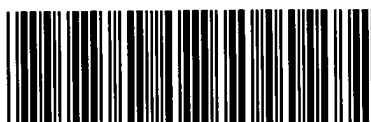


Company registration number 11383702 (England and Wales)

INDIGO ARGENTINA PARTNERS LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2022

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INDIGO ARGENTINA PARTNERS LIMITED

COMPANY INFORMATION

Director	Mr Brian Franke
Company number	11383702
Company secretary	VP Secretarial Limited
Registered office	4 Coleman Street 6 th Floor London England EC2R 5AR
Auditor	Deloitte Ireland LLP Earlsfort Terrace Dublin 2 DO2 AY28 Ireland

INDIGO ARGENTINA PARTNERS LIMITED

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DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his annual report and the audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the Company is that of an intermediate holding company.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid in the current year (2021: NIL). The director does not recommend payment of a final dividend. (2021: NIL).

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr Brian Franke

Supplier payment policy

The Company's current policy concerning the payment of trade creditors is to follow the Confederation of British Industry's (CBI) Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Company's contractual and other legal obligations.

Auditor

Deloitte Ireland LLP, Chartered Accountants & Statutory Audit Firm, have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

In preparing this report the director has taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006. Advantage has been taken of the exemption under Section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

On behalf of the board

DocuSigned by:

Brian Franke

.....95CD73ACB19740B....

Mr Brian Franke

Director

Date: 19 March 2024

INDIGO ARGENTINA PARTNERS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with Financial Reporting Standard 101 "Reduced Disclosures Framework". Under Company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGO ARGENTINA PARTNERS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Indigo Argentina Partners Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 10, including the accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

Material Uncertainty Related 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.

We draw your attention to Note 1 to the financial statements which indicates that the company is reliant on the JetSMART Holdings Group for its continued funding. These events or conditions, along with the other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter. 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGO ARGENTINA PARTNERS LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the director about their own identification and assessment of the risks of irregularities.

Independent auditor's report to the members of Indigo Argentina Partners Limited

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and Financial Reporting Standard 101 "Reduced Disclosures Framework"; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIGO ARGENTINA PARTNERS LIMITED

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

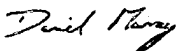
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Daniel Murray FCA (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 20 March 2024

INDIGO ARGENTINA PARTNERS LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
Administrative expenses		(18,743)	-
Operating loss		(18,743)	-
Tax on (loss)/result	4	-	-
(Loss)/result and total comprehensive expense for the financial year		(18,743)	-


The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

INDIGO ARGENTINA PARTNERS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

		2022	2021
	Notes	\$	\$
Non-current assets			
Investments	5	71,092,500	71,092,500
Current assets			
Cash and cash equivalents		-	-
Current liabilities			
Trade and other payables	7	(56,850,129)	(56,831,386)
Net current liabilities		(56,850,129)	(56,831,386)
Total assets less current liabilities		<u>14,242,371</u>	<u>14,261,114</u>
Net assets		<u><u>14,242,371</u></u>	<u><u>14,261,114</u></u>
Equity			
Called up share capital	8	126,000	126,000
Share premium account	9	14,161,500	14,161,500
Retained deficit		(45,129)	(26,386)
Total equity		<u><u>14,242,371</u></u>	<u><u>14,261,114</u></u>

The financial statements were approved and signed by the director and authorised for issue on 19 March 2024.

DocuSigned by:

95CD734CB197408....
 Mr Brian Franke
 Director

Company Registration No. 11383702

INDIGO ARGENTINA PARTNERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Retained deficit	Total
Notes	\$	\$	\$	\$
Balance at 1 January 2021	63,000	3,937,000	(26,386)	3,973,614
Issue of Share Capital	63,000	10,224,500	-	10,287,500
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	-	-
Balance at 31 December 2021	126,000	14,161,500	(26,386)	14,261,114
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(18,743)	(18,743)
Balance at 31 December 2022	126,000	14,161,500	(45,129)	14,242,371

INDIGO ARGENTINA PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Indigo Argentina Partners Limited (the 'Company') is a private Company limited by shares incorporated and domiciled in England and Wales. The registered office was changed on the 19 June 2023 to 4 Coleman Street, 6th Floor, London, England, EC2R 5AR.

The principal activity of the Company was that of an intermediate holding Company.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in US Dollars which is the functional currency and presentational currency of the Company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of JetSMART Holdings Limited in which the entity is consolidated;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of JetSMART Holdings Limited. The group accounts of JetSMART Holdings Limited are available to the public and can be obtained from their registered office; 4 Coleman Street, London, EC2R 5AR.

INDIGO ARGENTINA PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.2 Going concern

These Financial Statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business. This note refers to the financial performance and outlook of the Company, as well as all sources of financing obtained by the wider JetSMART Group (the "Group"), which comprises not only the Company but other related entities, all of them owned and controlled by JetSMART Holdings Limited.

The Company incurred a loss before taxation of US\$18,743 for the period ended December 2022 and had net current liabilities of US\$ 56,850,129 and net equity of US\$14,242,371 at the period-end date.

In assessing the Company's ability to continue as a going concern, the Directors note that the Company is heavily reliant on the Group for ongoing support. As such, the Directors have considered the Group's ability to provide support as part of their review of the appropriateness of preparing the financial statements under the going concern principle for a period of at least 12 months from the date of approval of the financial statements.

The impact of COVID-19 on the Group gradually diminished over 2022, as the world has adapted to the pandemic, implemented measures to mitigate its effects and the global economy has shown signs of recovery, helping the Group's operations to experience growth and stability. Nevertheless, the Group's future operations are subject to significant uncertainty as a result of changing consumer demand, high inflation rates in its markets and volatility of jet fuel prices with the impact of significant increases in fuel costs reaching historic high price of \$4.0 per gallon in second quarter 2022 as a result of the ongoing Russia-Ukraine war. However, there was a gradual decrease in prices, with Jet Fuel prices falling by 28% to \$3.13 per gallon in February 2024 (based on unaudited information).

In response to the exogenous increase in jet fuel price impacting the Group's operating expenses, Management continued to take steps to mitigate the impact. This included a thorough review and control program aimed at implementing cost reduction initiatives and eliminating potential inefficiencies. Additionally, Management of the Group conducted a detailed evaluation of the network and pricing, which includes both existing and potential new markets, with the aim of maximizing the economic contribution to the Group.

In 2022, the Group received \$115.0 million as a capital contribution from the code sharing deal with American Airlines in return for the issuance of ordinary shares in JetSMART Holdings Limited. Additionally, Andean Aircraft Management Limited, a subsidiary of the Group, was able to generate \$20.5 million through sale-leaseback transactions. An additional shareholder loan of US\$20 million was received in February 2024 by the Group. These various sources of funding have helped to strengthen the Group's financial position and lay a solid foundation for future growth.

The Group's ability to generate revenue, and hence the satisfaction of the Group's liabilities and funding of ongoing operations, may be limited by factors beyond its control, such as consumer demand and competitor activity which would limit the Group's ability to make its contractual lease payments. At the date of signing, the Group has sufficient cash to finance the operation over the next twelve months and beyond. In order to continue to grow, develop and operate as a Going Concern over the next 12 months, the Group expects to generate significant sale-leaseback gains from Airbus aircrafts and Pratt & Whitney orders as a source of additional cash to fund growth. However, the Group may require additional financing to fund its needs and there is no assurance that additional financing would be available at rates and on terms and conditions that would be financially acceptable to the Group, if required. If the Group is unable to generate additional working capital and or raise additional financing when needed, its business may be adversely affected. Accordingly, the directors note there is a lack of certainty regarding the extent and availability of potential future funding which the business may require. This, combined with the unpredictable external factors noted above and the financial performance of the Group represents a material uncertainty on the Company's ability to continue as a going concern.

The Financial Statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

1.3 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

INDIGO ARGENTINA PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial assets

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

Financial assets held at amortised cost

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the Company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

INDIGO ARGENTINA PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Financial assets (continued)

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

INDIGO ARGENTINA PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

(Continued)

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Investment Valuation

The investments in subsidiaries has been valued at initial cost. The director assessed that there is no indicator of impairment.

3 Operating result/(loss)

	2022	2021
	\$	\$
Operating result/(loss) for the year is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	-	-
	<u> </u>	<u> </u>

The Company's audit and non-audit fees are borne by its parent Company JetSMART Holdings Limited.

The director did not receive any remuneration (2021: NIL)

4 Taxation

The charge for the year can be reconciled to the result/(loss) as follows:

	2022	2021
	\$	\$
Loss before taxation	(18,743)	-
	<u> </u>	<u> </u>
Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)	(3,561)	-
Unutilised tax losses carried forward	3,561	-
	<u> </u>	<u> </u>

INDIGO ARGENTINA PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

	Non-current 2022 \$	Non-current 2021 \$
Investments in subsidiaries	71,092,500	71,092,500

The Company has not designated any financial assets (investments) that are not classified as held for trading as financial assets at fair value through profit or loss.

Movements in non-current investments

	Shares in group undertakings \$
Cost	
At 1 January 2022	71,092,500
Additions	-
At 31 December 2022	71,092,500
Carrying amount	
At 31 December 2022	71,092,500
At 31 December 2021	71,092,500

6 Subsidiaries

Details of the Company's subsidiaries at 31 December 2022 and 31 December 2021 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Nature of business
JetSMART Holding Company S.A.U.	Argentina	100.00	Holding Company
JetSMART Airlines S.A.	Argentina	49.10	Airline
JetSMART Regional Holdings SA	Argentina	95.00	Holding Company

INDIGO ARGENTINA PARTNERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2022**7 Trade and other payables**

	2022	2021
	\$	\$
Amount owed to parent undertaking (see note (1) below)	53,021,541	53,021,541
Amount owed to JetSMART Chile SPA (see note (3) below)	1,144	-
Accruals	27,444	9,845
Deferred consideration (see note (2) below)	3,800,000	3,800,000
	<u>56,850,129</u>	<u>56,831,386</u>

(1) Amounts owed to parent undertaking is repayable on demand and advanced interest free.

(2) The deferred consideration arose on the acquisition of Norwegian Air Shuttle. The timing for settlement of the consideration remains uncertain. However it is repayable on demand upon conclusion of the negotiations.

(3) Amounts owed to JetSMART Chile SPA is repayable on demand and advanced interest free.

8 Share capital

	2022	2021	2022	2021
	Number	Number	\$	\$
Ordinary share capital				
Issued and fully paid				
Ordinary shares of \$1.26 each	<u>100,000</u>	<u>100,000</u>	<u>126,000</u>	<u>126,000</u>

Reconciliation of movements during the year:

	Number
At 1 January 2022	100,000
Issue of fully paid shares	-
At 31 December 2022	<u>100,000</u>

9 Share premium account

	2022	2021
	\$	\$
At the beginning of the year	14,161,500	3,937,000
Issue of new shares	-	10,224,500
At the end of the year	<u>14,161,500</u>	<u>14,161,500</u>

There was no issue of ordinary share capital during the year (2021:50,000).

INDIGO ARGENTINA PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Controlling party

The immediate parent undertaking is JetSMART Holdings Limited, a Company incorporated in the United Kingdom.

The ultimate controlling party is William Franke on account of his control over the funds which own JetSMART Holdings Limited.

The only group which the Company is consolidated into is JetSMART Holdings Limited. The consolidated financial statements of this group are available from Companies House, 32-38 Linenhall Street, Belfast.

11 Subsequent events

The Company is impacted by subsequent events which affected the wider JetSMART group.

As part of its ongoing fleet strategy, during the fiscal year 2023, the group entered into a total of three sale and lease back agreements of 13 Airbus A320 and A321 aircrafts to be delivered during 2025. The Group did not enter into any new contracts during 2024 up until the date of issuance of these financial statements.

Date	Lessor	N° of assets	Assets
June 2023	Jackson Square Aviation	6	Airbus A320 and A321 aircraft.
August 2023	Avolon	4	Airbus A320 and A321 aircraft.
September 2023	Boc Aviation	3	Airbus A320

Additionally, during March and September 2023 the Company entered into sale lease back agreements for a motor in each respective month with ELFC.

During February 2024, the Group signed a memo of understanding with Pratt & Whitney for 70 new engines and on the ground compensation spanning through 2026 for the Pratt & Whitney GTF powder metal issue which is impacting the industry as a whole.

JetSMART Holdings Limited entered into a facility agreement with its Shareholders, for commitments totalling \$25million. JetSMART Holdings Limited subsequently drew down \$20million under the facility in February 2024. The facility is interest bearing and is repayable as defined under the terms of the facility, on the earlier of 30 November 2024 and the first scheduled PW1133G-JM delivery, scheduled for November 2024.

There were no other significant subsequent events requiring adjustment to or disclosure in the financial statements for the financial year ended 31 December 2022 up to the date of approval.