

Aer Lingus Limited

Registered Number: 9215

Directors' report and financial statements

Financial year ended 31 December 2025

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Directors and other information

Board of Directors at 21 April 2026

Lynne Embleton (Chief Executive Officer)
Elizabeth Haun (Chief Financial Officer) (resigned 1st August 2025)
Nessa McNeela (Chief Financial Officer) (appointed 1st August 2025)
Aisling Hassell (Non-Executive Director)
Nicholas Cadbury (Non-Executive Director)(appointed 25th September 2025)
Dónal Moriarty (Company Executive)
Jorge Saco Iglesias (Non-Executive Director) (resigned 25th September 2025)

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 2025.

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 2025

The income statement for the year ended 31 December 2025 and the Statement of financial position as at that date are set out on pages 16 and 18 respectively. The profit after taxation for the year amounted to €229 million (2024: profit of €132 million). The movement in retained earnings for the year was as follows:

	€ m
Balance, 1 January 2025	(484.6)
Profit for the year	229.3
Other comprehensive income/(loss) for the year	-
Deficit, 31 December 2025	(255.3)

Total retained deficit decreased by €229 million since 1 January 2025. The Directors propose no other transfers to or from reserves.

Dividends

No dividend was paid during the year (2024: €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

2025 was a strong year for Aer Lingus Ltd. (Aer Lingus), reinforcing our North Atlantic leadership and accelerating our transformation. Digital innovation, operational excellence and network expansion enabled us to deliver an 11% operating margin despite a significant increase in competitor capacity. Our Net Promoter Score (NPS) reached a record high and our punctuality was the strongest since 2017. These achievements contributed to Aer Lingus ranking 4th in the 2025 Ireland Reputation Index, reflecting the strength of our brand and the trust of our customers.

The unique strategic role of our Dublin hub continues to underpin our growth and connectivity across the North Atlantic. In 2025, we became the joint third largest European airline flying across the North Atlantic by US destinations served. For 2026 we have announced our largest-ever transatlantic summer schedule.

Throughout 2025, we advocated for urgent legislative change to address the passenger cap at Dublin Airport and appealed a planning decision to cap the number of night-time movements. Some progress has been made on these issues, but it remains imperative that the Irish Government urgently enacts legislation to remove the passenger cap.

Our customers

We announced that Wi-Fi, powered by Starlink, will be made available to our customers on both long-haul and short-haul services free of charge. Aer Lingus' first aircraft will be enabled with Starlink in early 2026, with roll-out expected to complete on our long-haul fleet in 2027.

Other advancements in digital technology are supporting our customer proposition. The redesigned Aer Lingus app significantly boosted app ratings and drove revenue and bookings. New express bag-drop technology and other process improvements have also reduced queuing at check-in.

We also streamlined our boarding process and enhanced disruption communications. These initiatives have all led to notable increases in customer satisfaction scores.

On board, customers flying in our Economy cabin now enjoy complimentary beverages on transatlantic flights, including a choice of organic wine, beer or soft drinks with their meal.

Our brand was showcased to new audiences in North America, with Aer Lingus becoming an Official Airline Partner of the NFL's Pittsburgh Steelers. The four-year partnership opens up new visibility and engagement opportunities in key North American markets.

Loyalty also saw major growth, with AerClub reaching almost 4 million members. New partnerships with Uber and Tesco have driven Avios engagement and our Revolut partnership continues to deliver strong growth.

In November 2025, cabin crew at our Manchester base which is managed by Aer Lingus UK Limited undertook industrial action. Teams across Aer Lingus worked hard to minimise the impact on our customers, reaccommodating the vast majority of affected customers on alternative flights.

Our people

Our people were instrumental in Aer Lingus' success in 2025, coming together to overcome challenges and drive innovation. Teams responded swiftly to the September cyberattack on a third-party software system which affected our operational systems in key airports. Deploying Aer Lingus' proprietary Agent UI technology allowed us to minimise disruption for customers. In November, our engineering and operations teams seamlessly managed the urgent EASA airworthiness directive relating to the global Airbus A320 family of aircraft. The quick implementation of essential software updates ensured operational continuity without impacting customers.

We modernised how we work, rolling out intelligent platforms including Salesforce, Databricks and Connected Crew. Our Data Driven Organisation programme equipped employees with skills in data, analytics and AI. Ground operations, maintenance and engineering teams have embraced new ways of working that are delivering real results.

Our commitment to a new generation of aviation professionals was recognised at the Irish Aviation Industry Awards, celebrating our first-ever Careers in Aviation event which highlighted the breadth of opportunities for women. We also honoured the achievements of 500 colleagues with 30 or more years of service with special events and recognition for their contributions.

Our planet

Sustainability is an important part of our transformation. We expanded our fleet of fuel-efficient Airbus A321XLR, with one third of Aer Lingus' fleet now comprised of next generation aircraft.

Directors' report (continued)

Business overview and summary (continued)

SAF remains a critical part of our journey towards net zero emissions by 2050. In 2025 Aer Lingus received 7,000 tonnes of SAF through Dublin Port and has supply agreements in place across Europe and in the UK to support compliance with mandates.

In addition, our on-board recycling initiative, first introduced in 2023, grew by 70% in 2025.

From a community perspective, we strengthened our 20+ year partnership with UNICEF through the launch of an on-board digital donation capability. On-board donations increased by over 80% following our refresh of the UNICEF partnership.

Looking forward.

Aer Lingus will further strengthen its position by leveraging the strategic role of the Dublin hub and progressing the implementation of investments in customer experience and fleet enhancements. Building on our strong punctuality and NPS performance we aim to set new benchmarks for operational excellence and advance the customer experience on board our aircraft.

The Company leases two Airbus A330 aircraft, to its subsidiary Aer Lingus UK Limited. In January 2026, following a review of the long-term viability of the Manchester Base, a decision was taken to fully cease Manchester transatlantic operations and redeploy the assets aligned with strategic priorities.

We believe our transformation will continue, with a busy pipeline of data and AI initiatives to enhance operations, reduce costs and elevate customer experience.

Non-operating items

Aer Lingus' net non-operating costs were €5 million in 2025 (2024: €42 million). Non-operating items in 2025 include finance costs of €46 million (2024: €52 million), finance income of €18 million (2024: €22 million) and a net gain of €23 million (2024: €12 million loss) relating to the revaluation of foreign currency denominated provisions, namely for Maintenance-related expected outflows (which are primarily measured in USD).

Non-operating items were impacted by rising interest rates during the period which earned the Company a higher return on cash deposits 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 €38 million (2024: €23 million) and the effective tax rate is 14.19% (2024: 14.62%). In January 2024, there was an introduction of a global minimum tax rate of 15% (effective January 2024, previously 12.5%), which had an immaterial impact on the Company.

Capital expenditure

Capital expenditure for the financial period was €317 million (2024: €370 million), primarily reflecting the delivery of five owned aircraft in the period and aircraft pre-delivery payments. Two A320 Neos and three A321 XLRs entered into service in 2025 (all as owned aircraft).

Fleet summary

A summary of our fleet as at 31 December 2025 was:

By aircraft type and classification:

Aircraft type	Owned	Operating lease	Finance Lease	Other	Total
Airbus A320	13	14	0	0	27
Airbus A320neo	2	4	2	0	8
Airbus A330-200	2	1	0	0	3
Airbus A330-300	4	4	4	0	12
Airbus A321 XLR	3	0	2	0	5
Airbus A321LR	0	8	0	0	8
Total	24	31	8	0	63

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

As at 31 December 2025 there were 63 aircraft in service (2024: 59). During the reporting period, one A320-200 aircraft was sold (previously defined as held for sale at the end of 2024). There were two aircraft delivered in 2024 that were re-classified from owned aircraft to financed leased. Additionally, two A320 Neos and three A321 XLR's entered into service (all as owned aircraft) during the reporting period.

Directors' report (continued)

Business overview and summary (continued)

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

By aircraft type and classification:

Aircraft type	Owned	Operating lease	Finance Lease	Other	Total
Airbus A320	13	14	0	1	28
Airbus A320neo	0	4	2	0	6
Airbus A330-200	2	1	0	0	3
Airbus A330-300	4	4	4	0	12
Airbus A321 XLR	2	0	0	0	2
Airbus A321 LR	0	8	0	0	8
Total	21	31	6	1	59

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

Liquidity

At 31 December 2025, the Company had total liquidity of €1,101 million (2024: total liquidity of €1,041 million), comprising cash, cash equivalents and interest-bearing deposits of €677 million (2024: €552 million) and €424 million of committed and undrawn general facilities (2024: €489 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 2026 financial plan and longer-term business plan which was prepared for and approved by the Board in December 2025. 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 2026 extrapolated out to 2028. 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 2025.

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, particularly with increased digitalisation and integration across the supply chain. 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. The Company is monitoring the risk environment following the conflict in the Middle East which is driving market volatility and elevated fuel pricing; and which could see energy supply restrictions from the closure of key supply lanes resulting in sustained fuel price increases and macro-economic uncertainty, impacts to fuel supply, increases to inflation and increases to interest rates.

External threats which remain heightened include: the escalating and ongoing geopolitical tensions and conflict on customer confidence and demand; lack of growth or sub-par performance risk; threat of shifts in trade or business driven by tariffs; airframe and engine manufacturer production and after care support capability; cyber threat risk; increases in inflation or interest rates; and higher costs in the supply chain; in addition to the potential outcomes of planning processes, government legislation proposals, along with the US Department of Transport (US DoT), and European Court proceedings involving Dublin Airport that could impact scheduled operations, passenger numbers, and future growth. All of these could impact our customers, revenue generation and flight operations as well as creating further airspace restrictions.

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 Group Head of Enterprise Risk 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 is discussed and agreed by stakeholders. Every risk has clear executive oversight.

Directors' report (continued)

Principal risks and uncertainties (continued)

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.

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, customer and competition

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 events impacting service and operations. Operational resilience and customer satisfaction underpin customer trust. Reliability and consistency of service and product delivery, including on-time performance and customer support through disruption are key elements of brand value and of each customer's experience. Aer Lingus continues to embed and optimise operational resilience and further improve its disruption management capabilities and customer communication through each journey in light of the extent of the ongoing external disruption due to ATC restrictions, lack of resilience at airports and industry-wide third-party supply issues, particularly over aircraft availability and engine availability and 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 seeks 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 and changing customer expectations and needs. The potential for distortionary effects of government policy and/or aviation-specific taxation or other regional or country-specific measures on the competitive landscape continue to be monitored. These include fragmented application of mandates or policies on carbon offsets.

Trading highlights

Revenue statistics	2025	2024	% increase/ (decrease)
Available Seat Kilometres (ASKs) (million)	34,848	32,677	7 %
Number of seats (*000s)	13,875	13,555	2 %
Passenger numbers (*000s)	11,340	11,097	2 %
Passenger revenue (€ million)	2,336	2,185	7 %
Cargo revenue (€ million)	46	51	(9) %
Other revenue (€ million)	29	17	67 %
Total revenue (€ million)	2,411	2,253	7 %
Load factor RPK/ASK (%)	79 %	81 %	(1) %
Passenger revenue per ASK (€ cent)	7	7	(1) %

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

Operating costs	2025	2024	% increase/ (decrease)
(€ million unless otherwise stated)			
Fuel, oil costs and emissions charges	588	590	0 %
Employee costs	539	504	7 %
Supplier costs ¹	810	792	2 %
Ownership Costs	201	169	19 %
Total operating costs	2,138	2,055	4 %
Operating cost per ASK (€ cent)	6	6	(3) %
Non-fuel operating cost per ASK (€ cent)	4	5	(1) %

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

Directors' report (continued)

Principal risks and uncertainties (continued)

Aer Lingus had a strong operating result in 2025; with an Operating Profit of €273 million (2024: €196 million) and an operating margin of 11% (2024: 9%).

In Q4 2025, Aer Lingus had an operating profit of €43m, a €14m decrease on the same period in 2024, following a 45% increase in transatlantic competitor capacity through the 2025 / 2026 winter season. The strong overall performance in 2025 was driven by operating profits of €126m and €163m in Q2 and Q3 respectively, contributed to by robust revenue performance, favourable fuel pricing, movements in respect to our Atlantic Joint Business (AJB) performance and Aer Lingus capacity growth.

In 2025, Aer Lingus increased its capacity by 7% (measured in Available Seat Kilometres (ASKs)) from 2024. With new routes launched to Indianapolis and Nashville, Aer Lingus now has the joint third largest number of North American destinations amongst European airlines. On our short-haul network, we commenced new services from Cork to Bilbao and Bordeaux, as well as Dublin to Tromsø and Turin further strengthening connectivity in 2025.

Passenger revenue rose by 6%, 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 leisure routes. With the increase in passenger revenue and capacity, load factor reduced slightly versus last year (down 1%). Cargo revenue increased by 13% due to stronger yields.

In 2025, Aer Lingus also recorded its strongest punctuality performance since 2017 and achieved its highest-ever NPS rating, an industry measurement of customer loyalty and satisfaction.

Total operating costs in the year were €2,138 million, an increase of 4%, with unit costs (operating cost per ASK) improving by 3% as a result.

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 Emissions Trading System (ETS) credits.

The 7% rise in operating employee costs versus 2024 reflects the impact of pay awards and contractual increments across all areas and an increase in employee numbers across all Aer Lingus Group DAC subsidiaries. The 2025 costs reflect the full year impact of a pay deal agreed in 2024 with a significant bargaining group, for the years 2024-2027. The average headcount employed as part of the Company's trade also increased by 67% versus the prior period.

Total Supplier costs decreased by 1% in 2025. Supplier costs were impacted by inflation, however these were broadly mitigated by the implementation of a series transformation and management initiatives.

The increase in ownership costs versus 2024 is primarily due to increased investments across the fleet and continued investment in technology. Five new aircraft were delivered during 2025 with the full year impact of four aircraft delivered in 2024 also impacting ownership costs. In 2025 there was a net gain on sale of property, plant and equipment of €5 million, reflecting the disposal of aircraft withdrawn from service.

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 skillset 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. Aer Lingus is engaged with the DAA in respect of its Capital Investment Plan as part of the Regulatory Price Determination for the period 2027 to 2031. 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 or flight operations, particularly night time movements at the airport and the effects on schedules and connectivity, and the potential impact of any passenger cap or other restrictions 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, pending a decision from the Court of Justice of the European Union. In addition, the Irish Government has confirmed its intention to introduce legislation which will facilitate the removal of the passenger cap. In November 2025, Airlines for America, filed a complaint against Ireland and the European Commission with the US Department of Transport asserting that the Dublin Airport passenger cap and potential withdrawal of historic slots violates the EU/US Open Skies Agreement. Aer Lingus has made detailed submissions to the US DoT in response. The Company continues to highlight aviation's social and economic role, particularly 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.

Directors' report (continued)

Principal risks and uncertainties (continued)

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, hacktivists or insiders. If the Company does not adequately protect its customer and employee data, it could breach regulation and face penalties and loss of customer trust, or experience business disruption through system outages or performance deterioration.

Data and cybersecurity (continued)

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 bypass cybersecurity controls, produce sophisticated phishing campaigns or allow accelerated deployment of malware could increase the scale, severity and impact of cyberattacks and cyber-related fraud, both for Aer Lingus and its supply chain, with high profile attacks across different industries, particularly those with complex, interconnected supply chains. Increased digitalisation and integration with suppliers could increase the risk of unauthorised access to Aer Lingus systems, data loss or data corruption. 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. 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.

Investment in cybersecurity systems and controls continues as planned, although addressing the risk is also dependent on business capacity and the delivery of solutions to address technical obsolescence. All planned investment is linked to an IAG group-wide maturity assessment based on the National Institute of Standards and Technology (NIST) cybersecurity framework, a leading industry standard benchmark. As Aer Lingus improves its security posture and maturity, it better understands the rapid nature of potential attack vectors and how to detect and respond to them.

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. Regulations in this area continue to develop. Aer Lingus has a Data Protection Officer in place. The fast-moving nature of this risk means that the Company will always retain a level of vulnerability.

Economic, political and regulatory environment

Geopolitical risk and political uncertainty remains high and wider macroeconomic events may continue to drive market volatility, impacting demand. The Company continues to monitor the implications for trade and any imposition of baseline or other tariffs that may disrupt the markets or economic confidence, relative purchasing power and drive cost inflation. Increased regulation and political intervention drive increased levels of cost and impact Aer Lingus' ability to set capacity and pricing, which may impact its revenue streams and business model. The rise of populist governments and government policy globally sees increased protectionism which could result in market or competitive distortion and a trend for increased scrutiny from regulators which could see changes that increase Aer Lingus' costs. The tone of dialogue between the US, the EU and the UK can influence markets and result in the imposition of misaligned policies or tariffs and any potential impact to Aer Lingus is kept under review.

Economic deterioration in either the domestic market or the global economy may have a material impact on the Company's financial position, while foreign exchange, fuel price and interest rate movements create volatility. Aer Lingus considers changes in government in key markets and the implications for trade, respective economic health and how governments view the aviation industry. The external economic outlook is carefully considered when developing strategy and plans with reviews to assess and drive the Company's financial performance through the management of capacity, together with appropriate cost control measures.

Financial risk, including fleet

Failure 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 strength 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. All fleet sourcing decisions evaluate new technology options, including the environmental impact. 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 to maintain operations and any failure of the level of service or reliability and delivery of goods may impact 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 the failure of a critical system may cause significant disruption. 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' Transformation Executive Steering Group 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 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. 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 concerns arising within the negotiations. Breakdowns in the process may disrupt operations and adversely affect business performance and customer perception. In November 2025, the Company commenced a consultation process regarding the future of its UK Manchester base. Aer Lingus informed staff and their representatives at Manchester on 28 January 2026 that the Manchester transatlantic operations would fully cease from 31 March 2026 and that the Manchester – New York operation would cease from 23 February 2026.

Shortages in technical licensed staff across the aviation sector and in Aer Lingus may impact maintenance delivery timelines without sufficient resources being secured to maintain operations.

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

Global concern about climate change and the impact of carbon emissions could affect Aer Lingus' performance if customers reduce their levels of travel. The airline industry sector is subject to fragmented regulatory requirements and policy asymmetry driving costs and operational complexity, as well as the potential for competitive distortion between airlines and 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. 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 participates in Group deals for the procurement of SAF to meet IAG's target on the path to decarbonisation. Overall aviation industry requirements will need 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.

Directors' report (continued)

Principal risks and uncertainties (continued)

Transformation, innovation, and AI

Failure to transform the business to effectively deliver cost-efficiency initiatives, maintain or grow market share in the new competitive environment, fully implement all required change programmes and realise the benefits of the change initiatives, and deliver digital platforms and customer propositions could result in 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. Lack of accuracy or insufficient human oversight of AI tools and agentic AI development and outputs within technical teams and by Aer Lingus employees, or lack of understanding the scope or depth of the use across the business and third parties as its prevalence accelerates, could result in errors, suboptimal business decisions or reputational or brand impacts.

Transformation, innovation, and AI (continued)

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 impact on our people of the wide-ranging change agenda if poorly managed or uncoordinated could lead to logistical, engagement and resourcing challenges with the potential to negatively impact customer satisfaction, revenue and efficiency benefits. The transformation agenda is subject to Aer Lingus Board approval and the Aer Lingus Transformation team monitors delivery of the change programme 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. 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.

Directors

The names of the current Directors appear on page 2. The Directors who served during the year ended 31 December 2025 are listed in the table below.

Director	Status	Executive/Non-Executive
Lynne Embleton	Current	Executive
Nessa McNeela	Current	Executive (appointed 1st August 2025)
Elizabeth Haun	Non-current	Executive (resigned 1st August 2025)
Aisling Hassell	Current	Non-Executive
Nicholas Cadbury	Current	Non-Executive (appointed 25th September 2025)
Dónal Moriarty	Current	Executive
Jorge Saco Iglesias	Non-current	Non-Executive (resigned 25th September 2025)

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 2025 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 (2024: €nil).

Political contributions

No political contributions were made by the Company during the year (2024: €nil).

Subsidiary companies

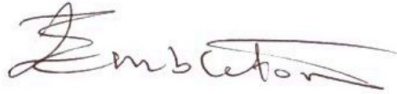
Details of the principal subsidiary companies are set out in Note 17 to the financial statements.

Directors' report (continued)

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
21 April 2026



NESSA MCNEELA
DIRECTOR
21 April 2026

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.

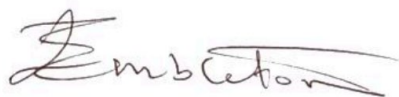
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year.

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 are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the 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
21 April 2026



NESSA MCNEELA
DIRECTOR
21 April 2026



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 2025 set out on pages 16 to 65, 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 31 December 2025 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.

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, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have 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/>.

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

28 April 2026

Income Statement

Year ended 31 December 2025

		2025	2024
	Note	€'000	€'000
Passenger revenue	6	2,336,395	2,184,501
Cargo revenue	6	46,088	50,849
Other revenue	6	28,096	16,767
Total revenue		2,410,579	2,252,117
Employee costs	9	(538,742)	(504,344)
Fuel, oil costs and emission charges		(588,137)	(590,174)
Handling, catering and other operating costs		(256,428)	(247,216)
Landing fees and en-route charges		(196,969)	(197,089)
Engineering and other aircraft costs		(144,640)	(169,777)
Property, IT and other costs		(143,525)	(91,040)
Net gain / (loss) related to sale of property, plant, equipment and investments		5,333	4,811
Selling costs		(68,161)	(87,164)
Depreciation and amortisation	7	(201,489)	(169,081)
Currency differences	7	(5,146)	(4,840)
Total expenditure on operations		(2,137,904)	(2,055,914)
Operating profit		272,675	196,203
Finance costs	8	(46,873)	(52,081)
Finance income	8	18,016	21,571
Net currency retranslation credits/(charges)		23,122	(11,970)
Gain/(Loss) on Derivatives		353	738
Net financing loss relating to pensions	8	(33)	(51)
Profit before taxation		267,260	154,410
Tax	11	(37,917)	(22,581)
Profit after taxation		229,343	131,829
Attributable to:			
Equity holders of the parent		229,343	131,829

All reported results arise from continuing operations.

The notes on pages [21](#) to 65 form an integral part of these financial statements.

Approved by the Board of Directors on 21 April 2026

Statement of other comprehensive income

Year ended 31 December 2025

		2025	2024
	<i>Note</i>	€'000	€'000
<i>Items that may be reclassified subsequently to net profit/(loss)</i>			
Cash flow hedges:			
Reclassified and reported in net profit	31	(11,324)	13,017
Deferred tax impact	31	1,258	(1,446)
Fair value movements in equity	31	73,692	(34,890)
Deferred tax impact	31	(8,188)	3,877
Fair value movements on cost of hedging		3,870	(407)
Deferred tax impact		(430)	45
Cost of hedging reclassified and reported in net profit		(9,660)	(6,059)
Deferred tax impact		1,073	673
<i>Items that will not be reclassified to net profit/(loss)</i>			
Re-measurements of post-employment benefit obligations	26	(43)	(22)
Deferred tax impact	29	5	3
		-	
Total other comprehensive loss for the year, net of tax		50,253	(25,209)
Profit after tax for the year		229,343	131,829
Total comprehensive income for the year		279,596	106,620
		-	
Total comprehensive income is attributable to:		-	
Equity holders of the parent		279,596	106,620

All reported results arise from continuing operations.

The notes on pages [21](#) to 65 form an integral part of these financial statements.

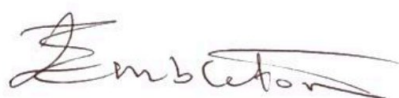
Approved by the Board of Directors on 21 April 2026.

Statement of financial position as at 31 December 2025

		As at 31 December 2025	As at 31 December 2024
	<i>Note</i>	€'000	€'000
Non-current assets			
Property, plant and equipment	12	1,471,716	1,351,212
Intangible assets	15	209,155	195,312
Investment in subsidiaries	16	113,709	113,709
Employee benefit assets	26	85	145
Deferred tax assets	29	—	23,012
Derivative financial instruments	18	4,774	3,027
Other non-current assets	20	26,842	24,317
Total non-current assets		1,826,281	1,710,734
Current assets			
Assets held for sale	13	—	4,816
Inventories	19	19,005	14,624
Trade receivables	20	135,929	141,963
Other current assets	20	109,011	80,969
Derivative financial instruments	18	6,883	16,145
Other current interest bearing-deposits	21	73,919	29,254
Cash and cash equivalents	21	602,821	522,685
Total current assets		947,568	810,456
Total assets		2,773,849	2,521,190
Shareholders' equity			
Issued share capital	30	337,991	337,991
Other reserves	31	(231,977)	(511,575)
Total shareholders' equity		106,014	(173,584)
Non-current liabilities			
Borrowings on right of use assets	22	379,810	481,810
Employee benefit obligations	26	636	835
Provisions for liabilities	27	273,375	277,866
Derivative financial instruments	18	16,112	14,501
Deferred tax liabilities	29	19,706	—
Interest bearing long-term borrowings	24	289,186	195,209
Other long-term liabilities	23	468,729	468,336
Total non-current liabilities		1,447,554	1,438,557
Current liabilities			
Borrowings on right of use assets	22	72,451	88,919
Deferred revenue on ticket sales	23	438,480	476,492
Trade and other payables	23	497,758	518,865
Interest bearing long-term borrowings	24	23,485	13,453
Derivative financial instruments	18	17,628	27,101
Provisions for liabilities	27	166,408	131,387
Current tax payable	11	4,071	—
Total current liabilities		1,220,281	1,256,217
Total liabilities		2,667,835	2,694,774
Total equity and liabilities		2,773,849	2,521,190

The Notes on pages 21 to 65 form an integral part of these financial statements.

On behalf of the Board



LYNNE EMBLETON
DIRECTOR
21 April 2026



NESSA MCNEELA
DIRECTOR
21 April 2026

Statement of changes in equity
Year ended 31 December 2025

	Issued Share Capital as per Balance Sheet	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 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)
Balance at 1 January 2025	337,991	1,705	(41,856)	13,207	—	(484,631)	(173,584)
Profit for the year	—	—	—	—	—	229,343	229,343
Other comprehensive income for the year:							
Cash flow hedges reclassified and reported in net profit:							
Net change in fair value of cash flow hedges	—	—	(10,066)	—	—	—	(10,066)
Fair value movements on cost of hedging	—	—	65,504	—	—	—	65,504
Cost of hedging reclassified and reported in net profit	—	—	3,440	—	—	—	3,440
Re-measurement of post-employment benefit obligations	—	—	(8,587)	—	—	—	(8,587)
Re-measurement of post-employment benefit obligations	—	—	—	—	—	(36)	(36)
Total comprehensive income for the year	—	—	50,291	—	—	229,307	279,598
Share based payment credit	—	—	—	—	7,680	—	7,680
Share based payment intercompany settlement	—	—	—	—	(7,680)	—	(7,680)
Balance at 31 December 2025	337,991	1,705	8,435	13,207	—	(255,324)	106,014

The Notes on pages 21 to 65 form an integral part of these financial statements.

Statement of cash flows

Year ended 31 December 2025

	Note	2025 €'000	2024 €'000
Cash flows from operating activities			
Profit before tax		267,260	154,410
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	12, 14, 15	201,489	169,081
Net movement in provisions for other liabilities	27	30,530	101,668
Post employment benefit obligations		-	-
Finance costs	8	46,873	52,081
Finance income	8	(18,016)	(21,571)
Net currency retranslation charges/(credits)		(23,122)	11,970
Gain from derivatives		(353)	(738)
Net gain related to sale of property, plant, equipment and investments		(5,333)	(4,811)
Net financing gain relating to pensions		33	51
<i>Changes in working capital</i>			
Inventories		(4,381)	415
Trade and other receivables		(22,008)	(98,015)
Trade and other payables (including deferred revenue on ticket sales)		(35,922)	122,782
Cash generated from operations		437,050	487,323
Taxation paid		(1,625)	(1,764)
Net cash flows from operating activities		435,425	485,559
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(317,058)	(369,904)
Proceeds from sales of property, plant and equipment and intangible assets		10,000	7,825
Increase/(Decrease) in interest bearing and other deposits		(44,665)	1,481
Interest received		18,828	21,367
Other investing activities		(11,736)	-
Net cash flows used investing activities		(344,631)	(339,231)
Cash flows from financing activities			
Proceeds from asset financed liabilities	34	131,353	97,805
Repayments of borrowings	34	-	-
Interest paid		(35,162)	(39,330)
Proceeds from loans receivable	20	-	100,000
Repayments of borrowings on right of use assets	34	(82,130)	(79,786)
Repayments of long-term interest bearing borrowings	34	(19,573)	(8,364)
Net cash flows from/(used in) financing activities		(5,512)	70,325
Net increase in cash and cash equivalents		85,282	216,653
Net foreign exchange differences		(5,146)	(4,840)
Cash and cash equivalents at 1 January	21	522,685	310,872
Cash and cash equivalents at year end	21	602,821	522,685

The Notes on pages 21 to 65 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 2025 were authorised for issue and approved by the Board of Directors on 21 April 2026.

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 rotatable 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

Notes (continued)

3. Summary of material accounting policies (continued)

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.

(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 12 and 14 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.

Notes (continued)

3. Summary of material accounting policies (continued)

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.

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.

Notes (continued)

3. Summary of material accounting policies (continued)

3.15 Employee benefits (continued)

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.

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 2025 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.

Notes (continued)

3. Summary of material accounting policies (continued)

3.16 Provisions (continued)

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.

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.

Notes (continued)

3. Summary of material accounting policies (continued)

3.18 Revenue recognition (continued)

(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 2025 (2024: €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 2025, but do not have a material impact on the consolidated financial statements of the Company:

- lack of exchangeability – amendments to IAS 21 effective for periods beginning on or after 1 January 2025

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 Company 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 Company. The Company plans to adopt the following standards, interpretations and amendments on the date they become mandatory:

- 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 and replaces IAS 1 – presentation of financial statements. IFRS 18 is applicable retrospectively. The new standard introduces the following:
 - A requirement to classify all income and expenses within the Income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, for which the first three are new. There is no change to the existing recognition and measurement criteria within IFRS and accordingly, there will be no change to profit after tax;
 - The disclosure of all Income statement non-GAAP measures used to monitor the financial performance of the Company, referred to as Management-defined performance measures (MPMs), are disclosed into a single note to the financial statements;
 - Additional guidance on the aggregation and disaggregation of information in the financial statements;
 - In the Cash flow statement, interest received and interest paid, currently presented within cash flows from operating activities, will be reclassified to cash flows from investing activities and cash flows from financing activities, respectively.

The Company is currently assessing the detailed implications of applying the new standard on the Company's financial statements. The initial expected material impacts on Company's financial statements are as follows:

- In the Income statement, foreign exchange difference will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference;
- In the Income statement, ineffectiveness arising from hedge relationships as well as realised and unrealised gains/losses on derivatives not qualifying for hedge accounting will be classified in the category where the related underlying transaction is recorded;
- In the cash flow statement, interest received and interest paid will be classified within cash flows from investing activities and cash flows from financing activities, respectively; and
- The introduction of MPMs and their interaction with existing Alternative performance measures (APMs).

Notes (continued)

3. Summary of material accounting policies (continued)

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 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.

(c) 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.

(d) 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:

Notes (continued)

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

(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 2025, the Company recognised no impairment charge (2024: €nil).

(b) Recoverability of deferred tax assets

Previously, 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. The Company has now extinguished the deferred tax asset position so this basis is no longer applicable.

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 2025 and 2024, 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.

(e) Investment in Aer Lingus UK Limited

The Company holds an investment in its subsidiary Aer Lingus UK Limited. Post year end, in January 2026, following a review of the long-term viability of the Manchester Base, a decision was taken by Aer Lingus UK Limited to fully cease Manchester transatlantic operations and redeploy the assets aligned with strategic priorities. Aer Lingus UK Limited will continue meet its obligations as they fall due. The fair value of the investments in subsidiary undertakings have been assessed and are not considered to be less than their carrying value.

Further information is given in note 17.

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 2026 financial plan and longer-term business plan which was prepared for and approved by the Board in December 2025. 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 2026 and into 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. 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 2025.

Notes (continued)

6. Geographical Analysis of Revenue

	2025	2024
	€'000	€'000
Revenue by area of original sale		
Ireland	1,097,497	980,191
USA	541,563	490,578
UK	387,702	405,018
Continental Europe	331,405	295,668
Rest of World	52,412	62,864
	2,410,579	2,234,319

7. Operating profit

Operating profit is stated after charging:

	2025	2024
	€'000	€'000
Depreciation on property, plant and equipment (Note 11,13)		
- owned assets	(89,984)	(68,376)
- right of use assets	(76,596)	(78,215)
Amortisation of intangible assets (Note 14)	(34,909)	(22,490)
Foreign exchange (losses)/gains	5,146	(4,840)
Aircraft hire costs		
- aircraft	5,696	(5,019)
Auditor's remuneration		
- audit fee of the entity financial statements	(530)	(530)

8. Finance income and expense

	2025	2024
	€'000	€'000
(a) Finance costs		
Interest on bank borrowings and interest cost on pensions escrow	(1,014)	(4,347)
Borrowings on ROUA	(23,911)	(28,647)
Other interest costs	(21,948)	(19,087)
	(46,873)	(52,081)
(b) Finance income		
Interest receivable	18,016	21,571
Other finance income	-	-
Interest on interest-bearing deposits	18,016	21,571
(c) Net financing charge relating to pensions		
Net financing charge relating to pensions	(33)	(51)

Notes (continued)

9. Employee costs and numbers

The average number of persons (Full Time Equivalents) employed by the Company in the year was 4,042 (2024: 2,237).

	2025	2024
	€'000	€'000
Wages and salaries	299,452	229,757
Social insurance costs	38,885	20,018
Retirement Benefit costs	43,332	38,883
Share based payments	7,680	3,592
Other costs	57,666	23,453
Intercompany recharge from a fellow subsidiary	91,727	188,641
	538,742	504,344

The Company had an agreement with a fellow subsidiary of Aer Lingus Group (Aer Lingus Ireland Limited) for the provision of human resource support services until April 2025, whereby Aer Lingus (Ireland) Limited recharged the Company for services rendered. Post April 2025, all employees have been contracted to Aer Lingus Limited. The charge for these payroll services amounted to €99 million for the year ended 31 December 2025 (2024: €203 million). The total employee costs for the year of €539 million (2024: €504 million) includes this charge. The average number of persons (full time equivalents) employed by Aer Lingus (Ireland) Limited in the year was 1,534 (2024: 3,085).

10. 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 (2024: five) served as Directors of the Company.

	2025	2024
	€'000	€'000
Emoluments & benefits under long term incentive schemes (i)	7,843	5,413
Contributions to Defined Contribution Retirement Benefit Schemes	26	25
	7,869	5,438

- (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 €2.9 million (2024: €2.7 million).

Notes (continued)

11. Taxation

The tax charge recognised in the Income Statement comprises:

	2025	2024
	€'000	€'000
Current taxation		
Current tax charge	33,408	19,301
Utilisation of Deferred Tax Assets	(33,408)	(19,301)
Foreign taxes paid	-	-
Adjustments in respect of prior years	-	-
	-	-
Deferred tax		
Utilisation of Deferred Tax Assets	33,408	19,301
Origination and reversal of temporary differences	465	787
Adjustments in respect of prior years	2,915	1,230
Other adjusting items	1,129	1,263
Tax Charge	37,917	22,581

	2025	2024
	€'000	€'000
Loss on ordinary activities before tax multiplied by standard Irish corporation tax rate of 12.5% (2023:12.5%)	33,408	19,301
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-718	153
Differences in tax rates	1,183	634
Other adjusting items	4,044	2,493
Tax charge	37,917	22,581

The effective tax rate in the current year is 14.19% (2024: 14.62%). The difference from prior year is due to permanent differences.

	2025	2024
	€'000	€'000
Current taxation asset		
Opening balance	-	165
Cash (received)/paid	-	(165)
Closing balance	-	-

	2025	2024
	€'000	€'000
Current taxation liability		
Opening Balance	-	11
Pillar 2 Tax Liability	4,106	(11)
Cash (paid)	(35)	-
Closing balance	4,071	-

Notes (continued)

12. Property, plant and equipment

	Fleet	Property	Equipment	Right of use assets	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
1 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					
1 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
Cost					
	Fleet	Property	Equipment	Right of use assets	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
01 January 2025	1,698,718	44,438	72,781	943,278	2,759,215
Additions	259,992	5,845	7,017	-	272,854
Modifications	-	-	-	10,679	10,679
Disposals	(375)	(120)	-	-	(495)
Asset Retirement – Assets held for sale	-	-	-	-	-
Reclassifications – to/from PPE	3,685	-	-	-	3,685
31 December 2025	1,962,020	50,163	79,798	953,957	3,045,938
Accumulated depreciation and impairment					
01 January 2025	870,585	38,806	55,438	443,174	1,408,003
Depreciation charge for the year	85,336	800	3,848	76,596	166,580
Disposals	(305)	(56)	-	-	(361)
Asset Retirement – Assets held for sale	-	-	-	-	-
Modifications	-	-	-	-	-
Reclassifications – to/from PPE	-	-	-	-	-
31 December 2025	955,616	39,550	59,286	519,770	1,574,222
Net book value					
31 December 2025	1,006,404	10,613	20,512	434,187	1,471,716
31 December 2024	828,133	5,632	17,343	500,104	1,351,212

At 31 December 2025, fleet assets included €40 million of progress payments on future aircraft deliveries (2024: €75 million).

Notes (continued)

13. Assets held for sale

The Company entered into an agreement to sell an Airbus A320 aircraft in February 2025 for the proceeds of €10 million. There were no new assets held for sale in 2025, therefore the balance is nil.

14. Right of use assets

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

	Fleet	Property	Total
	€'000	€'000	€'000
Cost			
1 January 2024	891,155	45,194	936,349
Additions	3,127	7,591	10,718
Modifications	-	-	-
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)
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
	Fleet	Property	Total
	€'000	€'000	€'000
Cost			
1 January 2025	894,282	48,996	943,278
Modifications	-	-	-
Additions	7,666	3,013	10,679
Disposals	-	-	-
Reclassifications – to/from PP&E	-	-	-
31 December 2025	901,948	52,009	953,957
Depreciation			
1 January 2025	418,492	24,682	443,174
Charge for the year	70,426	6,170	76,596
Disposals	-	-	-
Modifications	-	-	-
Impairment	-	-	-
Reclassifications – to/from PP&E	-	-	-
31 December 2025	488,918	30,852	519,770
Net book value			
31 December 2025	413,030	21,157	434,187
31 December 2024	475,790	24,314	500,104

The Company is exposed to future cash outflows (on an undiscounted basis) as at 31 December 2025, for which no amount has been recognised in relation to leases not yet commenced to which the Company is committed of €1,063 million (2024: 255 million).

Notes (continued)

15. Intangible assets

	Computer software	Licence	Landing Rights	Emissions allowances	Total
	€'000	€'000	€'000	€'000	€'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
	Computer software	Licence	Landing Rights	Emissions allowances	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2025	342,763	3,001	4,423	35,997	386,184
Additions	44,204	-	-	31,792	75,996
Disposal	(347)	-	-	(27,244)	(27,591)
At 31 December 2025	386,620	3,001	4,423	40,545	434,589
Aggregate amortisation					
At 1 January 2025	186,400	2,997	1,475	-	190,872
Charge for the year	34,909	-	-	-	34,909
Disposal	(347)	-	-	-	(347)
At 31 December 2025	220,962	2,997	1,475	-	225,434
Net book value					
31 December 2025	165,658	4	2,948	40,545	209,155
31 December 2024	156,363	4	2,948	35,997	195,312

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.

16. Investments in subsidiary undertakings

	2025	2024
	€'000	€'000
Investment in Subsidiaries	113,709	113,709

Details of the principal subsidiary undertakings are included in Note 17. The fair value of the investments in subsidiary undertakings is considered not to be less than their carrying value.

Notes (continued)

17. 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 %

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 2025, a 15% weakening of the EUR to US Dollar exchange rate over the year-end rate would result in an increase in profit of €9 million for the year (2024: a 20% weakening of the EUR to US Dollar exchange rate would have resulted in an increase in profit of €5 million for the year). At 31 December 2025, the fair value of foreign currency net asset derivatives instruments was €4 million, representing a gain of €0.6 million, since 1 January 2025, 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 2025 would have decreased losses by €1 million (2024: 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 three-year period. This hedging policy targets specific cover levels for each period on a rolling basis ranging from Max to Min of 75% to 25% cover for Year 1 to between zero and 41% cover in Year 2. This generates average cover levels of 34-62% for the next 12-month period (rolling year 1) and 23-48% 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 2025 would have increased fuel costs by approximately US\$6 million, based on usage of 761,000 metric tonnes, absent hedging (2024: increase of US\$7 million based on usage of 736,000 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 2025 and 2024.

During the year to 31 December 2025, following a rise in the global price of crude oil and associated products, the fair value of such net derivative instruments was €28 million (2024: €16 million), representing a gain of €12 million since 1 January 2025, 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 2025 is €nil (2024: €nil 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 2025 the Company had a total gross credit exposure of €618 million relating to bonds, deposits, cash and derivatives which was spread over 10 counterparties (2024: €545 million). Of this €618 million, €607 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 (2024: €nil, see Note 19).

100% (2024: 99.37%) of the total credit exposure was held with financial institutions holding long term-ratings equivalent to A1 to A2 (Moody’s). (2024: 0.01%) of the total credit exposure was held with financial institutions holding long-term credit ratings equivalent to AA2 to AA3. The remaining (2024: 0.58%) 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 2025 the company had undrawn facilities of €424 million (2024: €489 million).

At 31 December 2025 the Company had capital commitments of €1,063 million (2024: €255 million) of which €1,063 million (2024: €255 million) relates to aircraft and equipment.

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).

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	Over 5 years €'000	Total €'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
	Less than 1 year €'000	1-2 years €'000	2-5 years €'000	Over 5 years €'000	Total €'000
At 31 December 2025					
Borrowings on ROU assets	72,451	121,974	154,946	102,890	452,261
Asset financed liabilities	23,485	23,921	94,635	170,630	312,671
Amounts owed to fellow group companies	106,078	468,729	-	-	574,807
Loans from third parties	-	-	-	-	-
Trade and other payables	391,680	-	-	-	391,680

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.

	Less than 1 year €'000	1-2 years €'000	2-5 years €'000	Total €'000
At 31 December 2024				
<i>Forward foreign currency contracts</i>				
<i>Outflow</i>	(15,909)	(6,016)	-	(21,925)
<i>Inflow</i>	8,588	8	-	8,596
<i>Forward fuel price contracts</i>				
<i>Net outflow</i>	(10,552)	(4,913)	(3,168)	(18,633)
<i>Interest rate swap contracts</i>				
<i>Net outflow</i>	(968)	(642)	(542)	(2,152)
	Less than 1 year €'000	1-2 years €'000	2-5 years €'000	Total €'000
At 31 December 2025				
<i>Forward foreign currency contracts</i>				
<i>Outflow</i>	(2,266)	(681)	(74)	(3,021)
<i>Inflow</i>	-	-	-	-
<i>Forward fuel price contracts</i>				
<i>Net outflow</i>	(569)	(444)	(212)	(1,225)
<i>Interest rate swap contracts</i>				
<i>Net outflow</i>	-	-	-	-

Notes (continued)

18. Financial risk management (continued)

18.1 Financial risk factors (continued)

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 2024.

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

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 2025.

	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000
Assets				
Derivative financial instruments	-	11,657	-	11,657
Liabilities				
Derivative financial instruments	-	33,740	-	33,740

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.

Notes (continued)

18. Financial risk management (continued)

18.4 Master netting arrangements (continued)

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 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 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	22,870	3,698	19,000	-	-	19,172

Derivative Financial Assets

As at 31 December 2025

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	14,892	(3,235)	11,657	-	-	11,657

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

Derivative Financial Liabilities

As at 31 December 2025

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	36,975	(3,235)	33,740	-	-	33,740

Notes (continued)

18. Financial risk management (continued)

18.5. Summary of derivatives by instrument

	2025	2025	2024	2024
	€'000	€'000	€'000	€'000
	Assets	Liabilities	Assets	Liabilities
Foreign exchange contracts	9,559	(2,978)	17,314	(21,663)
Fuel price contracts	1,983	(29,569)	1,858	(17,852)
Interest rate swaps	115	(1,193)	-	(2,087)
Total	11,657	(33,740)	19,172	(41,602)
Non-current portion:				
Foreign exchange contracts	3,914	(733)	1,828	(5,862)
Fuel price contracts	758	(14,776)	1,199	(7,507)
Interest rate swaps	102	(603)	-	(1,132)
Total non-current portion	4,774	(16,112)	3,027	(14,501)
Current portion:				
Foreign exchange contracts	5,644	(2,245)	15,486	(15,801)
Fuel price contracts	1,225	(14,793)	659	(10,346)
Interest rate swaps	14	(590)	-	(954)
Total current portion:	6,883	(17,628)	16,145	(27,101)

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 2025 were €522 million (2024: €799 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 2025 were €424 million (2024: €511 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 2025 were €240 million.(2024: €129 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.

	2025	2024
	€'000	€'000
Inventory	19,005	14,624

There were no material write-downs of inventory during the current or prior year. €2.1 million (2024: €1.7 million) of inventories were expensed to the Income Statement in the year.

Notes (continued)

20. Trade receivables and other assets

	2025	2024
	€'000	€'000
Amounts falling due within one year		
Trade receivables	137,183	142,446
Provision for expected credit loss	(1,254)	(483)
Net trade receivables	135,929	141,963
Prepayments	15,674	6,168
Accrued income	18,211	10,308
Current tax assets	-	-
IAG loan receivable	-	-
Amounts owed from IAG subsidiaries	62,726	36,103
Other current assets	12,400	28,390
Other current assets	244,940	80,969
Amounts falling due after one year		
Prepayments and accrued income	26,842	24,317
	26,842	24,317

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

	2025	2024
	€'000	€'000
At beginning of year	483	472
Increase/(Decrease) during the year	771	11
	1,254	483

21. Cash and cash equivalents

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

	2025	2024
	€'000	€'000
Current interest-bearing deposits	73,919	29,254
Cash and cash equivalents	602,821	522,685
	676,740	551,939

The interest bearing deposits includes a restricted deposit of €29 million (2024: €29 million) held in escrow and relating to an IASS contribution (Note 24). 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:

	2025	2024
	€'000	€'000
Euro	620,022	521,118
Sterling	37,979	18,337
US dollar	18,739	12,484
	676,740	551,939

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:

	2025	2024
	€'000	€'000
Current	72,451	88,919
Non-current	379,810	481,810
	452,261	570,729

Borrowings on right of use assets	2025	2024
	€'000	€'000
US dollar	557,198	451,695
GBP	(3,250)	3,645
Euro	(101,687)	115,389
Total	452,261	570,729

In 2025, the rates implicit in these leases ranged from 3.0% to 11.3% (2024: 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. Post year end, the announcement of the closure of the Manchester base by Aer Lingus UK Limited is expected to result in termination of these leases.

Rental income recognised by the Company during 2025 was €5.7 million (2024: €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.

	2025	2024
	€'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

Notes (continued)

23. Trade and other payables

	2025	2024
	€'000	€'000
Trade creditors	104,480	103,951
Amounts owed to IAG and subsidiaries of IAG	73,642	66,155
Other creditors: Travel Tax Liabilities	83,990	89,555
Other creditors: Airport Charges & Other Accruals	2,305	5,485
Other creditors: US Transportation Tax Liabilities	3,113	10,658
Other taxation and social insurance ¹	11,413	4,933
Accruals	112,646	133,969
Deferred income	91	625
Amounts owed to fellow group companies	106,078	103,534
Total Trade and other payables	497,758	518,865
	2025	2024
	€'000	€'000
Deferred revenue on ticket sales	438,480	476,492

¹Other taxation and social insurance includes €5.7 million PAYE (2025: €2.1 million), €4.5 million PRSI (2025: €1.2 million), €1 million USC (2025: €0.3 million), and other tax related payables of €0.2 million (2025: €4.2 million); less amounts which related to Aer Lingus Ireland Limited of nil (2025: €2.9 million).

	2025	2024
	€'000	€'000
Non-current liability	468,729	468,336
Current liability	936,238	992,285
	1,404,967	1,460,621

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

	2025	2024
	€'000	€'000
Loans from fellow Group companies (non-current)	468,729	468,336
Loans from fellow Group companies (current)	106,078	103,534
	574,807	571,870

Notes (continued)

23. Trade and other payables (continued)

	Carrying amounts	Carrying amounts	Fair value	Fair value
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Loans from fellow Group companies	574,807	571,870	574,807	571,870

24. Interest bearing long-term borrowings

Current	2025	2024
	€'000	€'000
Asset financed liabilities	23,485	13,453
	23,485	13,453

Non-current	2025	2024
	€'000	€'000
Asset financed liabilities	289,186	195,209
	289,186	195,209

Total interest bearing long-term borrowings

	2025	2024
	€'000	€'000
Current portion of interest bearing long-term borrowings	23,485	13,453
Interest bearing long-term borrowings	289,186	195,209
	312,671	208,662

At 31 December 2025, 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 2025, 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.

	2025	2024
	€'000	€'000
Irish Airlines (Pilots) Superannuation Scheme	23,457	22,252
Other defined contribution schemes	19,792	18,020
Total	43,249	40,272

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.

Notes (continued)

25. Defined contribution retirement benefit schemes (continued)

At the end of December 2025, 73.2% of these waivers had been executed (active members 83.0%, deferred members 61.5%) and €165 million had been paid from the pension escrow account. Therefore, at that date, €26 million, as noted in note 20, of the €191 million remained in escrow to be administered; €13 million of which relates to active members with the remaining €13 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 2025 (the most recent date for which Pilots Scheme membership data is available), the Pilots Scheme had 1,325 members, comprising 769 active members, 134 deferred members and 422 pensioners (2024: 773 active members, 133 deferred members and 417 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 31 March 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 2026. 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 2025. 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):	2025	2024
	€'000	€'000
Funded		
Other	(85)	(145)
Net defined benefit asset for funded schemes	(85)	(145)
Unfunded		
North America Post-Retirement Medical Benefits	636	835
Net defined benefit obligation for unfunded schemes	636	835
Net defined benefit obligation in total	551	690
	2025	2024
Shown as:	€'000	€'000
Employee benefit assets	85	145
Employee benefit (obligations)	(636)	(835)
Net defined benefit asset/(obligation) in total	(551)	(690)

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

	2025	2024
	€'000	€'000
Present value of funded obligations	1,455	(1,535)
Fair value of plan assets	1,540	1,680
Asset (deficit) in funded plans	85	145
Present value of wholly unfunded obligations	(636)	(835)
Net defined benefit obligation in total	(551)	(690)

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

	2025	2024
	€'000	€'000
Funded (a)	(4)	8
Unfunded (b)	(34)	65
	(38)	73

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

	2025	2024
	€'000	€'000
Funded (a)	(65)	(75)
Unfunded (b)	106	97
	41	22

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

	Valuation date
Funded	
Other	31-Dec-25
Unfunded	
North American post-retirement medical benefits	31-Dec-25

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

Notes (continued)

26. Employment benefit obligations (continued)

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

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 2025 there was an employee benefit liability of €145,000 (2024: employee benefit asset: €(145,000)). Employer contributions of €nil (2024: €nil) were paid into the remaining funded scheme which meant there was a net liability for the year ended 31 December 2024 and 31 December 2025.

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:

	2025	2024
	€'000	€'000
At 1 January	1,534	1,558
Adjustment	-	-
Interest cost	46	50
Remeasurement - effects of changes in demographic assumptions	-	-
Remeasurement - effects of changes in financial assumptions	-	(3)
Remeasurement - effects of experience adjustments	33	81
Benefits paid	(157)	(152)
Retranslation	-	-
At 31 December	1,456	1,534

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

	2025	2024
	€'000	€'000
At 1 January	1,680	1,316
Interest income	50	42
Remeasurements - effect of experience adjustments	(33)	4
Employer Contributions	0	470
Benefits paid	(157)	(152)
At 31 December	1,540	1,680

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

	2025	2024
	€'000	€'000
At 1 January	(145)	242
Adjustment	-	-
Net Interest Income	(4)	8
Employee Contributions	-	(470)
Remeasurements	64	75
Retranslation	-	-
At 31 December	(85)	(145)

Notes (continued)

26. Employment benefit obligations (continued)

The amounts recognised in the Income Statement are as follows:

	2025	2024
	€'000	€'000
Interest cost - recognised in finance expense	46	50
Interest income	(50)	(42)
Retranslation - recognised in other gains/losses	-	-
Total recognised in the Income Statement	(4)	8

(a) Funded (continued)

Key Assumptions	2025	2024
Discount rate	3.40 %	3.15 %
Inflation rate	1.90 %	1.90 %
Future pension increases	1.90 %	1.90 %

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:

	2025	2024
Retiring at the end of the reporting period:		
-Male (Other)	22.7	22.7
-Female (Other)	24.5	24.5

Sensitivities

The sensitivity of the post-employment benefit liabilities to changes in the weighted principal assumptions for 2025 is:

	Change in assumption	Impact on overall liability
Discount rate	Increase/decrease by 0.25%	Decrease by 23.3%/increase by 23.9%
Inflation rate	Increase/decrease by 0.25%	Increase by 22%/decrease by 32%

Plan assets are comprised as follows:

	2025	2025	2024	2024
	€'000	% of plan assets	€'000	% of plan assets
<i>Quoted</i>				
Debt instruments	1,097	71 %	1,228	73 %
Other	442	29 %	452	27 %
Total	1,539	100 %	1,680	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 33 members (2024: 37). 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.

Notes (continued)

26. Employment benefit obligations (continued)

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

	2025	2024
	€'000	€'000
Present value of unfunded obligations, being scheme deficits and liability in the statement of financial position	636	835

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

	2025	2024
	€'000	€'000
At 1 January	835	911
Current service cost	24	25
Interest cost	38	42
Remeasurements - effect of changes in demographic assumptions	-	-
Remeasurements - effect of changes in financial assumptions	36	(28)
Remeasurements - effect of experience adjustments	(147)	(70)
Benefits paid	(54)	(70)
Retranslation	(96)	25
At 31 December	636	835
	2025	2024
	€'000	€'000
Current service costs - recognised in staff costs	24	25
Interest cost - recognised in finance expense	38	42
Retranslation - recognised in net currency retranslation charges	(96)	23
Total recognised in the Income Statement	(34)	90

Key Assumptions

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

	2025	2024
Discount rate - North America Post-Retirement Medical Benefits	5.30 %	5.30 %
Immediate medical cost rate	6.82 %	6.73 %

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 3.99%/decrease by 3.76%
Discount rate	Scheme	Increase/decrease by 0.25%	Decrease by 1.8%/increase by 1.86%

Notes (continued)

26. Employment benefit obligations (continued)

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 2025 (31 December 2024: €nil).

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 €'000	Between 1-2 years €'000	Between 2-5 years €'000	Between 5-10 years €'000	Total €'000
At 31 December 2025					
Funded	160	162	477	614	1,413
Unfunded	77	72	116	47	312
Total	237	234	593	661	1,725

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 2025	Years
Funded	
Other	5
Unfunded	
North America Post-Retirement Medical Benefits	8

27. Provisions for other liabilities

	IASS restructuring - once off pension contribution ¹ €'000	Business Restructuring ² €'000	Aircraft Maintenance ³ €'000	Other ⁴ €'000	Total €'000
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
At 1 January 2025	30,713	1,856	343,745	32,939	409,253
Provided during the year	610	4,205	80,146	52,222	137,183
Other movements	-	-	-	-	-
Utilised during the year	(1,122)	(2,106)	(52,532)	(27,244)	(83,004)
Unwind of discounting	-	-	12,956	-	12,956
Retranslation	-	-	(36,605)	-	(36,605)
At 31 December 2025	30,201	3,955	347,710	57,917	439,783

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-25	30,201	863	86,973	48,371	166,408
31-Dec-24	30,713	1,856	69,162	29,656	131,387
Analysed as non-current liabilities					
31-Dec-25	-	3,092	260,737	9,546	273,375
31-Dec-24	-	-	274,583	3,283	277,866

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 €3 million in 2025 (2024: €2 million) and reduces further and potentially to nil as the executed waivers referred to in Note 25 are received. At 31 December 2025 the restricted deposit cash balance remaining was €39 million (2024: €29 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 2025 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:

	2025 €'000	2024 €'000
Deferred tax asset	28,387	63,762
Deferred tax liability	(48,093)	(40,750)
Net deferred tax (liability) / asset	(19,706)	23,012

	2025 €'000	2024 €'000
Deferred tax asset at 1 January	23,012	31,487
Tax credited to the Income Statement	(33,413)	(19,301)
Tax charged directly to equity	(9,305)	10,826
Deferred tax (liability) / asset at 31 December	(19,706)	23,012

Deferred tax assets

Deferred tax assets	Provisions €'000	Tax losses €'000	Share based payments €'000	IASS pension adjustment €'000	Derivative financial instruments €'000	Other €'000	Total €'000
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
At 31 December 2024	207	46,268	1,680	3,498	12,942	(833)	63,762
(Charged)/credited to the Income Statement	(219)	(33,413)	(724)	(119)	-	11,320	(23,155)
(Charged)/credited directly to equity	-	-	-	-	(9,305)	-	(9,305)
Prior year adjustment	(108)	(3,418)	611	-	-	-	(2,915)
At 31 December 2025	(120)	9,437	1,567	3,379	3,637	10,487	28,387

Notes (continued)

29. Deferred tax (continued)

Deferred tax liabilities	Accelerated tax depreciation €'000	Total €'000
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
At 31 December 2024	40,750	40,750
Charged/(credited) to the Income Statement	7,343	7,343
Reclassification		
Credited directly to equity	—	—
At 31 December 2025	48,093	48,093

Deferred tax charged directly to equity is as follows:

	2025 €'000	2024 €'000
Cash flow hedging reserve	9,305	10,826
Remeasurement of post-employment benefit obligations per OCI	36	3
	9,341	10,829

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 (2024: €17 million) in respect of which no deferred tax asset is recognised.

30. Called-up share capital

	2025	2024
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

	2025	2024
	€'000	€'000
Capital conversion reserve fund		
At 1 January and 31 December	1,705	1,705
Cashflow hedging reserve		
At 1 January	(26,860)	(7,418)
Fair value movements in equity in the period	(11,324)	13,017
Deferred tax on fair value movements in equity in the period	1,258	(1,446)
Reclassified and reported in net loss	73,692	(34,890)
Deferred tax on amounts reclassified and reported in net loss in the period	(8,188)	3,877
Deficit at 31 December	28,578	(26,860)
Cost of Hedging Reserve		
At 1 Jan	(14,996)	(9,248)
Fair value movements on cost of hedging	3,870	(407)
Deferred tax impact	(430)	45
Cost of hedging reclassified and reported in net profit	(9,660)	(6,059)
Deferred tax impact	1,073	673
Surplus at 31 December	(20,143)	(14,996)
Capital Contribution reserve	-	
At 1 January and 31 December	13,207	13,207
Retained earnings	-	
At 1 January	(484,631)	(616,443)
Profit for the year	229,343	131,829
Re-measurements of post-employment benefit obligations	(36)	(17)
Deficit at 31 December	(255,324)	(484,631)
Total other reserves	(231,977)	(511,575)

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 €7.7 million (2024: €3.6 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:

	2025	2024
	€'000	€'000
Contracted for but not provided		
- Aircraft and equipment	1,063,379	255,038
	1,063,379	255,038

Included within capital commitments in respect of aircraft and equipment are unhedged amounts denominated in USD of \$1,118 million (2024: US\$266 million). These have been translated at \$1.15 (31 December 2024: \$1.04).

34. Changes in liabilities arising from financing activities

	1-Jan-24	Additions in the year €'000	Modifications in the year €'000	Repayments	Interest Charges	Foreign Exchange Movements	31-Dec-24
	€'000			€'000	€'000	€'000	€'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)

34. Changes in liabilities arising from financing activities (continued)

	1-Jan-25	Additions in	Modifications	Repayments	Interest	Foreign	31-Dec-25
	€'000	the year	in the year	€'000	Charges	Exchange	€'000
	€'000	€'000	€'000	€'000	€'000	Movements	€'000
						€'000	
Obligations under interest bearing long-term borrowings	-	-	-	-	-	-	-
Obligations under asset financed liabilities	(208,662)	(131,353)	-	28,518	(8,945)	7,769	(312,673)
Obligations under right of use assets	(570,729)	(10,679)	-	107,508	(25,378)	50,521	(448,757)
Total liabilities from financing activities	(779,391)	(142,032)	-	136,026	(34,323)	58,290	(761,430)

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:

	2025	2024
	€'000	€'000
Interline settlement of ticket sales¹		
Outward billings to subsidiaries and significant shareholders of IAG	79,437	93,602
Inward billings from subsidiaries and significant shareholders of IAG	20,240	6,866
Transactions and balances with subsidiary undertakings of IAG		
Purchases and recharges from IAG ²	3,387	6,208
Sales to subsidiaries of IAG ³	23,894	14,421
Purchases from subsidiaries of IAG ³	45,740	37,190
Amounts owed to IAG ³	11,296	8,682
Amounts owed to subsidiaries of IAG ³	62,346	57,473
Amounts owed from subsidiaries of IAG ³	56,039	36,103
Amounts owed from IAG	6,687	-

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 (2024: €nil).

Other related party transactions

The Company's investment in its subsidiary companies is set out in note 16. 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 25.

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 €92 million (2024: €189.0 million) on services provided by Aer Lingus (Ireland) Limited.

At the reporting date, there was a balance of €18.0 million outstanding to Aer Lingus (Ireland) Limited from the Company (2024: €24.6 million).

Notes (continued)

35. Related party transactions (continued)

Key management compensation

	2025	2024
	€'000	€'000
Short-term employee benefits	7,082	6,376
Post-employment benefits	408	292
Share based payments	5,767	2,032
Termination benefits	693	-
	13,950	8,700

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 €14.0 million (2024: €8.7 million) in the year ended 31 December 2025. The senior Executive team totalled 10 individuals in the period (2024: 10).

36. Events after the reporting period

The Company leases two Airbus A330 aircraft, to its subsidiary Aer Lingus UK Limited. In January 2026, following a review of the long-term viability of the Manchester Base, a decision was taken by Aer Lingus UK Limited to fully cease Manchester transatlantic operations and redeploy the assets aligned with strategic priorities. The closure of the Manchester base by Aer Lingus UK Limited is expected to result in termination of these aircraft leases and the aircraft will be redeployed by the Company. Aer Lingus UK Limited will continue meet its obligations as they fall due.

The Company is monitoring the risk environment following the conflict in the Middle East which occurred post year end and which is driving market volatility and elevated fuel pricing as well as potential risks of energy supply restrictions from the closure of key supply lanes. The impact of potential sustained fuel price increases and macro-economic uncertainty, impacts to fuel supply, increases to inflation and increases to interest rates has no impact on the 2025 financial statements and the impact in 2026 is being monitored.

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 21 April 2026.