MAPS 2018-1 Limited Group (Formerly AABS Group)

Directors' Report and
Consolidated Financial Statements

For the financial period from 1 January 2018 to 31 March 2019

Registered Company Number: 907141

Index to MAPS 2018-1 Limited Group Consolidated Non-Statutory Financial Statements

Consolidated non-statutory financial statements for the MAPS 2018-1 Group

Contents	*Page*
Directors and other information	2
Independent auditors' report	3-7
Statement of Directors' responsibilities	8
Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cashflows	12
Notes to the financial statements	13 – 35

Company definitions

MAPS 2018-1	MAPS 2018-1 Limited (formerly AABS Limited up to 19 April 2018), an exempted company organised under the laws of Bermuda and resident in Ireland for Irish tax purposes with its registered office located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
MAPS 2018-1 Group	MAPS 2018-1 Limited and its consolidated subsidiaries.
Period	The financial period ended 31 March 2019.

MAPS 2018-1 Group

Directors and other information

Directors	Gary Rothschild (American) (Resigned 20 April 2018) Keith MacDonald Lisa Hand Gerry Butler (Appointed 20 April 2018 - Resigned 4 December 2019) Michael Gannon (Appointed 4 December 2019)
Secretary	PAFS Ireland Ltd. (up to 15 May 2018) Unit J, Block 1 Shannon Business Park Shannon Co. Clare Ireland MFD Secretaries Limited (from 15 May 2018) 32 Molesworth Street Dublin 2 Ireland
Registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Company registration no:	907141
Independent auditor	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock North Wall Quay Dublin 1 Ireland
Solicitors	A&L Goodbody 28 North Wall Quay North Wall Dublin 1 Ireland
Group Definition "the Group"	 MAPS 2018-1 Limited and its consolidated subsidiaries.

Independent auditors' report to the directors of MAPS 2018-1 Limited

Report on the audit of the non-statutory financial statements

Opinion

In our opinion, MAPS 2018-1 Limited's group non-statutory financial statements (the "financial statements"):

- give a true and fair view of the group's assets, liabilities and financial position as at 31 March 2019 and of its loss and cash flows for the 15 month period (the "period") then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (IASB).

We have audited the financial statements which comprise:

- the Consolidated statement of financial position as at 31 March 2019;
- the Consolidated statement of profit or loss and comprehensive income for the period then ended;
- the Consolidated statement of cash flows for the period then ended;
- the Consolidated statement of changes in equity for the period then ended;
- the accounting policies; and
- the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

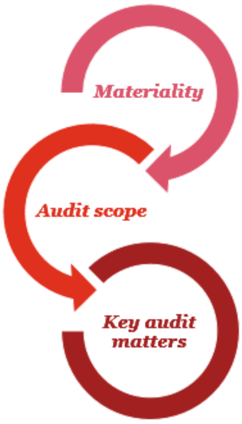
Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

Overview



Materiality

- $6,500,000 (2017: $10,300,000)
- Based on 1% of Total Assets (2017:2%).

Audit scope

- We have adopted a fully substantive audit approach to this engagement with no reliance on internal controls.

Key audit matters

- Impairment of aircraft.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Impairment of aircraft *Refer to accounting policy on page 12 and note 7 of financial statements.* Management performs an assessment on all aircraft held at year end to identify if there has been a trigger for impairment and calculate the resulting impairment charge. The assessment is carried out on an individual aircraft level and requires the exercise of judgement regarding inputs to future cash flow projections, including future lease rates and discount rates. The carrying value of aircraft on the balance sheet of the consolidated entity at year end is $612m with current year impairments of $3.8m.	We assessed the appropriateness of cash flow projections and challenged management's assumptions and inputs in the model such as the future lease rates, renewal assumptions, discount rates and residual values. We assessed the discount rate used by management by comparing these to independently calculated discount rates using market data for comparable companies. We considered the overall outcome by reference to publically available evidence from peer organisations and overall market information for comparable aircraft types. We assessed the adequacy of disclosures related to

Key audit matter	*How our audit addressed the key audit matter*
Based on the above we determined the impairment assessment to be a key audit matter as it is a significant and judgemental item within the financial statements.	impairment in the notes to the financial statements. Based on our procedures, we are satisfied the carrying value of the aircraft is reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The consolidated non-statutory financial statements include the results of MAPS 2018-1 and its subsidiaries. All intercompany profits, transactions and account balances are eliminated on consolidation.

The non-statutory consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The non-statutory consolidated financial statements are prepared under the historical cost convention.

Our work involved the audit of all material line items and balances within the financial statements. All work was performed centrally by PwC Dublin, Ireland. There was no involvement of component auditors.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	$6,500,000 (2017: $10,300,000).
How we determined it	1% of Total Assets.
Rationale for benchmark applied	Using our professional judgement, we have considered the focus by the users of the accounts on the value of the assets, the fact that the majority of the significant balances in the profit and loss account are influenced by the value of the assets, and the considerations set out in ISA 320 in determining materiality, we conclude that setting materiality based on a % of total assets in respect of the balance sheet financial statement line items is the most appropriate benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $328,000 (2017: $515,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Consolidated financial statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

pwc

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors as a body for purposes in accordance with our engagement letter and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. in accordance with our engagement letter dated 18 April 2019 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Other matter

We draw attention to the fact that these financial statements have not been prepared under section 293 of the Companies Act 2014 and are not the company's statutory financial statements.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Dublin
19th March 2020

MAPS 2018-1 Group

Statement of Directors' responsibilities

The Directors are responsible for preparing these non-statutory consolidated financial statements which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

The Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In preparing these non-statutory consolidated financial statements, the Directors:

- Select suitable accounting policies and apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State that the financial statements comply with IFRS as issued by the IASB; and
- Prepare the non-statutory consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board and authorised for issue on 18 March 2020.

Director
Michael Gannon

Director
Lisa Hand

MAPS 2018-1 Group

Consolidated statement of profit or loss and other comprehensive income
For the financial period from 1 January 2018 to 31 March 2019

	Note	**15 month period ended 31 March 2019**	**Year ended 31 December 2017**
		US$	**US$**
Lease revenue	*1*	96,390,562	66,917,870
Other income	*1*	3,295,211	426,606
Gain/(loss) on sale of aircraft	*1*	-	3,864,372
Debt forgiveness on re-financing	*1*	39,579,394	-
Depreciation and impairment	*7*	(48,430,190)	(30,228,168)
Gross profit		**90,834,977**	**40,980,680**
Operating expenses	*3*	(6,606,975)	(8,386,948)
Profit on ordinary activities before interest		**84,228,002**	**32,593,732**
Interest expense	*2*	(94,180,929)	(29,242,962)
(Loss)/profit on ordinary activities before taxation		**(9,952,927)**	**3,350,770**
Taxation on Loss/(profit) on ordinary activities	*5*	(211,879)	(1,947,055)
(Loss)/(profit) for the financial period/year		**(10,164,806)**	**1,403,715**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Total comprehensive (loss)/income for the period/year		**(10,164,806)**	**1,403,715**

The notes on pages 13 to 35 form an integral part of these financial statements.

MAPS 2018-1 Group

Consolidated statement of financial position
As at 31 March 2019

	Note	31 March 2019	31 December 2017
		US$	US$
Non-current assets			
Aircraft	*7*	612,881,679	468,529,285
Goodwill	*8*	2,494,276	-
Total non-current assets		615,375,955	468,529,285
Current assets			
Cash and cash equivalents	*10*	11,348,669	139,610
Restricted cash	*10*	29,596,796	44,717,975
Trade and other receivables	*11*	3,374,368	2,202,362
Total current assets		44,319,833	47,059,947
Total assets		**659,695,788**	**515,589,232**
Equity			
Share capital	*12*	10	10
Accumulated losses		(16,296,827)	(6,132,021)
Total shareholders' equity		(16,296,817)	(6,132,011)
Non-current liabilities			
Loans and borrowings	*14*	466,257,036	377,377,483
Deferred tax	*5*	3,897,655	2,843,154
Trade and other payables	*13*	185,007,473	125,975,676
Total non-current liabilities		655,162,164	506,196,313
Current liabilities			
Current tax payable		750	(10,642)
Trade and other payables	*13*	20,829,691	15,535,572
Total current liabilities		20,830,441	15,524,930
Total liabilities and equity		**659,695,788**	**515,589,232**

Signed on behalf of the board:

Michael Gannon
Director

Lisa Hand
Director

Date: 18 March 2020

The notes on pages 13 to 35 form an integral part of these financial statements.

MAPS 2018-1 Group

Consolidated statement of changes in equity
As at 31 March 2019

2019	**Share Capital**	**Accumulated losses**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1 January 2018	**10**	**(6,132,021)**	**(6,132,011)**
Loss for the period	-	(10,164,806)	(10,164,806)
Balance as at 31 March 2019	**10**	**(16,296,827)**	**(16,296,817)**

2017	**Share Capital**	**Accumulated losses**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1 January 2017	**10**	**(7,535,736)**	**(7,535,726)**
Profit for the year	-	1,403,715	**1,403,715**
Balance as at 31 December 2017	**10**	**(6,132,021)**	**(6,132,011)**

MAPS 2018-1 Group

Consolidated statement of cashflows
For the financial period from 1 January 2018 to 31 March 2019

	15 month Period ended 31 March 2019 US$	Year ended 31 December 2017 US$
Cash flows from operating activities		
Net (loss)/income for the period/year	(10,164,806)	1,403,715
Adjustments for:		
Depreciation	44,582,029	30,228,168
Impairment	3,848,161	-
Debt forgiveness	(39,579,394)	-
Interest Expense	94,180,929	29,242,962
(Decrease)/Increase in goodwill	(2,494,276)	-
(Decrease)/Increase in trade and other receivables	(1,172,006)	(1,815,588)
(Decrease)/Increase in accrued expenses and other liabilities	4,476,540	982,316
(Decrease)/Increase in deferred income	744,190	(147,599)
(Decrease)/Increase in maintenance reserves	43,112,915	17,440,636
(Decrease)/Increase in security deposits	971,000	(3,120,000)
Net cash inflows from operating activities	138,505,282	74,214,610
Cash flows from investing activities		
Movement in aircraft assets	(192,782,584)	16,102,178
Movement in restricted cash	15,121,179	(1,780,925)
Disposal of subsidiary	-	-
Net cash (outflow)/inflow from investing activities	(177,661,405)	14,321,253
Cash flows from financing activities		
Repayment of loans and borrowings	(388,468,898)	(67,093,072)
Issuance of loans and borrowings	462,726,061	-
Interest paid	(23,891,981)	(21,311,562)
Net cash inflow/(outflow) from financing activities	50,365,182	(88,404,634)
Net Increase in cash and equivalents	11,209,059	131,229
Cash and cash equivalents at the beginning of the period/year	139,610	8,381
Cash and cash equivalents at the end of the period/year	11,348,669	139,610

The notes on pages 13 to 35 form an integral part of these financial statements.

Notes to the financial statements
For the financial period from 1 January 2018 to 31 March 2019

Statement of accounting policies

Description of business

MAPS 2018-1 (formerly AABS Limited) is an exempted company organised under the laws of Bermuda which is managed and controlled through its board of Directors in Ireland. MAPS 2018-1 is resident in Ireland for tax purposes. MAPS 2018-1 has a single class of common equity shares, all of which is held by a Bermudan Trust for such purposes under Bermudan law as the trustee may select. MAPS 2018-1 was incorporated on 14 March 2012.

On January 10, 2013 MAPS 2018-1 issued Series A Loans and Series B Loans (collectively, the "Loans""), in the outstanding principal amounts of $557,010,000 and $93,335,000 respectively, in each case pursuant to the Credit Agreement. To secure repayment of the Loans, the Bermudan Trustee pledged its interest in the common shares to Deutsche Bank Trust Company Americas, as Security Trustee.

In addition, MAPS 2018-1 issued a Series M1 Certificate in the initial outstanding amount of $122,751,145 to Merx Aviation Finance Assets Ireland Limited and a Series M2 Certificate to the value of $35,000,000 to GE U.S. Equity Holdings, Inc. The M1 Certificate holder is entitled to receive 8.5% return per annum (minimum distribution amount) on the outstanding amount, distributed in accordance with the priority of payments as outlined in an Intercreditor Agreement. The activities of MAPS 2018-1 Group include the sale, procurement and leasing of aircraft together with associated support services.

AABS announced it changed its name to MAPS 2018-1 Limited (“the Company”), effective April 19, 2018 and refinanced its debt outstanding as of May 15, 2018. As part of the refinancing, existing Series A and Series B debt totalling $317,117,301 were redeemed and new Series A and Series B notes were issued for a total amount of $470,000,000. MAPS 2018-1 also issued Series C notes amounting to $36,500,000 and E Notes amounting to $20,365,000 to Merx Aviation Finance Assets Ireland Limited in exchange for its existing M1 Interest, M2 Interest and E Interest.

On July 2, 2018, MAPS 2018-1 Group acquired a 100% interest in the shares of Phoebus Aviation Ireland Limited and its subsidiary, Keos Aviation UK Limited using the proceeds from its refinancing on May 15, 2018. As a result of the acquisition of Phoebus Aviation Ireland Limited, MAPS 2018-1 Group acquired six additional aircraft. MAPS 2018-1 Group owned twenty five aircraft as of March 31, 2019 and the aircraft are on lease to sixteen airlines in twelve countries.

MAPS 2018-1 changed its financial year end from 31 December 2018 to 31 March 2019 to align its financial year end to that of its ultimate parent, Merx Aviation Finance, LLC. The financial statements of MAPS 2018-1 are prepared for the fifteen month period ended 31 March 2019, the comparative amounts in the financial statements cover the year ended 31 December 2017 and are thus not entirely comparable.

Basis of preparation

The non-statutory consolidated financial statements of the Group are prepared in accordance with IFRS as issued by the IASB. The non-statutory consolidated financial statements are prepared under the historical cost convention. Given that the obligations towards the note holders are limited to the net proceeds (after expenses) generated from the utilisation and sale of the aircraft and engine assets, the Directors have

Basis of preparation (continued)

concluded that it is appropriate to prepare the non-statutory consolidated financial statements on a going concern basis. The preparation of non-statutory consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects that financial year or in the financial year of the revision and future financial years if the revision affects both the current and future financial years. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated non-statutory financial statements include the results of MAPS 2018-1 Group. All intercompany profits, transactions and account balances are eliminated on consolidation.

Revenue recognition

Rental revenue from aircraft on operating lease is recognised as income as it accrues over the period of the lease. Where rentals are adjusted to reflect increases or decreases in prevailing interest rates such adjustments arc accounted for as they arise. Lease rentals received in advance are deferred and recognised over the period to which they relate. Revenue from aircraft trading transactions is recognised as income when the contract for sale or supply of the relevant aircraft is substantially completed and the risk of ownership of the equipment is transferred.

Interest

Interest income and expense are recognised on an effective interest rate basis. The effective interest rate is the rate that discounts estimated cash flows associated with the financial instrument through the life of the instrument, or where appropriate, a shorter period, to the net carrying amount.

Maintenance costs

The lessee has an obligation to pay for maintenance costs which arise during the term of the lease. In a large proportion of the lease contracts the lessee has the obligation to make a periodic payment of supplemental rent which is calculated with reference to the utilisation of airframes, engines and other major life-limited components during the lease. These supplemental rent rates are agreed in the terms of the lease contract. The supplemental rent collected is anticipated to cover maintenance costs when they arise. On the presentation of invoices and subsequent approval of the qualified maintenance expenditure, MAPS 2018-1 Group then has an obligation to contribute to the maintenance event. Supplemental rent will be recognised on receipt as a liability in the maintenance reserve. All amounts not refunded are recorded as lease revenue at lease termination. At the beginning of each new lease, accruals for lessor contributions representing net contractual obligations on the part of the Group to contribute to the lessee's cost of the next planned major

Maintenance costs (continued)

maintenance event, expected to occur during the lease, are established.

In other lease contracts, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear accepted) as when accepted under the lease, with reference to major life limited components of the aircraft. To the extent that such components arc re-delivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at delivery.

Taxation

Corporation tax is provided based on the taxable profits for the period. MAPS 2018-1 Group is subject to Irish corporation tax at a rate of 25%.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. A provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in years different from those in which they are recognised in the financial statements.

A deferred tax asset is recorded where it is more likely than not to be recoverable. The recoverability of deferred tax assets is assessed annually by the Directors.

Aircraft and depreciation

Aircraft are stated at cost less accumulated depreciation and are depreciated at rates calculated to write off the cost of the assets to their estimated residual value of 10%, on a straight line basis, over their estimated useful economic lives. The current estimate of useful economic life is 25 years.

Aircraft related expenditure, which enhances the value of the aircraft (including elements of heavy maintenance checks relating to pre-acquisition usage) is capitalised and depreciated at rates calculated to write off the cost of the assets, on a straight line basis, over their remaining estimated useful lives.

Additional depreciation is charged to reduce the carrying value of specific assets to the recoverable amount where impairment is considered to have occurred. An impairment review is carried out when there has been an indication of impairment, usually on the basis of independent market appraisals and indications of market demand. Where the recoverable amount is greater than the carrying value, no adjustment is made.

Recoverable amount is the higher of the net realisable value and value in use. Net realisable value is the amount at which an asset could be disposed of less any direct selling costs, and value in use is the present value of future cash flows expected to be obtainable as a result of an asset's continued use, including those from contracted lease rentals, assumed future leases (not yet contracted) and estimated ultimate disposal proceeds.

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and money market mutual funds which are fully liquid with an initial maturity of 3 months or less.

Foreign currencies

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The United States Dollar ("USD") is the currency that most closely reflects the economic effects of the underlying transactions, events and conditions. The consolidated financial statements will be presented in USD which is the functional and presentation currency of the Group. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Security deposits

Security deposits on leased aircraft are generally paid by the lessee on the execution of the lease and are non-refundable during the term of the lease. The amounts are held as security for the timely and faithful performance by the lessee of its obligations during the lease and are included on the Consolidated Statement of Financial Position. The deposit may be applied against amounts owing from the lessee for rent or returned to the lessee on the termination of the lease. The lease deposits are classified as financial liabilities initially measured at fair value and subsequently at amortised cost.

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses and goodwill is not amortised. Goodwill is tested annually for impairment. An impairment loss in respect of goodwill is not reversed.

Financial instruments

IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The Group has adopted IFRS 9 with the effect of initially applying this standard recognised at the date of initial application (i.e. January 2018). Accordingly, the information presented for 2017 has not been restated - i.e. it is presented as previously reported under IAS 39 and related interpretations.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivable and available for sale.

Classification hasn't changed for any financial instruments as a result of transition with the exception of trade and other receivables and cash. These were classified as loans and receivables under IAS 39 and are now classified at amortised cost.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments. As permitted by the transitional provisions of IFRS 9, the Group has found that there has been no impact on opening reserves, retained earnings and other

Financial instruments (continued)

carrying values. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

The new impairment model applies to financial assets measured at cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash.

Under IFRS 9, loss allowances are measured on ether of the following bases:

- 12 month ECLs; these are ECLs that result from possible default events within the 12 months after the reporting date; and

lifetime ECLs; these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- the lessor is unlikely to pay it's credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held): or
- the financial asset is more than 90 days past due. Impairment losses related to trade and other receivables are presented separately in the statement of profit or loss and OCI. The Group assessed its trade and other receivables balance at 31 March 2019 by comparing historical receivable loss patterns with current and future forecasted credit conditions and concluded that an impairment provision was not required.

In accordance with Section B5.5.55 of IFRS 9, security deposits received have been treated as credit enhancements and included in the measurement of the expected credit loss due to the credit enhancement being integral to the contractual terms of the lease and not being required under IFRS standards to be recognized separately.

Critical accounting estimates and judgments

The preparation of financial statements according to IFRS may require from the Directors, the use of estimates, assumptions and judgments, which influence the amounts included in the consolidated financial statements. The resulting accounting estimates, assumptions and judgments will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of material adjustment to carrying value of assets within the next financial year include depreciation (residual value), aircraft and engine valuation, maintenance reserves (estimation of level of maintenance reserves to be maintained) and recoverability of trade receivables.

- Aircraft and engine valuation

  As discussed in the accounting policy above, aircraft and engines are evaluated for impairment each reporting period or when there are indicators of impairment. This process involves the use of judgements and estimates. Estimates are utilised in determining the value in use and fair value.

  Specifically, MAPS 2018-1 Group estimates future lease cash flows, remaining useful lives of the aircraft, discount rate, residual value, redeployment costs and current and future fair values. The estimates and assumptions used are based on historical trends as well as future expectations. For some of these estimates, the Group utilises the services of independent valuation firms to determine the appropriate values.

  MAPS 2018-1 Group has utilised judgement in evaluating whether there are indicators of impairment. In this regard, management relies on legal factors, market conditions and the operational performance of the lease assets.

  In addition, MAPS 2018-1 Group has applied judgement in determining the residual value of aircraft and engines. The estimated residual values are based on estimates received from independent appraisers or management's view when supporting transaction data exists. Changes in global and regional economic and political conditions, government regulations, technological changes and other factors could cause us to revise the residual value assumptions. MAPS 2018-1 Group evaluates the appropriateness of these judgements and assessments each reporting period.

- Supplemental rent and maintenance reserves

  As described in the accounting policy above, the Group establishes the cost and timing of major maintenance events expected to occur during the life of the lease and accrues this as maintenance reserves over the life of the lease. The maintenance reserve estimate is based on quantitative and qualitative information including aircraft utilization, geographic area of operation, costs and timing of major maintenance events. Management periodically evaluates this and adjusts the accrual accordingly. The evaluation considers the costs and timing of any major maintenance events which occur during the financial year for the affected or similar aircraft types, lease activity and any other factors affecting the major maintenance events.

Adoption of new and amendment of accounting standards

(i) Effective for annual periods beginning 1 January 2018

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2017, except for the following new standards which were effective for the period ended 31 March 2019.

IFRS 15 Revenue from Contracts with Customers:

The IASB issues a new standard *IFRS 15 Revenue from Contracts with Customers* to enable users of financial statements to evaluate changes in liabilities arising from financing activities; they were effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. There has been no significant impact from the adoption of the standard on its financial position or performance for the Group.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments issued on 24 July 2014 is the IASB's replacement of IAS 39's *Financial Instruments: Recognition and Measurement*. The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. In line with IASB this standard has been adopted as at 1 January 2018 as per Statement of Accounting policies – Financial Instruments on page 16.

(ii) Standards, amendments or interpretations not yet adopted

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group is currently assessing the impact of these standards.

The Group has not applied the following new standards and amendments to standards that have been approved by the International Accounting Standards Board and which would be applicable to the Group with an effective date after the date of these financial statements:

Description	Effective date (period beginning)
IFRS 16: Leases	1 April 2019
Annual Improvements to IFRSs:2014-2016 Cycle-IFRS 1 & IAS 28	1 January 2019

The Directors have set out below the upcoming EU endorsed and un-endorsed accounting standards, amendments or interpretations.

(ii) Standards, amendments or interpretations not yet adopted (continued)

IFRS 16 Leases:

The changes under IFRS 16 are significant and will predominantly affect lessees, the accounting for which is substantially reformed. The lessor accounting requirements contained in IFRS 16's predecessor, IAS 17 will

Adoption of new and amendment of accounting standards (continued)

(ii) Standards, amendments or interpretations not yet adopted (continued)

remain largely unchanged. The main impact on the lessees is that almost all leases will go on the statement of financial position. This is because the statement of financial position distinction between operating and finance leases is removed for lessees. Instead, under IFRS 16, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions are short-term and low-value leases. The standard introduces new estimates and judgemental thresholds that affect the identification, classification and measurement of lease transactions. More extensive disclosures, both qualitative and quantitative, are also required. The Group expects no significant impact from the adoption of the standard due to its position as a lessor; however the needs and behaviors of the Group's customers will change as a result of IFRS 16 which may have a future impact on the re-negotiation of lease terms and conditions for the Group.

Annual Improvements to IFRSs 2014-2016 Cycle- IFRS 1 & IAS 28

The Group is still in the process of reviewing the impact of the annual improvement amendments to determine their impact but does not anticipate that the application of these amendments will have a significant impact on the Group's financial statements.

1 Turnover

An analysis of turnover by class of business is as follows:

	15 month period ended 31 March 2019	**Year ended 31 December 2017**
	US$	**US$**
Aircraft leasing – operating lease rental receivable	96,390,562	66,917,870
Other income	679,348	426,606
Gain/(loss) on sale of aircraft	-	3,864,372
Release of maintenance reserves	2,615,863	-
Debt forgiveness on re-financing	39,579,394	-
	139,265,167	71,208,848

Distribution of aircraft leasing revenues by geographic area

	15 month period ended 31 March 2019		**Year ended 31 December 2017**	
Region	**US$**	**%**	**US$**	**%**
Emerging Asia/Pacific	23,985,016	25%	21,790,487	32%
Developed North America	30,109,820	31%	16,918,013	25%
Emerging Europe and Africa/Middle East	31,604,535	33%	25,806,203	39%
Australia	4,929,025	5%	-	-
Bangladesh	5,762,166	6%	2,403,167	4%
	96,390,562		66,917,870	

Notes to the financial statements (continued)
For the financial period from 1 January 2018 to 31 March 2019

2 Interest expense

	15 month period ended 31 March 2019	Year ended 31 December 2017
	US$	US$
Interest expense on Series A (pre-refinancing)	4,750,728	14,074,955
Interest expense on Series B (pre-refinancing)	1,122,565	3,347,676
Interest expense on the M1 Interest (pre-refinancing)	387,715	2,518,364
Interest expense on the M2 Interest (pre-refinancing)	2,903,937	7,135,157
Interest expense on the E Certificate (pre-refinancing)	376,171	2,166,810
Interest expense on Series A (post re-financing)	14,784,318	-
Interest expense on Series B (post re-financing)	2,415,716	-
Interest expense on Series C (post re-financing)	1,925,663	-
Interest expense on the E Certificate (post re-financing)	64,972,564	-
Amortisation of deferred debt issuance costs and note discount	541,551	-
	94,180,929	29,242,962

3 Operating expenses

	15 month period ended 31 March 2019	Year ended 31 December 2017
	US$	US$
Servicer's and administrative agent's fees	3,141,369	1,958,372
Servicer termination fee	500,000	-
Legal and other professional fees	712,635	168,289
Trustee fees	82,161	42,072
Audit and audit related services	217,325	128,233
Liquidity facility fee	474,720	293,885
Maintenance and Repairs	774,157	5,114,013
Other overheads	704,608	682,084
	6,606,975	8,386,948

Notes to the financial statements (continued)
For the financial period from 1 January 2018 to 31 March 2019

4 Directors remuneration	**15 month period ended 31 March 2019 US$**	**Year ended 31 December 2017 US$**
Aggregate amount paid to or receivable by Directors in respect of qualifying services is broken down as:		
Fees	187,500	150,000
Other emoluments		
Cash/value of other assets under long term incentive schemes	-	-
	187,500	150,000

5 Tax on (loss)/profit on ordinary activities

Analysis of tax charge/ (credit) for the period/year	**15 month period ended 31 March 2019 US$**	**Year ended 31 December 2017 US$**
Current tax	250	(2,851)
Deferred tax	211,629	1,949,906
Total tax charge on (loss)/profit for the financial period/year	211,879	1,947,055

Factors affecting total tax (credit)/charge for the period/year

The reconciliation of the total tax charge on (loss)/profit on ordinary activities at the standard rate of Irish corporation tax to the Group's total tax charge is analysed as follows:

	15 month period ended 31 March 2019 US$	**Year ended 31 December 2017 US$**
(Loss)/profit on ordinary activities before tax	(9,952,927)	3,350,770
Tax based on standard rate of 25%	(2,488,232)	837,693
Temporary differences	2,700,111	1,109,362
Tax charge for the financial period/year	211,879	1,947,055

5 Tax on (loss)/profit on ordinary activities (continued)

The movements in the deferred tax balance were as follows:	15 month period ended 31 March 2019	Year ended 31 December 2017
	US$	US$
Opening deferred tax balance	2,843,154	893,248
Deferred tax charged to the profit and loss account	211,629	1,949,906
Acquisition of net deferred tax liability from newly acquired subsidiary	842,872	-
Deferred tax at 31 March 2019	3,897,655	2,843,154

The movements in the deferred tax balance were as follows:	15 month period ended 31 March 2019	Year ended 31 December 2017
	US$	US$
Capital allowances in excess of depreciation	45,942,128	35,472,394
Carry forward of losses as at 31 March 2019	(42,044,473)	(32,629,240)
Deferred tax at 31 March 2019	3,897,655	2,843,154

6 Employees

MAPS 2018-1 Group had no employees during the period (2017: nil).

7 Aircraft

	31 March 2019	31 December 2017
	Aircraft US$	Aircraft US$
Cost		
Opening balance at 1 January	614,942,586	642,047,643
Additions	374,312	4,262,492
Additions on the acquisition of subsidiary	224,203,607	-
Disposals	-	(31,367,549)
Closing balance	**839,520,505**	**614,942,586**
Depreciation		
Opening balance at 1 January	(146,413,301)	(127,188,012)
Charge for the period/year	(44,582,029)	(30,228,168)
Accumulated depreciation on acquisition of subsidiary	(31,795,335)	-
Impairment	(3,848,161)	-
Disposals	-	11,002,879
Closing balance	**(226,638,826)**	**(146,413,301)**
Net Book Value		
At beginning of period/year	468,529,285	514,859,631
At end of period/year	**612,881,679**	**468,529,285**

Notes to the financial statements (continued)
For the financial period from 1 January 2018 to 31 March 2019

7 Aircraft (continued)

As discussed in the statement of accounting policies, the Directors of MAPS 2018-1 Group undertake a review to determine whether an impairment provision is required in respect of MAPS 2018-1 Group's aircraft. During the period the Directors, in applying IAS *36 Impairment of Assets*, have determined that an impairment provision was required in respect of MSN 38021 for $3,848,161(2017: nil) to bring the aircrafts value down to its recoverable amount at 31 March 2019. In considering whether impairment exists the Directors used inputs for current market values from third party appraisers to assess current market value and to assess value-in-use and have estimated future cash flows from the asset discounted at a rate of 6% (2017: 5.8%). Aircraft are pledged as security for the Group's obligations under the loans.

8 Goodwill

	31 March 2019	31 December 2017
	US$	US$
At 1 January 2018		
Cost	-	-
Impairment	-	-
Net Book Value	**-**	**-**
Period ended 31 March 2019		
Opening Net Book Value	-	-
Additions	2,494,276	-
Impairment	-	-
Closing Net Book Value	**2,494,276**	**-**
At 31 March 2019		
Cost	2,494,276	-
Accumulated impairment losses	-	-
Net Book Value	**2,494,276**	**-**

MAPS 2018-1 recognised goodwill of $2,494,276 on its acquisition of 100% of the shares in Phoebus Aviation Ireland Limited on 2 July 2018. The goodwill recognised represents the difference between the purchase price of the shares of $1 and the separately identifiable net deficit of Phoebus Aviation Ireland Limited on 2 July 2018.

At each financial reporting date, the Group reviews the carrying amount of its goodwill to determine whether there is any indication of impairment under IAS *36 Impairment of Assets.* During the period the Directors, in applying IAS *36 Impairment of Assets*, have determined that an impairment provision was not required in respect of the goodwill recognized on the acquisition of Phoebus Aviation Ireland Limited.

Notes to the financial statements
For the financial period from 1 January 2018 to 31 March 2019

9 Subsidiary companies

MAPS 2018-1 had the following subsidiaries at 31 March 2019:

Name	Country of incorporation	Business	% of shares held
AABS Aviation 1 (Ireland) Limited	Ireland	Aircraft leasing and sub-leasing	100%
AABS Aviation 2 (Ireland) Limited	Ireland	Aircraft leasing and sub-leasing	100%
AABS Aviation 3 (Ireland) Limited	Ireland	Aircraft leasing and sub-leasing	100%
AABS (Bermuda) Limited	Bermuda	Aircraft leasing and sub-leasing	100%
AABS Aviation 1 (France) SARL	France	Aircraft leasing and sub-leasing	100%
AABS Aviation 2 (France) SARL	France	Aircraft leasing and sub-leasing	100%
AABS Netherlands B.V.	Netherlands	Aircraft leasing and sub-leasing	100%
Phoebus Aviation Ireland Limited	Ireland	Aircraft leasing and sub-leasing	100%
Keos Aviation UK Limited	United Kingdom	Aircraft leasing and sub-leasing	100%

On July 02, 2018, MAPS 2018-1 Group acquired the entire share capital of Phoebus Aviation Ireland Limited and its 100% subsidiary, Keos Aviation UK Limited.

10 Cash and cash equivalents	**31 March 2019**	**31 December 2017**
	US$	**US$**
Cash	11,348,669	139,610
Restricted cash	29,596,796	44,717,975
	40,945,465	44,857,585

Substantially all of the cash and cash equivalents of the MAPS 2018-1 Group at 31 March 2019 was held as restricted cash for specific purposes under the terms of the Intercreditor Agreement.

11 Trade and other receivables	**31 March 2019**	**31 December 2017**
	US$	**US$**
Prepayments	165,778	24,250
Amount owed from lessees	2,708,541	2,021,109
Other Assets	108,030	443
VAT Recoverable	392,019	156,560
	3,374,368	2,202,362

12 Share capital

	31 March 2019	**31 December 2017**
Authorised	**US$**	**US$**
10 ordinary shares of $1 each	10	10
Issued and unpaid		
10 ordinary shares of $1 each	10	10

13 Trade and other payables

Current	31 March 2019 US$	31 December 2017 US$
Deferred income	4,135,238	3,391,048
Debt placement costs	-	227,621
Maintenance reserves	10,808,673	9,156,029
Security deposits	1,038,000	1,050,000
Accrued expenses	3,917,275	857,925
Accrued interest on Series A, Series B and Series C Loans	930,505	682,068
Accrued interest on M1 Interest	-	170,881
	20,829,691	15,535,572

Non-current	31 March 2019 US$	31 December 2017 US$
Maintenance reserves	113,842,409	72,382,138
Security deposits	6,192,500	5,209,500
Accrued interest on M2 Interest	-	28,395,008
Accrued interest on E Certificate	64,972,564	19,989,030
	185,007,473	125,975,676

The lessees of the Group's aircraft have provided letters of credit totalling USD 8,720,571 (2017: USD 5,458,000) as security against their rental obligations under the lease agreements. There are no letters of credit in place as security against the maintenance reserve obligations of the Group's aircraft (2017: nil).

14 Loans and borrowings

(a) Principal

The Loans and Interests issued by MAPS 2018-1 on 10 February 2013 constitute direct obligations of MAPS 2018-1. In order to secure the repayment of the Loans and the payment and performance of all obligations of MAPS 2018-1 Group, MAPS 2018-1 Group entered into a Security Trust Agreement with the Security Trustee, Deutsche Bank Trust Company Americas, as regards Series A and Series B obligations and Wilmington Trust as regards the M1 and M2 Interests.

14 Loans and borrowings (continued)

(a) **Principal (continued)**

2019	**Nominal amount**	**Paydown to date**	**Note issuance discount**	**31 March 2019**
	US$	**US$**	**US$**	**US$**
Series A Loans	415,000,000	(29,257,500)	(13,764)	385,728,736
Series B Loans	55,000,000	(3,877,500)	(1,007)	51,121,493
Series C Loans	36,500,000	(4,781,500)	(648)	31,717,852
E Note	21,999,862	(16,537,548)	-	5,462,313
Debt issuance costs	-	-	-	(7,773,359)
	528,499,862	(54,454,048)	(15,418)	466,257,036

2017	**Nominal amount**	**Paydown to date**	**31 December 2017**
	US$	**US$**	**US$**
Series A Loans	557,010,000	(285,401,191)	271,608,809
Series B Loans	93,335,000	(47,826,508)	45,508,492
M1 Interest	122,751,145	(97,490,963)	25,260,182
M2 Interest	35,000,000	-	35,000,000
	808,096,145	(430,718,662)	377,377,483

MAPS 2018-1 re-financed its debt outstanding as of May 15, 2018. As part of the refinancing, existing Series A and Series B debt totalling $317,117,301 were redeemed and New Series A and Series B notes were issued for a total amount of $470,000,000. MAPS 2018-1 also issued Series C notes amounting to $36,500,000. MAPS 2018-1 also issued Series E notes amounting to $21,999,862 to Merx Aviation Finance Assets Ireland Limited that was crystallised from the existing accrued interest on the E Certificate at May 15, 2018.

14 Loans and Borrowings (continued)

(b) Interest

The Series A, Series B and Series C Loans bear interest at fixed rates as per the Credit Agreement - Series A Loans – 4.21%, Series B Loans – 5.19% and Series C Loans – 6.41%.

The E Certificate incorporates a profit sweep whereby the profit of the issuer is reduced to $10,000 per annum.

Unpaid M2 interest at May 15, 2018 of $31,433,929 was released to the SOCI as debt forgiveness on re-financing. Using the crystallised amount of the old M2 interest note payable and a portion of the M1 interest note payable, the remaining unpaid portion of the M1 interest note payable of $8,145,466 was released to the SOCI as debt forgiveness.

(c) Debt maturity

The repayment terms of the Series A Loans, Series B Loans, Series C Loans are such that certain principal amounts are expected to be repaid on certain dates based on certain assumptions made at the time of their issue (the "**Expected Final Payment Dates**") or refinanced through the issue of new loans by specified Expected Final Payment Dates but in any event are ultimately due for repayment on specified final maturity dates (the "**Final Maturity Dates**").

The Expected Final Payment Dates, Final Maturity Dates, Outstanding Principal Balance and interest rates applicable to each Series of Loans outstanding at 31 March 2019 are set out below:

Series of Loans	Interest Rate	31 March 2019	Final Maturity Date
		US$	
Series A	4.21%	385,728,736	15/05/2043
Series B	5.19%	51,121,493	15/05/2043
Series C	6.41%	31,717,852	15/08/2043
Series E	NA	5,462,313	15/05/2043

15 Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director of that entity. Key management personnel for MAPS 2018-1 are the board of Directors and Merx Aviation Finance Assets Ireland Limited.

MAPS 2018-1 Group considers Merx Aviation Finance Assets Limited and the board of Directors as related parties.

Merx Aviation has acted as Servicer to the MAPS 2018-1 Group since May 15, 2018 (GECAS previously acted as Servicer to the Group from January 10, 2013 to May 15, 2018). In addition to managing MAPS 2018-1 Group's aircraft, Merx Aviation manages aircraft owned by itself and other third parties. During the period MAPS 2018-1 had the following transactions with GECAS and Merx Aviation as Servicer:

Servicing fees	**31 March 2019**	**31 December 2017**
	US$	**US$**
Opening balance	269,492	129,988
Servicing fees (old servicer)	470,215	1,632,626
Servicer termination fee (old servicer)	500,000	-
Servicing fees (new servicer)	2,322,600	-
Payments	(3,562,307)	(1,493,122)
	-	269,492

Merx Aviation Finance Assets Limited is the E note holder at 31 March 2019. During the period the following repayments were made on the E Note:

The nominal amount at 31 March 2019 was $5,462,313; there was pay downs of $16,537,548 in the period ended 31 March 2019.

There were no other related party transactions during the period.

MAPS 2018-1 Group

Notes to the financial statements (continued)
For the financial period from 1 January 2018 to 31 March 2019

16 Lease commitments

MAPS 2018-1 Group had contracted to receive the following minimum cash lease rentals under the Aircraft Specific Lease Agreements entered into with the lessees:

	31 March 2019 US$	31 December 2017 US$
Less than one year	75,631,195	62,094,353
From one to two years	70,382,556	47,814,884
From two to three years	58,770,901	39,206,501
From three to four years	47,989,441	33,660,997
Thereafter	71,441,978	71,095,487
	324,216,071	253,872,222

17 Commitments and contingent liabilities

MAPS 2018-1 Group has no long-term contracts other than those with its service providers and lessees. MAPS 2018-1 Group has no contingent liabilities at 31 March 2019 (2017: nil).

18 Financial risk management

The Group has exposure to the following risks:

- Credit risk
- Market risk
- Liquidity risk
- Asset Risk

a) Credit risk

Credit risk is the risk of financial loss to the MAPS 2018-1 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

MAPS 2018-1 Group operates as a supplier to airlines. The airline industry is cyclical, economically sensitive and highly competitive. MAPS 2018-1 Group's ability to succeed is dependent on the financial strength of the airlines it leases to and their ability to react to and cope with the volatile competitive environment in which they operate. If a contracted lessee experiences financial difficulties this may result in defaults or the early termination of the lease. The Directors mitigate this risk by collecting deposits and/or maintenance reserves, putting in place appropriate settlement conditions in the event of default or early termination of the lease by the Lessees, as detailed in the lease agreements. MAPS 2018-1 Group monitors the performance of the Lessees on an ongoing basis.

MAPS 2018-1 Group manages its exposure to credit risk by placing all cash with Deutsche Bank, AIB and BNP Paribas, all recognised financial institutions. At period end a total of US$ 40.1 million was held in bank accounts with Deutsche Bank

18 Financial risk management (continued)

a) Credit risk (continued)

The S&P credit ratings of Deutsche Bank are as follows:

Long Term BBB+
Short Term A-2

The maximum exposure of the Group's financial assets to credit risk is US$ 44.3 million.

	31 March 2019	31 December 2017
	US$	US$
Cash and cash equivalents	11,348,669	139,610
Rental receivables	1,359,951	574,963
Supplemental rent receivables	1,348,590	80,839
Other lessee receivables	-	1,356,307
Other receivables	665,827	-
Restricted cash	29,596,796	44,717,975
	44,319,833	46,869,694

The above balances are presented exclusive of the security deposits which may be held.

b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect MAPS 2018-1 Group's income or the value of its holding of financial instruments.

MAPS 2018-1 Group is highly dependent upon the continuing financial strength of the commercial airline industry. A significant deterioration in this sector could adversely affect MAPS 2018-1 Group through a reduced demand for aircraft and/or reduced market rates, higher incidences of lessee default and engines on the ground all of which may require that the carrying value of the aircraft to be materially reduced.

Currency risk

The functional currency of the industry is predominantly USD. MAPS 2018-1 Group manages its exposure to currency risk by effectively matching its lease revenue and its loan expenses to the functional currency.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. MAPS 2018-1 Group manages its exposure to currency risk by effectively matching its foreign currency assets and liabilities.

MAPS 2018-1 Group's exposure to currency risk as at 31 March 2019 is not significant.

18 Financial risk management (continued)

b) Market risk (continued)

Interest rate risk

The Group manages its exposure to interest rate risk by fixing the rate of interest on its financial liabilities (Series A, Series B and Series C).

The Group's exposure to interest rate risk as at 31 March 2019 is not considered material as the Group had no variable rate interest financial instruments at financial period end.

c) Liquidity risk

Liquidity risk is the risk that MAPS 2018-1 Group will not be able to meet its financial obligations as they fall due. MAPS 2018-1 Group's approach in managing liquidity is to seek to match the cash inflows on lease receivables with the cash outflows on loan payables.

MAPS 2018-1 Group is funding a significant part of its operations with debt financing. The ability of MAPS 2018-1 Group to continue in operation will be dependent upon its continued adherence to its payment obligations and other covenant requirements under the respective loan agreements, which are dependent upon the factors outlined above. Set out below is a table outlining the expected maturities of all financial liabilities of the Group as at 31 March, 2019.

The loans constitute direct, limited recourse obligations of the MAPS 2018-1 Group.

The table below shows the undiscounted cash flows of the Groups' financial liabilities as at 31 March 2019.

2019 Financial Liabilities	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**> than 5 years**	**Total contractual cash flows**	**Total carrying value**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Loans payable*	40,685,798	40,738,273	122,064,694	262,768,271	466,257,036	466,257,036
Security deposits	1,038,000	-	4,686,000	1,506,500	7,230,500	7,230,500
Maintenance reserves	10,808,673	-	86,964,994	26,877,415	124,651,082	124,651,082
Loan interest payable	930,505	-	-	64,972,564	65,903,070	65,903,070
Trade payables and accrued expenses	3,917,275	-	-	-	3,917,275	3,917,275
Total	57,380,251	40,738,273	213,715,688	356,124,750	667,958,963	667,958,963

18 Financial risk management (continued)

c) Liquidity risk (continued)

2017 Financial Liabilities	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**> than 5 years**	**Total contractual cash flows**	**Total carrying value**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Loans payable*	29,073,912	29,073,912	87,221,737	232,007,922	377,377,483	377,377,483
Security deposits	1,050,000	1,050,000	1,846,500	2,313,000	6,259,500	6,259,500
Maintenance reserves	9,156,029	28,106,270	20,325,814	23,950,054	81,538,167	81,538,167
Loan interest payable	852,949	-	-	48,384,038	49,236,987	49,236,987
Trade payables and accrued expenses	1,085,546	-	-	-	1,085,546	1,085,546
Total	41,218,436	58,230,182	109,394,051	306,655,014	515,497,683	515,497,683

* 2019: Contractual cash consisting of principal on the Series A Loans, Series B Loans, Series C Loans and E notes (2017: Series A loans, Series B loans, M1 Interest and M2 (2017).

Credit Facilities:

On 10 January 2013 AABS entered into a revolving liquidity facility agreement to provide additional funds for the payment of certain liabilities if and to the extent that insufficient funds are available in the form of periodic revenues. A new revolving liquidity facility agreement was entered into on May 15, 2018 and the previous liquidity facility agreement was terminated on the same date.

Under the terms of the Credit Facility Agreement, Credit Agricole (the Liquidity Provider) has provided a credit facility to MAPS 2018-1 of up to US$15.2 million which may be drawn upon, subject to certain conditions, to pay interest on the Series A and Series B Loans. Upon each drawing under the Credit Facility, MAPS 2018-1 will be required to reimburse the Credit Facility Provider for the amount of such drawing in accordance with the priority of payments specified in the Intercreditor Agreement. No amount was drawn on the liquidity facility at the period end.

d) Asset Risk

Asset risk is the risk of deterioration in the underlying value of the aircraft. The Director's look to mitigate this risk by collecting maintenance reserves and/or collecting security deposits/letters of credit where appropriate.

MAPS 2018-1 Group bears the risk of re-leasing or selling the aircraft at the end of its lease term. If demand for aircraft decreases or the average fleet age increases or market lease rates decrease, this could affect market value. Should this condition continue for an extended period, it could affect the market value of the aircraft and may result in an impairment charge in accordance with IAS 36, *Impairment of Assets*.

19 Fair value estimation

Under IFRS 13, *Fair Value Measurement*, the fair value of a financial asset and liability is the amount at which it could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced sale or liquidation.

The carrying value of cash and cash equivalents, restricted cash balances, trade receivables and trade payables are assumed to approximate their fair values.

MAPS 2018-1 Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

2019	**Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Assets	**US$**	**US$**	**US$**	**US$**
Trade and other receivables	-	3,374,368	-	3,374,368
Cash and cash equivalents	-	11,348,669	-	11,348,669
Restricted cash	-	29,596,796	-	29,596,796
Total	-	44,319,833	-	44,319,833

2019	**Fair Value**			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Liabilities	**US$**	**US$**	**US$**	**US$**
Loans and borrowings	-	466,257,036	-	466,257,036
Security deposits	-	7,230,500	-	7,230,500
Maintenance reserves	-	124,651,082	-	124,651,082
Accrued interest	-	65,903,070	-	65,903,070
Other payables	-	3,917,275	-	3,917,275
Total	-	667,958,963	-	667,958,963

19 Fair value estimation (continued)

2017	Fair Value			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Assets	**US$**	**US$**	**US$**	**US$**
Trade and other receivables	-	2,202,362	-	2,202,362
Cash and cash equivalents	-	139,610	-	139,610
Restricted cash	-	44,717,975	-	44,717,975
Total	-	47,059,947	-	47,059,947

2017	Fair Value			
	Level 1	**Level 2**	**Level 3**	**Carrying Amount**
Financial Liabilities	**US$**	**US$**	**US$**	**US$**
Loans and borrowings	-	377,377,483	-	377,377,483
Security deposits	-	6,259,500	-	6,259,500
Maintenance reserves	-	81,538,167	-	81,538,167
Accrued interest	-	49,236,987	-	49,236,987
Other payables	-	1,085,546	-	1,085,846
Total	-	515,497,683	-	515,497,683

20 Subsequent events

On 10 April 2019, MSN 3024 was leased to Germania Flug AG, a Swiss airline that was formerly affiliated with Germania Fluggesellschaft mbH. It is now under entirely separate ownership and was not subject to Germania Fluggesellschaft mbH's insolvency proceedings. Germania Flug is now operating under the new brand name Chair Airlines. The lease agreement relating to MSN 36822 with Royal Air Maroc was extended in June 2019. The Directors note that the Covid-19 outbreak may impact the operations of the Group. However, the lessees have committed to lease agreements which guarantees cash flow for the medium term. The Directors will continue to monitor the impact of the outbreak on the activities of the Group.

There were no other significant events after the Balance Sheet date affecting the Group

21 Approval of financial statements

The Directors of MAPS 2018-1 Group approved the financial statements on 18 March 2020.