

Aer Lingus Limited

Registered Number: 9215

Directors' report and financial statements

Financial year ended 31 December 2024

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Directors and other information

Board of Directors at 18 June 2025

Lynne Embleton (Chief Executive Officer)
Elizabeth Haun (Chief Financial Officer)
Aisling Hassell (Non-Executive Director)
Stephen Kavanagh (Non-Executive Director) (resigned 31st March 2024)
Dónal Moriarty (Company Executive)
Jose Saco Iglesias (Non-Executive Director) (appointed 2nd May 2024)

Secretary and registered office

Méabh Gallagher
Laurence Gourley (assistant secretary)
Dublin Airport
Co. Dublin
Ireland

Registered number: 9215

Independent auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Bankers

Citibank
North Wall Quay,
Dublin 1,
Ireland

Legal advisors

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Directors' Report

The Directors submit their report together with the audited financial statements of Aer Lingus Limited (the 'Company', 'we') for the year ended 31 December 2024.

The Company's immediate parent company is Aer Lingus Group DAC ('Aer Lingus Group') and ultimate parent company is International Consolidated Airlines Group, S.A. ('IAG').

Audit committee

The Company does not have an Audit Committee of its Board in accordance with section 167 of the Companies Act 2014, but instead relies on the independent Audit Committee of its ultimate parent, IAG, which is maintained in compliance with its listing obligations.

Directors' compliance statement

It is the policy of Aer Lingus Limited to comply with its relevant obligations as defined in section 225 of the Companies Act 2014. The Directors have drawn up a compliance policy statement as defined in section 225(3)(a) of the Companies Act 2014. Arrangements and structures have been put in place that are, in the Directors' opinion, designed to secure a material compliance with the Company's relevant obligations. These arrangements and structures were reviewed during the financial year. As required by section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations. In discharging their responsibilities under section 225, the Directors relied on the advice of Management of the Company ("Management") and third parties who the Directors believe have the requisite knowledge and experience on compliance with its relevant obligations.

Accounting records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Dublin Airport, Co. Dublin, Ireland.

Accounting policies

The financial statements are prepared under International Financial Reporting Standards ("IFRS") as adopted by the EU. The principal accounting policies, together with the basis of preparation of the accounts are set out in Notes 2 and 3 to the financial statements.

Disclosure of information to the auditor

The Directors confirm that:

- in so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware;
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

Retained earnings position at 31 December 2024

The income statement for the year ended 31 December 2024 and the Statement of financial position as at that date are set out on pages 16 and 17 respectively. The profit after taxation for the year amounted to €132 million (2023: profit of €169 million). The movement in retained earnings for the year was as follows:

	€ m
Balance, 1 January 2024	(616.4)
Profit for the year	131.8
Other comprehensive income/(loss) for the year	-
Deficit, 31 December 2024	(484.6)

Total retained deficit decreased by €132 million since 1 January 2024. The Directors propose no other transfers to or from reserves.

Dividends

No dividend was paid during the year (2023: €Nil). The Directors do not recommend the payment of a dividend in the financial period.

Principal activities

The principal activities of the Company during the year continued to be the provision of air travel services.

Directors' report (continued)

Business overview and commercial developments

Business overview

In 2024, we continued our business transformation by investing in digital, data and processes to improve the customer experience while striving for operational excellence. As a result, our Net Promoter Score, On Time Performance and Aircraft Technical Reliability all saw increases versus last year.

Overall profitability was impacted by the market pressures in our long-haul economy cabin and pilot industrial action, however passenger demand was strong across our short-haul European network and in our North Atlantic business cabin. Aer Lingus revenue growth outstripped capacity increases, despite the significant rise in competitor capacity across the Atlantic.

Aer Lingus also faced uncertainty during the year with a passenger cap being imposed at Dublin airport. However, in the fourth quarter the High Court in Ireland granted a stay on the earlier decisions of the Irish Aviation Authority to reduce capacity. The impact of the passenger cap issue has eased but has not yet been resolved. This matter has been referred to the European Court of Justice with the Irish High Court extending its previous injunction pausing the implementation of the cap covering the Winter season of 2025.

In addition, we progressed our strategic initiative to grow our North Atlantic position. We increased frequencies to several destinations and launched new routes to Denver, Minneapolis-St. Paul and Las Vegas.

Our customers

Significant programmes to enhance the customer experience were delivered in 2024. Our New Distribution Capability (NDC) agreement with Expedia ensures more customers can avail of Aer Lingus' pre-flight servicing, while the introduction of Salesforce technology enables a quicker and more personalised service and experience for customers.

Our 'Day of Travel' experience was also improved. We added features to our mobile app which increased self-serve capabilities. In addition, we implemented process changes at check-in and boarding desks, reducing passenger queuing time and increasing operational efficiency. New lounges were opened in Chicago, Boston and San Francisco, while the London Heathrow lounge was refurbished offering a better product for our Business Class passengers and our AerClub members.

Major improvements were made in our Customer Contact Centres. With investment in our people, systems and processes, we have reduced customer waiting times, while improving agent response times and increasing our 'first call resolution' rate.

Our people

At Aer Lingus, it is our ambition that travelling with us means warm welcomes, safe hands, and great value; every time you fly. It is our people who make this possible.

In 2024, we continued our journey to modernise ways of working. We are improving processes and investing in systems and tools to reduce the everyday challenges our people face. We completed the rollout of 'Connected Crew' enabling cabin crew to digitally report after every flight, improving both ease of reporting for crew and the quality and timing of information. We also implemented SAP, Salesforce and a leading revenue management system by Sabre, revolutionizing the tools used by our finance, customer and revenue management colleagues.

In July 2024, following an extensive process and a period of industrial action, we came to an agreement over pay, working terms and conditions with our pilot community. The agreement covers a four-year term, with an average pay award of 4.4% per annum, a salary cap for flying narrow body aircraft and higher productivity.

During the reporting period, Aer Lingus' new Diversity, Equity, Inclusion and Belonging strategy was accredited by the Irish Centre for Diversity with the Bronze Award.

Our planet

Our commitment to sustainability continues, with our focus on delivering reductions in emissions through new, fuel efficient aircraft and technologies, the use of sustainable aviation fuels (SAF), and operational improvements.

At the end of the year Aer Lingus received two of six Airbus A321XLR aircraft, joining the eight A321LR aircraft already in the fleet. These new next generation aircraft are more fuel efficient and quieter than previous generation aircraft. 35% of our long-haul fleet now consist of these next-generation aircraft.

SAF remains a critical part of our journey towards net zero emissions by 2050. In conjunction with IAG we procured SAF at Heathrow Airport which represented 12% of our planned fuel consumption at Heathrow.

We continue to reduce single-use plastic onboard and expanded our recycling on board to our long-haul operation.

Looking forward.

In 2025 we will strengthen our transatlantic position with the introduction of the A321 XLRs, new routes and investment in our customer proposition. Our transformation programme will also continue with significant progress planned across the entire airline.

We are confident this will deliver efficiencies and capabilities that will benefit both the experience of our customers and the performance of the business.

Directors' report (continued)

Business overview and summary (continued)

Trading highlights

Revenue statistics	2024	2023	% increase/ (decrease)
Available Seat Kilometres (ASKs) (million)	32,676.5	31,574.2	3 %
Number of seats ('000s)	13,555.3	13,435.5	1 %
Passenger numbers ('000s)	11,097.1	10,816.4	3 %
Passenger revenue (€ million)	2,184.5	2,086.7	5 %
Cargo revenue (€ million)	50.8	50.7	0 %
Other revenue (€ million)	16.8	9.9	69 %
Total revenue (€ million)	2,252.1	2,147.3	5 %
<i>Load factor RPK/ASK (%)</i>	81 %	81 %	0 %
<i>Passenger revenue per ASK (€ cent)</i>	6.69	6.61	1 %

The key operating costs and unit cost measures are as follows:

Operating costs (€ million unless otherwise stated)	2024	2023	% increase/ (decrease)
Fuel, oil costs and emissions charges	590.2	591.6	0 %
Employee costs	504.3	465.6	8 %
Supplier costs ¹	792.3	721.5	10 %
Ownership Costs	169.1	149.6	13 %
Total operating costs	2,055.9	1,928.3	7 %
<i>Operating cost per ASK (€ cent)</i>	6.3	6.1	3 %
<i>Non-fuel operating cost per ASK (€ cent)</i>	4.5	4.2	6 %

¹ Supplier costs comprises of all Operating costs not relating to Fuel, Employees, or the Depreciation and Amortisation of assets.

The Company had a continued return to profitability in 2024; with an Operating Profit of €196 million (2023: €219 million) and an operating margin of 9% (2023: 10%) despite various challenges; notably the industrial action which occurred over the second and third quarters. The industrial action had a direct impact of €55 million. Capacity was increased by 3% (measured in Available Seat Kilometres (ASKs)) from 2023 with the growth of the network at the beginning of the year and the addition of new routes. We launched the Denver route in May, Las Vegas in Summer and re-commenced the Minneapolis-St Paul route in long haul. In short haul, routes to Seville, Malta and Marrakesh were added.

Passenger revenue rose by 5% ahead of the increase in capacity of 3% resulting in higher passenger unit revenue (derived by the division of passenger revenue by ASK's). Yields increased in both our long haul and short haul markets with good performance in our cities routes. Load factor was broadly flat versus last year, long haul down 0.9 pts impacted in the summer season by the industrial action and significant competitor capacity, short haul rose 1.4 pts. Cargo revenue remained the same versus last year following increased capacity in the market.

The passenger load factor for the year was 80.5% which was 0.1 point lower than 2023. Long haul load factor was 0.9 points lower than 2023, while short haul load factor increased 1.4 points due to improvement on both Cities and UK routes. These factors contributed to a positive passenger revenue performance of €2,252 million. Cargo revenue remained the same versus last year on foot of increased capacity in the market.

Total operating costs in the year were €2,056 million, an increase of 7% which resulted in an increase of 3% in unit costs/operating cost per ASK.

Fuel and emissions costs were in line with the prior year, on a unit basis fuel and emissions costs were lower, the blended average cost of fuel decreased while our emissions costs increased with the reduction ETS credits.

The rise in employee costs versus 2023 reflects the impact of pay award and contractual increments across all areas and an increase in employee numbers at a Group level. The Company agreed a pay deal with a significant bargaining group during 2024. Relative to 2023, total employee costs were up 8% versus 2023. The average number of headcount employed as part of the Company's trade remained in line with prior year. Unit costs improved by 1% due to management initiatives offsetting pay increases.

Total Supplier costs rose by 10% in 2024. Costs were affected by non-recurring items and higher engineering costs. Industrial action resulted in a €9 million headwind in the year. Supplier costs were impacted by inflation, but these were broadly mitigated by transformation and management initiatives.

The increase in ownership costs versus 2023 is primarily due to increased investments across the fleet and continued investment in technology. Four new aircraft were delivered in the year with the full year impact of two aircraft delivered in 2023 also impacting ownership costs. In 2024 there was a net gain on sale of property, plant and equipment of €5 million, reflecting the disposal of aircraft withdrawn from service.

Directors' report (continued)

Business overview and summary (continued)

Non-operating items

Exceptional items: There were no exceptional items for the period (2023: None).

The Company's net non-operating costs were €42 million in 2024 (2023: €34 million). Non-operating items in 2024 include finance costs of €52 million (2023: €53 million), finance income of €22 million (2023: €16 million) and a net loss of €12 million (2023: €3 million gain) relating to the revaluation of foreign currency denominated provisions, namely for Maintenance-related expected outflows (which are measured in USD).

Non-operating items were impacted by interest rates rising during the period which earned the Company a higher return on cash placed on deposit versus the prior year. The Company's applicable interest rates on debt are either fixed or hedged where appropriate.

Taxation

The tax charge for the period was €23 million (2023: €16 million) and the effective tax rate is 14.62% (2023: 8.67%). The difference from prior year is driven by the introduction of a global minimum tax rate of 15% (effective January 2024, previously 12.5%) and other permanent differences.

Capital expenditure

Capital expenditure for the financial period was €370 million (2023: €251 million), primarily reflecting the delivery of two owned aircraft in the period and aircraft pre-delivery payments.

Other items included in capital expenditure are maintenance technical equipment (such as engines and rotatable spare parts), in addition to operating and office equipment of €16 million (2023: €4 million). €87 million (2023: €65 million) was invested acquiring intangible assets such as licences, software and carbon credits for emissions trading schemes.

Fleet summary

A summary of our fleet as at 31 December 2024 was:

By aircraft type and classification:

Aircraft type	Owned	Operating lease	Finance Lease	Other ¹	Total
Airbus A320	13	14	-	1	28
Airbus A320neo	-	4	2	-	6
Airbus A330-200	2	1	-	-	3
Airbus A330-300	4	4	4	-	12
Airbus A321neo	-	8	-	-	8
Airbus A321 XLR	2	-	-	-	2
Total	21	31	6	1	59

¹Other aircraft relates to stood down aircraft that were not in use during the reporting period.

As at 31 December 2024 there were 59 aircraft in service (2023: 57). During the reporting period, three A320-200 aircraft were put to alternative use; one was scrapped for parts, one was sold and the other reclassified into assets held for sale. There were three aircraft returned to service, two are owned assets and one is on an operating lease. Additionally, two A320 Neos entered into service in June and July 2024 on finance leases and two A321 XLR's entered into service in December 2024 as owned aircraft during the reporting period.

A summary of our fleet as at 31 December 2023 was:

By aircraft type and classification:

Aircraft type	Owned	Operating lease	Finance Lease	Other ¹	Total
Airbus A320	15	14	-	1	30
Airbus A320neo	-	4	-	-	4
Airbus A330-200	2	1	-	-	3
Airbus A330-300	4	4	4	-	12
Airbus A321neo	-	8	-	-	8
Total	21	31	4	1	57

¹Other aircraft relates to grounded aircraft that were not in use during the reporting period.

Directors' report (continued)

Business overview and summary (continued)

Liquidity

At 31 December 2024, the Company had total liquidity of €1,041 million (2023: total liquidity of €823 million), comprising cash, cash equivalents and interest-bearing deposits of €552 million (2023: €341 million) and €489 million of committed and undrawn general facilities (2023: €482 million).

Going concern

In preparing its assessment of going concern for the next 12 months, the Directors considered the forecasts included in the Company's 2025 financial plan and longer-term business plan which was prepared for and approved by the Board in December 2024. This forecast considers the Board's and management's views on the anticipated financial projections for the Company, including the wider economic and geopolitical environments in which Aer Lingus Limited operates into 2025 extrapolated out to 2027. Furthermore, and as part of an annual exercise performed by IAG, several downside stress test scenarios are performed to validate the Company's liquidity position, all of which indicated that Aer Lingus Limited remains viable.

Having reviewed the business plan, the Directors are satisfied that the Company has sufficient liquidity to continue to pay its debts/creditors as they fall due over the next 12 months. The Directors are satisfied in adopting the going concern basis in preparation of the financial statements for the year to 31 December 2024.

Principal risks and uncertainties

The highly regulated and commercially competitive environment, together with the operational complexity in the aviation sector and reliance on critical third parties for the provision of goods and services, exposes Aer Lingus to risks, where its influence and ability to directly manage the risks may be limited. Examples include aircraft, engines and component availability; delays in airframe and engine manufacturer production; issues with fleet and engine performance and reliability; the wider ongoing fundamental weaknesses in the resilience of the supply chain; air traffic control (ATC) restrictions; underperformance at airports; the impact of resource gaps, industrial unrest or strikes; measures taken by governments including protectionism towards domestic economies, tariff regimes or policy proposals that could impact Aer Lingus' ability to set capacity and/or pricing. External threats which remain heightened include: the impact of slowdown in growth, threat of introduction of tariff regimes, higher costs in the supply chain; and the impact of escalating and ongoing geopolitical tensions, in addition to the potential outcomes of planning processes, including night noise, judicial review and European Court proceedings involving Dublin Airport that could impact scheduled operations and cap overall annual numbers of passengers. All of these could disrupt our customers, revenue generation and flight operations as well as creating further airspace restrictions. The following section will delineate the relevant risks associated with the business, namely relating to customers, supply chain, aircraft, data, operational resilience, sustainability, transformation and employee relations.

Aer Lingus' directors are responsible for oversight of the Company's risk management systems. The Company carries out detailed risk management reviews under the IAG Enterprise Risk Management (ERM) framework. This framework sets out a comprehensive risk management process and methodology, ensuring a robust identification and assessment of the risks facing Aer Lingus, including emerging risks. The risk heatmap is reviewed by the Aer Lingus Executive Management Committee quarterly. In addition, the Executive Management Committee and the IAG Head of ERM review the risk heatmap twice a year to ensure that risks are appropriately evaluated, and any further actions identified. For every principal risk, a business owner(s) is assigned, and appropriate mitigations and timelines for implementation are agreed, following discussions with all relevant stakeholders. Where risk treatments require time to implement, short-term mitigations are assessed and the timeline to risk mitigation and consequent risk acceptance discussed and agreed by stakeholders. Every risk has clear executive oversight.

The Aer Lingus Board reviews and challenges management of the risk landscape in the light of changes that influence the Company, markets and the aviation industry. Where further action has been required, the Aer Lingus Board has considered potential mitigations and, where appropriate or feasible, Aer Lingus has implemented or confirmed plans that would address those risks. Business responses implemented by management and that effectively mitigate or reduce the risk are reflected in the Company's latest business plan. In addition, the Aer Lingus Board have been appraised of regulatory, competitor and governmental responses on an ongoing basis. A separate but parallel management system monitors flight safety and security risks.

Following a review of the principal risks in the year, Aer Lingus' principal risks have been reframed and simplified to improve insight into the root causes of risks and identify combining events that could challenge Aer Lingus. The principal risks that the Aer Lingus Board and the Aer Lingus Management Committee believe to be the most likely to have a potential material impact on Aer Lingus during the three-year plan period are described below. This list is not intended to be exhaustive.

Brand and customer trust

Aer Lingus operates in an intensely competitive market across its main route groups and its ability to attract and secure bookings and generate revenue depends on customers' perception and affinity with the brand and its associated reputation for customer service and value. Erosion of the brand and customer trust through poor customer service or lack of reliability in operations, may adversely impact the Company's position with customers. The Aer Lingus brand is and will continue to be at risk of adverse publicity regarding events impacting service and operations. Operational resilience and customer satisfaction underpin customer trust. Reliability, including on-time performance, is a key element of the brand and of each customer's experience. Aer Lingus continues to improve its disruption management capabilities and customer communication through each journey in light of the extent of the ongoing external disruption due to Air Traffic Control ("ATC") restrictions, lack of resilience at airports and industry-wide third-party resilience issues, particularly over aircraft availability and engine reliability. Aer Lingus remains focused on improving its customer experience to ensure that it continues to adapt and focus its business model to meet changes in customer mix, expectations and needs and continues to support its customers through any disruption including schedule adaptations where required. The Company is investing to maintain its competitive position and capacity, services, revenues and costs are proactively managed to optimise market share and to respond to market changes.

Directors' report (continued)

Principal risks and uncertainties (continued)

Critical third parties in the supply chain

The aviation sector continues to be affected by global supply chain disruption which has impacted aircraft deliveries; engine and component availability and reliability; resource availability and/or threat of industrial action in critical third parties and airport services; the resilience of airports, and their ability to adapt to a high demand environment, with increasing airport congestion; and ATC capability and restrictions, particularly given skill set shortages and weather events. Aer Lingus remains reliant on the resilience within the operations of ATC services and the level of resilience of airports to deliver flight schedules as planned. Many elements of the supply chain remain outside of the Company's ability to directly manage. The Company, supported by IAG Procurement, works with suppliers to ensure operations are maintained, impacts of inflation minimised and costs remain competitive.

As Aer Lingus seeks to develop and expand its business, its growth plans depend on the timely delivery of appropriate infrastructure by the Dublin Airport Authority (DAA) and planning regulations allowing the Company to set capacity and its flight schedules to meet customer demand. The Company continues to engage with regulatory, government and other stakeholders to highlight potential delays to infrastructure planning and delivery timelines, the impact of potential restrictions on capacity at its Dublin hub on flight operations, particularly night-time movements at the airport and the effects on schedules and connectivity, and the potential impact of any passenger cap at Dublin Airport for customers and airlines. In late 2024 the imposition of a seat cap for the summer 2025 season was stayed by the Irish High Court which prevents any reductions in historic slots. The stay will remain in place until the legal proceedings are finally determined. The Company has highlighted the importance of aviation to international trade and customer connectivity and the value that it brings. .

Data and cybersecurity

The risks from cyber threats continue as threat actors seek to exploit any weaknesses in defences, particularly through social engineering and human behaviours. The threat of malware attacks on critical infrastructure and services remains high due to ongoing geopolitical tensions, with Aer Lingus exposed to threat actors targeting the airline and its suppliers. The Company continues to improve its cybersecurity posture, either through major IT transformational change or additional monitoring tools and is focused on better understanding the risk presented by its suppliers. Aer Lingus could face financial loss, disruption or damage to brand reputation arising from an attack on its systems by criminals, foreign governments or hacktivists. The Company proactively strives to mitigate the risk that where it could face penalties and loss of customer trust, or experience business disruption through system outages or performance deterioration.

A cyber risk management framework is in place to monitor the risk across the Company. The Aer Lingus Cyber Governance Board assesses and actively re-prioritises the portfolio of cyber projects and initiatives based on level of threat/risk. The emergence and usage of AI to enhance existing tactics, techniques and procedures (TTPs), produce phishing emails and deploy malware has also accelerated attempts to access organisations' systems and data and increases the threat and scale of social engineering or cyberattacks. Aer Lingus works with market leading partners to enhance detection capabilities across all channels through the deployment of AI solutions and intelligent threat detection with expertise around strategy, policy training and security operations provided by IAG.

There is oversight of critical systems and suppliers to ensure that the Company understands the data it holds, that the data is secure, and the Company adheres to a wide set of regulations, including the Directive on security of Network and Information Systems (NIS-D) as a designated national operator of essential services. Aer Lingus has a Data Protection Officer in place. Some use of AI by Aer Lingus will be subject to the EU AI Act, which defines AI systems and sets out a risk-based classification for AI applications. All third-party suppliers must adhere to IAG security requirements. The fast-moving nature of this risk means that the Company will always retain a responsibility to monitor and improve its defence mechanisms against vulnerability.

Financial risk, including fleet

The Company's profitability could be impacted if it does not take steps to manage the volatility in the price of oil and petroleum products, manage currency risk or other financial risks could impact the profitability of the Company. Higher interest rates in the market for new finance arrangements or re-financing may impact the cost base. Aer Lingus hedges fuel, foreign exchange and interest rates in line with the IAG hedging policy under IAG Treasury oversight. The Company continues to assess the relative strength or weakness of the US dollar against the euro and the potential impacts on the Company's operating results. Aer Lingus has financial counterparty limits in place.

Financing ongoing operations, committed aircraft orders and future fleet growth plans to maintain the correct fleet specification, aircraft number and mix is critical for the Company to meet customer mix and expectations and remain competitive. The fleet plan ensures there is sufficient flexibility over the short- and medium-term to respond to business demands. With the increasing focus on sustainability and the environment, all fleet sourcing decisions evaluate new technology options. Any delays in the entrance of fleet may impact efficiency of operations, flight schedules and the delivery of revenue and growth plans. Aer Lingus is able to leverage IAG Procurement when sourcing new or replacement aircraft from both the Original Equipment Manufacturers (OEMs) directly or from the leasing market.

Directors' report (continued)

Principal risks and uncertainties (continued)

Operational and IT resilience

An event causing significant network disruption or the inability to promptly recover from short-term disruptions may result in lost revenue, customer disruption and additional costs. Any public health concern impacting populations at scale is likely to have an adverse effect on the Company, where governments choose to impose restrictions, as would any other material event customers, employees, the supply chain and flight operations. The Company is also reliant on critical third parties to deliver goods and services and any failure of the level of service in its third parties may impact operational resilience and Aer Lingus' customers. Many of these events remain outside the Company's control such as adverse weather, pandemic, civil unrest or a terrorist event seen in cities served by Aer Lingus. The Company has scenario-based business continuity plans to mitigate risk to the extent feasible, with focus on operational, IT and financial resilience and customer and colleague safety and recovery. A robust and independently validated Emergency Response Plan is in place for aircraft related crisis events. The Company is focused on minimising any unplanned schedule changes or flight cancellations with additional buffers and resilience built into the network.

Aer Lingus dependency on IT systems and networks for key business and customer processes is increasing and a material issue associated with a critical system may cause significant disruption. Aer Lingus is dependent on IT systems for most key business processes. The integration within the Company's supply chain means that it is also dependent on the performance of suppliers' IT infrastructure, including networks. The Company works to deliver digital and IT change initiatives to enhance security, stability and availability and to maximise customer experience. Mitigating actions that prioritise operational stability and resilience have been built into all cutover plans.

Obsolescence within the Company's legacy IT estate could result in service outages and/or operational disruption or delays in the implementation of transformation programmes. A comprehensive, robust portfolio process determines the right investments across the Company. Aer Lingus' IT Governance Board reviews planning and delivery timelines.

People, culture and employee relations

Our people, their engagement and cultural appetite and mindset for change are critical to the Company's current performance and future success. Aer Lingus recognises the efforts of our staff and their commitment through the continued operational challenges facing the Company and it is focused on ensuring it attracts, motivates, retains and develops its people to deliver service and brand excellence. Shortages in technical licensed staff across the aviation sector and in Aer Lingus may impact maintenance delivery timelines without sufficient resources being secure. Engagement and organisational health surveys have been conducted with action plans developed to create a positive and inclusive culture.

Aer Lingus has a unionised workforce and collective bargaining takes place on a regular basis across a range of issues. The Company engages in discussions with unions to address issues arising within the negotiations and there remains a risk that industrial action may adversely affect business performance and customer perception.

The Company is exposed to the risk of individual employees' or groups of employees' inappropriate and/or unethical behaviour resulting in reputational damage, fines or losses. Any failure to meet legal or regulatory standards may result in a breach with the potential to hurt or impact our customers, employees or third parties, or impact our operations, and lead to reputational damage, fines or losses to the Company. IAG has clear frameworks in place including comprehensive group-wide policies designed to ensure compliance. Compliance, human resources and legal professionals specialising in competition law, anti-bribery and other legislation and regulations that apply to the Company, support and advise the business. There are mandatory training programmes in place to educate employees as required for their roles.

Sustainable aviation

Increasing global concern about climate change and the impact of carbon could affect Aer Lingus' performance if customers reduce their levels of travel. The airline industry sector is subject to increased regulatory requirements and policy asymmetry driving costs, distortion and operational complexity, as well as the potential for sub-optimal outcomes for the planet. IAG is committed to a target of net zero carbon emissions across its operations and supply chain by 2050, along with 2030 targets. Plans implemented by the EU, UK and US governments to decarbonise aviation have resulted in fragmentation of policy measures and support offered by governments for green initiatives across the different regions in which Aer Lingus operates. Sustainable Aviation Fuel (SAF) infrastructure and availability still lags demand, impacting the ability to achieve the aviation industry's carbon reduction commitments. Government and European Union policy support is required to incentivise production of SAF. Mandates and other tax-based measures may disproportionately impact the Company versus its competitors. Aer Lingus has agreed new deals for the procurement of SAF to meet IAG's target on the path to decarbonisation. Overall aviation industry requirements will require infrastructure investments across markets to support the production of SAF to meet demand expectations. Aer Lingus continues to invest in mid- and long-term SAF supply agreements.

Transformation, innovation, and AI

The Company aims to transform the business to effectively maintain or grow share in the new competitive environment, fully implement all required change programmes and realise the benefits of the change initiatives, to deliver digital platforms and customer propositions to combat loss of revenue and market share. Competitors, or new entrants, may invest and innovate deploying digital technologies and AI, ahead of the Company and the levels of data capture, data storage and security and availability of data, may not be sufficient and ready to exploit AI use cases. The pace of change may expose the Company to execution risk as multiple initiatives are delivered across processes and systems that serve our operations and customers. The Aer Lingus Transformation team monitors delivery of the change programmes and reports progress and delivery risks to the Transformation Executive Steering Group. Consistent core metrics and dashboard reporting is used to assess performance against plan. The dashboard and progress against delivery is assessed regularly and the transformation agenda is subject to Aer Lingus Board approval. There is an IAG AI Governance Committee to allow the Company to exploit AI capabilities. Aer Lingus continues to secure the requisite skills with internal and external resources to support the change initiatives and company communications are shared with our employees regularly regarding change initiatives. These steps look to ensure that the impact on our people of the wide-ranging change agenda is co-ordinated and mitigating logistical, engagement and resourcing challenges with the potential to negatively impact customer satisfaction, revenue and efficiency benefits.

Directors' report (continued)

Directors

The names of the current Directors appear on page 2. The Directors who served during the year ended 31 December 2024 are listed in the table below.

Director	Status	Executive/Non-Executive
Dónal Moriarty	Current	Executive
Lynne Embleton	Current	Executive
Elizabeth Haun	Current	Executive
Stephen Kavanagh	Non-current	Non-Executive (resigned 31st March 2024)
Aisling Hassell	Current	Non-Executive
Jose Saco Iglesias	Current	Non-Executive (appointed 2nd May 2024)

Directors' and Secretary's interests in shares and debentures

The Directors, the Secretary, and Assistant Secretary did not hold an interest in, at either the beginning of the financial year (or, if he or she was not then a Director, when he or she became a Director) or at the end of the financial year, any shares in or debentures of the Company or any group undertaking of the Company required to be recorded in the Company's register of interests under section 267 of the Companies Act 2014.

Payment practices

The Directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations 2002 (the "Regulations"). Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy throughout 2024 was to comply with the requirements of the Regulations.

Research and development

The Company did not engage in any research and development activities during the year (2023: €nil).

Political contributions

No political contributions were made by the Company during the year (2023: €nil).

Subsidiary companies

Details of the principal subsidiary companies are set out in Note 16 to the financial statements.

Independent auditor

The independent auditor KPMG is prepared to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

On behalf of the Board



LYNNE EMBLETON
DIRECTOR
18 June 2025



ELIZABETH HAUN
DIRECTOR
18 June 2025

Directors' report (continued)

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

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

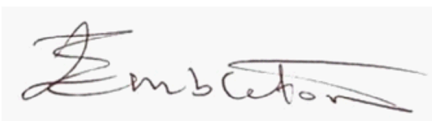
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

In preparing the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with 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 Company 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



LYNNE EMBLETON
DIRECTOR
18 June 2025



ELIZABETH HAUN
DIRECTOR
18 June 2025



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AER LINGUS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aer Lingus Limited ('the Company') for the year ended 31 December 2024 set out on pages 15 to 60, which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and related notes, including the material accounting policies set out in note 3.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Report on the audit of the financial statements *(continued)***Other information** *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

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

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

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

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

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

Matters on which we are required to report by exception

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

Respective responsibilities and restrictions on use**Responsibilities of Directors for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 13, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AER LINGUS LIMITED

Respective responsibilities and restrictions on use (continued)

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.

Stephen J. King
for and on behalf of KPMG
Chartered Accountants
Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

19 June 2025

Income Statement

Year ended 31 December 2024

	<i>Note</i>	2024 €'000	2023 €'000
Passenger revenue		2,184,501	2,086,727
Cargo revenue		50,849	50,697
Other revenue		16,767	9,924
Total revenue		2,252,117	2,147,348
Employee costs		(504,344)	(465,567)
Fuel, oil costs and emission charges		(590,174)	(591,557)
Handling, catering and other operating costs		(247,216)	(229,852)
Landing fees and en-route charges		(197,089)	(193,587)
Engineering and other aircraft costs		(169,777)	(134,479)
Property, IT and other costs		(91,040)	(88,778)
Net gain/(loss) related to sale of property, plant, equipment and investments		4,811	(480)
Selling costs		(87,164)	(75,407)
Depreciation and amortisation	6	(169,081)	(149,618)
Currency differences	6	(4,840)	1,046
Total expenditure on operations		(2,055,914)	(1,928,280)
Operating profit		196,203	219,068
Finance costs	7	(52,081)	(52,544)
Finance income	7	21,571	16,258
Net currency retranslation credits/(charges)		(11,970)	2,615
Gain/(Loss) on Derivatives		738	(8)
Net financing loss relating to pensions	7	(51)	(36)
Profit before taxation		154,410	185,353
Tax	10	(22,581)	(16,074)
Profit after taxation		131,829	169,279
Attributable to:			
Equity holders of the parent		131,829	169,279

All reported results arise from continuing operations.

The notes on pages 20 to 60 form an integral part of these financial statements.

Approved by the Board of Directors on 18 June 2025

Statement of other comprehensive income

Year ended 31 December 2024

	Note	2024 €'000	2023 €'000
<i>Items that may be reclassified subsequently to net profit/(loss)</i>			
Cash flow hedges:			
Reclassified and reported in net profit	31	13,017	(12,603)
Deferred tax impact	31	(1,446)	1,400
Fair value movements in equity	31	(34,890)	(17,421)
Deferred tax impact	31	3,877	1,936
Fair value movements on cost of hedging		(407)	(28,698)
Deferred tax impact		45	3,189
Cost of hedging reclassified and reported in net profit		(6,059)	18,294
Deferred tax impact		673	(2,033)
Items that will not be reclassified to net profit/(loss)			
Re-measurements of post-employment benefit obligations	26	(22)	(435)
Deferred tax impact	29	3	54
Total other comprehensive loss for the year, net of tax		(25,209)	(36,317)
Profit after tax for the year		131,829	169,279
Total comprehensive income for the year		106,620	132,962
Total comprehensive income is attributable to:			
Equity holders of the parent		106,620	132,962

All reported results arise from continuing operations.

The notes on pages [20](#) to [60](#) form an integral part of these financial statements.

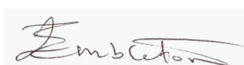
Approved by the Board of Directors on **18 June 2025**.

Statement of financial position as at 31 December 2024

		As at 31 December 2024	As at 31 December 2023
	Note	€'000	€'000
Non-current assets			
Property, plant and equipment	11	1,351,212	1,211,412
Intangible assets	14	195,312	130,567
Investment in subsidiaries	15	113,709	113,709
Employee benefit assets	26	145	—
Deferred tax assets	29	23,012	31,487
Loans and receivables	17	—	195
Derivative financial instruments	18	3,027	2,839
Other non-current assets	20	24,317	17,590
Total non-current assets		1,710,734	1,507,799
Current assets			
Assets held for sale	12	4,816	—
Inventories	19	14,624	15,038
Trade receivables	20	141,963	30,241
Current tax assets	10	—	165
Loans and Receivables	20	—	100,000
Other current assets	20	80,969	94,676
Derivative financial instruments	18	16,145	3,404
Other current interest bearing-deposits	21	29,254	30,185
Cash and cash equivalents	21	522,685	310,872
Total current assets		810,456	584,581
Total assets		2,521,190	2,092,380
Shareholders' equity			
Issued share capital	30	337,991	337,991
Other reserves	31	(511,575)	(618,197)
Total shareholders' equity		(173,584)	(280,206)
Non-current liabilities			
Borrowings on right of use assets	22	481,810	530,508
Employee benefit obligations	26	835	1,153
Provisions for liabilities	27	277,866	201,468
Derivative financial instruments	18	14,501	9,617
Interest bearing long-term borrowings	24	195,209	109,177
Other long-term liabilities	23	468,336	468,932
Total non-current liabilities		1,438,557	1,320,855
Current liabilities			
Borrowings on right of use assets	22	88,919	81,323
Deferred revenue on ticket sales	23	476,492	438,639
Trade and other payables	23	518,865	393,976
Interest bearing long-term borrowings	24	13,453	12,234
Derivative financial instruments	18	27,101	19,431
Provisions for liabilities	27	131,387	106,117
Current tax payable	10	—	11
Total current liabilities		1,256,217	1,051,731
Total liabilities		2,694,774	2,372,586
Total equity and liabilities		2,521,190	2,092,380

The Notes on pages 20 to 60 form an integral part of these financial statements.

On behalf of the Board



LYNNE EMBLETON

DIRECTOR

18 June 2025



ELIZABETH HAUN

DIRECTOR

18 June 2025

Statement of changes in equity
Year ended 31 December 2024

	Called-up share capital	Capital conversion reserve fund	Cash flow hedging reserve	Capital contribution reserve	Share based payment reserve	Retained earnings/(deficit)	Total equity/(deficit)
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2023	337,991	1,705	19,270	13,207	—	(785,341)	(413,168)
Profit for the year	—	—	—	—	—	169,279	169,279
Other comprehensive income for the year:							
Cash flow hedges reclassified and reported in net profit:							
Net change in fair value of cash flow hedges	—	—	(11,203)	—	—	—	(11,203)
Fair value movements on cost of hedging	—	—	(25,509)	—	—	—	(25,509)
Cost of hedging reclassified and reported in net profit	—	—	16,261	—	—	—	16,261
Re-measurement of post-employment benefit obligations	—	—	—	—	—	(381)	(381)
Total comprehensive loss for the year	—	—	(35,936)	—	—	168,898	132,962
Share based payment credit	—	—	—	—	6,362	—	6,362
Share based payment intercompany settlement	—	—	—	—	(6,362)	—	(6,362)
Balance at 31 December 2023	337,991	1,705	(16,666)	13,207	—	(616,443)	(280,206)
Balance at 1 January 2024	337,991	1,705	(16,666)	13,207	—	(616,443)	(280,206)
Profit for the year	—	—	—	—	—	131,829	131,829
Other comprehensive income for the year:							
Cash flow hedges reclassified and reported in net profit:							
Net change in fair value of cash flow hedges	—	—	11,571	—	—	—	11,571
Fair value movements on cost of hedging	—	—	(31,013)	—	—	—	(31,013)
Cost of hedging reclassified and reported in net profit	—	—	(362)	—	—	—	(362)
Re-measurement of post-employment benefit obligations	—	—	(5,386)	—	—	—	(5,386)
Re-measurement of post-employment benefit obligations	—	—	—	—	—	(17)	(17)
Total comprehensive loss for the year	—	—	(25,190)	—	—	131,812	106,622
Share based payment credit	—	—	—	—	3,592	—	3,592
Share based payment intercompany settlement	—	—	—	—	(3,592)	—	(3,592)
Balance at 31 December 2024	337,991	1,705	(41,856)	13,207	—	(484,631)	(173,584)

The Notes on pages 20 to 60 form an integral part of these financial statements.

Statement of cash flows

Year ended 31 December 2024

	<i>Note</i>	2024	2023
		€'000	€'000
Cash flows from operating activities			
Profit before tax		154,410	185,353
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	11, 13, 14	169,081	149,618
Net movement in provisions for other liabilities	27	101,668	32,241
Post employment benefit obligations		-	435
Finance costs	7	52,081	52,544
Finance income	7	(21,571)	(16,258)
Net currency retranslation charges/(credits)		11,970	(2,615)
(Gain)/Loss from derivatives		(738)	8
Net gain related to sale of property, plant, equipment and investments		(4,811)	480
Net financing gain relating to pensions		51	36
<i>Changes in working capital</i>			
Inventories		415	(4,166)
Trade and other receivables		(98,015)	(26,789)
Trade and other payables (including deferred revenue on ticket sales)		122,782	(9,150)
Cash generated from operations		487,323	361,737
Interest paid		(39,330)	(44,399)
Taxation paid		(1,764)	(2,387)
Net cash flows from operating activities		446,229	314,951
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(369,904)	(250,689)
Proceeds from sales of property, plant and equipment and intangible assets		7,825	45,663
Decrease in interest bearing and other deposits		1,481	2,418
Interest received		21,367	10,360
Net cash flows used investing activities		(339,231)	(192,248)
Cash flows from financing activities			
Proceeds from asset financed liabilities	34	97,805	-
Repayments of borrowings	34	-	(50,000)
Proceeds from loans receivable	20	100,000	-
Repayments of borrowings on right of use assets	34	(79,786)	(79,985)
Repayments of long-term interest bearing borrowings	34	(8,364)	(11,874)
Net cash flows from/(used in) financing activities		109,655	(141,859)
Net increase/(decrease) in cash and cash equivalents		216,653	(19,156)
Net foreign exchange differences		(4,840)	1,046
Cash and cash equivalents at 1 January	21	310,872	328,982
Cash and cash equivalents at year end	21	522,685	310,872

The Notes on pages 20 to 60 form an integral part of these financial statements.

Notes to the financial statements

1. General information

Aer Lingus Limited (“the Company”) operates as an Irish airline primarily providing passenger and cargo transportation services from Ireland to the UK and Europe (“short haul”) and also to North America (“long haul”). The Company, registered number 9215, is a limited liability company incorporated and domiciled in Ireland. The address of its registered office is Dublin Airport, Co. Dublin, Ireland. The Company is a wholly owned subsidiary of Aer Lingus Group DAC, a company incorporated and domiciled in Ireland. The address of its registered office is Dublin Airport, Co. Dublin, Ireland. The ultimate parent of Aer Lingus Limited is International Consolidated Airlines Group, S.A. hereinafter “IAG”. IAG is a Spanish company registered in Madrid and was incorporated on 8 April 2010. IAG shares are traded on the London Stock Exchange’s main market for listed securities and also on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia (the ‘Spanish Stock Exchanges’), through the Spanish Stock Exchanges Interconnection System (Mercado Continuo Español).

2. Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and the Companies Act 2014 applicable to companies reporting under IFRS.

The financial statements presented are separate financial statements. Details of the principal subsidiary undertakings during the reporting period are included in Note 16. The Company has availed of an exemption from preparing consolidated financial statements, as set out under section 299 of the Companies Act 2014 and IFRS 10, Consolidated Financial Statements, as it is a wholly owned subsidiary of Aer Lingus Group DAC, a company incorporated and domiciled in Ireland. The ultimate parent of the Company is International Consolidated Airlines Group, S.A. (‘IAG’) which presents consolidated financial statements, including the results of the Company, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU). The registered office of IAG is S.A El Caserío, Iberia Zona Industrial no 2 (La Munoza) Camino de La Munoza, s/n, 28042 Madrid, Spain and the consolidated financial statements are publicly available on IAG’s website at <http://www.iairgroup.com/>.

The financial statements are presented in euro, rounded to the nearest thousand unless otherwise stated. These financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities, including derivative financial instruments that are measured at fair value.

IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. References to IFRS hereafter should be construed as references to IFRS adopted by the EU.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Company’s financial statements for the year to 31 December 2024 were authorised for issue and approved by the Board of Directors on **18 June 2025**.

Notes (continued)

3. Summary of material accounting policies

3.1 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in euro, which is the functional and presentation currency of the Company.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency using the rate of exchange prevailing on the date of the transaction. Monetary foreign currency balances are translated into the functional currency at the rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance sheet exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except where hedge accounting is applied. Foreign exchange gains and losses arising on the retranslation of monetary assets and liabilities classified as non-current on the Balance sheet are recognised within Net currency retranslation (charges)/credits in the Income statement. All other gains and losses arising on the retranslation of monetary assets and liabilities are recognised in operating profit.

3.2 Property, plant and equipment

Property, plant and equipment is held at cost. Depreciation is calculated to write off the cost less the estimated residual value on a straight-line basis, over the economic life of the asset. Residual values, where applicable, are reviewed annually against prevailing market values for equivalently aged assets and depreciation rates adjusted accordingly on a prospective basis.

(a) Capitalisation of interest on progress payments

Interest attributed to progress payments, made on account of aircraft and other qualifying assets under construction are capitalised and added to the cost of the asset concerned. All other borrowing costs are recognised in the Income Statement in the year in which they are incurred.

(b) Fleet

All aircraft are stated at the fair value of the consideration given after taking account of manufacturers' credits and pre-delivery instalment payments. Fleet assets owned or right of use ('ROU') assets are disaggregated into separate components and depreciated at rates calculated to write down the cost of each component to the estimated residual value at the end of their planned operational lives (which is the shorter of their useful life or lease term) on a straight-line basis.

Cabin interior modifications, including those required for brand changes and relaunches, are depreciated over the lower of five years and the remaining economic life of the aircraft, whether owned or leased.

For owned aircraft, all cabin fitouts on acquisition of the aircraft shall be component accounted and held as a separate asset. Such assets shall be depreciated over the lower of 12 years and the remaining economic life of the aircraft.

Spare parts for a aircraft and engine acquired on the introduction or expansion of a fleet, as well as rotable spares purchased separately, are carried as property, plant and equipment and generally depreciated in line with the fleet to which they relate.

(c) Other property, plant and equipment

Owned property, with the exception of freehold land, is depreciated over its expected useful life over periods not exceeding 50 years on a straight line basis. Right of use assets arising from of leasehold properties are depreciated over the lease term on a straight-line basis. Equipment is depreciated over periods ranging from 4 to 20 years on a straight line basis.

(d) Leases

The Company leases various aircraft, properties, equipment and other assets. The lease terms of these assets are consistent with the determined useful economic life of similar assets within property, plant and equipment.

At inception of a contract, Management 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 tangible asset for a period of time in exchange for consideration.

Leases are recognised as a lease liability and a corresponding ROU assets at the date at which the leased asset is available for use by the Company.

Notes (continued)

3. Summary of material accounting policies (continued)

3.2 Property, plant and equipment (continued)

(d) Leases (continued)

Lease liabilities

Lease liabilities are initially measured at their present value, which includes the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that are based on an index or a rate; amounts expected to be payable by the company under residual value guarantees; the exercise price of a purchase option if the company is reasonably certain to exercise that option; payments of penalties for terminating the lease, if the lease term reflects the company exercising that option; and payments to be made under reasonably certain extension options. Lease liabilities are presented under "Borrowings on right of use assets" in the Statement of financial position.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used.

Each lease payment is allocated between the principal and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification of the lease contract, a re-assessment of the lease term (specifically in regard to assumptions regarding extension and termination options) and changes in variable lease payments that are based on an index or a rate.

Right of use assets

At the lease commencement date a ROU asset is measured at cost comprising the following: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date less any lease incentives received; and any initial direct costs.

In addition, at the lease commencement date the ROU asset will incorporate those restoration and handback costs that are considered unavoidable, such as the removal of airline-specific branding and configuration, to return the asset to its original condition, for which a corresponding amount is recognised within Provisions. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If ownership of the ROU asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Amounts excluded from recognition as ROU assets and lease liabilities

Management has elected not to recognise ROU assets ("ROUA's") and lease liabilities for short-term leases that have a lease term of 12 months or less (and where that short-term lease is not expected to be renewed) and those leases of low-value assets. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months, or less that do not contain a purchase option. Low-value assets comprise specific IT equipment and office furniture. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Income statement.

The Company may be exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the ROU asset. Such variable lease repayments are expensed to the Income statement as incurred. Extension options are included in a number of aircraft, property and equipment leases and are reflected in the minimum lease liability where Management is reasonably certain that it will exercise the option.

Sale and leaseback transactions

The Company regularly uses sale and leaseback transactions to finance the acquisition of aircraft. Each transaction is assessed as to whether it meets the criteria within IFRS 15 'Revenue from contracts with customers' for a sale to have occurred. The principal criterion for assessing whether a sale has occurred or not, is whether the contract contains the option, at the discretion of the Company, to repurchase the aircraft over the lease term. If such a repurchase option exists in the contract, irrespective of whether the Company intends to exercise the option or not, the sale is deemed not to have occurred; and if no such repurchase option exists, then a sale is deemed to have occurred. The following defines the accounting for such transactions:

- if a sale is determined to have occurred, then the associated asset is de-recognised and a ROU asset and lease liability are recognised. The ROU asset recognised is based on the proportion of the previous carrying amount of the asset that is retained. Any gain or loss is restricted to the amount that relates to the rights that have been transferred to the counter-party to the transaction; and
- where a sale is determined to have not occurred, the asset is retained on the balance sheet within Property, plant and equipment and an Asset financed liability recognised equal to the financing proceeds.

Cash flow presentation

Payments associated with lease liabilities are presented as follows in the Company's cash flow statement: the repayments of the principal element of lease liabilities are presented within cash flows from financing activities; and the payments of the interest element of lease liabilities are included within cash flows from operating activities and the non-cash gain or loss arising from sale and leaseback transactions is presented within cash flows from operating activities.

Notes (continued)

3. Summary of material accounting policies (continued)

(d) Leases (continued)

Lessor accounting

From time to time the Company will lease, to intra group entities, specific assets, including aircraft. On inception of the lease, the Company determines whether each lease is a finance lease or an operating lease.

In order to make this determination, the Company assesses whether the lease transfers substantially all of the risks and rewards of ownership to the lessee. Factors in making this assessment include, but are not limited to, whether the lease term is for the major part of the economic life of the underlying asset and whether the underlying asset transfers to the lessee or the lessee has the option to purchase the underlying asset at the end of the lease. Where substantially all of the risks and rewards of ownership have been transferred, then the lease is recorded as a finance lease, otherwise it is recorded as an operating lease.

Maintenance, repairs and overhaul

Owned aircraft

Major maintenance, repairs and overhaul expenditure, including replacement spares and labour costs for airframes and engines, is capitalised and amortised over the expected life between major maintenance, repairs and overhauls / to the end of the useful life of the asset.

On initial recognition of an aircraft, a component of such costs is attributed to the embedded maintenance condition of such assets as the engines. The embedded maintenance component is depreciated over the period to the next major maintenance event.

All other replacement spares and other costs relating to maintenance of owned fleet assets are charged to the Income statement on consumption or as incurred respectively, recognised within Engineering and other aircraft costs.

Leased aircraft

Under each lease agreement, the Company is contractually committed to either return the airframe, engines and certain other assets in a specified condition or to compensate the lessor based on the conditionality of the aforementioned assets at the point of return to the lessor.

Accordingly, the Company records a provision for major maintenance, repair and overhaul events, including for airframes and engines, that occur through usage or through the passage of time, that is recognised as such activity occurs through to the next such maintenance event. A corresponding expense is recorded in the Income statement as the provision is accumulated within Engineering and other aircraft costs. Any subsequent changes in estimation are recognised in the Income statement. When the maintenance, repair or overhaul event occurs, the associated provision is de-recognised.

Notes (continued)

3. Summary of material accounting policies (continued)

3.2 Property, plant and equipment (continued)

(e) Depreciation

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

	Useful lives	Residual values ¹
Fleet		
Aircraft fleet and major spares		
- short haul aircraft	24 years	5% of cost
- long haul aircraft	24 years	5% of cost
Rotable spares		
- short haul aircraft	24 years	5% of cost
- long haul aircraft	24 years	5% of cost
Engine overhauls	6 – 10 years	Nil
Aircraft maintenance	2 – 3 years	Nil
Modifications to aircraft	5 – 12 years	Nil
Property		
Freehold	Principally 50 years	Nil
Leasehold	Period of lease	Nil
Equipment		
Ground equipment	3 – 20 years	Nil
Other equipment	2 – 10 years	Nil

¹The residual values and useful lives of assets are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount.

3.3 Intangible assets

The cost to purchase or develop computer software that is separable from an item of related hardware is capitalised separately and amortised on a straight-line basis generally over a period not exceeding five years, with certain specific software developments amortised over a period of up to ten years.

Landing rights are capitalised at fair value at the date of purchase. Subsequently they are accounted for at cost less any accumulated impairment losses. Landing rights are considered to have an indefinite life as they will remain available for use for the foreseeable future provided minimum utilisation requirements are met, and therefore they are not amortised. The carrying value of these rights is subject to impairment testing annually or when events or changes in circumstances indicate that carrying values may not be recoverable.

Purchased emissions allowances are recognised at cost. Emissions allowances are considered to be indefinite lived assets and are not revalued or amortised but are tested for impairment annually.

Carbon-related assets and obligations

Held for own use

Where an operating company purchases ETS emission allowances, CORSIA emission units and voluntary carbon offset units, these amounts are recognised at cost and recorded within Carbon-related and other assets. As an operating company emits CO₂ equivalent, it builds up either an ETS obligation, or a voluntary carbon offset obligation to the relevant authorities.

Carbon-related assets are not revalued or amortised but are tested for impairment whenever indicators exist that the carrying value may not be recoverable. For those obligations arising for which the operating company has purchased emission allowances, or emission units, to offset emissions, the obligation is recognised at the weighted average cost of the carbon-related asset. For those obligations arising for which the operating company has not yet purchased emission allowances, or emission units, to offset the emissions, the obligation is recognised at the market price of the emission allowances, or emission units, required at the balance sheet date. As the obligation is recognised, a corresponding amount is recorded in the Income statement within Fuel costs and emission charges. The Company's emissions obligations, recognised as Carbon-related obligations within Provisions, are extinguished when the associated emission certificates are surrendered or retired to the relevant authorities.

Notes (continued)

3. Summary of material accounting policies (continued)

3.4 Impairment of non-financial assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indefinite lived assets are tested for impairment at least annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at each balance sheet date. Refer to Note 11 and 13 for further detail.

3.5 Investment in subsidiaries

The investments in subsidiaries are stated in the Company's financial statements at cost less impairment. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in the Income Statement.

Financial assets and financial liabilities are classified, upon initial recognition, as measured at amortised cost, at fair value through other comprehensive income (OCI), or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

3.6 Financial instruments

Financial assets and liabilities are classified in those categories as set out below. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of its financial assets and liabilities at initial recognition.

(a) Loans and receivables

After initial recognition, interest bearing loans and receivables are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Income Statement.

(b) Trade and other receivables

For trade receivables, the Company applies a simplified approach in calculating ECLs (expected credit losses). The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience. Loans to third parties are initially measured at the fair value of the consideration given plus any directly attributable transaction costs and measured thereafter at amortised cost using the effective interest method.

Loans to third parties are initially measured at the fair value of the consideration given plus any directly attributable transaction costs and measured thereafter at amortised cost using the effective interest method.

(c) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 12 months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(d) Other current and non-current interest bearing deposits

Other current interest-bearing deposits, principally comprising funds held with banks and other financial institutions with contractual cash flows that are SPPI, and held in order to collect contractual cash flow, are carried at amortised cost using the effective interest method.

(e) Derivative financial instruments and hedging activities

Derivative financial instruments, comprising interest rate swap agreements, foreign exchange derivatives and -fuel derivatives (including options, swaps and futures) are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. They are classified as financial instruments through the Income Statement. The method of recognising the resulting gain or loss arising from remeasurement depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged (as detailed below under cash flow hedges).

When a derivative is designated as a hedging instrument and that instrument expires, is sold, or is restructured, if the initial forecast transaction is still expected to occur, any cumulative gain or loss remains in the cash flow hedge reserve until such time as the hedging item was due to mature at inception of the relationship. Where a forecast transaction which was previously determined to be highly probable and hedge accounting applied, is no longer expected to occur, the cumulative gain or loss in the cash flow hedge reserve is immediately reclassified to the Income Statement.

Notes (continued)

3. Summary of material accounting policies (continued)

3.6 Financial instruments (continued)

(e) Derivative financial instruments and hedging activities (continued)

Exchange gains and losses on monetary investments are taken to the Income Statement unless the item has been designated and is assessed as an effective hedging instrument. Exchange gains and losses on non-monetary investments are reflected in equity.

i. Fair value hedge

Changes in the fair value of derivative financial instruments designated in a fair value hedge relationship are recorded within the Income statement as Net change in the fair value associated with fair value hedges within Other non-operating charges. The change in the fair value of the hedged item attributable to the risk being hedged is recorded as part of the overall carrying amount of the hedged item and is recorded within the Income statement as Net change in the fair value associated with fair value hedges within Other non-operating charges.

For fair value hedges associated with financial liabilities measured at amortised cost, any adjustment to the carrying value is amortised to the Income statement from the date of the cessation of the hedge relationship through to the maturity of the hedged item using the effective interest rate method.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the Income statement.

Ineffectiveness included in fair value hedges of interest rate payments may arise if there are differences in the critical terms between the interest rate derivative instrument and the underlying hedged item, or if there are changes in the credit risk of the Group or the derivative counterparty.

ii. Cash flow hedges

Cash flow hedges are principally used to hedge the commodity price risk associated with forecasted fuel purchases as well as certain foreign exchange and interest rate exposures. Gains and losses on derivative financial instruments designated as cash flow hedges and assessed as effective for the year, are recorded in equity. Gains and losses recorded in equity are either (i) reclassified to the Income Statement when either the hedged cash flow impacts income or the hedged item is no longer expected to occur, or (ii) transferred and included in the carrying amount of the underlying non-financial asset or non-financial liability with the associated gains and losses recorded in the Income Statement as the non-financial asset or non-financial liability affects the Income Statement.

3.7 Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it has been settled, sold, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts are recognised in the Income Statement within derecognition of financial assets and liabilities.

3.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts which is not contingent on a future event and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously, which is enforceable, as well as in the normal course of business, in the event of default or of insolvency or bankruptcy of any of the counterparties.

3.9 Impairment of financial assets

At each balance sheet date, provisions for expected credit losses on financial assets are recognised and measured at amortised cost, based on 12-month or lifetime losses depending on whether there has been a significant increase in credit risk since initial recognition. The simplified approach, based on the calculation and recognition of lifetime expected credit losses, is applied to contracts that have a maturity of one year or less, including trade receivables.

When determining whether there has been a significant increase in credit risk since initial recognition and when estimating the expected credit loss, management considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment, including forward-looking information. Such forward-looking information takes into consideration the forecast economic conditions expected to impact the outstanding balances at the balance sheet date. A financial asset is written off when there is no reasonable expectation of recovery, such as the customer having filed for liquidation.

3.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Such cost is determined by the weighted average cost method.

Inventories include mainly aircraft spare parts, repairable aircraft engine parts and fuel in storage facilities.

3.11 Cash and cash equivalents and deposits

Cash and cash equivalents include cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

3.12 Share capital

Ordinary shares issued are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the Statement of changes in equity, net of tax, from the proceeds received.

Notes (continued)

3. Summary of material accounting policies (continued)

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the net proceeds and the redemption value is recognised in the Income Statement within finance costs over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3.14 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax rates and laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred 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 affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and which are expected to apply when the related deferred tax asset is realised, or the deferred 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.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

3.15 Employee benefits

Post-employment benefit obligations

The Company operates various retirement benefit schemes. The schemes are generally funded through payments to trustee-administered funds. The Company contributes to defined contribution and defined benefit plans.

For defined contribution schemes, the Company pays contributions into the pension schemes in accordance with the trust deed. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses (re-measurements) are recognised in full in the period in which they occur. They are recognised in other comprehensive income.

The discount rate applied in determining the present value of the schemes' liabilities is determined by reference to market yields at the balance sheet date, on high quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligation. Where a deep market for high quality corporate bonds of a term consistent with the post retirement obligations of a particular scheme does not exist, a rate which is extrapolated (with assistance from actuarial experts) from available high-quality corporate bonds of shorter maturities is used.

Past service cost is recognised immediately as an expense at the earlier of the following dates (a) when a plan amendment or curtailment occurs; and (b) upon recognition of related restructuring costs or termination benefits.

The post-employment benefit obligation recognised in the Statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Notes (continued)

3. Summary of material accounting policies (continued)

3.15 Employee benefits (continued)

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of these benefits following communication to employees; and (b) when the Company recognises costs for a restructuring which is within the scope of IAS 37 and involves the payment of termination benefits. They represent Managements' best estimate of the cost of these measures.

IAG Performance Share Plan

The IAG Performance Share Plan (PSP) is granted to senior executives and managers of the Group who are most directly involved in shaping and delivering business success over the medium to long term. Since 2015, awards have been made as nil-cost options, with a two-year holding period following the three-year performance period, before options can be exercised. All awards since 2015 have three independent performance measures with equal weighting: Total Shareholder Return (TSR) relative to the STOXX Europe 600 Travel and Leisure Index (for 2020 awards) or MSCI European Transportation Index (for prior to 2020 awards), earnings per share, and Return on Invested Capital.

IAG Restricted Share Plan

During 2021, the Group revised its approach to long-term incentives, replacing the existing PSP with a Restricted Share Plan proposal under the new Executive Share Plan (RSP) approved by shareholders in June 2021. The RSP was introduced to increase the alignment of both interests and outcomes between the Group's senior management and shareholders through the build-up and maintenance of senior management shareholdings and an increased focus on the long-term, sustainable performance of the Group. Awards have been made as nil-cost options, with a two-year holding period following the three-year performance period, before options can be exercised. There are no performance measures associated with the awards, although approval at the end of the vesting period will be at the discretion of the Remuneration Committee, considering the Group's overall performance, including financial and non-financial performance measures over the course of the vesting period, as well as any material risk or regulatory failures identified.

As at 31 December 2024 Aer Lingus did not operate any equity-settled, share-based compensation plans.

3.16 Provisions

Provisions are made when an obligation exists for a present liability in respect of a past event and where the amount of the obligation can be reliably estimated and where it is considered probable that an outflow of economic resources will be required to settle the obligation. Where it is not considered probable that there will be an outflow of economic resources required to settle the obligation, a provision is not recognised but the matter is disclosed as a contingent liability. Management assesses whether each matter is probable of there being an outflow of economic resources to settle the obligation at each balance sheet date.

Other employee related provisions are recognised for direct expenditures of business reorganisation such as severance payments (restructuring provisions) where plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken at the balance sheet date.

Provisions are recognised for aircraft maintenance costs for engine overhauls and end-of-lease airframe checks on direct leases, where the terms of the lease impose obligations on the lessee to have this maintenance work carried out. Provisions reflect the cost rates expected to apply at the time the work is carried out and to meet the contractual end of lease return conditions. The actual cash outflow of the overhauls is charged against the provision when incurred. Any residual balance is transferred to the Income Statement. Routine maintenance is expensed as incurred.

The provisions are determined by discounting the future cash flows using pre-tax rate risk free rates specific to the tenor of the provision and the currency in which it arises.

The method for determining legal claims provisions is determined on a claim by claim basis. Where a claim includes a significant population of items, the weighted average provision is estimated by determining all potential outcomes and the probability of their occurrence. Where a claim relates to a single item, management determines the associated provision by applying the most likely outcome giving consideration as to whether alternative outcomes exist. Where an individual claim is significant, the disclosure of quantitative information is restricted to the extent that it does not prejudice the outcome of the claim. If the effect is material, expected future cash flows are discounted using a rate that reflects, where appropriate, the risks specific to the provision. Where discounting is used, the effect of unwinding the discount rate is recognised as a finance cost in the Income Statement.

3.17 Frequent Flyer Programme ("FFP")

AerClub, with Avios, is the loyalty platform for Aer Lingus. The programme awards guests with Avios credits which can be redeemed for various rewards, primarily for redemption against travel, including flights, hotels and car hire. The programme is administered by Avios Group (AGL) Limited, who recharge the Company for the Avios issued to AerClub members. The revenue recognised when the transportation service is provided is reduced by the value of the Avios credits issued.

Notes (continued)

3. Summary of material accounting policies (continued)

3.18 Revenue recognition

Revenue is recognised when the amount can be reliably measured, it is probable that the future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Revenue comprises the fair value of consideration received or receivable for the sale of services in the ordinary course of activities, and can be divided into passenger, cargo, ancillary and other revenue. Passenger revenue is shown inclusive of passenger charges and other fees to the extent that these are recovered directly from customers at the point of sale, but exclusive of applicable government taxes including taxes levied by governments for travel to and from their respective countries and sales taxes such as value added taxes (VAT). The point of recognition differs by revenue stream as set out below:

(a) *Revenues*

The Company's revenue primarily derives from transportation services for both passengers and cargo. Revenue is recognised when the service has been provided. Passenger tickets are generally paid for in advance and recognised, net of discounts, as deferred revenue on ticket sales and presented within current liabilities until either: (i) the customer has flown; or (ii) where the customer does not fly on the intended date and has purchased a non-flexible fare and does not travel on the intended date. Unused tickets are recognised as revenue after the contracted date of departure using estimates regarding the timing of recognition based on the terms and conditions of the ticket and statistical analysis of historical trends.

If a flight is cancelled, the customer has a number of options they can elect to apply to their used tickets: (i) compensation, (ii) a refund, (iii) rescheduling of the original flight or (iv) the receipt of a voucher. The customer has up to six years under EU261 legislation to apply for a refund.

The presentation in the financial statements of these customer options, to the extent they differ to the recognition criteria stated above, are as follows:

- Compensation for flight cancellation - such payments are presented net within Passenger revenue against the original ticket purchased.
- Refund – Deferred revenue is reduced and no amount is recorded within revenue.
- Changing to an alternative flight – amounts are retained within Deferred revenue until such time as the flight is flown, at which time it is recorded within Passenger revenue.
- Voucher retained within Deferred revenue until such time as it is redeemed for a flight or it expires, at which time it is recorded within Passenger revenue.

Fees charged for bags, seat selection, charges for any changes to flight tickets and other administration fees are recognised when the passenger has flown. Other revenues, including commissions, are recognised in the Income Statement in the period in which the associated services are provided.

(b) *Lessor revenues*

The Company acts as a lessor of aircraft, including crew and other services. Amounts in respect of these leases are billed in advance and recorded as deferred revenue. Revenue and associated costs are recognised as the services are provided and within the relevant Income Statement categories (staff costs, maintenance, depreciation and overheads). Revenue is recorded within other revenues.

(c) *Interest income*

Interest income is accrued by reference to the principal outstanding using the effective interest rate applicable.

3.19 Exceptional items

Exceptional items are those that in management's view need to be separately disclosed by virtue of their size or nature and where such presentation is relevant to an understanding of the Company's financial performance.

There were no Exceptional items during 2024 (2023: €nil)

3.20 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received. Loans provided and/or guaranteed by governments that represent market rates of interest are recorded at the amount of the proceeds received and recognised within Borrowings. Those loans provided and/or guaranteed by governments that represent below market rates of interest are measured at inception at their fair value and recognised within borrowings, with the differential to the proceeds received recorded within Deferred income and released to employee costs in the Income Statement on a systematic basis. Grants that compensate the Company for expenses incurred are recognised in the Income Statement within employee costs, on a systematic basis in the periods in which the expenses are recognised.

3.21 New and amended standards adopted by the Company

The following amendments and interpretations apply for the first time in 2024, but do not have a material impact on the consolidated financial statements of the Company:

- lease liability in a sale and leaseback – amendments to IFRS 16 effective for periods beginning on or after 1 January 2024; and
- disclosures: supplier finance arrangements – amendments to IAS 7 and IFRS 7 – effective for periods beginning on or after 1 January 2024.

In addition, Classification of liabilities as current or non-current and non-current liabilities with covenants - Amendments to IAS 1 is effective for periods beginning on or after 1 January 2024.

Notes (continued)

3. Summary of material accounting policies (continued)

3.22 New and amended standards not yet adopted by the Company

The IASB and IFRIC have issued the following standards, amendments and interpretations with an effective date after the year end of these financial statements. The Group has assessed the impact of these standards, amendments and interpretations and it is not expected that these will have a material effect on the reported income or net assets of the Group. The Group plans to adopt the following standards, interpretations and amendments on the date they become mandatory:

- lack of exchangeability – amendments to IFRS 18 effective for periods beginning on or after 1 January 2025;
- classification and measurement of financial instruments – amendments to IFRS 9 and IFRS 7 effective for periods beginning on or after 1 January 2026; and
- IFRS 18 – presentation and disclosure in financial statements effective for periods beginning on or after 1 January 2027.

3.23 Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on re-measurement are recognised in the Income Statement. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

3.24 Finance costs

Finance costs consisting of interest payable on company borrowings, borrowings on right of use assets, asset financed liabilities and unwinding of discount on provisions are recognised in the Income Statement.

3.25 Finance income

Finance income consisting of interest receivable and interest on interest bearing deposits is recognised in the Income Statement.

4. Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results in the future may differ from estimates upon which financial information has been prepared. These underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised prospectively.

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 year are discussed as follows.

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 year are as follows:

(a) Provisions

The Company makes provisions for legal and constructive obligations which are outstanding at the balance sheet date. These provisions are made based on historical or other relevant information, adjusted for recent trends where appropriate. However, provisions represent estimates of the financial costs of events that may not occur for several years. The basis for these estimates is reviewed at least annually and updated where information becomes available that may give rise to a material change. Measurement uncertainty associated with end of lease aircraft maintenance provisions also arises from the timing and nature of overhaul activity required, lease return dates and conditions, and likely utilisation of the aircraft. As a result of this and the level of uncertainty attaching to the final outcomes, the actual results may differ significantly from those estimates.

(b) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in active markets (for example, “over the counter” derivatives) is determined using valuation techniques. The Company exercises judgement in selecting valuation methods and makes assumptions that are mainly based on observable market data and conditions existing at each reporting date. The specific valuation techniques used to value financial instruments are set out in Note 18. Further judgement is exercised by management in considering the probability of occurrence of underlying hedge transactions, in particular the likelihood and timing of future fuel, US dollar and aircraft purchases.

(d) Estimation of residual values of aircraft

The Company has determined the residual values of its aircraft as being 5% of original cost. The Company periodically examines its estimate of residual values based on results of actual aircraft disposals and changing market conditions.

Notes (continued)

4. Critical accounting estimates, assumptions and judgements (continued)

(e) Post-employment benefits – Irish Airlines (Pilots’) Superannuation Scheme

As the provisions of the trust deed governing this scheme is such that no changes to the contribution rates are possible without the prior consent of the Company, the Directors have concluded that it has no obligation, legal or constructive, to increase its contributions beyond those levels. As such, this scheme has been accounted for as a defined contribution scheme under the provisions of IAS 19 Employee Benefits (Revised) (“IAS 19R”), and, as a result, any surplus or deficit in the scheme is not recognised in the Statement of financial position of Aer Lingus Limited.

If any legal or constructive obligation to vary the Company’s contributions based on the funding status of the schemes were to arise, IAS 19R would require the Company to include any pension fund surplus or deficit on its Statement of financial position and reflect any period on period movements in their Income Statement or the Statement of other comprehensive income. Refer to Note 25 for further detail.

The following critical accounting estimates, assumptions and judgements utilise these cash flow forecasts consistently, which are in some instances materially different from judgements applied in previous years:

(a) Long-term fleet plans and associated impairment

The Company derives long-term fleet plans from the cash flow forecasts deriving from the approved business plans. In deriving the long-term fleet plans, the Company applied judgement with respect to consideration of the period of temporary and permanent grounding of fleet assets, the deferral of the delivery of certain aircraft and the assumptions around specific provisions relating to leased fleet assets. During the year to 31 December 2024, the Company recognised no impairment charge (2023: €nil).

(b) Recoverability of deferred tax assets

In determining the recoverable amounts of the Company’s deferred tax assets, the Company applied the cash flow forecasts from the approved business plans on an undiscounted basis.

Further information is given in note 29.

(c) Revenue recognition

Historically, where a voucher was issued to a customer in the event of a flight cancellation, the Company estimated, based on historical evidence, the level of vouchers that would not be used prior to expiry and recognised a portion of revenue on issuance of the voucher. Due to the significant level of flight cancellations arising from the pandemic there was insufficient historical data to reliably estimate the number of vouchers that will not be used prior to expiry. In 2024 and 2023, revenue has only been recognised from vouchers issued due to COVID-19 pandemic, when the voucher is redeemed. Management reviews the historical data on a periodic basis and estimates will be updated accordingly.

The Company has recorded the following significant transactions:

(d) Loans and borrowings

On 23 December 2021, Aer Lingus entered into a financing arrangement with the Ireland Strategic Investment Fund (‘ISIF’) for €75 million. On March 4, 2022, Aer Lingus entered into a further financing arrangement to extend the total amount to €350 million. The facility matured in March 2025. The facility was secured on specific landing rights. Further information is given in note 24.

5. Going concern

In preparing its assessment of going concern for the next 12 months, the Directors considered the forecasts included in the Company’s 2025 financial plan and longer-term business plan which was prepared for and approved by the Board in December 2024. This forecast considers the Board’s and management’s views on the anticipated continued recovery from the COVID-19 pandemic and the wider economic and geopolitical environments on the Company’s businesses across 2025 and into 2026. Furthermore, and as part of an annual exercise performed by IAG, several downside stress test scenarios are performed to validate the Company’s liquidity position, all of which indicated that Aer Lingus Limited remains viable.

Having reviewed the business plan, the Directors are satisfied that the Company has sufficient liquidity to continue to pay its debts/creditors as they fall due over the next 12 months. This is due to the continued recovery following the pandemic. The Directors are satisfied in adopting the going concern basis in preparation of the financial statements for the year to 31 December 2024.

Notes (continued)**6. Operating profit**

Operating profit is stated after charging:

	2024	2023
	€'000	€'000
Depreciation on property, plant and equipment (Note 11,13)		
- owned assets	(68,376)	(57,239)
- right of use assets	(78,215)	(74,529)
Amortisation of intangible assets (Note 14)	(22,490)	(17,851)
Foreign exchange (losses)/gains	(4,840)	1,046
Aircraft hire costs		
- aircraft	(5,019)	(19,693)
Auditor's remuneration		-
- audit fee of the entity financial statements	(530)	(530)

7. Finance income and expense

	2024	2023
	€'000	€'000
(a) Finance costs		
Interest on bank borrowings and interest cost on pensions escrow	(4,347)	(8)
Borrowings on ROUA	(28,647)	(30,891)
Other interest costs	(19,087)	(21,645)
	(52,081)	(52,544)
(b) Finance income		
Interest receivable	21,571	15,819
Other finance income	-	439
Interest on interest-bearing deposits	21,571	(16,258)
(c) Net financing charge relating to pensions		
Net financing charge relating to pensions	(51)	(36)

Notes (continued)

8. Employee costs and numbers

The average number of persons (Full Time Equivalents) employed by the Company in the year was 2,237 (2023: 2,279).

	2024	2023
	€'000	€'000
Wages and salaries	229,757	247,190
Social insurance costs	20,018	19,317
Retirement Benefit costs	38,883	36,008
Share based payments	3,592	6,362
Other costs	23,453	19,904
Intercompany recharge from a fellow subsidiary	188,641	136,786
	504,344	465,567

The Company has an agreement with a fellow subsidiary of Aer Lingus Group (Aer Lingus Ireland Limited) for the provision of human resource support services, on which Aer Lingus (Ireland) Limited recharges the Company for services rendered. The charge for these payroll services amounted to €203 million for the year ended 31 December 2024 (2023: €148 million). The staff cost total for the year, including this charge, was €504 million (2023: €466 million). The average number of persons (full time equivalents) employed by Aer Lingus (Ireland) Limited in the year was 3,085 (2023: 2,833).

9. Directors' remuneration

Amounts disclosed under this category include payments made to Directors who served during the year by IAG which were subsequently recharged to the Company. During the year, five individuals (2023: five) served as Directors of the Company.

	2024	2023
	€'000	€'000
Emoluments & benefits under long term incentive schemes (i)	5,413	4,018
Contributions to Defined Contribution Retirement Benefit Schemes	25	24
	5,438	4,042

- (i) This amount relates to a non-cash technical accounting charge from the Parent Company representing a theoretical maximum value of share awards made to executive Directors in the financial period. The vesting of these shares is contingent on the achievement of performance conditions in future periods. The amounts paid to the Directors in the period excluding the share based charge is €2.6 million (2023: €2.8 million).

Notes (continued)**10. Taxation**

The tax charge recognised in the Income Statement comprises:

	2024	2023
	€'000	€'000
Current taxation		
Current tax charge	19,301	23,169
Utilisation of Deferred Tax Assets	(19,301)	(23,169)
Foreign taxes paid	-	-
Adjustments in respect of prior years	-	11
	-	11
Deferred tax		
Utilisation of Deferred Tax Assets	19,301	23,169
Origination and reversal of temporary differences	787	931
Adjustments in respect of prior years	1,230	(6,793)
Other adjusting items	1,263	(1,244)
Tax Charge	22,581	16,074

	2024	2023
	€'000	€'000
Loss on ordinary activities before tax multiplied by standard Irish corporation tax rate of 12.5% (2023:12.5%)	19,301	23,169
<i>Effects of:</i>		
Expenses not deductible for tax purposes	153	281
Differences in tax rates	634	651
Other adjusting items	2,493	(8,027)
Tax charge	22,581	16,074

In December 2023, the Irish Government enacted legislation regarding the introduction of the global minimum tax rate of 15%, effective January 2024. The effective tax rate in the current year is 14.62% (2023: 8.67%). The difference from prior year is driven by the introduction of a global minimum tax rate (move to 15%; previously 12.5%) and other permanent differences.

	2024	2023
	€'000	€'000
Current taxation asset		
Opening balance	165	-
Cash (received)/paid	(165)	165
Closing balance	-	165

	2024	2023
	€'000	€'000
Current taxation liability		
Opening Balance	11	2,087
Cash (paid)	(11)	(2,076)
Closing balance	-	11

Notes (continued)

11. Property, plant and equipment

	Fleet €'000	Property €'000	Equipment €'000	Right of use assets €'000	Total €'000
Cost					
1 January 2023	1,267,945	39,946	83,106	976,516	2,367,513
Additions	183,394	2,116	1,794	59,695	246,999
Modifications	-	-	-	12,879	12,879
Disposals	(49,053)	(4,406)	(13,973)	-	(67,432)
Reclassifications – to/from PPE	112,741	-	-	(112,741)	-
31 December 2023	1,515,027	37,656	70,927	936,349	2,559,959
Accumulated depreciation and impairment					
1 January 2023	747,839	38,719	74,897	374,571	1,236,026
Depreciation charge for the year	54,279	943	2,017	74,529	131,768
Disposals	(883)	(4,390)	(13,973)	-	(19,246)
Modifications	-	-	-	(1)	(1)
Reclassifications – to/from PPE	74,693	-	-	(74,693)	-
31 December 2023	875,928	35,272	62,941	374,406	1,348,547
Net book value					
31 December 2023	639,099	2,384	7,986	561,943	1,211,412
31 December 2022	520,106	1,227	8,209	601,945	1,131,487

	Fleet €'000	Property €'000	Equipment €'000	Right of use assets €'000	Total €'000
Cost					
01 January 2024	1,515,027	37,656	70,927	936,349	2,559,959
Additions	60,107	3,903	11,845	-	75,855
Modifications	-	-	-	10,718	10,718
Disposals	(55,215)	-	(7,112)	(3,789)	(66,116)
Asset Retirement – Assets held for sale	(28,002)	-	-	-	(28,002)
Reclassifications – to/from PPE	206,801	2,879	(2,879)	-	206,801
31 December 2024	1,698,718	44,438	72,781	943,278	2,759,215
Accumulated depreciation and impairment					
01 January 2024	875,928	35,272	62,941	374,406	1,348,547
Depreciation charge for the year	65,233	837	2,306	78,215	146,591
Disposals	(47,390)	-	(7,112)	(3,789)	(58,291)
Asset Retirement – Assets held for sale	(23,186)	-	-	-	(23,186)
Modifications	-	-	-	(5,658)	(5,658)
Reclassifications – to/from PPE	-	2,697	(2,697)	-	-
31 December 2024	870,585	38,806	55,438	443,174	1,408,003
Net book value					
31 December 2024	828,133	5,632	17,343	500,104	1,351,212
31 December 2023	639,099	2,384	7,986	561,943	1,211,412

At 31 December 2024, fleet assets included €75 million of progress payments on future aircraft deliveries (2023: €90 million).

12. Assets held for sale

The Company has entered into an agreement to sell an Airbus A320 aircraft. As a result, this aircraft has been classified as an asset held for sale. The net book value of this aircraft is €5 million, and no gain or loss has been recognised. This aircraft was subsequently sold in February 2025 for the proceeds of €10 million.

Notes (continued)

13. Right of use assets

Property, plant and equipment include the following amounts relating to right of use assets:

	Fleet €'000	Property €'000	Total €'000
Cost			
1 January 2023	933,256	43,260	976,516
Additions	59,695	-	59,695
Modifications	10,945	1,934	12,879
Reclassifications – to/from PP&E	(112,741)	-	(112,741)
31 December 2023	891,155	45,194	936,349
Depreciation			
1 January 2023	353,014	21,557	374,571
Charge for the year	68,803	5,726	74,529
Modifications	-	(1)	(1)
Reclassifications – to/from PP&E	(74,693)	-	(74,693)
31 December 2023	347,124	27,282	374,406
Net book value			
31 December 2023	544,031	17,912	561,943
31 December 2022	580,242	21,704	601,945
	Fleet €'000	Property €'000	Total €'000
Cost			
1 January 2024	891,155	45,194	936,349
Modifications	3,127	7,591	10,718
Additions	-	-	-
Disposals	-	(3,789)	(3,789)
Reclassifications – to/from PP&E	-	-	-
31 December 2024	894,282	48,996	943,278
Depreciation			
1 January 2024	347,124	27,282	374,406
Charge for the year	72,984	5,231	78,215
Disposals	-	(3,789)	(3,789)
Modifications	(1,616)	(4,042)	(5,658)
Impairment	-	-	-
Reclassifications – to/from PP&E	-	-	-
31 December 2024	418,492	24,682	443,174
Net book value			
31 December 2024	475,790	24,314	500,104
31 December 2023	544,031	17,912	561,943

The Company is exposed to future cash outflows (on an undiscounted basis) as at 31 December 2024, for which no amount has been recognised in relation to leases not yet commenced to which the Company is committed of €255 million (2023: 473 million).

Notes (continued)

14. Intangible assets

	Computer software €'000	Licence €'000	Landing Rights €'000	Emissions allowances €'000	Total €'000
Cost					
At 1 January 2023	226,022	3,001	4,423	4,455	237,901
Additions	52,520	-	-	12,216	64,736
Disposal	(2,207)	-	-	-	(2,207)
At 31 December 2023	276,335	3,001	4,423	16,671	300,430
Aggregate amortisation					
At 1 January 2023	149,576	2,997	1,475	-	154,048
Charge for the year	17,851	-	-	-	17,851
Disposal	(2,036)	-	-	-	(2,036)
At 31 December 2023	165,391	2,997	1,475	-	169,863
Net book value					
31 December 2023	110,944	4	2,948	16,671	130,567
31 December 2022	76,446	4	2,948	4,455	83,853
	Computer software €'000	Licence €'000	Landing Rights €'000	Emissions allowances €'000	Total €'000
Cost					
At 1 January 2024	276,335	3,001	4,423	16,671	300,430
Additions	67,922	-	-	19,326	87,248
Disposal	(1,494)	-	-	-	(1,494)
At 31 December 2024	342,763	3,001	4,423	35,997	386,184
Aggregate amortisation					
At 1 January 2024	165,391	2,997	1,475	-	169,863
Charge for the year	22,490	-	-	-	22,490
Disposal	(1,481)	-	-	-	(1,481)
At 31 December 2024	186,400	2,997	1,475	-	190,872
Net book value					
31 December 2024	156,363	4	2,948	35,997	195,312
31 December 2023	110,944	4	2,948	16,671	130,567

The licence referred to in the above table is a licence to occupy certain DAA owned property

Computer software is amortised on a straight-line basis generally over a period not exceeding four years, with certain specific software developments amortised over a longer useful economic life when appropriate.

15. Investments in subsidiary undertakings

	2024 €'000	2023 €'000
Investment in Subsidiaries	113,709	113,709

Details of the principal subsidiary undertakings are included in Note 16. The fair value of the investments in subsidiary undertakings is considered not to be less than their carrying value.

Notes (continued)

16. Principal subsidiary undertakings

Details of the Company's subsidiary undertakings are as follows:

Name of entity	Country of incorporation and place of business	Registered office	Nature of business	Proportion of ordinary share capital held
Dirnan Insurance Company Limited	Bermuda	Victoria Place, 5th Floor 31 Victoria Street Hamilton HM 10 Bermuda	Insurance Captive	100 %
Aer Lingus Beachey Limited	Isle of Man	Penthouse Suite, Analyst House, Peel Road, Douglas, Isle of Man, IM1 4LZ	Dormant	100 %
Aer Lingus (U.K.) Limited	UK	Aer Lingus Base Offices, Belfast City Airport, Sydenham Bypass, Belfast, Co. Antrim, BT3 9JH	Operation of an international airline	100 %
Santain Developments Limited	Republic of Ireland	Dublin Airport, Ireland	Dormant	100 %

17. Loans and receivables

	2024	2023
	€'000	€'000
At 31 December	-	195

The opening balance of €0.2m was written off during the year.

There were no other loans to fellow group companies at 31 December 2024.

18. Financial risk management

Financial risk management objectives and policies

18.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, commodity price and interest rate risk), credit risk and liquidity risk. The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury function (Treasury Function) under policies approved by the Board of Directors. The Treasury Function identifies, evaluates and hedges financial risks in close co-operation with business areas and the Group treasury function. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, commodity price risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Notes (continued)

18. Financial risk management (continued)

18.1 Financial risk factors (continued)

(a) Market risk

(i) Foreign exchange risk

The main currency exposures normally result from structural trading surplus/deficit in US Dollar and in GBP Sterling. A large proportion of the Treasury Function's work in relation to foreign exchange rate risk relates to the management of the Company's cashflow exposures. Significant currency exposures are managed for the current and future financial years on a systematic, amortising basis within pre-set bands.

A US Dollar surplus typically arises because the US Dollar sales exceed US Dollar costs (and vice versa where there is a deficit). The GBP Sterling surplus also usually arises because GBP Sterling sales exceed GBP Sterling costs (and vice versa where there is a deficit).

Additionally, significant currency exposure results from the capital commitments relating to the purchase of aircraft which are priced in US Dollars. Acquisition costs are increased by a stronger US Dollar relative to EUR.

The Treasury Function manages both cashflow exposures and financial position exposures arising from currency risk. The products used by the Treasury Function in managing currency risk are predominantly forward foreign exchange contracts.

Based on the trading surplus in US Dollar for the year ended 31 December 2024, a 20% weakening of the EUR to US Dollar exchange rate over the year-end rate would result in an increase in profit of €5 million for the year (2023: a 20% weakening of the EUR to US Dollar exchange rate would have resulted in an increase in profit of €9 million for the year). At 31 December 2024, the fair value of foreign currency net asset derivatives instruments was €4 million, representing a gain of €0.6 million, since 1 January 2024, which was recognised in other comprehensive income.

(ii) Interest rate risk

The Company is exposed to interest rate risk associated with its long-term funding requirements and its programme of cash investments. Higher interest rates increase the costs of gross debt and lower interest rates reduce the returns from cash investments.

Overall, the Company is in a net debt position, predominantly in euro, and therefore the major interest rate exposure is to movements in the euro interest rate. This exposure is actively reviewed and managed. A 1% fall in interest rates based on net cash/debt throughout 2024 would have decreased losses by €1 million (2023: decreased losses by €1 million).

Interest rate risk on borrowings is also managed through determining the right balance of fixed and floating debt within the financing structure. To manage this, the Company uses interest rate swaps, to exchange floating rate debt on finance lease obligations for fixed rate debt or other derivative financial instruments.

(iii) Commodity price risk

Aviation jet fuel requirements expose the Company to the market volatility of jet fuel prices. The volatility of jet fuel prices has been significant in recent years and can have a significant effect on profitability. The primary policy objective for the management of fuel price exposure in the Company is to reduce the volatility and increase the predictability of future fuel costs in a risk managed and cost-effective manner.

The Treasury Function manages fuel price risk within a controlled framework. The Company operates a systematic fuel hedging policy covering a rolling two-year period. This hedging policy targets specific cover levels for each period on a rolling basis ranging from 45% to 75% cover for the following month to between zero and 20% cover 24 months out. This generates average cover levels of 55-60% for the next 12-month period (rolling year 1) and 15-20% for the following 12 months (rolling year 2).

The products used in managing commodity price risk are jet fuel swaps, jet fuel collars and jet fuel options. A US \$10 increase in the price per tonne of jet fuel in 2024 would have increased fuel costs by approximately US\$7 million, based on usage of 736,000 metric tonnes, absent hedging (2023: increase of US\$7 million based on usage of 708,774 metric tonnes). In light of hedging strategy, the impact of a US\$10 increase in jet fuel per tonne would have been immaterial in both 2024 and 2023.

During the year to 31 December 2024, following a rise in the global price of crude oil and associated products, the fair value of such net derivative instruments was (€16 million) (2023: €15 million), representing a loss of €0.6 million since 1 January 2024, which was recognised in Other comprehensive income.

Notes (continued)

18. Financial risk management (continued)

18.1 Financial risk factors (continued)

(b) Credit risk

Credit risk arises from trade receivables due from customers, and from loans and receivables, derivative financial instruments, deposits and cash and cash equivalents with banks and financial institutions (“financial counterparties”). The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The loan provided to IAG was fully repaid in 2024. Therefore closing balance on the loan receivable as at 31 December 2024 is €nil (2023: €100 million). Company policy requires financial counterparties to hold minimum credit ratings from independent rating agencies. The appropriateness of Board approved credit limits is regularly monitored and reviewed.

At 31 December 2024 the Company had a total gross credit exposure of €545 million relating to bonds, deposits, cash and derivatives which was spread over 10 counterparties (2023: €362 million). Of this €545 million, €556 million was due to mature within 12 months (€11 million non current portion is a liability). The Company does not have any material credit risk arising from the ageing of trade and other receivables (2023: €nil, see Note 20).

99.37% (2023: 94.01%) of the total credit exposure was held with financial institutions holding long term-ratings equivalent to A1 to A2 (Moody’s). 0.01% (2023: 0.12%) of the total credit exposure was held with financial institutions holding long-term credit ratings equivalent to AA2 to AA3. The remaining 0.58% (2023: 5.87%) was held with financial institutions with long-term credit ratings A2 or below.

(c) Liquidity risk

The principal policy objectives in relation to liquidity are to ensure that the Company has access at minimum cost, to sufficient liquidity to enable it to meet its obligations as they fall due and to provide adequately for contingencies. In implementing this policy, the Company is required to maintain, at all times, access to Board approved minimum liquidity requirements. In addition, this liquidity requirement, once drawn, must continue to be accessible for an agreed further period. Cash balances in excess of these levels are normally maintained in order to enable the Company to take advantage of commercial opportunities and withstand business shocks.

The Company has long-term debt associated with aircraft acquisitions and additional debt facilities obtained to ensure sufficient liquidity. All borrowing is undertaken by the Treasury Function. Company policy is to maintain, at all times, cash and/or committed facilities for substantially all of the net forecasted debt repayments for the following 12 months.

At 31 December 2024 the company had undrawn facilities of €489 million (2023: €482 million).

At 31 December 2024 the Company had capital commitments of €255 million (2023: €473 million) of which €255 million (2023: €473 million) relates to aircraft and equipment. In 2023 there were also commitments of €2m for ETS Credits.

The table below analyses the Company’s financial liabilities into relevant maturity groupings based on the remaining period at the date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest. Trade and other payables exclude deferred revenue on ticket sales (excluding taxes and charges).

	Less than 1 year	1-2 years	2-5 years	Over 5 years	Total
	€’000	€’000	€’000	€’000	€’000
At 31 December 2023					
Borrowings on ROU assets	81,323	82,316	262,224	185,968	611,831
Asset financed liabilities	12,235	12,345	37,694	59,137	121,411
Amounts owed to fellow group companies	61,584	468,932	-	-	530,516
Loans from third parties	-	-	-	-	-
Trade and other payables	393,256	-	720	-	393,976
	Less than 1 year	1-2 years	2-5 years	Over 5 years	Total
	€’000	€’000	€’000	€’000	€’000
At 31 December 2024					
Borrowings on ROU assets	88,919	85,316	244,814	151,680	570,729
Asset financed liabilities	13,453	17,766	55,224	122,219	208,662
Amounts owed to fellow group companies	103,534	468,336	-	-	571,870
Loans from third parties	-	-	-	-	-
Trade and other payables	415,331	-	-	-	415,331

The table below analyses the Company’s derivative financial instruments, which will be settled on a gross basis with regard to forward foreign currency contracts and on a net basis with regard to forward fuel contracts and interest rate swap contracts, into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes (continued)

18. Financial risk management (continued)

18.1 Financial risk factors (continued)

	Less than 1 year €'000	1-2 years €'000	2-5 years €'000	Total €'000
At 31 December 2023				
Forward foreign currency contracts				
Outflow	(4,011)	(1,474)	-	(5,485)
Inflow	2,502	1,356	-	3,858
<i>Forward fuel price contracts</i>				
Net outflow	(14,000)	(3,254)	(3,662)	(20,916)
<i>Interest rate swap contracts</i>				
Net outflow	(1,867)	(975)	(1,173)	(4,015)
	Less than 1 year €'000	1-2 years €'000	2-5 years €'000	Total €'000
At 31 December 2024				
Forward foreign currency contracts				
Outflow	(15,909)	(6,016)	-	(21,925)
Inflow	8,588	8	-	8,596
<i>Forward fuel price contracts</i>				
Net outflow	(10,552)	(4,913)	(3,168)	(18,633)
<i>Interest rate swap contracts</i>				
Net outflow	(968)	(642)	(542)	(2,152)

Derivatives

The Company holds interest rate swaps, foreign exchange and forward fuel contracts for risk management purposes which are designated in cash flow hedge relationships. The interest rate swaps have floating rates that are indexed to EURIBOR.

18.2 Capital risk management

The Company's objectives when managing capital (comprising total equity, borrowings on right of use assets, interest bearing long-term borrowings and other long term borrowings) are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure which reduces the cost of capital as far as practical. As a result of the COVID-19 pandemic, significant losses have been incurred, resulting in negative equity in applicable periods. Our Capital Risk Strategy involves the identification, assessment and mitigation of Risk associated with our capital resources, to allow for greater liquidity, ensuring continuation as a going concern.

18.3 Fair value estimation

The following table analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's net assets and liabilities that are measured at fair value at 31 December 2023.

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Assets				
Derivative financial instruments	-	6,243	-	6,243
Liabilities				
Derivative financial instruments	-	29,048	-	29,048

Notes (continued)

18. Financial risk management (continued)

18.3 Fair value estimation (continued)

The following table presents the Company's net assets and liabilities that are measured at fair value at 31 December 2024.

	Level 1	Level 2	Level 3	Total
Assets	€'000	€'000	€'000	€'000
Derivative financial instruments	-	19,172	-	19,172
Liabilities				
Derivative financial instruments	-	41,602	-	41,602

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

18.4 Master netting arrangements

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the Statement of financial position date, with the resulting value discounted back to present value.
- The fair value of fuel price swaps is determined using forward fuel prices at the reporting date, with the resulting value discounted back to present value.

All other financial assets and liabilities hold a carrying value that is assumed to be a reasonable approximation of fair value.

There are no financial assets and financial liabilities netted and offset against each other on the Statement of financial position at the reporting dates. However, certain financial assets and financial liabilities are subject to enforceable master netting arrangements which could create a potential right of offset within the scope of IFRS 7. These arrangements are contained within International Swaps and Derivatives Association Master Agreements ("ISDAs") and relate to derivative financial instruments only.

Each party to the master netting arrangements has a right of offset between financial assets and financial liabilities where there is an early termination event such as a default or change of ownership of the counterparty. Such events of default include failure to perform obligations or to make prompt payment when due. The right of offset is only enforceable in those situations and as such does not meet the criteria for offset in the Statement of financial position, nor is there any intention by the Company or its counterparties to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Notes (continued)

18. Financial risk management (continued)

18.4 Master netting arrangements (continued)

The carrying value of derivative financial instruments in the Statement of financial position is outlined below:

Derivative Financial Assets

As at 31 December 2023

Related Amounts Not Offset

	Gross amounts of recognised Financial Assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in Statement of Financial Position	Financial Instruments	Cash Collateral Received	Net Amount
	€'000's	€'000's	€'000's	€'000's	€'000's	€'000's
Derivative Financial Assets	6,243	-	6,243	-	-	6,243

Derivative Financial Assets

As at 31 December 2024

Related Amounts Not Offset

	Gross amounts of recognised Financial Assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in balance sheet	Financial Instruments	Cash Collateral Received	Net Amount
	€'000's	€'000's	€'000's	€'000's	€'000's	€'000's
Derivative Financial Assets	22,870	3,698	19,000	-	-	19,172

Derivative Financial Liabilities

As at 31 December 2023

Related Amounts Not Offset

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments	Cash Collateral Pledged	Net Amount
	€'000's	€'000's	€'000's	€'000's	€'000's	€'000's
Derivative Financial Liabilities	29,048	-	29,048	-	-	29,048

Derivative Financial Liabilities

As at 31 December 2024

Related Amounts Not Offset

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Financial instruments	Cash Collateral Pledged	Net Amount
	€'000's	€'000's	€'000's	€'000's	€'000's	€'000's
Derivative Financial Liabilities	45,300	3,698	41,602	-	-	41,602

Notes (continued)

18. Financial risk management (continued)

18.5. Summary of derivatives by instrument

	2024	2024	2023	2023
	€'000	€'000	€'000	€'000
	Assets	Liabilities	Assets	Liabilities
Foreign exchange contracts	17,314	(21,663)	3,761	(7,524)
Fuel price contracts	1,858	(17,852)	2,354	(17,704)
Interest rate swaps	-	(2,087)	128	(3,820)
Total	19,172	(41,602)	6,243	(29,048)
Non-current portion:				
Foreign exchange contracts	1,828	(5,862)	1,212	(1,701)
Fuel price contracts	1,199	(7,507)	1,627	(5,920)
Interest rate swaps	-	(1,132)	-	(1,996)
Total non-current portion	3,027	(14,501)	2,839	(9,617)
Current portion:				
Foreign exchange contracts	15,486	(15,801)	2,549	(5,823)
Fuel price contracts	659	(10,346)	727	(11,784)
Interest rate swaps	-	(954)	128	(1,824)
Total current portion:	16,145	(27,101)	3,404	(19,431)

Derivative financial instruments represent the fair value of open foreign exchange forward contracts, interest rate swaps and fuel price swaps and options to which the Company is a party at the reporting date and are within Level 2 of the fair value hierarchy. The fair value of these open positions is calculated by reference to the forward foreign exchange rates, forward interest rates and forward fuel prices at the reporting date.

Foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2024 were €799 million (2023: €654 million).

Fuel price contracts

The Company enters into derivative contracts to fix the price of a proportion of its forecast aircraft fuel purchases. The notional principal amounts of the outstanding contracts at 31 December 2024 were €511 million (2023: €573 million).

Interest rate swaps

The Company enters into interest rate swaps to hedge floating interest rates. The notional principal amounts of the outstanding contracts at 31 December 2024 were €129 million (2023: €190 million).

The maximum exposure to credit risk at the reporting date is the value of the derivative assets in the Statement of financial position.

Cash flows in respect of derivative financial instruments are expected to occur as they mature at various points over the next 2 years for foreign exchange positions, and over the next 24 months for fuel positions. The fair value of the instruments at settlement will impact the Income Statement as the hedged transaction occurs.

19. Inventory

Inventory primarily comprises maintenance consumables and aircraft spare parts.

	2024	2023
	€'000	€'000
Inventory	14,624	15,038

There were no material write-downs of inventory during the current or prior year. €1.7 million (2023: €1.4 million) of inventories were expensed to the Income Statement in the year.

Notes (continued)**20. Trade receivables and other assets**

	2024	2023
	€'000	€'000
Amounts falling due within one year		
Trade receivables	142,446	30,713
Provision for expected credit loss	(483)	(472)
Net trade receivables	141,963	30,241
Prepayments	6,168	23,295
Accrued income	10,308	27,750
Current tax assets	-	165
IAG loan receivable ¹	-	100,000
Amounts owed from IAG subsidiaries	36,103	42,053
Other current assets	28,390	1,578
Other current assets	80,969	194,841
Amounts falling due after one year		
Prepayments and accrued income	24,317	17,590
	24,317	17,590

Movements in the provision for expected credit loss were as follows:

	2024	2023
	€'000	€'000
At beginning of year	472	1,334
Increase/(Decrease) during the year	11	(862)
	483	472

¹ The Company provided unsecured, fixed interest bearing loans totalling €300 million, at prevailing market rates at the date of transaction to its parent company with interest rates between 1.09% and 2.41%. The final tranche of this loan of €100 million was repaid in March 2024.

21. Cash and cash equivalents

Cash and cash equivalents and other current interest bearing deposits comprise the following:

	2024	2023
	€'000	€'000
Current interest-bearing deposits	29,254	30,185
Cash and cash equivalents	522,685	310,872
	551,939	341,057

The interest bearing deposits comprise a restricted deposit of €29 million (2023: €30 million) held in escrow and relating to an IASS contribution (Note 25). The aforementioned interest bearing deposits held at year end have maturity terms of more than three months

The carrying amount of the Company's cash, cash equivalents and other deposits are denominated in the following currencies:

	2024	2023
	€'000	€'000
Euro	521,118	317,650
Sterling	18,337	19,509
US dollar	12,484	3,898
	551,939	341,057

Current interest bearing deposits held at year end have maturity terms of less than three months. The majority of our deposits are held in MoneyMarket Funds (MMF), which are call accounts (same day available).

Notes (continued)

22. Leases

Borrowings on Right of Use Assets

Details of borrowings on right of use assets are set out below:

	2024	2023
	€'000	€'000
Current	88,919	81,323
Non-current	481,810	530,508
	570,729	611,831

Borrowings on right of use assets	2024	2023
	€'000	€'000
US dollar	451,695	482,534
GBP	3,645	-
Euro	115,389	129,297
Total	570,729	611,831

In 2024, the rates implicit in these leases ranged from 3.0% to 11.3% (2023: 3.0% to 11.3%).

Lessor Accounting

The Company leases out two aircraft, specifically two Airbus A330 aircraft, to its subsidiary Aer Lingus UK Limited. The Company retains the risks and rewards incidental to the ownership of the assets and are therefore classified as owned aircraft.

Rental income recognised by the Company during 2024 was €4 million (2023: €4 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2024	2023
	€'000	€'000
Less than one year	3,000	3,000
One to two years	3,000	3,000
Two to three years	3,000	3,000
Total	9,000	9,000

23. Trade and other payables

Trade and other payables is made up of the following balances:

	2024	2023
	€'000	€'000
Trade creditors	103,951	111,892
Amounts owed to IAG and subsidiaries of IAG	66,155	47,947
Other creditors	105,698	91,218
Other taxation and social insurance	4,933	4,500
Accruals	133,969	76,835
Deferred income	625	821
Amounts owed to fellow group companies	103,534	60,763
Total Trade and other payables	518,865	393,976

	2024	2023
	€'000	€'000
Deferred revenue on ticket sales	476,492	438,639

Notes (continued)

23. Trade and other payables (continued)

¹Other taxation and social insurance includes €2.1 million PAYE (2023: €4.4 million), €1.2million PRSI (2023: €3.2 million), €0.3 million USC (2023: €1.0 million), and other tax related payables of €4.2 million (2023: nil); less amounts which related to Aer Lingus Ireland Limited of €2.9 million (2023: €4.1 million)

	2024	2023
	€'000	€'000
Non-current liability	468,336	468,932
Current liability	992,285	832,615
	1,460,621	1,301,547

Loans from fellow group companies are split between non-current and current as follows:

	2024	2023
	€'000	€'000
Loans from fellow Group companies (non-current)	468,336	468,932
Loans from fellow Group companies (current)	103,534	61,584
	571,870	530,516

	Carrying amounts	Carrying amounts	Fair value	Fair value
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Loans from fellow Group companies	571,870	530,516	571,870	530,516

24. Interest bearing long-term borrowings

Current	2024	2023
	€'000	€'000
Asset financed liabilities	13,453	12,234
	13,453	12,234

Non-current	2024	2023
	€'000	€'000
Asset financed liabilities	195,209	109,177
	195,209	109,177

Notes (continued)

24. Interest bearing long-term borrowings (continued)

Total interest bearing long-term borrowings

	2024	2023
	€'000	€'000
Current portion of interest bearing long-term borrowings	13,453	12,234
Interest bearing long-term borrowings	195,209	109,177
	208,662	121,411

At 31 December 2024, the amount drawn under the secured debt facility with ISIF was nil. The ISIF facility amounts to €350 million and remains available to be drawn down until March 2025. The loan bears a margin of 3%.

25. Defined contribution retirement benefit schemes

In 2024, Aer Lingus participated in a number of retirement benefit schemes including the Aer Lingus Defined Contribution Pension Scheme (the "DC scheme"), for general employees, and the Irish Airlines (Pilots) Superannuation Scheme (the "Pilots Scheme"), for its pilots. The Company has also historically been involved in the Irish Airlines (General Employees) Superannuation Scheme (the "IASS"), a multi-employer scheme.

Aer Lingus Limited is the sponsoring company for Aer Lingus Group's participation in these pension schemes. The Company's contributions, including those in respect of Aer Lingus (Ireland) Limited, to defined contribution schemes are set out in the table below.

	2024	2023
	€'000	€'000
Irish Airlines (Pilots) Superannuation Scheme	22,252	20,764
Other defined contribution schemes	18,020	15,244
Total	40,272	36,008

Aer Lingus DC Scheme and IASS

In 2015, Aer Lingus Limited began contributing to the Aer Lingus DC Scheme on behalf of current general employees, including those who were previously members of the IASS. This arrangement was established as part of a restructuring exercise in relation to the IASS. This restructuring comprised a number of elements including a once-off payment by Aer Lingus. It specifically provided that this once-off payment would be transferred to an escrow account and would only be released into individual accounts in the DC Scheme and the deferred defined contribution pension scheme on receipt of correctly executed waivers, which waive any and all rights to legal action against Aer Lingus Limited and the IASS Trustee in relation to the IASS.

At the end of December 2024, 72.9% of these waivers had been executed (active members 83.0%, deferred members 61.5%) and €162 million had been paid from the pension escrow account. Therefore, at that date, €29 million, as noted in note 21, of the €191 million remained in escrow to be administered; €15 million of which relates to active members with the remaining €14 million relating to deferred members.

Proceedings have been issued by a number of deferred IASS members against a number of parties involved in the IASS restructuring exercise, including Aer Lingus Limited. These proceedings are being strenuously defended. If, contrary to the firm legal advice that Aer Lingus Limited has received (that such proceedings were unlikely to succeed), a Court were to find against Aer Lingus Limited in such litigation, loss could arise. It is not practicable to estimate the financial exposure, if any, of Aer Lingus Limited, should any such proceedings succeed.

Irish Airlines (Pilots) Superannuation Scheme

At 31 December 2024 (the most recent date for which Pilots Scheme membership data is available), the Pilots Scheme had 1,323 members, comprising 773 active members, 133 deferred members and 417 pensioners (2023: 764 active members, 118 deferred members and 400 pensioners). Following discussions in 2014 between Aer Lingus Limited, the Trustee of the Pilots Scheme and IALPA (the pilots representative association) a funding proposal for the Pilots Scheme was submitted to and approved by the Pensions Authority. This funding proposal, which is subject to annual review, does not involve any capital contribution by Aer Lingus Limited either within the Pilots Scheme or outside of the Pilots Scheme.

As at 1 April 2021 the Scheme Actuary had reported to the Trustee that the funding proposal in place was no longer on track, with a longer-term expectation that the Pilots Scheme would not reach solvency by 2025. The Trustee was required to submit a revised funding proposal to the Pensions Authority setting out how the deficit will be addressed. Following engagement with Aer Lingus a revised funding proposal at 31 December 2021 was approved and submitted by the Scheme Actuary to the Pensions Authority in November 2022. At the time this report is being finalised the Trustee still awaits confirmation from the Pensions Authority of its acceptance of the revised funding proposal. Aer Lingus' consistent position is that its liability to contribute to the Pilots Scheme is fixed at its current contribution rate and, accordingly that it has neither a constructive nor a legal obligation to increase its rate of contribution to the Pilots Scheme, even if the scheme is found to have insufficient funds to pay all employees expected benefits relating to their current and past employment service.

Notes (continued)

26. Employment benefit obligations

The Company operated two defined benefit schemes, one of which is funded and one of which is unfunded, during 2024. The following is a summary of the Company's net defined benefit obligations/(assets) for each of the schemes, split between funded and unfunded. Background to each scheme is given below.

Summary of net defined benefit obligations/(assets):	2024	2023
	€'000	€'000
Funded		
Other	(145)	242
Net defined benefit asset for funded schemes	(145)	242
Unfunded		
North America Post-Retirement Medical Benefits	835	911
Net defined benefit obligation for unfunded schemes	835	911
Net defined benefit obligation in total	690	1,153

Shown as:	2024	2023
	€'000	€'000
Employee benefit assets	145	(242)
Employee benefit (obligations)	(835)	(911)
Net defined benefit asset/(obligation) in total	(690)	(1,153)

The following is a summary of the Company's total net employee benefit obligation, and the related funding status, analysed on a total basis:

	2024	2023
	€'000	€'000
Present value of funded obligations	(1,535)	(1,558)
Fair value of plan assets	1,680	1,316
Asset (deficit) in funded plans	145	(242)
Present value of wholly unfunded obligations	(835)	(911)
Net defined benefit obligation in total	(690)	(1,153)

The net (credits)/charges to the Income statement in respect of these obligations are as follows:

	2024	2023
	€'000	€'000
Funded (a)	8	(5)
Unfunded (b)	65	(6)
	73	(11)

Actuarial gains/(losses) (gross of deferred tax) recognised in the Statement of other comprehensive income during the year:

	2024	2023
	€'000	€'000
Funded (a)	(75)	(377)
Unfunded (b)	97	(58)
	22	(435)

The dates of the most recent actuarial valuation in respect of the various schemes are as follows:

	Valuation date
Funded	
Other	31-Dec-24
Unfunded	
North American post-retirement medical benefits	31-Dec-24

Valuations are not available for public inspection; however, they are available to the members of the above schemes.

The North American Post-Retirement Medical Benefits scheme applies the regulations of The Employee Retirement Income Security Act of 1974 and The Internal Revenue Code. The Employee Retirement Income Security Act of 1974 is a federal law that sets minimum standards

Notes (continued)

26. Employment benefit obligations (continued)

for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans. The Internal Revenue Code, as set forth by the Internal Revenue Service, also provides regulations and guidance for the administration of pension and medical schemes.

(a) Funded

The Company operates a defined benefit scheme in respect of two retired Irish former executives of the Company and their spouses. The risks of the scheme relate primarily to demographic assumptions around mortality and to future asset performance. Future financial statement liabilities and expense will also be affected by future changes in the rate used to discount the liabilities. The Company seeks to match the assets it holds in respect of funded schemes to the liabilities of the plans, in terms of currency and maturity, and also seeks to balance risk and return in making asset investment decisions which match investment yield to expected cash outflows. The Company has not changed the process used to manage its risks from previous periods.

As at 31 December 2024 there was an employee benefit liability of €145,000 (2023: employee benefit asset: €242,000). Employer contributions of €nil (2023: €nil) were paid into the remaining funded scheme which meant there was a net liability for the year ended 31 December 2023 and 31 December 2024.

The rules of the scheme allow for any surplus to be returned to the employer on the death of the last pensioner. Therefore, the asset is not expected to be returned to the Company until the last of the current pensioners has died.

The movement in the defined benefit obligation in respect of funded arrangements during the year is as follows:

	2024	2023
	€'000	€'000
At 1 January	1,558	1,446
Adjustment	-	-
Interest cost	50	55
Remeasurement - effects of changes in demographic assumptions	-	-
Remeasurement - effects of changes in financial assumptions	(3)	4
Remeasurement - effects of experience adjustments	81	341
Benefits paid	(152)	(288)
Retranslation	-	-
At 31 December	1,534	1,558

The movement in the fair value of related plan assets during the year is as follows:

	2024	2023
	€'000	€'000
At 1 January	1,316	1,576
Interest income	42	61
Remeasurements - effect of experience adjustments	4	(32)
Employer Contributions	470	-
Benefits paid	(152)	(289)
At 31 December	1,680	1,316

The movement in the net defined pension obligation/ (asset) is as follows:

	2024	2023
	€'000	€'000
At 1 January	242	(131)
Adjustment	-	-
Net Interest Income	8	(5)
Employee Contributions	(470)	-
Remeasurements	75	378
Retranslation	-	-
At 31 December	(145)	242

The amounts recognised in the Income Statement are as follows:

	2024	2023
	€'000	€'000
Interest cost - recognised in finance expense	50	56
Interest income	(42)	(61)
Retranslation - recognised in other gains/losses	-	-
Total recognised in the Income Statement	8	(5)

Notes (continued)

26. Employment benefit obligations (continued)

(a) Funded (continued)

Key Assumptions	2024	2023
Discount rate	3.15 %	3.40 %
Inflation rate	1.90 %	2.10 %
Future pension increases	1.90 %	2.10 %

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into the following average life expectancy in years for a pensioner retiring at age 65:

	2024	2023
Retiring at the end of the reporting period:		
-Male (Other)	22.7	22.7
-Female (Other)	24.5	24.2

Sensitivities

The sensitivity of the post-employment benefit liabilities to changes in the weighted principal assumptions for 2024 is:

	Change in assumption	Impact on overall liability
Discount rate	Increase/decrease by 0.25%	Decrease by 15.3%/increase by 15.6%
Inflation rate	Increase/decrease by 0.25%	Increase by 21.5%/decrease by 21.1%

Plan assets are comprised as follows:

	2024 €'000	2024 % of plan assets	2023 €'000	2023 % of plan assets
<i>Quoted</i>				
Debt instruments	1,228	73 %	888	67 %
Other	452	27 %	428	33 %
Total	1,680	100 %	1,316	100 %

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of scheme assets. The largest proportion of assets is invested in bonds, although the schemes also invest in cash.

(b) Unfunded

The Company operates a post-employment medical benefit scheme for certain former employees of the operation in North America. The scheme has 37 members (2023: 46). The accrual of benefits associated with the plan is frozen.

The risks of this scheme relate primarily to future medical cost inflation and to financial assumptions including changes to discount rates. The Company has not changed the process used to manage its risks from previous periods.

The amounts recognised in the Statement of financial position are as follows:

	2024 €'000	2023 €'000
Present value of unfunded obligations, being scheme deficits and liability in the statement of financial position	835	911

Notes (continued)

26. Employment benefit obligations (continued)

(b) Unfunded (continued)

The movement in the defined benefit obligation in respect of unfunded arrangements during the year is as follows:

	2024	2023
	€'000	€'000
At 1 January	911	933
Current service cost	25	14
Interest cost	42	40
Remeasurements - effect of changes in demographic assumptions	-	-
Remeasurements - effect of changes in financial assumptions	(28)	36
Remeasurements - effect of experience adjustments	(70)	22
Benefits paid	(70)	(74)
Retranslation	25	(60)
At 31 December	835	911
	2024	2023
	€'000	€'000
Current service costs - recognised in staff costs	25	14
Interest cost - recognised in finance expense	42	40
Retranslation - recognised in net currency retranslation charges	23	(60)
Total recognised in the Income Statement	90	(6)

Key Assumptions

The principal actuarial assumptions relating to unfunded schemes are as follows:

	2024	2023
Discount rate - North America Post-Retirement Medical Benefits	5.30 %	4.66 %
Immediate medical cost rate	6.73 %	6.62 %

Sensitivities

The sensitivity of the post-employment benefit liabilities at the reporting date to changes in the weighted principal assumptions is:

		Change in assumption	Impact on overall liability
Medical cost trend rate	North American Medical	Increase/decrease by 0.50%	Increase by 3.67%/decrease by 3.47%
Discount rate	Scheme	Increase/decrease by 0.25%	Decrease by 1.64%/increase by 1.70%

The above sensitivity analyses are based on a change in the assumption noted while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the post-employment liabilities the same method has been applied as when calculating the liability recognised within the Statement of financial position. Changes in assumptions could lead to an increase in actuarial deficits which would affect future cash flows of the business due to increased contributions.

Due to the unfunded nature of these arrangements, no employer contributions were paid during the year ended 31 December 2024 (31 December 2023: €nil).

Notes (continued)

26. Employment benefit obligations (continued)

(b) Unfunded (continued)

Maturity analysis

The expected maturities, at the reporting date, of the undiscounted funded and unfunded schemes over the next 10 years are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Between 5-10 years	Total
At 31 December 2024	€'000	€'000	€'000	€'000	€'000
Funded	155	158	473	648	1,434
Unfunded	77	72	116	47	312
Total	232	230	589	695	1,746

Weighted average duration of the obligation (years)

The weighted average duration of the funded and unfunded schemes, at the reporting date, is as follows:

At 31 December 2024	Years
Funded	
Other	6
Unfunded	
North America Post-Retirement Medical Benefits	7

27. Provisions for other liabilities

	IASS restructuring - once off pension contribution ¹	Business Restructuring ²	Aircraft Maintenance ³	Other ⁴	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2023	32,623	6,374	218,002	18,345	275,344
Provided during the year	-	42	67,784	1,120	68,946
Other movements	-	-	(8,030)	(6,359)	(14,389)
Utilised during the year	(1,861)	(4,111)	(22,023)	(1,119)	(29,114)
Unwind of discounting	-	-	6,798	-	6,798
Retranslation	-	-	-	-	-
At 31 December 2023	30,762	2,305	262,531	11,987	307,585
At 1 January 2024	30,762	2,305	262,531	11,987	307,585
Provided during the year	717	1,221	78,181	21,461	101,580
Other movements	-	(18)	1,764	-	1,746
Utilised during the year	(766)	(1,652)	(27,186)	(509)	(30,113)
Unwind of discounting	-	-	10,663	-	10,663
Retranslation	-	-	17,792	-	17,792
At 31 December 2024	30,713	1,856	343,745	32,939	409,253

Notes (continued)

27. Provisions for other liabilities (continued)

	IASS restructuring - once off pension contribution ¹	Business Restructuring ²	Aircraft Maintenance ³	Other ⁴	Total
	€'000	€'000	€'000	€'000	€'000
Analysed as current liabilities					
31-Dec-24	30,713	1,856	69,162	29,656	131,387
31-Dec-23	30,762	2,305	63,321	9,729	106,117
Analysed as non-current liabilities					
31-Dec-24	-	-	274,583	3,283	277,866
31-Dec-23	-	-	199,210	2,258	201,468

¹ *Provision for IASS restructuring - once off pension contribution*

In December 2014, Aer Lingus Group plc shareholders voted in favour of the IASS restructuring which sought to address issues arising from the funding deficit in the IASS. The approval of the IASS solution involved a once-off exceptional contribution of €191 million.

This once off contribution was placed in an escrow structure at this time and held as a restricted deposit balance in the Statement of financial position as at 31 December 2014. The liability reduced by €2 million in 2024 (2023: €2 million) and reduces further and potentially to nil as the executed waivers referred to in Note 25 are received. At 31 December 2024 the restricted deposit cash balance remaining was €29 million (2023: €31 million) which is included within cash and cash equivalents as set out in Note 25..

² *Business repositioning*

Business repositioning costs include provisions for restructuring costs recognised in accordance with IAS 37 when a constructive obligation exists and a provision for termination benefits that are not part of a restructuring plan and are therefore recognised when the entity can no longer withdraw the offer of benefits.

The amount of the restructuring provision is based on the terms of the restructuring measures, including certain employee benefits and employee severance, which have been communicated to employees. It represents the Directors' best estimate of the cost of these measures.

Measurement uncertainty associated with restructuring provisions arises from the achievement of certain operating and financial targets and changes in human resources requirements. Uncertainty associated with the provision in respect of the voluntary severance programme relates to the timing of employee exit dates. The voluntary severance provision is expected to be materially utilised in the next financial year, with the remaining provision balance expected to be largely utilised in the next 5 years.

³ *Aircraft maintenance*

Provisions are made for aircraft maintenance costs which the Company incurs in connection with engine overhauls and end of lease airframe checks on leased aircraft, where the terms of the lease impose obligations on the lessee to have this maintenance work carried out. Provisions reflect the cost rates expected to apply at the time the work is carried out and to meet the contractual end of lease return conditions. Other airframe check costs on leased aircraft are expensed as incurred to the Income Statement. Measurement uncertainty associated with aircraft maintenance provisions arises from the timing and nature of overhaul activity required, lease return dates and conditions, and likely utilisation of the aircraft. As a result of this, and the level of uncertainty attaching to the final outcomes, the actual results may differ significantly from those estimated. The provisions are determined by discounting the future cash flows using pre-tax rate risk free rates specific to the tenor of the provision and the currency in which it arises. The unwinding of the discounting of the provisions is recorded as a finance cost in the Income statement (refer to note 7).

⁴ *Other*

Other provisions relate mainly to free flight entitlements in respect of former employees, dilapidations and other potential legal cases.

28. Contingent liabilities

The Company is party to various uninsured legal proceedings. The Company makes provision for any amounts for which it expects to become liable. On 31 December 2024 these provisions were less than the total amounts claimed by plaintiffs because the Company does not believe that it has any liability for the balance and the proceedings are being defended.

Notes (continued)

29. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred taxes relate to the same fiscal authority. The offset amounts are as follows:

	2024	2023
	€'000	€'000
Deferred tax asset	63,762	71,146
Deferred tax liability	(40,750)	(39,659)
Net deferred tax asset	23,012	31,487

	2024	2023
	€'000	€'000
Deferred tax asset at 1 January	31,487	44,267
Tax credited to the Income Statement	(19,301)	(17,602)
Tax charged directly to equity	10,826	4,822
Deferred tax asset at 31 December	23,012	31,487

Deferred tax assets

Deferred tax assets	Provisions	Tax losses	Share based payments	IASS pension adjustment	Derivative financial instruments	Other	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 31 December 2022	224	82,534	492	4,041	(2,010)	1,606	86,887
(Charged)/credited to the Income Statement	(110)	(23,169)	561	(368)	-	(4,270)	(27,356)
(Charged)/credited directly to equity	-	-	-	-	4,768	54	4,822
Prior year adjustment	-	7,435	-	-	(642)	-	6,793
At 31 December 2023	114	66,800	1,053	3,673	2,116	(2,610)	71,146
At 31 December 2023	114	66,800	1,053	3,673	2,116	(2,610)	71,146
(Charged)/credited to the Income Statement	93	(19,302)	627	(175)	-	1,777	(16,980)
(Charged)/credited directly to equity	-	-	-	-	10,826	-	10,826
Prior year adjustment	-	(1,230)	-	-	-	-	(1,230)
At 31 December 2024	207	46,268	1,680	3,498	12,942	(833)	63,762

Notes (continued)

29. Deferred tax (continued)

Deferred tax liabilities	Accelerated tax depreciation €'000	Total €'000
At 31 December 2022	42,620	42,620
Charged/(credited) to the Income Statement	(2,961)	(2,961)
Credited directly to equity	—	—
At 31 December 2023	39,659	39,659
At 31 December 2023	39,659	39,659
Charged/(credited) to the Income Statement	1,091	1,091
Credited directly to equity	—	—
At 31 December 2024	40,750	40,750

Deferred tax charged directly to equity is as follows:

	2024 €'000	2023 €'000
Cash flow hedging reserve	10,826	4,768
Remeasurement of post-employment benefit obligations per OCI	3	54
	<u>10,829</u>	<u>4,822</u>

Management is satisfied, based on expected future performance, as indicated by the Company's five-year projections, that the recognition of the deferred tax assets is appropriate on the basis that their recoverability is probable.

The Company holds unutilised capital losses of €17 million (2023: €17 million) in respect of which no deferred tax asset is recognised.

30. Called-up share capital

	2024	2023
Authorised		
260,000,000 ordinary shares of €1.25 each	325,000	325,000
15,000,000 preferred ordinary shares of €1.25 each	18,750	18,750
At 31 December	343,750	343,750
Allotted, called up and fully paid - presented as equity		
255,393,003 ordinary shares of €1.25 each	319,241	319,241
15,000,000 preferred ordinary shares of €1.25 each	18,750	18,750
At 31 December	337,991	337,991

Notes (continued)

31. Other reserves

	2024 €'000	2023 €'000
Capital conversion reserve fund		
At 1 January and 31 December	1,705	1,705
Cashflow hedging reserve		
At 1 January	(7,418)	19,270
Fair value movements in equity in the period	13,017	(12,603)
Deferred tax on fair value movements in equity in the period	(1,446)	1,400
Reclassified and reported in net loss	(34,890)	(17,421)
Deferred tax on amounts reclassified and reported in net loss in the period	3,877	1,936
Deficit at 31 December	(26,860)	(7,418)
Cost of Hedging Reserve		
At 1 Jan	(9,248)	-
Fair value movements on cost of hedging	(407)	(28,698)
Deferred tax impact	45	3,189
Cost of hedging reclassified and reported in net profit	(6,059)	18,294
Deferred tax impact	673	(2,033)
Surplus at 31 December	(14,996)	(9,248)
Capital Contribution reserve		
At 1 January and 31 December	13,207	13,207
Retained earnings		
At 1 January	(616,443)	(785,341)
Profit for the year	131,829	169,279
Re-measurements of post-employment benefit obligations	(17)	(381)
Deficit at 31 December	(484,631)	(616,443)
Total other reserves	(511,575)	(618,197)

Capital conversion reserve fund

The capital conversion reserve fund was attributable to the re-denomination of the nominal value of the Company's shares from Irish Pound to Euro in 2000.

Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (net of tax), principally relating to fuel and forward currency contracts.

Capital contribution reserve

The reserve comprises the cumulative expense recognised in the Income Statement in respect of awards made by the Company's parent (Aer Lingus Group DAC) to employees of Aer Lingus Limited under the terms of the Aer Lingus Long Term Incentive Plan and share option arrangements.

32. Share based payments

IAG operates share based payment schemes as part of the total remuneration package provided to employees. The cost of these awards is recharged from IAG based on their determination of award fair values. The net cost in the year was €3.6 million (2023: €6.4 million).

(a) IAG Performance Share Plan

The IAG Performance Share Plan (PSP) is granted to senior executives and managers of the Company who are most directly involved in shaping and delivering business success over the medium to long term. Since 2015, awards have been made as nil-cost options, with a two-year holding period following the three-year performance period, before options can be exercised. All awards since 2015 have three independent performance measures with equal weighting: Total Shareholder Return (TSR) relative to the STOXX Europe 600 Travel and Leisure Index (for 2020 awards) or MSCI European Transportation Index (for prior to 2020 awards), earnings per share, and Return on Invested Capital.

Notes (continued)

32. Share based payments (continued)

(b) IAG Restricted Share Plan

During 2021, the Group revised its approach to long-term incentives, replacing the existing PSP with a Restricted Share Plan proposal under the new Executive Share Plan (RSP) approved by shareholders in June 2021. The RSP was introduced to increase the alignment of both interests and outcomes between the Group's senior management and shareholders through the build-up and maintenance of senior management shareholdings and an increased focus on the long-term, sustainable performance of the Group. Awards have been made as nil-cost options, with a two-year holding period following the three-year performance period, before options can be exercised. There are no performance measures associated with the awards, although approval at the end of the vesting period will be at the discretion of the Remuneration Committee, considering the Group's overall performance, including financial and non-financial performance measures over the course of the vesting period, as well as any material risk or regulatory failures identified.

33. Financial commitments

The Company had capital commitments as follows:

	2024 €'000	2023 €'000
Contracted for but not provided		
- Aircraft and equipment	255,038	472,526
	255,038	472,526

Included within capital commitments in respect of aircraft and equipment are unhedged amounts denominated in USD of US\$266 million (2023: US\$304 million). These have been translated at \$1.04 (31 December 2023: \$1.10).

34. Changes in liabilities arising from financing activities

	1-Jan-23 €'000	Additions in the year €'000	Repayments €'000	Interest Charges €'000	Foreign Exchange Movements €'000	31-Dec-23 €'000
Obligations under interest bearing long-term borrowings	(50,000)	-	50,000	-	-	-
Obligations under asset financed liabilities	(133,285)	-	17,968	(6,094)	-	(121,411)
Obligations under right of use assets	(633,558)	(72,909)	110,875	(30,890)	14,651	(611,831)
Total liabilities from financing activities	(816,843)	(72,909)	178,843	(36,984)	14,651	(733,242)

	1-Jan-24 €'000	Additions in the year €'000	Modifications in the year €'000	Repayments €'000	Interest Charges €'000	Foreign Exchange Movements €'000	31-Dec-24 €'000
Obligations under interest bearing long-term borrowings	-	-	-	-	-	-	-
Obligations under asset financed liabilities	(121,411)	(97,805)	-	12,746	(4,382)	2,190	(208,662)
Obligations under right of use assets	(611,831)	-	(10,167)	110,763	(30,977)	(28,517)	(570,729)
Total liabilities from financing activities	(733,242)	(97,805)	(10,167)	123,509	(35,359)	(26,327)	(779,391)

Notes (continued)

35. Related party transactions

During the ordinary course of business, the Company has transactions with IAG and fellow subsidiary companies, which are considered to be related parties. A summary of these transactions is given below:

	2024	2023
	€'000	€'000
Interline settlement of ticket sales¹		
Outward billings to subsidiaries and significant shareholders of IAG	93,602	84,722
Inward billings from subsidiaries and significant shareholders of IAG	6,866	21,921
Transactions and balances with subsidiary undertakings of IAG		
Purchases and recharges from IAG ²	6,208	4,292
Sales to subsidiaries of IAG ³	14,421	15,014
Purchases from subsidiaries of IAG ³	37,190	32,456
Amounts owed to IAG ³	8,682	6,832
Amounts owed to subsidiaries of IAG ³	57,473	41,115
Amounts owed from subsidiaries of IAG ³	36,103	41,985
Amounts owed from IAG	-	100,068

¹When a passenger purchases a ticket for a flight from Aer Lingus but is flown by another airline, the other airline will subsequently invoice Aer Lingus and the transaction will be recorded as an Inward billing. If a passenger purchases a ticket for a flight from another Airline but flies with Aer Lingus, the Company will subsequently raise an invoice to the other Airline and the transaction will be recorded as an Outward billing. This practice is common across the airline industry with settlement of these interline transactions processed through IATA Systematic Interline Settlement ("SIS").

²The transactions between the Company and IAG comprise management fees in respect of services provided by IAG, recharges between the entities in respect of invoices settled on behalf of the other party and amounts drawn down from group loan facilities.

³The transactions between the Company and subsidiaries of IAG include services provided to the Company in respect of engineering, handling and fuel, as well as transactions with Avios Group Limited in respect of the AerClub loyalty program. AerClub members can earn and redeem Avios when flying with Aer Lingus and partner airlines. The Company purchases Avios accrued by members from Avios Group Limited and transactions are included above, within 'Purchases from subsidiaries of IAG'.

The Company has not benefitted from any guarantees for any related party receivables or payables. In addition, the Company has not made any provision for expected credit losses relating to amounts owed by related parties (2023: €nil).

Other related party transactions

The Company's investment in its subsidiary companies is set out in note 15. Amounts due to the Company from subsidiary undertakings and fellow group companies are disclosed in Note 20. Amounts due by the Company to fellow group companies are disclosed in Note 23.

The Company's contributions to its post-employment benefit obligations are disclosed in Note 26.

In addition, the Company has an agreement with a fellow subsidiary company, Aer Lingus (Ireland) Limited, for the provision of human resource support services and jet fuel and related services.

Aer Lingus (Ireland) Limited earns a mark-up on the provision of human resources support services and on some operating costs equivalent to industry standards. During the year, the Company incurred expenditure of €189 million (2023: €136.8 million) on services provided by Aer Lingus (Ireland) Limited.

At the reporting date, there was a balance of €24.6 million outstanding to Aer Lingus (Ireland) Limited from the Company (2023: €24.9 million).

Notes (continued)

35. Related party transactions (continued)

Key management compensation

	2024	2023
	€'000	€'000
Short-term employee benefits	6,376	6,751
Post-employment benefits	292	307
Share based payments	2,032	325
Termination benefits	-	1,089
	8,700	8,472

The total amount of remuneration paid to key management (defined as the Executive team reporting to the Board of Directors, together with the Board of Directors) amounted to €8.7 million (2023: €8.5 million) in the year ended 31 December 2024. The senior Executive team totalled 10 individuals in the period (2023: 10).

36. Events after the reporting period

There have been no other significant events occurring after the reporting period, up to and including the date of approval of the financial information within these financial statements by the Board of Directors.

37. Approval of financial statements

The Directors approved the financial statements and authorised them for issue on **18 June 2025**