

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
--	---	---

Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☒ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☒ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 06/06/2020
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) WESTERN GLOBAL AIRLINES 9260 ESTERO PARK COMMONS BLVD SUITE 200 ESTERO, FL 33928
2b	Employer Identification Number (EIN) 30-0769265
2c	Plan Sponsor's telephone number 941-907-6810
2d	Business code (see instructions) 481000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	01/23/2026	TOM ROMNIOS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 408
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 279 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g(1) 407 6g(2) 0 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2I 2P

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☐ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning <u>01/01/2023</u> and ending <u>12/31/2023</u>		
A Name of plan <u>WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WESTERN GLOBAL AIRLINES</u>		
		D Employer Identification Number (EIN) <u>30-0769265</u>

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	<u>0</u>	<u>0</u>
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	<u>0</u>	<u>0</u>
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	43440000	0
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	43440000	0
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	400335688	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	400335688	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	-356895688	0

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-43440000	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		404445801
d Total income. Add all income amounts in column (b) and enter total	2d		361005801

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		4110113
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		4110113

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		356895688
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BERKOWITZ POLLACK BRANT ADVISORS**

(2) EIN: **59-2742314**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☒		
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2023 This Form is Open to Public Inspection.	
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023					
A Name of plan WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN				B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN GLOBAL AIRLINES				D Employer Identification Number (EIN) 30-0769265	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☒ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☒ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☒ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☒ Yes ☐ No					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2023 v. 230707	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
----------------	---

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b):	
a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%	
b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.	
a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No	
b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:	
☐ Yes.	
☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.	
☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.	
☐ No. Other. Provide explanation. _____	

Part VII	IRS Compliance Questions
-----------------	---------------------------------

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No	
21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).	
☐ Design-based safe harbor method	
☐ "Prior year" ADP test	
☐ "Current year" ADP test	
☒ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.	

Western Global Airlines, Inc.
Employee Stock Ownership Plan

Financial Statements

December 31, 2023 and 2022

**Berkowitz
Pollack
Brant** Advisors
+CPAs



WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

December 31, 2023 and 2022

INDEX TO FINANCIAL STATEMENTS

	<u>Page(s)</u>
Independent Auditor's Report	2-4
Statements of Net Assets (Deficit) Available for Benefits as of December 31, 2023 (In Liquidation) and December 31, 2022 (Ongoing)	5
Statement of Changes in Net Assets (Deficit) Available for Benefits (In Liquidation) for the year ended December 31, 2023.....	6
Notes to Financial Statements	7-19
Supplementary Information.....	20
Schedule H, line 4i - Schedule of Assets in Liquidation (Held at End of Year) as of December 31, 2023.....	21

INDEPENDENT AUDITOR'S REPORT

To the Plan Committee and Plan Participants of
the Western Global Airlines, Inc. Employee Stock Ownership Plan

Opinion

We have audited the accompanying financial statements of Western Global Airlines, Inc. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2023 (in liquidation) and December 31, 2022 (ongoing), and the related statement of changes in net assets (deficit) available for benefits (in liquidation) for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2023 (in liquidation) and December 31, 2022 (ongoing), and the changes in its net assets (deficit) available for benefits (in liquidation) for the year ended December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Plan Termination and Liquidation Basis of Accounting

As discussed in Note A to the financial statements, the governing body of the Plan approved a plan of liquidation on December 4, 2023, and management determined liquidation is imminent as of December 4, 2023. As a result, the Plan has changed its basis of accounting from the going concern basis used in presenting the 2022 financial statements to the liquidation basis used in presenting the 2023 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of Schedule H, line 4i - Schedule of Assets in Liquidation (Held at End of Year) as of December 31, 2023 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in cursive script, reading "Berkowitz Pollack Brant".

Miami, Florida
January 22, 2026

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2023 (IN LIQUIDATION) AND DECEMBER 31, 2022 (ONGOING)

	December 31, 2023 (In Liquidation)			December 31, 2022 (Ongoing)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investments, at fair value:						
Common stock	\$ -	\$ -	\$ -	\$ 8,504,892	\$ 34,935,108	\$ 43,440,000
TOTAL ASSETS	-	-	-	8,504,892	34,935,108	43,440,000
LIABILITIES:						
Note payable	-	-	-	-	400,335,688	400,335,688
Total liabilities	-	-	-	-	400,335,688	400,335,688
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	\$ -	\$ -	\$ -	\$ 8,504,892	\$ (365,400,580)	\$ (356,895,688)

See accompanying notes to financial statements.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS (IN LIQUIDATION)

Year Ended December 31, 2023

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS (REDUCTIONS):			
Investment loss:			
Net depreciation in fair value of investments	\$ (8,504,892)	\$ (34,935,108)	\$ (43,440,000)
Total investment loss	<u>(8,504,892)</u>	<u>(34,935,108)</u>	<u>(43,440,000)</u>
Gain on loan extinguishment	<u>-</u>	<u>404,445,801</u>	<u>404,445,801</u>
TOTAL ADDITIONS (REDUCTIONS), NET	<u>(8,504,892)</u>	<u>369,510,693</u>	<u>361,005,801</u>
DEDUCTIONS:			
Interest expense	<u>-</u>	<u>4,110,113</u>	<u>4,110,113</u>
TOTAL DEDUCTIONS	<u>-</u>	<u>4,110,113</u>	<u>4,110,113</u>
NET INCREASE (DECREASE)	(8,504,892)	365,400,580	356,895,688
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS:			
BEGINNING OF YEAR (ONGOING)	<u>8,504,892</u>	<u>(365,400,580)</u>	<u>(356,895,688)</u>
END OF YEAR (IN LIQUIDATION)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A--DESCRIPTION OF PLAN

The following description of the Western Global Airlines, Inc. Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General: Western Global Airlines, Inc. ("WGA Inc.") established the Plan effective June 6, 2020, and the Plan has been amended since that date. The Plan operated as a leveraged employee stock ownership plan ("ESOP") and was designed to comply with Section 4975(e)(7) of the Internal Revenue Code ("IRC") of 1986, as amended, and was subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan was administered by the Plan Committee (the "Committee"). An independent third-party individual is the Plan's trustee ("Trustee"), as selected by the Trustee Selection Committee, and Plan assets are held in a trust.

On October 23, 2020, the Plan purchased 375,000 Class B shares of WGA Inc. voting common stock from the shareholders, using funds from an internal loan provided by WGA Inc., and holds the stock in a trust established under the Plan ("ESOP Trust"). The note payable was to be repaid by contributions to the ESOP Trust; as such, there was no net cost to the ESOP Trust or its participants. As the Plan made each payment of principal and interest, an appropriate percentage of stock was allocated to employees' accounts in accordance with the applicable regulations under the IRC. The borrowings were collateralized by the unallocated shares held by the Plan. WGA Inc. does not have any interest or rights in such shares once they are allocated to participant accounts under the ESOP. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to vested and non-vested shares not yet allocated (unallocated) to employees.

On February 1, 2021, a contribution agreement was entered into between WGA Inc., its shareholders, and Western Global Airlines Holdings, Inc. ("WGA Holdings"), a newly formed corporation in the state of Delaware. Pursuant to the agreement, the shareholders of WGA Inc., including the ESOP Trust, contributed their shares in WGA Inc. to WGA Holdings. In consideration for the contribution by the shareholders, WGA Holdings issued Class A and Class B common stock to its shareholders. As a result of this exchange, the ESOP Trust owns 375,000 shares of Class B voting common stock in WGA Holdings. The business purpose of WGA Holdings is to own 100% of WGA Inc. WGA Holdings and its wholly-owned subsidiary, WGA Inc., are herein after referred to collectively as the "Company".

Effective January 1, 2022, the Plan was amended to allow, among other revisions, participants to enter the Plan as of the first day of the month immediately following the date in which the participant completes 1,000 hours of service during an applicable 12-month period and attains age 21. Also effective on this date, the Plan was amended to restrict to no

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE A--DESCRIPTION OF PLAN--Continued

General--Continued: more than one third, the allocation of employer contributions deductible under Section 4049(a)(9) of the IRC to highly compensated employees.

In August 2023, the WGA Inc. filed for Chapter 11 bankruptcy. The U.S. Bankruptcy Court for the District of Delaware approved WGA Inc.'s reorganization plan on November 21, 2023. On December 4, 2023, in accordance with the order confirming the plan of reorganization, a Plan termination amendment was adopted by the Company, terminating the Plan effective December 4, 2023 (the "Termination") (Note N). Pursuant to the Plan amendment, as of the termination date, no new participants shall enter the Plan, each participant account with an accrued benefit under the Plan shall be fully vested, no new contributions shall be made under the Plan, and all administrative expenses of the Plan's termination shall be paid by the Company. At Termination, the outstanding balance of the note payable and related accrued interest became due and payable in full. Because the Plan had no funds to repay these outstanding obligations, and the Company's obligation to fund the Plan was terminated, the Company transferred all unallocated shares of WGA Holdings to itself and the note payable and pledge were cancelled.

Eligibility: Prior to the Termination, covered employees of the Company, as defined, as of June 6, 2020, were immediately eligible to participate in the Plan. Covered employees who were not immediately eligible to participate in the Plan, became eligible to participate after completing one year of service, which is defined in the Plan document as completing 1,000 hours of service during an applicable 12-month period. Effective January 1, 2022, participants could enter the Plan as of the first day of the month immediately following the date in which the participant completed one year of service and attained age 21. Ineligible employees included leased, non-resident aliens, covered by a collective bargaining agreement, or non-U.S. payrolls. Participants who did not have 1,000 hours of service during the Plan year were generally not eligible for an allocation of Company contributions for such year.

Contributions: Prior to the Termination, the Company was allowed to contribute to the Plan an amount determined by its Board of Directors paid in cash and/or in shares of Company stock. The Company was obligated to make contributions to the Plan, which, when aggregated, equaled the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its note payable (Note E). Participants were not permitted to make contributions to the Plan. Contributions were subject to certain limitations.

Dividends: To the extent that dividends were not used by the Plan for debt service, cash dividends, if any, on shares of Company stock allocated to Participants' accounts could be accumulated in the Trust or could be paid to Participants as determined at the sole discretion of the Committee.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE A--DESCRIPTION OF PLAN--Continued

Participant Accounts: A separate account was maintained for each participant and each participant's account consisted of an "ESOP Stock Account" and an "Other Investments Account". The accounts were credited with an allocation of Company contributions, Plan earnings, and charged with an allocation of expenses, if any. Only those participants who were eligible employees of the Company received the allocation of contributions.

Effective January 1, 2022, no more than one third of the employer contributions deductible under Section 4049(a)(9) of the IRC could be allocated to highly compensated employees. Cash dividends were allocated in accordance with the Plan document. Company contributions were allocated in proportion to each participant's compensation compared with the total compensation of all participants as defined in the Plan document. Plan investment income (loss) and expenses were allocated to each participant's account based on the ratio of each participant's account balance as it bore to total participant account balances as of the last day of each Plan year.

Voting Rights: Except as described in the next sentence, the Trustee voted all Company stock held by it as part of the Plan assets in accordance with the Trust Agreement. Each participant was entitled to direct the Trustee attributable to the shares allocated to his or her account with regard to a merger or consolidation, recapitalization, reclassification, liquidation, dissolution or sale of substantially all of the assets of the Company. In accordance with the Trust Agreement, the Trustee could vote any unallocated shares held by the ESOP Trust, as well as any allocated shares for which a participant had failed to give timely voting direction.

Put Options: In accordance with U.S. federal income tax laws, any Company stock distributed to a participant from the Plan while the Company is taxed as a C corporation includes a put option. The put option is the right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is based on the price per share determined based on the last annual valuation of the Company stock immediately prior to the exercise of such put option. The Company could pay for the purchase by a lump sum payment or by issuing a collateralized, interest-bearing promissory note with a term of not more than five years and which required annual payments. The purpose of the put option was to ensure that a participant had the ability to ultimately obtain cash.

Vesting: A participant's vesting in their accounts, plus earnings thereon, was based on years of service which were earned under the Plan. If employment ended on or after normal retirement or because of death or disability, participants would be fully vested in their accounts. Otherwise, participants were vested 20% after two years of service and 20% for each additional year of service earned thereafter. As a result of the Termination in 2023, all participants became fully vested in their account balances.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE A--DESCRIPTION OF PLAN--Continued

Forfeitures: Prior to Termination, accounts of nonvested participants were forfeited as of the earlier of the last day of the Plan year following distribution of a participant's vested account or the last day of the Plan year in which the participant incurred five consecutive one-year break in service. Forfeited balances of terminated nonvested participants could be used to reduce the Company contributions or to restore forfeitures to accounts of participants who were subsequently reemployed prior to a break-in-service as defined by the Plan.

During the year ended December 31, 2023, there were no participant forfeitures incurred and hence, no shares of Company stock were reallocated to Plan participants. During the year ended December 31, 2022, forfeitures of 86 shares of Company stock, totaling approximately \$10,000 were reallocated to Plan participants.

Payments of Benefits: Upon termination of service due to death, disability or retirement, participants were entitled to receive payment of the vested balance of their account beginning in the Plan year following the event. For terminations of service due to other reasons, with certain exceptions, distributions would commence no later than the sixth plan year after the plan year in which a participant terminated employment.

Prior to Termination, the portion of the participants' stock account attributable to Company stock acquired through the internal note payable could not be distributed before the earliest of either the date the loan is fully repaid or the date which is eight years from the origination date of the loan. Distributions could be in the form of cash or Company stock and if Company stock, must be immediately sold to the Company or Plan at fair value.

Diversification: Diversification was offered to participants close to retirement so that they had the opportunity to move part of the value of their investment in Company stock into investments other than the Company stock. Participants who were at least age 55 and had completed at least 10 years of participation in the Plan could elect to diversify a portion of their account. Diversification was offered to each eligible participant over a six-year period, which began at the start of the Plan year in which the participant became eligible. In each of the first five years, a participant could diversify up to 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changed to 50 percent. No participants were eligible for diversification during the year ended December 31, 2023.

Administrative Expenses: Expenses of the Plan may be paid in whole or in part by the Company or the Plan. For the year ended December 31, 2023, all Plan expenses were paid by the Company. The Company does not expect reimbursement from the Plan. All Termination expenses shall be borne by the Company (Note N).

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: Due to the Termination, management determined that liquidation of the Plan is imminent and the financial statements as of and for the year ended December 31, 2023 have been prepared using the liquidation basis of accounting. Under the liquidation basis of accounting, assets are measured at the expected cash proceeds from liquidation and liabilities are measured in accordance with accounting principles generally accepted in the United States ("GAAP") that otherwise apply to those liabilities. The financial statement as of December 31, 2022 was prepared using the going concern basis of accounting.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets in liquidation available for benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. Significant estimates include the determination of fair value of the Plan's investment in common stock.

Allocations: The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and, (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares were released from collateral and generally became allocated in the period in which debt service was actually paid. When a contribution was made for payment on the note (Note E), the Company contributed to the Plan and the Plan paid back the same amount to the Company. As of December 31, 2023, all shares owned by the Plan are allocated as unallocated shares were transferred to the Company on December 4, 2023 at Termination (Note A).

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's net gains and losses on investments bought and sold as well as held during the year.

Administrative Expenses: Administrative expenses are paid by the Company and are excluded from these financial statements as the Plan is not obligated to reimburse the Company for such expenses (Note A). All Termination expenses shall be borne by the Company (Note N).

Payment of Benefits: Benefit payments are recorded when paid.

Subsequent Events: The Plan has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through January 22, 2026, the date the financial statements were available to be issued.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE C--INVESTMENTS

The Plan's investments in Western Global Airlines Holdings, Inc. Class B common stock as of December 31, 2023 and 2022, are as follows:

	December 31, 2023		
	Allocated	Unallocated	Total
Number of shares	<u>73,419</u>	<u>-</u>	<u>73,419</u>
Cost	<u>\$ 99,850,249</u>	<u>\$ -</u>	<u>\$ 99,850,249</u>
Fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	December 31, 2022		
	Allocated	Unallocated	Total
Number of shares	<u>73,419</u>	<u>301,581</u>	<u>375,000</u>
Cost	<u>\$ 99,850,249</u>	<u>\$410,149,751</u>	<u>\$510,000,000</u>
Fair value	<u>\$ 8,504,892</u>	<u>\$ 34,935,108</u>	<u>\$ 43,440,000</u>

NOTE D--FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy in accordance with GAAP are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE D--FAIR VALUE MEASUREMENTS--Continued

Observable inputs are those based on market data obtained from sources independent of the Plan, and unobservable inputs reflect the Plan's own assumptions based on the best information available. The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

The following are descriptions of the valuation methodologies used for assets measured at fair value on a recurring basis as of December 31, 2023 and 2022:

The estimated fair value of common stock of the Company as of December 31, 2023 is zero dollars per share. The Company stock is valued at estimated fair value as determined by an independent appraisal (Level 3). The independent appraiser considered the income, market and asset approaches and the independent appraiser selected the asset approach, specifically, the adjusted net asset value method, in determining the valuation of the Company's shares as of December 31, 2023. The asset approach adjusts the recorded carrying value of a company's assets and liabilities to their fair market value. The value of the liabilities is subtracted from the value of the assets to derive the adjusted net asset value of the entity. As the Company had no assets or liabilities as of December 31, 2023, the net asset value of the Company was determined to be zero as of December 31, 2023.

The estimated fair value of common stock of the Company as of December 31, 2022 was \$115.84 per share. The Company stock was valued at estimated fair value as determined by an independent appraisal (Level 3). The independent appraiser considered the income, market and asset approaches and the independent appraiser selected the income approach in determining the valuation of the Company's shares as of December 31, 2022. The income approach was based on a discounted cash flow method that considered future estimated cash flows for a projection period. The primary inputs used to determine fair value, included the Company's historical and projected cash flows, earnings before interest, taxes, depreciation and amortization (EBITDA), weighted average cost of capital as adjusted for a capitalization rate, long term growth rate and a discount for lack of marketability.

The Plan changed its valuation methodology from the income approach used as of and for the year ended December 31, 2022 to the asset approach used as of and for the year ended December 31, 2023. The change in valuation methodology was made as the asset approach was deemed a more reliable measure of fair value of the Company's common stock as of December 31, 2023.

The valuation process involves the selection of an independent appraiser, as commissioned by the Trustee. Company management accumulates the data for the appraiser from historical and projected financial statements of the Company. The appraiser prepares a preliminary report, which the Trustee reviews and approves.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE D--FAIR VALUE MEASUREMENTS--Continued

The preceding methods described involve several estimates and may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets measured at fair value on a recurring basis as of December 31, 2023:

Assets at Fair Value as of December 31, 2023			
	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
			Total
Common stock	\$ -	\$ -	\$ -
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets measured at fair value on a recurring basis as of December 31, 2022:

Assets at Fair Value as of December 31, 2022			
	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
			Total
Common stock	\$ -	\$ -	\$ 43,440,000
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,440,000</u>

The following table sets forth a summary of transfers into and out of, purchases and issuances of Level 3 assets for the year ended December 31, 2023:

	December 31, 2023
Balance - Beginning of Year	\$ 43,440,000
Purchased (Issuances)	-
Transfers in (out) of level 3	-
Change in fair value	(43,440,000)
Balance - End of Year	<u>\$ -</u>

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE E-- NOTE PAYABLE

On October 23, 2020, the Plan acquired 375,000 shares of Company Class B common stock from the selling owners using funds from an internal note provided by the Company totaling \$510,000,000 representing 37.5% of the outstanding voting common stock. Pursuant to a stock purchase agreement, the Plan entered into an internal note payable agreement with the Company to fund the purchase price for the Company stock. Borrowing under the ESOP internal note bore interest at 1.12%. The internal note was to be repaid over forty years in equal annual installments of \$15,921,900 beginning December 31, 2021 to be fully repaid on December 31, 2060. Prepayments on the note were allowable and the remaining principal payments were re-amortized in equal annual payment amounts. The note payable was to be repaid by Company contributions to the trust; as such, there was no net cost to the ESOP Trust or its participants.

As of December 31, 2021, the Company accrued a contribution receivable for future debt service on the note payable in the amount of \$10,753,468 for 6,478 shares that were committed to be released as of December 31, 2021. The contribution was received by the Plan in 2022, concurrent with the repayment of the note to the Company. During 2022, the Company paid a dividend to the Plan of \$45,900,000, which was fully used to repay the note payable and resulted in the release of 28,035 shares (Note F). This dividend was paid in full prior to the year ended December 31, 2022, and accordingly, there is no dividend receivable as of December 31, 2022. Additionally, there were no committed to be released shares for 2022. Interest expense totaled approximately \$4,994,000 for the year ended December 31, 2022.

For the year ended December 31, 2023, no contributions or dividends were paid or received by the Plan, due to the Termination of the Plan. As a result, no loan repayments took place during the year ended December 31, 2023. Effective December 4, 2023, as a result of the Company's Chapter 11 bankruptcy, the outstanding principal and related accrued interest on the note payable was cancelled in full (Notes A and N) and the unallocated shares were released to the Company as collateral for the cancellation of the note payable. During 2023 and prior to the cancellation of the note payable, the Plan incurred approximately \$4,110,000 of interest expense. For the year ended December 31, 2023, the Plan recognized a gain on loan extinguishment of \$404,445,801, which is comprised of the cancelled outstanding principal balance on the note payable of \$400,335,688 and the related unpaid accrued interest payable of \$4,110,113.

NOTE F--COMPANY DIVIDENDS

No dividends were paid to the Plan during the year ended December 31, 2023.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE G--ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common stock, are held by an independent trustee of the Plan. Company contributions were held and managed by the Trustee, which invested cash received, interest, and dividend income (if any) and made distributions to participants. The Trustee also administered the payment of interest and principal on the loan. Administrative expenses for the Trustee's fees are paid directly by the Company. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

NOTE H--PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in Company common stock and prior to the note payable's extinguishment (Note E), had indebtedness with the Company. These are related party and party-in-interest transactions. As described in Note A, the Company pays all Plan expenses and will pay for all Plan Termination expenses as incurred by the Plan as part of the liquidation process. The Plan has a number of service providers. Such providers are parties-in-interest under ERISA.

NOTE I--TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service ("IRS") dated October 14, 2021, stating that the Plan and related Trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The plan administrator believes that the Plan, as subsequently amended, is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, that the Plan is qualified, and the related trust is tax-exempt. The Plan's income tax returns are subject to examination by taxing authorities and may change upon examination.

GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the Plan's financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine examinations/audits by taxing jurisdictions. Except as described in Note M, there are currently no other examinations for the Plan's open tax periods in progress.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE J--RISKS AND UNCERTAINTIES

The Plan's investments consist primarily of common stock, which are exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on techniques that rely primarily on unobservable inputs. Due to the level of risk associated with the investments in the common stock and to uncertainties inherent in the estimations and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near-term and that such changes could materially affect the amounts reported in the statement of net assets in liquidation available for benefits.

NOTE K--U.S DEPARTMENT OF LABOR INVESTIGATION

In March 2021, the Department of Labor ("DOL") notified the Plan custodian of records that it had scheduled the Plan for investigation and included a subpoena for certain records. The data request generally covered documents and communications from January 1, 2019 to the date of production and certain Company documents from 2017 to the date of production. The DOL stated that its information requests resulting from the investigation should not be construed as an indication that any violations of law have occurred or a reflection upon any person involved in this matter. In September of 2023, the DOL modified the subpoena to provide a definitive date through which documents and communications should be provided of July 31, 2023. In compliance with the DOL, the Company produced the responsive documents by the due date and there have been no subsequent demands of the Company for production from the DOL.

In September 2024, the DOL communicated to the Trustee that its investigation had found issues with the 2020 stock purchase transaction and valuation described in Note A. Because this matter remains ongoing and unresolved as of the date the financial statements were available to be issued, management is unable to determine what effect, if any, the potential outcome of this investigation could have on the Plan's financial statements.

NOTE L--LEGAL ACTION

On December 14, 2021, a class action complaint was brought on behalf of the Plan by three individuals in the United States District Court for the Central District of California, Case No. 2:21-cv-09684. The Plaintiffs dismissed that action and re-filed their complaint in the District Court of Delaware on February 28, 2022, Case 1:22-cv-00270-UNA ("Class Action"). The Plaintiffs filed a putative class action complaint against the Trustee, Miguel Paredes of Prudent Fiduciary Services LLC, and the selling shareholders (collectively, the "Defendants"), alleging that the Defendants breached their fiduciary duties with respect to the Plan by causing the Plan to purchase a minority stake in Western Global Airlines, Inc. at a stock purchase price in excess of fair market value. The United States District Court for the District of Delaware granted a stay of the Class Action and established the deadline for preliminary approval of a settlement on or before September 13, 2024.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE L--LEGAL ACTION--Continued

Following the lifting of the stay of the Class Action, the Defendants continued to deny all of the Plaintiffs' allegations, none of which were proven, and deny all liability. The Defendants responded to interrogatories, in the aggregate produced approximately 30,000 documents, and engaged in mediation sessions with Plaintiffs in furtherance of reaching a consensual final resolution of the Class Action. In addition to vigorously denying all of Plaintiffs' allegations, the Defendants also asserted affirmative defenses.

A settlement was reached in September 2024. The Court granted preliminary approval of the settlement having found that it was fair, reasonable, and adequate. The settlement was approved by court order dated January 14, 2025. The settlement had no impact on the Plan's financial statements as of and for the year ended December 31, 2023.

NOTE M--IRS EXAMINATION

On March 6, 2023, the Company was informed that the IRS was auditing the Plan for the year ended December 31, 2021, and numerous documents were provided to the IRS during 2023. As of the date these financial statements were available to be issued, the Company and Plan management believe this matter has been concluded with no impact to the qualified tax status of the Plan.

NOTE N--PLAN OF REORGANIZATION AND PLAN TERMINATION

On August 7, 2023, the Company filed a petition for relief under Chapter 11 of the United States Bankruptcy Court for the District of Delaware (the "Court"), Case No. 23-11093 (KBO). On November 21, 2023, the Court entered an Order confirming the Amended Joint Chapter 11 Plan of Reorganization of Western Global Airlines, Inc. and Its Debtor Affiliates (Plan of Reorganization, Docket No. 473) with an effective date of December 4, 2023 ("Effective Date").

Pursuant to the Order confirming the Plan of Reorganization, in respect of the ESOP:

On the Effective Date, December 4, 2023, the reorganized debtors shall be deemed to have assumed the employee benefit plans. Notwithstanding anything contrary in the employee benefit plans, the consummation of the Plan of Reorganization shall not be treated as a change in control or other similar transaction under employee benefit plans, if applicable. On the Effective Date, all existing equity interests, including existing equity interests held by WGA Holdings, shall be cancelled, released, and extinguished and will be of no further force and effect. Shareholders of WGA Holdings, including the majority shareholders and the ESOP, will no longer have equity of any value on account of the existing equity interests.

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE N--PLAN OF REORGANIZATION AND PLAN TERMINATION--Continued

As of the Effective Date, any provision of an employee benefit plan that provides for equity or equity-based compensation shall be deemed cancelled and shall be of no further force and effect, and any employee benefit plan providing for such equity or equity-based compensation will be assumed in all respects other than with respect to such provisions.

Consistent with the Restructuring Support Agreement and the intentions of the majority shareholders described therein, the majority shareholders will work with the reorganized debtors to develop and implement a new vehicle or other means of incentivizing and awarding employees that is additive to the existing employee benefit plans. The debtors or reorganized debtors, as applicable, and Trustee of the Plan shall cooperate in good faith and use all reasonable efforts to effectuate the termination of the ESOP Plan in accordance with all applicable law, including but not limited to ERISA and the Internal Revenue Code of 1986, as amended. Upon the termination of the ESOP in accordance with applicable law and the ESOP Trust having no further liability in connection with that certain Note dated October 23, 2020 in the principal amount of \$510,000,000 by and between the Trustee and the Company shall be deemed disallowed and expunged.

Effective on December 4, 2023, in accordance with the order confirming the plan of reorganization, a Plan termination amendment was adopted by the Company and approved by unanimous consent of the Board and the Trustee. Pursuant to the Plan amendment, as of the termination date, no new participants shall enter the Plan, each participant account with an accrued benefit under the Plan shall be fully vested, no new contributions shall be made under the Plan, and all administrative expenses of the Plan's termination shall be paid by the Company. As of the date these financial statements were available to be issued, the expected date of liquidation is unknown and the Trustee remains in process of liquidating the Plan pursuant to applicable laws and regulations.

SUPPLEMENTARY INFORMATION

WESTERN GLOBAL AIRLINES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS IN LIQUIDATION (HELD AT END OF YEAR)

As of December 31, 2023

EIN #30-0769265

PN: 002

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	<u>Non-Participant Directed</u>			
*	Western Global Airlines Holdings, Inc.	Class B Common Stock - 73,419 shares	\$ 99,850,249	\$ -

* Indicates a party-in-interest.

See accompanying independent auditor's report.

For Sch H line 4i
See Auditor's Report