabilities	731.1	752.5
Total equity & liabilities	**3,777.0**	**3,697.7**

*****Held for sale*

Key Performance Metrics – FY 2023 only as FY 2022 not comparable

	2023
Net Debt/Equity	2.53x
Return on Equity	10.3%
Return on Assets	1.9%
Net income margin (adjusted)	13.3%

Revenue

$ millions	2023	2022
Lease revenue	326.5	406.7
Supp rent income	144.1	290.3
Other revenue	14.3	12.9
Lease incentive amortization	(83.2)	(90.7)
Total revenue	**401.7**	**619.2**

Overall total revenue was $401.7 million for the year ended 31 December 2023 a reduction from the prior year of 35.1% (2022: $619.2 million). This is due to the reasons outlined below:

Lease revenue of $326.5 million for the year ended 31 December 2023 decreased by 19.7% (2022: $406.7 million). The decrease is due to a reduction in the fleet number from 352 aircraft in 2022 compared to 306 aircraft in 2023.

NAC leases are primarily fixed with 96% of all our leases having fixed lease rentals. The top 5 customers account for 33% of the total lease revenue.

Supplemental rent income of $144.1 million for the year ended 31 December 2023 a reduction of 50.4% (2022: $290.3 million). The reduction is due primarily to increased number of repossessions in 2022 and the relinquishment of control of aircraft in Russia & Ukraine in 2022 and lower compensation for return conditions.

Lease incentive amortisation of $83.2 million for the year ended 31 December 2023 a reduction of 8.3% (2022: $90.7 million). Note that during the year ended 31 December 2023 an amount of $23.2 million is linked with aircraft repossessions.

Gain on sale of aircraft/engines

Gain on sale of aircraft/engines of $54.7 million, an increase of 66.3%, (2022: $32.9 million). The increase year-on-year is due to an increase in the number of aircraft/engines sold (60 aircraft, 16 engines) (2022:31 aircraft).

Expenses

$ millions	2023	2022
Expected credit loss	12.1	(62.0)
Other operating costs/ (production costs)	(50.2)	(58.6)
General & administrative expenses	(80.4)	(89.3)
Depreciation, impairment, and amortisation	(132.4)	(372.7)
Total Expenses	**(251.0)**	**(582.5)**

Expenses include expected credit loss, production costs, selling general and administrative costs and depreciation.

Total expenses of $251.0 million for the year ended 31 December 2023 reduced by 56.9% (2022: $582.5 million), this reduction is due to lower impairment charges in 2023 compared to 2022 and lower expected credit loss.

Expected Credit Loss

Expected credit loss was a release of $12.1 million, (2022: $62.0 million). This has reduced due to improvements in outstanding receivables and assessment of a restructuring claim compared to the prior year.

Other operating costs/ (production costs)

Production costs of $50.2 million for the year ended 31 December 2023, a reduction of 14.3% (2022: $58.6 million). The reduction was due to a lower number of transitions of aircraft in 2023 compared to 2022.

General & administrative (“SG&A”) costs

SG&A costs of $80.3 million a reduction of 10.0% (2022: $89.3 million), this was due to lower staff costs as a result of lower headcount in 2023 compared to 2022, there were higher directors & officers insurance costs incurred during Chapter 11 in 2022 which have significantly dropped in 2023, this is offset by increased legal fees.

Depreciation, amortisation, and aircraft impairment

Depreciation & amortization expenses decreased to $132.4 million for the year ended 31 December 2023, a reduction of 64.5% (2022: $372.7 million). This includes an impairment charge of $18.9 million following the annual impairment review of aircraft assets.

Net Finance Costs

Net finance costs of $123.1 million for the year ended 31 December 2023, (2022: $2,714.7 million). The prior year includes one-off exceptional items that were associated with the companies’ emergence from Chapter 11 in June 2022. A total of $2.64 billion of debt was written off and the group relinquished the control of a number of entities resulting in gain of $447.5 million, leading to a one-off gain.

Also included in net finance costs are gains of $8.7 million in the year ended 31 December 2023 relating to the debt buyback (2022: $Nil) and increased interest on our cash balances.

Total interest reduced to $164.1 million (2022: $393.0 million) due to lower debt on 31 December 2023 compared to the prior year.

Cashflow extract - $ millions	2023	2022
Cashflow at beginning of period	**559.7**	**184.9**
Cashflow from operations	242.6	424.0
Cashflow from investing activities	(360.8)	(142.2)
Cashflow from financing activities	(7.2)	92.9
Net cashflow	**(125.4)**	**374.8**
Cashflow at end of period	**434.3**	**559.7**

Liquidity & debt overview

$ millions	2023	2022
Cash and equivalents*	434.3	560.0
Asset sales proceeds account	33.0	46.0
Warehouse facility	388.7	388.0
Total liquidity	**856.0**	**994.0**

** Excludes restricted cash balance, including restricted cash $451.5 million*

The company has strong principles on cash management, and minimum liquidity requirements and, liquidity instruments.

The company held a strong cash and equivalents balance of $434.3 million as at 31 December 2023, down on the prior period by $125.4 million. The reduction is mainly attributable to the debt buyback program initiated in 2023. The company's main source of cash is through its base fleet operations, proceeds from the sales of aircraft/engines and parts trading with other lessors and customers,

Debt

Facility - $ millions	2023	2022	A/C	Fixed / Floating	Maturity
Secured notes/loans	1,950.7	2,197.0	245	Fixed/Floating	2026-2032
Warehouse RCF	261.3	12.0	15	Floating	Jun-27
Other secured debt	150.0	151.0	-	Floating	Jun-26
Facility - $ millions	**2,362.0**[2]	**2,360.0**	**260**[1]		

1 *Excludes 10 unencumbered assets.*

2 *Debt of $2,362.0 million (vs $2,309.9 million) shown in FY'23 results take into account capitalised costs and FV adjustment debt*

NAC has a manageable debt maturity profile with the next significant bullet payment not falling due until 2026 and beyond. On 31 December 2023, fixed rate debt including interest rate hedging instruments constituted 85% (2022: 84%) of the total debt and floating rate debt constituted 15% (2022: 16%) of the total outstanding debt. The hedge instruments are matched with SOFR rate earned on deposits. Since emerging from Chapter 11, the company has limited financial covenants, and all are met.

During the year, the company initiated a debt buyback program and purchased back $105.5 million of secured notes and Term Loan B. The company also entered into a new Secured bi-lateral facility agreement for the purchase of 1 aircraft.

We hold sufficient liquidity to meet our internally operational needs over the next 18-24 months, and to meet our committed capital expenditures planned during that period. During the year the company upsized its warehouse facility from $400.0 million to $650.0 million. Currently there is $388.7 million of undrawn funds that will be utilized as part of the growth strategy to acquire narrowbody aircraft with good tier credit customer names.

END

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Directors and other information

Directors[1]	Yadin Rozov (American), Chairman, Non-Executive Director Norman C. T. Liu (American), Executive Director Paul O'Donnell (Irish), Non-Executive Director Catherine Duffy (Irish), Non-Executive Director John Higgins (Irish), Non-Executive Director Dermot Mannion (Irish), Non-Executive Director
Secretary[2]	Claire McCarthy (Irish) Pernille Hojmark Fedder Dietz (Danish)
Registered office	Gardens International Henry Street Limerick
Registered number	567526
Independent auditor	KPMG Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1 Ireland

1. John Higgins and Yadin Rozov were appointed on 1 October 2023. Patrick Blaney and Martin Cooke resigned on 31 December 2023. Klaus Heinemann resigned on 22 January 2024. On 4 December 2023, David Farrell was appointed alternate director for Norm C.T. Liu and Jennifer Creevey was appointed alternate director for Paul O'Donnell.
2. Trina Walsh resigned on 26 April 2023. Edward Sheard and Colin Joyce were appointed on 26 April 2023 and resigned on 1 July 2023. Pernille Hojmark Fedder Dietz and Claire McCarthy were appointed on 1 July 2023.

Directors’ report for the year ended 31 December 2023

The Directors present their annual report together with the audited consolidated financial statements of Nordic Aviation Capital Designated Activity Company (the “Company”) and its subsidiaries (together and hereinafter “NAC” or the “Group”) for the year ended 31 December 2023.

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

Principal activities

NAC is a commercial aircraft leasing group focused on ownership, leasing, servicing, lease management, trading and financing of commercial passenger jet and turboprop aircraft. The Group is a global leader in regional aircraft leasing and is expanding into larger narrowbody aircraft leveraging its world class asset management platform. The Group is headquartered in Limerick, Ireland and has offices in Ireland, Singapore, Denmark, Dubai and Toronto.

The Group’s activities are predominantly denominated in US Dollars (“$”), which is the functional currency of the Company. The consolidated financial statements are presented in $’000.

Fleet

At 31 December 2023, the Group owned 270 aircraft (2022: 315 aircraft). Additionally, it had purchase commitments for 36 aircraft (2022: 39 aircraft). The aircraft portfolio had a weighted-average age of 8.1 years (2022: 8.5 years). The average remaining lease term weighted by revenue was 3.9 years (2022: 3.4 years).

In executing the new strategic plan to reduce matured aircraft, the Group sold 60 legacy aircraft during 2023 (2022: 31 aircraft). The Group expanded into narrowbody aircraft and purchased 15 new and used narrowbody aircraft during 2023.

Results and dividends

The Group delivered revenue of $401.7 million for the year (2022: $619.2 million), operating profit before depreciation, impairment and amortization of $337.8 million (2022: $442.2 million), a profit before tax of $82.2 million (2022: $2,784.2 million) and a net profit of $71.9 million (2022: $2,802.3 million). The Group reported a positive cash-flow from operations of $242.6 million (2022: $424.0 million) and a negative total cash flow of $125.4 million (2022: positive $374.8 million).

At 31 December 2023, the Group had total assets of $3.8 billion (2022: $3.7 billion), including aircraft and related components of $2.8 billion (2022: $2.5 billion). The Group was in a net asset position of $0.7 billion (2022: $0.7 billion).

Operating segment

The Group has one operating segment (as identified under IFRS 8 Operating Segments) which is the leasing and managing of aircraft and related assets.

Financing

The Group obtained further financing to invest in its aircraft portfolio and the Group’s $400 million warehouse facility to finance growth was expanded to $650 million during the year.

At 31 December 2023, loans and borrowings were $2.3 billion (2022: $2.3 billion).

NAC Aviation 29 DAC, a company in the Group, has bonds that are listed on the Cayman Islands Stock Exchange (“CSX”). Further details are set out in Note 16.

During the year the Group engaged in debt buyback transactions of debt issued by NAC Aviation 29 DAC. The buyback amounted to a total notional value of $105.5 million during the financial year. Further details are set out in Note 16.

Subsidiaries

Details of the activities carried out by subsidiary undertakings together with the information required by Section 314 of the Companies Act 2014 are set out in Note 24.

Principal risks and uncertainties

The Directors consider the following to be the principal risk factors that could materially and adversely affect the Group’s future operating profits or financial position.

Liquidity and financing risk

The Group continuously forecasts its liquidity requirements and consistently maintains contact with its lenders. The Group’s liquidity management policy involves projecting cash flows in major currencies and evaluating the level of liquid assets required. The analysis is used to monitor liquidity ratios against internal requirements and maintaining debt financing plans. With the aim of managing the liquidity risk, the Group ensures that sufficient cash is available to meet payment obligations and to adhere to covenant compliance under the respective loan agreements.

Residual values of the aircraft

The Group bears the risk of re-leasing or selling aircraft in its fleet at the end of their lease terms. If demand for aircraft decreases or market lease rates decrease, these factors could affect the market value of the portfolio or re-lease rates achieved. Should these conditions continue for an extended period, it could affect the market value of the portfolio and may result in impairment charges in accordance with IAS 36. The Directors look to mitigate these risks by actively managing the portfolio, lease durations, maintenance return conditions and selectively marketing aircraft for sale.

Credit risk of lease counterparties

The Group operates as a lessor to airlines. Its ability to succeed is partially dependent on the financial strength of its customers and their ability to compete effectively in the aviation market and manage in the competitive environment in which they operate. If airline customers experience financial difficulties, this may result in defaults or the early termination of leases. The Group continuously monitors and assesses its customer and credit exposure, and the Directors look to mitigate risks by negotiating security deposits and maintenance reserve payments as appropriate.

Geopolitical and economic risks

As a global business, the Group leases aircraft to customers in jurisdictions worldwide, exposing it to a variety of economic, social, legal and political risks. Exposure to multiple jurisdictions may adversely affect the Group’s future performance, position and growth potential. The adequacy and timeliness of management’s response to exposures in these jurisdictions is of importance to the mitigation of this risk.

The Group continues to monitor the macro-economic environment including inflationary risk and in particular the economic factors related to aircraft demand. In addition, the group continues to monitor the impact of global pandemics which represent a significant risk to the aviation industry.

Interest rate and currency risks

Exposure to interest rate risk is minimized by maintaining a balance between fixed and floating rate debt instruments. In addition, the Group has entered into an interest rate hedging instrument to manage the risk of increasing interest rates.

The majority of the Group’s transactions is denominated in $, the Group’s functional currency.

For further detail on the principal financial risks and the Group and Company policy for managing these financial risks, refer to Note 20.

Going concern

The Group’s business activities, together with factors likely to affect its future development, performance and position, are set out above along with the financial position. In addition, Note 20 to the financial statements includes the objectives, policies and processes for managing financial risk; details of financial instruments and hedging activities; and the exposure to credit risk and liquidity risk, to the extent these were in place at 31 December 2023.

The Group is well-positioned from a funding and liquidity perspective. The liquidity reserve consists of cash and cash equivalents as well as unutilized credit facilities and other bank deposits. At 31 December 2023, cash and cash equivalents amounted to $451.5 million (2022: $560.5 million) which included $434.3 million of unrestricted cash (2022: $559.7 million). The un-utilized credit facilities amounted to $388.7 million (2022: $388.0 million). Furthermore, the Group has other investments, not meeting the IFRS definition of cash and cash equivalents, including a $43.5 million (2022: $49.4 million) deposit from aircraft sales proceeds which is to be used for future repayment of loans and investment in aircraft subject to certain terms and conditions. The funding for the existing portfolio has very limited scheduled amortization until 2026.

The Directors have considered the adequacy of the Group’s funding, borrowing facilities, cash flows and profitability for at least the next 12 months post signing of these financial statements and are satisfied that the financial statements are prepared on a going concern basis based on the future plans that the Directors have for the business.

Directors’ report for the year ended 31 December 2023 (continued)

Directors, secretary and their interests

The present Directors and secretary are listed on page 3.

The Directors and secretary who held office at 31 December 2023 did not have any interests in the share capital of the Company or any Group company.

Political donations

The Company did not make any political donations in the year ended 31 December 2023 (2022: 0).

Accounting records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to keeping adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company can be found at Gardens International, Henry Street, Limerick City, Ireland.

Audit Committee

The Audit Committee is responsible for ensuring the integrity of the Company and Group’s financial statements and for monitoring the effectiveness of the systems of financial control and risk management. The Audit Committee includes 3 independent non-executive Directors.

Directors compliance statement

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Group’s compliance with certain obligations specified in that section arising from the Companies Act 2014, the Irish market abuse laws, and tax laws (“relevant obligations”) as these terms are defined in the Companies Act 2014. The Directors confirm that:

— a compliance policy statement has been drawn up setting out the Group’s policies with regard to such compliance;
— appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Group’s relevant obligations, have been put in place; and
— a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the Group’s compliance with its relevant obligations.

Independent auditor

KPMG have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group’s statutory auditor is aware of that information. Insofar as they are aware, there is no relevant audit information of which the Group’s statutory auditor is unaware.

Subsequent events

Details of important events affecting the Group which have taken place since the end of the reporting period are disclosed in Note 25 to the financial statements.

On behalf of the Board 22 February 2024

/s/ Norman C. T. Liu	/s/ Dermot Mannion
Director	Director

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the directors' 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 Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the Group and Company 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
— assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
— use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group and Company are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board 22 February 2024

/s/ Norman C. T. Liu	/s/ Dermot Mannion
Director	Director

Independent Auditor's report to the member of Nordic Aviation Capital Designated Activity Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nordic Aviation Capital Designated Activity Company ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2023 set out on pages 11 to 75, which comprise the Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of financial position, Consolidated statement of cash flows, Consolidated statement of changes in equity, Company statement of financial position, Company statement of cash flows, Company statement of changes in Equity and related notes, including the material accounting policies set out in note 26.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.
In our opinion:

— the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2023 and of the Group's profit for the year then ended;
— the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
— the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
— the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

Independent Auditor's report to the member of Nordic Aviation Capital Designated Activity Company (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report, the "A note from the Chairman" section of the Annual Report, "A note from the President & CEO" section of the Annual Report and the "Finance overview update for FY2023" section of the Annual Report from the Executive Vice President & CFO.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. Our responsibility is to read the other information 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 other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

— we have not identified material misstatements in the directors' report;
— in our opinion, the information given in the directors' report is consistent with the financial statements; and
— in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including 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 Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the member of Nordic Aviation Capital Designated Activity Company (continued)

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/

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

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

/s/ Niall Naughton 26 February 2024
for and behalf of

KPMG
Chartered Accountants,
Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Consolidated statement of profit or loss and other comprehensive income

$'000	Note	2023	2022
Revenue	2	401,668	619,161
Profit on disposal of property, plant and equipment		54,666	32,868
Expected credit loss on trade receivables	11	12,046	(61,956)
Other operating costs		(50,225)	(58,592)
General and administrative expenses	3	(80,353)	(89,301)
Operating profit before depreciation, impairment and amortization		**337,802**	**442,180**
Depreciation, impairment and amortization	6,7,8	(132,440)	(372,668)
Operating profit/(loss) (EBIT)		**205,362**	**69,512**
Financial income	4	40,961	2,660,221
Gain/(loss) on disposal of entities	4	-	447,485
Financial expenses	4	(164,089)	(393,006)
Net finance income/(costs)		**(123,128)**	**2,714,700**
Profit/(loss) before tax		**82,234**	**2,784,212**
Tax on profit/(loss)	5	(10,350)	18,109
Profit/(loss) for the year		**71,884**	**2,802,321**

Profit/loss attributable to:

$'000	2023	2022
Equity owners of the Group	71,884	2,802,321

Consolidated statement of comprehensive income

$'000	Note	2023	2022
Profit/loss for the year		71,884	2,802,321
Other comprehensive income			
Items that are or may be reclassified to the statement of profit or loss:			
Fair value adjustment of hedging instruments	16	(7,695)	3,802
Cost of hedging transferred to profit/(loss)		5,348	2,879
Tax on hedging instruments		293	(850)
Other comprehensive income/(loss), net of tax		**(2,054)**	**5,831**
Total comprehensive income/(loss)		**69,830**	**2,808,152**

Total comprehensive income/(loss) attributable to:

$'000	2023	2022
Equity owners of the Group	69,830	2,808,152

All profits and total comprehensive income for the current year and preceding financial period are attributable to the owners of the Group.

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

Consolidated statement of financial position

$'000	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Aircraft and related components	6	2,774,952	2,466,796
Other property, plant and equipment	7	8,466	8,826
Other assets	9	114,530	152,064
Receivables from finance leases	10	35,140	48,818
Trade and other receivables	11	16,526	2,394
Deferred tax assets	12	76,262	80,988
Total non-current assets		**3,025,876**	**2,759,886**
Current assets			
Receivables from finance leases	10	13,672	18,461
Inventory	13	29,919	14,455
Trade and other receivables	11	68,648	112,185
Other assets	9	68,017	117,360
Cash and cash equivalents	14	451,530	560,508
Assets held for sale	21	119,363	114,853
Total current assets		**751,149**	**937,822**
Total assets		**3,777,025**	**3,697,708**

Consolidated statement of financial position (continued)

$'000	Note	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity	15		
Share capital		-	-
Share premium		-	1,455,043
Capital contribution		-	665,224
Hedging reserve		3,777	5,831
Other reserves		60,003	60,003
Retained earnings/(deficit)		672,038	(1,520,113)
Total equity		**735,818**	**665,988**
Liabilities			
Non-current liabilities			
Loans and borrowings	16	2,284,057	2,280,077
Maintenance reserves	17	398,768	301,386
Trade and other payables	18	52,510	44,806
Deferred tax liabilities	12	4,082	4,159
Total non-current liabilities		**2,739,417**	**2,630,428**
Current liabilities			
Loans and borrowings	16	25,835	(888)
Maintenance reserves	17	48,226	166,192
Trade and other payables	18	129,668	123,619
Corporation tax		45,842	62,281
Deferred income	19	9,730	3,365
Liabilities directly associated with assets held for sale	21	42,489	46,723
Total current liabilities		**301,790**	**401,292**
Total liabilities		**3,041,207**	**3,031,720**
Total equity and liabilities		**3,777,025**	**3,697,708**

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

On behalf of the Board 22 February 2024

/s/ Norman C. T. Liu
Director

/s/ Dermot Mannion
Director

Consolidated statement of cash flows

$'000	Note	2023	2022
Cash flow from operating activities			
Profit/(loss) before tax		82,234	2,784,212
Adjustments for:			
Depreciation, amortization and impairment		132,440	372,668
Lease incentive amortization		83,216	90,714
Gain on sale of aircraft		(54,666)	(32,868)
Change in receivables and payables		4,375	(93,240)
Change in inventory		(14,962)	12,255
Movement in finance leases		13,367	14,323
Net finance costs	4	123,128	(2,714,700)
Interest received		32,293	12,111
Interest paid		(132,689)	(17,022)
Corporation tax paid		(26,111)	(4,424)
Net cash generated from/(used in) operating activities		**242,625**	**424,029**
Cash flow from investing activities			
Acquisition of assets recognized as property, plant and equipment and finance leases		(612,742)	(235,675)
Bank deposit		50,000	(50,000)
Disposal of assets recognized as property, plant and equipment and finance leases		201,939	143,505
Net cash generated from/(used in) investing activities		**(360,803)**	**(142,170)**
Cash flow from financing activities			
Proceeds from indebtedness	16	302,300	285,400
Transaction costs related to loans and borrowings	16	(5,800)	(178,900)
Repayment of indebtedness	16	(285,900)	(305,334)
Repayment of lease liabilities		(1,400)	(2,541)
Disposal of entities		-	(42,100)
Capital contribution		-	37,800
Change in restricted cash		(16,445)	298,664
Net cash generated from/(used in) financing activities		**(7,245)**	**92,989**
Total cash flows		**(125,423)**	**374,848**
Cash and cash equivalents at 1 January		559,710	184,862
Cash and cash equivalents at 31 December	14	**434,287**	**559,710**

The consolidated statement of cash flows includes unrestricted cash only. See Note 14 – Cash and cash equivalents for further details.

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

Consolidated statement of changes in equity

2023

$'000	Share capital	Share premium	Capital contribution	Hedging reserve	Other reserves	Retained earnings /(deficit)	Total
Equity at 1 January	**-**	**1,455,043**	**665,224**	**5,831**	**60,003**	**(1,520,113)**	**665,988**
Profit/(loss) for the year	-	-	-	-	-	71,884	71,884
Other comprehensive income:							
Fair value adjustment of hedging instruments	-	-	-	(7,695)	-	-	(7,695)
Cost of hedging transferred to profit/(loss)	-	-	-	5,348	-	-	5,348
Tax related to other comprehensive income	-	-	-	293	-	-	293
Total comprehensive income	**-**	**-**	**-**	**(2,054)**	**-**	**71,884**	**69,830**
Transactions with owners of the Company and other equity transactions:							
Capital reduction	-	(1,455,043)	(665,224)	-	-	2,120,267	-
Total transactions with owners of the Company and other equity	**-**	**(1,455,043)**	**(665,224)**	**-**	**-**	**2,120,267**	**-**
Equity at 31 December	**-**	**-**	**-**	**3,777**	**60,003**	**672,038**	**735,818**

2022

$'000	Share capital	Share premium	Capital contribution	Hedging reserve	Other reserves	Retained earnings /(deficit)	Total
Equity at 1 January	**60,003**	**750,845**	**626,079**	**-**	**-**	**(3,997,379)**	**(2,560,452)**
Profit/(loss) for the year	-	-	-	-	-	2,802,321	2,802,321
Other comprehensive income:							
Fair value adjustment of hedging instruments	-	-	-	3,802	-	-	3,802
Cost of hedging transferred to profit/(loss)	-	-	-	2,879	-	-	2,879
Tax related to other comprehensive income	-	-	-	(850)	-	-	(850)
Total comprehensive income	**-**	**-**	**-**	**5,831**	**-**	**2,802,321**	**2,808,152**
Transactions with owners of the Company and other equity transactions:							
Cancellation of existing	(60,003)	-	-	-	60,003	-	-
Issuance of shares	-	379,143	-	-	-	-	379,143
Capital contribution	-	-	39,145	-	-	-	39,145
Transfer of gain on financial restructuring to share	-	325,055	-	-	-	(325,055)	-
Total transactions with owners of the Company and other equity	**(60,003)**	**704,198**	**39,145**	**-**	**60,003**	**(325,055)**	**418,288**
Equity at 31 December	**-**	**1,455,043**	**665,224**	**5,831**	**60,003**	**(1,520,113)**	**665,988**

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

Company statement of financial position

$'000	Note	31 December 2023	31 December 2022 restated
ASSETS			
Non-current assets			
Investments in subsidiaries	24	424,908	417,746
Deferred tax assets		1,500	4,786
Total non-current assets		**426,408**	**422,532**
Current assets			
Trade and other receivables		7,662	7,836
Inventory		1,694	1,172
Amounts owed from group companies		1,069,944	839,936
Other assets		106,011	153,398
Cash and cash equivalents	14	408,702	543,813
Total current assets		**1,594,013**	**1,546,155**
Total assets		**2,020,421**	**1,968,687**

The Company has in 2023 changed its accounting policy in respect of third-party financial guarantees pertaining to external debt held by certain of its subsidiaries. The change to accounting policy was arising from the introduction of IFRS 17 Insurance contracts in 2023. This required the Company to restate the 2022 comparatives for Investment in subsidiaries $12.3 million (Note 24), Retained earnings/(deficit) $0.8 million and Trade and other payables $11.5 million (Note 18), as shown in the table below. For further details see Note 26.

2022 Comparatives

$'000	Original	Adjustment	Restated
Investment in subsidiaries	405,420	12,326	417,746
Total assets	**1,956,361**	**12,326**	**1,968,687**
Trade and other payables	15,304	11,511	26,815
Retained earnings/(deficit)	(1,337,579)	815	(1,336,764)
Total equity and liabilities	**1,956,361**	**12,326**	**1,968,687**

Company statement of financial position (continued)

$'000	Note	31 December 2023	31 December 2022 restated
EQUITY AND LIABILITIES			
Equity	15		
Share capital		-	-
Share premium		-	1,455,043
Capital contribution		-	665,224
Other reserves		60,003	60,003
Retained earnings/(deficit)		814,664	(1,336,764)
Total equity		**874,667**	**843,506**
Liabilities			
Non-current liabilities			
Loans and borrowings	16	148,997	148,285
Trade and other payables	18	8,716	10,113
Total non-current liabilities		**157,713**	**158,398**
Current liabilities			
Loans and borrowings	16	(708)	(690)
Trade and other payables	18	24,951	16,702
Amounts owed to group companies		963,798	950,771
Total current liabilities		**988,041**	**966,783**
Total liabilities		**1,145,754**	**1,125,181**
Total equity and liabilities		**2,020,421**	**1,968,687**

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

On behalf of the Board 22 February 2024

/s/ Norman C. T. Liu
Director

/s/ Dermot Mannion
Director

Company statement of cash flows

$'000	Note	2023	2022 restated
Cash flow from operating activities			
Profit/(loss) before tax		34,447	661,038
Adjustments for:			
Movement in amounts owed from group companies		(233,835)	1,694,466
Movement in amounts owed to group companies		13,027	(1,248,441)
Changes in receivables and payables		4,115	(46,936)
Change in inventory		522	733
Change in provision for expected credit losses		3,827	(452,307)
Change in accrued interest		(52)	(16,073)
Foreign currency translation adjustments		151	(871)
Net finance costs		(38,099)	(604,312)
Interest received		70,260	38,252
Interest paid		(32,312)	(36,321)
Net cash generated from/(used in) operating activities		**(177,949)**	**(10,772)**
Cash flow from investing activities			
Investments in subsidiaries	24	(7,162)	-
Bank deposit		50,000	(50,000)
Net cash generated from/(used in) investing activities		**42,838**	**(50,000)**
Cash flow from financing activities			
Proceeds from indebtedness	16	-	270,000
Transaction costs related to loans and borrowings	16	-	(17,061)
Repayment of indebtedness	16	-	(120,000)
Issuance of shares		-	299,406
Capital contribution		-	37,800
Net cash generated from/(used in) financing activities		**-**	**470,145**
Total cash flows		**(135,111)**	**409,373**
Cash and cash equivalents at 1 January		543,813	134,440
Cash and cash equivalents at 31 December	14	**408,702**	**543,813**

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

Company statement of changes in equity

Company

2023

$'000	Share capital	Share premium	Capital contribution	Other reserves	Retained earnings/ (deficit)	Total
Equity at 1 January	**-**	**1,455,043**	**665,224**	**60,003**	**(1,336,764)**	**843,506**
Profit/(loss) for the year	-	-	-	-	31,161	31,161
Transactions with owners of the Company and other equity transactions:						
Capital contribution	-	(1,455,043)	(665,224)	-	2,120,267	-
Total transactions with owners of the Company and other equity transactions	**-**	**(1,455,043)**	**(665,224)**	**-**	**2,120,267**	**-**
Equity at 31 December	**-**	**-**	**-**	**60,003**	**814,664**	**874,667**

Company

2022
restated

$'000	Share capital	Share premium	Capital contribution	Other reserves	Retained earnings/ (deficit)	Total
Equity at 1 January	**60,003**	**750,845**	**626,079**	**-**	**(2,000,123)**	**(563,196)**
Profit/(loss) for the year	-	-	-	-	663,359	663,359
Transactions with owners of the Company and other equity transactions:						
Cancellation of existing shares	(60,003)	-	-	60,003	-	-
Issuance of shares	-	379,143	-	-	-	379,143
Capital contribution	-	-	39,145	-	-	39,145
Transfer of gain on financial restructuring to share premium	-	325,055	-	-	-	325,055
Total transactions with owners of the Company and other equity transactions	**(60,003)**	**704,198**	**39,145**	**60,003**	**-**	**743,343**
Equity at 31 December	**-**	**1,455,043**	**665,224**	**60,003**	**(1,336,764)**	**843,506**

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

Notes to the financial statements

1. Reporting entity

Nordic Aviation Capital Designated Activity Company (the “Company” or “NAC”) is incorporated and domiciled in the Republic of Ireland. The address of the Company’s registered office is Gardens International, Henry Street, Limerick City, Ireland.

The direct shareholder of the Company is NAC Holdings Limited. The indirect shareholders are the creditors that in connection with the successful emergence from the financial restructuring process received shares or to whom any creditors may have sold or transferred their shares or the right to receive shares to.

The financial statements of the Group comprise the consolidated statement of financial position at 31 December 2023 and 31 December 2022 as well as the results for the 12 month periods respectively then ended for the Company and its subsidiaries.

2. Revenue

$'000	2023	2022
Lease rental income	326,492	406,709
Supplemental rent income	144,098	290,270
Other revenue	14,294	12,896
Lease incentives amortization	(83,216)	(90,714)
Total revenue	**401,668**	**619,161**

Total revenue is generated from the leasing of aircraft to our customers. The majority of the Group's lease rental income is fixed for the duration of the leases. In 2023, the Group earned variable rental income of $15.8 million (2022: $32.3 million).

Supplemental rent income in 2023 was $144.1 million (2022: $290.3 million), which included release of maintenance reserves $123.8 million (2022: $217.9 million) and compensation for redelivery condition $20.3 million (2022: $72.4 million). In addition, $3.2 million (2022: $6.9 million) was related to sale of aircraft on lease and therefore included in profit on disposal of property, plant and equipment.

$'000	2023	2022
Transition/return of aircraft	109,318	149,975
Repossession of aircraft	14,467	32,810
Relinquishing of control of aircraft in Russia/Ukraine	-	35,124
Compensation for redelivery condition	20,313	72,361
Supplemental rent income	**144,098**	**290,270**

The critical accounting judgments in relation to supplemental rent income relate to the timing of the performance of the maintenance events. See Note 26 – Material accounting policies for further details.

Other revenue consists of management fees and proceeds from the sale of spare parts.

Lease incentive amortization of $83.2 million for the year ended 31 December 2023 (2022: $90.7 million) relates to the amortization of lease incentives assets and other lease costs, further detail in note 9 – other assets.

The distribution of lease rental income by operator's geographical region is as follows:

$'000	2023	2022
Geographical lease rental income split		
Europe	32%	40%
Asia Pacific	17%	21%
South and Central America	19%	16%
North America	15%	12%
Africa and the Middle East	17%	11%
Total revenue	**100%**	**100%**

2. Revenue (continued)

	2023	2022
Lease rental income from top 5 lessees	33%	35%
No single customer accounted for more than	8%	9%

$'000	31 December 2023		31 December 2022	
Future minimum contracted lease rentals				
0-1 year	293,622	24%	268,891	26%
1-2 years	265,497	22%	225,676	22%
2-3 years	220,162	18%	191,273	18%
3-4 years	166,606	14%	142,169	14%
4-5 years	111,312	9%	91,194	9%
> 5 years	161,397	13%	112,292	11%
Total	**1,218,596**	**100%**	**1,031,495**	**100%**

The average remaining lease term weighted by revenue was 3.9 years (2022: 3.4 years).

3. General and administrative expenses

$'000	**2023**	**2022**
Staff costs	47,425	56,590
Legal and professional	22,133	14,360
Travel costs	3,367	728
Other overhead costs	7,428	17,623
Total general and administrative expenses	**80,353**	**89,301**
Average number of employees	111	151

Directors' remuneration included in Staff costs is disclosed in Note 24 – Related parties. No staff costs have been capitalized.

During 2023, the Group incurred additional costs for Legal and professional services due to additional projects including costs relating to Russian litigations.

Other overhead costs in 2022 were impacted by significant costs relating to directors' and officers' insurance due to the Chapter 11 process.

4. Financial income and expenses

$'000	**2023**	**2022**
Financial income		
Under effective interest rate method:		
Interest income	32,293	12,111
Other financial income:		
Gain on debt buy-back	8,668	-
Gain on restructuring of financial liabilities	-	2,648,110
Total financial income	**40,961**	**2,660,221**
Gain/(loss) on disposal of entities	**-**	**447,485**
Financial expenses		
Under effective interest rate method:		
Interest on financial liabilities measured at amortized cost	131,852	226,612
Interest on lease liabilities	362	1,226
Amortization of capitalized borrowing costs	23,368	164,927
Total financial expenses under effective interest rate method	**155,582**	**392,765**
Other financial expenses:		
Interest on financial liabilities measured at fair value	7,003	5,702
Foreign currency translation adjustments net	1,504	(5,461)
Total financial expenses	**164,089**	**393,006**
Net finance income/(costs)	**(123,128)**	**2,714,700**

5. Income tax

$'000	**2023**	**2022**
Current tax expense		
Current tax expense/(credit)	5,408	(10,902)
Deferred tax expense/(credit)		
Deferred tax reversal of obligation and reversal of temporary differences	4,942	(7,207)
Total tax charge/(credit) for the year	**10,350**	**(18,109)**
Reconciliation of effective tax rate		
Profit/(loss) before tax	82,234	2,784,212
Expected tax charge/(credit) @ 12.5%	10,279	348,027
Effects of:		
Non-deductible items	5,063	17,232
Non-taxable items	(126)	(355,629)
Income taxable at a different rate	1,579	(86)
MAP settlement	300	(2,860)
Movement in deferred tax assets not recognized	(7,025)	(25,232)
Other	280	439
Total tax charge/(credit) for the year	**10,350**	**(18,109)**

The Group conducts business in various locations including Ireland (12.5% tax rate), Singapore (8% tax rate) and Denmark (22% tax rate).

Net tax settlement

On 4 June 2020 the Danish tax authorities issued the final assessment for an upward adjustment to the taxable income of Nordic Aviation Capital A/S for the years 2012-2016. The assessment is subject to a Mutual Agreement Procedure ("MAP") as provided by the 1990 EU Convention on the Elimination of Double Taxation in Connection with the Adjustment of Profits of Associated Enterprises (90/463/EEC) ("EU AC"), Article 25 of the Convention for the Avoidance of Double Taxation as agreed between the governments of Denmark and Ireland (1993) and equivalent Articles of the Conventions between Denmark and other impacted countries. The goal of the EU AC and the above-mentioned Conventions is to eliminate double taxation caused by transfer pricing disputes. A MAP may continue for an extended period of time and the final outcome of the MAP process and its impact on the tax position is uncertain.

Management judgment is applied when assessing the possible outcome in accordance with the principles of IAS 12 and IFRIC 23. Management believes it is probable that the final tax assessment will result in an amount payable to the Danish tax authority on conclusion of the MAP. There are a number of scenarios in which MAP could result in resolution of double taxation. Management conducted scenario analysis to determine the most likely outcome. The Danish tax assessed in the final tax assessment arises on income already subject to tax in other countries. The assessment has therefore been brought to MAP in Ireland, Singapore, UK and Cyprus with a view to resolving double taxation. On the basis of the goals of the EU AC and the above-mentioned Conventions for the Avoidance of Double Taxation, management is of the view that it is more likely than not that double tax relief will be available in relation to the final tax assessment. A deferred tax asset has therefore been calculated by applying the local tax rates applicable in the years 2012-2016 to the breakdown of income now subject to double taxation, as listed in the final tax assessment. For the financial year ended 30 June 2020 a net provision of $42.0 million, including surcharges and interest, was recognized.

During FY22, the MAP was resolved by the Denmark and Singapore competent authorities and a partial resolution was reached by the Denmark and Ireland competent authorities. The resolutions resulted in a net change to the provision of $2.9 million in FY22.

During FY23, the MAP was resolved by the Denmark and Cyprus competent authorities. The resolutions resulted in a change to the provision of $0.3 million in FY23. As the adjustments relate to a change in accounting estimate, no prior year restatement was made in relation to these matters.

6. Aircraft and related components

2023

$'000	Aircraft	Engines	Predelivery payments	Other OEM payments	Maintenance rights	Lease Premium	Total
Cost at 1 January	**5,278,850**	**-**	**100,316**	**3,000**	**23,823**	**-**	**5,405,989**
Additions for the year	502,571	20,787	22,312	-	44,318	1,092	591,080
Transferred predelivery payments	17,617	-	(17,617)	-	-	-	-
Transferred to/from inventory	9,797	-	-	-	-	-	9,797
Transferred to assets held for sale	(223,310)	-	-	-	-	-	(223,310)
Disposals	(630,166)	-	(2,000)	-	(23,823)	-	(655,989)
Cost at 31 December	**4,955,359**	**20,787**	**103,011**	**3,000**	**44,318**	**1,092**	**5,127,567**
Depreciation and impairment losses at 1 January	**2,915,370**	**-**	**-**	**-**	**23,823**	**-**	**2,939,193**
Depreciation and amortization	108,048	193	-	-	1,268	125	109,634
Impairment losses	18,860	-	-	-	-	-	18,860
Transferred to assets held for sale	(126,953)	-	-	-	-	-	(126,953)
Disposals	(564,296)	-	-	-	(23,823)	-	(588,119)
Depreciation and impairment losses at 31 December	**2,351,029**	**193**	**-**	**-**	**1,268**	**125**	**2,352,615**
Carrying amount at 31 December	**2,604,330**	**20,594**	**103,011**	**3,000**	**43,050**	**967**	**2,774,952**

2022

$'000	Aircraft	Engines	Predelivery payments	Other OEM payments	Maintenance rights	Lease Premium	Total
Cost at 1 January	**8,004,101**	**-**	**95,361**	**5,500**	**9,790**	**-**	**8,114,752**
Additions for the year	46,498	-	34,399	-	-	-	80,897
Transferred to/from inventory	(723)	-	-	-	-	-	(723)
Transferred to assets held for sale	(275,907)	-	-	-	-	-	(275,907)
Disposal of entities	(2,144,323)	-	-	-	16,148	-	(2,128,175)
Disposals	(350,796)	-	(29,444)	(2,500)	(2,115)	-	(384,855)
Cost at 31 December	**5,278,850**	**-**	**100,316**	**3,000**	**23,823**	**-**	**5,405,989**
Depreciation and impairment losses at 1 January	**4,269,907**	**-**	**30,444**	**2,500**	**12,266**	**-**	**4,315,117**
Depreciation and amortization	144,341	-	-	-	(1,126)	-	143,215
Impairment losses	227,052	-	(1,000)	-	-	-	226,052
Transferred to assets held for sale	(182,943)	-	-	-	-	-	(182,943)
Disposal of entities	(1,285,427)	-	-	-	14,798	-	(1,270,629)
Disposals	(257,560)		(29,444)	(2,500)	(2,115)	-	(291,619)
Depreciation and impairment losses at 31 December	**2,915,370**	**-**	**-**	**-**	**23,823**	**-**	**2,939,193**
Carrying amount at 31 December	**2,363,480**	**-**	**100,316**	**3,000**	**-**	**-**	**2,466,796**

6. Aircraft and related components (continued)

As of 31 December 2023, the group owned 270 aircraft and 2 engines (2022: 315 aircraft).

During 2023, 77 aircraft were disposed: 60 aircraft (2022: 31 aircraft) were sold,17 aircraft (2022: 19 aircraft) were moved to assets held for sale.

During 2023, 15 aircraft and 2 engines were acquired: 13 narrowbody aircraft and 2 turboprop aircraft.

Amortization and impairment of maintenance rights are included in depreciation, impairment and amortization in the consolidated statement of profit or loss and other comprehensive income.

Amortization and impairment of lease premium is included in lease revenue in the consolidated statement of profit or loss and other comprehensive income.

At the end of December 2023, the Group acquired an interest in two aircraft (2022: 0 aircraft). The aircraft are due to deliver during 2024.

The Net book Value of the aircraft for the top 5 customers is $903.5 million (2022: $757.3 million).

Aircraft

Applied methodology.

The total fleet is reviewed for impairment purposes on an annual basis, carrying values are reviewed against their recoverable value. Recoverable values are the higher of maintenance adjusted fair value less cost to sell or the value in use. The value in use looks at the present value of future cashflows from rental for the aircraft and the expected residual value, this is discounted at a rate of 7% per annum (2022: 8%-11%). This review provides an indication for impairment at an individual aircraft level and a charge is taken if the carrying value of the aircraft is higher than each of the following tests performed;

1. Test 1 - Maintenance adjusted market value condition from one appraiser is applied to two other appraisers to calculate an average of three;
2. Test 2 - Future cashflows from rents and supplemental rents, inflows and outflows, on the existing leases and associated residual value (HL Market Value) at the end of the lease using data from an average of three appraisers;
3. Test 3 - Future cashflows from rents and supplemental rents, inflows and outflows, and the associated residual value (HL Market Value) at end of useful economic life of the aircraft using data from an average of three appraisers.

Discount rate of 7% applied on the future cashflows from rental (2022: 8%-11%).

An increase of the discount rate by one percentage point (to 8%) would increase the impairment charge on aircraft by $4.2 million. Similarly, a decrease of the discount rate by one percentage point (to 6%) would lower the impairment charge on aircraft by $4.3 million.

An increase of 5% in the residual value used in the impairment testing would decrease the aircraft impairment charge by $0.5 million, correspondingly a decrease of 5% in the residual value would increase the aircraft impairment charge by $0.8 million.

The impairment test on the fleet at year end had a charge of $10.9 million, in addition a charge was taken on aircraft that returned earlier in the year of $7.9 million which was offset, in part, by releases to supplemental rent due to the return condition of the aircraft and gains on sale of aircraft.

7. Other property, plant, and equipment

2023

$'000	Buildings	Fixtures and fittings, tools and equipment	Right-of-use assets	Total
Cost at 1 January	**5,613**	**5,789**	**10,613**	**22,015**
Additions for the year	19	250	1,085	1,354
Transfers from buildings to FFE	(307)	307	-	-
Transferred to assets held for sale	15,699	-	-	15,699
Disposals	(13,157)	(729)	(2,273)	(16,159)
Cost at 31 December	**7,867**	**5,617**	**9,425**	**22,909**
Depreciation and impairment losses at 1 January	**3,128**	**5,398**	**4,663**	**13,189**
Depreciation	278	307	1,029	1,614
Transferred to assets held for sale	10,679	-	-	10,679
Disposals	(8,037)	(729)	(2,273)	(11,039)
Depreciation and impairment losses at 31 December	**6,048**	**4,976**	**3,419**	**14,443**
Carrying amount at 31 December	**1,819**	**641**	**6,006**	**8,466**

2022

$'000	Buildings	Fixtures and fittings, tools and equipment	Right-of-use assets	Total
Cost at 1 January	**20,508**	**5,789**	**50,255**	**76,552**
Additions for the year	307	-	1,764	2,071
Transferred to assets held for sale	(15,202)	-	-	(15,202)
Disposals	-	-	(41,406)	(41,406)
Cost at 31 December	**5,613**	**5,789**	**10,613**	**22,015**
Depreciation and impairment losses at 1 January	**11,402**	**5,102**	**44,634**	**61,138**
Depreciation	967	296	877	2,140
Impairment losses	1,261	-	-	1,261
Transferred to assets held for sale	(10,502)	-	-	(10,502)
Disposals	-	-	(40,848)	(40,848)
Depreciation and impairment losses at 31 December	**3,128**	**5,398**	**4,663**	**13,189**
Carrying amount at 31 December	**2,485**	**391**	**5,950**	**8,826**

8. Depreciation, impairment and amortization

$'000	**2023**	**2022**
Depreciation, impairment and amortization:		
Impairment on inventory engines	2,458	-
Depreciation of Aircraft and related components	108,240	143,215
Impairment of Aircraft and related components	18,860	226,052
Maintenance rights amortisation	1,268	-
Impairment of other property, plant and equipment	-	1,261
Depreciation of other property, plant and equipment	1,614	2,140
Total depreciation, impairment and amortisation	**132,440**	**372,668**

9. Other assets

$'000	**2023**	**2022**
Deposits	244	50,236
Lease incentives	161,919	198,617
Interest rate cap	20,384	20,052
Other investments	-	519
Total other assets	**182,547**	**269,424**

$'000		
Non-current	114,530	152,064
Current	68,017	117,360
Total other assets	**182,547**	**269,424**

$'000		
Lease incentives at 1 January	198,617	194,074
Additions	59,974	151,778
Amortization	(83,216)	(90,714)
Disposals	(18,466)	(40,096)
Transferred to assets held for sale	5,010	(16,425)
Lease incentives at 31 December	**161,919**	**198,617**

The maturity profile of lease incentives is based on the contractual expiry dates of the underlying leases. The average remaining lease term weighted by revenue was 3.9 years (2022: 3.4 years).

At 31 December 2022, the Group recognized a 6 month deposit of $50.0 million with a bank as Deposits. The 6 month deposit did not meet the IFRS criteria for recognition as cash and cash equivalents, in the year ended 31 December 2023 the balance was nil. Normal deposits in the year ended 31 December 2023 were $0.2 million (2022: $0.2 million).

Amortization of lease incentives is part of lease revenue - See Note 2.

Company

Per the Company balance sheet, other assets of $106.0 million at 31 December 2023, includes PDP and OEM payments made for aircraft acquisitions (2022: $153.4 million).

10. Receivables from finance leases

Amounts receivable under finance leases.
Minimum lease payments:

$'000	**31 December 2023**	**31 December 2022**
0-1 year	16,800	22,606
1-2 years	16,800	16,800
2-3 years	13,755	16,806
3-4 years	7,152	13,755
4-5 years	700	7,152
> 5 years	-	700
	55,207	77,819
Less: future finance charges	(6,395)	(10,540)
Present value of lease obligations	**48,812**	**67,279**
Expected credit loss	-	-
Total receivables from finance leases	**48,812**	**67,279**

Present value of minimum lease payments:		
0-1 year	13,672	18,461
1-2 years	14,746	13,672
2-3 years	12,807	14,751
3-4 years	6,890	12,807
4-5 years	697	6,890
> 5 years	-	698
Total receivables from finance leases	**48,812**	**67,279**
Expected credit loss (current)	-	-
Total receivables from finance leases	**48,812**	**67,279**

Non-current	35,140	48,818
Current	13,672	18,461
Total receivables from finance leases	**48,812**	**67,279**

The Group's receivables from finance leases are secured by the aircraft and security deposits amounting to $60.4 million (2022: $74.3 million). There are 5 aircraft on finance lease (2022: 6).

In accordance with IFRS 9 and the approach outlined in Note 26 – Material accounting policies, the Group estimated the expected loss provision related to finance leases at nil at 31 December 2023 (2022: nil).

In addition to aircraft on finance lease, the Group recorded an office sublease with a net book value of $0.1 million at 31 December 2022. The office lease had expired at 31 December 2023.

11. Trade and other receivables

The Group's trade receivables are secured by security deposits, letters of credit and the aircraft for finance lease receivables. For the expected credit loss calculation, customers are assessed in the Group´s customer ranking model. The customer ranking is derived from quantitative and qualitative information such as historical payment behavior, financial strength and performance, market position and general business risks. The customer ranking score is translated to a loss probability, which is combined with the credit exposure on the outstanding receivable, net of security held by the Group, to assess the expected credit loss provision.

At 31 December 2023, deferral arrangements had been agreed with 6 customers (2022: 7 customers). Under the deferral agreements, the non-current part of trade receivables is nil (2022: $2.4 million).

Other receivables include a deposit, not meeting the IFRS definition of cash and cash equivalents, of $43.5 million (2022: $49.4 million) from aircraft sales proceeds which is to be used for future repayment of loans and investment in aircraft subject to certain terms and conditions, other receivables also include prepayments of $6.4 million (2022: $22.6 million).

During 2023, the Group entered a lease restructuring arrangement with a customer which included the receipt of cash or shares in the future. The Group applied management assessment in identifying the fair value of the receivable and recognized $16.5 million as a credit impaired financial asset. An increase in the assumption on the credit impaired financial asset of 1% will increase the value with $0.5 million. A decrease in the assumption on the credit impaired financial asset of 1% will decrease the value with $0.5 million. The fair value measurement is a judgmental and complex area, and management's assessment is taking into consideration the outcome from airline restructurings in the past.

$'000	31 December 2023	31 December 2022
Trade receivables	44,605	82,455
Other receivables	75,377	102,916
Total gross receivables	**119,982**	**185,371**
Less: expected credit loss	(34,808)	(70,792)
Trade and other receivables, net	**85,174**	**114,579**
Non-current	16,526	2,394
Current	68,648	112,185
Trade and other receivables, net	**85,174**	**114,579**

Expected credit loss for the year

$'000	31 December 2023	31 December 2022
Expected credit loss at 1 January	**(70,792)**	**(212,047)**
Disposal of entities	-	138,568
Written off during the period	23,938	64,643
Expected credit gain/(loss) for the year	12,046	(61,956)
Expected credit loss at 31 December	**(34,808)**	**(70,792)**

Expected credit loss for the year according to the statement of profit or loss relates to:

$'000	2023	2022
Trade and other receivables	(12,046)	61,956
Other assets	-	-
Finance lease receivables	-	-
Total expected credit loss/(gain) for the year	**(12,046)**	**61,956**

12. Deferred tax

$'000	31 December 2023	31 December 2022
Deferred tax assets and liabilities are summarized as follows:		
Deferred tax liabilities related to aircraft assets	(119,929)	(90,736)
Deferred tax assets related to tax losses	193,514	168,735
Deferred tax liabilities on IFRS transitional adjustments and capitalized loan cost	(1,405)	(1,170)
Net deferred tax assets/(liabilities) at 31 December	**72,180**	**76,829**

Deferred tax assets	76,262	80,988
Deferred tax liabilities	(4,082)	(4,159)
Net deferred tax assets/(liabilities) at 31 December	**72,180**	**76,829**

Deferred tax assets are recognized on the basis that sufficient future profits will be available.

The Group has estimated tax losses and temporary differences carried forward at 31 December 2023 of $1,583 million (2022: $2,358 million) which are available for set off against future taxable income. The Group has unrecognized deferred tax assets at 31 December 2023 of $160 million (2022: $170 million). These tax assets will be recognized if it becomes probable that suitable taxable profits will arise in future periods. The losses carried forward are not subject to time restrictions.

13. Inventory

$'000	**31 December 2023**	**31 December 2022**
Inventory at 1 January	14,455	6,340
Transfers to/from aircraft	(9,797)	722
Additions	34,958	21,576
Utilisation (included in other operating costs)	(6,499)	(13,316)
Impairment of inventory engines	(2,458)	-
Obsolescence (included in other operating costs)	(740)	(867)
Inventory at 31 December	**29,919**	**14,455**

The Group has technical inventory which includes, engines, airframes and spare parts. The engine inventory is available for short-term lease to airlines or maintenance facilities and part-out for sale.

14. Cash and cash equivalents

Consolidated

$'000	31 December 2023	31 December 2022
Unrestricted bank balances	434,287	559,710
Bank balances subject to withdrawal restrictions	17,243	798
Cash and cash equivalents at 31 December	**451,530**	**560,508**

$'000	31 December 2023	31 December 2022
Bank balances subject to withdrawal restrictions:		
Carrying amount at 1 January	**798**	**307,462**
Funds released on emergence from Chapter 11	-	(299,500)
Disposal of entities	-	(7,962)
Drawdowns and deposits, net	16,445	798
Carrying amount at 31 December	**17,243**	**798**

Cash subject to withdrawal restrictions represents cash securing the Group's obligations under third-party credit facilities.

The Group maintains substantially all its cash, cash equivalents and restricted cash balances in interest-bearing accounts or in money market funds with major financial institutions. Cash and cash equivalents are stated at cost which approximates fair value.

Company

$'000	31 December 2023	31 December 2022
Unrestricted bank balances	408,702	543,813
Cash and cash equivalents at 31 December	**408,702**	**543,813**

15. Equity

	31 December 2023	31 December 2022
Ordinary shares of $1		
Number of shares authorized and issued	2	1
Share price	1	1

The Company has one class of ordinary voting shares which carry no right to fixed income.

Capital reduction

On 3 April 2023, the Company restructured the capital of the Group. A capital contribution of $665.2 million was capitalized and applied in paying up in one full ordinary share of $1.00 in the capital of the Company and share premium. This led to a capital reduction, this did not change the total equity, only the classification of its components.

The company capital was hereafter reduced by the cancellation of $2,120.3 million of the Company's un-denominated capital to the share premium.

Issuance of shares

On 1 June 2022, all existing shares were cancelled and transferred to other reserves, as a result of the successful completion of the financial restructuring, and 1 new share of $1 was issued.

Issuance of shares at a premium

On 1 June 2022 the Group issued equity instruments in accordance with the terms of the financial restructuring and recognized a share premium of $379.1 million. In assessing the fair value of the share issued and share premium, the Group applied management judgment, as well as considered the terms of the financial restructuring and third-party aircraft appraiser reports. The identified value of the Group's aircraft, based on third party appraiser reports, was a significant input in identifying the fair value of the share and share premium. An increase in the aircraft value of 5% would have increased the Group's fair value of share and share premium by $115.0 million. Similarly, a decrease in the aircraft value of 5 % would have lowered the Group's fair value of share and share premium by $115.0 million, see accounting principles in Note 26. As noted above, the company capital was hereafter reduced by the cancellation of $2,120.3 million of the Company's un-denominated capital to the share premium, leading to a share premium balance of nil at 31 December 2023 (2022: $1,455.0 million).

Capital contribution

On 1 June 2022, the shareholders made capital contributions of $37.8 million at the successful completion of the financial restructuring process. On 22 July 2022, the shareholders made capital contributions of $1.3 million. As noted above a capital reduction was completed in 2023, reducing capital contribution to nil (2022: $665.2 million).

Hedging reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used to hedge floating interest rates. At 31 December 2023 the hedging reserve was $3.8 million (2022: $5.8 million).

Other reserves

The other reserves include the above-mentioned value of shares being cancelled as a consequence of the successful completion of the financial restructuring process.

16. Loans and borrowings

$'000	Consolidated 31 December 2023	Consolidated 31 December 2022	Company 31 December 2023	Company 31 December 2022
Aircraft financing	2,309,892	2,279,189	148,289	147,595
Total carrying amount of loans and borrowings	**2,309,892**	**2,279,189**	**148,289**	**147,595**

$'000	Consolidated 31 December 2023	Consolidated 31 December 2022	Company 31 December 2023	Company 31 December 2022
Principal debt	2,361,928	2,347,958	150,000	150,000
Fair value adjustment	(41,179)	(61,705)	-	-
Debt issuance costs	(10,856)	(7,064)	(1,711)	(2,405)
Total carrying amount of loans and borrowings	**2,309,893**	**2,279,189**	**148,289**	**147,595**
Accrued and unpaid interest	52,736	46,930	490	439
Total loans & borrowings and accrued interest	**2,362,629**	**2,326,119**	**148,779**	**148,034**

At 31 December 2023, 260 aircraft (2022: 308) were subject to debt financing. 187 aircraft (2022: 234) were financed with proceeds from secured aircraft financing facilities. 36 aircraft (2022: 51) were financed with proceeds funded directly or guaranteed by various export credit agencies. 37 aircraft (2022: 23) were financed by a combination of secured bank loans. The group had 10 unencumbered aircraft at 31 December 2023 (2022: 7 aircraft)

Security in the form of aircraft mortgages was in place for 260 financed aircraft. Guarantees were provided for 245 aircraft by the Company in relation to aircraft financing.

Fair value assets are reduced following the sale of aircraft and the related accelerated amortization of the fair value adjustment, leading to a reduction in the balance at 31 December 2023.

Including the impact of interest derivatives, fixed rate debt made up 85% of the borrowings at 31 December 2023 (2022: 84%).

During the year the Group engaged in debt buyback transactions of the Senior Secured notes and the Term Loan B notes issued by NAC Aviation 29 DAC. The buyback amounted to a total notional value of $105.5 million during the financial year and gains were recognized within Net Finance costs, further details in Note 4.

16. Loans and borrowings (continued)

Maturity of loans and borrowings

Consolidated

$'000	Aircraft financing Principal	Fair value adjustment	Capitalized loan costs	**31 December 2023** Total
0-1 year	33,404	(4,891)	(2,678)	25,835
1-5 years	2,119,691	(24,502)	(7,947)	2,087,242
> 5 years	208,833	(11,787)	(231)	196,815
Total	**2,361,928**	**(41,180)**	**(10,856)**	**2,309,892**

Consolidated

$'000	Aircraft financing Principal	Fair value adjustment	Capitalized loan costs	**31 December 2022** Total
0-1 year	7,390	(6,553)	(1,725)	(888)
1-5 years	2,082,346	(26,211)	(5,339)	2,050,796
> 5 years	258,222	(28,941)	-	229,281
Total	**2,347,958**	**(61,705)**	**(7,064)**	**2,279,189**

16. Loans and borrowings (continued)

Terms and conditions of outstanding loans and borrowings

Consolidated			**31 December 2023**
Secured debt			
$’000	Average nominal interest rate	Year of maturity	Carrying amount
NAC 29 Group Financing	5.3%	2025-2026	1,567,594
Secured Term Loans	6.1%	2026-2031	158,595
Secured ECA Financing	1.5%	2032	182,601
Other Secured debt	9.8%	2026	148,289
Warehouse Facility	7.4%	2028	252,813
Total secured debt			**2,309,892**
Total carrying amount of loans and borrowings			**2,309,892**
- fixed rate debt 31 December 2023 (including impact of interest rate derivatives)			*1,967,920*
- floating rate debt 31 December 2023 (including impact of interest rate derivatives)			*341,972*
Outstanding interest rate derivatives made for hedging floating rate loans (notional)			983,001

Consolidated			**31 December 2022**
Secured debt			
$’000	Average nominal interest rate	Year of maturity	Carrying amount
NAC 29 Group Financing	4.36%	2026	1,750,629
Secured Term Loans	5.26%	2026-2027	143,049
Secured ECA Financing	1.50%	2032	237,916
Other Secured debt	8.78%	2026	147,595
Real estate debt	-	-	0
Total secured debt			**2,279,189**
Total loans and borrowings before capitalized loan costs			**2,279,189**
- fixed rate debt 31 December 2022 (including impact of interest rate derivatives)			*1,924,821*
- floating rate debt 31 December 2022 (including impact of interest rate derivatives)			*354,368*
Outstanding interest rate swaps made for hedging floating rate loans (notional)			800,000

16. Loans and borrowings (continued)

NAC Aviation 29

On 31 December 2023 the loan facility consisted of Term loan B with an outstanding loan principal of $861.2 million (2022: $928.0 million) with a nominal interest rate of 6 month term SOFR plus a 2.16% margin and Senior secured notes with an outstanding loan principal of $706.4 million (2022: $822.7 million) with a nominal interest rate of 4.75%. The facility had security of 187 Aircraft. There is no scheduled amortization on the loans, which mature in June 2026. An $800.0 million cap is in place to hedge the Term loan B SOFR exposure.

Secured Term Loans (ex-ECA)

Contains three separate loan facilities with security on 22 aircraft. On 31 December 2023, the facilities had a combined outstanding loan principal of $159.3 million (2022: $143.1 million) and a weighted average nominal interest rate of 6.1% consisting of a combination of 3 month term SOFR and fixed rate loans. 21 aircraft were financed in two facilities with amortization depending on lease collections and final maturity in December 2026. One aircraft was financed in a facility with scheduled amortization and final maturity in 2031.

Secured ECA Financing

ECA backed loans with security of 36 aircraft from two different export credit agencies. On 31 December 2023, the outstanding loan principal was $223.8 million (2022: $303.0 million) with a nominal interest rate of 1.5%. The loans have scheduled amortization and matures in June 2032.

Other Secured debt

Contains one loan facility with an outstanding principal of $150.0 million (2022: $150.0 million). The nominal interest rate is 1 month term SOFR with a weighted average margin of 4.45%. There is no scheduled amortization, and the loan matures in June 2026. The loan has security in certain NAC Aviation 29 financed aircraft.

Warehouse Facility

During 2023, NAC entered into a Warehouse facility with a syndicate of banks. On 31 December 2023, the credit facility amounted to $650.0 million with $261.3 million drawn. The availability period for the credit line runs until June 2025, and the loan's final maturity date is June 2028. The facility is non-recourse and has security in 15 Aircraft. The nominal interest rate is 3 month term SOFR plus a margin of 2.6%.

			Company
			31 December 2023
$'000	Aircraft financing	Capitalized loan costs and fair value adjustment	Total
0-1 year	-	(708)	(708)
1-5 years	150,000	(1,003)	148,997
Total carrying amount of loans and borrowings	**150,000**	**(1,711)**	**148,289**

Secured debt	Average nominal interest rate	Year of maturity	Principal
Other secured debt	9.80%	2026	148,289
Total carrying amount of loans and borrowings			**148,289**

16. Loans and borrowings (continued)

$'000	Aircraft financing	Capitalized loan costs and fair value adjustment	Company 31 December 2022 Total
0-1 year	-	(690)	(690)
1-5 years	150,000	(1,715)	148,285
Total carrying amount of loans and borrowings	**150,000**	**(2,405)**	**147,595**

Unsecured debt	Average nominal interest rate	Year of maturity	Principal
Other secured debt	8.78%	2026	147,595
Total carrying amount of loans and borrowings			**147,595**

Derivatives at fair value

At the end of December 2023, all financial derivatives were floating to fixed interest rate cap instruments denominated in $. At the end of December 2022, all financial derivatives were floating to fixed interest rate swaps denominated in $. Financial derivatives are included in other assets.

			31 December 2023
$'000	**Group notional contracts**	**Group fair values**	
		Assets	Liabilities
Derivatives:			
Interest rate caps	800,000	20,384	-
Interest rate swaps	183,001	186	(704)
Total	**983,001**	**20,570**	**(704)**

			31 December 2022
$'000	**Group notional contracts**	**Group fair values**	
		Assets	Liabilities
Derivatives:			
Interest rate caps	800,000	20,052	-
Total	**800,000**	**20,052**	**-**

16. Loans and borrowings (continued)

The periods in which the cash flows are expected to occur:

$'000	0-1 year	1-2 years	2-5 years	>5 years	31 December 2023 Total
Cash inflows	18,557	2,261	-	-	20,818
Cash outflows	(342)	(907)	-	-	(1,249)

$'000	0-1 year	1-2 years	2-5 years	>5 years	31 December 2022 Total
Cash inflows	11,156	7,371	2,966	-	21,493
Cash outflows	-	-	-	-	-

Amounts recognized in other comprehensive income coming from interest rate caps are as follows:

	Consolidated	
$'000	**2023**	**2022**
Adjustment to fair value for the year	(7,695)	3,802
Total	**(7,695)**	**3,802**

16. Loans and borrowings (continued)

Reconciliation of movements of liabilities arising from financing activities

$'000	Aircraft financing	Other term loans	Real estate debt	Consolidated 31 December 2023 Total
Loans and borrowings at 1 January	**2,279,189**	**-**	**-**	**2,279,189**
Proceeds from indebtedness	302,300	-	-	302,300
Repayment of indebtedness	(285,900)	-	-	(285,900)
Financial restructuring and related transactions	-	-	-	-
Transfer to held for sale	-	-	-	-
Transaction costs related to loans and borrowings	(5,800)	-	-	(5,800)
Total changes from financing cash flows	**10,600**	**-**	**-**	**10,600**
Effect of changes in foreign exchange rates	-	-	-	-
Other changes				
Amortization of capitalized borrowing costs	23,368	-	-	23,368
Change in accrued interest and borrowing costs	(5,806)	-	-	(5,806)
Interest expense	131,852	-	-	131,852
Interest paid	(129,311)	-	-	(129,311)
Total other changes	**20,103**	**-**	**-**	**20,103**
Loans and borrowings at 31 December	**2,309,892**	**-**	**-**	**2,309,892**

$'000	Aircraft financing	Other term loans	Real estate debt	Consolidated 31 December 2022 Total
Loans and borrowings at 1 January	**5,664,230**	**522,971**	**1,769**	**6,188,970**
Proceeds from indebtedness	165,400	120,000	-	285,400
Repayment of indebtedness	(185,102)	(120,000)	(232)	(305,334)
Financial restructuring and related transactions	(3,629,669)	(522,971)	-	(4,152,640)
Transfer to held for sale	(10,107)	-	(1,430)	(11,537)
Transaction costs related to loans and borrowings	(161,839)	(17,061)	-	(178,900)
Total changes from financing cash flows	**(3,821,317)**	**(540,032)**	**(1,662)**	**(4,363,011)**
Effect of changes in foreign exchange rates	(1,543)	-	(107)	(1,650)
Other changes				
Amortization of capitalized borrowing costs	147,866	17,061	-	164,927
Change in accrued interest and borrowing costs	80,802	(439)	-	80,363
Interest expense	226,152	439	21	226,612
Interest paid	(17,001)	-	(21)	(17,022)
Total other changes	**436,276**	**17,061**	**(107)**	**453,230**
Loans and borrowings at 31 December	**2,279,189**	**-**	**-**	**2,279,189**

16. Loans and borrowings (continued)

$'000	Aircraft financing	Other term loans	Company 31 December 2023 Total
Loans and borrowings at 1 January	**147,595**	**-**	**147,595**
Proceeds from indebtedness	-	-	-
Repayment of indebtedness	-	-	-
Financial restructuring and related transactions	-	-	-
Transaction costs related to loans and borrowings	-	-	-
Total changes from financing cash flows	**-**	**-**	**-**
Effect of changes in foreign exchange rates	-	-	-
Other changes			
Amortization of capitalized borrowing costs	694	-	694
Change in accrued interest	-	-	-
Interest (income)/expense	-	-	-
Total other changes	**694**	**-**	**694**
Loans and borrowings at 31 December	**148,289**	**-**	**148,289**

$'000	Aircraft financing	Other term loans	Company 31 December 2022 Total
Loans and borrowings at 1 January	**-**	**522,971**	**522,971**
Proceeds from indebtedness	150,000	120,000	270,000
Repayment of indebtedness	-	(120,000)	(120,000)
Financial restructuring and related transactions	-	(522,971)	(522,971)
Transaction costs related to loans and borrowings	-	(17,061)	(17,061)
Total changes from financing cash flows	**150,000**	**(540,032)**	**(390,032)**
Effect of changes in foreign exchange rates	-	-	-
Other changes			
Amortization of capitalized borrowing costs	(2,405)	17,061	14,656
Change in accrued interest	-	(439)	(439)
Interest (income)/expense	-	439	439
Total other changes	**(2,405)**	**17,061**	**14,656**
Loans and borrowings at 31 December	**147,595**	**-**	**147,595**

17. Maintenance reserves

$'000	**31 December 2023**	**31 December 2022**
Carrying amount at 1 January	**467,578**	**684,813**
Supplemental rent collections	147,399	160,374
Lessor contribution additions	30,109	61,849
Supplemental rent income recognized during the year	(123,783)	(193,798)
Supplemental rent income included in gain on sale of aircraft	(3,191)	(6,893)
Reimbursement of maintenance costs and other movements	(45,413)	(41,789)
Disposal of entities	-	(174,797)
	472,699	489,759
Transferred to liabilities directly associated with assets held for sale	(25,705)	(22,181)
Carrying amount at 31 December	**446,994**	**467,578**

Non-current	398,768	301,386
Current	48,226	166,192
Total maintenance reserves	**446,994**	**467,578**

In many aircraft operating leases, the lessee has the obligation to make periodic payments based on the usage of the aircraft in order to protect the lessor against the exposure related to the maintenance condition of the aircraft. These payments are made in arrears. The Group operates an accrue-to-expected-cost method in relation to maintenance reserves and supplemental rent income. This requires the Group to estimate future costs that will be required to be reimbursed to the lessees under the leases based on the historical experience and knowledge of the Group. Any amounts that are required to be reimbursed are retained on the statement of financial position as a maintenance reserves provision. When the balance that is required to be reimbursed is reached, any excess amounts over this are recognized as supplemental rent income, see Note 2 – Revenue.

The future reimbursements to lessees are forecasted in the Group´s maintenance forecasting model which estimates the maintenance inflows and outflows through to the lease expiration date based on a combination of expected lessee utilization of aircraft and future costs of maintenance events. The expected lessee utilization of aircraft is forecasted on the basis of recent utilization under the lease, or for the aircraft type, if adequate historical information is not available for the lease. To address uncertainty with regard to future reimbursement a risk factor was applied, reducing supplemental income recognition for the year ended 31 December 2023.

Based on the expected timing of estimated future reimbursement of maintenance cost, the maintenance reserves provision is divided into non-current and current provisions. Current maintenance reserves include expected reimbursement of cost within 12 months, whereas non-current maintenance reserves include reimbursement of cost later than 12 months.

Supplemental rent income recognized during the year was $144.1 million (2022: $290.3 million) of which $123.8 million (2022: $193.8 million) was released from maintenance reserves and $20.3 million (2022: $72.4 million) was received as compensation in lieu of redelivery conditions. In addition, $25.7 million (2022: $22.2 million) was released from liabilities directly associated with assets held for sale at 31 December 2023. Reimbursement of maintenance costs and other movements included maintenance costs reimbursed to lessees and transfer of maintenance reserves associated with aircraft disposed on lease.

18. Trade and other payables

Consolidated

$’000	31 December 2023	31 December 2022
Trade payables	3,572	2,463
Deposits held	65,537	73,824
Accrued interest	52,736	46,930
Other payables	61,330	50,331
Lease liabilities	7,804	7,725
	190,979	**181,273**
Deposits held transferred to liabilities directly associated with assets held for sale	(8,801)	(12,848)
Total trade and other payables	**182,178**	**168,425**
Non-current	52,510	44,806
Current	129,668	123,619
Total trade and other payables	**182,178**	**168,425**

Non-current items relate to deposits held and lease liabilities. All other items are current.

Deposits are split into a current portion of $10.9 million (2022: $22.8 million) and a non-current portion of $45.8 million (2022: $38.2 million). Deposits are held as security for obligations in accordance with the terms of certain leases. The deposits are held in cash. Deposits are classified based on the maturity of the underlying lease and are refundable at the end of the lease. Deposits of $8.8 million at 31 December 2023 (2022: $12.8 million) were transferred to liabilities directly associated with assets held for sale further details in Note 21.

Lease liabilities are split into a current portion of $1.1 million (2022: $1.1 million) and a non-current portion of $6.7 million (2022: $6.6 million).

Other payables mainly consist of accrued vendor and consultant invoices.

Financial derivatives of $0.5 million (2022: nil) are included in other payables.

Company

$’000	31 December 2023	31 December 2022 restated
Other payables	33,667	26,815
Total trade and other payables	**33,667**	**26,815**
Non-current	8,716	10,113
Current	24,951	16,702
Total trade and other payables	**33,667**	**26,815**

The Company has in 2023 changed its accounting policy related to third party financial guarantees and a $10.1 million (2022: $11.5 million) guarantee liability for third party debt, held by its subsidiaries, is included in other payables. The change was applied retrospectively to 1 June 2022. The change to accounting policy was arising from the introduction of IFRS 17 in 2023.

$’000	31 December 2023	31 December 2022	Restatement	31 December 2022 restated
Trade and other payables	**33,667**	**15,304**	**11,511**	**26,815**

In relation to the 2022 restatement see Company statement of financial position and Note 26.

18. Trade and other payables (continued)

Consolidated

$'000	31 December 2023	31 December 2022
Lease liabilities:		
0-1 year	1,141	1,127
1-2 years	1,121	993
2-3 years	885	913
3-4 years	928	692
4-5 years	845	726
> 5 years	2,884	3,274
Total lease liabilities	**7,804**	**7,725**

19. Deferred income

$'000	**31 December 2023**	**31 December 2022**
Deferred lease rental income and rental payments received in advance	10,699	4,859
Straight-line rental adjustment	(969)	(1,494)
Total deferred income	**9,730**	**3,365**

Non-current	(2,818)	(5,285)
Current	12,548	8,650
Total deferred income	**9,730**	**3,365**

20. Financial risk management

Treasury policy and financial risk management

The financial risks within the Group and the Company are managed by the Global Treasury team.

The Board has identified the following financial risks as the most significant to the Group:

- Financing and liquidity risk
- Interest rate risk
- Currency risk
- Credit risk

The exposure and policies/processes for managing these risks are noted below.

Financing and liquidity risk

Financing risk is defined as the risk that loans cannot be refinanced when necessary, that financing cannot be obtained or that refinancing is only possible on unfavorable terms. It is incumbent on the Treasury team to continuously forecast the Group's liquidity requirements and continuously maintain contact with relevant credit institutions to maintain access to competitive financing. As stated in Note 16 – Loans and borrowings, the Group's interest-bearing liabilities are primarily comprised of secured notes and loans, ECA-backed financing and other secured borrowings.

Aircraft financing is conditional on the Group meeting certain financial covenants. At 31 December 2023, the Group complied with its covenants under its financing arrangements.

With the aim of managing liquidity risk, the Group aims to ensure that sufficient cash is available to meet payment obligations and adhere to covenant compliance under the respective loan agreements. The liquidity reserve consists of cash and cash equivalents as well as unutilized credit facilities and other bank deposits. At 31 December 2023, cash and cash equivalents amounted to $451.5 million (2022: $560.5 million) which included $434.3 million of unrestricted cash (2022: $559.7 million) and un-utilized credit facilities amounted to $388.7 million (2022: $388.0 million).

The following table shows the maturity structure for the Group's financial liabilities, including derivative assets and liabilities. The amounts disclosed in the table are the contractual, undiscounted cash flows. See Note 26d for further information on the financing and liquidity risk

20. Financial risk management (continued)

Consolidated
31 December 2023

$'000	Carrying amounts	Capital amounts and assumed interest	Within 1 year	Between 2-5 years	Beyond 5 years
Non-derivatives (liabilities)					
Aircraft financing	2,309,892	2,844,376	229,266	2,393,366	221,744
Trade and other payables	182,178	182,178	129,668	34,361	18,149
Maintenance reserves	446,994	446,994	48,226	226,467	172,301
Total non-derivatives (liabilities)	**2,939,064**	**3,473,548**	**407,160**	**2,654,194**	**412,194**
Derivatives (assets)					
Interest rate cap	19,866	19,569	18,215	1,354	-
Total derivatives (assets)	**19,866**	**19,569**	**18,215**	**1,354**	**-**

Company
31 December 2023

$'000	Carrying amounts	Capital amounts and assumed interest	Within 1 year	Between 2-5 years	Beyond 5 years
Non-derivatives (liabilities)					
Aircraft financing	148,289	186,558	14,950	171,608	-
Amounts owed to group companies	963,798	965,981	965,981	-	-
Trade and other payables	33,667	33,667	24,951	8,716	-
Total non-derivatives (liabilities)	**1,145,754**	**1,186,206**	**1,005,882**	**180,324**	**-**

20. Financial risk management (continued)

Consolidated

31 December 2022

$'000	Carrying amounts	Capital amounts and assumed interest	Within 1 year	Between 2-5 years	Beyond 5 years
Non-derivatives (liabilities)					
Aircraft financing	2,279,189	2,856,945	125,028	2,458,873	273,044
Trade and other payables	168,425	168,425	123,619	27,418	17,388
Maintenance reserves	467,578	467,578	166,192	290,951	10,435
Total non-derivatives (liabilities)	**2,915,192**	**3,492,948**	**414,839**	**2,777,242**	**300,867**
Derivatives (liabilities)					
Interest rate swap	20,052	21,493	11,156	10,337	-
Total derivatives (liabilities)	**20,052**	**21,493**	**11,156**	**10,337**	**-**

Company

31 December 2022 restated

$'000	Carrying amounts	Capital amounts and assumed interest	Within 1 year	Between 2-5 years	Beyond 5 years
Non-derivatives (liabilities)					
Aircraft financing	147,595	196,693	13,522	183,171	-
Amounts owed to group companies	950,771	965,981	965,981	-	-
Trade and other payables	26,815	26,815	16,702	10,113	-
Total non-derivatives (liabilities)	**1,125,181**	**1,189,489**	**996,205**	**193,284**	**-**

Interest rate risk

Interest rate risk is the risk that a change in market rates has a negative impact on the consolidated statement of profit or loss or statement of financial position.

The Group's strategy is to manage its exposure to interest rate risk. Ongoing monitoring and regular reviews define the foundation for interest rate hedging. Liabilities as well as assets are taken into consideration. Currently, the majority of the Group's leases are at fixed rental rates and the Group manages its overall exposure by using floating-to-fixed interest rate hedging instruments. At 31 December 2023, fixed rate debt including interest rate hedging instruments constituted 85% (2022: 84%) of the total debt and floating rate debt constituted 15% (2022: 16%) of the total outstanding debt. The nominal value of interest rate hedging instruments constituted 43% (2022: 35%) of the total debt. More information about floating and fixed rate loans can be found in Note 16 – Loans and borrowings.

Sensitivity analysis, interest rate risk

At the current fixed-to-floating interest ratio, taking interest rate hedging instruments into account, an increase in the market interest rate of 1 percentage point would increase the Group's annual interest expenses by approximately $3.5 million. Similarly, a decrease in the market interest rate of 1 percentage point from current levels would lower the Group's annual interest expenses by approximately $3.5 million. Therefore, an increase in the market interest rate of 1 percentage point would impact total income negatively by approximately $3.5 million and a decrease would impact total income positively by approximately $3.5 million.

20. Financial risk management (continued)

Currency risk

Exposure to currency risk can be divided into transaction exposure and translation exposure.

Transaction exposure
All aircraft purchase agreements are negotiated in US dollar and the majority of revenue is in US dollar. Funding is mainly denominated in US dollar. At times attractive funding may be sourced in other major currencies, the exposure of which is considered for hedging into US dollar.

Local expenses as well as general and administrative expenses are incurred in foreign currencies, primarily EUR and Danish Krone (DKK). A change in foreign exchange rates would not have a material impact on operating profit or cash flow.

Translation exposure
Translation exposure arises in the translation of the statements of financial position and statements of profit or loss for foreign subsidiaries to US dollar. Translation exposure is generally not hedged.

Credit risk

The Group is subject to the credit risk of its lessees as to the collection of rental payments under its operating and finance leases. The Group has implemented effective ongoing monitoring of lessees' credit risk. The creditworthiness of each new customer is assessed, and the Group seeks to obtain security in the form of cash and/or letters of credit to lower the overall credit exposure against each individual lessee. The credit assessment is based upon qualitative and quantitative information about the lessees such as business results, ownership, management team and financial performance, including forecast, accident and incident history, maintenance capabilities, to the extent that the information is publicly available or disclosed. In addition to the credit analysis mentioned above, the Group also considers the potential impact of pandemics.

Security deposits, letters of credit and the underlying aircraft value for finance lease receivables are taken into account in assessing the expected credit loss on receivables.

Default by any one of the Group's major customers could potentially have a material impact on the Group's cash flow in the short and medium term. For more information about receivables and aging analysis, see Note 11 - Trade and other receivables.

The Group holds cash balances which give rise to credit risk on counterparties which is managed by limiting the aggregate amount of and duration of exposure to any one bank. The Group minimizes exposure to any bank which does not hold a publicly available credit rating of at least A- (S&P and Fitch) or A3 (Moody's).

Fair value of financial assets and liabilities

The fair value of fixed rate loans is determined as the present value of the expected payments, discounted at a rate equal to the relevant USD zero-coupon rates with addition of an estimated credit spread. Since the Group on an ongoing basis enters into financing agreements, the credit spread, which is a significant input to the valuation, is based on an estimate supported by observable data (Level 2 measurement in the fair value hierarchy).

The estimated fair value of the Group's fixed rate debt (not including financial derivatives) is USD 29.0 million lower than the carrying value of the fixed rate debt. The carrying amounts of other financial assets and liabilities are considered to be reasonable estimates of the fair value of each class of financial assets and liabilities.

20. Financial risk management (continued)

Receivables and cash and cash equivalents

$'000		31 December 2023	31 December 2022
			Consolidated
Financial assets measured at amortized cost			
Receivables from finance leases		48,812	67,279
Trade and other receivables gross	119,982		
Expected credit loss on trade and other receivables	(34,808)	85,174	114,579
Prepaid debt transaction fees		-	-
Other deposits		244	50,236
Cash and cash equivalents		451,530	560,508
Total financial assets measured at amortized cost		**585,760**	**792,602**
Total financial assets		**585,760**	**792,602**

Financial assets/(liabilities) at fair value through profit or loss and other comprehensive income

$'000	31 December 2023	31 December 2022
Financial assets/(liabilities) at fair value		
Interest rate derivatives	19,866	20,052
Total financial assets/(liabilities) at fair value	**19,866**	**20,052**

Financial liabilities at amortized cost

$'000	31 December 2023	31 December 2022
Financial liabilities not measured at fair value		
Aircraft financing	2,309,892	2,279,189
Trade and other payables	162,312	148,373
Maintenance reserves	446,994	467,578
Total financial liabilities not measured at fair value	**2,919,198**	**2,895,140**
Total financial liabilities	**2,939,064**	**2,915,192**

Trade and other receivables include a level 3 fair value hierarchy financial asset amounting to $16.5 million carried at amortized costs. The fair value of the financial asset is materially consistent with the carrying value.

20. Financial risk management (continued)

Company

Receivables and cash and cash equivalents

$'000	31 December 2023	31 December 2022
Financial assets measured at amortized cost		
Amounts owed from group companies	1,069,944	839,936
Cash and cash equivalents	408,702	543,813
Total financial assets measured at amortized cost	**1,478,646**	**1,383,749**
Total financial assets	**1,478,646**	**1,383,749**

Financial liabilities at amortized cost

$'000	31 December 2023	31 December 2022 restated
Financial liabilities not measured at fair value		
Aircraft financing	148,289	147,595
Amounts owed to group companies	963,798	950,771
Trade and other payables	33,667	26,815
Total financial liabilities not measured at fair value	**1,145,754**	**1,125,181**
Total financial liabilities	**1,145,754**	**1,125,181**

20. Financial risk management (continued)

Overall exposure to credit risk

Gross carrying amount

$'000	Grade 1	Grade 2	Grade 3	Grade 4	31 December 2023
Finance lease receivables	-	-	-	48,812	48,812
Trade and other receivables	73,070	126	5,128	41,658	119,982
Cash and cash equivalents	451,530	-	-	-	451,530
Total	**524,600**	**126**	**5,128**	**90,470**	**620,324**

$'000	Grade 1	Grade 2	Grade 3	Grade 4	31 December 2022
Finance lease receivables	-	-	-	67,279	67,279
Trade and other receivables	100,968	-	6,520	77,883	185,371
Cash and cash equivalents	560,508	-	-	-	560,508
Total	**661,476**	**-**	**6,520**	**145,162**	**813,158**

Trade receivables credit risk

Credit risk grading, 31 December 2023

Customer grading	Weighted-average loss rate	Gross carrying amount	Expected credit loss provision	Credit impaired
1	0.1%	73,070	(82)	No
2	36.5%	126	(46)	Yes
3	4.8%	5,128	(244)	Yes
4	82.7%	41,658	(34,436)	Yes
Total		**119,982**	**(34,808)**	

Credit risk grading, 31 December 2022

Customer grading	Weighted-average loss rate	Gross carrying amount	Expected credit loss provision	Credit impaired
1	0.3%	100,968	(259)	No
2	0.0%	-	-	No
3	40.3%	6,520	(2,625)	Yes
4	87.2%	77,883	(67,908)	Yes
Total		**185,371**	**(70,792)**	-

Exposure to credit risk by geographical region
Gross carrying amount

Geographical region	31 December 2023	31 December 2022
North America	53,877	75,572
Europe	11,916	37,043
Africa and the Middle East	19,743	10,248
Asia and the Pacific	8,975	20,002
South and Central America	25,471	42,506
Total	**119,982**	**185,371**

21. Assets held for sale and associated liabilities

$'000	31 December 2023	31 December 2022
Current assets		
Aircraft	107,949	93,070
Buildings	-	5,358
Lease incentives	11,414	16,425
Total assets held for sale	**119,363**	**114,853**

$'000	31 December 2023	31 December 2022
Current liabilities		
Loans and borrowings	-	11,694
Maintenance reserves	25,705	22,181
Deposits	16,784	12,848
Total liabilities associated with assets held for sale	**42,489**	**46,723**

At 31 December 2023, the Group had 17 aircraft held for sale (2022: 19 aircraft, 2 Aircraft were still Held for sale from 2022). During the year ended 31 December 2023 a total of $96.4 million was transferred to Held for sale. The additional balance relates to the aircraft from prior year.

Deposits held for sale ($16.8 million) include deposits received of $8.8 million and a prepayment from a customer for a future sale of $8.0 million.

The Group is satisfied that these assets met the criteria to be classified as held for sale as at 31 December 2023 in line with the Group's accounting policy.

The impairment charge in Note 6 is nil (2022: $1.5 million) and in Note 7 is nil (2022: $1.3 million) associated with held for sale assets.

22. Commitments

Capital commitments

At 31 December 2023, the Group had committed to acquiring 36 aircraft, 16 ATR and 20 Airbus aircraft (2022: 39 aircraft). Total contracted firm commitments at 31 December 2023 were $0.9 billion (2022: $1.1 billion).

23. Fee paid to auditors

$'000	**2023**	**2022**
Audit services	827	719
Tax advice services	102	49
Total fee paid to auditors	**929**	**768**

Auditor's remuneration, exclusive of VAT, for work carried out for the Group in respect of the financial period is as per above.

24. Related parties

A related party is a person or entity that is related to the Group. A person or a close member of that person's family is related to that Group if that person has significant influence or power over the Group or is a member of key management. An entity is a related party if it is a member of the same group or is related to the entity by means of investment or is controlled by a person related to the Group. A related party transaction is defined as a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related parties exercising control

NAC Holdings Limited is the immediate shareholding entity holding 100% of the shares in Nordic Aviation Capital Designated Activity Company, and therefore the Group.

There is an indirect shareholding via a number of shareholders in the immediate shareholding entity, but no single indirect shareholder has control or significant influence and the parties do not meet the definition of a related party.

Related parties exercising significant influence

Related parties exercising significant influence comprise the Board of Directors and Executive Management.

Key management personnel consist of the Directors of the Company and Executive Management. Total compensation to the Directors and Executive Management was $5.0 million in 2023 (2022: $8.2 million), of which nil (2022: nil) related to compensation in respect of loss of office or other termination benefits.

24. Related parties (continued)

Subsidiaries at 31 December 2023

British Virgin Islands: Palm Grove House, PO Box 4301, Tortola, Road Town, British Virgin Islands. (100% owned. These subsidiaries engage in aircraft leasing and management services): Jetscape Aviation Group Ltd. and Jetscape Commercial Jets Ltd.

Canada: 151 Yonge Street, Suite 1100, Toronto, Ontario, M5C 2W7, Canada
(100% owned. This subsidiary engages in management services): NAC Aviation Canada, Inc.

Cayman Islands: Maples Corporate Services Limited, PO Box 309, Ugland House KY-1104, Grand Cayman. (100% owned. This subsidiary engages in management services): Eagle I Ltd.

China: 79 Jianguo Road, Unit 34, Office 2T01, Level 9, Chaoyang District, Beijing, China.
(100% owned. This subsidiary engages in business trade consulting): NAC Services China Co., Ltd.

Cyprus: 5 Esperidon, 4th Floor, Nicosia, Cyprus.
(100% owned. These subsidiaries engage in aircraft leasing): NAC Aviation Cyprus 1 Ltd., NAC Aviation Cyprus 2 Ltd., NAC Aviation Cyprus 3 Ltd., and Merlano Ltd.

Denmark: Orla Lehmannsgade 1A, 4th floor, 7100 Vejle, Denmark.
(100% owned. These subsidiaries engage in aircraft leasing and management services): Nordic Aviation Capital A/S, Nordic Aviation Financing ApS, NAC Services Denmark A/S, NAC Aviation 2 A/S and NAC Aviation 3 A/S.

France: 18, rue Pasquier 75008 Paris, France.
(100% owned. These subsidiaries engage in aircraft leasing and management services): NAC Aviation France 1 SAS, NAC Aviation France 5 SAS, NAC Aviation France 6 SAS, NAC Aviation France 7 SAS and NAC Services France SAS.

Ireland: Gardens International, Henry Street, Limerick City, Ireland
(100% owned. These subsidiaries engage in aircraft leasing and management services): Nordic Aviation Contractor (Ireland) Ltd., Nordic Aviation Services Ltd., NAC Aviation 2 Ltd., NAC Aviation 3 Ltd., NAC Aviation 4 Ltd., NAC Aviation 6 Ltd., NAC Aviation 7 Ltd., NAC Aviation 10 Ltd., NAC Aviation 11 Ltd., NAC Aviation 12 Ltd., NAC Aviation 14 Ltd., NAC Aviation 15 Ltd., NAC Aviation 16 Ltd., NAC Aviation 17 Ltd., NAC Aviation 18 Ltd., NAC Aviation 19 Ltd., NAC Aviation 20 Ltd., NAC Aviation 21 Ltd., NAC Aviation 23 Ltd., NAC Aviation 24 Ltd., NAC Aviation 25 Ltd., NAC Aviation 26 Ltd., NAC Aviation 27 Ltd., NAC Aviation 29 DAC, NAC Aviation 30 Ltd., NAC Aviation 35 Ltd., NAC Aviation 36 Ltd., NAC Aviation 37 Ltd., NAC Aviation 38 Ltd., NAC Aviation 39 Ltd., NAC Aviation 40 Ltd., NAC Aviation 43 Ltd., NAC Aviation 44 Ltd., NAC Aviation 45 Ltd., NAC Aviation 46 Ltd., NAC Aviation 47 Ltd., NAC Aviation 48 Ltd., NAC Aviation 49 Ltd., NAC Aviation 50 Ltd., NAC Aviation 53 Ltd., NAC Aviation 54 Ltd., NAC Aviation 55 Ltd., NAC Aviation 56 Ltd., NAC Aviation 57 Ltd., NAC Aviation 58 Ltd., NAC Aviation 59 Ltd., NAC Warehouse DAC, NAC Growth HoldCo 1 Ltd., NK Leasing Ltd., NK Aviation Ltd., Freyja Aviation Three Ireland Ltd., Freyja Aviation Four Ireland Ltd. and Aldus Portfolio Leasing Ltd.

Malta: 85 St. John Street, VLT 1165 Valletta, Malta.
(100% owned. These subsidiaries engage in aircraft leasing and management services): Argos Aviation Malta Limited (in liquidation), Freyja Aviation One Malta Limited, NAC Services Malta Limited (in liquidation), Minerva Aviation Malta Limited (in liquidation) and Nordic Aviation Malta Ltd (in liquidation).

Singapore: 60 Anson Road, #18-04 Mapletree Anson, Singapore 079914
(100% owned. These subsidiaries engage in aircraft leasing and management services): Nordic Aviation Capital Pte. Ltd., Nordic Aviation Leasing Pte. Ltd., Nordic Aviation Leasing Two Pte. Ltd., Nordic Aviation Leasing Six Pte. Ltd., Nordic Aviation Leasing Seven Pte. Ltd., Nordic Aviation Leasing Eight Pte. Ltd., Nordic Aviation Leasing Nine Pte. Ltd., Nordic Aviation Leasing Eleven Pte. Ltd., Nordic Aviation Leasing Twelve Pte. Ltd., Nordic Aviation Leasing Fourteen Pte. Ltd., Nordic Aviation Leasing Fifteen Pte. Ltd., Nordic Aviation Leasing Sixteen Pte. Ltd., Nordic Aviation Leasing Seventeen Pte. Ltd., Nordic Aviation Leasing Nineteen Pte. Ltd., Nordic Aviation Leasing Twenty Five Pte. Ltd., Nordic Aviation Leasing Twenty Nine Pte. Ltd. (in liquidation) and Nordic Aviation Financing One Pte. Ltd.

24. Related parties (continued)

Subsidiaries at 31 December 2023 (continued)

South Africa: 6 Aimee Lane, President Ridge, 2194 Randburg, South Africa.
(100% owned. This subsidiary engages in management services): Nordic Aviation Services SA (Pty) Ltd.

Sweden: Trädgårdsvägen 34, Bjärred, 237 35, Sweden.
(100% owned. This subsidiary engages in aircraft leasing): Magni Aviation One Sweden AB.

United Kingdom: Suite 5, 7th Floor, 50 Broadway, SW1H 0DB, London, United Kingdom.
(100% owned. These subsidiaries engage in aircraft leasing and management services): NAC Aviation UK 1 Ltd., NAC Aviation UK 2 Ltd., NAC Aviation UK 3 Ltd., and NAC Services UK Ltd.

United Arab Emirates: OneJLT-05-149, DMCC-EZ1-1AB, Jumeirah Lakes Towers, Dubai, United Arab Emirates.
(100% owned. This subsidiary engages in management services): NAC Services DMCC.

United States – Delaware: 2140 South Dupont Highway, Camden, Delaware 19934, United States.
(100% owned. These subsidiaries engage in aircraft leasing): ALC ATR 426 1012, LLC, ALC ATR 426 1018, LLC, ALC ATR 726 1103, LLC and ALC ATR 726 1112, LLC.

United States – Delaware: C/O National Registered Agents Inc., 1209 Orange Street, 19801 Wilmington Delaware, United States.
(100% owned. These subsidiaries engage in aircraft leasing): NAC Leasing Delaware, LLC and NAC Aviation Delaware, LLC.

United States – Florida: 110 East Broward Boulevard, Suite 1700, 33301 Fort Lauderdale, Florida, United States (100% owned. These subsidiaries engage in aircraft leasing and management services): JAG VIII, LLC, and Nordic Aviation Capital Inc.

$'000	31 December 2023	31 December 2022	Restatement	31 December 2022 restated
Carrying amount at 1 January	**417,746**	**-**	**-**	**-**
Additional contribution	7,190	405,420	12,326	417,746
Impairment loss	(28)		-	-
Carrying amount at 31 December	**424,908**	**405,420**	**12,326**	**417,746**

During 2023 an additional contribution to investment in subsidiaries of $7.2 million was made.

During 2022 an additional contribution to investment in subsidiaries of $405.4 million was made as part of the completion of the financial restructuring process and $12.3 million in respect of the third-party financial guarantees.

In relation to the 2022 restatement see Company statement of financial position and Note 26.

25. Subsequent events

No subsequent events in accordance with IAS 10 occurred.

As regards other matters, the Directors consider the state of affairs of the Group and Company to be satisfactory and there have been no material changes since the statement of financial position date. The normal operations of the Group have continued.

26. Material accounting policies

A. Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act 2014.

IFRS applied by the Group in the preparation of these consolidated financial statements are those that were effective and applicable at 31 December 2023.

Changes to significant accounting policies are described below in B.

B. New IFRS and IFRIC which have been adopted

The Company previously accounted for third party financial guarantee pertaining to external debt held by certain of its subsidiaries in accordance with IFRS 4 Insurance contracts. On 1 January 2023 IFRS 4 Insurance contracts was retired and replaced with IFRS 17 Insurance contracts, which gives the issuer of financial guarantee contracts the option to choose IFRS 17 Insurance contracts or IAS 32 Financial Instruments, IFRS 7 Financial Instruments and IFRS 9 Financial Instruments. The Group has chosen to apply IAS 32 Financial Instruments, IFRS 7 Financial Instruments and IFRS 9 Financial Instruments with regard to these contracts.

No other changes in IFRS effective for the financial statements have had a material impact this financial year.

C. New IFRS not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

— Amendments to IAS 1 Classification of Liabilities as Current or Non-current

D. Basis of preparation

The consolidated financial statements have been prepared on historical cost basis as modified to include fair valuation of certain financial instruments in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014.

The individual financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014. The Company has taken advantage of the exemption in Section 304 of the Companies Act 2014 which exempts a company that publishes its company and group financial statements together from presenting to its members its company statement of profit or loss and related notes that form part of the approved company financial statements.

Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position, are set out above along with the financial position. In addition, Note 20 to the financial statements includes the objectives, policies and processes for managing financial risk; details of financial instruments and hedging activities; and the exposure to credit risk and liquidity risk, to the extent these were in place at 31 December 2023.

The Group is a global leader in regional aircraft leasing and is expanding into larger narrowbody aircraft leveraging its world class asset management platform.

The Group is well-positioned from a funding and liquidity perspective with $451.5 million in cash and cash equivalents, and an undrawn $388.7 million warehouse facility to fund growth at 31 December 2023. Furthermore, the Group has other investments, not meeting the IFRS definition of cash and cash equivalents, including a $43.5 million deposit from aircraft sales proceeds which is to be used for future repayment of loans and investment in aircraft subject to certain terms and conditions. The funding for the existing portfolio has very limited scheduled amortization until 2026.

The Directors have considered the adequacy of the Group's funding, borrowing facilities, cash flows and profitability for at least the next 12 months and are satisfied that the financial statements are prepared on a going concern basis based on the future plans that the Directors have for the business.

26. Material accounting policies (continued)

E. Estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014 requires management to make judgments, 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 for making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of 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.

Estimates and judgments mainly concern the timing of future maintenance events and the related cost in addition to the useful life of aircraft.

Deferred tax

Deferred tax assets and liabilities, Note 12, are measured using enacted tax rates and laws expected to be in effect in the years in which those temporary differences are expected to be recovered or settled. Any change in the timing or level of future changes in tax rates can result in substantial differences between the tax charge in the statement of profit and loss and tax payments.

Aircraft and related components

In accounting for aircraft, the Group makes estimates about the expected useful lives and the estimated residual value of aircraft. In determining these estimates, management relies upon actual industry experience supported by estimates received from independent appraisers and considers anticipated utilization of the aircraft.

In accordance with IAS 16 – Property, Plant and Equipment, the Group's owned and leased aircraft are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the aircraft may not be recoverable. An impairment review involves consideration as to whether the carrying amount 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 amount of the aircraft to the higher of value in use or fair value less cost to sell.

The review for recoverability has a level of subjectivity and requires the use of judgment in the assessment of estimated future cash flows associated with the use of an item of property, plant and equipment and its eventual disposal. Future cash flows are assumed to occur under current market conditions and assume adequate time for a sale between a willing buyer and a willing seller. Expected future lease rates are based upon all relevant information available, including the existing lease, current contracted rates for similar aircraft, appraisal data and industry trends.

Factors considered in estimating the future cash flows are impacted by changes in contracted lease payments, future projected lease payments, transition costs, estimated downtime and estimated residual values.

26. Material accounting policies (continued)

Measurement of recognized tax assets and liabilities

Deferred taxes, including the tax value of tax loss carryforwards, are recognized at their expected value. The assessment of deferred tax assets regarding tax loss carryforwards is based on the expected future taxable income of the respective subsidiary and the expiration date of the losses. Please see Note 12 – Deferred tax. In the course of conducting business globally, transfer pricing disputes with tax authorities may occur and management judgment is applied to assess the possible outcome of such disputes. The most probable outcome is used as measurement method, and management believes that the provision made for uncertain tax positions not yet settled with local authorities is adequate. However, the actual obligation may deviate and is dependent on the results of the litigation and settlement with the relevant tax authorities.

Maintenance reserves

The Group records supplemental amounts that are not expected to be reimbursed during the lease as revenue when the Group has reliable information that it will not be required to make reimbursements of the amounts collected based on utilization and a maintenance forecasting model that estimates the maintenance inflows and outflows through to the lease expiration date.

Redelivery compensation

The Group records redelivery compensation as supplemental rent income when the Group receives aircraft back where a compensation is due.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and are thereafter measured at amortized cost using the effective interest rate less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. The Group assesses its trade and other receivables balance by comparing historical receivable loss patterns with current and future forecasted credit conditions. When determining whether the credit risk of trade and other receivables has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

F. Functional and presentation currency

The Company's functional currency is US dollars ("$"), being the currency of the primary economic environment in which the Company operates. The presentation currency of the Group and Company is $. All financial information presented in $ has been rounded to the nearest thousand $ unless otherwise stated.

G. Basis of consolidation Subsidiaries

Subsidiaries are those enterprises, which are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date when control commences until the date when control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances.

These consolidated financial statements include the financial statements of NAC and its subsidiaries which are presented in Note 24 – Related parties.

In consolidation, intercompany balances and intercompany transactions are eliminated in full.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment in the Company financial statements.

Foreign currency translation

Transactions in foreign currencies are translated to $ at exchange rates prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into $ at the exchange rate prevailing at the reporting date with differences arising recognized as profit or loss in the consolidated statement of profit or loss and other comprehensive income.

H. Significant accounting policies

Lease rental income

The Group 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. In some cases, leases provide for rentals based on aircraft usage which may be calculated based on hours or on cycles operated. The Group accounts for lease rentals under such leases on a basis that represents the time pattern in which the revenue is earned.

26. Material accounting policies (continued)

Most of the Group's leases require lease rental payments to be paid in advance. Rentals received but unearned at the reporting date are recorded as deferred income.

Lease rent concessions for past periods are considered as an extinguishment of the operating lease receivable and the derecognition requirements of IFRS 9 (Expected Credit Loss) apply.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, finance lease income, amortization of costs of permanent loan facilities as well as recognized gains and losses on securities, receivables, payables and transactions denominated in foreign currencies. Borrowing costs are recognized in profit or loss using the effective interest method.

In calculating the effective interest rate, the Group estimates cash flows (using projections based on repayments) considering all contractual terms of the financial liability. The calculation will take into account all fees that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. The Group will review its estimate of payments each year and if necessary, adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows. This process involves computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. As such the Group shall recognize the adjustment as income or expense in profit or loss at the date of such revision.

Aircraft and related components

Aircraft

Aircraft are recorded at cost. Major improvements and modifications that are required to get acquired aircraft ready for initial service are capitalized and depreciated over the remaining useful life.

Depreciation is charged so as to expense the cost or valuation of assets less residual values over their estimated useful lives using the straight-line method on the following bases:

- Regional Jet aircraft – 25 years from the date of manufacture assuming an estimated residual value of 15% of the original cost
- Narrowbody aircraft – 25 years from the date of manufacture assuming an estimated residual value of 15% of the original cost
- Turboprop aircraft – 30 years from the date of manufacture assuming an estimated residual value of $1 million

The basis of depreciation is calculated as the net book value less the residual value of the asset and impairment losses, if any. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued. When changing the depreciation period or the residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates. Depreciation and impairment are recognized in the statement of profit or loss.

Aircraft are assessed for recoverability in accordance with IAS 36 – Impairment of Assets whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Notwithstanding the results of this review, in certain circumstances management also considers the carrying amounts of specific aircraft where indicators of a diminution in value have been identified based on aircraft-specific sales and technical information.

For the purposes of measuring an impairment loss, each aircraft is tested individually by comparing its carrying amount to the higher of value in use and fair value less cost to sell.

The residual values, useful lives and depreciation methods are revised and adjusted, if appropriate, at each reporting date. The residual value of aircraft is based on their estimated scrap value for turboprop aircraft and an assumed residual value for jet aircraft.

The gain or loss arising on the disposal of aircraft is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

Predelivery payments

Predelivery payments are recorded at cost and are not depreciated. Borrowing costs associated with predelivery payments are capitalized as incurred. As aircraft, which are subject to predelivery payments are delivered, applicable predelivery payments and financing costs are reclassified to aircraft.

26. Material accounting policies (continued)

Maintenance rights

Maintenance rights assets associated with the acquisition of aircraft with in-place leases represent the difference in value between the contractual right to receive an aircraft in a specified maintenance condition on redelivery and the maintenance condition on the acquisition date. Maintenance rights assets exist if, on the acquisition date, the maintenance condition of the aircraft is below the expected maintenance condition on redelivery. A maintenance rights liability exists if, on the acquisition date, the maintenance condition is above the expected redelivery condition and the lessor has agreed to compensate the lessee for the enhanced maintenance condition on redelivery.

When the Group has recorded maintenance rights assets, the following subsequent accounting scenarios exist: (i) the aircraft is returned at lease expiry in the contractually specified maintenance condition without any cash payment to the Group by the lessee, the maintenance rights asset is released and an aircraft improvement is recorded to the extent the improvement is substantiated and deemed to meet the Group's capitalization policy; (ii) the lessee pays the Group cash compensation at lease expiry in excess of the value of the maintenance rights asset, the maintenance rights asset is relieved and any excess is recognized as end-of- lease income consistent with the Group's existing policy; or (iii) the lessee pays the Group cash compensation at lease expiry that is less than the value of the maintenance rights asset, the cash is applied to the maintenance rights asset and the balance of such asset is relieved and recorded as an aircraft improvement to the extent the improvement is substantiated and meets the Group's capitalization policy. Any aircraft improvement will be depreciated in accordance with the Group's depreciation policy.

When the Group has recorded maintenance rights liabilities, the following subsequent accounting scenarios exist: (i) the aircraft is returned at lease expiry in the contractually specified maintenance condition without any cash payment by the Group to the lessee, the maintenance rights liability is relieved and end-of-lease income is recognized; (ii) the Group pays the lessee cash compensation at lease expiry of less than the value of the maintenance rights liability, the maintenance rights liability is relieved and any difference is recognized as end-of-lease income; or (iii) the Group pays the lessee cash compensation at lease expiry in excess of the value of the maintenance right liability, the maintenance right liability is relieved and the excess amount is recorded as an aircraft improvement.

Lease premium assets

Lease premium assets represent the value of acquired leases where the contractual rental payments are above the market lease rate at the date of acquisition. This asset is recognized at cost based on discounted cash flows and is amortized on a straight-line basis over the remaining term of the related lease and recorded as amortization.

Lease premium liabilities

Lease premium liabilities represent the value of acquired leases where the contractual rental payments are below the market lease rate at the date of acquisition. This liability is recognized at cost based on discounted cash flows and amortized on a straight-line basis over the remaining term of the related lease and recorded as amortization.

Other property, plant and equipment

Other property, plant and equipment are recorded at cost. Major improvements and modifications required to get acquired assets ready for initial service are capitalized and depreciated over the remaining useful life.

Depreciation is charged so as to expense the cost or valuation of assets less residual values over their estimated useful lives using the straight-line method on the following bases:

- Buildings – 20-30 years from the date of acquisition to an estimated residual value of nil
- Furniture and equipment – 3-5 years from the date of acquisition to an estimated residual value of nil
- Right-of-use assets – lease term

The basis of depreciation is calculated as the net book value less the residual value of the asset and impairment losses, if any. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued. When changing the depreciation period or the residual value, the effect on depreciation is recognized prospectively as a change in accounting estimate. Depreciation and impairment are recognized in the statement of profit or loss.

The residual values, useful lives and depreciation methods are revised and adjusted, if appropriate, at each reporting date.

The gain or loss arising on disposal or retirement of items of other property, plant and equipment is recognized under revenue.

Inventories

Inventories of consumable spare parts are stated at the lower of cost or net realizable value. The value of inventory is reviewed annually. The gain or loss arising on disposal of inventory is recognized under revenue.

26. Material accounting policies (continued)

Financial instruments

Classification and measurement of financial assets and financial liabilities

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.
Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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 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.

The Group assesses the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

— The stated policies and objectives for the portfolio and the operation of those policies in practice;
— How the performance of the portfolio is evaluated and reported to the Group's management;
— How the managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
— The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

All financial assets meet the requirements above and are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are amortized in profit or loss. Any gain or loss on derecognition is amortized in profit or loss.

Debtors are stated at their net recoverable amount.

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash and cash equivalents comprise cash in hand and demand deposits.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

26. Material accounting policies (continued)

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

All the Group's financial assets are measured at amortized cost.

The financial assets held by the Group are trade receivables, cash and cash equivalents, restricted cash and deposits.

The fair value of trade and other receivables and cash is equal to their carrying value.

Financial liabilities are classified at amortized cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including interest expenses, are amortized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are amortized in profit or loss. Any gain or loss on derecognition is also amortized in profit or loss.

Impairment of financial assets

The Group has elected to measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when the lessee is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

The Group has prepared an analysis of each lessee based on past performance and some publicly available information without any input from the servicer to estimate a credit rating. This risk rating was used to assign an expected credit loss percentage based on monthly rental and supplemental rent income and any outstanding balances at period end.

In accordance with Section B5.5.55 of IFRS 9, security deposits received have been treated as credit enhancement and included in the measurement of the expected credit loss due to the credit enhancement being integral to the contractual terms of the lease and not being required under IFRS standards to be amortized separately.

The Group has a customer ranking model which calculates a ranking score based on the customers' payment behavior, financial strength and jurisdiction. The score translates into a 4-level grading of the customers, with each level being designated a default risk percentage for the receivable amount.

The Group has used the risk percentage at period end when calculating the impact of IFRS 9 on the financial statements. Note 11 – Trade and other receivables depicts the expected credit loss arising from trade receivables, including consideration for the security held for each aircraft.

Impairment losses related to trade and other receivables, would be presented under "administrative expenses", similar to the presentation under IAS 39, but due to materiality considerations they are presented separately in the statement of profit or loss and OCI.

Derecognition

The Group derecognizes a financial asset when the contractual rights to collect cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is amortized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is amortized in profit or loss.

26. Material accounting policies (continued)

Hedge accounting

The general hedge accounting model in IFRS 9 requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a qualitative and forward-looking approach to assessing hedge effectiveness.

The Group uses an interest rate cap arrangement to hedge the variability in interest rates and applied the hedge accounting principles from IFRS 9 Financial Instruments. The movement in fair value of the interest rate cap is recognized as other comprehensive income and the cost of hedging is recognized on the face of profit or loss.

The change in fair values of the hedging instruments is recognized in other comprehensive income and deferred in equity, with any ineffectiveness recorded in profit or loss.

If the instruments do not qualify for hedge accounting, changes in market value are recognized directly in the income statement under financial items.

Maintenance reserves

In many aircraft operating leases, the lessee has the obligation to make periodic payments which are calculated based on the utilization of airframes, engines and other major life-limited components (supplemental amounts). In such leases, upon the lessee presenting invoices evidencing the completion of qualifying maintenance on the aircraft, the Group reimburses the lessee for the cost of the maintenance up to a maximum of the supplemental amounts received with respect to such work unless otherwise indicated in the lease.

Upon the acquisition of an aircraft with a lease, the provision is recorded at fair value and is subsequently reassessed in line with the Group's maintenance forecasting model.

Such maintenance reserves received in cash from lessees are recognized as maintenance reserves in the statement of financial position in recognition of the contractual commitment to either refund such receipts or to hold them for future scheduled maintenance work to be performed thereafter.

Generally, leases require a lessee to redeliver an 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 redelivered in a different condition than specified, there is generally an end-of-lease compensation adjustment for the monetary difference. Amounts received or paid as part of these redelivery adjustments are recorded as revenue at lease termination. The Group includes amounts recorded as maintenance payments that are not expected to be reimbursed to lessees as revenue.

Lessor contributions

Lessor contributions represent contractual obligations on the part of the Group to contribute to a lessee's cost of a planned major maintenance event which is expected to occur during the lease. The Group regularly reviews the level of lessor contributions to cover its contractual obligations under current leases 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. When aircraft are sold, the portion of the accrued liability not specifically assigned to the buyer is derecognized from the statement of financial position as part of the gain or loss on disposal of the aircraft.

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 an amount to a lessee and the amount can be reasonably estimated.

Receivables from finance leases

A finance lease is recognized when there is a contractual right to the asset's cash flows and derecognized when all contractual rights and obligations expire. Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. The difference between the gross receivable and the present value of the receivable is recognized as unearned financial income. Progress payments made prior to the commencement of the primary lease are included at cost together with the amount of any interest charged on such payments.

Derivative financial instruments measured through OCI

Derivative financial instruments are measured at fair value. The fair values of derivative financial instruments are included in other receivables and other payables, and positive and negative values are offset only when the Group has the right and the intention to settle several financial instruments net.

Changes in the fair value of derivative financial instruments that qualify as a cash flow hedge, and which effectively hedge changes in the value of the hedged item are recognized in other comprehensive income and attributed to a separate reserve in equity.

26. Material accounting policies (continued)

When a hedged transaction results in gains or losses, amounts previously recognized in other comprehensive income are transferred to the same item as the hedged item when the hedged risk impacts the statement of profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Taxes

Tax for the period comprises current tax and changes in deferred tax for the year, including changes as a result of a change in the tax rate. The tax expense relating to the profit or loss for the period is recognized in the statement of profit or loss, and the tax expense relating to items recognized in other comprehensive income is recognized in other comprehensive income. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized. Deferred tax is charged or credited to the statement of profit or loss except when it relates to items charged or credited directly to equity, in which case the deferred tax effect is recorded in equity.

In the course of conducting business globally, transfer-pricing disputes with tax authorities may occur and judgment is applied to assess the possible outcome of such disputes. The most probable outcome is used as the measurement method, and Management believes that the provision made for uncertain tax positions, not yet settled with tax authorities, has been appropriately reflected in the tax charge and liability. However, the actual obligation may deviate and is dependent on the results of a dispute resolution process and settlement with the relevant tax authorities. Corporation tax is disclosed on the balance sheet.

Dividends

Proposed dividends are recognized as a liability at the date they are adopted by the Directors.

Hedging reserve

The hedging reserve includes the accumulated net change in the fair value of hedging transactions qualifying for hedge accounting and any ineffective part of the hedge relationship is expensed.

Financial assets measured at amortized cost

Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash equivalents have a maturity of three months or less from the date of acquisition. Cash equivalents are carried at amortized cost.

Restricted cash

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

26. Material accounting policies (continued)

Financial liabilities measured at amortized cost

Loans and borrowings

Loans and borrowings are recognized initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as profit or loss in the consolidated statement of profit or loss and other comprehensive income over the period of borrowings using the effective interest rate method. A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The modification of the terms is assessed both from a quantitative and qualitative view. If the modification is assessed to be an extinguishment, the difference between the carrying amount of the financial liability and the consideration paid including liabilities assumed is recognized as gain or loss. Any cost or fees incurred are recognized as part of the gain or loss. If the modification is assessed as non-substantial the difference is accounted as an adjustment to the existing liability by restating the liability to net present value of the revised cash flows discounted at the original effective interest rate, and any adjustment is recognized in the profit or loss. Any cost or fees incurred as part of the modification are added to the liability and amortized over the term of the modified liability. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the reporting date.

Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Right-of-use assets/lease liabilities

Leases are recognized as a liability and a corresponding right-of-use asset at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability 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.

27. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair value is the amount at which an instrument could be exchanged in an arm's length transaction between informed and willing parties, other than as part of a forced liquidation sale. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Group uses market-observable data as far as possible. Fair values are categorized into different levels of the fair value hierarchy based on the inputs used in the valuation techniques 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)

If the inputs used to measure the fair value of an asset or a liability might be categorized into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety into the same levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values.

The market value of property, plant and equipment is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The Group uses independent, professional valuations as an estimate of the fair value of aircraft.

Assets held for sale

Assets held for sale fall within Level 2. The fair value of assets held for sale is based on the contracted amount of the underlying asset.

Loans and borrowings

Loans and borrowings fall within Level 2. The fair value of loans and borrowings is estimated as the present value of future cash outflows discounted at market rates of similar credit quality.

Derivatives – interest rate caps

Interest rate cap contracts held by the Group are measured at fair value and fall within Level 2. Fair value is based on broker quotes, which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Cash and cash equivalents

The carrying amount approximates to fair value due to the short-term nature of these instruments. Cash and cash equivalents comprise restricted and unrestricted cash as well as short-term investments. The fair value of cash and cash equivalents is considered to be approximately equal to their carrying amount as the components are highly liquid.

Finance lease receivables

Finance lease receivables measured at amortized cost fall within Level 2. The fair value of finance lease receivables is estimated by reference to lease market rates provided by external parties.

Trade and other receivables

The fair value of trade and other receivables fall within Level 2 and is estimated as the present value of future cash flows and is discounted at the market rate of interest when the impact is material.

Included in trade and other receivables is a credit impaired financial asset which fall under Level 3.

The remaining financial assets and liabilities measured at amortized cost all fall within Level 2. Fair values are estimated on the basis that the carrying value has been determined to be a good approximation of fair value.

28. Approval of financial statements

These financial statements were approved by the Board of Directors on 22 February 2024.

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Paul O'Donnell (Irish), Non-Executive Director
Catherine Duffy (Irish), Non-Executive Director
Dermot Mannion (Irish), Non-Executive Director
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Annual general meeting
This year's annual general meeting was held on 22 February 2024.

Nordic Aviation Capital

www.nac.dk