



COBALTAIR LTD (in liquidation)

(the “Company”)

7th annual report of the Company’s liquidator to its creditors and shareholder, covering the period from 19th Dec 2024 to 18th Dec 2025

Nicosia, 13th May 2026

Stephanos Michaelides
Grant Thornton (Cyprus) Limited
Liquidator

Contents

1. Executive Summary	3
2. Progress to date	4
2.1. Strategy and progress to date	4
2.2. Asset realisations	4
2.3. Costs	4
3. Significant legal cases	5
3.1. Claims by the Company	5
3.2. Summary of other significant pending claims	5
3.3. Claims against the Company	5
4. Creditor claims	6
4.1. Secured creditors	6
4.2. Preferential creditors	6
4.3. Unsecured creditors	6
5. Liquidator's remuneration	7
6. Future strategy	8
Appendix A – Receipts and Payments account (€000s)	9
Appendix B – Committee of Inspection	10

1. Executive Summary

This progress report is prepared and presented pursuant to article 282(1) of Cyprus Companies Law Cap 113 and covers the period from the last report (19th December 2024) to 18th December 2025.

This progress report should be read in conjunction with our previous progress reports issued, which can be found at <https://cobalt.aero/>.

Assets	Total realisations to date amount to €7.732k. See section 2 and the Receipts and Payments account in Appendix A for details.
Liabilities	Total claims received (since appointment) from creditors (suppliers, travel agents and individuals) amount to €139.203k (including €7k of preferential creditors). See section 4 for details.
Legal cases	<ul style="list-style-type: none">• The Company's pre-liquidation claim against TradeAir was dismissed. Following legal advice, we have proceeded with an appeal against the decision.• The Company won the lawsuit in Greece against Swissport Greece, with the Court ruling in its favor. Swissport have appealed the decision.• The appeal filed by the Company in relation to the prohibition of flights over Turkish airspace is ongoing.• The appeal filed by the Company regarding the revocation of its operating license is ongoing.• The Company has filed an appeal before the Administrative Court against a fine related to CO₂ emissions. The case is ongoing.• The Company's claim against APG Inc and APG DS in the arbitration proceedings in France has been accepted to a limited extent. See section 3 for more details.
Liquidation costs	Total liquidation costs for the period amounted to €102k, of which €44k represent fees paid to the liquidator. See section 2.3 for more details.
Interim dividend	No interim dividend has been declared in the period under review. See section 6 for more details
Receipts and payments	Appendix A includes details of the Receipts and Payments of the liquidation for the period from 19 th December 2024 to 18 th December 2025 (along with cumulative comparatives).

2. Progress to date

2.1. Strategy and progress to date

Our focus continues to be on realising the Company's remaining assets (including collecting outstanding book debts), defending and pursuing legal claims, and progressing the Company's tax affairs and other statutory duties.

2.2. Asset realisations

Realisations during the period covered by this report are set out in the Receipts and Payments schedule in Appendix A. Main points arising:

Cash at bank	Balances held in the liquidation bank accounts as at 18 th December 2025 amounted to €4.708k. The liquidator has allocated funds in fixed deposits and money market funds for better returns and risk diversification.
Book debts and deposits	The collections for the period under review amounted to €10k. Where deemed appropriate, we will continue to pursue remaining balances owed to the Company.

2.3. Costs

Costs incurred during the current period are set out in the Receipts and Payments account (Appendix A).

Legal fees and Legal disbursements	We have paid approx. €36k in legal fees for the period
IT costs	We made payments of approx. €5k to IT suppliers for the ongoing service of the Company's IT infrastructure.

3. Significant legal cases

3.1. Claims by the Company

The status of claims made by the Company are as follows:

TradeAir	This case was commenced before Austrian courts prior to our appointment. On 9 th August 2025, our legal advisors informed us that our claim was dismissed by the Court and Cobalt was ordered to reimburse the opposing party for the statutory legal costs in the amount of ~€57k. Following consultation with our legal advisors, we proceeded with an appeal in September 2025. The case is ongoing.
Swissport Greece	The Court rejected Swissport Greece's appeal and ruled in Cobalt's favour, awarding Cobalt the majority of our claim. In June 2025 our legal advisors informed us that Swissport proceeded with filing an application for appeal. The hearing is scheduled for 21 st September 2026.
APG Inc/APG DS	The arbitration proceedings initiated by the Company for the recovery of US\$116k in relation to utilised tickets has been concluded. The Company's claim was successful only to a limited extent. Specifically, APG was ordered to pay the Company an amount of ~US\$8k.

3.2. Summary of other significant pending claims

Turkish overflight claim	The appeal filed by the Company has been set for directions on 21 st May 2026.
Cancellation of the Company's operating/commercial license	The Court issued its judgement on 5 th December 2024 dismissing the administrative appeal. On 16 th January 2025 we filed an appeal before the Court of Appeal to set aside the judgement. We are awaiting the date for scheduling the case.

3.3. Claims against the Company

Claim for CO₂ emissions

We have submitted an administrative appeal disputing a decision of the Ministry of Agriculture to impose an administrative fine of ~€10.835k. The Court dismissed the appeal, and we have filed a new appeal to set aside the previous decision of the Court. We are waiting from the Register to set a hearing date for the case.

4. Creditor claims

4.1. Secured creditors

The Company has no secured creditors, with reservation as to the alleged right of lien raised by CAS Cyprus Aerotechnical Services Ltd over a stock of spares (see section 2.2 of the first annual report), which is the subject of an ongoing Court case.

4.2. Preferential creditors

Preferential creditors totalling €7k have been settled.

4.3. Unsecured creditors

We have received a total of 481 claims from unsecured creditors, totalling €139.196k.

Work to reconcile remaining creditor claims is ongoing.

5. Liquidator's remuneration

Liquidation costs invoiced for the period from 19th December 2024 to 18th December 2025 amounted to €44k. Our fees are approved by the Committee of Inspection. The members of the Committee of Inspection are presented in Appendix B.

6. Future strategy

We will continue to manage the affairs and the property of the Company in order to achieve the best outcome for the creditors. This includes, inter alia, the following tasks:

- ❖ Continue to chase debtors for collections and, where necessary, take legal measures to collect outstanding book debts
- ❖ Pursue and (where deemed appropriate) defend legal claims
- ❖ Review remaining unreconciled claims from creditors
- ❖ Comply with ongoing tax and VAT requirements
- ❖ Comply with ongoing statutory and reporting obligations

Dividend payment

To date, no decision has been made regarding the payment of an interim dividend. However, the matter is currently under review. Once a decision is made, the Company's creditors and the Committee of Inspection will be duly informed.

Note: In order to ensure that our records remain accurate and up to date, and to facilitate any future distributions to creditors, we kindly request that you provide the following information:

- Confirmation of Creditor contact details
- Where the creditor is a legal person, group structure (chart indicating the ownership chain up to the Ultimate Beneficial Owner)
- Bank details (IBAN certificate)

Appendix A – Receipts and Payments account (€000s)

		For the period under review (19/12/2024 – 18/12/2025)	Cumulative, since appointment (19/12/2018 – 18/12/2025)
Receipts			
	Sale of Furniture and Equipment	0	108
	Sale of spare parts*	-16	132
	ACG/Wells Fargo – Settlement*	-91	781
	Collection of Book Debts / deposits*	-67	3.403
	Airport Incentives	0	460
	Other interest income	0	230
	Bank interest income	18	46
	Unrealized profit/loss – Money Market Fund*	102	114
	VAT refund (pre-appointment)	0	480
	Unblocking of amounts at Bank*	-77	1.978
	TOTAL	-131	7.732
Payments			
	Professional fees	0	195
	Ransom payments	0	100
	Liquidator's fees	44	1.210
	Liquidator's expenses	1	22
	Legal fees – local	17	311
	Legal fees – overseas*	19	463
	Legal fees – disbursements*	-2	129
	IT costs	5	30
	Storage costs	1	22
	Wages & salaries	0	131
	PAYE & SIC	0	41
	Bank charges	2	7
	Rent	0	11
	Utilities and taxes	2	52
	VAT	13	300
	TOTAL	102	3.024
	Amount in hand		4.708

*The change includes foreign exchange differences

Appendix B – Committee of Inspection

The Committee of Inspection consists of the following members:

<i>Name</i>	<i>Appointment date</i>	<i>Resignation date</i>
Patrick Thomas Carroll	19 th December 2018	-
Demetris Phellas	19 th December 2018	-
Gregory Diacou	19 th December 2018	14 February 2024
Stavros Photiou	19 th December 2018	-
Antonia Constantinou	21 st March 2024	-

During the period from 19th December 2024 to 18th December 2025, a written report regarding the progress of the liquidation was circulated to the Committee on the following dates:

- 16th July 2025
- 22nd September 2025
- 19th December 2025