The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Year ended 31 December 2025

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Directors and Other Information

Directors	Bryan Bourke *(Chairman)* Cian Blackwell Anne Bradley Gerald Caffrey *(Chief Executive)* Lourda Moloney Emer Murray James O'Loughlin Eimer O'Rourke Aidan Skelly
Company secretary	Ewan Murtagh
Registered office	The Times Building 11-12 D'Olier Street Dublin 2, D02 T449 T: 353 1 603 1505 Website: www.airnav.ie
Auditor	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte and Touche House 29 Earlsfort Terrace Dublin 2, D02 AY28
Bankers	Allied Irish Banks, p.l.c. BNP Paribas
Company registered number	734291
Business registered number	721281

Statement of directors' responsibilities in respect of the financial review and the regulated entity accounts

Regulation (EC) No 550/2004 for the provision of air navigation services in the single European sky provides that air navigation service providers shall draw up, submit to audit and publish their financial accounts. These accounts, prepared by the Irish Air Navigation Service trading as AirNav Ireland ("AirNav Ireland", "the Company"), are separate and distinct from those required to be prepared pursuant to the Companies Act, 2014. The content and format of the accounts was agreed between AirNav Ireland and the Irish Aviation Authority ("the IAA"), as National Supervisory Authority, in April 2026.

In order for the IAA to fulfil its National Supervisory Authority obligations under the EU performance and charging scheme, it requested that AirNav Ireland prepare regulated entity accounts showing its regulated activities (Regulated Entity Accounts) separate from its other activities, made up to the year end date of 31 December 2025, the same date to which the statutory accounts of AirNav Ireland are made up. The regulated entity accounts may be published. The directors of AirNav Ireland are responsible for preparing the regulated entity accounts up to 31 December 2025.

For the purpose of preparing these accounts, the regulated entity accounts include only the regulated activities that are en route and terminal activities of AirNav Ireland. The financial results of other activities carried out by AirNav Ireland and its subsidiary undertaking are not included for the purpose of these accounts as these activities are separate to those providing en route and terminal services.

The regulated entity accounts, comprising a profit and loss account, balance sheet, accounting policies and selected notes, represents an extract from the statutory financial statements of AirNav Ireland for the year ended 31 December 2025. The accounts have been prepared solely to present the results for the regulated entity, based on the statutory financial statements as already reported for AirNav Ireland for the year ended 31 December 2025. The accounts have been prepared in accordance with the statement of accounting policies on pages 10 to 13 to present fairly the profit and loss account and balance sheet attributable to the regulated entity.

In preparing the regulated entity accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the regulated entity accounts.

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 AirNav Ireland, of which the regulated entity forms a part, and which enable them to ensure that the financial statements of the Company, from which the regulated entity accounts have been derived, comply with statutory requirements. They 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 responsible for establishing and maintaining the system of internal control throughout the Company, of which the regulated entity is a part. In 2025, the directors of AirNav Ireland were responsible for a system of internal controls to enable the Company to comply with Commission Implementing Regulation (EU) 2019/317 which apply to the Company's regulated activities. The system of internal control comprises the ongoing processes for identifying, evaluating and managing significant risks faced by AirNav Ireland in pursuing its business objectives. Such a system is designed to manage rather than eliminate the risk of failure and therefore can only provide reasonable and not absolute assurance that AirNav Ireland will achieve those objectives or that AirNav Ireland would not suffer material misstatement or loss.

On behalf of the Board

Bryan Bourke *Chairman*	**Gerald Caffrey** *Chief Executive*	**25 June 2026**

Financial review of the outturn performance compared to the RP4 Performance Plan for 2025

In June 2026, Ireland's Performance Plan for the fourth reference period 2025-2029 ("RP4") was adopted by the State. This followed an assessment by the EC for the consistency of the Performance Plan with the Union-wide targets in the key performance areas of safety, environment, capacity and cost efficiency. The Performance Plan meets the requirements of Commission Implementing Regulation (EU) 2019/317, laying down a performance and charging scheme in the single European sky, and applies to the air navigation service provider, the National Supervisory Authority (the IAA) and MET Éireann.

Financial overview

Turnover from regulated activities in 2025 was €188.5 million comprising en route revenue of €150.0 million, terminal revenue of €33.1 million, exempt air traffic revenue of €1.5 million and other revenue attributable to regulated activities of €3.9 million. Total operating expenses of €180.8 million incurred in the provision of regulated activities are split between AirNav Ireland own costs (ANSP) of €150.5 million, the NSA (the IAA) €6.4 million, MET charges €11.3 million and EUROCONTROL subscriptions and other State costs of €12.6 million. AirNav Ireland staff costs were €95.1 million or 63% of total AirNav Ireland own costs. Operating profit for the year was €7.7 million.

En route and terminal service units

En route service units, a function of distance flown and aircraft weight, were 5,168,355 in 2025, an decrease of 0.1% under planned service units of 5,175,000. Terminal service units in 2025, based on aircraft weight, were 206,766, an decrease of 3.7% under planned service units of 214,820. Planned service units are service units as included in the State Performance Plan adopted in June 2026.

AirNav Ireland (ANSP) Outturn 2025 compared with Determined Costs in the Performance Plan 2025 - 2029

Actual regulated costs in 2025 compared to determined costs, reported to the European Commission in compliance with the EU performance and charging scheme regulation, comprising staff costs, other operating costs, costs of depreciation and cost of capital for AirNav Ireland (ANSP) are set out below.

AirNav Ireland (ANSP)	**2025 Actual €'000**	**2025 Determined Costs* €'000**	**Variance %**
Staff costs	92,913	96,923	-4.1%
Other operating costs	41,582	45,424	-8.5%
Depreciation	9,965	12,217	-18.4%
Cost of capital	6,297	7,958	-20.9%
Total AirNav Ireland costs	**150,757**	**162,522**	**-7.2%**

*****Determined costs are the costs included in the State Performance Plan adopted in June 2026. Further narrative on the variances between actual and determined costs are provided on page 4.

Financial review *(continued)*

AirNav Ireland (ANSP) *(continued)*

Actual staff costs of €92.9 million were €4.0 million (4.1%) below the determined costs included in the Performance Plan. This variance arose primarily from the timing of recruitment and timing of the 2025 pension in payment. Under the RP4 decision, where actual ATCO and engineering headcount is below forecast, a headcount rebate applies. For 2025, this payroll rebate amounts to €3.7 million and will be returned to airspace users in 2027 through a reduction in the en route unit rate. Further detail is provided under capacity incentive scheme on page 5.

Other operating costs comprise training, systems and equipment maintenance, telecommunications, spares, power and administration costs including rent and rates, insurance, security, building repairs and maintenance. Total operating costs were 8.5% lower than planned, decreasing from €45.4 million in the Performance Plan to an actual outturn of €41.6 million. AirNav Ireland has strong procurement and budgetary control processes in place with competitive quotes being sought on significant expenditure and active in-year budget monitoring.

Depreciation costs of €10.0 million were 18.4% below plan while cost of capital, the regulated return on the regulated asset base, was 20.9% lower than planned. AirNav Ireland operates within an approved annual capital budget supported by a defined technology plan. The lower than planned depreciation and cost of capital reflect a shortfall in technical and operational resources necessary to deliver capital projects. In accordance with Commission Implementing Regulation (EU) 2019/317, variances between actual costs of depreciation and cost of capital and the costs included in the Performance Plan will be returned to the airspace users in future years through reductions in en route and terminal charges.

NSA (the IAA)

Costs attributable to the NSA included in the State's Performance Plan for its regulated activities in 2025 amounted to €7.2 million. In the year, AirNav Ireland recorded an NSA charge of €6.4 million, in respect of its regulated activities. This represents 88% of the total NSA charge to the Company, allocated 73% to en route activities and 15% to terminal activities. The excess of €0.8 million will be returned to airspace users in 2027 through an adjustment to en route and terminal charges in future years.

Other State Costs

Other State Costs, comprising international subscriptions and Department of Transport policy costs, included in the State's Performance Plan for its regulated activities in 2025 were €12.0 million. In the year, AirNav Ireland recorded a regulated charge of €12.6 million. The shortfall will be recovered from airspace users in future years through an adjustment to the en route and terminal charges.

MET

Costs attributable to MET, included in the State's Performance Plan for 2025, amounted to €11.2 million. In the year, AirNav Ireland recorded a charge from MET Éireann of €11.2 million in respect of meteorological services. These costs are allocated 80% to en route activities and 20% to terminal activities, in accordance with an allocation methodology agreed with the NSA and in place since 2001. In addition, a charge of €0.1million was incurred for ICAO Space weather costs.

Reconciliation of actual regulated costs in 2025 to operating expenses

Total regulated costs for 2025 reported to the European Commission for AirNav Ireland (ANSP), the NSA (the IAA), other State costs and MET Éireann amounted to €181.1 million. This compares with total operating expenses reported in the Profit and Loss account on page 8 of €180.8 million. A reconciliation has been provided separately to the NSA.

Financial review *(continued)*

Inflation

For 2025, the Performance Plan forecasted an inflation rate for Ireland of 1.9%, consistent with the International Monetary Fund (IMF) forecast available at the time the Performance Plan was developed and consistent with the EU regulations. Actual inflation in 2025 was 2.1%.

Costs exempt from risk sharing

Costs exempt from risk sharing comprise EUROCONTROL subscriptions. The planned charge in 2025, included in the 2025 determined costs, was €9,601,457. Actual outturn was €9,507,061 giving rise to an amount of €94,396 to be returned to the airspace users in future years.

Other revenue

In calculating the en route and terminal charges for 2025, other revenues of €1.8 million for en route and €0.8 million for terminal, were reimbursed to the airspace users through a reduction in the 2025 unit charges. Other revenues include EU funding which, in general, is reimbursed within two years of the funding claim being audited, if the claim is for operating expenditure, and in line with the depreciation profile if the claim is for capital expenditure.

Capacity Incentive Scheme

Delays
In 2025, the en route and terminal delay indicators were within the applicable RP4 performance targets, and no capacity incentive penalty was incurred.

Headcount
In its revised RP4 decision dated August 2025, the Irish Aviation Authority (IAA) introduced capacity targets designed to align actual air traffic control officer (ATCO) and engineering staffing levels with forecast levels. Where these headcount targets are not achieved, a rebate applies, calculated by reference to the IAA's forecast average annual cost (pay and pension only) for each undelivered ATCO or engineer in the relevant year. In 2025, the average actual headcount was below the RP4 forecast, resulting in a rebate of €3.7 million to be returned to airspace users through a reduction in the en route charges in 2027.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE IRISH AIR NAVIGATION SERVICE TRADING AS AIRNAV IRELAND

Opinion on the Financial Statements

We have audited the balance sheet of the Regulated Activities of the Irish Air Navigation Service trading as AirNav Ireland (the "Company") as at 31 December 2025 and the profit and loss account for the year then ended with related notes on pages 10 to 22, including a summary of significant accounting policies (together ''the financial statements'').

In our opinion, the financial statements have been prepared, in all material respects, in accordance with:

- the recognition and measurement requirements of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council, and
- the financial reporting framework established by the National Supervisory Authority ("NSA") as set out in the Framework for AirNav Ireland's Regulated Entity Accounts in 2025 dated 21 April 2026 ("financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) including ISA (Ireland) 800. 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 Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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.

Emphasis of Matter- Basis of Preparation

We draw attention to Note 1 to the financial statements, which describes the basis of preparation for these financial statements. The financial statements are prepared to assist the Company to meet the regulatory reporting requirements of the Company. As a result, the financial statements may not be suitable for another purpose and do not necessarily represent a true and fair view of the financial position of the company as shown in financial statements prepared in accordance with the Companies Act.

Our opinion is not modified in respect of these matters.

Other Matters

The Company has prepared a separate set of statutory financial statements for the year ended 31 December 2025 in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council on which we issued a separate auditor's report to the directors of the Company dated 2 April 2026.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Financial Statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE IRISH AIR NAVIGATION SERVICE TRADING AS AIRNAV IRELAND

Responsibility of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the recognition and measurement requirements of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the financial reporting framework established by the National Supervisory Authority ("NSA") as set out in the Framework for AirNav Ireland's Regulated Entity Accounts in 2025 dated 21 April 2026 ("financial reporting framework") 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.

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.

The nature, form and content of the financial statements and therefore its basis of preparation, is set out by NSA to assist the Company in meeting its regulatory requirements. We make no assessment as to whether the basis of preparation, as set out on page 10 is appropriate or sufficient for the Company's purposes.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements. This description forms part of our auditor's report.

Use of our report

Our report is intended solely for the Company. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's directors as a body, for this report, or for the opinions we have formed.

Daniel Murray
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

29 June 2026

Profit and Loss Account

for the year ended 31 December 2025

	Note	**2025** **€'000**	**2024** €'000
Turnover – continuing activities	*2*	**188,527**	176,778
Operating expenses		**(180,848)**	(170,045)
Operating profit – continuing activities		**7,679**	6,733
Interest receivable and similar income	*4*	**19,981**	20,405
Interest payable and similar charges	*5*	**(16,889)**	(16,153)
Profit on ordinary activities before taxation		**10,771**	10,985
Tax on profit on ordinary activities	*6*	**(2,005)**	(1,950)
Profit for the financial year		**8,766**	9,035

Balance sheet
at 31 December 2025

	Note	**2025**	2024
		€'000	€'000
Fixed assets			
Tangible assets	*7*	**126,764**	105,443
Pension asset	*15*	**34,637**	42,429
		161,401	147,872
Current assets			
Debtors			
- due within one year	*8*	**67,308**	66,370
- due after more than one year	*8*	**40,365**	66,118
Short term deposits		**27,387**	48,660
Cash and cash equivalents		**60,997**	30,123
		196,057	211,271
Creditors: amounts falling due within one year	*9*	**(42,369)**	(44,570)
Net current assets		**153,688**	166,701
Total assets less current liabilities		**315,089**	314,573
Creditors: amounts falling due after more than one year	*11*	**(40,591)**	(40,763)
Provisions for liabilities			
Retirement benefit obligations	*15*	**(3,265)**	(3,012)
Net assets		**271,233**	270,798

On behalf of the board:

Bryan Bourke
Chairperson

Gerald Caffrey
Chief Executive

Notes

forming part of the regulated entity accounts

1. Accounting policies

General information and basis of preparation

The Irish Air Navigation Service trading as AirNav Ireland (“AirNav Ireland”, “the Company”) is a designated activity company (DAC) limited by shares, formed on 2 February 2023 under the Air Navigation and Transport Act 2022 (“the Act”), and registered under the Companies Act 2014.

The directors consider that the format and content of the regulated entity accounts meets the requirements of the NSA as set out in the “Framework for the 2025 IANS Regulated Entity Accounts to IAA (NSA)”, dated 21 April 2026, (“the framework agreement”) and comply with Article 12 of EC Regulation No 550/2004 and EU Regulation 2019/317.

The regulated entity accounts include the en route and terminal activities of AirNav Ireland. The financial results of other activities carried out by AirNav Ireland and its subsidiary undertaking are not included for the purpose of these accounts as these activities are separate to those providing en route and terminal services. The basis on which turnover, operating expenses, assets and liabilities have been allocated to en route and terminal activities is set out below.

The regulated entity accounts are prepared under the historical cost convention. The accounts are extracted from the audited Group and Company financial statements of the Irish Air Navigation Service trading as AirNav Ireland and are prepared according to the recognition and measurement requirements of FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ issued by the Financial Reporting Council, and the financial reporting framework established by the NSA. The presentation currency of the accounts is Euro. All amounts in the regulated entity accounts have been rounded to the nearest €1,000.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the regulated entity accounts. These accounting policies are in agreement with those used in the preparation of the audited Group and Company financial statements of the Irish Air Navigation Service trading as AirNav Ireland for the year ended 31 December 2025. Judgements made by the directors, in the application of these accounting policies that have a significant effect on the regulated entity accounts and estimates with a significant risk of material adjustment in the next year, are discussed in note 16.

True and fair view override

Ireland is a party to a multilateral agreement (EUROCONTROL) relating to the collection of en route navigation service charges. A bilateral agreement is in place with EUROCONTROL for the collection of terminal service charges. Under the Air Navigation and Transport Act 2022, AirNav Ireland performs en route and terminal functions on behalf of the State. Differences in income earned and eligible regulated costs arising from traffic volume risk and cost risk sharing are recovered from, or returned to, users of en route and terminal navigation services, consistent with the underlying EU regulations, by amendment of charges in later years.

The costs to be taken into account for the purpose of the EUROCONTROL agreement are defined in the EUROCONTROL charging principles and in the EC Charging Regulations in a manner that includes all cash payments to pension funds. Consequently, the directors have determined that it is appropriate to incorporate all cash contributions made to AirNav Ireland’s pension fund in operating expenses to the extent they exceed the pensions charge determined in accordance with FRS 102 ‘Employee Benefits’, and to record an offsetting credit in the statement of other comprehensive income (“OCI”), in order to present a true and fair view of its comprehensive income and its assets, liabilities and financial position.

1. Accounting policies *(continued)*

Regulated profit and loss account and balance sheet

Turnover and costs have been determined on the bases set out below:

Turnover is the actual turnover of regulated activities as described below.

AirNav Ireland's cost base reporting system records cost by nature and by cost centre. Cost centres are attributed to business activities by location and then allocated by reference to the regulated activities of en route and terminal and non-regulated activities other than:

- Interest income and expense on defined benefit pension assets and liabilities is allocated to the regulated entity on the basis of the proportion of regulated entity pension costs to total pension costs as per the cost base reporting system.
- Bank interest payable, bank loan facility fees and bank interest receivable are allocated to the regulated entity on the basis of the proportion of regulated entity turnover to total turnover.
- The deferred tax charge has been calculated on the basis of the proportion of the net book value of the regulated entity fixed assets to total fixed assets and the proportion of regulated entity pension costs to total pension costs.

Assets and liabilities have been determined on an actual basis.

Turnover

Turnover represents the amounts received, and receivable, in respect of services provided to customers.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services provided. Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

En route and terminal revenues

The provision of en route and terminal services are economically regulated activities underpinned by Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and Commission Implementing Regulation (EU) 2020/1627 of 3 November 2020 on exceptional measures for the third reference period (2020-2024) of the single European sky performance and charging scheme due to the COVID-19 pandemic. As described above, AirNav Ireland is entitled to recover its regulatory approved eligible costs through charges to the en route and terminal airspace users. For the period 2025-2029, these eligible costs are set out in the State's Performance Plan for the Reference Period 4 (RP4) 2025-2029. Differences arising between actual revenues and expected revenues, as defined in the underlying regulations, are provided for in an accrued/deferred income account and are adjusted against income arising from en route and terminal activities. Accrued/deferred income is recovered/reimbursed by way of an adjustment to customer charges in future years, typically on an 'n+2' basis. In response to COVID-19, accrued/deferred income for 2020 and 2021 only is being recovered from the airspace users through an adjustment to customer charges, spread equally, over seven years, 2023-2029.

1. Accounting policies *(continued)*

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated to write off the cost of each fixed asset, including equipment purchased as part of an installation, on a straight-line basis over its expected useful life as follows:

Buildings *	20-30 years
Completed installations and other works	8-12 years
Office equipment	3-5 years

Assets are depreciated from the date they are commissioned for use. Assets under construction / installations in progress are carried at historical cost and are not depreciated until they are brought into use. The carrying amounts of tangible fixed assets are reviewed at each reporting date to determine whether there is any indication of impairment.

*Included in 'Buildings' is the Dublin tower building held under leasehold; the cost of the building was €36.5 million and it was brought into operational use in 2021. The net book value included in the financial statements as at 31 December 2025 relating to this asset is €30.9 million *(2024: €32.2 million)*.

Leased assets

Operating lease rentals are expensed as they accrue over the periods of the leases.

Foreign currencies

Transactions arising in foreign currencies are translated into the functional currency at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the year-end rate of exchange. The resulting profits and losses are dealt with in the profit and loss account for the year.

Taxation

Corporation tax is provided for on the profit for the year at the current rates. Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the reporting date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results, as stated in the financial statements, which arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Employee benefits

AirNav Ireland provides pensions to its employees under four superannuation schemes. Three of these schemes are defined benefit schemes: "The AirNav Ireland Staff Superannuation Scheme 1996", for staff whose employment commenced prior to 1 April 2008; "The AirNav Ireland Staff Superannuation Scheme 2008", for staff whose employment commenced from 1 April 2008 to 31 December 2011; "The AirNav Ireland Hybrid Pension Plan 2012", for staff whose employment commenced from 1 January 2012. From 1 May 2023, The AirNav Ireland Hybrid Pension Plan 2012 was closed to new entrants with new employees of AirNav Ireland joining a defined contribution scheme, "The AirNav Ireland Defined Contribution Plan 2023".

1. Accounting policies (continued)

Employee benefits (continued)

For the defined benefit schemes, the difference between the market value of the schemes' assets and the actuarially assessed present value of the schemes' liabilities, calculated using the projected unit credit method, is reported as an asset/liability on the balance sheet.

The amount charged to the profit and loss account is the total of:

a) the actuarially determined cost of pension benefits promised to employees for service during the year plus any benefit improvements granted to members during the year (current/past service cost), and
b) an additional charge to operating expenses reflecting the difference between the actuarially determined pension charge (current/past service cost) included above and total cash payments to the pension fund in the year, and
c) the net interest on the net defined benefit liability comprising interest cost on the defined benefit obligation and interest income on plan assets.

The difference between the interest income on assets and the return actually achieved, and any changes in the liabilities due to changes in assumptions, or because actual experience during the year was different to that assumed, are recognised as re-measurement gains and losses in the statement of other comprehensive income ("OCI"). The OCI includes an offset amounting to the additional pension charge, described in paragraph (b), expected to be recovered under the provisions of the EUROCONTROL agreement. The Company thus departs from the requirements of FRS 102 in order that the results comply with the requirements of the agreements under which its operations are governed and, in the context of these agreements, that the financial statements give a true and fair view.

Basic financial instruments

Basic financial assets, including trade receivables, accrued income, other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest and recognised against revenue. Such assets are subsequently carried at amortised cost using the effective interest method and recognised as interest income.

Trade and other debtors and creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, using the effective interest method, less any impairment losses in the case of trade debtors.

Cash, cash equivalents and short-term deposits

Cash represents cash held at banks and available on demand. Cash equivalents are highly liquid investments (other than cash) that are readily convertible into known amounts of cash, typically cash deposits ranging from one day to three months. Short-term deposits represent cash deposits ranging from three months to one year. Cash and cash equivalents and short-term deposits are recorded initially at fair value and then subsequently stated at amortised cost and are categorised as loans and receivables.

Notes *(continued)*

2. Turnover

	2025	2024
	€'000	€'000
Activity		
En route	**150,055**	139,185
Terminal	**33,095**	32,695
Exempt air traffic	**1,461**	1,181
Other	**3,916**	3,717
	188,527	176,778

AirNav Ireland's turnover is derived from aviation-related services provided in the Republic of Ireland.

3. Staff numbers and costs

The average number of persons employed during the year in the provision of regulated activities, excluding non-executive directors, analysed by category, was as follows:

	2025	2024
	Number	Number
Air traffic controllers	**310**	303
Engineers	**106**	93
Other operational	**116**	110
Corporate services	**62**	59
Total employees	**594**	565
Student air traffic controllers	**36**	26

The aggregate payroll cost of these persons, included in the profit and loss account for the period, were as follows:

	2025	2024
	€'000	€'000
Wages and salaries	**78,387**	69,754
Social welfare costs	**7,047**	6,697
Pension costs *	**9,673**	15,678
	95,107	92,129

** Included in pension costs for 2024 is €6.7 million attributable to the cost of a 3% discretionary pension increase applied to pensions in payment and deferred pensions. The increase was approved by the Minister and was effective from 1 January 2024.*

Notes *(continued)*

4. Interest receivable and similar income

	2025 €'000	2024 €'000
Interest income on defined benefit assets	**18,406**	18,214
Bank interest	**1,192**	1,838
Other interest	**383**	353
	19,981	20,405

5. Interest payable and similar charges

	2025 €'000	2024 €'000
Interest expense on defined benefit liabilities	**16,695**	15,958
Bank loan facility fees	**194**	195
	16,889	16,153

6. Tax on profit on ordinary activities

	2025 €'000	2024 €'000
Analysis of tax charge in the year		
Current tax		
Corporation tax	**1,470**	1,361
Adjustments in respect of prior years	**(1)**	(30)
	1,469	1,331
Deferred tax		
Origination and reversal of timing differences	**536**	619
Tax on profit on ordinary activities	**2,005**	1,950

6. Tax on profit on ordinary activities *(continued)*

	2025 €'000	2024 €'000
Profit and loss tax reconciliation		
Profit on ordinary activities before tax	**10,771**	10,985
Expected current tax at 12.5%	**1,346**	1,373
Effects of:		
Permanent differences	**289**	255
Expenses not deductible for tax purposes	**209**	122
Income not taxed at standard rate	**162**	230
Corporation tax in respect of prior years	**(1)**	(30)
Tax on profit on ordinary activities	**2,005**	1,950

7. Tangible fixed assets

	Buildings €'000	**Completed installations and other works €'000**	**Installations in progress €'000**	**Office equipment €'000**	**Total €'000**
Cost					
At beginning of year	71,731	187,957	31,045	12,626	303,359
Additions in year	-	-	31,714	1,216	32,930
Brought into use in year	3,240	10,278	(13,518)	-	-
Disposals in year	-	(3,469)	-	(646)	(4,115)
At end of year	**74,971**	**194,766**	**49,241**	**13,196**	**332,174**
Accumulated depreciation					
At beginning of year	34,130	153,587	-	10,199	197,916
Charge in year	2,043	8,233	-	1,333	11,609
Disposals in year	-	(3,469)	-	(646)	(4,115)
At end of year	**36,173**	**158,351**	**-**	**10,886**	**205,410**
At 31 December 2025	**38,798**	**36,415**	**49,241**	**2,310**	**126,764**
At 31 December 2024	37,601	34,370	31,045	2,427	105,443

Notes *(continued)*

8. Debtors

	2025	2024
	€'000	€'000
Trade debtors, net	**29,868**	27,369
Prepayments	**5,990**	4,819
Accrued income	**66,785**	93,705
Other debtors	**23**	709
Corporation tax	**-**	1,644
Value added tax	**1,169**	615
Deferred tax asset (note 12)	**3,838**	3,627
	107,673	132,488
Due within one year	**67,308**	66,370
Due after more than one year	**40,365**	66,118
	107,673	132,488

Included in trade debtors are amounts past due of €16,531,000 *(2024: €15,974,000)* of which €2,037,000 *(2024: €2,253,000)* is provided for within bad debt provisions.

Included in debtors is accrued income of €52,799,000 *(2024: €65,873,000)* in the Company relating to the balance of eligible costs owing in respect of the years 2020 and 2021, being recovered over 7 years 2023 to 2029. This balance is measured at the present value of the future receipts discounted at a market rate of interest.

Included in other debtors is €Nil (2024: €681,860) due in relation to the ATM Voluntary Temporary Solidarity Fund. In November 2022, the Member States of EUROCONTROL, including Ireland, approved the creation of a temporary special solidarity fund to provide support to States whose air traffic management systems have been affected by the Russia-Ukraine war. Ireland's commitment to this fund is €787,549. The amount due was repaid in full.

9. Creditors: amounts falling due within one year

	2025	2024
	€'000	€'000
Trade creditors	**4,870**	2,537
Other creditors including tax and social welfare (note 10)	**4,102**	3,825
Accruals†	**19,436**	20,536
Deferred income	**13,961**	17,672
	42,369	44,570

† Included in accruals is €4.9 million *(2024: €4.6 million)* in relating to an Income Continuance Fund which provides income protection to air traffic controllers who are unable to control aircraft because of medical or other reasons.

Notes *(continued)*

10. Taxation and social welfare included in other creditors

	2025 €'000	2024 €'000
PAYE	**3,492**	3,365
Corporation tax	**27**	-
Relevant contracts tax	**6**	76
Professional services withholding tax	**133**	57
Deferred tax liability (note 12)	**444**	327
	4,102	3,825

11. Creditors: amounts falling due after more than one year

	2025 €'000	2024 €'000
Deferred income	**32,423**	31,832
Deferred tax liability (note 12)	**8,168**	8,931
	40,591	40,763

12. Deferred tax liability

		2025 €'000	2024 €'000
Deferred tax liability– excluding employee benefits-related	*(i)*	**(444)**	(327)
Deferred tax liability – employee benefits-related (non-current)	*(ii)*	**(4,330)**	(5300)
Deferred tax asset – buildings – (non-current)		**3,838**	3,627
Deferred tax liability – buildings – (non-current)		**(3,838)**	(3,627)
Deferred tax liability,net		**(4,774)**	(5,627)

(i) Deferred taxation – excluding employee benefits-related

	2025 €'000	2024 €'000
At beginning of year	**(327)**	(175)
Charged to profit and loss account (note 6)	**(117)**	(152)
	(444)	(327)

The deferred tax liability at the end of the year represents the full potential liability arising on timing differences.

12. Deferred Tax liability *(continued)*

(ii) Deferred taxation – employee benefits-related

	2024 €'000	2024 €'000
At beginning of year	**(5,300)**	(6,759)
Changes in actuarial assumptions recognised in OCI	**1,418**	1,926
Charged to profit and loss account (note 6)	**(419)**	(467)
	(4,301)	(5,300)

13. Related parties

The Group and Company deals in the normal course of business with government departments and other State bodies.

AirNav Ireland is party to a commercial arrangement to provide air traffic management training services to Entry Point North Ireland DAC, a 100% owned subsidiary of Entry Point North AB (EPN), an associate of AirNav Ireland. Entry Point North Ireland DAC also provides air traffic management training services to AirNav Ireland on an arm's-length basis. Included in the regulated accounts is revenue of €3.9 million *(2024: €3.7 million)* and costs of €9.5 million *(2024 €9.0 million)* in transactions with Entry Point North Ireland DAC. As at 31 December, there is a net receivable balance due to AirNav Ireland amounting to €0.5 million *(2024: €Nil)*.

14. Commitments

Company	**2025 €'000**	2024 €'000
(i) Capital commitments		
Future capital expenditure approved by the directors:		
Not contracted for	**114,269**	70,473
Contracted for	**45,413**	37,508
	159,682	107,981

(ii) Operating lease commitments

The total of future minimum lease payments under non-cancellable operating leases are as follows:

	2025 Buildings €'000	**2025 Motor Vehicles €'000**	2024 Buildings €'000	2024 Motor Vehicles €'000
Company				
Payable:				
Within one year	**2,275**	**114**	2,334	111
Between one and five years	**3,502**	**196**	3,748	191
More than five years	**3,819**	**-**	4,997	-
	9,596	**310**	11,079	302

15. Employee benefits

	2025	2024
	€'000	€'000
Defined benefit pension asset (see A below)	**34,637**	42,429
Supplementary ex-gratia pension liability (see B below)	**(3,265)**	(3,012)
Total retirement benefit obligations	**31,372**	39,417

For the purpose of the regulated accounts, employee benefits are allocated to the regulated entity on the basis of the proportion of regulated entity pension costs to total pension costs as per the cost base reporting system. Pension benefits for all permanent employees, engaged in regulated and non-regulated activities, are funded through common defined benefit pension schemes, the assets of which are vested in independent trustees. These schemes are not managed to separate its members into those engaged in regulated and non-regulated activities.

AirNav Ireland undertakes actuarial valuations of the defined benefit pension schemes at least every three years. The date of the latest actuarial valuations is 1 January 2024 and covers all accrued benefits. These valuations were conducted by qualified independent actuaries.

The valuations employed for FRS 102 purposes have been based on the most recent funding valuations for the schemes adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2025 and to take account of financial conditions at this date. The valuations used for FRS 102 purposes have been completed using the projected unit method, and assets for this purpose have been valued at market value.

The actuarial reports, which are available to members of the schemes, are not available for public inspection.

AirNav Ireland has no unfunded schemes with the exception of the supplementary ex-gratia liability. There are no outstanding or prepaid contributions at year-end.

A The AirNav Ireland Defined Benefit Schemes

(i) Actuarial assumptions

	2025	2024
	Projected Unit	Projected unit
Weighted average assumptions to determine benefit obligations		
Discount rate	**4.30%**	3.60%
Rate of general compensation increase †	**2.50%**	2.50%
Rate of price inflation	**2.00%**	2.00%
Rate of pension increase †	**0.00%**	0.00%

† *This is the long-term assumption in respect of general salary increases. In addition, the 2024 disclosure takes account of pay increases above the long-term general rate which the Company expects will be paid under a five-year Collective Labour Agreement covering the period from 1 January 2025 to 31 December 2029. Prior to 1 May 2023, the principal employer of the Schemes was the IAA. The board of the IAA decided, given the deficit position of the Schemes at the time, and communicated to all staff and pension trustees, that there would be no further increases granted on pensions payable under the Schemes with effect from 1 January 2015.*

Notes *(continued)*

15. Employee benefits *(continued)*

A The AirNav Ireland Defined Benefit Schemes *(continued)*

The Company has an approved policy governing pension increases for the period 2025 to 2029. Pension increases are discretionary, with the policy setting out the factors to be considered by the Board as part of its annual assessment of whether to approve any increase. In December 2025, the Board approved an increase of 1.4% to pensions in payment, effective from 1 January 2025, subject to receipt of the relevant Ministerial approval and consent. As the approval process has not been concluded, the capital cost of the proposed increase has not been reflected in the pension liability at 31 December 2025.
.
The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on the standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

	2025	2024
Life expectancy for a male member from age 65 on post-retirement mortality table used to determine benefit obligations for:		
Current active and deferred members	**24.5**	24.3
Current pensioner members	**22.7**	22.6
Life expectancy for a female member from age 65 on post-retirement mortality table used to determine benefit obligations for:		
Current active and deferred members	**26.3**	26.2
Current pensioner members	**24.5**	24.4

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

(ii) Other required disclosure amounts	**€'000**
Contributions expected to be paid by the regulated entity in 2026	**8,486**

B Supplementary ex-gratia pension liability

This is a provision of €3,265,000 *(2024 €3,012,000)* for supplementary ex-gratia pension payments, up to age 65, outside of the AirNav Ireland pension schemes, to bridge the gap for certain employees who are eligible to retire between the ages of 60 and 65, however are not eligible for the state pension until they reach the state retirement age.

C The AirNav Ireland Defined Contribution Pension Schemes

During the year, AirNav Ireland operated two defined contribution schemes – "The AirNav Ireland Defined Contribution Pension Plan 2012" and "The AirNav Ireland Defined Contribution Plan 2023". Employees who joined from 1 January 2012 to 30 April 2023 are members of the 2012 Scheme. The Scheme was closed to new entrants from 30 April 2023. Employees who joined the Company from 1 May 2023 are members of the 2023 scheme. The pension charge represents the total contributions payable to the schemes and amounted to €1,360,974 *(2024: €867,728*) in the regulated entity.

Notes *(continued)*

16. Accounting estimates and judgements

Key sources of estimation uncertainty
The preparation of the regulated entity accounts requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the regulated entity accounts and the reported amounts of revenues and expenses during the reported period.

Estimates and judgements are based on historical experience and on other factors that are reasonable under current circumstances. Actual results may differ from these estimates if these assumptions prove to be incorrect or if conditions develop other than as assumed for the purposes of such estimates. The following is the critical area requiring estimates and judgements by management.

Pension assumptions
The valuation of the defined benefit pension schemes is a significant estimate in AirNav Ireland's regulated entity accounts. The directors have reviewed and assessed as reasonable the assumptions made by independent professional actuaries in assessing the fair value of the defined benefit pension schemes.

17. Approval of the Regulated Entity Accounts

The regulated entity accounts were approved by the directors on 25 June 2026.