

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

Directors' Half-year report and  
condensed consolidated financial  
statements

**For the six-month period ended  
June 30, 2025**

*Registered number: 773354*

# Priority 1 Issuer Logistics DAC and Subsidiaries

## Director's report

The directors present their half-year report and condensed 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 ended June 30, 2025.

### **Principle activities, business review and future development**

The first six months of 2025 have seen substantial growth in Priority 1 Issuer Logistics DAC with accelerated aircraft maintenance leading to an increase in the number of rotations flown. European Cargo Limited ("ECL") drove most of the revenues (\$70.1 million) and costs for the business.

Flying was in line with management expectation as the Company took advantage of acquiring earlier heavy maintenance slots and increasing engineering and conversion throughput, maximising end-of-year growth to set up a bumper 2026. Previous delays on aircraft heavy maintenance have been rectified and are now boosting current operations, with aircraft availability doubled from the start of the year. ECL revenues increased 52% year-over-year, from enhanced utilisation of operational assets as well as price increases.

Priority 1 Leasing Limited also contributed strongly in its first full period of operations by delivering \$10.7 million in revenue from trading of engines to a large Middle Eastern airline. We have reviewed portfolios of assets from lessors and financiers who are in the market to trade during 2025. The Team also spent time in Toulouse with Airbus developing our OEM relationships as we grow operations with the A340 fleet.

From a cost control standpoint, ECL has switched fuel suppliers at the Chinese destinations to ensure that we are taking advantage of the competitive fuel landscape in China. Furthermore, our inventory management, MRO relations, and spare parts acquisition strategies have been streamlined to improve margins and reduce capex going forward. These actions have resulted in measurable cost savings during the second half of the year.

Relations with our existing customers remain solid with numerous contract extensions being awarded. These customers, along with a strong pipeline of demand from regions outside China, underscore the continued adoption of our bespoke engineering capabilities and low-cost asset acquisition approach.

Notwithstanding the loss for the financial period, the directors believe 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 unaudited financial statements on a going concern basis and have not identified any material uncertainties. The appropriateness of the going concern basis of preparation is dependent on the continued

## Priority 1 Issuer Logistics DAC and Subsidiaries

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 12 months and that the going concern basis of preparation remains appropriate.

### **Principal risks and uncertainties**

The Group is subject to credit risk, market risk, liquidity risk and operational risk. The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Various risk management policies are employed by the Group such as placing cash with recognized financial institutions, matching its foreign currency assets and liabilities in the functional currency i.e., US Dollars. All secured bond holder debt remains fixed. The Group continues to seek to match cash inflows from revenue with the cash outflows to indebtedness. Regarding operational risks associated with the Group's operations, it primarily outsources its administrative functions to its corporate service provider, Fexco Aviation Service Limited.

### **Statement on the Interim Report's content**

We declare, to the best of our knowledge, that the interim report for the first half of 2025 is prepared in accordance with IFRS accounting standards. The report provides a true and fair view of the Company's assets, liabilities, and results, and a fair overview of its performance, position, and key risks. The interim management report provides a true and fair review of the development and performance of the business, and the position of the borrower and the group taken as a whole, together with a description of the principal risk uncertainties that they face. This report is accompanied by the interim financial statements.

31 October 2025

The Board of Priority 1 Issuer Logistics DAC

**PRIORITY 1 ISSUER LOGISTICS DAC**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**(US Dollars)**  
**(Unaudited)**

**Financial Period Ended**

**30 June 2025**

**\$'000**

Revenue	80,302
Cost of sales	(49,911)
<b>Gross profit</b>	<hr/> 30,392
Operating expenses	(37,859)
<b>Loss from operating activities</b>	<hr/> (7,467)
Finance income	641
Finance expense	(17,734)
<b>Net finance cost</b>	<hr/> (17,093)
<b>Loss before taxation</b>	<hr/> (24,560)
Taxation	-
<b>Loss for the financial period</b>	<hr/> <hr/> <hr/> (24,560)

**PRIORITY 1 ISSUER LOGISTICS DAC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(US Dollars)**  
**(Unaudited)**

**As at**  
**30 June 2025**  
**\$'000**

**ASSETS**

*Non-current assets*

Intangible assets	43,280
Tangible assets	146,766
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	190,046

*Current assets*

Cash and cash equivalents	20,640
Trade and other receivables	7,462
Inventories	6,607
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	34,709

**Total Assets**

**224,755**

**EQUITY**

Share capital	0
Capital contributions	8
Retained earnings	(37,073)
Foreign exchange reserves	(120)
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<b>Total Equity</b>	<b>(37,184)</b>

**LIABILITIES**

*Non-current liabilities*

Loans and borrowings	219,059
Lease liabilities	3,411
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	222,470

*Current liabilities*

Trade and other creditors	39,470
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**Total Liabilities**

**261,940**

**Total Equity and Liabilities**

**224,755**

**PRIORITY 1 ISSUER LOGISTICS DAC**  
**CONSOLIDATED STATEMENT OF CASHFLOW**  
**(US Dollars)**  
**(Unaudited)**

	<b>Financial Period Ended</b> <b>30 June 2025</b> <b>\$'000</b>
<b>Cash flows from operating activities</b>	
Loss before tax for the financial period	(24,560)
<i>Adjustments for:</i>	
Depreciation	10,385
Amortisation	491
Finance costs	17,734
Gain on the sale of assets	(9,547)
Increase in trade and other receivables	(2,138)
Decrease in trade and other payables	6,703
Increase in inventory	(3,342)
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<b>Net cash flows from operating activities</b>	<b>(4,276)</b>
<b>Cash flows from investing activities</b>	
Acquisition of property, plant and equipment	(20,504)
Receipt from the sale of property, plant and equipment	10,468
Movement of intangible assets	(19)
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<b>Net cash used in investing activities</b>	<b>(10,056)</b>
<b>Cash flows from financing activities</b>	
Interest paid	(14,519)
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<b>Net cash flows from financing activities</b>	<b>(14,519)</b>
Net increase in cash and cash equivalents	(28,851)
Foreign exchange movement	(86)
Cash and cash equivalents at beginning of financial period	49,576
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<b>Cash and cash equivalents at end of financial period</b>	<b>20,640</b>