



Challenge Group 
Challenge Accepted

SINCE 1976

BOND PRESENTATION

2026

TABLE OF CONTENTS

BOND PRESENTATION

The Challenge Group	3	Projected Balance Sheet	11
Challenge Group Structure	4	Projected Profit & Loss	12
Aircraft Leasing Business Model	5	Projected Cash Flows	13
Aircraft & Engine Portfolio	6	Bond Programme & Tranche 1	14
Guarantor Financial Summary	7	The Target Aircraft	15
Historical Statement of Financial Position	8	Key Risk Factors	16
Historical Statement of Comprehensive Income	9	Board of Directors & Audit Committee	17
Historical Statement of Cash Flows	10	Our Partners	18



THE CHALLENGE GROUP

At Challenge Group, “Challenge Accepted” isn’t just a motto — it’s our promise. We lead the way in global air cargo logistics with innovation, integration, and tailor-made solutions.

AIRCRAFT PORTFOLIO VALUE

\$372.8M

As at date of prospectus

AIRCRAFT OWNED

14

Boeing 747, 767 & 777 fleet

SPARE ENGINES OWNED

8

Spare engines leased to related and third parties

BOND GROUP

OPERATIONAL GROUP



Challenge Airlines IL

Israeli all-cargo airline, founded in 1976, operates 1 x B767-300ER & 2 x B747-400F Hubs in Tel Aviv & Liège.

OPERATOR



Challenge Airlines MT

Maltese AOC, operates 3 x B767-300ER & 1 x B777-300 Commercial cargo division.

OPERATOR



Challenge Airlines BE

Belgian cargo carrier, AOC issued in 2019. Operates 4 x B747-400F aircraft.

OPERATOR



Challenge Logistics

Road feeder network out of Liège. Covers most European markets within 12 hours.

LOGISTICS



Challenge Handling

Liège ground handling with a 30,000m² warehouse space.

GROUND OPS

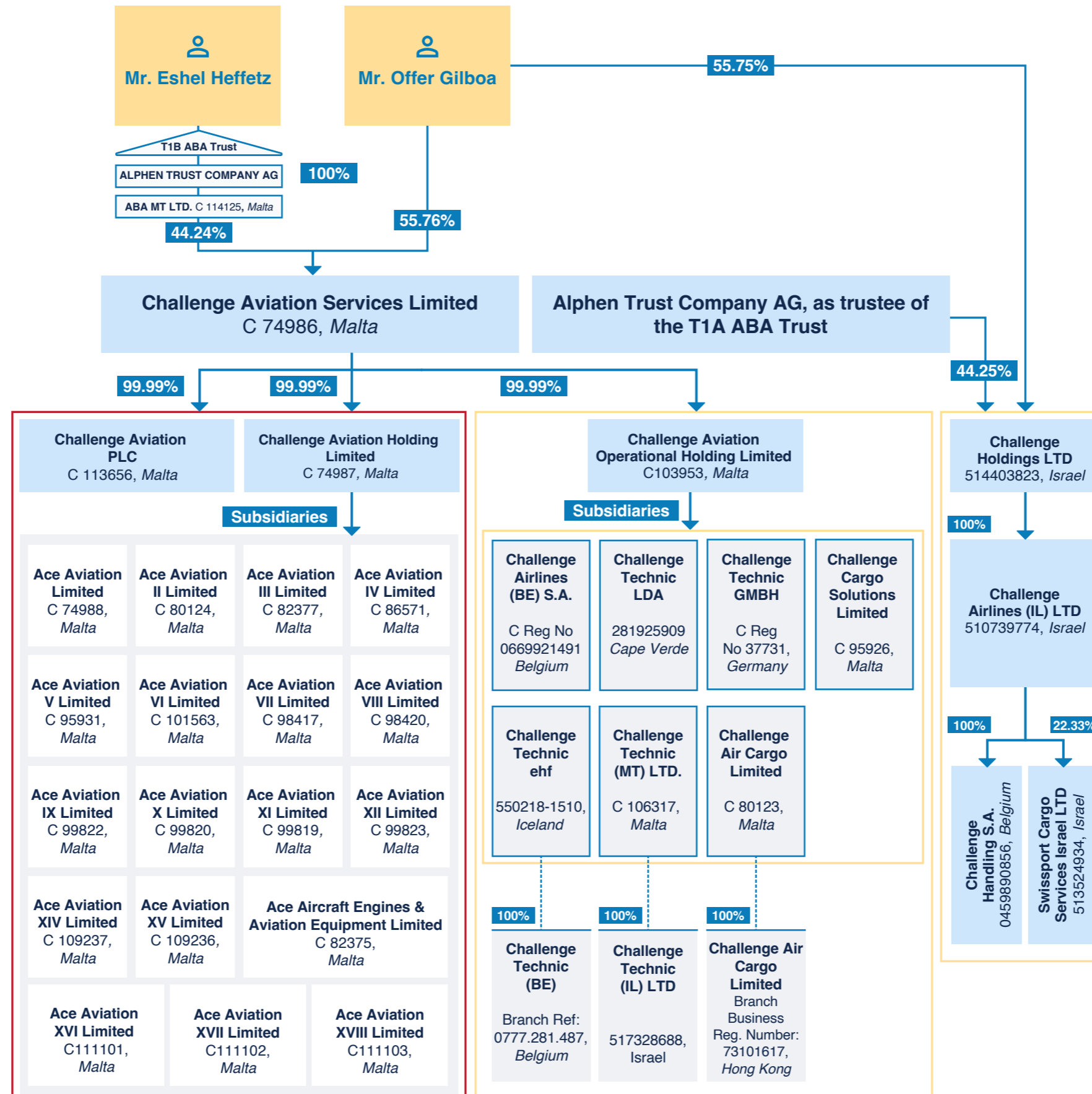


Challenge Technic

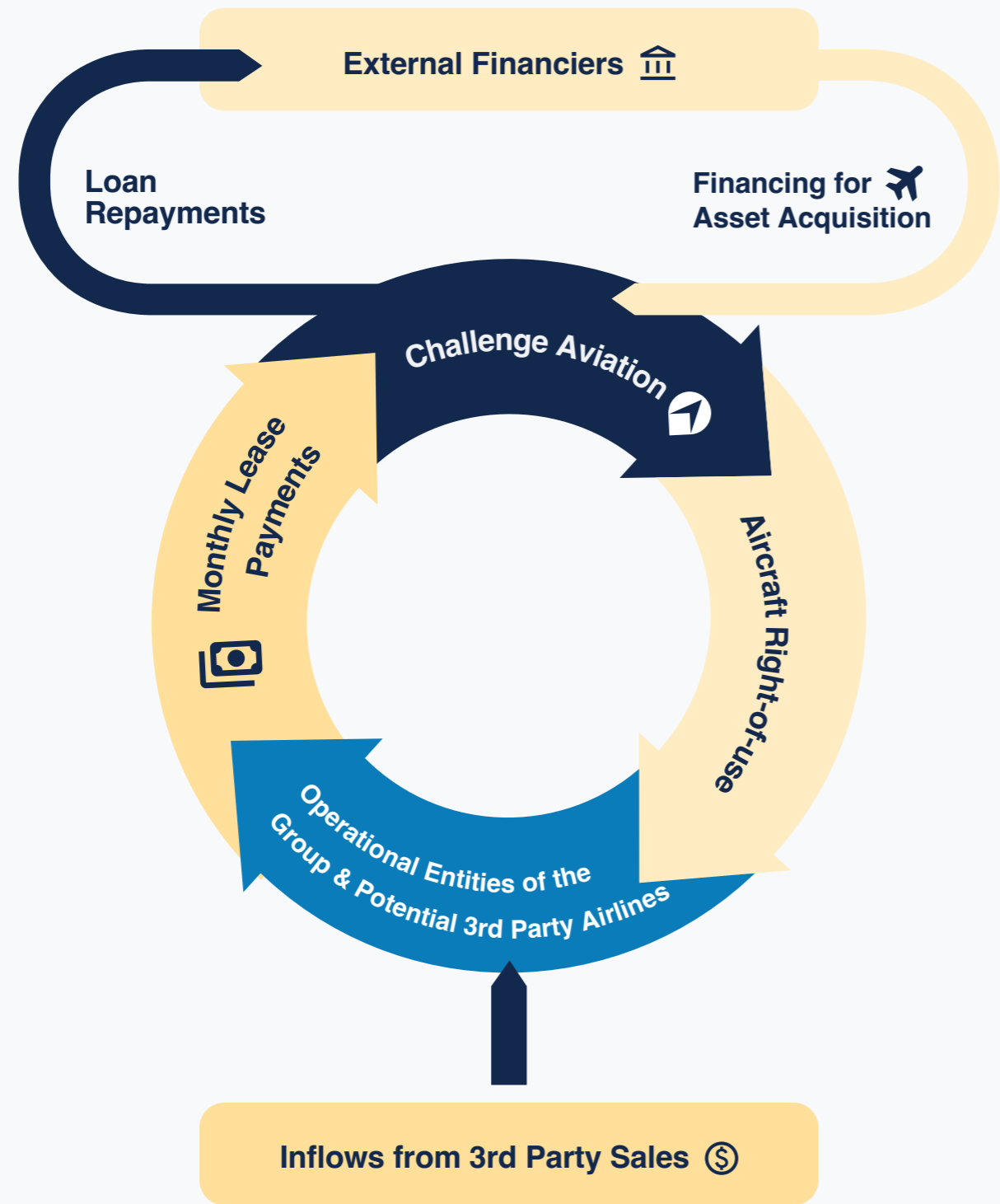
EASA 145 line maintenance service provider. Stations in Belgium, Germany, Israel, Cape Verde & Iceland.

MRO

CHALLENGE GROUP STRUCTURE



AIRCRAFT LEASING BUSINESS MODEL



AIRCRAFT & ENGINE PORTFOLIO

Total portfolio value of \$390.4M. All aircraft are Boeing-manufactured freighters aircraft.

Aircraft	MSN	Value
Boeing 747-400F (Secured Aircraft)	33729	\$39.8M
Boeing 777-300ER (Target Aircraft)	38284	\$45.7M
Boeing 747-400F	35169	\$52.9M
Boeing 747-412F	26561	\$26.7M
Boeing 747-412F	24227	\$20.2M
Boeing 747-400F	26563	\$19.0M
Boeing 767-333F	25588	\$22.3M
Boeing 767-300F	30301	\$27.0M
Boeing 767-300F	28207	\$23.1M
Boeing 767-300F	29435	\$24.8M
Boeing 747-EVF	35172	\$25.3M
Boeing 777-300ER	35162	\$17.5M
Boeing 777-300ER	35159	\$16.0M
Boeing 777-300ER	35158	\$12.5M
Total Aircraft Portfolio		\$372.8M

Engines	Value
Total Engine Portfolio (8 Spare Engines)	\$17.6M

GUARANTOR FINANCIAL SUMMARY

Challenge Aviation Holding Limited & Subsidiaries (Bond Group). Financials in USD 000.

FY25 REVENUE

\$43.4M

+19.6% vs FY24

FY25 EBITDA

\$38.5M

EBITDA Margin: 88.7%

TOTAL ASSETS (Dec25)

\$427.0M

76.6% aircraft & engines

Statement of Comprehensive Income Highlights (USD 000)

Metric	FY23 (Audited)	FY24 (Audited)	FY25 (Forecast)
Revenue	30,098	36,277	43,403
EBITDA	35,546	37,163	38,516
EBIT	23,873	16,800	12,339
Profit Before Tax	19,614	13,225	3,820

Statement of Financial Position Highlights (USD 000)

Metric	Dec23 (Audited)	Dec24 (Audited)	Dec25 (Forecast)
Total Assets	281,940	347,689	427,011
Property, Plant & Equipment	168,425	270,404	326,926
Total Borrowings	98,608	153,995	231,200
Total Equity	99,703	110,927	113,710

HISTORICAL STATEMENT OF FINANCIAL POSITION

USD 000	Dec23	Dec24	Dec25
	Audited	Audited	Forecast
Total non-current assets	194,951	300,163	379,117
PPE	168,425	270,404	326,926
Non-PPE	26,526	29,759	52,191
Total current assets	86,990	47,526	47,894
Total assets	281,940	347,689	427,011
Total equity	99,703	110,927	113,710
Total non-current liabilities	106,838	166,297	245,108
Total current liabilities	75,399	70,465	68,193
Total liabilities	182,237	236,762	313,302
Total equity and liabilities	281,940	347,689	427,011

KPIs			
Net debt-to-EBITDA	1.85x	3.93x	5.65x
Debt-to-equity	0.99x	1.39x	2.03x
Total debt-to-total assets	0.35x	0.44x	0.54x
Net-asset value (USD 000)	99,703	110,927	113,710

HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

USD 000	FY23	FY24	FY25
	Audited	Audited	Forecast
Revenue	30,098	36,277	43,403
Cost of sales	(293)	(232)	(1,607)
Gross profit	29,805	36,045	41,796
Administrative expenses	(4,218)	(3,530)	(3,280)
Other operating income	9,959	4,648	-
EBITDA	35,546	37,163	38,516
Depreciation and amortisation	(11,673)	(20,363)	(26,177)
EBIT	23,873	16,800	12,339
Other income / (expenses)	-	-	(3,906)
Finance costs	(4,839)	(4,159)	(4,812)
Finance income	580	584	199
Profit before taxation	19,614	13,225	3,820
Taxation	(651)	(2,001)	(1,337)*
Profit for the year	18,963	11,224	2,483

KPIs			
Gross profit margin	99.0%	99.4%	96.3%
EBITDA margin	118.1%	102.4%	88.7%
Net profit margin	63.0%	30.9%	5.7%
ROA	6.7%	3.2%	0.6%
ROE	19.0%	10.1%	2.2%

*Taxation in FY25 is based on a tax rate of 35%.

HISTORICAL STATEMENT OF CASH FLOWS

USD 000	FY23	FY24	FY25
	Audited	Audited	Forecast
Net cash flow from operating activities	26,594	41,654	36,374
Net cash flow from investing activities	(26,726)	(122,050)	(100,556)
Net cash flow from financing activities	(21,117)	55,388	69,920
Net change in cash and equivalents	(21,249)	(25,008)	5,738
Cash and equivalents at beginning of period	54,231	32,982	7,973
Cash and equivalents at end of period	32,982	7,973	13,712



PROJECTED BALANCE SHEET

The following financial data is unaudited and based on internal management projections.

USD 000	Dec25F	Dec26F	Dec27F
Total assets	427,011	488,525	522,902
Of which: PPE	326,926	404,853	435,340
Total equity	113,710	119,639	133,579
Total liabilities	313,302	368,887	389,323
Total equity and liabilities	427,011	488,525	522,902

KPIs			
Net debt-to-EBITDA	5.65x	5.25x	4.22x
Debt-to-equity	2.03x	2.38x	2.25x
Total debt-to-total assets	0.54x	0.58x	0.58x
Net asset value (USD 000)	113,710	119,639	133,579

PROJECTED PROFIT & LOSS

Growth derived from additional assets, namely the acquisition of 4 x B777 aircraft.

USD 000	FY25F	FY26F	FY27F
Revenue	43,403	55,106	69,534
Cost of sales ¹	(1,607)	-	-
Gross profit	41,796	55,106	69,534
Administrative expenses	(3,280)	(4,638)	(3,063)
EBITDA	38,516	50,468	66,470
Depreciation and amortisation	(26,177)	(35,367)	(38,234)
EBIT	12,339	15,101	28,237
Other income / (expenses)	(3,906)	-	-
Finance cost	(4,812)	(6,018)	(6,920)
Finance income	199	117	53
Profit before taxation	3,820	9,199	21,370
Taxation ²	(1,337)	(3,270)	(7,429)
Profit for the year	2,483	5,929	13,941

KPIs			
Gross profit margin	96.30%	100.00%	100.00%
EBITDA margin	88.74%	91.58%	95.59%
EBIT margin	28.43%	27.40%	40.61%
ROE	2.18%	4.96%	10.44%
ROA	0.58%	1.21%	2.67%

¹ Cost of Sales are transactional costs relating to technical/maintenance cost

² Taxation is based on a tax rate of 35%.

PROJECTED CASH FLOWS

USD 000	FY25F	FY26F	FY27F
Net cash flow from operating activities	36,374	49,651	63,213
Net cash flow from investing activities	(100,556)	(99,871)	(71,810)
Net cash flow from financing activities	69,920	56,350	9,397
Net change in cash and cash equivalents for the year	5,738	6,130	801
Cash and cash equivalents at the beginning of period	7,973	13,712	19,842
Cash and cash equivalents at the end of period	13,712	19,842	20,643



BOND PROGRAMME

Issuer	Challenge Aviation p.l.c.
Guarantor	Challenge Aviation Holding Limited
Security Provider	Ace Aviation VI Limited
Programme Size	€30m
Listing	Malta Stock Exchange
Secured	<p>As follows:</p> <ul style="list-style-type: none"> • Joint and several guarantee covering principal and interest given by the Guarantor • Security Provider to provide: <ul style="list-style-type: none"> • Pledge on Aircraft: First-ranking Austrian law pledge over Boeing B747-400F (MSN 33729, reg. OE-LRI) valued at \$39.8M. Perfected via possession instruction to operator. • Pledge on Insurance: Pledge over insurance policy covering the Secured Aircraft. Replacement value: \$50M (principal and interest coverage). • Tripartite Agreement: Agreement binding Security Provider, Challenge Airlines & Security Trustee on operator obligations and default procedures. • Aircraft Security Agreement: International interest registered on the Cape Town Convention International Registry over the Secured Aircraft. • Important to note that the Security Provider has also undertaken to revalue the Aircraft acting as security on an annual basis and furthermore, to replace and/or add assets available to the trustee should the value of the said Aircraft fall below principal of bonds issued + 1 year interest.

TRANCHE 1

Issue Amount	Up to €30m
Interest Rate	5.75%
Term	6 years
Maturity Date	2032
Early Redemption Option	No
Use of Proceeds	Refinance the acquisition of the Boeing 777-300ERsf (Target Aircraft)
Distribution & Allotment	Intermediaries' Offer with the possibility of accepting Placement Agreements
Governing Law	Maltese

THE TARGET AIRCRAFT

Proceeds from the Bond offer will be used to refinance the acquisition of the Boeing 777-300ERSF (Target Aircraft).



The Target Aircraft

Boeing 777-300ERSF (MSN 38284)

Purchase Price (Consideration)	USD 41.5M
Balance Paid	08 April 2025
Current Status	Passenger aircraft, conversion to cargo aircraft in progress; expected completion September 2026
Conversion Cost (Estimated)	~USD 34.0M
Additional Maintenance Works (Estimated)	~USD 0.7M
Total Projected Cost	USD 76.2M
Valuation (Feb 2026; Pre-conversion)	USD 45.7M (independent valuation by Avitas Inc.)
Valuation (Estimated; Post-conversion)	USD 90.0M

FLOW OF FUNDS

- 1 Investors Subscribe**
Bonds subscribed via Authorised Financial Intermediaries
- 2 Proceeds Held by Trustee**
Net proceeds released only after Guarantee & Collateral constituted
- 3 Issuer On-lends to Ace Aviation XI**
Via Proceeds Loan
- 4 Ace Aviation XI Repays Loan**
Part of Target Aircraft Loan to the Guarantor is repaid
- 5 Lease Income Services Bonds**
Monthly lease payments flow up to service interest & principal

Market context: Demand for cargo aircraft expected to exceed supply until at least 2034. Supply constraints support strong leasing rates, benefiting the Group's business model.

KEY RISK FACTORS

Investors should consider the following risks before investing. This is not exhaustive — refer to the full Prospectus.

Group Dependency

The Issuer has no standalone assets or revenues. It is entirely dependent on cash flows from the Bond Group and Operating Group to service interest and repay principal.

Collateral Depreciation

The Secured Aircraft loses ~5.7% of value per year. If collateral value falls below outstanding bonds + one year's interest, additional security must be provided but may not be available.

Single Industry / Single Manufacturer

All aircraft are Boeing-manufactured. All revenues are derived from aviation leasing. A sector downturn or Boeing-specific issue could affect the entire portfolio.

Collateral Enforcement Risk

The Pledge on Aircraft is governed by Austrian law. Enforcement may require compliance with jurisdiction-specific procedures, potentially delaying recovery.



BOARD OF DIRECTORS & AUDIT COMMITTEE

Mr Didier Fernand P. Henet

Mr Henet graduated at the Solvay Business School (Economics Faculty of the Brussels University) in 1978. During his career, he has gathered a long experience in international business and various sectors such as high tech, industrial and media companies, funds and holding.

He has been working as Finance Manager, CFO and Finance Director for private and public groups (Oshap Technologies Ltd (Nasdaq: OSHSF); Carmel – Dor - Plenus Ventures; Tecnomatix Technologies Ltd (Nasdaq TCNO); SunGard Data Systems (NYSE: SDS); Ventures Media (Belgium); Thomson CSF group (France)). Over the years he has built a strong practice in the fields of finance, legal, audit, corporate administration, management control, M&A and venture capital. He has set European and US subsidiaries for various international groups.

Today, he renders management consulting services and serves actively as director for small and medium sized companies. In January 2017, he joined the Group as an independent board member in the Belgian and Maltese companies and has been involved in the development of the Group since then.



Mr Colin Gregory

Colin Gregory, FCCA, qualified as an ACCA (Association of Chartered Certified Accountants) graduate in 1999 after attending Nottingham Trent University, where he was awarded both the Simpson Scholarship Fund and the Hays Accountancy Personnel Prize in recognition of his outstanding academic performance.

With just under 30 years of professional experience, Colin is a seasoned leader who brings extensive expertise in strategic planning, governance, financial oversight, organisational growth, and management to the boards on which he serves. Throughout his career, he has held senior leadership roles across industries including accounting, insurance management, and trust and corporate services. In these roles, he consistently demonstrated a strong commitment to driving growth, enhancing operational efficiency, and fostering innovation. He has a proven track record of improving profitability, building high-performing teams, and successfully overseeing major strategic initiatives.

Colin has worked with several of the 'Big Four' audit firms and spent a number of years working internationally, including in London and Milan. He has also led international trust and corporate services firms and successfully managed and oversaw the full lifecycle of a merger with another trust and corporate service provider, ensuring its effective execution. Currently, Colin serves as Managing Director of a Trust & Fiduciary firm. In January 2023, he joined the Challenge Group as an independent board member of the Maltese companies and has since been actively involved in the Group's ongoing development.



Prof. Andrew Muscat

Prof. Andrew Muscat is a Senior Partner at Mamo TCV Advocates and has developed a wide-ranging commercial law practice advising corporate clients on corporate and commercial matters ranging from M&A transactions, corporate restructurings and corporate finance to privatisations and joint ventures.

As counsel to some of Malta's leading publicly listed companies, he has gained considerable experience on capital markets issues, including bond issues, spin-offs, rights issues and voluntary and mandatory bids. He also regularly advises clients in dealing with distressed companies operating in the financial and commercial sectors.

Prof. Muscat is also Professor of Commercial Law in the Faculty of Laws at the University of Malta where he has taught company law, insolvency law, banking law and credit instruments.



OUR PARTNERS



Calamatta Cuschieri




MAMO TCV
ADVOCATES





Challenge Group 
Challenge Accepted
— SINCE 1976 —

 Challenge Group, SkyParks Business Centre, Level 5,
Malta International Airport, Luqa LQA 4000, Malta

 +356 27137174

 www.challenge-group.com

Important Information & Disclaimers

This presentation contains information about the business of, and the securities to be offered by, Challenge Aviation p.l.c. (the "Company") and the group of which it forms part. This presentation and the information contained herein is subject to change at the Company's sole discretion and is highly confidential and may contain legally privileged information.

The offer of securities by the Company is the subject of an application with the Malta Financial Services Authority and the Malta Stock Exchange and the securities, or any documents associated therewith, shall not be issued without the prior approval of the Malta Financial Services Authority.

Furthermore, any forward-looking statements, including those relating to matters which are not historical facts and which involve projections and assumptions of future circumstances are subject to a number of risks, uncertainties, assumptions and important factors that could cause actual risks to differ materially from the expectations of the Company's directors. No assurance is given that future results or expectations will be achieved.