

Heston 1 Aviation Designated Activity Company

Directors' Report and financial statements

Year ended 31 December 2025

Company registration no: 633143

Heston 1 Aviation Designated Activity Company

Directors' report and financial statements

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Heston 1 Aviation Designated Activity Company

Directors and Other Information

Directors

Mr. Matthew Tracey
Mr. Daniel Roche

Company secretary

Waystone Centralised Services (IE) Limited
35 Shelbourne Road
Ballsbridge
Dublin 4
Dublin
Ireland

Registered office

Unit 10 & 11
Cahir Road
Cashel
Co. Tipperary
Ireland

Bank

First Citizens Bank.
75 N. Fair Oaks Avenue
Pasadena, CA91103

Solicitors

Averus Law Firm
Konstitucijos
Ave.26 LT- 08105
Vilnius
Lithuania

Heston 1 Aviation Designated Activity Company

Directors' Report

For the year ended 31 December 2025

The Directors present their report, together with the financial statements of Heston 1 Aviation Designated Activity Company (the "Company") for the financial year ended 31 December 2025.

As at 31 December 2025, the Company had 12,900 ordinary shares of €0.01 each in issue. The shares remained unpaid as at the reporting date.

The registered shareholders as at year-end were as follows:

- **Heston Services Limited**, Anastasi Sioukri & Olympion, Themis Tower, 2nd Floor, Flat/Office 202, 3035 Limassol, Cyprus.
- **Rocket Wise UAB**, Stasio Krasausko g., 10A-2, LT-25128 Vilnius, Lithuania.
- **Zugzwang OU**, Harju maakond, Tallinn, Uueristi str. 11-35, 11624, Estonia.

Principal activities

The principal activity of the Company is the acquisition, sale and part-out of aircraft and aircraft engines. The Company was incorporated on 31 August 2018 and is 90% owned by its parent company, Heston Services Limited.

Results for the financial year

The Statement of Comprehensive Income and the Statement of Financial Position for the year ended 31 December 2025 are set out on pages 5 and 6 respectively. The results for the current financial year are set out in the Statement of Comprehensive Income. The Company made a loss after tax of USD 79,733 during the current financial year (2024: loss before tax of USD 47,826). Total assets amounted to USD 23,086 (2024: USD 60,221) and total liabilities amounted to USD 73,034 (2024: USD 30,436). Therefore, at year end the company is in a net liability position.

Future developments

It is the intention of the Directors to continue to develop the activities of the Company at a future interval once potential opportunities surface.

Dividends

The Directors paid no dividend during the current financial year to Heston Services Limited (2024: USD 2,100,000).

Going concern

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows that may occur.

Based on all the information available at present, the future plans for the Company and the low level of risk in the Company, the Directors believe that the support from the parent entity and sub entities will allow the company to meet its obligations as they fall due and that it is appropriate to prepare the financial statements as of 31 December 2025 on a going concern basis.

Both the parent and the sub entities will continue to support the entity through the form of loans and borrowings if and when necessary.

Heston 1 Aviation Designated Activity Company

Events after the reporting year end

Apart from what is disclosed in note 18, there were no significant developments between 31 December 2025 and the date of approval of the financial statements.

Directors' Report For the year ended 31 December 2025 (continued)

Political donations

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial year. The Directors confirm that no political donations have been made by the Company during the financial year (2024: Nil).

Principal risks and uncertainties

The Company is exposed to a variety of risks: credit risk, asset risk, market risk including currency and interest- rate risk, liquidity risk, operational risk, and conflict in eastern Europe risk. The Company's policies and procedures have been established to identify, measure and control such risks. See note 15 for further details.

Directors and secretary

The Directors who held office during the year are set out as follows:

Mr. Matthew Tracey
Mr. Daniel Roche

Waystone Centralised Services (IE) Limited served as secretary for the financial year ending 31 December 2025.

Directors, secretary and their interests

Neither the Directors nor the Company secretary has any direct or beneficial interest in the shares, deferred shares, share options or debentures of the Company or any group companies that are required by Section 267 of the Companies Act 2014 to be recorded in the register of interests or disclosed in the Directors' Report.

Accounting records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, are kept by the Company. All accounting records are kept with Waystone Centralised Services (IE) Limited at Unit 10 & 11, Cahir Road, Cashel, Co. Tipperary, Ireland.

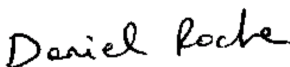
Directors' declaration on unaudited financial statements


In relation to the financial statements and related notes:

The Directors approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgments underlying them. They have been prepared on the going concern basis on the grounds that the Company will continue in business.

The Directors confirm that to the best of their knowledge and belief, the accounting records reflect all the transactions of the Company for the financial year ended 31 December 2025.

On behalf of the Board

Director 
Date: 04/07/2026

Director 
Date: 04/07/2026

Heston 1 Aviation Designated Activity Company

Directors' Responsibilities' Statement For the year ended 31 December 2025

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

Irish law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Director *Daniel Roche*

Date: 04/07/2026

Director *Mark van der*

Date: 04/07/2026

Heston 1 Aviation Designated Activity Company

Heston 1 Aviation Designated Activity Company

Statement of Comprehensive Income

for the financial year ended 31 December 2025

	Note	Year ended 31 December 2025 USD (Unaudited)	Year ended 31 December 2024 USD (Audited)
Expenses			
Operating expenses	5	(79,261)	(76,945)
Total expenses		(79,261)	(76,945)
Operating profit		(79,261)	(76,945)
Finance expense	3	(496)	(68,361)
Finance Income	4	24	97,479
Profit (Loss) before income tax		(79,733)	(47,826)
Tax on profit on ordinary expense	7	-	-
Profit (Loss) for the year from continuing operations		(79,733)	(47,826)
Total comprehensive profit (loss) for the year		(79,733)	(47,826)

All items are related to continuing operations.

The notes on pages 9 to 23 form an integral part of the financial statements.

Heston 1 Aviation Designated Activity Company

Statement of Financial Position

as at 31 December 2025

	Note	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Assets			
Financial assets			
Investment in subsidiary	8	3,094	3,094
Current assets			
Cash and cash equivalents	9	16,846	25,589
Trade and other receivables	10	3,146	31,638
Total assets		23,086	60,221
Non-Current liabilities			
Loan & Borrowings	11	55,497	-
Current liabilities			
Loans payable	12	1,496	1,496
Trade and other payables	13	16,041	28,940
Total liabilities		73,034	30,436
Equity			
Share capital	14	134	134
Retained earnings		2,049,918	2,129,651
Dividends		(2,100,000)	(2,100,000)
Total Equity		(49,948)	29,785
Total Equity and Liabilities		23,086	60,221

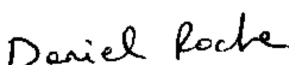
The notes on pages 9 to 23 form an integral part of the financial statements.


The entity financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

We as Directors of Heston 1 Aviation Designated Activity Company, state that -

- the company is availing itself of the exemption provided for by Chapter 15 of Part 6 of the Companies Act 2014,
- the company is availing itself of the exemption on the grounds that the conditions specified in section 359 are satisfied,
- the shareholders of the company have not served a notice on the company under section 334(1) in accordance with section 334(2),
- we acknowledge the company's obligations under the Companies Act 2014, to keep adequate accounting records and prepare financial statements which give a true and fair view of the assets, liabilities and financial position of the company at the end of its financial year and of its profit or loss for such a financial year and to otherwise comply with the provisions of the Companies Act 2014 relating to financial statements so far as they are applicable to the company.

The financial statements were approved and authorised for issue by the Board of Directors on 7 April 2026 and signed on its behalf by:

Director 
Date: 04/07/2026

Director 
Date: 04/07/2026

Heston 1 Aviation Designated Activity Company

Statement of Changes in Equity (Unaudited)

for the financial year ended 31 December 2025

	Note	Share capital	Retained earnings	Dividend	Total equity
		USD	USD	USD	USD
Balance at 1 January 2025		134	2,129,651	(2,100,000)	29,785
Total comprehensive income for the year					
Loss for the year		-	(79,733)	-	(79,733)
Issued Share Capital	14	-	-	-	-
Dividend paid on equity shares		-	-	-	-
Balance at 31 December 2025		134	2,049,918	(2,100,000)	(49,948)

Statement of Changes in Equity (Unaudited)

for the year ended 31 December 2024

	Note	Share capital	Retained earnings	Dividend	Total equity
		USD	USD	USD	USD
Balance at 1 January 2024		1	2,177,477	-	2,177,478
Total comprehensive income for the year					
Profit for the year		-	(47,826)	-	(47,826)
Issued Share Capital	14	133	-	-	133
Dividend paid on equity shares		-	-	(2,100,000)	(2,100,000)
Balance at 31 December 2024		134	2,129,651	(2,100,000)	29,785

The notes on pages 9 to 23 form an integral part of the financial statements.

Heston 1 Aviation Designated Activity Company

Statement of Cash Flows

for the financial year ended 31 December 2025

	Note	Year end 31 December 2025 (Unaudited) USD	Year end 31 December 2024 (Unaudited) USD
Cash flows from operating activities			
Profit on ordinary activities before tax		(79,733)	(47,826)
Add back interest expense	3	496	68,361
Subtract finance income received	4	(24)	(97,479)
Decrease / (increase) in receivables	10	28,492	(27,916)
Movement in payables	12	(12,899)	(2,434,813)
Corporation tax paid		-	-
		<hr/>	<hr/>
Net cash generated from operating activities		(63,668)	(2,542,673)
Cash flows from investing activities			
Deduct interest expense	3	(496)	(68,361)
Finance income received	4	24	97,479
		<hr/>	<hr/>
Net cash flows from investing activities		(472)	29,118
Cash flows from financing activities			
Dividend Paid		-	(2,100,000)
Project Financing		-	(9,611,915)
Proceeds from Loan	11	55,497	-
Loans payable	12	-	(3,336,627)
		<hr/>	<hr/>
Net cash flows from financing activities		55,497	(15,048,542)
		<hr/>	<hr/>
Net increase(decrease) in cash and cash equivalents		(8,643)	(17,562,096)
Cash and cash equivalents at beginning of year		25,489	17,587,585
		<hr/>	<hr/>
Cash and cash equivalents at end of year	9	16,846	25,489
		<hr/>	<hr/>

The notes on pages 9 to 23 form an integral part of the financial statements.

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

1 Corporate information and Material Accounting Policy Information

The Company is a single member private company limited by shares incorporated under the laws of Ireland with the registered office address of Unit 10 & 11, Cahir Road, Cashel, Co. Tipperary and company number 633143. The Company was incorporated on 31 August 2018 and is domiciled in the Republic of Ireland.

2 Statement of Accounting policies

A) Basis of preparation and Statement of Compliance

The entity financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

B) Going concern

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows that may occur. There has been support received during the year from the parent of the company and related entities and this assistance is available in the future to be utilised when needed.

Based on all the information available at present, the future plans for the Company and the low level of risk in the Company, the Directors believe that the Company has sufficient liquidity to meet its obligations as they fall due and that it is appropriate to prepare the financial statements as of 31 December 2025 on a going concern basis.

C) Significant judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only the financial period or in the financial period of the reviews and future financial periods if the revision affects both current and future financial periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

Tangible assets are evaluated for impairment each reporting period or when there are indicators of impairment. This process involves the use of judgements and estimates.

Estimates are utilised in determining the value in use and fair value. Specifically, the Company estimates remaining useful lives of the aircraft, airframes and engines, discount rate, residual value and current and future fair values. The estimates and assumptions used are based on historical trends as well as future expectations.

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

2 Accounting policies (*continued*)

C) Significant judgements (*continued*)

For some of these estimates, the Company utilises the services of an independent valuation firm to determine the appropriate values. The Company has utilised judgement in evaluating whether there are indicators of impairment. In this regard, management relies on legal factors, market conditions and the operational performance of the long-lived assets.

In addition, the Company has applied judgement in determining the useful life and residual value of aircraft, airframes and engines.

Changes in global and regional economic and political conditions, government regulations, technological changes and other factors could cause us to revise the useful life and residual value assumptions. The Company evaluates the appropriateness of these judgements and assessments during each reporting period.

D) Standards, amendments, or interpretations

OECD Pillar Two

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions where the Company operates. However, this legislation does not apply to the Company as its consolidated revenue is lower than €750 million.

New Standards and Interpretations Not Yet Applied

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Title of Standard or Interpretation	Effective Date (period beginning)
IFRS 18 - Presentation and Disclosure in Financial Statements	01 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	01 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 2, Indefinitely Deferred.	To be determined

Based on a preliminary assessment using currently available information, the Company does not expect the adoption of the above standards to have a material impact on the financial statements in the period of initial application. These preliminary assessments may be subject to changes arising from ongoing analyses when the Company adopts the standards. The Company plans to adopt the above standards on the effective date.

E) Dividends

Dividends are recognised in the financial statements when they have been paid or appropriately approved or authorised by the shareholders. During the financial year ended 31 December 2025, a dividend of USD \$Nil was paid to the shareholders (2024: 2,100,000).

F) Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership, are classified as operating leases. Operating lease income is recognised as operating lease revenue in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

2 Accounting policies (continued)

F) Operating leases (continued)

If the Company's lease contracts require payment in advance, rentals received but unearned under these lease agreements are recorded as deferred income in liabilities in the Statement of Financial Position.

G) Borrowing costs

Borrowing costs directly attributable to the acquisition of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

H) Interest income and expenses

Interest income and expense is recognised on an accruals basis by reference to the principal outstanding and at the effective interest rate applicable.

I) Operating expenses

The operating expenses of the Company are recognised in the financial statements on an accrual's basis.

J) Cash and cash equivalents

Cash and cash equivalents comprise bank balances, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash.

K) Functional and presentational currency

The Company's financial statements are presented in USD which is the functional and presentational currency of the Company and the dominant currency for the aircraft leasing business.

L) Foreign currencies

Transactions denominated in foreign currencies are translated into USD and recorded at the average rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated into USD at rates of exchange ruling at the Statement of Financial Position date. All exchange differences are dealt with in the Statement of Comprehensive Income.

<i>Foreign exchange rates</i>		2025	2024
		USD	USD
Euro to USD exchange rate	Year-end rate	1.18	1.04

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

2 Accounting policies (*continued*)

M) Financial instruments

a. Classification

Financial assets are classified in the following categories:

- i. those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- ii. those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets, gains and losses will either be recorded in profit or loss or OCI.

(i) Classification and subsequent measurement of debt financial instruments depend on:

(1) Business Model

The Company assesses the objective of the business model for individual assets. The focus is on whether the Company objective is solely to collect the contractual cash flows from the assets ("Hold to Collect") or is to collect both the contractual cash flows and cash flows arising from the sale of assets ("Hold to Collect and Sell"). If the objective is neither of the above, then the portfolio is classified as part of a portfolio that is measured at fair value through profit and loss.

The assessment considers the following:

- How the performance of the business model is evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model and how those risks are managed.
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior years, the reasons for such sales and expectations about future sales activity.

The Company has one category of financing being an intercompany loan and one business model as follows:

- An intercompany loan that is originated and retained on the Statement of Financial Position and which is classified as a hold to collect business model.

(2) Contractual cash flow characteristics

The Company also performed an assessment ('SPPI test') on all financial assets at origination that are held within a hold-to-collect business model to determine whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. For this assessment, 'principal' is defined as the fair value of the financial assets at initial recognition and may change over the life of the financial asset, for example, due to repayments. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding, and other basic lending risks and costs.

(ii) Amortised Cost

Assets that have not been designated as FVTPL and are held within a 'hold-to- collect' business model whose objective is to hold assets to collect contractual cash flows; and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. The carrying amount of these assets is calculated using the effective interest method and is adjusted on each measurement date by the expected credit loss allowance for each asset, with movements recognised in profit or loss.

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

2 Accounting policies (*continued*)

M) Financial instruments (*continued*)

b. *Recognition of financial instruments*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

c. *Measurement*

A financial instrument is initially recognised at fair value and is adjusted for (in the case of instruments not carried at FVTPL) transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument. Transaction costs relating to financial instruments carried at FVTPL are expensed in the Statement of Comprehensive Income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

d. *Derecognition of financial instruments*

i. Financial assets

Financial assets are de-recognised when:

- the rights to cash flows have expired
- the Company has transferred the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset.

ii. Financial liabilities

Financial liabilities are de-recognised from the Statement of Financial Position when the Company's obligation has been discharged, cancelled or has expired.

e. *Expected credit losses ("ECL")*

The ECL requirements apply to financial assets measured at amortised cost. The Company assesses on a forward-looking basis; the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The ECL is determined with reference to the following stages:

i. Stage I: 12-month ECL

At initial recognition, and for financial assets for which there has not been a significant increase in credit risk ("SICR") or for those financial assets for which the credit risk is considered to be low, ECL is determined based on the PD over the next 12 months and the lifetime losses associated with such PD, adjusted for forward looking information ("FLI").

ii. Stage II: Lifetime ECL not credit-impaired

When there has been a SICR since initial recognition, the ECL is determined with reference to the financial asset's life-time PD and the lifetime losses associated with that PD, adjusted for FLI. The Company assesses whether there has been a SICR since initial recognition based on qualitative and quantitative factors.

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

2 Accounting policies (*continued*)

M) Financial instruments (*continued*)

e. *Expected credit losses ("ECL") (continued)*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised.

In making this assessment the Company considers that when an asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in Stage 2 of the impairment model i.e. the loss allowance is measured as the lifetime ECL.

Lifetime ECL is generally determined based upon the contractual maturity of the financial asset.

iii. Stage III: Lifetime ECL credit-impaired

Financial assets are classified as stage 3 where they are determined to be credit impaired. The ECL for credit impaired financial assets is generally measured as the difference between the contractual and expected cash flows from the individual exposure, discounted using the EIR for that exposure.

When the Company concludes that there is no reasonable expectation of recovering cash flows from the financial asset, and all possible collateral has been realised, the financial asset is written off, either partially or in full, against the related provision. Recoveries of loans previously written off are recognised in the Statement of Comprehensive Income based on the cash received.

N) Taxation

Current tax, including Irish corporation tax and foreign taxes, is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction effects either accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

2 Accounting policies (continued)

O) Fair values

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 and cash equivalents, restricted cash balances, trade receivables and trade payables are assumed to approximate their fair values. The Company's measurement and determination of fair value is discussed in more detail in note 15.

3. Finance expense

	Year ended 31 December 2025 (Unaudited) USD	Year ended 31 December 2024 (Unaudited) USD
Finance expense - Interest	496	68,361
	<u>496</u>	<u>68,361</u>

This finance expenses relates to fixed interest on an intercompany loan. The loan amount is subject to 5% of annual interest, calculated from the date of granting of the loan until the date of full repayment of the loan. The loan shall be disbursed by the 15th of September 2026.

4. Finance income

	Year ended 31 December 2025 (Unaudited) USD	Year ended 31 December 2024 (Unaudited) USD
Bank interest income	24	16,949
Intercompany interest expense	-	80,530
	<u>24</u>	<u>97,479</u>

5. Operating expenses

	Year ended 31 December 2025 (Unaudited) USD	Year ended 31 December 2024 (Unaudited) USD
Directors' fees	1,124	2,296
Corporate service fees	26,424	26,363
Tax fees	28,303	12,264
Legal fees	2,610	14,675
Recharge legal fees	-	(12,928)
Insurance	6,211	3,902
Professional	11,827	1,321
Exchange rate variance and bank charges	2,762	29,052
Total operating expenses	<u>79,261</u>	<u>76,945</u>

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

6. Statutory and other information

	Year ended 31 December 2025 (Unaudited)	Year ended 31 December 2024 (Unaudited)
	USD	USD
Tax fees	28,303	12,264
Directors' fees	-	2,296

Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended), Waystone Centralised Services (IE) Limited received USD 2,000 (2024: USD 2,296) as consideration for the making available of individuals to act as directors of the Company. For the avoidance of doubt, the two directors in receipt of fees are employees of Waystone Centralised Services (IE) Limited. All remaining categories in Section 305 of the Companies Act 2014 relevant to Directors' remuneration are USD Nil (2024: USD Nil) for the financial year. There were no other contracts of any significance in relation to the business of the Company in which the Directors had an interest, as defined in the Companies Act 2014, at any time during the year (2024: USD Nil). The Directors receive no remuneration directly from the Company.

The Company has no employees (2024: Nil) so there was no employee remuneration for the financial year ended 31 December 2025 (2024: USD Nil).

Tax fees for work carried out relate to fees payable to Bradley Tax Consulting.

The Company is availing of the audit exemption provided for by Chapter 15 of Part 6 of the Companies Act 2014, the Company is availing itself of the exemption on the grounds that the conditions specified in s.358 are satisfied for the financial year ended 31 December 2025.

Therefore, the auditor's remuneration for statutory audit work the financial year ended 31 December 2025 is USD Nil (2024: USD Nil).

	Year ended 31 December 2025 (Unaudited)	Year ended 31 December 2024 (Unaudited)
	USD	USD
Auditors' remuneration (exclusive of VAT)		
- Statutory audit	-	-
- Non-audit services	-	-

7. Tax on profit on ordinary expense

Corporation tax is calculated on the results for the year at a rate of 12.5%.

(a) Analysis of tax charge for the year

	Year ended 31 December 2025 (Unaudited)	Year ended 31 December 2024 (Unaudited)
	USD	USD
Current tax charge for year	-	-
Deferred tax charge	-	-
Total tax charge for the year	-	-

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

7. Tax on profit on ordinary expense *(continued)*

(b) Factors affecting current tax charge for the year

	Year ended 31 December 2025 (Unaudited) USD	Year ended 31 December 2024 (Unaudited) USD
Profit on ordinary activities before tax	(79,733)	(47,826)
Tax at standard rate 12.5%	(9,967)	(5,978)
Expenses not deductible for tax purposes	-	-
Expenses not taxable for tax purposes	-	-
Tax at higher rate 25%	-	-
Loss Forward	9,967	5,978
Total tax charge for year	-	-

8. Investment in subsidiary

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
FIJI 2157	3,094	3,094
	3,094	3,094

This amount relates to a limited liability company whose shares were transferred to Heston 1 Aviation DAC. The total purchase price payable for the shares is the value recognized as an investment in the subsidiary.

9. Cash and cash equivalents

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Bank Account	16,846	25,489
Total cash and cash equivalents	16,846	25,489

10. Trade and other receivables

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Debtors and prepayments	-	1,250
Intercompany Debtors	-	12,928
Issued share capital due	134	134
VAT receivable	3,012	17,326
Total trade and other receivables	3,146	31,638

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

11. Loan & Borrowings

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Loan & Borrowings	55,497	-
Closing balance	55,497	-

This amount relates to an inter company loan which was provided to Heston with an initial principle amount of \$30,000 and with an additional \$25,000 provided in December to help from a liquidity perspective. The loan amount is subject to 5% annual interest which has been added to the principle amount here which is recognized in the financial statements.

12. Loans payable

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Opening balance	1,496	3,338,123
Capital repayments	-	(3,200,000)
Loan interest Accrued and Paid	-	(136,627)
Closing balance	1,496	1,496

*All Loan commitments are due within one year, the interest rate is a fixed interest rate of 7% per annum.

Maturity Analysis

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Amounts payable within one financial year	1,496	1,496
Amounts payable between one and five financial years	-	-
Amounts payable greater than five financial years	-	-
	1,496	1,496

13. Trade and other payables

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Trade payables	-	12,125
Accruals	16,041	16,815
Total trade and other payables	16,041	28,940

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

14. Share Capital

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Authorised		
12,900 ordinary shares of USD 134	134	134
Issued and called-up – presented as equity		
12,900 ordinary shares of USD 134	134	134

As at 31 December 2025, the issued share capital was held as follows:

- Heston Services Limited: 11,610 ordinary shares (90%)
- Rocket Wise UAB: 1,032 ordinary shares (8%)
- Zugzwang OU: 258 ordinary shares (2%)

All shares are ordinary shares with a nominal value of €0.01 each, fully paid or appropriately called, and carry equal voting and dividend rights. At 31 December 2025, payment for the newly issued shares amounting to €129 remained unpaid and is included in trade and other receivables.

15. Financial instruments and risk management

The principal risks arising from the Company's financial instruments are credit risk and market risk. The principal nature of such risks is summarised below.

The Company's exposure to risk on its financial instruments and the management of such risk is carried out on an ongoing basis. The Company's activities and the role of each party to the transaction is clearly defined and documented.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the reporting year, financial assets exposed to credit risk include trade and other receivables and cash and cash equivalents. It is the opinion of management that the carrying amounts of the financial assets represent the maximum credit risk exposure at the end of the reporting year. The maximum exposure to credit risk at the year-end was:

Cash and cash equivalents

	31 December 2025 (Unaudited) USD	31 December 2024 (Unaudited) USD
Cash and cash equivalents	16,846	25,489
Trade and other receivables	<u>3,146</u>	<u>31,638</u>
Total	<u>19,992</u>	<u>57,127</u>

The Company's cash balance at the year-end is held with First Citizens Bank. First Citizens Bank has a credit rating of Baa2 from Moody's, and a BBB+ rating from Standard and Poor's Rating Services.

Trade and other receivables

The trade and other receivables comprise of debtor's receivable, issued share capital due, and VAT recoverable

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

15. Financial instruments and risk management (*continued*)

Market risk

Market risk is the potential adverse change in income or the value of net worth arising from changes in interest rates, currency exchange rates or relevant market prices. By the nature of its business, the Company is not exposed to equity or commodity risk. With regards to foreign exchange risk, the Company has a policy of conducting most of its transactions in the functional currency or hedging transactions in foreign currencies and the exposure to foreign currency risk is minimal.

Asset risk

Aircraft assets are purchased with the intention of assigning leases to them and selling the aircraft asset with lease attached. The Company bear the risk of leasing or selling the aircraft. Management mitigates these risks by collecting maintenance reserves and/or collecting security deposits where appropriate, and, where possible remarketing the aircraft. If demand for aircraft decreases, market lease rates may fall. Should this condition continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge. If a sale agreement can be arranged, the aircraft assets are classified as held for sale.

At the reporting date, there was no asset risk, as no aircraft or related assets were held by the Company for year-end reporting purposes.

Foreign currency risk

The Company is incorporated in Ireland. However, as the operations are principally transacted in USD, the functional currency is USD. The Company does transact in Euro (EUR) however, these transactions relate to immaterial operating expenses such as audit fees, tax fees, legal fees and corporate administrator fees. The Company does not have a specific policy to manage foreign currency risk due to the immaterial value of non-USD transactions.

Fair values and risk management

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 Company 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 (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).

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

15. Financial instruments and risk management *(continued)*

Fair values and risk management *(continued)*

31 December 2025 (Unaudited)	Level 1	Level 2	Level 3	Carrying value
	31-Dec-25 USD	31-Dec-25 USD	31-Dec-25 USD	31-Dec-25 USD
Financial assets				
Trade and other receivables	3,146	-	-	3,146
Cash and cash equivalents	16,846	-	-	16,846
Investment in Subsidiary	3,094	-	-	3,094
Total	23,086	-	-	23,086
Financial liabilities				
Loan payable	56,993	-	-	56,993
Trade and other payables	16,041	-	-	16,041
Project Financing	-	-	-	-
Total	73,034	-	-	73,034

31 December 2024 (Unaudited)	Level 1	Level 2	Level 3	Carrying value
	31-Dec-24 USD	31-Dec-24 USD	31-Dec-24 USD	31-Dec-24 USD
Financial assets				
Trade and other receivables	31,638	-	-	31,638
Cash and cash equivalents	25,489	-	-	25,489
Investment in Subsidiary	3,094	-	-	3,094
Total	60,221	-	-	60,221
Financial liabilities				
Loan payable*	1,496	-	-	1,496
Trade and other payables	28,940	-	-	28,940
Project Financing	-	-	-	-
Total	30,436	-	-	30,436

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. It monitors the risk to shortage of funds by regular analysis of cash flow movements, forecasts and adherence to all loan agreements.

In accordance with IFRS 7 Financial Instruments: Disclosures, the full table presents the maturity analysis of the financial liabilities on an undiscounted basis by remaining contractual maturity at the Statement of Financial Position date.

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

15. Financial instruments and risk management *(continued)*

Liquidity risk *(continued)*

As at 31 December 2025 (Unaudited)	Carrying amount	Gross Contractual Cash flows	<1 month	1 – 3 months	3 months - 1 year	1 – 5 years	>5 years
USD	USD	USD	USD	USD	USD	USD	USD
Trade and other payables	16,041	16,041	16,041	-	-	-	-
Loans payable	1,496	1,496	1,496	-	-	-	-
	17,537	17,537	17,537	-	-	-	-

As at 31 December 2024 (Unaudited)	Carrying amount	Gross Contractual Cash flows	<1 month	1 – 3 months	3 months - 1 year	1 – 5 years	>5 years
USD	USD	USD	USD	USD	USD	USD	USD
Trade and other payables	28,940	28,940	28,940	-	-	-	-
Loans payable	1,496	1,496	1,496	-	-	-	-
	30,436	30,436	30,436	-	-	-	-

16. Related parties

In accordance with IAS 24 “Related Parties Disclosures”, parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter transactions which unrelated parties might not, and transactions between related parties may not be affected on the same terms, conditions and amounts as transactions between unrelated parties.

Counterparty	Related Party	Dominant influence
Heston Services Limited	90% owner of share capital	Yes
Rocket Wise, UAB	8% owner of share capital	No
Zugzwang OU	2% owner of share capital	No

The Company and Waystone Centralised Services (IE) Limited share a common Director. Services to the amount of EUR 26,423 (2024: EUR 29,382) were provided by Waystone Centralised Services (IE) Limited.

17. Holding company and ownership of the Company

The Parent, Heston Services Limited, with registered offices at 17 Tepeleniou Street, Afentico Anna Court, Office 403, 8010, Pafos, Cyprus, holds 90% of the issued share capital.

18. Subsequent events

Management has considered subsequent events up to the date of approval of these financial statements and has not identified any events that require adjustment or disclosure in the financial statements

Heston 1 Aviation Designated Activity Company

Notes forming part of the Financial Statements

19. Commitments and contingencies

The Company has no capital commitments or contingencies at the 31 December 2025 (31 December 2024: USD Nil).

20. Comparative amounts

The financial statements for the year ended 31 December 2025 are unaudited. Comparative amounts for the year ended 31 December 2024 are unaudited and have been presented on a basis consistent with the current financial year.

21. Approval of financial statement

The financial statements were approved and authorised by the Board of Directors on 7 April 2026[.