

**Priority 1 Issuer Logistics
Designated Activity Company
(previously known as Great
Chagos Ireland Designated Activity
Company) and Subsidiaries**

Directors' report and consolidated financial
statements

**For the financial period from 8 October 2024 (date
of incorporation) to 31 December 2024**

Registered number: 773354

Priority 1 Issuer Logistics DAC and Subsidiaries

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Priority 1 Issuer Logistics DAC and Subsidiaries

Directors and other information

Directors	Douglas Brennan Dermot Manifold Padraig Ryan	
Company Secretary	Fexco Aviation Services Limited Suite 315 Airport House Shannon Co. Clare Ireland	
Registered Office	Suite 315 Airport House Shannon Co. Clare Ireland	
Independent Auditor	BDO Block 3 Miesian Plaza 50-58 Baggot Street Lower Dublin 2 D02 Y754 Ireland	
Bankers	HSBC Continental Europe 1 Grand Canal Square Grand Canal Harbour Dublin 2 D02P820 Ireland	Allied Irish Bank 1 Lower Baggot Street Dublin 2 D02 X342 Dublin Ireland
Solicitors	BCLP One Atlantic Center, 14 th Floor 1201 W. Peachtree St., N.W. Atlanta GA 30309-3471 United States	
Managing Agent	Fexco Aviation Services Limited Suite 315 Airport House Shannon Co. Clare Ireland	

Priority 1 Issuer Logistics DAC and Subsidiaries

Directors' report

The directors present their directors' report and audited consolidated financial statements for Priority 1 Issuer Logistics DAC, previously Great Chagos Ireland DAC ("the Company") and its subsidiaries (together and herein after "the Group") for the financial period from incorporation on 8 October 2024 to 31 December 2024 (the "financial period").

Principal activities, business review and future development

The principal activity of the Group is the acquisition, operation, commercial chartering and leasing of aircraft. The Group provides cargo transportation and logistics services to customers. The Company owns 100% of the shares either directly or indirectly in each of the subsidiary companies as set out in note 10.

The Company is a company limited by shares. The Company was incorporated in Ireland on 8 October 2024 under the Laws of Ireland.

During the financial period ended 31 December 2024, the Group acquired 100% of the shares and voting interests in European Cargo Limited and Perishable Center Nord AS.

The Company issued a senior secured Norwegian Government Bond in the amount of \$230m, to fund the acquisition of subsidiary entities, which own and operate aircraft, engines and spare parts. A portion of the funding will also be used as working capital for the Group.

The directors are satisfied with the Group's progress and expect to review and seek business opportunities for the Company subject to market conditions.

Results and dividends

Revenue for the financial period was \$20.8m. Loss from operating activities before finance costs was \$3.1m. The reported loss before tax for the financial period was \$12.5m. The consolidated statement of profit and loss and other comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity and consolidated statement of cash flows are set out on pages 11 to 16.

The directors do not recommend payment of a dividend in respect of the financial period ended 31 December 2024.

Key performance indicators

The principal key performance indicators used by management to monitor performance is profit from operating activities.

Going concern

Notwithstanding the loss for the financial period, the directors believe that the Group has sufficient liquidity to meet its obligations as they fall due and that the going concern basis of preparation remains appropriate. The directors have prepared the financial statements on a going concern basis and have not identified any material uncertainties.

Priority 1 Issuer Logistics DAC and Subsidiaries

Directors' report *(continued)*

Going concern *(continued)*

For the financial period ended 31 December 2024, the Group recognised a net loss of \$12.5m. However, the Group had access to working capital cash of \$49.6 million at the end of the financial year. The Company has modelled a cashflow scenario considering a period of at least twelve months from the date of approval of these financial statements. The assumptions modelled are based on the current information available and expected levels of performance of the Group. Under this cashflow scenario, the Group is expected to continue to have sufficient resources to continue as a going concern for a period of twelve months from the approval of the financial statements.

The appropriateness of the going concern basis of preparation is dependent on the continued availability of the Group's borrowings on the terms originally agreed and in compliance with the related covenants.

Based on these factors, the directors have a reasonable expectation that the Group has adequate liquidity and financial resources to continue in operation for at least the next twelve months from the approval of the financial statements and that the going concern basis of preparation remains appropriate.

Directors' and secretary's interest

In accordance with Section 329 of the Companies Act 2014, the directors and secretaries who held office at 31 December 2024 had no interests in the share capital of the Group or any Group company at any time during the financial period.

The names of the persons who were directors during the financial period are set out below. Except where indicated, they served as directors for the entire financial period.

Marie O'Brien - appointed 8 October 2024, resigned 21 October 2024
Seamus O'Croinin - appointed 8 October 2024, resigned 21 October 2024
Douglas Brennan - appointed 21 October 2024
Mairead Eiffe - appointed 21 October 2024, resigned 26 February 2025
Mark Murphy - appointed 21 October 2024, resigned 26 February 2025
Dermot Manifold – appointed 26 February 2025
Norbert Grey – appointed 26 February 2025, resigned 12 May 2025
Padraig Ryan – appointed 12 May 2025

Secretary details during the financial period are set out below. Except where indicated, they served as secretary for the entire financial period.

Goodbody Secretarial Limited - appointed 8 October 2024, resigned 21 October 2024
Law Debenture (Ireland) Limited - appointed 21 October 2024, resigned 6 May 2025
Flexco Aviation Services Limited - appointed 6 May 2025

Priority 1 Issuer Logistics DAC and Subsidiaries

Directors' report *(continued)*

Principal risks and uncertainties

The Group is subject to the following risks and uncertainties:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The risk management policies employed by the Group are discussed in note 23.

Accounting records

The directors believe they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting recordings by engaging accounting personnel with appropriate expertise. The accounting records of the Company are maintained at Suite 315, Airport House, Shannon, Co Clare, Ireland.

Relevant audit information

The directors believe they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

Subsequent events

Subsequent events have been detailed in note 24 to the financial statements.

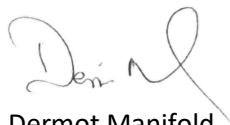
Political contributions

The Group or Company made no political donations or incurred any political expenditure during the financial period.

Independent auditor

The auditor, BDO Ireland, were appointed during the financial period and will continue in office in accordance with Section 382(1) of the Companies Act, 2014.

On behalf of the board



Dermot Manifold
Director



Padraig Ryan
Director

Date: 30 June 2025

Priority 1 Issuer Logistics DAC and Subsidiaries

Statement of directors' responsibilities

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 period. Under that law they have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Parent Company financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2014).

Under company law the directors must not approve the Group and Parent 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 Parent Company and of the Group's profit or loss for that year. In preparing the Group and Parent 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 Parent 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 Parent 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 Parent Company and which enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the 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.

On behalf of the board



Dermot Manifold
Director



Padraig Ryan
Director

Date: 30 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIORITY 1 ISSUER LOGISTICS DAC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Priority 1 Issuer Logistics DAC ('the Company') and its consolidated undertakings ('the Group') for the period ended 31 December 2024, which comprise the Consolidated statement of financial position and Company statement of financial position as at period ended 31 December 2024, the Consolidated statement of profit and loss and other comprehensive income, the Consolidated statement of changes in equity, the Company statement of changes in equity and the Consolidated statement of cash flows for the year then ended, and notes to the financial statements, including the summary of material accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion the financial statements:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its loss and cash flow for the period then ended;
- the Company statement of financial position give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024;
- 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 Group financial statements and Company 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 described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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.

Our evaluation of the directors' assessment of the Group's ability to continue as a going concern included:

- Consideration of the nature of the Group and its business model as part of our risk assessment and related risks;
- Obtaining an understanding of the key indicators that are monitored with respect to the going concern assumption and the Directors' future plans for the Group over the going concern period, being 12 months from the date of approval of the financial statements.
- Evaluating the appropriateness of the going concern disclosures in note 2 "Material accounting policies - Going concern" to the financial statements.
- Reviewing available board of directors' meeting minutes during the period under audit and those available up to the date of this report.
- Considering the liquidity risk management techniques that are available to the Group, as detailed in note 23 "Financial instruments and risk management - Liquidity risk".

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 ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIORITY 1 ISSUER LOGISTICS DAC (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying risks

Our procedures to identify the risks of irregularities, including fraud included, amongst other matters:

- Obtaining an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of fraud and non-compliance with applicable laws and regulations. In doing so, we focused on those laws and regulations that had a significant effect on the financial statements or that had a fundamental effect on the operations of the Group which included but were not limited to Irish company law.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.
- We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.
- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation, of the following:
 - Company's policies and procedures for identifying, evaluating and complying with laws and regulations; and detecting and responding to the risks of fraud
 - Whether they were aware of any instances of non-compliance with laws and regulations.
 - Whether they have knowledge of any actual, suspected, or alleged fraud.
- Discussing among the engagement team, and involving relevant internal specialists where necessary, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks identified

Our procedures to respond to risks identified included, amongst other matters:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing available board of directors' meeting minutes;
- identifying and testing journal entries, in particular those journal entries considered most susceptible to fraud.
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- challenging assumptions and judgements made by management in their significant accounting estimates, including valuation of loans and receivables.

We have also communicated relevant identified laws, regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Key audit matters



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIORITY 1 ISSUER LOGISTICS DAC
(continued)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter - Valuation of goodwill

Material goodwill arose from the acquisition of a subsidiary during the period. As described in note 2, the goodwill represents the excess amount paid over the fair value of the identifiable net assets (assets minus liabilities) of the acquired business.

Valuation is a key risk area in the audit that required significant auditor attention due to the complexity and subjectivity, particularly arising from management's judgment and estimation in assessing for impairment.

Related Disclosures

Refer to note 2 "Material accounting policies", note 23 "financial instruments and risk management" and note 8 "Intangible assets" of the accompanying financial statements.

Audit Response

We have completed the following audit procedures to address the risk:

- Reviewed the design and implantation of the controls around the impairment assessment of goodwill.
- Obtained managements workings for the calculation of the goodwill and checked the arithmetic accuracy.
- Recalculated the expected net assets or liabilities of the acquired entity at the purchase date and compared to balance used in the goodwill calculation per the client
- Reviewed the input to calculation of goodwill, including the fair value of the identified assets and liabilities, and vouched to supporting documentation.
- Obtained and reviewed management's assessment of impairment in goodwill.
- Vouched information used to support management's assessment of impairment in goodwill.

Key Audit Matter - Valuation of tangible assets

Tangible assets are the most significant asset on the balance sheet. As described in note 2, tangible assets are measured at cost less depreciation.

Valuation is a key risk area in the audit that required significant auditor attention due to complexity and subjectivity, particularly arising from management's judgment and estimation in determining if impairment exists.

Related Disclosures

Refer to note 2 "Material accounting policies" and note 9 "Tangible assets" of the accompanying financial statements.

Audit Response

We have completed the following audit procedures to address the risk:

- Reviewed the design and implementation of the controls around the impairment assessment of the tangible assets
- Obtained the listing of tangible assets held and right of use assets booked.
- Obtained 3rd party valuation reports relating to the aircraft and engines, the most significant tangibles assets, and compared to carrying value to challenge management assessment of impairment in tangible assets
- Reviewed managements right of use asset assessment including impairment.

Our application of materiality



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIORITY 1 ISSUER LOGISTICS DAC (continued)

We define materiality as the magnitude of misstatement, including omissions, in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable person taken on the basis of the financial statements. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality and performance materiality for the financial statements as a whole as follows:

For the purpose of our audit, we used overall materiality of €4.1m, which represents approximately 1.7% of total assets. Performance materiality for the financial statements as a whole was set at €2.0m.

We applied these thresholds, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

We chose total assets as the benchmark because, in our view, we consider it to be the most appropriate benchmark given the circumstances and nature of the Group's business and is a generally accepted benchmark. In selecting the benchmark we have also given consideration to the key users of the financial statements.

We selected 1.7% based on our professional judgment and the perceived level of risk, noting that it is also within the range of commonly accepted asset benchmarks.

We have reported unadjusted errors noted as part of our audit process above a clearly trivial level of 5% of materiality €204k to Those Charged with Governance.

An overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. As a result, our audit approach was developed by obtaining an understanding of the Company's activities, the key functions undertaken on behalf of the board and the overall control environment. Based on this understanding we assessed those aspects of the Company's financial statements which were most likely to give rise to a material misstatement. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIORITY 1 ISSUER LOGISTICS DAC (continued)

In our opinion, the accounting records of the Group and 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

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

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 these regards.

Respective responsibilities

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

As explained more fully in the Statement of directors' responsibilities with regard to the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf This description forms part of our auditor's report.

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.

Brian Hughes
for and on behalf of BDO
Statutory Audit Firm
Block 3, Miesian Plaza,
50-58 Baggot Street Lower,
Dublin 2, D02 Y754.

Date 30 June 2025

Priority 1 Issuer Logistics DAC and Subsidiaries

Consolidated statement of profit and loss and other comprehensive income
for the financial period to 31 December 2024

	<i>Note</i>	For the financial period ended 31 December 2024 \$000
Revenue	3	20,825
Cost of sales	4	(14,087)
Gross profit		<hr/> 6,738
Expenses		
General and administrative expenses	5	(9,887)
Loss from operating activities		<hr/> (3,149)
Finance income		6
Finance expense		(9,370)
Net finance cost	6	<hr/> (9,364)
Loss before tax for the financial period		(12,513)
Tax charge	7	-
Loss for the financial period		<hr/> (12,513)
Other comprehensive income		-
Total comprehensive loss for the financial period		<hr/> <hr/> (12,513)

The notes on pages 17 to 41 form part of these financial statements.

There were no recognized gains or losses in the financial period. All activities derive from continuing operations.

Priority 1 Issuer Logistics DAC and Subsidiaries

Consolidated statement of financial position as at 31 December 2024

	Note	31 December 2024 \$000
Assets		
<i>Non-current assets</i>		
Intangible assets	8	43,752
Tangible assets	9	137,566
		<hr/>
		181,318
<i>Current assets</i>		
Cash and cash equivalents	11	49,576
Trade and other receivables	12	5,324
Inventory	13	3,265
		<hr/>
		58,165
		<hr/>
Total assets		239,483
Equity		
Share capital	14	-
Capital contribution		8
Retained deficit		(12,513)
Other reserves		(34)
		<hr/>
Total equity		(12,539)
Liabilities		
<i>Non-current liabilities</i>		
Loans and borrowings	15	217,233
Lease liabilities	16	3,054
		<hr/>
		220,287
<i>Current liabilities</i>		
Trade and other payables	17	31,735
		<hr/>
		31,735
		<hr/>
Total liabilities		252,022
		<hr/>
Total equity and liabilities		239,483
		<hr/> <hr/>

The notes on pages 17 to 41 form part of these financial statements.

The financial statements were approved and authorised for issue by the board.

On behalf of the board


Dermot Manifold
Director


Padraig Ryan
Director

Date: 30 June 2025

Priority 1 Issuer Logistics DAC and Subsidiaries

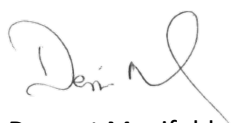
Company statement of financial position as at 31 December 2024

	Note	31 December 2024 \$000
Assets		
<i>Non-current assets</i>		
Investment in subsidiaries	10	8
Trade and other receivables	12	173,399
		<hr/>
		173,407
		<hr/>
<i>Current assets</i>		
Cash and cash equivalents	11	47,171
Trade and other receivables	12	692
		<hr/>
		47,863
		<hr/>
Total assets		221,270
		<hr/> <hr/>
Equity		
Share capital	14	-
Capital contribution		8
Retained deficit		(1,419)
		<hr/>
Total equity		(1,411)
		<hr/>
Liabilities		
<i>Non-current liabilities</i>		
Loans and borrowings	15	217,233
		<hr/>
		217,233
		<hr/>
<i>Current liabilities</i>		
Trade and other payables	17	5,448
		<hr/>
		5,448
		<hr/>
Total liabilities		222,681
		<hr/>
Total equity and liabilities		221,270
		<hr/> <hr/>

The notes on pages 17 to 41 form part of these financial statements.

The financial statements were approved and authorised for issue by the board.

On behalf of the board



Dermot Manifold
Director



Padraig Ryan
Director

Date: 30 June 2025

Priority 1 Issuer Logistics DAC and Subsidiaries

Consolidated statement of changes in equity for the financial period ended 31 December 2024

	Capital contribution \$000	Retained deficit \$000	Other reserves \$000	Total \$000
As at 8 October 2024	-	-	-	-
Transactions with shareholders, recognised in equity				
Capital contribution	8	-	-	8
Foreign exchange reserves	-	-	(34)	(34)
Total transactions with shareholders	8	-	(34)	(26)
Total comprehensive loss for the financial period				
Loss for the financial period	-	(12,513)	-	(12,513)
Total comprehensive loss for the financial period	-	(12,513)	-	(12,513)
As at 31 December 2024	8	(12,513)	(34)	(12,539)

The notes on pages 17 to 41 form part of these financial statements.

Priority 1 Issuer Logistics DAC and Subsidiaries

Company statement of changes in equity for the financial period ended 31 December 2024

	Capital contribution \$000	Retained deficit \$000	Total \$000
As at 8 October 2024	-	-	-
Transactions with shareholders, recognised in equity			
Capital contribution	8	-	8
	<hr/>	<hr/>	<hr/>
Total transactions with shareholders	8	-	8
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive loss for the financial period			
Loss for the financial period	-	(1,419)	(1,419)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the financial period	-	(1,419)	(1,419)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As at 31 December 2024	8	(1,419)	(1,411)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 41 form part of these financial statements.

Priority 1 Issuer Logistics DAC and Subsidiaries

Consolidated statement of cash flows for the financial period ended 31 December 2024

	For the financial period ended 31 December 2024 \$000
Cash flows from operating activities	
Loss before tax for the financial period	(12,513)
<i>Adjustments for:</i>	
Depreciation	1,379
Amortisation	116
Finance costs	9,318
Decrease in lease and other receivables	1,498
Increase in trade and other payables	3,265
Increase in prepayments and other assets	(417)
Interest income received	6
	<hr/>
Net cash flows from operating activities	2,652
	<hr/>
Cash flows from investing activities	
Acquisition of subsidiaries	(41,758)
Acquisition of tangible assets	(18,354)
	<hr/>
Net cash used in investing activities	(60,112)
	<hr/>
Cash flows from financing activities	
Proceeds from loans and borrowings	230,000
Repayment of loans and borrowings	(104,293)
Transaction costs paid	(13,170)
Settlement fee paid	(5,477)
Receipt of capital contributions	8
	<hr/>
Net cash flows from financing activities	107,068
	<hr/>
Net increase in cash and cash equivalents	49,608
Cash and cash equivalents at beginning of financial period	-
Foreign exchange	(32)
	<hr/>
Cash and cash equivalents at end of financial period	49,576
	<hr/> <hr/>

The notes on pages 17 to 41 form part of these financial statements.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements

1 General information

Priority 1 Issuer Logistics Designated Activity Company (the “Company”) is a private company limited by shares which is incorporated, registered and domiciled in Ireland. The Company was incorporated in Ireland on 8 October 2024 under the Laws of Ireland. The address of the Company’s registered office is Suite 315, Airport House, Shannon, Co Clare, Ireland. The share capital of the Company is held by Priority 1 Logistics Holdings LLC.

These consolidated financial statements comprise the Company and its subsidiaries.

The principal activity of the Group is the acquisition, operation, commercial chartering and leasing of aircraft.

2 Material accounting policies

Group statement of compliance

The consolidated financial statements of Priority 1 Issuer Logistics Designated Activity Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and those parts of the Companies Act 2014, applicable to Companies reporting under IFRS.

Parent company statement of compliance

The individual financial statements of the Company have been prepared in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2014). The Company financial statements have adopted certain disclosure exemptions available under FRS 101. These include:

- a cashflow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

New standards interpreted not yet adopted

Standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective. The Group is currently assessing the impact of such changes on the consolidated financial statements.

Amendment	Effective date
Classification and measurement of financial instruments – Amendments to IFRS 7 and IFRS 9	1 January 2026
Presentation and Disclosures in Financial Statements – Original issue to IFRS 18	1 January 2027
Subsidiaries without Public Accountability: Disclosures – Original issue to IFRS 19	1 January 2027

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

2 **Material accounting policies** *(continued)*

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

Going concern

Notwithstanding the loss for the financial period, the directors believe that the Group has sufficient liquidity to meet its obligations as they fall due and that the going concern basis of preparation remains appropriate. The directors have prepared the financial statements on a going concern basis and have not identified any material uncertainties.

For the financial period ended 31 December 2024, the Group recognised a net loss of \$12.5m. However, the Group had access to working capital cash of \$49.6 million at the end of the financial year.

The Company has modelled a cashflow scenario considering a period of at least twelve months from the date of approval of these financial statements. The assumptions modelled are based on the current information available and expected levels of performance of the Group. Under this cashflow scenario, the Group is expected to continue to have sufficient resources to continue as a going concern for a period of twelve months from the approval of the financial statements.

The appropriateness of the going concern basis of preparation is dependent on the continued availability of the Group's borrowings on the terms originally agreed and in compliance with the related covenants.

Based on these factors, the directors have a reasonable expectation that the Group has adequate liquidity and financial resources to continue in operation for at least the next twelve months from the approval of the financial statements and that the going concern basis of preparation remains appropriate.

Foreign currencies

Functional and presentational currency

These financial statements are presented in United States Dollars ("\$"), which is the functional and presentation currency of the Company. All financial information presented in \$ has been rounded to the nearest \$'000. The directors of the Group believe that \$ most faithfully represents the economic effects of the underlying transactions, events and conditions.

Foreign currency transactions

Transactions in foreign currencies are translated to \$ at exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into \$ at the exchange rate ruling at the reporting date, with differences arising recognised as profit or loss in the statement of comprehensive income. Exchange differences when consolidating foreign subsidiaries go to a separate component of equity until the disposal of the foreign operation.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

2 **Material accounting policies** *(continued)*

Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries. The subsidiaries are listed in note 10. Intercompany transactions and balances between Group companies are eliminated in full.

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from aircraft charters is recognised in the period in which the aircraft charter commences and becomes non-cancellable. Revenue from cancelled flights is recognised in the period in which the flight would have occurred. Adjustments to revenue are recognised for variable charges or credits with respect to changes in fuel price and subject to the terms of the relevant charter agreement.

Finance income and finance expense

Finance income comprises interest income earned on bank balances and interest income on intercompany loans. Interest income is recognised as it accrues in profit or loss.

Finance expense comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

2 **Material accounting policies** *(continued)*

Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Intangible assets

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

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

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development expenditure	5 years straight line

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the identifiable net assets acquired at the acquisition date. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

2 **Material accounting policies** *(continued)*

Goodwill *(continued)*

Goodwill is reviewed for indicators of impairment at each reporting date. If such indicators exist, the carrying amount of goodwill is tested for impairment and written down to the recoverable amount if necessary. Impairment losses are recognised immediately in profit or loss and are not reversed in subsequent periods. Internally generated goodwill is not recognised as an asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and useful life
Fleet aircraft and engines	10-12 years straight line
Plant and machinery	4-5 years straight line
Fixtures and fittings	4-10 years straight line
Land and Buildings	12-15 years straight line

Heavy maintenance assets within fleet aircraft are depreciated over the shorter of the remaining useful life or the period until the next maintenance event.

Impairment

In accordance with IAS 16 - Property, Plant and Equipment, the Group's assets 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 asset 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.

This process involves the use of judgements and estimates. Estimates are utilised in determining the recoverable amount and fair value. The estimates and assumptions used are based on historical trends as well as future expectations. For some of these estimates, the Group utilises the services of independent valuation firms to determine the appropriate values.

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.

The Group has utilised judgement in evaluating whether there are indicators of impairment. In this regard, the directors rely on market conditions and the operational performance of the leased assets.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

2 **Material accounting policies** *(continued)*

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity.

Investment in subsidiaries is carried at cost less accumulated impairment, if any. At each reporting date the Company assesses whether there is objective evidence that investments are impaired. Investments are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purposes of meeting short term cash commitments and call deposits.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use asset ("ROU") is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

2 **Material accounting policies** *(continued)*

Leases *(continued)*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Financial instruments

Recognition and initial measurement

Trade debtors are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

The Group and Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group and Company measures loss allowances at an amount equal to lifetime ECL.

Loss allowances for trade debtors and contract assets are always measured at an amount equal to lifetime ECL.

When estimating ECL, the Group and Company 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 and Company's historical experience and informed credit assessment and including forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For credit exposures that are credit impaired (i.e., have objective evidence of impairment at the reporting date) the company recognises lifetime expected credit losses for these financial assets.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

2 Material accounting policies *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Estimates:

Information about assumptions and estimates at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Impairment

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

3 Revenue

Revenue represents the following during the financial period:

	Period ended 31 December 2024 \$000
Aircraft leasing and charter	20,702
Cancellation fees	506
Variable consideration	(467)
Packing and loading income	84
	<hr/>
	20,825
	<hr/> <hr/>

Analysis of revenue by region of origin:

	Period ended 31 December 2024 \$000	Period ended 31 December 2024 %
Asia Pacific	20,825	100
	<hr/>	<hr/>
	20,825	100
	<hr/> <hr/>	<hr/> <hr/>

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

4 Cost of Sales	Period ended 31 December 2024 \$000
Fuel costs	11,073
Navigation and overflight fees	1,878
Handling expenses	1,115
Other direct costs	21
	<hr/>
	14,087
	<hr/> <hr/>

5 General and administrative expenses	Period ended 31 December 2024 \$000
Indirect contract labour	1,886
Flight crew	2,263
Other operating expenses	1,615
Line maintenance	1,634
Indirect staff costs	777
Aviation insurance	197
Other gains/losses	20
Depreciation	1,379
Amortisation of development costs	116
	<hr/>
	9,887
	<hr/> <hr/>

Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Period ended 31 December 2024 \$000
Wages and salaries	2,195
Social security costs	254
Pension costs	125
	<hr/>
	2,574
	<hr/> <hr/>

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

5 General and administrative expenses *(continued)*

The average number of persons employed by the Group (including directors) during the financial year, analysed by category was as follows:

	Period ended 31 December 2024 No.
Operations	99
Engineering	21
Administration	12
	<hr/>
	132
	<hr/> <hr/>

Directors' remuneration

The director's remuneration for the year was as follows:

	Period ended 31 December 2024 \$000
Remuneration	-
	<hr/>
	-
	<hr/> <hr/>

Auditors' remuneration

	Period ended 31 December 2024 \$000
Audit and tax fees	59
	<hr/>
	59
	<hr/> <hr/>

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

6 Net finance cost	Period ended 31 December 2024 \$000
Interest expense – bonds	3,388
Settlement fees	5,477
Issue cost amortisation	403
Interest expense on lease liabilities	46
Other interest	10
Bank interest income	(6)
Foreign exchange gain/(loss)	46
	<hr/>
	9,364
	<hr/> <hr/>
7 Tax charge	Period ended 31 December 2024 \$000
Tax on loss for the financial period	2024 \$000
<i>(a) Analysis of tax charge for the financial period</i>	
<i>Current tax:</i>	
Income tax on loss on ordinary activities	-
<i>Deferred tax:</i>	
Deferred tax charge	-
	<hr/>
Total taxation for the financial period	-
	<hr/> <hr/>
<i>(b) Factors affecting total tax charge for the financial period</i>	
Reconciliation of tax on loss for the financial period at the standard rate of Irish corporation tax to the Group's actual tax charge is analysed as follows;	
Loss on ordinary activities before tax	(12,513)
Tax on loss on ordinary activities before tax at standard Irish Corporation Tax at effective rate of 25%	(3,128)
<i>Effects of:</i>	
Non-deductible items	788
Impact of differences in tax rates	(2,965)
Deferred tax asset not recognised	5,305
	<hr/>
Total tax charge for the financial period	-
	<hr/> <hr/>

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

7 Tax charge *(continued)*

(c) Current tax

The Company is taxed at 25%. No current tax charge has been recognised.

(d) Deferred tax

Deferred tax represents the amount of tax recoverable in respect of tax losses available in the current period which are available for carry forward against future taxable profits, temporary timing differences and an excess of capital allowances over accounting depreciation.

Deferred Tax Position	31 December 2024 \$000
Opening deferred tax position	-
Deferred tax charged to the profit and loss account	-
	<hr/>
Closing deferred tax balance	-
	<hr/> <hr/>
The deferred tax balance comprises of:	31 December 2024 \$000
Capital allowances and depreciation	19,724
Tax losses carried forward	(25,029)
Deferred tax asset not recognised	5,305
	<hr/>
Deferred tax position	-
	<hr/> <hr/>

Deferred tax asset for losses carried forward were not recognised in the financial statements as in the opinion of the directors, there was considerable uncertainty surrounding the ultimate recoverability of the balance. There are \$100.1m of unused tax losses of which \$97m is arising from the business combination. \$97m of the unused tax losses are located in the UK and the balance is located in Ireland.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

8 Intangible Assets

	Goodwill \$000	Development Costs \$000	Total \$000
Cost			
At 8 October 2024	-	-	-
Additions	40,831	3,037	43,868
	<hr/>	<hr/>	<hr/>
At 31 December 2024	40,831	3,037	43,868
	<hr/>	<hr/>	<hr/>
Accumulated impairment			
At 8 October 2024	-	-	-
Charge for the financial period	-	116	116
	<hr/>	<hr/>	<hr/>
At 31 December 2024	-	116	116
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2024	40,831	2,921	43,752
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The carrying values of goodwill and other intangible assets with indefinite lives are reviewed at least annually for possible impairment. The Group may first assess qualitative factors in order to determine if goodwill and indefinite-lived intangible assets are impaired. If through the qualitative assessment it is determined that it is more likely than not that goodwill and indefinite-lived assets are not impaired, no further testing is required. If it is determined more likely than not that goodwill and indefinite-lived assets are impaired, or if the Group elects not to first assess qualitative factors, the Company's impairment testing continues with the estimation of the fair value of the reporting unit using a combination of a market approach and an income (discounted cash flow) approach, at the reporting unit level. The estimation of the fair value of reporting unit requires significant management judgment with respect to revenue and expense growth rates, changes in working capital and the selection and use of an appropriate discount rate. The estimates of the fair value of reporting units are based on the best information available as of the date of the assessment. The use of different assumptions would increase or decrease estimated discounted future operating cash flows and could increase or decrease an impairment charge. Group management uses its judgment in assessing whether assets may have become impaired between annual impairment tests. Indicators such as adverse business conditions, economic factors and technological change or competitive activities may signal that an asset has become impaired.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

9 Tangible Assets

	Aircraft & Engines \$000	Land & Buildings \$000	Plant & Machinery \$000	Fixtures & Fittings \$000	Rou – Properties \$000	Total \$000
Cost						
At 8 October 2024	-	-	-	-	-	-
Additions	134,715	574	617	3	3,036	138,945
At 31 December 2024	134,715	574	617	3	3,036	138,945
Accumulated Depreciation						
At 8 October 2024	-	-	-	-	-	-
Charge for the financial period	1,231	9	44	-	95	1,379
At 31 December 2024	1,231	9	44	-	95	1,379
Net book value						
At 31 December 2024	133,484	565	573	3	2,941	137,566

\$7.9m of tangible assets were acquired through the business combination.

10 Investment in subsidiaries

Company	31 December 2024 \$000
Investment in subsidiaries	8

The Company had the following subsidiaries as at 31 December 2024:

Name	Country of Incorporation	% of shares held	Principal activity	Date of Incorporation
Priority 1 Leasing Holding Ireland Limited	Ireland	100%	Holding Company	10/10/2024

Priority 1 Leasing Holding Ireland Limited had the following subsidiaries as at 31 December 2024:

Priority 1 Leasing Limited	Ireland	100%	Aircraft Leasing	08/10/2024
Perishable Center Nord AS	Norway	100%	Transport of Perishable Goods	05/02/2020
European Cargo Limited	United Kingdom	100%	Airline Operation	23/12/2020

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

10 Investment in subsidiaries *(continued)*

The Company engages in inter-company transactions with its subsidiaries. These transactions are intercompany transactions. Each Irish incorporated entity has a registered address at Suite 315, Airport House, Shannon, Co Clare, Ireland. Perishable Center Nord AS has a registered address at Flyplassveien 89, 8536 Evenes, Norway. European Cargo Limited has a registered address at No.1 Enterprise Way, Bournemouth Airport, Dorset, United Kingdom.

11 Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash balances none of which are restricted. Cash and cash equivalents are measured and carried at amortised cost.

Group	31 December 2024 \$000
Cash and cash equivalents	49,576
	<hr/> <hr/>
Company	31 December 2024 \$000
Cash and cash equivalents	47,171
	<hr/> <hr/>
12 Trade and other receivables	31 December 2024 \$000
Group	
Current	
Trade receivables	1,030
Other receivables	857
Prepayments	3,437
	<hr/>
	5,324
	<hr/> <hr/>

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

12 Trade and other receivables

Company	31 December 2024 \$000
Non-current	
Intercompany loans	173,399
	<hr/>
Current	
Other receivables	665
Prepayments	27
	<hr/>
	692
	<hr/> <hr/>

The intercompany loans are interest bearing at a rate of 12.625%. The maturity date of the loans is the later of the 19 November 2027 or such other date as may be agreed in writing between the parties. The loans are unsecured.

All current receivables are due within one year and are non-interest bearing.

As at 31 December 2024, none of the Group's receivables are impaired and the Directors consider all amounts to be recoverable.

13 Inventory

	31 December 2024 \$000
Spares and components	3,265
	<hr/>
	3,265
	<hr/> <hr/>

During the financial year, the Group acquired spares and components. Spares and components are assessed for recoverability at each reporting date or whenever events or changes in circumstances indicates that their carrying value may not be recoverable. For the purposes of measuring an impairment loss, the spares and components are tested by comparing its' carrying amount to the Net Realisable Value (NRV). NRV is the calculated to provide the shareholders with an agreed upon return. Significant judgement is required when evaluating the inputs into the recoverable amount of the Group's inventory.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

14 Share Capital

Group and Company	31 December 2024 \$000
<i>Authorised</i>	
100 Ordinary share of €1 each	-
<i>Allotted, called up and fully paid</i>	
1 Ordinary share of €1 each	-

The holders of the ordinary shares are entitled to receive dividends as declared from time to time at the discretion of the Company. The holders of the ordinary shares have all the power and full voting rights as permitted under the applicable Company Laws. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from retained earnings, net of any tax effects.

15 Loans and borrowings

Group and Company	31 December 2024 \$000
Non-current	
Secured bonds	230,000
Capitalised issue costs	(12,767)
	217,233
	217,233

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 31 December 2024	Carrying amount 31 December 2024
Secured bonds	US\$	12.625%	2027	230,000,000	230,000,000

Post financial year end, the secured bonds were listed on the Nordic ABM.

16 Lease Liabilities

Group	31 December 2024 \$000
Lease Liabilities	3,054
	3,054

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

17 Trade and other payables	31 December
	2024
Group	\$000
Current	
Trade creditors and accruals	16,801
Interest payable – bonds	3,388
Other creditors	970
Unearned revenue	6,440
Tax payables	40
Provisions	1,750
Amounts owed to group undertakings	2,346
	<hr/>
	31,735
	<hr/> <hr/>
	31 December
	2024
	\$000
Company	
Current	
Interest payable	3,388
Trade creditors and accruals	997
Amounts owed to group undertakings	1,063
	<hr/>
	5,448
	<hr/> <hr/>

Amount owed to group undertakings is due on demand, interest free and unsecured.

18 Acquisition of subsidiaries

On the 19th November 2024, the Group acquired 100% of the shares and voting interests in European Cargo Limited and Perishable Center Nord AS. As a result, this grants the Group control of European Cargo Limited and Perishable Center Nord AS. The Group has determined that the acquired inputs and processes acquired at the date of acquisition will significantly contribute to the ability to create revenue.

For the financial period 19th November 2024 to the 31 December 2024, European Cargo Limited and Perishable Center Nord AS contributed revenue of \$20.8m to the Groups results. If the acquisitions had occurred on 1 January 2024, management estimates that consolidated revenue would have been \$136.9m.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

18 Acquisition of subsidiaries *(continued)*

Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

	ECL	PCN	Total
	\$000	\$000	\$000
Cash	40,008	1,750	41,758
	<hr/>	<hr/>	<hr/>
	40,008	1,750	41,758
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition.

	ECL	PCN	Total
	\$000	\$000	\$000
Development costs	3,037	-	3,037
Aircraft and engines	115,032	-	115,032
Right of use assets	3,036	-	3,036
Property, plant and equipment	565	673	1,238
Inventories	3,105	-	3,105
Trade and other receivables	7,097	51	7,148
Cash and cash equivalents	4,142	309	4,451
Trade and other payables	(27,743)	(132)	(27,875)
Lease liabilities	(3,036)	-	(3,036)
Loans due to related parties	(104,293)	(916)	(105,209)
	<hr/>	<hr/>	<hr/>
	942	(15)	927
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A fair value gain of \$61.2m was recognised on aircraft and engines. All other assets and liabilities were measured at historical cost.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

18 Acquisition of subsidiaries *(continued)*

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	ECL	PCN	Total
	\$000	\$000	\$000
Consideration transferred	40,008	1,750	41,758
Fair value of identifiable assets	(942)	15	(927)
	<hr/>	<hr/>	<hr/>
	39,066	1,765	40,831
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the Companies into the Group.

19 Net debt

Net debt is calculated as total liabilities less cash and cash equivalents.

	31 December
	2024
	\$000
Total liabilities	252,022
Less: cash and cash equivalents	(49,576)
Net debt	<hr/> 202,446 <hr/> <hr/>

\$64.6m of the total liabilities were acquired through the business combination.

20 Charge over assets

The Group has entered into agreements with Nordic Trustee AS in the position as Bond Trustee. At 31 December 2024 there were 10 registered charges.

21 Fair value of financial assets and liabilities

Fair value hierarchy

Fair Value Disclosure by fair value hierarchy level

Under IFRS 13 Fair Value Measurement, the fair value of a financial asset and liability is the amount at which it could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced sale or liquidation. The carrying value of cash, trade receivables and trade payables are assumed to approximate their fair values.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

21 Fair value of financial assets and liabilities *(continued)*

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 Quoted prices for similar instruments
- Level 2 Directly observable market inputs other than Level 1 inputs
- Level 3 Significant inputs not based on observable market data

Group

Fair Value

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000	Carrying Value \$000
Financial Assets					
Trade and Other Rec	-	5,324	-	5,324	5,324
Cash and Equivalents	-	49,576	-	49,576	49,576
Total	-	54,900	-	54,900	54,900
Financial Liabilities					
Trade and Other Payables	-	31,735	-	31,735	31,735
Lease liabilities	-	3,054	-	3,054	3,054
Secured Debt	-	-	230,000	230,000	230,000
Total	-	34,789	230,000	264,789	264,789

Determination of fair values

Cash and cash equivalents

The carrying amount approximates to fair value due to the short-term nature of these instruments.

Trade and other receivables

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

Trade and other payables

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

Long term assets and liabilities

The fair value of long-term asset and liabilities are estimated as the present value of future cash flows and is discounted at the market rate of interest when the impact is material.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

22 Related party transactions

At the year end, the group had a balance of \$2.3m owed by Priority 1 Y LLC, which holds 80.09% shareholding in the Group parent (Priority 1 Logistics Holdings LLC), in relation to costs paid on the group's behalf.

23 Financial instruments and risk management

The Group has exposure to the following risks:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk

(a) Credit risk

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

The Group's ability to succeed is partially dependant on the financial strength of its customers and their ability to operate effectively in the marketplace and manage the competitive environment in which they operate. If a customer experiences financial difficulty this may result in defaults or the early termination of agreements. The directors mitigate this risk by putting in place appropriate settlement conditions in the event of default or early termination of an agreement.

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

	31 December 2024 \$000
Trade and other receivables	5,324
Cash and cash equivalents	49,576
	<hr/>
Total	54,900
	<hr/> <hr/>

Expected credit loss assessment

When assessing the need to recognise an allowance for ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. Factors such as length of maturity of the exposures, current credit risk based on external credit ratings of the counterparties, and fluctuations in the credit risk based on the risk of default occurring over the expected life of the asset are considered. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the group in full, without recourse by the Group to actions such as realising security (if any is held).

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

23 Financial instruments and risk management *(continued)*

(a) Credit risk *(continued)*

Cash and cash equivalents

The Group manages its exposure to credit risk by placing cash with recognised financial institutions.

The Moody's long-term credit ratings of the counterparties are as follows:

	31 December 2024 \$000	31 December 2024
Allied Irish Bank	1,171	A1
BlackRock ICS US Treasury Fund	46,000	Aaa-mf
Barclays	2,097	Baa2
DNB Bank	220	Aa1
Avinor	88	A1

Trade and other receivables

At 31 December 2024 the trade and other receivables disclosed in note 12 consisted of trade receivables, amounts owed to group companies, prepayments and other receivables. Trade receivables carry credit risk due to customers potential inability to pay due to financial difficulties or insolvency. Amounts owed to group companies, prepayments and other receivables generally have lower credit risk.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group manages its exposure to currency risk by effectively matching its foreign currency assets and liabilities in the functional currency i.e., US Dollars.

(ii) Interest rate risk

All secured bond holder debt is fixed.

31 December 2024	Carrying Value \$000	Fixed \$000	Variable \$000	Non- interest bearing \$000
Trade and other payables	31,735	-	-	31,735
Lease liabilities	3,054	-	-	3,054
Secured debt	230,000	230,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	264,789	230,000	-	34,789
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

23 Financial instruments and risk management *(continued)*

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or damaging the Group's reputation. The Group has sought to match the cash inflows from revenue with the cash outflows on its indebtedness.

The contractual maturity of the Group's financial liabilities including expected interest payments is as follows for period ended 31 December 2024:

	Carrying amount \$000	Contractual Cash flows \$000	Less than one year \$000	One to five years \$000	Over five years \$000
Trade and other payables	31,735	31,735	31,735	-	-
Lease liabilities	3,054	3,054	-	3,054	-
Secured debt	230,000	230,000	-	230,000	-
	<u>264,789</u>	<u>264,789</u>	<u>31,735</u>	<u>233,054</u>	<u>-</u>

(d) Operational risk

Operational risk is the risk of indirect or direct loss arising from a wide variety of causes associated with the Group's operations. The Group's objective is to manage operational risk and does so primarily by outsourcing its administration functions to the corporate service provider.

The Group was incorporated with the purpose of engaging in those activities outlined in the directors' report. All administrative functions are outsourced to Fexco Aviation Services Limited.

24 Subsequent events

Subsequent to financial year end, the secured bonds were listed on the Nordic ABM.

There have been no other significant events subsequent to the financial period end that would require adjustment or disclosure in these financial statements.

25 Capital commitments and contingent liabilities

Capital commitments

The Group has no capital commitments at 31 December 2024.

Contingent liabilities

The Group has no contingent liabilities at 31 December 2024.

Priority 1 Issuer Logistics DAC and Subsidiaries

Notes to the consolidated financial statements *(continued)*

26 Ultimate beneficial ownership

The ultimate beneficial owner of the Company is Carlos DaSilva.

27 Approval of financial statements

The financial statements were approved and authorised for issue by the directors on 30 June 2025.