AVIA SOLUTIONS GROUP (ASG) Public Limited Company

Annual Report

For the Year Ended 31 December 2025

CONTENTS

(All tabular amounts are in EUR '000)

DIRECTORS' REPORT

Approved by the Board as at 22 April 2026

I. GENERAL INFORMATION

Reporting period	**Year ended 31 December 2025**
Issuer and its contact details	
Name of the Issuer	**Avia Solutions Group (ASG) Public Limited Company** (hereinafter – 'Avia Solutions Group (ASG) PLC' or the 'Company' or 'ASG')
Legal form	Public limited company
Date of registration	10 October 2022
Registered number	727348
Registered office	Building 9, Vantage West, Central Park, Dublin, D18 FT0C, Ireland
Telephone number	+353 1 558 6779
E-mail	info@aviasg.com
Internet address	www.aviasg.com

The Directors present their report together with the audited consolidated financial statements of the Company for the year ended 31 December 2025.

Group structure

As at 31 December 2025, the Group consisted of the parent company, Avia Solutions Group (ASG) Public Limited Company, and its subsidiaries and joint ventures which are disclosed in Note 1 to the consolidated financial statements for the year ended 31 December 2025. All changes in the Group structure are presented in Notes 33 and 34.

As at 31 December 2025, Avia Solutions Group (ASG) Public Limited Company was headquartered in Building 9, Vantage West, Central Park, Dublin, D18 FT0C, Ireland and had a permanent establishment in the Republic of Lithuania, Dariaus ir Gireno st. 21a, LT-02188 Vilnius, Lithuania.

Main activities

Avia Solutions Group (ASG) Public Limited Company is a holding company and together with its subsidiaries (hereinafter collectively – the 'Group' or 'ASG Group') are engaged in integrated capacity management services for the aviation industry.

The Group is one of the global leaders in capacity management in passenger and cargo aviation. The Group's goal is to become a world-wide leader in end-to-end capacity management solutions for passenger and cargo airlines. The Group provides passenger and cargo airlines with aircraft leases under the ACMI model (aircraft, crew, maintenance and insurance), helping aviation industry customers to improve fleet utilization and profitability by moving capacity across counter-seasonal markets. The Group also provides charter and general agency services, as well as support services in aircraft maintenance, ground handling and aviation training.

The Group is organized into business units based on the services provided, and has three operating segments:
- Logistics and Distribution;
- Support Services;
- Unallocated.

Logistics and Distribution Segment

The Logistics and Distribution segment provides services using aircraft to airline customers of contracted capacity. This segment includes a wide range of ACMI services to passenger, cargo and charter clients across a broad spectrum of industries, as well as aircraft sourcing capabilities.

Aircraft, crew, maintenance and insurance (ACMI)

ACMI providers' core business is the provision of short-term and long-term ACMI services to other carriers and integrators globally, moving capacity across counter-seasonal markets. ACMI offers primarily wet lease and damp leases of aircraft to passenger and cargo customers.

The ACMI capacity management concept allows airlines to convert fixed costs into variable, helping carriers and integrators to improve profitability and flexibility while allowing for attractive margins to be earned by the Group. This is complemented by strong resilience of business fundamentals due to counter-seasonality of key revenue drivers. Capacity sharing will increasingly impact the airline industry.

The capacity management model used by the Group addresses the need for greater efficiency by tackling economic cycles, different seasonality patterns throughout the globe in passenger traffic and cargo demand fluctuations.

Under the 'wet lease' concept, the Group (as lessor) provides an aircraft, complete crew, maintenance, and insurance (ACMI) to another airline or broker of air travel (the lessee) who generally pays by hours operated. The lessee is responsible for covering fuel expenses, airport fees and other duties and taxes. Typically, flights are operated under the lessee flight numbers.

Under the 'damp leases' concept, the Group, as an ACMI lessor, provides an aircraft, cockpit crew (pilots), insurance and maintenance, and the lessee provides the cabin attendants.

Charter and cargo services

The Group provides a wide range of aircraft charter services to cargo, passenger, and business charter clients across a broad spectrum of industries. Services include sourcing aircraft to meet the client's charter requirements, ensuring that airlines and operators are thoroughly screened and monitored. The Group offers a range of additional services including pre-flight advice and airport representation by operating an in-house division with 24/7 assistance to customers.

The Group also focuses on providing global air cargo charter solutions, arranging charters for heavy and outsized equipment (e.g., oil and gas equipment, aircraft engines, and vehicles), time critical consignments (such as automotive cargo and manufacturing components), and other types of freight, for companies and suppliers in multiple industries.

The Group coordinates ad-hoc and large-scale humanitarian relief flight operations for the United Nations, governments and other aid providers, including airlifts, airdropping, search and rescue flights, delivery of humanitarian goods (such as life-saving medicines, food and equipment), evacuation flights, and aircraft leasing.

The Group also offers specialist air cargo management which operates dedicated widebody cargo aircraft capacity, contracted on an exclusive basis from third party airlines, which offers a wide range of ad-hoc and regular flying capacity to various clients comprising of freight forwarders, block space consolidators and charter brokers.

Aircraft fleet

At 31 December 2025, the Group maintained a modern fleet of 142 (2024: 220 out of which 9 comprised a signed letter of intent (LOI) to acquire). The fleet consists of narrow and wide body passenger and cargo aircraft. The dominant types are from the Airbus A320 and Boeing B737 families. The Group provides integrated capacity management services through 11 air operator certificates (AOC) (2024: 11) to major airlines across the globe.

(All tabular amounts are in EUR '000)

Support Services Segment

The Support Services segment provides services to airlines to support their business. This segment includes aircraft and aircraft components' maintenance services, repair, overhaul, engineering, spare parts and consumable sale, aircraft handling, passengers servicing and into-plane fuelling, full scope of integrated flight training and recruitment solution services, which are a vital part of providing capacity services to clients.

Aircraft maintenance, repair and overhaul (MRO)

The Group is a global one-stop-shop providing a wide range of MRO solutions for various Boeing, Airbus, ATR, Embraer, Bombardier CRJ, and other types of aircraft, including aircraft base and line maintenance, component management, engineering services, spare parts and consumable sales, technical training, consulting, engine maintenance management, aircraft parts marketplace services, and other related aircraft services.

The Group provides MRO services in 5 (2024: 5) aircraft maintenance hangars together with administrative, warehouse and back shop facilities in Soekarno - Hatta International Airport Jakarta, Vilnius International Airport, Kaunas Airport, Glasgow Prestwick Airport and Denpasar International Airport. The Group is going to operate in Dominican Republic and the hangar is under construction.

Line maintenance is defined as maintenance that is carried out before each flight to ensure that the aircraft is airworthy and fit for the intended flight and includes daily service and weekly checks, unscheduled checks, 24/7 aircraft on ground (AOG) support troubleshooting, defect rectification and minor component replacements.

Aircraft ground handling, fuelling and logistics

The Group operates in 21 airports (2024: 21) across Northern and Central Europe providing ground handling, de-icing, fuelling and fuel logistics services in airports of Denmark, Sweden, Finland, Norway, Czech Republic and Baltic countries.

The Group takes care of customer airlines' passengers and the aircraft while on ground. This includes passenger and baggage handling, lounge services, de-icing, cargo and full freight handling and persons with reduced mobility (PRM) services.

Crew training and staffing

The Group is one of the leading independent aviation training providers. The Group's training facilities operate in Spain, France, Lithuania and Vietnam, a global sales representative office in Dubai, United Arab Emirates, and three consultancy centres in India: New Delhi, Mumbai, and Bengaluru. The Group holds EASA Approved Training Organisations (ATO) in Europe delivering ab initio and type rating training services. The Group offers a total of more than 45 training programs, including multi-crew pilot license (MPL), distance learning and virtual reality-based training options using a fleet of own simulators and a network of over 60 partners' simulators in 22 locations.

Unallocated Segment

The Unallocated segment includes management services, financing activities to subsidiaries and others with non-aviation related activities which cannot be attributed to the other segments. The Group is also engaged in a number of real estate projects, mainly serving the Group's expansion needs.

II. FINANCIAL AND OPERATIONAL INFORMATION

The consolidated financial statements of the Group have been prepared according to International Financial Reporting Standards as adopted by the European Union.

In 2025, the Group generated a net loss of EUR 63.6 million (2024: EUR 62.6 million). The consolidated revenue has increased to EUR 2 189.3 million, or by around 4% as compared with EUR 2 103.3 million in 2024.

During October and November 2025, the Group completed the disposal of its entire shareholding of shares in SIA SmartLynx Airlines, representing 100% of its total issued and paid-up share capital, for a cash consideration of EUR 455 000. This includes the disposal of the following subsidiaries: SmartLynx Airlines Crewing OÜ, SmartLynx Airlines Lithuania UAB, SIA SmartLynx Technik, SA SmartLynx Airlines Cabo Verde, Smart Aviation Limited, SmartLynx Airlines Estonia OÜ, Air Holding Limited, and SmartLynx Airlines Malta Limited (together, the 'SmartLynx Group').

The SmartLynx Group had been loss-making, incurring a loss of EUR 103.7 million and EUR 116.8 million in 2025 and 2024, respectively. The disposal resulted in a gain on disposal of EUR 185.1 million made up of EUR 0.5 million disposal proceeds, negative net assets of EUR 196.2 million and write-off of goodwill in amount of EUR 11.6 million. Both the negative result and gain on disposal were presented as discontinued operations. Furthermore, as part of the disposal, intercompany receivables from the SmartLynx Group were externalised and fully impaired under IFRS 9, leading to a recognised loss of EUR 139.1 million (classified within continuing operations), thereby reducing the overall net gain from the transaction.

Key Financial figures of the Group (continuing operations)

Financial figures	**2025**	2024*	**Change**
Revenue	2 189 312	2 103 272	4.1%
Cash generated from operating activities	244 048	293 694	-16.9%
Adjusted EBITDA	360 757	322 876	11.7%
Adjusted EBITDA margin (%)	16.5	15.4	1.1p.p.

*Comparative figures have been restated for discontinued operations (Note 34).

Breakdown of reported vs. adjusted	**EBITDA**		
	2025	2024*	**Change**
Reported	**198 918**	**313 334**	**-37%**
Cargo market impact	-	808	-100%
Impairment of SmartLynx Group receivables	139 130	-	100%
Effect of closed operations	11 825	-	100%
Impairments of fixed assets	5 005	8 408	-41%
Provisions for legal claims	3 516	-	100%
Other non-recurring expenses	2 363	326	625%
Adjusted	**360 757**	**322 876**	**12%**

*Comparative figures have been restated for discontinued operations (Note 34).

Breakdown of reported vs. adjusted	**(Loss)/profit for the year from continuing operations**		
	2025	2024*	**Change**
Reported	**(144 949)**	**54 255**	**-367%**
Impairment of SmartLynx Group receivables	139 130	-	100%
Effect of closed operations	16 935	-	100%
Impairments of fixed assets	5 005	8 408	-41%
Provisions for legal claims	3 516	-	100%
Preferred share conversion interest reversal	-	(52 709)	-100%
Other non-recurring expenses	3 949	326	1111%
Adjusted	**23 586**	**10 280**	**129%**

*Comparative figures have been restated for discontinued operations (Note 34).

Financial ratios	2025	2024*
Adjusted return on equity (ROE) (%)	4.46	1.70
Gearing ratio (%)	63.3	71.4
Equity to total assets ratio (%)	25.1	20.3
Liquidity ratio	0.93	0.86

*Comparative figures have been restated for discontinued operations (Note 34).

EBITDA **=** *Operating profit – Depreciation and amortisation*
Adjusted EBITDA **=** *EBITDA adjusted for financial impacts which normalize operational results by excluding material non-recurring or non-cash impacts (alternative performance measure analysed by chief operating decision maker)*
Adjusted profit/(loss) **=** *profit/(loss) for the year from continuing operations adjusted for financial impacts which normalize operational results by excluding material non-recurring or non-cash impacts (alternative performance measure analysed by chief operating decision maker)*
Gross profit **=** *Revenue – Cost of services and goods*
Adjusted return on equity (ROE) (%) **=** *Adjusted profit/(loss) / Total equity*
Net debt = *Borrowings + Lease liabilities – Cash and cash equivalents – Short-term bank deposits*
Gearing ratio **=** *Net debt / (Net debt + Total equity)*
Equity ratio **=** *Total equity / Total assets*
Liquidity ratio = *Current assets / Current liabilities*
Borrowings = *Non-current borrowings + Non-current lease liabilities + Current borrowings + Current lease liabilities*

Key Segment Figures

In 2025, the Logistics and Distribution segment revenues from external customers grew 1% and reached EUR 1 312 million (2024: EUR 1 298 million), mainly due to increased demand of passenger ACMI and charter operations. The segment's operating profit 2025 was EUR 14.5 million (2024: EUR 37.3 million), and the adjusted EBITDA margin was 20.1% (2024: 17.5%). Segment operating profit was lower mainly by an increase in expenses related to numerous start-up activities in counter-seasonal markets of South America and Asia Pacific.

The Support Services segment revenues' growth to external customers in 2025 was 12% mainly due to increased airport traffic, attracted new clients and MRO services demand and reached EUR 829.3 million in 2025 (2024: EUR 740.4 million). The Support Services operating profit for 2025 was EUR 52.2 million (2024: EUR 69.0 million) with an adjusted EBITDA margin of 10.9% (2024: 12.3%).

Key financial figures by segments	Logistics and Distribution 2025	2024	%	Support Services 2025	2024	%
Sales to external customers	1 312 196	1 298 154	1%	829 329	740 442	12%
Inter-segment sales	9 104	6 609	38%	46 908	64 393	-27%
Total revenue	1 321 300	1 304 763	1%	876 237	804 835	9%
Gross profit	486 731	439 631	11%	485 903	449 232	8%
Operating profit	14 490	37 268	-61%	52 160	69 026	-24%
EBITDA	237 609	219 564	8%	88 546	100 113	-12%
Non-recurring effects	29 271	9 216		7 151	(807)	
Adjusted EBITDA	266 880	228 780	17%	95 697	99 306	-4%
Adjusted EBITDA margin %	20.2%	17.5%		10.9%	12.3%	

Adjusted EBITDA margin increased compared to the prior year, driven by improved pricing, stronger performance of start-up operations, and ongoing optimisation initiatives.

Key Operating Figures of the Group	2025	2024	Change
Block Hours Passenger (hours)	264 542	235 827	12,2%
Block Hours Cargo (hours)	23 932	28 827	-17,0%
Block Hours discontinued operations	69 208	161 134	-57,0%
Number of aircraft at the end of the period (owned or leased)*	142	220	-78
Number of aircraft turnarounds (thousand)	197	194	1.5%
Training simulators number of hours sold (thousand)	42	63	-33.3%
Number of training simulators at the end of the period (owned or leased)	17	17	-
Number of man-hours sold in MRO (thousand)	1 590	1 381	15.1%

*Includes nine aircraft with signed letters of intent in 2024.

Revenue related to operations

The consolidated revenue for the year ended 31 December 2025 was EUR 2 189.3 million, an increase of 4.1% over the total revenue of EUR 2 103.3 million for the year ended 31 December 2024.

During the year revenue growth was observed in the Logistics and Distribution Services segment as compared to the same period in 2024. Revenue to external customers in this segment increased by 1% and amounted to EUR 1 312.2 million in 2025 as compared to EUR 1 298.2 million in 2024. The growth was impacted primarily by significant demand for ACMI services.

In 2025, the Support Services segment revenue to external customers increased by 12% and amounted to EUR 829.3 million in 2025 as compared to EUR 740.4 million in 2024. The growth was driven by increased demand in aviation industry, supported by expansion of business lines in ground handling and line and base maintenance.

Expenses related to operations

Cost of goods purchased increased by 13.2% to EUR 163.2 million during 2025 as compared with EUR 144.2 million in 2024. The cost of services purchased during 2025 decreased by 16.1% to EUR 99.0 million as compared with EUR 118.0 million in 2024. Rent of aircraft, engine and other equipment decreased by 1.6% and amounted to EUR 237.8 million in 2025 as compared to EUR 241.7 million during 2024. In 2025, the relative costs as part of revenue decreased to 10.9% from 11.5% in 2024.

The employee-related expenses during 2025 increased by 10.5% to EUR 519.9 million compared with EUR 470.5 million in 2024 due to the increased number of employees during 2025. In 2025, the relative employee expenses as part of revenue increased to 23.7% from 22.4% in 2024.

Balance sheet and cash flows

As at 31 December 2025, the total assets of the Group decreased by 29.3% to EUR 2 108.6 million (2024: EUR 2 981.7 million) primarily due to decrease in right-of-use assets relating to aircraft in the Logistics and Distribution segment and the disposal of the SmartLynx Group.

As at 31 December 2025, total liabilities decreased by 33.5% to EUR 1 579.4 million (2024: EUR 2 376.2 million) primarily due to decrease in lease liabilities, as a result of redeliveries of aircraft, and the disposal of the SmartLynx Group.

During the year ended 31 December 2025 net cash flows used in investing activities was EUR 114.1 million (2024: EUR 190.5 million). The Group invested EUR 162.5 million (2024: EUR 230.8 million) to purchase property, plant and equipment.

During the year ended 31 December 2025, net cash flows used in financing activities was EUR 183.7 million (2024: EUR 125.3 million) which was primarily due to repayments of lease liabilities of EUR 252.4 million (2024: EUR 242.6 million).

(All tabular amounts are in EUR '000)

Information about related party transactions

Information about related party transactions is provided in Note 35 to the consolidated financial statements.

Investments in property, plant and equipment

The Group has increased the level of its assets by investing in property, plant and equipment for the total amount of EUR 137.3 million (during 2024: EUR 300.4 million). The majority of the capital investments were used for aircraft acquisitions, aircraft leases, capital improvements of aircraft and acquisitions of full flight simulators.

	2025	2024	**Change**
Logistics and Distribution	71 081	211 348	-66.4%
Support Services	22 897	26 041	-12.1%
Unallocated	43 471	63 043	-31.0%
Total investments	**137 449**	**300 432**	**-54.2%**

All details concerning the non-current assets of the Group are presented in Notes 5, 16 and 17.

Environmental, Social and Governance (ESG)

To prepare for compliance with the Corporate Sustainability Reporting Directive (CSRD), the Group is presently engaged in developing a comprehensive double materiality assessment across its most significant operations. This assessment aims to identify the most material impacts, risks, and opportunities concerning environmental, social, and governance (ESG) matters, guiding the organisation's ESG strategic focus. Using this insight, the Group will evaluate future initiatives and commitments related to climate change and other ESG aspects, considering potential financial implications.

The outcomes of this double materiality assessment, highlighting the most critical ESG impacts, risks, and opportunities, will be presented to the organisation's senior management. The feedback will be carefully reviewed and any necessary revisions managed accordingly.

During the reporting period, the Group's S&P Global ESG score increased from 43 to 47 (out of 100). In addition, the Group's Sustainalytics ESG Risk Rating remained within the low-risk category at 19.4. These external ESG ratings use varying methodologies to evaluate corporate sustainability practices. While they can help companies assess and improve their sustainability performance, they do not constitute CSRD compliance and do not directly assess financial performance.

Risk management

The main risk factors associated with the activities of the Group are as follows:
- Strategic risk;
- Changes in the legal regulation of the Group's activities;
- Competition with other market players;
- Currencies' exchange rates fluctuation;
- Safety, Health and Environmental (SHE) risks.

Strategic risk arises from adverse or erroneous business decisions, improper decisions implementation or lack of response to any political or regulatory developments. In 2025, the Group was constantly monitoring its strategic risk.

Changes in the legal regulation of the Group's activities risk is a risk of an increase in the loss and (or) loss of goodwill and a decrease of trust which can be due to external factors (such as violation of law, regulatory non-compliance, or failure to comply with contractual obligations with third parties) or internal factors (such as violations of ethical standards, failure to comply with internal regulations, or internal fraud). The Group, in collaboration with the legal department, manages the Group's legal compliance risks and is also involved in the review process for agreements and contracts.

An economic downturn could have a significant detrimental effect on the achievement of the targets. This effect could be aggravated by *volatility in currencies*. The sensitivities to variations in several key currencies are analysed at the end of each quarter. The Group will proceed with its profit protection plans, including further control on operating working capital.

The Group has strict safety policies which mitigate *Safety, Health and Environmental (SHE) risks*.

Competition with other market players risk arises when price pressure and other competitive challenges may cause the profitability of the Group's activities to deviate from the projected levels. Group's management is constantly monitoring the market and relevant decisions to increase competitiveness are being made.

The Group's activities expose it to the following financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's policy for treasury management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US Dollar (USD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Foreign exchange risk is controlled by monitoring the foreign currency exposure of its purchase contracts and lease commitments. The Group seeks to reduce its foreign rate exchange exposure through a policy of matching possible receipts and payments in each individual currency.

The Group's interest rate risk arises from short-term and long-term bank borrowings and finance lease liabilities at floating interest rates. The Group is not exposed to fair value interest rate risk as loans granted to related parties and interest free deposit placed as a guarantee for lease of aircraft are accounted at amortised cost and are with fixed interest rates.

Credit risk arises from cash and cash equivalents and deposits with banks, financial institutions, shareholders and their related parties, lessors, as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risks are controlled by the application of credit terms and monitoring procedures. The Group's procedures are in force to ensure that services are sold only to customers with an appropriate credit history and do not exceed acceptable credit exposure limit. Cash transactions are limited to high credit quality financial institutions.

Liquidity risk management implies maintaining sufficient cash and the availability of funding through other group companies. Liquidity risk is managed by the general managers of entities of the Group in close cooperation with the Company to maintain a minimum required liquidity position.

More detailed information about the Group's financial risk management is provided in Note 3 to the consolidated financial statements.

Going concern

In management's view, the Group will have sufficient resources to continue for a period of at least 12 months from the date of authorisation of these financial statements. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern for at least 12 months from the date of approval of the financial statements. For further details refer to Note 4.

Climate change

Management has taken note of global awareness and concerns about the potential impact of climate change. Currently, this matter has had no significant impact on the financial statements, but management continues to monitor developments in this area.

(All tabular amounts are in EUR '000)

III. INFORMATION ABOUT SHARE CAPITAL AND SHAREHOLDERS

Share capital

As at 31 December 2025 and 2024, the share capital of the Company amounted to EUR 28 194 444 and consisted of 97 222 220 ordinary registered shares with a nominal value of EUR 0.29 each. All shares were fully paid up.

In March 2024, the Company entered into a conversion and undertaking agreement with Certares Compass S.à r.l. regarding the conversion of the preferred shares held in the Company into ordinary shares, constituting 20% ownership in the Company. On 22 April 2024, the convertible preferred shares held by Certares Compass S.à r.l. (except for one, being the retained preferred share) were converted into ordinary shares.

On 31 December 2025 and 2024, the share premium of the Company amounted to EUR 10 000 thousand.

Shareholders

Shareholders, holding more than 5 percent of the share capital and votes, as at 31 December 2025 and 2024 are as follows:

		31 December 2025		31 December 2024	
		Number of shares	**Percentage owned**	**Number of shares**	**Percentage owned**
1	Ziemelis Holding FZ-LLC*	37 853 999	38.94%	37 705 346	38.78%
2	Vertas Management UAB*	19 920 394	20.49%	19 920 394	20.49%
3	Certares Compass S.à r.l.	19 444 443	20.00%	19 444 443	20.00%
4	Sventininkai UAB	12 150 498	12.50%	11 416 335	11.74%
5	Other Shareholders	7 852 866	8.07%	8 735 702	8.99%
	Total issued ordinary shares	**97 222 220**	**100.00%**	**97 222 220**	**100.00%**
	Certares Compass S.à r.l.	1	100.00%	1	100.00%
	Total convertible preferred shares	**1**	**100.00%**	**1**	**100.00%**

The number of shares directly owned by the Board of Directors as at 31 December 2025 is listed in the table below:

Name	**Role in the Company's Management**	**Number of shares**	**%**
Jonas Janukenas	Member of the Board of Directors, CEO of Avia Solutions Group (ASG) Public Limited Company	144 581	0.15
Zilvinas Lapinskas	Member of the Board of Directors, CEO of FL Technics UAB	195 706	0.20
Linas Dovydenas	Member of the Board of Directors	276 244	0.28
Tadas Goberis	Member of the Board of Directors from 12 September 2025, CEO of AviaAM Leasing Service Centre, AB	107 076	0.11

*The number of shares indirectly owned by Mr. Gediminas Ziemelis as at 31 December 2025 was 54 045 832 with effective ownership of 55.59% (2024: 53 899 999 – 55.44%).

The number of shares directly owned by the Board of Directors as at 31 December 2024 is listed in the table below:

Name	**Role in the Company's Management**	**Number of shares**	**%**
Jonas Janukenas	Member of the Board of Directors, CEO of Avia Solutions Group (ASG) Public Limited Company	144 581	0.15
Zilvinas Lapinskas	Member of the Board of Directors, CEO of FL Technics UAB	206 706	0.21
Linas Dovydenas	Member of the Board of Directors	276 244	0.28
Pascal Jean Alexandre Picano	Member of the Board of Directors until 11 September 2025	30 000	0.03
Tadas Goberis	Member of the Board of Directors from 12 September 2025, CEO of AviaAM Leasing Service Centre, AB	214 152	0.22

Treasury shares

As at 31 December 2025 and 2024 the Group had no treasury shares which are deducted from equity attributable to the Group's equity holders.

Shareholders' rights

None of the ordinary shareholders of the Company have any special controlling rights. Rights of all ordinary shareholders are equal. One ordinary registered share of the Company gives one vote in the general meeting of shareholders.

The Company is not aware of any agreements between the shareholders that could limit transfer of securities and (or) their ability to exercise their voting rights.

Type of shares	**Number of shares**	**Nominal value in EUR**	**Total nominal value in EUR**
Ordinary registered shares	97 222 220	0.29	28 194 444
Convertible preferred shares	1	0.29	0.29

Dividends

During 2025, at Group level EUR 3 394 thousand were paid to minority shareholders (2024: EUR 1 193 thousand).

IV. INFORMATION ABOUT BOARD OF DIRECTORS

The Board of Directors is a collegial management body of the Company consisting of six members. The election of Directors ensures that the principle of proper representation of the rights of all shareholders in the Board of Directors is ensured. The table below indicates the elected members of the Board during the year:

Name	**Nationality**	**Position within the Company**
Gediminas Ziemelis	Lithuanian	Chairman of the Board of Directors
Jonas Janukenas	Lithuanian	Member of the Board of Directors, CEO of the Company
Zilvinas Lapinskas	Lithuanian	Member of the Board of Directors, CEO of FL Technics UAB
Linas Dovydenas	Lithuanian	Member of the Board of Directors
Pascal Jean Alexandre Picano	French	Member of the Board of Directors until 11 September 2025
Thomas Klein	American	Member of the Board of Directors
Tadas Goberis	Lithuanian	Member of the Board of Directors from 12 September 2025

V. OTHER INFORMATION

Information about trading in the Company's securities

As at 31 December 2025 and 2024, the equity securities of the Company and the Company's subsidiaries are not publicly traded.

Accounting records

The Directors are responsible for ensuring that adequate accounting records are maintained by the Company as required by Sections 281-285 of the Companies Act 2014. The Directors believe that they have complied with this requirement by providing adequate resources to maintain proper books and accounting records throughout the Group including the appointment of personnel with appropriate qualifications, experience and expertise. The books and accounting records of the Company are maintained at its registered office and Dariaus ir Gireno st. 21A, LT-02189 Vilnius, Lithuania.

Audit committee

The Directors of the Company discussed at length the range of internal controls and financial oversight procedures in place at the Company and Group level, together with details of anticipated further investment in additional systems and internal auditing practices within the Group and concluded that it was comfortable with the efficacy of audit compliance function as currently comprised and that it was of sufficient scale and sophistication to perform appropriate internal audit activities for the Company. After due and careful consideration by the Directors it was resolved that the Company should avail of the Opt-Out Audit Committee requirements for the current financial year and that this matter would be kept under review by the Directors going forward.

Directors compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations. The Directors confirm that:

1) A compliance policy statement setting out the Company's policies, that in their opinion are appropriate to the Company, respecting compliance by the Company with its relevant obligations has been drawn up.
2) Appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations have been put in place.
3) A review of the arrangements and structures referred to at 2 above has been conducted during the financial year ended 31 December 2025.

Directors and secretary

Gediminas Ziemelis, Zilvinas Lapinskas, Linas Dovydenas, Thomas Klein, and Pascal Jean Alexandre Picano were appointed as Board of Directors of the Company on 01 March 2023, Jonas Janukenas was appointed director of the Company on 10 October 2022. Pascal Jean Alexandre Picano resigned from his position on 11 September 2025, while Tadas Goberis was appointed as Director on 12 September 2025. In accordance with section 329 of the Companies Act 2014, the Directors and the Company secretary, HMP Secretarial Limited, who held office as at 31 December 2025 and the interests in the shares of the Company are disclosed in section III above.

Political contribution

The Company has made no political donations or incurred any political expenditure during 2025 and 2024.

Disclosure of information to statutory auditors

The Directors confirm that the following matters have been done under section 225(2) in fulfilling its responsibilities:

- As far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- The Directors have taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Research and development

One of the Company's subsidiaries is on the constant development of software tailored to the Group's unique needs. This internally crafted system serves for the business development strategies, offering tailored solutions that propel the Group's growth and efficiency. By leveraging the Group's own innovations, the Group gains a competitive edge while ensuring alignment with specific objectives and workflows.

Events after the balance sheet date

The material post balance sheet events, which have a bearing on the understanding of the consolidated financial statements are disclosed in Note 38.

Auditors

The independent auditors, Ernst & Young, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014. A resolution giving authority to the Board of Directors to fix auditor's remuneration will be proposed at the Annual General Meeting.

VI. NON-FINANCIAL STATEMENT

The business model of the Company operates primarily in the aviation industry and the Group provides aircraft capacity with logistics and distribution services and provides supporting services.

i. Environmental Matters: the Group is committed to focus on minimising environmental impact by implementing sustainable practices, reducing emissions, and conserving natural resources.

ii. Social and Employee Matters: the Group prioritises the well-being and safety of employees, fostering a diverse and inclusive workplace culture while adhering to labour laws and regulations.

iii. Respect for Human Rights: the Group seeks to uphold human rights principles in all aspects of operations, ensuring fair treatment and dignity for all individuals involved, including employees, customers, and stakeholders.

iv. Bribery and Corruption: the Group maintains a zero-tolerance policy towards bribery and corruption, adhering strictly to anti-corruption laws and regulations, and promoting ethical conduct in all business dealings.

In relation to the significant matters above, the Group has adopted the following policies, which describe principal risks and mitigating actions in respect of each area. They are available on the Group's website.

- Environmental Management System Policy
- Aviation Safety Policy
- Human Rights Statement Policy
- Prevention of Violence and Harassment Policy
- Privacy Policy
- Suppliers Code of Conduct
- Anti-Corruption Policy
- Anti-Bribery Policy
- Whistleblowing Policy
- Enterprise Risk Management Policy
- Information Security Policy

Non-financial key performance indicators relevant to the business are disclosed in section II of the Directors' Report.

Chief Executive Officer
Jonas Janukenas

Director
Linas Dovydenas

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Gediminas Ziemelis (Lithuanian)
Jonas Janukenas (Lithuanian)
Zilvinas Lapinskas (Lithuanian)
Linas Dovydenas (Lithuanian)
Thomas Klein (American)
Pascal Jean Alexandre Picano (French) until 11 September 2025
Tadas Goberis (Lithuanian) from 12 September 2025

Company Secretary:

HMP Secretarial Limited
Riverside One
Sir John Rogerson's Quay
Dublin, D02 X576, Ireland

Registered Office:

Building 9, Vantage West
Central Park
Dublin, D18 FT0C, Ireland

Registration Number:

727348

Auditors:

Ernst & Young Chartered Accountants
Harcourt Centre, Harcourt Street
Dublin 2, Ireland

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have prepared the parent Company financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 101 "Reduced Disclosure Framework") and Irish law.

Under Irish law the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company as at the end of the financial year and of the profit or loss of the Group for the financial year.

In preparing these financial statements, the Directors are required to:
- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and the Company and enable them to ensure that the financial statements comply with Companies Act 2014 and enable those financial statements to be audited.

They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

Approved and authorised by the Board on 22 April 2026 and signed on its behalf by:

Chief Executive Officer
Jonas Janukenas

Director
Linas Dovydenas

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIA SOLUTIONS GROUP (ASG) PUBLIC LIMITED COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Avia Solutions Group (ASG) Public Limited Company (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2025, which comprise the Consolidated Statements of Profit or Loss and Other Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity, Consolidated Statement of Cash Flows, and notes to the consolidated and Company financial statements, including the material accounting policy information set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ("IFRS") as adopted by the European Union and, as regards the Company financial statements, accounting standards including FRS 101 *Reduced Disclosure Framework* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its loss for the year then ended;
- the Company financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ("IAASA"), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIA SOLUTIONS GROUP (ASG) PUBLIC LIMITED COMPANY (CONTINUED)

Other information
The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Directors' Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014
In our opinion, based solely on the work undertaken in the course of the audit, we report that:
- the information given in the Directors' Report is consistent with the financial statements; and
- the Directors' Report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company balance sheet is in agreement with the accounting records.

Matters on which we are required to report by exception
Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements
As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and 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 and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIA SOLUTIONS GROUP (ASG) PUBLIC LIMITED COMPANY (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Séamus Feeney

Séamus Feeney
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 27 April 2026

Notes:

1. *The maintenance and integrity of the Avia Solutions Group (ASG) Public Limited Company web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.*

2. *Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

(All tabular amounts are in EUR '000)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year ended 31 December 2025	2024*
Revenue	5	**2 189 312**	**2 103 272**
Other income	5, 6	6 403	2 154
Cost of services and goods	5, 10	(1 202 791)	(1 187 448)
Depreciation and amortisation	5, 8, 16, 17	(265 414)	(220 229)
Employee related expenses	5, 7	(519 925)	(470 480)
Other operating expenses	5, 11	(127 501)	(121 492)
Increase in the provision for impairment of financial assets	5, 14	(159 559)	(3 330)
Increase in the provision for impairment of non-financial assets	5, 14	(4 535)	(12 561)
Other gains - net	5, 9	17 514	3 219
Operating (loss)/profit	5	**(66 496)**	**93 105**
Finance income	12	15 295	58 254
Finance costs	12	(93 369)	(92 387)
Finance costs – net	12	**(78 074)**	**(34 133)**
Share in profit of equity-accounted investees	18	(255)	13
(Loss)/profit before income tax		**(144 825)**	**58 985**
Income tax expense	13	(124)	(4 730)
(Loss)/profit for the year from continuing operations		**(144 949)**	**54 255**
Discontinued operations			
Profit/(loss) for the year from discontinued operations	34	81 382	(116 838)
Loss for the year		**(63 567)**	**(62 583)**
(Loss)/profit attributable to:			
Equity holders of the parent		(66 749)	(65 744)
Non-controlling interests	26	3 182	3 161
		(63 567)	**(62 583)**

*Comparative figures have been restated for discontinued operations (Note 34).

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2025	2024
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Gain/(loss) on cash flow hedges, net of tax	37	163	(3 547)
Exchange differences on translation of foreign operations		(9 407)	21 738
Other comprehensive (loss)/income for the year		**(9 244)**	**18 191**
Total comprehensive loss for the year attributable to:			
Equity holders of the parent		(75 269)	(47 814)
Non-controlling interests		2 458	3 422
Total comprehensive loss		**(72 811)**	**(44 392)**

(All tabular amounts are in EUR '000)

CONSOLIDATED BALANCE SHEET - ASSETS

	Notes	As at 31 December 2025	2024
Non-current assets			
Property, plant and equipment	16	1 084 449	1 723 662
Investment property	16	53 604	59 644
Intangible assets	17	133 318	151 848
Investments accounted for using the equity method	18	86	368
Deferred tax assets	30	64 647	72 029
Financial assets at fair value through profit or loss	31	-	10
Derivative financial instruments	37	-	6 023
Long-term bank deposits		1 762	362
Trade and other receivables	21	81 777	134 580
		1 419 643	**2 148 526**
Current assets			
Inventories	20	221 047	248 835
Trade and other receivables	21	317 267	335 482
Financial assets at fair value through profit or loss	31	71	16
Contract assets	5, 22	15 053	41 957
Prepaid income		2 553	3 123
Short-term bank deposits		401	3 616
Cash and cash equivalents	23	124 020	184 701
		680 412	**817 730**
Non-current assets classified as held for sale	16, 23	8 547	15 399
		688 959	**833 129**
Total assets	5	**2 108 602**	**2 981 655**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

	Notes	As at 31 December 2025	2024
Equity attributable to equity holders of the parent			
Share capital	24	28 194	28 194
Share premium	24	10 000	10 000
Other reserve	25, 36	1 994	1 994
Merger reserve	25	(456)	(456)
Cash flow hedge reserve	25, 37	112	(51)
Cumulative translation differences		3 725	12 408
Retained earnings		474 649	541 978
		518 218	**594 067**
Non-controlling interests	26	11 045	11 401
Total equity		**529 263**	**605 468**
Non-current liabilities			
Lease liabilities	27	445 296	1 032 356
Borrowings	27	338 770	320 833
Security deposits received	29	429	1 971
Trade and other payables	28	3 748	3 883
Provisions	19	22 792	19 890
Deferred income tax liabilities	30	20 088	23 879
Derivative financial instruments	37	7 515	-
		838 638	**1 402 812**
Current liabilities			
Trade and other payables	28	307 056	409 090
Provisions	19	20 889	50 496
Lease liabilities	27	192 583	310 354
Borrowings	27	62 250	35 866
Contract liabilities	5	121 769	117 020
Security deposits received	29	19 512	19 718
Government grants		67	-
Current income tax liabilities		16 575	30 831
		740 701	**973 375**
Total liabilities		**1 579 339**	**2 376 187**
Total equity and liabilities	5	**2 108 602**	**2 981 655**

The Consolidated Financial Statements have been approved and signed on 22 April 2026:

Chief Executive Officer
Jonas Janukenas

Director
Linas Dovydenas

(All tabular amounts are in EUR '000)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Group									
	Share capital	Share premium	Merger reserve	Other reserve	Cash flow hedge reserve	Currency translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 01 January 2024	**22 556**	**10 000**	**(456)**	**1 994**	**3 496**	**(9 069)**	**313 360**	**341 881**	**6 000**	**347 881**
Comprehensive income										
Net loss on cash flow hedges (Note 37)	-	-	-	-	(3 547)	-	-	**(3 547)**	-	**(3 547)**
Currency translation difference	-	-	-	-	-	21 477	-	**21 477**	261	**21 738**
Loss for the period	-	-	-	-	-	-	(65 744)	**(65 744)**	3 161	**(62 583)**
Total comprehensive loss	**-**	**-**	**-**	**-**	**(3 547)**	**21 477**	**(65 744)**	**(47 814)**	**3 422**	**(44 392)**
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-	**-**	(1 193)	**(1 193)**
Purchase of interest in subsidiary	-	-	-	-	-	-	-	**-**	3 699	**3 699**
Preferred shares conversion to ordinary shares	5 638	-	-	-	-	-	294 362	**300 000**	-	**300 000**
Capital reduction	-	-	-	-	-	-	-	**-**	(527)	**(527)**
Total transactions with owners	**5 638**	**-**	**-**	**-**	**-**	**-**	**294 362**	**300 000**	**1 979**	**301 979**
Balance at 31 December 2024	**28 194**	**10 000**	**(456)**	**1 994**	**(51)**	**12 408**	**541 978**	**594 067**	**11 401**	**605 468**
Comprehensive income										
Net gain on cash flow hedges (Note 37)	-	-	-	-	163	-	-	**163**	-	**163**
Currency translation difference	-	-	-	-	-	(8 683)	-	**(8 683)**	(724)	**(9 407)**
Loss for the period	-	-	-	-	-	-	(66 749)	**(66 749)**	3 182	**(63 567)**
Total comprehensive loss	**-**	**-**	**-**	**-**	**163**	**(8 683)**	**(66 749)**	**(75 269)**	**2 458**	**(72 811)**
Transactions with owners										
Dividends paid	-	-	-	-	-	-	-	**-**	(3 394)	**(3 394)**
Change in ownership interest of a subsidiary without loss of control	-	-	-	-	-	-	(580)	**(580)**	580	**-**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(580)**	**(580)**	**(2 814)**	**(3 394)**
Balance at 31 December 2025	**28 194**	**10 000**	**(456)**	**1 994**	**112**	**3 725**	**474 649**	**518 218**	**11 045**	**529 263**

(All tabular amounts are in EUR '000)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2025	2024
Operating activities			
Loss for the year		(63 567)	(62 583)
Income tax expense/(credit)	13	3 712	(2 197)
Adjustments for:			
Depreciation and amortisation	5, 8, 16, 17	353 946	364 599
Increase in the provision for impairment of financial and non-financial assets	5, 14	161 607	64 234
Interest expenses	12	114 609	137 997
Foreign exchange (gain)/loss		(11 840)	7 308
Discounting effect on financial assets	12	(804)	2 566
Fair value loss/(gain)	12	10	(52 388)
Hedging initial transaction costs		1 137	1 574
Gain on property, plant and equipment disposals and write-offs		(1 151)	(14 771)
Loss/(gain) on sub-lease agreements		1 714	(3 262)
Gain on termination/modification of lease agreements	9	(4 721)	(1 929)
Other investing activities		-	468
Gain on subsidiaries disposal	9, 33, 34	(204 806)	-
Amortisation of government grants	2.20	(770)	(4)
Interest income	6, 12	(6 970)	(8 245)
Share in profit of equity-accounted investees		255	(13)
Changes in operating assets and liabilities:			
- Inventories		(10 603)	(72 934)
- Trade and other receivables, contract assets		(76 038)	(2 796)
- Security deposits placed		1 236	(16 774)
- Trade and other payables, contract liabilities		101 135	75 427
- Security deposits received		12 113	15 497
Cash generated from operating activities		**370 204**	**431 774**
Interest received		2 114	7 141
Interest paid	27	(110 568)	(131 204)
Income tax paid		(17 702)	(14 017)
Net cash generated from operating activities		**244 048**	**293 694**

	Notes	Year ended 31 December 2025	2024
Investing activities			
Purchase of property, plant and equipment		(162 507)	(230 833)
Purchase of intangible assets		(6 608)	(9 512)
Proceeds from the disposal of property, plant and equipment and intangible assets		18 903	6 519
Proceeds from aircraft sale and leaseback		27 500	57 737
Disposal of other investments		6 773	5 107
Loans granted		(1 797)	(6 028)
Repayments of loans granted		1 482	1 835
Bank deposits placed		2 142	(581)
Purchase of subsidiaries (net of cash acquired)		-	(11 888)
Sales of subsidiaries (net of cash disposed)	33, 34	(719)	-
Receipt of government grants		775	-
Payments for financial assets at amortised cost		-	(2 877)
Net cash used in investing activities		**(114 056)**	**(190 521)**
Financing activities			
Dividends paid		(2 097)	(1 492)
Receipt of bank borrowings	27	80 896	33 158
Repayments of bank borrowings	27	(10 148)	(14 861)
Other borrowings received	27	3 750	1 220
Repayments of other borrowings	27	(3 704)	(4 733)
Debt issuance transaction costs	27	(24)	(7 262)
Issuance of bonds	27	-	278 836
Repurchase of bonds	27	-	(167 611)
Repayments of lease liabilities	27	(252 388)	(242 596)
Net cash used in financing activities		**(183 715)**	**(125 341)**
Currency translation difference		**(8 323)**	**6 316**
At beginning of year	23	**184 701**	**200 553**
Decrease during the year	23	(62 046)	(15 852)
At end of year	23	**122 655**	**184 701**

The notes on pages 18 to 64 form an integral part of these financial statements.

(All tabular amounts are in EUR '000)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Avia Solutions Group (ASG) Public Limited Company (referred to as the 'Company') was incorporated in Ireland on 10 October 2022 (registration number – 727348) as a public limited company. Its registered office is Building 9, Vantage West, Central Park, Dublin, D18 FT0C, Ireland.

On 01 March 2023, the Company registered a permanent establishment of a foreign legal entity in Lithuania (identification number (code): 9004402687, VAT code: LT100015658116), which is operating in the territory of the Republic of Lithuania.

On 01 March 2023, a cross-border merger between Avia Solutions Group PLC and the Company was completed with the Company surviving. As at 01 March 2023, all assets, rights and liabilities of Avia Solutions Group PLC were acquired and taken over by the Company which will continue the business and activities of Avia Solutions Group PLC.

The Board of Directors is a collegial management body of the Company consisting of six members. The election of Directors ensures that the principle of proper representation of the rights of all shareholders in the Board of Directors is ensured.

The elected members of the Board during the year are the following:
- Gediminas Ziemelis
- Jonas Janukenas
- Zilvinas Lapinskas
- Linas Dovydenas
- Thomas Klein
- Pascal Jean Alexandre Picano until 11 September 2025
- Tadas Goberis from 12 September 2025

All of them were members of the Board throughout the years 2025 and 2024, except for Mr Pascal Jean Alexandre Picano who resigned as a Director of the Company on 11 September 2025. On 12 September 2025, Mr Tadas Goberis was appointed as a Director of the Company.

The Company and its subsidiaries (the 'Group') operate in the following activity areas mainly related to aviation: logistics and distribution and support services.

The shareholders' structure of the Company as at 31 December 2025 and 2024 was as follows:

	2025		2024	
	Number of shares	**Percentage owned**	**Number of shares**	**Percentage owned**
Ziemelis Holding FZ-LLC	37 853 999	38.94%	37 705 346	38.78%
Vertas Management UAB	19 920 394	20.49%	19 920 394	20.49%
Certares Compass S.à r.l.	19 444 443	20.00%	19 444 443	20.00%
Sventininkai UAB	12 150 498	12.50%	11 416 335	11.74%
Linas Dovydenas (Member of the Board of Directors)	276 244	0.28%	276 244	0.28%
Zilvinas Lapinskas (Member of the Board of Directors)	195 706	0.20%	206 706	0.21%
Jonas Janukenas (Member of the Board of Directors, CEO)	144 581	0.15%	144 581	0.15%
Tadas Goberis (Member of the Board of Directors from 12 September 2025)	107 076	0.11%	214 152	0.22%
Indeco: Investment and Development UAB	-	-	734 163	0.76%
Other shareholders	7 129 279	7.33%	7 159 856	7.37%
Total issued ordinary shares	**97 222 220**	**100.0%**	**97 222 220**	**100.0%**
Certares Compass S.à r.l.	1	100.00%	1	100.00%
Total issued convertible preferred shares	**1**	**100.00%**	**1**	**100.00%**

The ultimate controlling party of the Group is Gediminas Ziemelis. There was no change in the ultimate controlling party during 2025.

The subsidiaries and joint ventures, which are included in the Group's consolidated financial statements are indicated below.

(All tabular amounts are in EUR '000)

1. General information (continued)

Name, Country of establishment	Share of Equity, % 2025	2024	
Logistic and distribution segment			
Chapman Freeborn Airchartering BV, Kingdom of Belgium	80	80	
Chapman Freeborn Airmarketing GmbH, Germany	100	100	
Chapman Freeborn Holdings Limited, The United Kingdom	98.50	100	
Chapman Freeborn International Limited, The United Kingdom	100	100	
Chapman Freeborn Airchartering Poland S.p z o.o, Poland	100	100	
Chapman Freeborn Airchartering SL, Kingdom of Spain	100	100	
Chapman Freeborn Airchartering Limited, The United Kingdom	100	100	
Chapman Freeborn OBC GmbH, Germany	100	100	
Wings 24 Limited, The United Kingdom	100	100	
Arcus Air Logistic GmbH, Germany	100	100	
Arcus Air Logistic Iberica S.L.U., Spain	100	100	
Arcus Air Logistic s.r.o., Slovakia	100	100	
Arcus OBC GmbH, Germany	100	100	
Alltrans Management Pty Limited, Australia	100	100	
Chapman Freeborn Airchartering (China) Limited, The United Kingdom	100	100	
Chapman Freeborn Airchartering Consulting (Shanghai) Co Ltd, Republic of China	100	100	
Chapman Freeborn Airchartering Pvt Limited, India	100	100	
Chapman Freeborn Airchartering Pte Limited, Singapore	100	100	
Chapman Freeborn Handcarry Limited, Hong Kong	100	100	
Zeusbond Limited, The United Kingdom	75	75	
Intradco Cargo Services Limited, The United Kingdom	100	100	
Intradco Global Limited (previously Chapman Freeborn Airchartering Limited), Canada	100	100	
Intradco Global Inc., United States of America	100	100	
Intradco Global DMCC, United Arab Emirates	100	100	
Chapman Freeborn Airchartering Inc, United States of America	100	100	
Chapman Freeborn OBC SdeRLdeCV, Mexico	100	100	
Chapman Freeborn OBC Inc, United States of America	100	100	
CF Couriers LLC, United States of America	100	100	
Chapman Freeborn Aviation Services DMCC, United Arab Emirates	100	100	
Chapman Freeborn Airchartering South Africa (Pty) Ltd, South Africa	100	100	
Chapman Freeborn Airchartering Limited, Afghanistan	100	100	
Chapman Freeborn Aviation (LLC), Saudi Arabia	100	100	
Chapman Freeborn Havacilik Tasimacilik Ticaret Limited Sirketi, Turkey	100	100	
Chapman Freeborn Airchartering S.à r.l., Luxembourg	100	-	Established in November 2025

Name, Country of establishment	Share of Equity, % 2025	2024	
Magma Aviation DMCC, United Arab Emirates	100	100	
Magma Aviation Global Services Limited, Republic of Ireland	100	100	
Magma Aviation International Limited, Republic of Ireland	100	100	
Magma Aviation Limited, The United Kingdom	100	100	
AviaAM Leasing Service Centre AB, Republic of Lithuania	98.84	98.84	
AviaAM B02 UAB, Republic of Lithuania	100	100	
AviaAM B05 UAB, Republic of Lithuania	100	100	
AviaAM B08 Ltd., Bermuda	-	100	Disposed in December 2025
AviaAM B10 Ltd., Republic of Ireland	100	100	
AviaAM B11 Ltd., Republic of Ireland	100	100	
AAL Capital Aircraft Holdings Ltd., Republic of Cyprus	100	100	
Boulevard Two Aircraft Ltd., Republic of Ireland	100	100	
Aero City 1 UAB, Republic of Lithuania	100	100	
AviaAM Leasing DMCC, United Arab Emirates	100	100	
AviaAM Leasing Trading DMCC, United Arab Emirates	100	100	
Skyroad Leasing UAB, Republic of Lithuania	100	100	
AviaAM Aircraft Leasing DWC-LLC, United Arab Emirates	100	-	Established in November 2025
AviaAM Leasing PLC, Republic of Cyprus	99.98	99.98	
AviaAM Financial Leasing China Co. Ltd, Republic of China	51*	51*	
SIA SmartLynx Airlines, Republic of Latvia	-	100	Disposed in October 2025
SmartLynx Airlines Estonia OÜ, Republic of Estonia	-	100	Disposed in November 2025
SmartLynx Airlines Crewing OÜ, Republic of Estonia	-	100	Disposed in October 2025
SIA SmartLynx Technik, Republic of Latvia	-	100	Disposed in October 2025
SA SmartLynx Airlines Cabo Verde, Cabo Verde	-	100	Disposed in October 2025
Air Holding Limited, Republic of Malta	-	100	Disposed in November 2025
Smart Aviation Limited, Republic of Malta	-	100	Disposed in October 2025
SmartLynx Airlines Lithuania UAB, Republic of Lithuania	-	100	Disposed in October 2025
SmartLynx Airlines Malta Limited, Republic of Malta	-	100	Disposed in November 2025
SIA Smart Aviation Holdings, Republic of Latvia	100	100	
UAB Skyllence, Republic of Lithuania	100	100	
Avion Express Malta Ltd, Republic of Malta	100	100	
Avion Express UAB, Republic of Lithuania	100	100	
Avion Express Germany GmbH, Germany	100	100	
Avion Express Brasil LTDA, Brazil	100	100	
Eyjafjoll SAS, France	100	100	
BBN Cargo Airlines Holdings UAB, Republic of Lithuania	-	100	Disposed in July 2025
Blafugl ehf (Bluebird Nordic), Republic of Iceland	-	100	Disposed in July 2025

(All tabular amounts are in EUR '000)

1. General information (continued)

Name, Country of establishment	Share of Equity, % 2025	2024	
PT BBN Airlines Indonesia, Indonesia	100**	100**	
BBN Airlines (Thailand) Co. Ltd., Kingdom of Thailand	100**	100**	
BBN Hava Yollari ve Tasimacilik Anonim Sirketi, Turkey	100**	100**	
BBN Invest Capital Management DMCC, United Arab Emirates	100	100	
KlasJet UAB, Republic of Lithuania	100	100	
BPC Travel UAB, Republic of Lithuania	99	99	
AirExplore s.r.o., Slovakia	100	100	
Ascend Airways Limited, The United Kingdom	100	100	
Ascend Airways Malaysia Sdn. Bhd., Malaysia	100**	100**	
AeroOpportunity Holdings Limited, Ireland	100	100	
Aeroopportunity Holdings Malaysia Sdn. Bhd., Malaysia	100	100	
Asia Pacific Leasing Co. SAS, France	100	100	
Avia Management Group Asia Pte. Ltd, Singapore	100	100	
BBN Airlines Philippines Inc, Philippines	100	100	
AEP Management Inc., Philippines	99.98	99.98	
Skytrans Australia Pty Ltd (previously: SmartLynx Australia Pty Ltd), Australia	100	100	
ASG Global Services Philippines Inc., Philippines	99	-	Established in October 2025
AOH Labuan Leasing DAC 1 Limited, Malaysia	100	-	Established in June 2025
Support service segment			
Aviator Airport Alliance, AB, Kingdom of Sweden	100	100	
Aviator Flight Services, ApS (previously: Copenhagen Flight services, ApS), Kingdom of Denmark	100	100	
Aviator Airport Services Sweden, AB, Kingdom of Sweden	100	100	
Aviator Airport Services Finland, OY, Republic of Finland	100	100	
Aviator Airport Alliance, AS, Kingdom of Norway	100	100	
Aviator OSL, AS, Kingdom of Norway	100	100	
Aviator Airport Alliance Denmark, A/S, Kingdom of Denmark	100	100	
Aviator Airport Partner ApS, Kingdom of Denmark	-	100	Merged to Aviator Flight Services, ApS in January 2025
Aviator Airport Services, AB, Kingdom of Sweden	100	100	
Nordic Dino Robotics, AB (previously: Aviator Robotics, AB), Kingdom of Sweden	100	100	
Helisota UAB, Republic of Lithuania	100	100	
JetMS Interiors UAB, Republic of Lithuania	100	100	
JetMS Regional UAB, Republic of Lithuania	100	100	
JetMS Holding Ltd, The United Kingdom	-	100	Liquidated in May 2025
JetMS Holdings Ltd, Republic of Ireland	100	100	
JetMS Completions Ltd, The United Kingdom	100	100	
FL Technics UAB, Republic of Lithuania	100	100	
PT. Avia Technics Dirgantara, Republic of Indonesia	100	100	
FL Technics Hong Kong Ltd., Hong Kong	100	100	
FL Technics GmbH, Republic of Austria	100	100	
Flash Line Maintenance S.r.l., Italy	100	100	
ASG Asset Management Ireland Limited, Republic of Ireland	100	100	
FL Technics Ukraine MRO LLC, Ukraine	100	100	
FL Technics S.R.L., Romania	100	100	
FL Technics Georgia LLC, Georgia	100	100	
FL Technics Group Holding Limited, Republic of Ireland	100	100	
FL Technics Dominican Republic S.A.S., Dominican Republic	100	100	
FL Technics Singapore Pte. Ltd., Singapore	100	100	
FL Technics Ukraine TOV, Ukraine	100	100	
FL Technics Engine Services UAB, Republic of Lithuania	100	100	
FL Technics Canada Inc., Canada	100	100	
FL Technics LLC, United Arab Emirates	100	100	
FL Technics Wheels and Brakes Kft., Hungary	100	100	
FL Technics Wheels and Brakes S.r.l., Italy	100	100	
FL Technics Wheels and Brakes GmbH, Germany	100	100	
FL Technics Trading DWC LLC (prev. FL Technics Trading DMCC), United Arab Emirates	100	100	
FL Technics Czech Republic s.r.o., Czech Republic	100	-	Established in October 2025
Wright International Aircraft Maintenance Services Inc., Canada	100	100	
Storm Aviation Ltd., The United Kingdom	100	100	
Storm Aviation (Cyprus) Ltd., Republic of Cyprus	100	100	
Storm Aviation (Nigeria) Ltd., Federal Republic of Nigeria	100	100	
Storm Aviation (Germany) GmbH, Germany	100	100	
Chevron Technical Services Limited, The United Kingdom	100	100	
Chevron Aircraft Maintenance Limited, The United Kingdom	100	100	
Biggin Hill Hangar Company Limited, The United Kingdom	100	100	
BSTS & Storm Aviation Limited, Republic of Bangladesh	49	49	
BAA Training UAB, Republic of Lithuania	100	100	
BAA Training Vietnam Ltd, Socialist Republic of Vietnam	100	100	
BAA Simulators 2 UAB, Republic of Lithuania	100	100	
BAA Training France SAS, France	100	100	
BAA Training India Private Limited, India	100	100	
BAA Leasing and Trading DMCC , United Arab Emirates	100	100	
ASG Asset Management UAB, Republic of Lithuania	100	100	
Kauno aviacijos gamykla UAB, Republic of Lithuania	100	100	

(All tabular amounts are in EUR '000)

1. General information (continued)

Name, Country of establishment	Share of Equity, % 2025	2024	
Avia Repair Co, S.L.U., Kingdom of Spain	100	100	
BAA Training China Co. Ltd., Republic of China	50	50	
RE Invest BH Limited, The United Kingdom	100	100	
Baltic Ground Services CZ s.r.o., Czech Republic	100	100	
Baltic Ground Services EE OÜ, Republic of Estonia	100	100	
Baltic Ground Services HR d.o.o, Republic of Croatia	100	100	
Baltic Ground Services LV SIA, Republic of Latvia	51	51	
Baltic Ground Services TOV UA, Ukraine	100	100	
Baltic Ground Services UAB, Republic of Lithuania	100	100	
BGS ADR SIA, Republic of Latvia	100	100	
BGS Italy S.r.l., Italy	100	-	Established in July 2025
Waypoint Aerotec Limited, The United Kingdom	100	100	
Gulfstream Oil SIA, Republic of Latvia	100	100	
Liepājas speciālās ekonomiskās zonas SIA "NORSAF" (prev.: SIA „GI Terminals"), Republic of Latvia	51	51	
Asia Pacific Avia Co. Ltd, Kingdom of Thailand	100**	100**	
Asia Pacific Aviation Co. Ltd, Kingdom of Thailand	100**	100**	
Unallocated			
ASG Finance Designated Activity Company, Republic of Ireland	100	100	
Digital Aero Technologies UAB, Republic of Lithuania	100	100	
EVmotors.eu UAB, Republic of Lithuania	100	100	
EV Motors Sp. z o.o., Poland	100	100	
UAB AeroClass, Republic of Lithuania	100	100	
Sensus Aero UAB, Republic of Lithuania	100	100	
AviationCV.com UAB, Republic of Lithuania	100	100	
Locatory.com UAB, Republic of Lithuania	100	100	
SIA Rezidence Kapteini, Republic of Latvia	100	100	
Star Dome UAB, Republic of Lithuania	99.99	99.99	
Panevezio arena UAB, Republic of Lithuania	100	100	
SEVEN Live UAB, Republic of Lithuania	100	100	
Loop Holding UAB, Republic of Lithuania	100	100	
BUSNEX POLAND Sp. z o.o., Poland	100	100	
BUSNEX UAB, Republic of Lithuania	100	100	
Aerocity Investments DWC-LLC, United Arab Emirates	100	-	Established in August 2025
Aero City Group UAB, Republic of Lithuania	100	100	
DG28 Aero UAB, Republic of Lithuania	100	100	
DG30 Aero UAB, Republic of Lithuania	100	100	
DG32 Aero UAB, Republic of Lithuania	100	100	

Name, Country of establishment	Share of Equity, % 2025	2024	
Atlas Living UAB, Republic of Lithuania	100	100	
DG25 Aero UAB, Republic of Lithuania	100	100	
DG41 Aero UAB, Republic of Lithuania	100	100	
DG41A Aero UAB, Republic of Lithuania	100	100	
AV4 Aero UAB, Republic of Lithuania	100	100	
Small Aero UAB, Republic of Lithuania	100	100	
BK10 Aero UAB, Republic of Lithuania	100	100	
BK14 Aero UAB, Republic of Lithuania	100	100	
BK20 Aero UAB, Republic of Lithuania	100	100	
EI17A Aero UAB, Republic of Lithuania	100	100	
EI18 Aero UAB, Republic of Lithuania	100	100	
EI75 Aero UAB, Republic of Lithuania	100	100	
Finance Aero UAB, Republic of Lithuania	100	100	
EI13 Aero UAB, Republic of Lithuania	100	100	
Aero Invest 1 UAB, Republic of Lithuania	100	100	
Aero Invest 2 UAB, Republic of Lithuania	100	100	
DG23 Aero UAB, Republic of Lithuania	100	100	
DG28A Aero UAB, Republic of Lithuania	100	100	
DG40 Aero UAB, Republic of Lithuania	100	100	
Al Tajer Al Hur for Air Freight and Passenger Services LLC - Baghdad (Free Merchant), Iraq	-	100	Disposed in April 2025
Aviation Services Fze, United Arab Emirates	-	100	Liquidated in July 2025
BGS Rail Cargo, Ukraine	100	100	
BGS Rail Holdings UAB, Republic of Lithuania	100	100	
BGS Rail TOV, Ukraine	100	100	
RE Invest LLC, Ukraine	100	100	
RWS Logistics LLC, Kazakhstan	100	100	
AI 12 DMCC, United Arab Emirates	51	51	
ASG Aero Invest Ireland Designated Activity Company, Republic of Ireland	100	100	
ASG Aircraft Trading DWC-LLC, United Arab Emirates	100	100	
Wolf Holding DWC-LLC, United Arab Emirates	100	-	Established in June 2025
Wolf Aero Holding Limited, Republic of Ireland	100	-	Established in July 2025

*the percentages represent economic interests
**the percentages represent economic interests. For more details, refer to significant accounting judgment section in Note 4.

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union (EU) and the requirements of the Companies Act 2014 applicable in the Republic of Ireland. The financial statements have been prepared on a going concern basis and under the historical cost convention except for financial assets at fair value through profit or loss and derivatives financial instruments which are accounted at fair value.

These financial statements include the consolidated financial statements of the Group for the year ended 31 December 2025.

The preparation of 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 areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards and interpretations adopted by the Group:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability Instruments (effective for annual periods beginning on or after 01 January 2025)

The amendments had no material impact on the consolidated financial statements of the Group.

(b) Standards, amendments and interpretations to existing standards that are adopted by EU but are not yet effective and have not been early adopted by the Group:

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 01 January 2026)

The Group expects that these amendments will have no material impact on the consolidated financial statements.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 01 January 2026)

The Group expects that these amendments will have no material impact on the consolidated financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 01 January 2026)

The Group expects that these amendments will have no material impact on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 01 January 2027)

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

(c) Standards, interpretations and amendments that have not been endorsed by EU and that have not been early adopted by the Group:

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 01 January 2027)

The Group has conducted an initial assessment and concluded that the standard is not applicable, as the Group does not meet the eligibility criteria for its use.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 01 January 2027)

The Group is currently assessing the impact of the amendments on the consolidated financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely)

The Group is currently assessing the impact of the amendments on the consolidated financial statements.

There are no other new or amended standards and interpretations that are not yet effective and that may have a material impact for the Group.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income (OCI). Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between entities included within the consolidated financial statements have been eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

2.2 Consolidation (continued)

Disposal of subsidiaries

When the Group ceases to have control of a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The cash payments made or received are presented under financing activities.

Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

A joint venture is an entity of joint operations, whereby the investors have a contractual arrangement that establishes joint control over the economic activities of the entity.

Investments in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in OCI is recognised in OCI with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Loans granted and bonds issued to associates or joint ventures are considered as part of net investment and Group's share of losses are allocated to the bonds as required by IAS 28.

The reporting dates of joint ventures and the Group are identical and the joint ventures' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss of the Group's investments in its joint ventures. The Group determines at each reporting date whether there is any objective evidence that the investment in joint ventures is impaired. If this is the case the Group calculates the amount of impairment as being the difference between the fair value of the joint venture and the carrying amount and recognises the amount in the consolidated statement of profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

Non-controlling interest

Non-controlling interest is the part of the net results and of the net assets of a subsidiary, including the fair value adjustments, which is attributable to interests which are not owned, directly or indirectly, by the Group. Non-controlling interest forms a separate component of the Group's equity.

Transactions with non-controlling interest

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euro (EUR), which is the presentation currency of the Group.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within "Finance income" or "Finance costs". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "Other gains – net".

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Exchange differences arising on the translation of non-monetary items are generally recognised in profit or loss, except when they relate to items for which gains and losses are recognised in OCI. In such cases, the exchange component is also recognised in OCI.

In the consolidated financial statements, when the foreign operation is a subsidiary, exchange differences arising on a monetary item that forms part of the Group's net investment in the foreign operation are recognised initially in OCI (currency translation differences) and reclassified from equity to profit or loss on disposal of the net investment.

(All tabular amounts are in EUR '000)

2.3 Foreign currency translation (continued)

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at rates prevailing at the dates of the transactions);
- All resulting exchange differences are recognised as a separate component of equity.

Change in functional currency of subsidiaries

Effective 01 January 2024, the functional currencies of SIA Smartlynx Airlines and Smartlynx Airlines Malta Limited, subsidiaries of the Group, were changed from EUR to USD. This change was made to better reflect the primary economic environment in which these subsidiaries operate.

The decision to change the functional currencies was based on an assessment in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates which requires the functional currency to reflect the underlying transactions, events, and conditions that are relevant to the entity.

As at 01 January 2024, the majority of the revenues, costs, financing activities, and cash flows of both subsidiaries are denominated in USD. As such, the USD provides a more accurate reflection of their financial and operating environment.

In accordance with IAS 21, the change in functional currency has been applied prospectively from the date of change. At the date of the change, all assets, liabilities, equity items in their reported figures of both entities were translated into USD using the exchange rate at that date. The resulting translated balances became the new accounting bases for those assets and liabilities.

There was no impact on the Group's consolidated financial statements as a result of this change, except for translation differences arising from the application of the new functional currencies in the cumulative translation differences.

2.4 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of the Company that makes strategic decisions.

2.5 Property, plant and equipment

Property, plant and equipment consist of buildings and structures, construction in progress, vehicles, machinery, aircraft, aircraft engines, prepayments for assets under preparation for use and other non-current tangible assets that are held for use in the supply of services or for administrative purposes and are expected to be used during more than one period. Property, plant and equipment are carried at their historical cost less any accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation is calculated on the straight-line basis to write off the cost of assets to their residual values over their estimated useful life as follows:

Buildings and structures	6 – 30 years
Vehicles	4 – 12 years
Machinery	5 – 35 years
Aircraft	4 – 15 years
Aircraft engines	24 – 39 months
Leasehold improvements	Lease term
Advance payments related to leases	Not depreciated
Construction in progress	Not depreciated
Prepayments for assets under preparation for use	Not depreciated
Land	Not depreciated
Other tangible fixed assets	3 – 15 years

Major additions, modifications and improvements expenditure relating to flight equipment for aircraft taken on lease by the Group are capitalized and depreciated over the remaining lease period of the aircraft. Major improvements performed for aircraft taken on lease are capitalized leasehold improvements and depreciated over the period until the next improvement or during the useful life of the certain asset. These leasehold improvements are classified as right-of-use assets. The assets' residual value and useful lives are reviewed periodically and adjusted if appropriate.

Leasehold improvements, which can be recovered and used after the lease term are classified as part of property, plant and equipment. Leasehold improvements that will be returned to lessor after lease term are classified as right-of-use assets.

The residual value of aircraft represents the amount management believes the aircraft can be sold or traded for at the end of its useful life, before aircraft heavy maintenance. The residual value of aircraft engines represents the amount management believes the aircraft engine can be sold or traded for at the end of its useful life, after its tear down into spare parts and components.

Property, plant and equipment includes prepayments for assets under preparation for use. Such assets are not depreciated.

Construction in progress is transferred to appropriate groups of fixed assets when it is completed and ready for its intended use. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

When property is retired or otherwise disposed (other than aircraft held for rental), the cost and related depreciation are removed from the consolidated financial statements and any related gains or losses are included in the profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains – net' in the consolidated statement of profit or loss.

Recognition of sales of aircraft initially held for rental

The Group sells aircraft that were initially purchased for rental to customers. As part of the sale, the lease contract is transferred to a new lessor. The lease contract is continuing; however, it ceases from Group's perspective as the lessor changed. The proceeds from the sale of such assets are recognised as revenue and the carrying amount is accounted under cost of services and goods.

Cash flows from sales of aircraft initially held for rental

The cash receipts from rents and subsequent sales of aircraft initially held for rental are cash flows from operating activities. Also, the cash payments for the aircraft are cash flows from operating activities.

2.6 Investment property

Investment property is land, buildings or part of these items held by the Group to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the Group, and the cost of an asset can be measured reliably.

An investment property is measured initially at its cost. Transaction costs are included in the initial measurement. Subsequent to initial recognition, investment property is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of assets to their residual values over their estimated useful life which is from 15 to 25 years.

2.7 Intangible assets

Intangible assets expected to provide economic benefits to the Group in future periods have finite useful lives and are valued at acquisition cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on the straight-line method to allocate the cost of intangible asset over estimated benefit period as follows:

Licenses	3 - 20 years
Software	3 - 20 years
Website	5 years
Customer relationships	5 - 10 years
Other intangible assets	1 - 4 years
Prepayments relating to intangible assets	Not amortised

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

The costs incurred at each stage in development and operation of Group's own websites that meet the definition of intangible assets (i.e., identifiability, control over a resource, and existence of future economic benefits) is recognised as part of intangible assets. Such expenses include expenses on purchasing or creating content for a website, expenses to enable use of the content on the website and directly attributable employee-related expenses, that have been incurred during the stage of the development of the website and additional development of the website expenses, that have been incurred during the stage of the operation of the website after initial recognition of the intangible assets.

In the context of business combinations, when the Group acquires another entity, it often acquires the relationships that the acquired entity has with its customers. These customer relationships are considered intangible assets if they meet specific recognition criteria. Customer relationships are often considered separable because they can be sold or transferred independently of other assets and are measured at fair value at the acquisition date. This fair value measurement involves estimating the future economic benefits associated with the customer relationships, such as future cash flows, and discounting them to present value. They are amortised over their useful lives. The useful life is based on factors such as the expected duration of the relationships and the expected future economic benefits to be derived from them.

Prepayments related to intangible assets is related to a software or website development activities that meets the capitalisation criteria.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in "Intangible assets". Goodwill on acquisitions of associates is included in "Investments accounted for using the equity method".

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on a disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2.8 Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets and financial liabilities

Financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL)); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

2.9 Financial assets and financial liabilities (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it is:

- a debt instrument held within a business model whose objective is achieved by both collecting contractual cash flows and selling the assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest; or
- an equity instrument not held for trading, for which the Group has made an irrevocable election at initial recognition to present changes in fair value in OCI.

A financial asset is measured at FVTPL if it:

- does not meet the criteria for classification at amortised cost or FVOCI;
- is held for trading or managed on a fair value basis; or
- is designated at FVTPL at initial recognition to eliminate an accounting mismatch.

Impairment

The Group assesses on a forward-looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECL to be recognised from initial recognition of the receivables - see Note 3 for further details.

For cash and cash equivalents and bank deposits, the Group calculates ECL as soon as there has been a significant increase in credit risk since initial recognition.

Presentation of allowance for ECL in the consolidated balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The loss allowance is charged to profit or loss and is recognised in operating expenses as 'Provision for impairment of financial assets'.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Receivables transferred under factoring arrangements are derecognised only when substantially all risks and rewards are transferred to the factor. In non-recourse arrangements where credit risk is transferred, receivables are derecognised and any difference between proceeds and carrying amount is recognised in profit or loss. If risks and rewards are retained (e.g., recourse factoring), the receivables remain recognised and the proceeds are recorded as a financial liability until settlement.

Financial liabilities

The Group classifies its financial liabilities at initial recognition into the following categories:

- financial liabilities at FVTPL; and
- financial liabilities measured at amortised cost.

The classification depends on the nature and purpose of the financial liability and is determined at the time of initial recognition.

A financial liability is classified as at FVTPL if it:

- is held for trading (e.g., derivative liabilities not designated as hedging instruments); or
- is designated as such on initial recognition in accordance with IFRS 9, when doing so results in more relevant information by eliminating or significantly reducing a measurement or recognition inconsistency.

The Group may designate certain structured debt instruments and derivative liabilities as measured at FVTPL.

All other financial liabilities are classified and measured at amortised cost.

Recognition and initial measurement

Financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. For liabilities not at FVTPL, this includes directly attributable transaction costs. For liabilities at FVTPL, transaction costs are expensed in profit or loss as incurred.

Subsequent measurement

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising from changes in fair value recognised in profit or loss. This category includes derivative liabilities and any non-derivative financial liabilities that the Group has designated at FVTPL.

Financial liabilities at amortised cost are subsequently measured using the effective interest method. Interest expense and any gains or losses on derecognition are recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. If an existing financial liability is replaced by another with substantially different terms, or the terms are substantially modified, the original liability is derecognised and a new liability is recognised. Any resulting gain or loss is recognised in profit or loss.

2.10 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

In the consolidated statement of profit or loss of the reporting period and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing activities, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the consolidated statement of profit or loss.

2.10 Non-current assets (or disposal groups) held for sale and discontinued operations (continued)

Where a disposal group is still operating, transactions may occur between the disposal group and other companies within the Group. All intra-group balances, intra-group interest income, expenses and other intra-group transactions where goods are sold or purchased between the disposal group and the continuing business are eliminated in full. The principle of elimination of intra-group sales transactions is based on the guidance in IFRS 5 which only allowed expenses to be attributed to the discontinuing operation if they would be eliminated when the operation is disposed of. If the arrangement is expected to continue, the sales and costs are recorded in continuing operations and, therefore, the elimination entries are recorded in discontinued operations.

If non-current assets (or disposal groups) no longer meet the criteria to be classified as held for sale, they are reclassified from held for sale. On reclassification, the Group measures the non-current asset or disposal group at the lower of its recoverable amount and the carrying amount that would have been recognised had the asset or disposal group never been classified as held for sale.

If a non-current asset or disposal group is not a subsidiary, any resulting adjustment is recognised in profit or loss from continuing operations in the period in which the 'held for sale' criteria cease to be met. In the comparative period, the balance sheet amounts are not represented (so the item continues to be presented as 'held for sale') and their measurement will not be revised.

If a non-current asset or disposal group is a subsidiary which ceases to be classified as held for sale, then the consolidated financial statements for the periods since classification as held for sale are amended accordingly. The amendment relates to:
(a) the presentation in the balance sheet (the comparatives are represented);
(b) the change of presentation in the consolidated statement of profit or loss and OCI and the consolidated statement of cash flows (if the subsidiary was classified as a discontinued operation);
(c) the remeasurement effect is also recognised retrospectively, i.e., to the extent that the amendment relates to earlier periods, it is recognised as a prior period adjustment (i.e., the amendment is calculated retrospectively) and the opening balance of retained earnings and comparatives are restated, if applicable.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of inventories comprises purchase price, taxes (other than those subsequently recoverable by the Group from the tax authorities), transport, handling and other costs directly attributable to the acquisition of inventories. Net realisable value is the estimate of the selling price in the ordinary course of business less the applicable selling expenses. Inventories that are no longer appropriate for sale are written off.

Aircraft or its components are classified to inventory when it is expected that its carrying amount is to be recovered through a sale transaction.
Revenue from the sale of equipment (spare parts) are recognised at a point in time, generally upon delivery of the equipment. The price for the spare parts is pre-agreed in the contracts and represents a separate performance obligation.

2.12 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

The Group apply the simplified approach for calculation of lifetime ECL using the provision matrix for all trade receivables except for individual exposures above EUR 2 million or exposures from strategic clients, based on Group's management decision. To measure the ECL using provision matrix, trade receivables are split into separate pools, based on shared credit risk characteristics. Receivables in each pool are grouped according to payment delay days and loss rates are applied to each delay group. The loss rates are calculated using statistical recovery information from the last 5 years (when available) and adjusted if considered necessary, taking into account forward looking information.

The Group uses individual assessment model for determining ECL for large trade receivables (above EUR 2 million) or strategic clients based on the Group's management decision. For these exposures, individual assessment model is used as described in Note 3.1 Credit Risk.

The carrying amount of an asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Impairment

The Group assesses on a forward-looking basis the ECL associated with its contract assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For contracts assets, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECL to be recognised from initial recognition of the receivables - see Note 3 for further details.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of less than three months.

Bank overdrafts are shown within "Borrowings" in current liabilities in the consolidated balance sheet.

Bank overdrafts are subtracted from "Cash and cash equivalents" in the consolidated statement of cash flows.

Interest paid and received are shown under operating activities in the consolidated statement of cash flows.

Cash and cash equivalents are carried at amortised cost because they are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest, and they are not designated at FVTPL.

2.14 Share capital

Ordinary shares are stated at their par value and classified as equity.

Where the Company or its subsidiaries purchase the Company's equity share capital (treasury shares), in the Group's financial statements the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Group's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction cost and the related income tax effects, is included in equity attributable to the Group's equity holders. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.17 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions for C-check

Provisions for C-check are described in Note 4 "Critical Accounting Estimates and Significant Judgments".

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.19 Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps to hedge its cash flow interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 37. Movements in the hedging reserve in equity are shown in Note 37. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within 'Other gains – net'.

Gains or losses relating to the effective portion of the change in intrinsic value of the derivatives are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).
- The gain or loss relating to the effective portion of the foreign currency interest rate swaps hedging different currency borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

(All tabular amounts are in EUR '000)

2.19 Derivative financial instruments (continued)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in profit or loss and are included in 'Other gains – net'.

2.19 a Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows the tables.

Recurring fair value measurements at 31 December 2025	Level 1	Level 2	Level 3
Financial assets			
Financial assets at fair value through profit or loss	71	-	-
Total financial assets	**71**	**-**	**-**
Financial liabilities			
Derivative financial instruments	-	7 515	-
Total financial liabilities	**-**	**7 515**	-

Recurring fair value measurements at 31 December 2024	Level 1	Level 2	Level 3
Financial assets			
Financial assets at fair value through profit or loss	26	-	-
Derivative financial instruments	-	6 023	-
Total financial assets	**26**	**6 023**	**-**

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:
- for foreign currency interest rate swaps – the present value of the estimated future cash flows based on observable yield curves. Additionally, the instruments' value is agreed upon with banks;

2.20 Government grants

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants less any accumulated amortisation. Amortisation is calculated on a straight-line basis over the expected lives of the related assets and is included in 'Other gains – net'. Grants relating to expenses are included in current liabilities and are credited to profit or loss on basis to match the appropriate expenses.

2.21 Merger reserve

Merger reserve was formed during business combination (upon pre-IPO reorganization) in 2010. The merger reserve consists of the difference between the Company's purchase consideration for the acquisition of remaining stake of the share capital of the Group companies and nominal value of the share capital acquired.

2.22 Accounting for leases

Accounting for leases where the Group is the lessee

The Group leases many assets, including properties, aircraft, vehicles and equipment.

The Group assesses whether a contract is or contains a lease based on IFRS 16. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e., these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group presents lease liabilities in the consolidated balance sheet.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

2.22 Accounting for leases (continued)

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions. The Group remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset when a lease is modified and the modification is not accounted for as a separate lease. A lease modification is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more underlying assets and the consideration increases by an amount commensurate with the stand-alone price for the increase in scope. For modifications that do not result in a separate lease, the lease liability is remeasured using a revised discount rate on the effective date of the modification.

Accounting for leases where the Group is the sub-lessor

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the head lease. It assesses the classification of a sublease as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. When subleases are classified as finance leases, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and presents the net investment in the lease in the consolidated balance sheet. Net investment in the lease is initially recognised at commencement (when the lease term begins), using an incremental borrowing rate corresponding to the head lease. During the term of the sublease, the Group recognises finance income on sublease based on a pattern reflecting a constant period rate of return on the net investment in the lease.

For subleases classified as operating lease, the Group recognises the lease income as Revenue (Note 2.25).

Accounting for leases where the Group is the lessor

Where the Group is a lessor in a finance lease (which transfers substantially all the risks and rewards incidental to ownership of an underlying asset), the assets leased out are presented as a net investment in the lease. At the commencement date, measurement of the net investment in the lease comprises the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives payable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The difference between the gross receivable and the present value represents unearned finance income. This income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. Finance income from leases is recorded under finance lease income in the consolidated statement of profit or loss.

Where the Group is a lessor under an operating lease, the underlying asset continues to be accounted in accordance with IFRS 16, and Group recognises the lease income as Revenue (Note 2.25).

Leaseback arrangements

When the Group enters into sale and leaseback transactions, typically involving the sale of aircraft to a third party followed by an immediate leaseback, it assesses whether the transaction qualifies as a sale under IFRS 15 and whether the sale proceeds reflect the fair value of the aircraft at the time of the transaction. Where sale proceeds received are judged to reflect the aircraft's fair value, any gain or loss arising on disposal is recognised in the consolidated statement of profit or loss, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right-of-use asset recognised at commencement of the lease. Where sale proceeds received are not at the aircraft's fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

In sale and leaseback transactions involving aircraft held as inventory or property, plant, and equipment, the proceeds are accounted for as "Proceeds from aircraft sale and leaseback" within cash flows from investing activities. This line item represents the cash consideration received from such transactions.

When a subsidiary is disposed of, and this involves a sale and leaseback transaction of buildings at the Group level, any gain on the disposal is adjusted to reflect the rights transferred. The proceeds from such transactions are then reported as "Sales of subsidiaries (net of cash disposed)" within cash flows from investing activities.

2.23 Right-of-use assets

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2.24 Current and deferred income tax

The tax expenses for the period comprise current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

According to Irish, Lithuanian, Ukrainian, British, Maltese, French and Nigerian legislation, tax losses accumulated are carried forward indefinitely; according to Czech, Cypriot, Indonesian, Slovak, Turkish and Thai legislation, tax losses accumulated per year are carried forward for five years.

Tax losses can be carried forward for an indefinite period in Lithuania, except for the losses incurred as a result of disposal of securities and (or) derivative financial instruments. Such carrying forward is disrupted if the Company changes its activities due to which these losses were incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself.

2.24 Current and deferred income tax (continued)

The losses from disposal of securities and (or) derivative financial instruments can be carried forward for five consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. Applicable tax rates by each country are disclosed in Note 30.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

2.25 Revenue recognition

Revenue of the Group consists of aircraft and aircraft components maintenance and overhaul, training of aviation specialists, technical consulting, aircraft ground handling services, into-plane fuelling and website subscription services, providing private and corporate charter flights as well as tour operator, aircraft and crew lease revenue, sales of aircraft, commission income and other related services.

Revenue from contracts with customers is recognised when a performance obligation by transferring a good or service to a customer is satisfied at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sales of services

Sales of short-term training and other services are recognised at a point in time based on actual services provided. Long-term services (pilot and crew training and website subscription services) are recognised over the time, based on the actual service provided by the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

Aircraft and aircraft components maintenance, training and technical consulting, website subscription services are provided to the customers on time and material basis or as a fixed-price contract, with contracts generally ranging from less than one year (single contract) to long-term contracts. The Group recognises revenue from these services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Business charter flights revenue, aircraft ground handling and into-plane fuelling revenue is recognised at a point in time - upon completion of the air transportation or upon delivery of services to the customer. Most of contracts are fixed-price contracts and the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice.

Sales of goods

Revenue from sale of aircraft, fuel and spare parts is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer. Such elements are not present in the Group. In a sale of an aircraft, control is transferred when the aircraft is delivered and the customer has full discretion over the use of the aircraft, and there is no unfulfilled obligation that could affect the customer's acceptance of the aircraft. Delivery does not occur until the aircraft has been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the aircraft in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. In addition, warranties for spare parts are given by the original manufacturer and therefore the Group does not make any warranty provisions over spare parts.

Significant financing component

Generally, the Group receives short-term advances from its customers (presented as contract liabilities). Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Wet lease services / Aircraft, crew, maintenance and insurance (ACMI)services

As a lessor, the Group accounts rental income on a linear basis over the life of the lease as it is earned.

In the Logistics and Distribution Services segment, almost all contracts include multiple deliverables, such as the lease of aircraft and related services (crew, maintenance, and insurance). As the contracts include a fee per block hour, revenue is recognised in the amount to which the Group has a right to invoice.

IFRS 15 states that if a contract is partially within the scope of another standard, a company should apply any separation and (or) measurement guidance in the other standard first. Otherwise, the principles in the revenue standards should be applied to separate and (or) initially measure the components of the contract. The Group assessed that even though all arrangements with customers contain an operating lease element, there is no difference in how revenue would be recognised under any of them, because:

- under an operating lease model, revenue is recognised in income on a systematic basis as block hours delivered to block hours promised, which is most representative of the time pattern in which benefit derived from the leased aircraft is diminished; or
- under IFRS 15 revenue is recognised over time using output method, i.e., measuring the progress based on block hours delivered.

The Group recognises revenue from contracts with customers over time and proportionally allocates to different performance obligations based on the actual costs of services provided that are related to each performance obligation or revenue stream (Note 5).

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule or invoices issued. If the services rendered by the Group exceeds the payment, a contract asset is recognised - also referred as accrued income. If the payments exceed the services rendered, a contract liability is recognised - also referred as deferred revenue.

Crew lease revenue is recognised when the Group leases crew without aircraft. This revenue is recognised over time as the services are performed based on hours delivered.

Revenue from aircraft maintenance services is recognised in the amount that the Group is entitled to invoice, based on the materials used and the terms of the fixed-price contract.

Commission income

The Group acts as an agent for a number of clients. The Group earns a fee or commission in return for arranging the provision of flight transport and related services on behalf of the principal. The amounts collected on behalf of the principal are not recognised as revenue. Instead, the commission fees received are recognised as revenue. Commission income is recognised in the accounting period in which control of the services is passed to the customer, which is when the services are rendered, therefore commission income is recognised at a point of time. Such services include insurance and travel arrangements.

2.25 Revenue recognition (continued)

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method to the gross carrying amount of a financial asset except for credit-impaired financial assets. Interest income for credit-impaired financial assets is calculated by applying the effective interest rate to the amortised cost of the financial asset from initial recognition.

Recognition of sales of aircraft initially held for rental

The Group sells aircraft that were initially purchased for rental to customers. As part of the sale, the lease contract is transferred to a new lessor. The lease contract is continuing; however, it ceases from the Group’s perspective as the lessor changed. The proceeds from the sale of such assets are recognised as revenue.

2.26 Employee benefits

Social security contributions

The Group pays social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Group pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period.

The social security contributions amounting to EUR 55 million (2024: EUR 47 million) for the Group are recognised as an expense on an accrual basis and are included within employee-related expenses.

Bonus plans

The Group recognises a liability and an expense for bonuses based on predefined targets. The Group recognises a related liability where contractually obliged or where there is a past practice that has created a constructive obligation.

Supplementary health insurance

The Group paid supplementary health insurance contributions to insurance companies on behalf of its employees. Supplementary health insurance for employees is the possibility to get health care and health improvement services from a selected health care institution. The supplementary health insurance contributions are recognised as an expense when incurred.

Termination benefits

Termination benefits are payable whenever an employee’s employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Defined contribution pension scheme

The Group operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the consolidated balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

2.27 Convertible preferred shares

The convertible preferred shares issued by the Group are classified as a financial liability since they will or might be settled in the entity’s own equity instruments and are a structured instrument for which the entity is or might be obliged to deliver a variable number of the entity’s own equity instruments.

The Group designated the preferred shares as financial liabilities at FVTPL. They are initially recognised at fair value. Any directly attributable transaction costs are recognised directly in profit or loss. Subsequent to initial recognition, the preferred shares are carried at fair value with changes in fair value recognised as ‘Finance costs’ in the consolidated statement of profit or loss. Changes in fair value related to changes in the Company’s own credit risk are presented separately in OCI, with no subsequent recycling through profit or loss.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire instruments as financial liabilities at FVTPL.

The issued convertible preferred shares are level 3 instruments according to criteria set out in the fair value hierarchy.

The preferred shares can be redeemed in cash at the option of the Group with consent of the preferred shareholder. They are classified as non-current liabilities if the preferred shareholder cannot demand the Group to redeem the preferred shares for at least 12 months after the end of the reporting period. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

2.28 Deferred charges

Deferred charges are costs that are initially recorded as non-financial assets on the consolidated balance sheet under caption ‘Trade and other receivables’. These assets are gradually expensed over time as they are consumed or used up. These charges typically arise when the Group incurs expenses that provide future benefits over period. Instead of recognising the entire expense immediately, the cost is deferred and allocated to future periods in which the benefits are realised. Typically, within the Group these items relate to advance payments for insurance, leases or other services provided over time.

(All tabular amounts are in EUR '000)

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Risk management is carried out by Group's top management with close cooperation with the Board of the Company. Top management meetings are held to discuss overall risk management and analyse each case, as well as actions to cover specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

Market risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US Dollar (USD) and British Pound (GBP). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

For calculation of foreign exchange risk's sensitivity, financial assets and financial liabilities denominated in USD and GBP are multiplied by reasonably possible change of EUR to USD and EUR to GBP, respectively. Reasonable possible change is provided in the table below:

	2025	2024
Reasonably possible change of EUR to USD	**-12%**	**6%**
Reasonably possible change of EUR to GBP	**-5%**	**5%**

As at 31 December 2025 the Group's post-tax profit for the year and equity would have been EUR 14 681 thousand (2024: EUR 10 811 thousand) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD-denominated financial instruments and EUR 374 thousand (2024: EUR 411 thousand) higher/lower, mainly as a result of foreign exchange gains/losses on translation of GBP-denominated financial instruments. Foreign exchange risk is controlled by monitoring the foreign currency exposure of its purchase contracts and lease commitments. The Group seeks to reduce its foreign rate exchange exposure through a policy of matching possible receipts and payments in each individual currency.

As part of mitigating foreign exchange risk, the Group uses derivatives for hedging as disclosed in Note 37.

(b) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term and long-term bank borrowings and lease liabilities at floating interest rates (less than 11% of leases are subject to floating interest rate risk from total leases (2024: 4%)). The Group is not exposed to fair value interest rate risk as loans granted to related parties and interest-free deposits placed as a guarantee for lease of aircraft are accounted at amortised cost and are with fixed interest rates. The Group is not exposed to bond interest rate risk as interests are accounted at an amortised cost and are fixed.

Borrowings received at variable interest rates and denominated in EUR and USD currencies amounting to EUR 109 880 thousand expose the Group to cash flow interest rate risk as at 31 December 2025 (2024: EUR 60 395 thousand). As at 31 December 2025 and 31 December 2024, the Group's borrowings and lease liabilities at variable rate of 3 or 6 months EURIBOR plus fixed margin were denominated in EUR and USD, respectively.

For calculation of interest rate risk sensitivity, interest expenses on borrowings, received at variable interest rates are multiplied by possible interest rate change (hereinafter 'reasonable shift'), which are prescribed by the Group. Possible interest rate changes are provided in the table below:

Currency of borrowings	**Reasonable shift**
EUR	**1.00%**

The presumable interest rate change creates acceptable impact on Group's annual profit as well as equity and makes EUR 453 thousand impact on 2025 profit or loss (2024: EUR 74 thousand).

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, financial institutions, shareholders and their related parties, lessor as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risks are controlled by the application of credit terms and monitoring procedures.

The Group's procedures are in force to ensure that services are sold only to customers with an appropriate credit history and do not exceed acceptable credit exposure limit. Cash transactions are limited to high-credit quality financial institutions.

(a) Maximum exposure of credit risk

The table below summarises all credit risk exposures relating to on-balance sheet items of the Group. Maximum exposure to credit risk before collateral held or other credit enhancements:

	2025	2024
Trade receivables (Note 21)	154 167	155 652
Cash in banks (Note 23)	123 916	184 576
Other receivables (Note 21)	14 841	26 076
Contract assets (Note 22)	15 053	41 957
Trade receivables from related parties (Notes 21 and 35)	670	1 167
Other receivables from related parties (Notes 21 and 35)	10 858	9 406
Loans granted to related parties (Note 21)	25 774	26 800
Loans granted (Note 21)	7 022	9 888
Leasehold receivables (Note 21)	-	10 100
Derivative financial instruments (assets)	-	6 023
Security deposits (Note 21)	54 317	90 901
Security deposits to related parties (Notes 21 and 35)	14	14
Bank deposits	2 163	3 978
	408 795	**566 538**

(b) Impairment of financial assets

Groups of financial assets for ECL measurement purposes

The Group has three groups of financial instruments:

- trade receivables and contract assets for which lifetime ECL is calculated using simplified approach described below in *Measurement of ECL - Trade receivables and contract assets*;
- other financial assets measured at amortised cost (includes loans granted and other receivables). 12-month ECL is calculated for these financial assets if no significant increase in credit risk is identified or lifetime ECL if significant increase in credit risk is identified. General individual assessment model is applied for ECL calculation, described below in *Measurement of ECL - other financial assets measured at amortised cost*; and
- cash and cash equivalents and bank deposits.

(All tabular amounts are in EUR '000)

3.1 Financial risk factors (continued)

The Group's loss allowance provision for financial assets measured at amortised cost as at 31 December 2025 reconciles to the opening loss allowance for that provision as follows:

	Loss allowance provision		
	For trade receivables and contract assets	For other financial assets	Total
Opening loss allowance as at 01 January 2024	**(43 980)**	**(11 218)**	**(55 198)**
Increase in the provision recognised in profit or loss during the year (Note 14)	(6 021)	(9 660)	(15 681)
Reclassification of loss allowance provision	(20)	(319)	(339)
Cumulative currency differences	(998)	(285)	(1 283)
Fully impaired receivables written off during the year as uncollectible	12 057	3 019	15 076
As at 31 December 2024 (Notes 21 and 22)	**(38 962)**	**(18 463)**	**(57 425)**
Increase in the provision recognised in profit or loss during the year (Note 14)	(3 506)	(149 666)	(153 172)
Reclassification of loss allowance provision	3 451	(3 197)	254
Cumulative currency differences	126	(3 257)	(3 131)
Fully impaired receivables written off during the year as uncollectible	13 758	2 155	15 913
Decrease in the provision due to disposal of subsidiaries	5 075	9 398	14 473
As at 31 December 2025 (Notes 21 and 22)	**(20 058)**	**(163 030)**	**(183 088)**

Measurement of significant increase in credit risk

The Group measures the probability of default upon initial recognition of a financial asset and at each balance sheet date considers whether there has been a significant increase in credit risk since the initial recognition.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The following indicators are assessed when analysing whether significant increase in credit risk has occurred:
- significant changes in internal credit rating (described below in *Measurement of ECL - Other financial assets measured at amortised cost*);
- significant change in external credit rating (if available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations; and
- actual or expected significant changes in the operating results of a customer.

A significant increase in credit risk is presumed when the following events are identified:
- for all debtors except for start-up business companies - if probability of default calculated based on the individual assessment model (described below) increases by more than 20 percent; and
- for start-up business companies (defined below) – if the budgets are not followed for three years in a row.

The presumptions made by management as presented above are measured on the basis of the historical experience of the Group's aviation business. According to the overdue debt recovery statistical data of the Group, management believes that the credit risk has not increased significantly since initial recognition even if the contractual payments are more than 30 days past due.

Start-up business company – a subsidiary or associate of the Group which is typically a newly established or acquired company for developing a viable business model around an innovative product, service, process or a platform.

Definition of default

Based on the Group's historical statistical information on debt recovery and experience in the aviation business, a default on a financial asset is determined when either of these events take place:
- probability of default calculated based on the internal model is more than 50 percent; or
- start-up business company does not meet its budgets for 5 years.

Management considers that a more lagging default is appropriate due to specific regulations, authorisations and licencing requirements for the aviation business and Group's overall experience with start-up entities.

The Group uses individual assessment model for determining ECL for large trade receivables (above EUR 2 million) and strategic clients as described above in *Measurement of significant increase in credit risk*.

The Group uses six categories of internal credit rating (category 1 being least risky and category 6 being defaulted) which reflect credit risk of financial assets. Financial assets are assigned to a certain category using a combination of these indicators:
- EBITDA margin;
- liquidity ratio;
- equity ratio;
- debt ratio;
- average ageing of receivable;
- default risk of the country where client is running its business (used for government-owned companies).

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Stage	Company definition of category	Basis for recognition of ECL
Category 1 Category 2	Stage 1	Financial assets whose credit risk is in line with original expectations.	12-month ECL; Where the expected lifetime of an asset is less than 12 months, ECL are measured at its expected lifetime
Category 3 Category 4	Stage 2	Financial assets for which a significant increase in credit risk has occurred compared to original expectations.	Lifetime ECL
Category 5	Stage 3	Financial assets for which a default is determined.	Lifetime ECL
Category 6		It becomes probable that a customer will enter into bankruptcy and there is no reasonable expectation of recovery.	Asset is written off through profit or loss to the extent of expected losses

Expected changes in macroeconomic situation are incorporated as part of the internal rating model. Management reviews key macroeconomic indicators for the markets where the Group's debtors are operating and determines if there are expected significant changes that would affect ECL. If management determines that there are no such significant expected changes in macroeconomic variables, ECL based on historical information is used.

(All tabular amounts are in EUR '000)

3.1 Financial risk factors (continued)

Write-off policy

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan and the Group does not possess any collateral or other means of recovery. After write-off, the Group continues to engage in enforcement activity with attempt to recover the receivable due. Any recoveries are recognised as a gain in the consolidated statement of profit or loss.

Measurement of ECL - trade receivables and contract assets

The Group applies the simplified approach for calculation of lifetime ECL using the provision matrix for all trade receivables except for individual exposures above EUR 2 million or exposures from strategic clients, based on Group's management decision. To measure the ECL using a provision matrix, trade receivables are split into separate pools based on shared credit risk characteristics. Receivables in each pool are grouped according to payment delay days and loss rates are applied to each delay group. The loss rates are calculated using statistical recovery information from the last five years (when available) and adjusted if considered necessary taking into account forward-looking information. The table below shows ECL information calculated for the Group according to each delay group. As trade receivables usually do not include any collateral or other credit enhancements, ECL rate equals probability of default.

2025	Not past due and past due up to 30 days	31-90 days past due	91-180 days past due	More than 180 days past due	Total
GROUP					
Expected loss rate	0.37%	2.11%	3.51%	68.20%	**8.67%**
Gross carrying amount	117 672	12 391	6 961	19 253	**156 277**
Loss allowance provision	(432)	(262)	(244)	(12 880)	**(13 818)**
2024	**Not past due and past due up to 30 days**	**31-90 days past due**	**91-180 days past due**	**More than 180 days past due**	**Total**
GROUP					
Expected loss rate	0.35%	2.81%	7.40%	65.55%	**7.42%**
Gross carrying amount	164 678	11 805	7 348	21 344	**205 175**
Loss allowance provision	(581)	(332)	(544)	(13 737)	**(15 194)**

The Group uses individual assessment model for determining ECL for large trade receivables (above EUR 2 million) or strategic clients based on management decision. For these exposures, individual assessment model is used as described above in *Measurement of significant increase in credit risk*.

The Group's loss allowance provision as at 31 December 2025 for large trade receivables and receivables from strategic clients is determined as follows:

Internal credit rating*	Credit stage	ECL	Basis for recognition of expected credit loss provision	Gross carrying amount	Loss allowance provision
Category 1	Stage 1	0.77%	12-month ECL; Where the expected lifetime of an asset is less than 12 months, ECL are measured at its expected lifetime.	26 603	(206)
Category 2	Stage 1	7.29%		686	(50)
Category 3	Stage 2	-	Lifetime expected losses	-	-
Category 4	Stage 2	45.36%		302	(137)
Category 5	Stage 3	76.51%		992	(759)
Category 6	Stage 3	100.00%		5 088	(5 088)
Total:		**18.53%**		**33 671**	**(6 240)**

The Group's loss allowance provision as at 31 December 2024 for large trade receivables and receivables from strategic clients is determined as follows:

Internal credit rating*	Credit stage	ECL	Basis for recognition of expected credit loss provision	Gross carrying amount	Loss allowance provision
Category 1	Stage 1	0.34%	12-month ECL; Where the expected lifetime of an asset is less than 12 months, ECL are measured at its expected lifetime.	6 379	(22)
Category 2	Stage 1	7.52%		412	(31)
Category 3	Stage 2	10.92%	Lifetime expected losses	476	(52)
Category 4	Stage 2	33.85%		1 944	(658)
Category 5	Stage 3	86.33%		2 327	(2 009)
Category 6	Stage 3	99.88%		21 025	(20 996)
Total:		**72.99%**		**32 563**	**(23 768)**

Measurement of ECL - other financial assets measured at amortised cost

Other financial assets at amortised cost include corporate bonds, loans to related parties and key management personnel, lease receivables, accrued interest and other receivables. The Group uses individual assessment model for determining ECL for other financial assets as described above in section "*Measurement of significant increase in credit risk*".

The Group's loss allowance provision as at 31 December 2025 for other financial assets measured at amortised cost is determined as follows:

Internal credit rating*	Credit stage	Expected credit losses	Basis for recognition of expected credit loss provision	Gross carrying amount	Loss allowance provision
Category 1	Stage 1	0.38%	12-month ECL; Where the expected lifetime of an asset is less than 12 months, ECL are measured at its expected lifetime.	61 086	(233)
Category 2	Stage 1	-		-	-
Category 3	Stage 2	-	Lifetime expected losses	-	-
Category 4	Stage 2	73.14%		2 867	(2 097)
Category 5	Stage 3	54.14%		687	(372)
Category 6	Stage 3	100.00%		160 328	(160 328)
Total:		**70.46%**		**224 968**	**(163 030)**

The Group's loss allowance provision as at 31 December 2024 for other financial assets measured at amortised cost is determined as follows:

Internal credit rating*	Credit stage	ECL	Basis for recognition of expected credit loss provision	Gross carrying amount	Loss allowance provision
Category 1	Stage 1	0.22%	12-month ECL; Where the expected lifetime of an asset is less than 12 months, ECL are measured at its expected lifetime.	110 304	(247)
Category 2	Stage 1	4.90%		245	(12)
Category 3	Stage 2	10.02%	Lifetime expected losses	2 396	(240)
Category 4	Stage 2	33.63%		19 507	(6 560)
Category 5	Stage 3	-		-	-
Category 6	Stage 3	100.00%		11 404	(11 404)
Total:		**12.83%**		**143 856**	**(18 463)**

* Financial ratios are not calculated for start-up business companies. Nine internal credit rating categories for start-up business companies are assigned on initial recognition depending on the term of activity since establishment. Initially, start-up business companies are measured based on 12-month ECL. At each balance sheet date, the Group considers whether there has been a significant increase in credit risk since the initial recognition. According to the definition of significant increase in credit risk for start-up business companies, if a company's operating results are decreasing or a company does not meet its budgets for three years, it is treated as a significant increase in credit risk and lifetime ECL is calculated. 1-3 categories for start-up business companies are measured as 12-month ECL, 4-8 categories - lifetime ECL and written off if they fall to the 9th category.

(All tabular amounts are in EUR '000)

3.1 Financial risk factors (continued)

The loss allowance provision for other financial assets at amortised cost as at 31 December 2025 reconciles to the opening loss allowance for that provision as follows:

	Loans	Investment in bonds	Other receivables	Total
Opening loss allowance as at 01 January 2024	**(7 642)**	**(1 900)**	**(1 676)**	**(11 218)**
Increase in the provision recognised in profit or loss during the year	(1 183)	-	(8 477)	(9 660)
Reclassification of loss allowance provision	-	(854)	535	(319)
Fully impaired receivables written off during the year as uncollectible	-	2 794	225	3 019
Cumulative currency differences	23	(40)	(268)	(285)
As at 31 December 2024	**(8 802)**	-	**(9 661)**	**(18 463)**
Increase in the provision recognised in profit or loss during the year	(147 232)	-	(2 434)	(149 666)
Reclassification of loss allowance provision	6 991	-	(10 188)	(3 197)
Fully impaired receivables written off during the year as uncollectible	482	-	1 673	2 155
Cumulative currency differences	2 093	-	(5 350)	(3 257)
Decrease in the provision due to disposals	1 289	-	8 109	9 398
As at 31 December 2025	**(145 179)**	**-**	**(17 851)**	**(163 030)**

The increase in the provision during 2025 relates to receivables from disposed entities that continued to be recognised by the Group. Changes in recoverability assumptions and updated expected credit loss calculations resulted in provisions being recognised during the year.

Cash and cash equivalents (assessed in accordance with long-term borrowing ratings)*

Major amounts of cash are held in the banks and financial institutions with a Standards & Poor's rating not lower than B and the impact of IFRS 9 has no significant effect on the measurement and valuation of the Group's cash and cash equivalents. As at 31 December 2025, the highest amount held at one bank was 49% of the total cash balance (2024: 24%).

See the table below for analysis of the Group's cash and cash equivalents according to credit quality (Note 23):

	2025	2024
AA-	8 182	7 484
A+	66 423	96 661
A	24 868	6 998
A-	7 429	55 440
BBB+	791	1 675
BBB	1 377	1 247
BBB-	642	1 534
BB+	535	2 131
BB	125	437
BB-	3	-
B+	4 352	1 697
B	-	1 149
B-	2 533	4 635
CCC	476	761
Other	6 180	2 727
Cash on hand	104	125
	124 020	**184 701**

*external long-term credit ratings set by international agencies Standards & Poor's, Fitch ratings and Moody's Ratings as at 2025/2026.

Bank deposits

As at 31 December 2025 the Group had outstanding short-term bank deposits in amount of EUR 401 thousand, which were held from BB+ to A rated banks (31 December 2024: EUR 3 616 thousand, BB to AA- rated banks). As at 31 December 2025 the Group had outstanding long-term bank deposits in amount of EUR 1 762 thousand, which were held at BB+ and BBB rated banks (31 December 2024: EUR 362 thousand, BBB and AA- rated banks).

Security deposits with lessors

Security deposits with lessors held by the Group as at the end of the years presented are neither past due nor impaired when they can be offset against associated lease liability. The Group does not analyse these financial assets according to credit quality.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through other group companies. Liquidity risk is managed by the general managers of entities of the Group in close cooperation with the Company to maintain a minimum required liquidity position.

The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these. The table below allocates the Group's financial liabilities into relevant maturity groupings based on remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Trade and other payables and deposits received due within/after 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	**Between 1 – 5 years**	**Over 5 years**
31 December 2025			
Trade and other payables	224 339	44	-
Bonds issued	27 837	308 422	-
Bank overdraft	1 365	-	-
Bank borrowings	50 904	76 274	19 964
Security deposits received	19 512	134	295
Lease liabilities	240 758	504 684	77 533
Other borrowings	12 970	7 511	-
	577 685	**897 069**	**97 792**
31 December 2024			
Trade and other payables	313 033	132	503
Bonds issued	27 496	391 989	-
Bank borrowings	24 666	35 744	2 421
Security deposits received	19 718	575	1 396
Lease liabilities	416 847	1 181 425	170 561
Accrued expenses for certain contracts	178	-	-
Other borrowings	11 776	7 466	1 867
	813 714	**1 617 331**	**176 748**

(All tabular amounts are in EUR '000)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings ('current and non-current borrowings and lease liabilities' as shown in the consolidated balance sheet) less cash and cash equivalents and short-term bank deposits. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The Group's gearing ratio is as follows:

	2025	2024
Total borrowings and lease liabilities (Note 27)	1 038 899	1 699 409
Less: cash and cash equivalents and short-term bank deposits	(124 421)	(188 317)
Net debt	914 478	1 511 092
Total equity	529 263	605 468
Total capital	**1 443 741**	**2 116 560**
Gearing ratio	63%	71%

The Group is subject to incurrence covenants imposed by the issued bonds: financial ratios related to net debt, EBITDA, secured indebtedness and other qualitative restrictions. During the years 2025 and 2024, the Group complied the externally imposed capital requirements to which it is subject.

3.3 Fair value estimation

The fair value of financial assets and financial liabilities for disclosure purposes is estimated by discounting the cash flows from each class of financial assets or financial liabilities.

Fair value of interest-free security deposits with suppliers approximates their carrying amount which was calculated by discounting the nominal value of the deposits using market interest rate. Loans to third and related parties were granted at market interest rates, therefore, their carrying amount approximates fair value.

The fair value of bank borrowings with variable rates approximates their carrying amount. The fair value of bank deposits and cash and cash equivalents approximate their carrying amount due to their high liquidity. The fair value of trade and other receivables and contract assets approximate their carrying amount due to their short-term nature . Non-current interest-free security deposits and other receivables are discounted to present value using a current market interest rate which approximates fair value.

Other borrowings were received at market interest rates, therefore, their carrying value approximates fair value.

The bond's fair value is not materially different from its carrying amount as prevailing market inputs remain substantially consistent with those at initial measurement.

Most non-current trade and other payables are to be settled within two years; fair value estimate would not give a material difference from the carrying amount.

4 Critical Accounting Estimates and Significant Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

(a) ECL on trade and other receivables and contract assets (estimate)

The Group recognises loss allowances for ECL on financial assets measured at amortised cost: trade and other receivables and contract assets. Total ECL amounted to EUR 183 088 thousand as at 31 December 2025 (31 December 2024: EUR 57 425 thousand).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, 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.

For more detailed information about ECL used by the Group and significant increase in credit risk details, see Note 3.1 *Credit Risk*.

(b) Allowances for inventories (estimate)

The Group has a material inventory balance and determines whether the inventory balance is properly accounted for at the lower of cost and net realisable value by estimating allowance for slow moving or obsolete inventory. For this estimation, the Group reviews major inventory items and establishes net realisable values based on the best estimate of the selling prices of each inventory item, taking into account management's experience and market conditions. Deviations of management estimated selling prices from actual prices at which inventory items may be sold may lead to a material impact on the Group's profit or loss. Allowances for inventories amounted to EUR 12 059 thousand and EUR 14 658 thousand as at 31 December 2025 and 2024, respectively, and are disclosed in Note 20.

(c) Taxes (judgment/estimate)

Tax authorities have a right to examine accounting records of the Group at any time during the various periods (depending on jurisdiction) after the current tax year and account for additional taxes and fines. In the opinion of management, currently there are no circumstances that might result in a potential material liability in this respect to the Group. The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4 Critical Accounting Estimates and Significant Judgments (continued)

Deferred tax assets amounted to EUR 64 647 thousand and EUR 72 029 thousand as at 31 December 2025 and 2024, respectively, after appropriate offsetting with deferred tax liability and are disclosed in Note 30.

(d) Property, plant and equipment and intangible assets (estimate)

Estimates concerning useful lives of property, plant and equipment and intangibles assets may change due to constant technological advancements. Useful lives of property, plant and equipment are disclosed Note 2.5 and depreciation charge for the year is disclosed in Note 16. Useful lives of intangible assets are disclosed Note 2.7 and amortisation charge for the year is disclosed in Note 17. Increasing an asset's expected useful life or its residual value would result in a reduced depreciation or amortisation charge. The useful lives of property, plant and equipment and intangible assets are determined by management at the time the asset is acquired and reviewed on an annual basis for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The residual value of aircraft engines represents the amount management believes, based on historical experience, the aircraft engine can be sold or traded for at the end of its useful life, after its tear down into spare parts and components (Note 2.5).

Property, plant and equipment amounted to EUR 988 646 thousand and EUR 1 641 213 thousand as at 31 December 2025 and 2024, respectively, and are disclosed in Note 16. Intangible assets amounted to EUR 34 924 thousand and EUR 37 856 thousand as at 31 December 2025 and 2024, respectively, and are disclosed in Note 17.

(e) Estimated impairment of goodwill and purchase price allocation (estimate)

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Notes 2.7 and 2.8. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates (Note 17).

As disclosed in Note 2.2, the acquisition method of accounting is used to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. These calculations require the use of estimates which are disclosed in Note 33 *Business combinations and disposals*.

Goodwill amounted to EUR 97 674 thousand and EUR 113 478 thousand as at 31 December 2025 and 2024, respectively, and is disclosed in Note 17.

(f) Provision for C-check (estimate)

Under some lease contracts, the Group (as a customer) has the obligation at its expense to perform a periodic C-check inspection upon the redelivery of the leased aircraft or at some defined periods if not returned earlier. For this present obligation, the Group makes the best estimate for C-check (separate component of repair and maintenance) expenses based on historical costs for similar inspections, taking into account management's experience and market conditions. Deviations of management estimated C-Check expenses from actual expenses at which component item may be repaired and (or) maintained might occur, although expected not to lead to any material impact on the Group's profit or loss and is accounted for when they occur. Estimated C-check costs related to aircraft leases for which a right-of-use asset is recognised are capitalised to a right-of-use asset when a contractual obligation arises (usually after the most recent C-check event) and depreciated during the remaining period until the next C-check event. In cases when the lease contracts do not fall in the scope of IFRS 16 (e. g., power by hour contracts), anticipated and unavoidable C-check provisions are accrued and expensed to profit or loss in full upon recognition of provision. Provisions for C-check amounted to EUR 30 069 thousand and EUR 47 803 thousand as at 31 December 2025 and 2024, respectively (Note 19).

When the lease contract does not determine the C-check inspection upon the redelivery condition, such costs are capitalized when incurred and depreciated during the remaining period of the lease or until next inspection depending on which is first.

(g) Going concern (judgment)

As stated in Note 2.1, these consolidated financial statements were prepared on a going concern basis, which assumes continuity of current activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 31 December 2025 and 2024 the Group's current liabilities exceeded current assets by EUR 51 742 thousand and EUR 140 246 thousand, respectively.

The Directors have made appropriate enquiries and carried out a thorough review of the Group's forecasts, projections and available banking facilities taking account of committed outflows. Consideration was also given to a reasonable downside scenario including possible changes in trading performance and potential business risk. The forecasts indicate sufficient liquidity headroom will be maintained and applicable financial covenants will be met throughout the period.

Subsequent to the reporting period, the Directors have also considered the impact of heightened geopolitical uncertainty in the Middle East, including the war in Iran, which has increased volatility in the global aviation market and may affect demand patterns, operating costs, access to financing and fleet deployment. While no direct material adverse impact on the Group's operations or liquidity position has been identified as at the reporting date, management has taken this elevated risk environment into account in its going concern assessment through the application of prudent downside assumptions and additional liquidity preservation measures. Furthermore, following the reporting period, as disclosed in Note 38, the Group agreed in April 2026 the early redelivery of 10 aircraft operated by Avion Express and has commenced discussions regarding the potential early redelivery of a further 15 to 20 aircraft as part of a broader reassessment of fleet and capacity requirements. The Directors have considered the potential financial effects of these actions, including estimated impacts on right-of-use assets and lease liabilities, within their forward-looking liquidity analysis.

Having regard to the factors outlined above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements. The Directors have concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern for at least 12 months from the date of approval of the financial statements. As a result, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements.

(h) Consolidation of structured entities (judgment)

The Group has established contractual arrangements with certain investees and, through a combination of these arrangements and partial legal ownership interests, exercises control over BBN Hava Yollari ve Tasimacilik Anonim Sirketi, PT BBN Airlines Indonesia, Ascend Airways Malaysia Sdn. Bhd., BBN Airlines (Thailand) Co. Ltd., Asia Pacific Aviation Co. Ltd and Asia Pacific Avia Co. Ltd In accordance with IFRS 10, the investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee, if and only if, the investor has all the following: power over the investee (i.e., current ability to direct relevant activities), exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

4 Critical Accounting Estimates and Significant Judgments (continued)

Following an assessment, management has applied judgement and determined that these investments maintain the entire economic interest for the Group and that the Group possesses control, the ability to utilise its power over the investees, and has both exposure and variable returns from both entities. Consequently, full consolidation is appropriate for these entities, with no recognition of non-controlling interests.

(i) Impact of Russia-Ukraine war (judgment/estimate)

On 24 February 2022, Russia started a military invasion of the independent state of Ukraine. The military attack affected not only Ukraine, Russia and Belarus, but also Europe and the world. In response to the Ukraine War, the United States, the European Union, the United Kingdom and other countries have implemented comprehensive sanctions against Russia and Belarus. The sanctions include prohibitions regarding, inter alia, the supply of aircraft and aircraft components directly or indirectly, to any natural or legal person, entity or body in Russia or for use in Russia.

As at 31 December 2025, the Group has six entities in Ukraine and none in Russia or Belarus. Before intercompany eliminations, total revenues generated by these entities in 2025 was EUR 21 777 thousand (2024: EUR 34 598 thousand) and total assets comprised of EUR 42 434 thousand (2024: EUR 52 590 thousand).

The Group had an equity share in a joint venture, AviaAM Financial Leasing China Co. Ltd., which was being accounted for using equity method. The joint venture had significant exposure in an aircraft fleet, which was leased to a Russian-based lessee and after the leased aircraft were seized by Russian authorities, the joint venture has accounted for significant asset impairment charges. Consequently, at Group level, share of loss of equity-accounted investees in amount of EUR 55 million was charged during 2022, effectively reducing the carrying amount of investment to zero.

In relation to making estimates and impairment testing, the prospective financial information took into consideration the impact of the Russia-Ukraine war.

5. Segment information

The Group is organised into business units based on the services provided, and has three operating segments:

- Logistics and Distribution Services. This segment provides services using aircraft to airline and non-airline customers using contracted capacity. This segment includes logistics services, a wide range of aircraft charter and ACMI services to cargo and passenger clients across a broad spectrum of industries, as well as aircraft sourcing and leasing services.
- Support Services. The segment is involved in providing services to airlines to support their business. This segment includes aircraft and aircraft components' maintenance services, repair, overhaul, engineering, spare parts and consumable sale, aircraft handling, passenger servicing, tickets sale and into-plane fuelling, full scope of integrated flight training and recruitment solution services.
- Unallocated. This segment includes holding, asset management, financing services, railway business and other business not related to aviation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The segment performance is analysed on a monthly basis based on internal reports provided to the CODM of the Group.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment revenue, costs and operating expenses, other gains - net and segment operating profit or loss include transfers between operating segments. Those transfers are eliminated on consolidation.

Management analyses the activities of the Group both from geographic and business perspective. From business perspective, management analyses the Group sales volume and operating profit or loss based on businesses the Group is involved in (according to Group companies' activities), referred to as segments. Operating profit or loss is a measure of segment profit or loss for management analysis purposes. Management also regularly reviews capital investments on a segment basis therefore additions to non-current assets has been separately disclosed according to each operating segment.

The Group has applied the practical expedient in IFRS 15 and does not provide disaggregated revenue information, as it is already disclosed in this note in accordance with IFRS 8 and reviewed by the Group's CODM.

(All tabular amounts are in EUR '000)

5. Segment information (continued)

The following tables present sales to external customers, cost and operating expenses, other income, other gain/loss and operating profit or loss information according to the Group's operating segments for years ended 31 December 2025 and 2024:

Year ended 31 December 2025	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	Total
Operations					
Revenue from contracts with external customers	1 312 196	829 329	47 787	-	**2 189 312**
Intersegment sales	9 104	46 908	37 054	(93 066)	**-**
Total revenue	**1 321 300**	**876 237**	**84 841**	**(93 066)**	**2 189 312**
Other income (Note 6)	3 933	3 717	40 346	(41 593)	**6 403**
Cost of services and goods (Note 10)	(834 569)	(390 334)	(28 876)	50 988	**(1 202 791)**
Employee-related expenses (Note 7)	(169 132)	(333 618)	(26 396)	9 221	**(519 925)**
Increase in the provision for impairment of financial assets (Note 14)	(19 575)	(4 079)	(119 723)	(16 182)	**(159 559)**
Increase in the provision for impairment of non-financial assets (Note 14)	693	(3 081)	(2 492)	345	**(4 535)**
Other operating expenses (Note 11)	(67 998)	(57 367)	(32 394)	30 258	**(127 501)**
Depreciation and amortisation (Notes 8, 16, and 17)	(223 119)	(36 386)	(8 966)	3 057	**(265 414)**
Other gains – net (Note 9)	2 957	(2 929)	(8 256)	25 742	**17 514**
Segment operating profit (loss)	**14 490**	**52 160**	**(101 916)**	**(31 230)**	**(66 496)**
Finance costs - net (Note 12)					(78 074)
Share in profit of equity-accounted investees (Note 18)					(255)
Loss before income tax					**(144 825)**
Income tax expense (Note 13)					(124)
Loss for the year from continuing operations					**(144 949)**
As at 31 December 2025:					
Segment assets	1 253 203	578 408	276 991	-	**2 108 602**
Segment liabilities	904 533	310 043	364 763	-	**1 579 339**
Acquisition of non-current assets (Notes 16 and 17)	349 151	47 219	49 908	-	**446 278**

(All tabular amounts are in EUR '000)

5. Segment information (continued)

Year ended 31 December 2024*	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	Total
Operations					
Revenue from contracts with external customers	1 298 154	740 442	64 676	-	**2 103 272**
Intersegment sales	6 609	64 393	32 731	(103 733)	**-**
Total revenue	**1 304 763**	**804 835**	**97 407**	**(103 733)**	**2 103 272**
Other income (Note 6)	1 115	557	30 521	(30 039)	**2 154**
Cost of services and goods (Note 10)	(865 132)	(355 603)	(35 834)	69 121	**(1 187 448)**
Employee-related expenses (Note 7)	(145 676)	(303 514)	(23 465)	2 175	**(470 480)**
Increase in the provision for impairment of financial assets (Note 14)	(4 088)	(1 527)	(26 886)	29 171	**(3 330)**
Increase in the provision for impairment of non-financial assets (Note 14)	(9 543)	(2 996)	(2 923)	2 901	**(12 561)**
Other operating expenses (Note 11)	(61 529)	(47 164)	(40 219)	27 420	**(121 492)**
Depreciation and amortisation (Notes 8, 16, and 17)	(182 295)	(31 087)	(9 898)	3 051	**(220 229)**
Other gains – net (Note 9)	(344)	5 525	1 165	(3 127)	**3 219**
Segment operating profit (loss)	**37 271**	**69 026**	**(10 132)**	**(3 060)**	**93 105**
Finance costs - net (Note 12)					**(34 133)**
Share in profit of equity-accounted investees (Note 18)					**13**
Profit before income tax					**58 985**
Income tax expense (Note 13)					**(4 730)**
Profit for the year from continuing operations					**54 255**
As at 31 December 2024:					
Segment assets	2 146 531	564 002	271 122	-	**2 981 655**
Segment liabilities	1 729 488	301 607	345 092	-	**2 376 187**
Acquisition of non-current assets (Notes 16 and 17)	642 883	69 766	68 018	-	**780 667**

*Comparative figures have been restated for discontinued operations (Note 34).

(All tabular amounts are in EUR '000)

5. Segment information (continued)

The Group's revenue from external customers by geographical location and by operating segments of subsidiaries is detailed below:

Year ended 31 December 2025	Logistics and Distribution	Support Services	Unallocated	Total
Europe	562 365	629 038	40 017	**1 231 420**
Asia	435 915	133 068	3 687	**572 670**
Americas	189 297	28 150	1 819	**219 266**
Africa	70 458	25 793	680	**96 931**
Australia and Pacific Islands	46 812	915	125	**47 852**
CIS	7 349	12 365	1 459	**21 173**
Total	**1 312 196**	**829 329**	**47 787**	**2 189 312**

Year ended 31 December 2024*	Logistics and Distribution	Support Services	Unallocated	Total
Europe	650 066	582 346	49 909	**1 282 321**
Asia	290 903	98 180	9 584	**398 667**
Americas	266 351	36 287	2 635	**305 273**
Africa	54 864	15 046	764	**70 674**
Australia and Pacific Islands	35 560	458	333	**36 351**
CIS	410	8 125	1451	**9 986**
Total	**1 298 154**	**740 442**	**64 676**	**2 103 272**

*Comparative figures have been restated for discontinued operations (Note 34).

The Group's revenue breakdown based on type detailed below:

	Revenue type	Timing of recognition	2025	2024*
ACMI services	Wet lease services	Over time	828 763	735 110
Charter activities	Sales of services	At a point in time	329 521	365 517
Broker activities	Commission income	At a point in time	52 915	90 741
Sale of aircraft	Sales of goods	At a point in time	65 466	75 541
Other business	Sales of goods and services	At a point in time	35 531	31 245
Total Logistics and Distribution Services segment revenue			**1 312 196**	**1 298 154**
Maintenance, repair, and overhaul (MRO) aircraft services	Sales of services	Over time	257 182	232 765
MRO spare parts/components	Sales of goods	At a point in time	112 299	109 359
Ground handling and fuelling	Sales of services	At a point in time	376 307	331 577
Crew training and staffing services	Sales of services	Over time	26 989	26 230
Other business	Sales of goods and services	At a point in time	56 552	40 511
Total Support Services segment revenue			**829 329**	**740 442**
Other business	Sales of goods and services	At a point in time	47 787	64 676
Total Unallocated segment revenue			**47 787**	**64 676**
Total revenue			**2 189 312**	**2 103 272**

*Comparative figures have been restated for discontinued operations (Note 34).

Out of total revenue above, revenue related to the estimated lease component of service for 2025 amounted to EUR 243 610 thousand (2024: EUR 191 876 thousand). During the year 2025, 77% of aircraft in fleet were leased (2024: 93%).

(All tabular amounts are in EUR '000)

5. Segment information (continued)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	31 December 2025	31 December 2024
Trade receivables – net	154 167	155 652
Trade receivables from related parties – net	670	1 167
Contract assets	15 053	41 957
Contract liabilities	121 769	117 020

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. For contract assets movement disclosure, refer to Note 22. The decrease in contract assets relate to decreased level of operations in Logistics and Distribution segment.

The contract liabilities primarily relate to deferred revenue – issued sales invoices for goods and services not yet provided.

Contract liabilities	31 December 2025	31 December 2024
Deferred revenue	33 862	69 255
Advances received	81 688	40 033
Advances received from related parties	6 809	7 732
Total contract liabilities	**122 359**	**117 020**

The amount of revenue recognised during 2025 from performance obligations satisfied that was included in the contract liabilities as at the beginning of the period is EUR 76 852 thousand (2024: EUR 88 354 thousand). The Group's contract liabilities are typically of short-term nature and settled within a year.

The Group's revenue by geographical location of customers on 31 December 2025 and 2024 are detailed below:

	2025	2024*
Germany	254 581	270 090
Turkey	234 981	132 438
Ireland	86 686	89 506
Other countries (less than 10% each)	1 613 064	1 611 238
	2 189 312	**2 103 272**

*Comparative figures have been restated for discontinued operations (Note 34).

The Group's property, plant and equipment, investment properties and intangible assets by geographical location of subsidiaries on 31 December 2025 and 2024 are detailed below:

	2025	2024
Lithuania	414 518	413 512
Malta	173 721	584 382
United Kingdom	129 490	100 839
Slovakia	102 232	161 854
Ireland	23 728	14 752
Latvia	13 940	256 831
Other countries* (less than 10% each)	486 359	464 460
Adjustments (intragroup eliminations)	(72 617)	(61 476)
Total	**1 271 371**	**1 935 154**

The segment sales to external customers are derived from the following single customers (the customers whose revenue exceed 10 percent of total revenue of that segment in any of the years). The table below is presented without revenue from the Unallocated segment:

	2025	2024*
Customer 1 (2025: 11.8% of total segment, 2024: 12.9%)	98 018	95 880
Other customers	731 311	644 562
Support Services segment	**829 329**	**740 442**
Customer 2 (2025: 11.5% of total segment, 2024: 15.8%)	151 131	205 514
Other customers	1 161 065	1 092 640
Logistics and Distribution Services segment	**1 312 196**	**1 298 154**

*Comparative figures have been restated for discontinued operations (Note 34).

6. Other income

	2025	2024*
Interest income on loans	5 031	1 416
Amortisation of government grants	770	4
Penalty income**	145	533
Other income	457	201
	6 403	**2 154**

*Comparative figures have been restated for discontinued operations (Note 34).
**Penalty income is received for terminated ACMI contracts in Logistics and Distribution Services segment.

7. Employee related expenses

	2025	2024*
Wages and salaries	458 509	417 955
Government grants for wages and salaries	(245)	(242)
Social insurance expenses	55 476	46 881
Pension expenses	6 185	5 886
	519 925	**470 480**
Number of full-time employees at the end of year	**7 984**	**7 172**
Average of full-time employees during the year	**7 685**	**6 840**
in Logistics and Distribution	*2 126*	*1 946*
in Support Services	*5 073*	*4 404*
in Unallocated	*486*	*490*

*Comparative figures have been restated for discontinued operations (Note 34).

8. Depreciation and amortisation

	2025	2024*
Depreciation of right-of-use asset (Note 16)	220 671	183 421
Depreciation of tangible assets (Note 16)	37 481	30 114
Amortisation of intangible assets (Note 17)	7 262	6 694
	265 414	**220 229**

*Comparative figures have been restated for discontinued operations (Note 34). Amounts disclosed in the table exclude amounts related to discontinued operations.

(All tabular amounts are in EUR '000)

9. Other gains – net

	2025	2024*
Net gain on disposal of subsidiaries (Note 33)	19 711	-
Net (loss)/gain on lease terminations	(5 977)	1 225
Net gain on rights transferred on sale and leaseback contracts	2 394	659
Net loss on sales of inventory and other current assets	(103)	(738)
Net (loss)/gain on sales of non-current assets	(1 160)	1 846
Net foreign exchange (loss)/gain on operating activities	(3 152)	702
Net gain on lease modifications	120	20
Net loss on sales of financial assets	-	(189)
Other gains/(losses)	5 681	(306)
	17 514	**3 219**

*Comparative figures have been restated for discontinued operations (Note 34).

10. Cost of services and goods

	2025	2024*
Aircraft fuel expenses	235 205	240 627
Cost of purchased services	98 986	117 999
Costs of aircraft sold	59 008	56 001
Rent of aircraft, engine and other supplementary services	222 798	217 851
Rent of equipment, machinery and other vehicles	14 963	23 850
Cost of goods purchased	163 204	144 170
Aircraft repair and maintenance costs	154 961	136 692
Subcontractors and other related expenses	162 761	163 538
Aircraft operations costs and flight related charges	71 531	70 390
Rent and maintenance of premises	19 374	17 078
Government grants for cost of services and goods**	-	(748)
	1 202 791	**1 187 448**

*Comparative figures have been restated for discontinued operations (Note 34).
**The government grants are directly related to compensation for rent expenses.

11. Other operating expenses

	2025	2024*
Consulting expenses	28 329	26 628
Office administrative, communications and IT expenses	23 963	19 694
Insurance expenses	21 903	28 733
Transportation and related expenses	1 789	1 539
Business travel expenses	19 884	17 921
Marketing and sales expenses	8 361	9 056
VAT expenses	5 131	3 767
Other expenses	18 141	14 154
	127 501	**121 492**

*Comparative figures have been restated for discontinued operations (Note 34).

Consulting expenses include statutory and group audit fees for the audit of the financial statements. Other expenses include bank fees, penalties, donations, and other expenses not attributable to other note line items.

Group auditor remuneration and non-audit services

	2025		2024	
	EY Ireland	EY Overseas	EY Ireland	EY Overseas
Audit of accounts	768	1 144	644	923
Tax advisory services	61	19	-	107
Other non-audit services	-	-	-	13
	829	**1 163**	**644**	**1 043**

12. Finance income and costs

	2025	2024*
Interest income on cash and cash equivalents	1 731	5 535
Foreign exchange gain on financing activities	13 528	-
Gain from change in fair value recognised in profit and loss**	-	52 709
Other finance income	36	10
Finance income	**15 295**	**58 254**
Interest expense on borrowings	(34 451)	(30 222)
Interest expense on lease liabilities	(55 405)	(54 958)
Unwinding of discount on financial assets	(1 602)	(1 786)
Foreign exchange loss on financing activities	-	(3 489)
Other finance costs	(1 911)	(1 932)
Finance costs	**(93 369)**	**(92 387)**
Finance costs - net	**(78 074)**	**(34 133)**

*Comparative figures have been restated for discontinued operations (Note 34).
**The gain results from the conversion of preferred shares into ordinary shares of the Company.

(All tabular amounts are in EUR '000)

13. Income tax expense

	2025	2024
Current income tax	(3 284)	(23 130)
Global minimum top-up-tax	(2 421)	-
Deferred income tax (Note 30)	5 581	18 400
Total income tax expense	**(124)**	**(4 730)**

*Comparative figures have been restated for discontinued operations (Note 34). Amounts disclosed in the table exclude amounts related to the discontinued operations.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2025	2024
(Loss)/Profit before tax	**(144 825)**	**58 985**
Tax calculated at a tax rate 12.5 %	(18 103)	7 373
Differences of tax rates in other jurisdictions	(13 967)	(4 140)
Tax effects of:		
- Expenses non-deductible for tax purposes	16 047	5 395
- Deferred tax assets not recognised	25 136	8 564
- Non-taxable income	(2 710)	(8 498)
- Recognition of previously unrecognised tax losses	(778)	(622)
- Adjustments in respect of prior year	(10 050)	(1 603)
- Global minimum top-up-tax	2 421	-
- Other differences	2 128	(1 739)
Total income tax expense	**124**	**4 730**

Pillar II – Global minimum tax requirements

On 20 December 2021, the OECD published the draft Global Anti-Base Erosion Model Rules which were aimed at ensuring that multinational enterprises (MNE) would be subject to a global minimum 15% tax rate from 2024 (GloBE Rules). On 15 December 2022, the Council of the EU unanimously adopted the agreed compromise text of a directive to implement the GloBE Rules in the EU (the 'Minimum Tax Directive') which introduces a minimum effective tax rate of 15% for MNE groups and large-scale domestic groups which have annual consolidated revenues of at least EUR 750 million, operating in the EU's internal market and beyond. It provides a common framework for implementing the GloBE Rules into EU Member States' national laws. The Minimum Tax Directive contains an income inclusion rule (the 'IIR') and an undertaxed profit rule (the 'UTPR') which allow for the collection of an additional amount of top-up tax if the effective tax rate on income of an in-scope group is under 15%. EU Member States were required to transpose the Minimum Tax Directive into domestic legislation by 31 December 2023 with the rules becoming effective for tax years commencing on or after 31 December 2023, with the exception of the UTPR, which will apply for tax years commencing on or after 31 December 2024.

Legislation implementing the Minimum Tax Directive in Ireland was included in Finance (No. 2) Act 2023 (the 'Irish Pillar Two provisions') and applies to accounting periods commencing on or after 31 December 2023. Ireland followed the overall implementation timeline proposed by the Directive (EU) 2022/2523 of 14 December 2022, i.e., 2024 for the IIR and 2025 for the UTPR. The Group, of which the Company is the parent entity, has determined that it is within the scope of the Irish Pillar Two provisions.

During the year 2025, the Group has recognised an estimated current tax expense related to GloBE Rules amounting to EUR 2.4 million attributable to the Group's earnings in the United Arab Emirates and Norway. The top-up tax for 2024 under the IIR relates the Group's operations in the United Arab Emirates, where the effective tax rate is 4.54% and estimated top-up tax to be paid in Ireland amounts to EUR 2.0 million. For 2025, both the United Arab Emirates and Norway have implemented qualified domestic minimum top-up tax ('QDMTT'). The effective tax rate is 10.50% for the United Arab Emirates and 11.30% for Norway resulting in estimated QDMTT in the amount of EUR 0.3 million and EUR 0.1 million for the United Arab Emirates and Norway, respectively, in 2025.

14. Provision for impairment of financial and non-financial assets

	2025	2024*
Non-financial assets		
(Reversal of impairment)/impairment and write-off of prepayments	(9)	416
Impairment and write-off of inventories	5 239	4 772
Impairment and write-off of other assets	13	39
(Reversal of impairment)/impairment and write-off of non-current assets	(708)	7 334
	4 535	**12 561**
Financial assets		
Impairment of trade receivables and contract assets	4 869	1 046
Impairment of other financial assets	154 690	2 284
	159 559	**3 330**
Total impairment-related expenses	**164 094**	**15 891**

*Comparative figures have been restated for discontinued operations (Note 34). Amounts disclosed in the table exclude amounts related to the discontinued operations.

The significant increase in the impairment of financial assets is primarily attributable to impairment provisions recognised on externalised receivables, including loans, related to disposed entities and discontinued operations (Notes 33 and 34).

15. Earnings per share

The Group chose not to present the earnings per share based on IAS 33, since the ordinary shares or potential ordinary shares are not traded in a public market and the Group is not in the process of filing its financial statements with a securities commission or other regulatory body for the purpose of issuing ordinary shares in a public market.

(All tabular amounts are in EUR '000)

16. Property, plant and equipment

	Buildings and structures	Vehicles	Aircraft	Machinery	Aircraft engines	Construction in progress	Prepayments for assets under preparation for use	Land	Other tangible fixed assets	Total
Carrying amount as at 01 January 2024	**46 733**	**29 575**	**129 657**	**60 503**	**1 154**	**22 891**	**24 989**	**14 178**	**46 417**	**376 097**
Additions (Note 5)*	2 254	5 231	182 991	18 989	1 336	15 318	42 298	998	31 017	**300 432**
Acquisitions of subsidiaries	7 835	438	875	3	-	-	354	274	2 106	**11 885**
Disposals*	(139)	(2 315)	(128 991)	(1 013)	-	(247)	(5 344)	(125)	(841)	**(139 015)**
Reclassifications	155	118	(73 538)	18 480	657	(19 198)	(14 292)	(184)	1 405	**(86 397)**
Write-offs	-	(16)	(12)	(15)	(969)	(10)	-	-	(428)	**(1 450)**
Impairment loss recognised	-	-	(6 203)	-	-	-	-	-	-	**(6 203)**
Redemption of leased asset	-	1 940	-	351	-	-	-	113	-	**2 404**
Sub-lease/lease out	-	-	-	(4)	-	-	-	-	-	**(4)**
Cumulative currency differences	535	1 708	7 416	(1 561)	36	(162)	429	31	2 181	**10 613**
Depreciation (Notes 5 and 8)	(1 941)	(3 672)	(9 527)	(7 013)	(32)	-	-	-	(21 169)	**(43 354)**
Carrying amount as at 31 December 2024	**55 432**	**33 007**	**102 668**	**88 720**	**2 182**	**18 592**	**48 434**	**15 285**	**60 688**	**425 008**
Cost as at 01 January 2025	88 335	46 849	134 699	126 773	3 493	18 592	48 434	15 285	111 239	**593 699**
Accumulated depreciation	(32 903)	(10 043)	(21 482)	(38 050)	(1 311)	-	-	-	(50 551)	**(154 340)**
Accumulated impairment	-	(3 799)	(10 549)	(3)	-	-	-	-	-	**(14 351)**
Carrying amount as at 01 January 2025	**55 432**	**33 007**	**102 668**	**88 720**	**2 182**	**18 592**	**48 434**	**15 285**	**60 688**	**425 008**
Additions (Note 5)*	1 560	1 789	56 478	13 611	126	8 995	33 725	307	20 858	**137 449**
Disposals*	-	(1 248)	(35 107)	(810)	(1 412)	(4)	-	(212)	(4 508)	**(43 301)**
Discontinued operations (Note 34)	-	(207)	(6 274)	-	-	-	(1 148)	-	(18 290)	**(25 919)**
Reclassifications	23 795	432	(20 957)	644	4 008	(21 802)	(825)	-	248	**(14 457)**
Write-offs	(6)	(33)	(8)	(32)	-	(6)	(1 538)	-	(5 738)	**(7 361)**
Impairment loss recognised	(2 000)	-	(1 020)	-	-	-	-	-	-	**(3 020)**
Redemption of leased asset	-	805	-	289	-	-	-	-	(2)	**1 092**
Sub-lease/lease out	-	-	-	792	-	-	-	-	(426)	**366**
Cumulative currency differences	(1 187)	(3 525)	(7 018)	(863)	(333)	(68)	(4 137)	(61)	(3 962)	**(21 154)**
Depreciation (Notes 5 and 8)	(3 140)	(3 544)	(11 409)	(8 004)	(656)	-	-	-	(17 961)	**(44 714)**
Carrying amount as at 31 December 2025	**74 454**	**27 476**	**77 353**	**94 347**	**3 915**	**5 707**	**74 511**	**15 319**	**30 907**	**403 989**
Cost as at 31 December 2025	112 265	49 517	113 176	137 628	4 072	5 707	74 511	15 319	69 790	**581 985**
Accumulated depreciation	(35 811)	(18 681)	(25 472)	(43 279)	(157)	-	-	-	(38 883)	**(162 283)**
Accumulated impairment	(2 000)	(3 360)	(10 351)	(2)	-	-	-	-	-	**(15 713)**

*During the year, there were no aircraft asset additions and disposals (cost) related to sale and leaseback transactions (2024: EUR 128 827 thousand). Out of the total additions, EUR 93 499 thousand was paid on behalf of the Group by the lessor in 2024. The purpose of such transactions is to manage cash flows in operations and retain the asset benefits for future operations.

Aircraft included under property, plant and equipment are used to provide wet lease or charter services.

As at 31 December 2025 the Group had classified aircraft as asset held for sale in amount of EUR 8 547 thousand (2024: EUR 15 399 thousand), since it was expected that within 12 months this would be disposed. The purpose of the transaction was related to prudent cash flow management. The assets held for sale were included in the Logistics and Distribution segment as at 31 December 2025 and 2024.

The Group is committed to incur property, plant and equipment related capital expenditures in amount of EUR 2 302 thousand as at 31 December 2025 (2024: EUR 50 130 thousand).

In 2024, the Group has committed to purchase 40 aircraft scheduled to be delivered until 2031. The expected capital commitments are EUR 2.0 billion (2024: EUR 2.3 billion).

The Directors estimate the aggregate list prices of the committed aircraft based on current market prices in the aircraft leasing sector, industry benchmarks, and information received from third-party public sources. The final purchase price of the aircraft is subject to standard contractual clauses to adjust the purchase price of each aircraft closer to the date of delivery. The breakdown of purchase obligations as at 31 December 2025 was as follows:

Purchase obligations, million EUR	Total	2026-2028	2029-2031
Purchase contract with Boeing	**2 025**	514	1 511

The breakdown of purchase obligations as at 31 December 2024 was as follows:

Purchase obligations, million EUR	Total	2025-2027	2028-2031
Purchase contract with Boeing	**2 327**	55	2 272

The Directors expect that a portion of the purchase price for the aircraft might be funded by incurring debt or lease liabilities. The exact amount of debt or lease liabilities to be incurred is dependent on the final purchase price and other financial resources available to the Group on the delivery date. The exact amount of indebtedness to be incurred will depend on the actual purchase price of the aircraft and the structure of the purchase price, which may vary due to several factors, including inflation, manufacturer discounts, and the proportion of the purchase price that requires financing.

(All tabular amounts are in EUR '000)

16. Property, plant and equipment (continued)

Right-of-use assets	Buildings and structures	Machinery	Vehicles	Other tangible fixed assets	Leasehold improvements	Aircraft	Aircraft engines	Land	Advance payments related to leases	Total
Carrying amount as at 01 January 2024	**53 226**	**33 289**	**20 950**	**48**	**32 991**	**892 601**	**798**	**635**	**-**	**1 034 538**
Additions (Note 5)	28 453	15 457	719	186	22 877	359 764	42 149	155	141	**469 901**
Acquisitions of subsidiaries	745	-	-	-	378	8 871	-	604	-	**10 598**
Reclassifications	(238)	773	(5)	176	4 980	1 954	-	108	25	**7 773**
Contract modifications / terminations	3 388	(339)	(1 958)	-	-	76 901	-	360	-	**78 352**
Disposals	-	-	-	-	(779)	-	-	-	-	**(779)**
Write-off	-	-	-	-	(132)	(2 223)	-	-	-	**(2 355)**
Sub-lease / lease out	-	-	-	-	-	(12 753)	-	-	-	**(12 753)**
Impairment	-	-	-	-	-	(32 816)	-	-	-	**(32 816)**
Cumulative currency differences	1 016	(596)	1 130	(16)	2 400	53 305	1 203	-	(28)	**58 414**
Depreciation (Notes 5 and 8)	(14 108)	(3 690)	(1 790)	(100)	(9 435)	(275 599)	(7 392)	(105)	-	**(312 219)**
Carrying amount as at 31 December 2024	**72 482**	**44 894**	**19 046**	**294**	**53 280**	**1 070 005**	**36 758**	**1 757**	**138**	**1 298 654**
Cost as at 01 January 2025	119 528	57 985	22 891	607	74 768	1 716 418	45 838	1 954	138	**2 040 127**
Accumulated depreciation	(47 046)	(13 091)	(3 845)	(313)	(21 488)	(613 313)	(9 080)	(197)	-	**(708 373)**
Accumulated impairment	-	-	-	-	-	(33 100)	-	-	-	**(33 100)**
Carrying amount as at 01 January 2025	**72 482**	**44 894**	**19 046**	**294**	**53 280**	**1 070 005**	**36 758**	**1 757**	**138**	**1 298 654**
Additions (Note 5)	17 866	6 521	3 145	167	22 799	232 397	15 023	-	232	**298 150**
Reclassifications	(217)	79	15	-	11 580	229	(1)	-	(106)	**11 579**
Contract modifications/terminations	(693)	(950)	(849)	-	-	(284 409)	699	13	-	**(286 189)**
Disposals	-	-	-	-	(1 409)	-	-	-	-	**(1 409)**
Discontinued operations (Note 34)	(3 847)	-	(52)	-	(2 897)	(191 567)	(25 437)	-	-	**(223 800)**
Write-off	-	21	-	(22)	(12 444)	158	-	-	-	**(12 287)**
Sub-lease/lease out	(1 976)	-	-	-	(231)	(11 470)	(1 427)	-	-	**(15 104)**
Reversal of impairment	-	-	-	-	-	20 089	-	-	-	**20 089**
Cumulative currency differences	(4 712)	(339)	(1 938)	24	(4 542)	(94 036)	(3 954)	-	2	**(109 495)**
Depreciation (Notes 5 and 8)	(16 440)	(4 737)	(1 935)	(167)	(17 146)	(247 330)	(11 804)	(169)	-	**(299 728)**
Carrying amount as at 31 December 2025	**62 463**	**45 489**	**17 432**	**296**	**48 990**	**494 066**	**9 857**	**1 601**	**266**	**680 460**
Cost as at 31 December 2025	115 706	61 028	26 352	753	77 837	848 577	16 197	1 967	266	**1 148 683**
Accumulated depreciation	(53 243)	(15 539)	(8 920)	(457)	(28 826)	(354 511)	(6 340)	(366)	-	**(468 202)**
Accumulated impairment	-	-	-	-	(21)	-	-	-	-	**(21)**

During the year, EUR 17 809 thousand (2024: 77 921 thousand) additions on aircraft right-of-use assets were related to sale and leaseback transactions. The purpose of such transactions is to manage cash flows in operations and retain the asset benefits for the future operations. During the period, aircraft terminations in amount of EUR 261 432 thousand were due to reduction of fleet related to the discontinued operations before disposal.

More information on lease liabilities is disclosed under Note 27 and lease payments not included as lease liabilities are disclosed under Note 32.

Investment property	2025	2024
Opening net book amount as at 01 January	**59 644**	**41 151**
Additions (Note 5)	493	694
Reclassifications	(3 065)	18 417
Cumulative currency differences	(1 499)	1 232
Depreciation (Notes 5 and 8)	(1 969)	(1 850)
At 31 December	**53 604**	**59 644**
Cost	61 406	65 904
Accumulated depreciation	(7 802)	(6 260)
Net book amount at 31 December	**53 604**	**59 644**

As at 31 December 2025 and 2024, investment properties were office premises in Cyprus, an aircraft hangar in the United Kingdom, and co-living space and office premises in Lithuania. During 2025 rental income from investment properties amounted to EUR 5 537 thousand (2024: EUR 5 237 thousand) and direct operating expenses that generated rental income amounted to EUR 2 017 thousand (2024: EUR 2 627 thousand).

Total amount of additions during 2025 and 2024 consists of subsequent expenditures capitalised. The Group had no outstanding commitments to acquire investment properties as at 31 December 2025 and 2024.

As at 31 December 2025, buildings and investment properties of the Group with the carrying amounts of EUR 81.9 million (2024: EUR 50.0 million) and machinery, vehicles and aircraft with carrying amounts of EUR 29.7 million (2024: EUR 35.3 million) were pledged to banks as collateral for borrowings (Note 27).

(All tabular amounts are in EUR '000)

17. Intangible assets

	Licences and Software	Goodwill	Website	Customer relationships	Other intangible assets	Prepayments relating to intangible assets	Total
Carrying amount as at 01 January 2024	**16 009**	**107 364**	**485**	**7 915**	**6 468**	**1 381**	**139 622**
Acquisitions of subsidiaries	-	3 614	-	1 415	1 565	-	**6 594**
Additions (internally generated) (Note 5)	3 075	-	-	-	-	-	**3 075**
Additions (other) (Note 5)	5 237	-	351	-	193	784	**6 565**
Disposals	-	-	-	-	(5)	-	**(5)**
Reclassifications	1 164	(2)	(37)	-	417	(1 676)	**(134)**
Write-offs	(2)	-	-	-	(1)	-	**(3)**
Cumulative currency differences	358	2 502	-	113	312	25	**3 310**
Amortisation (Notes 5 and 8)	(3 604)	-	(81)	(1 277)	(2 214)	-	**(7 176)**
Carrying amount as at 31 December 2024*	**22 237**	**113 478**	**718**	**8 166**	**6 735**	**514**	**151 848**
Cost as at 01 January 2025	39 012	113 478	1 682	13 045	11 441	514	**179 172**
Accumulated amortisation and impairments losses	(16 775)	-	(964)	(4 879)	(4 706)	-	**(27 324)**
Carrying amount as at 01 January 2025	**22 237**	**113 478**	**718**	**8 166**	**6 735**	**514**	**151 848**
Additions (internally generated) (Note 5)	896	-	-	-	71	-	**967**
Additions (other) (Note 5)	7 951	-	381	-	210	677	**9 219**
Disposals	(3 794)	-	-	-	-	-	**(3 794)**
Discontinued operations (Note 34)	(607)	(11 633)	-	-	(54)	-	**(12 294)**
Reclassifications	847	-	19	-	(81)	(446)	**339**
Write-offs	(11)	-	(13)	-	8	-	**(16)**
Cumulative currency differences	(675)	(4 171)	-	(257)	(229)	(25)	**(5 357)**
Amortisation (Notes 5 and 8)	(4 790)	-	(130)	(1 301)	(1 373)	-	**(7 594)**
Carrying amount as at 31 December 2025	**22 054**	**97 674**	**975**	**6 608**	**5 287**	**720**	**133 318**
Cost as at 31 December 2025	40 679	97 674	2 092	13 045	11 595	720	**165 805**
Accumulated amortisation and impairments losses	(18 625)	-	(1 117)	(6 437)	(6 308)	-	**(32 487)**

*Comparative figures have been restated to improve the presentation of disclosure.

(All tabular amounts are in EUR '000)

17. Intangible assets (continued)

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units. As at 31 December 2025, the cash-generating units identified had the following goodwill:

	31 December 2025	31 December 2024
Chapman Freeborn Holdings Group	23 488	24 717
AirExplore s.r.o.	23 469	23 469
Avion Express Group	13 637	15 424
Aviator Airport Group	14 230	13 566
AviaAM Leasing Service Centre Group	11 942	13 506
Skytrans Australia Pty Ltd	3 008	3 153
Star Dome UAB	2 844	2 844
JetMS Completions Ltd.	2 087	825
Baltic Ground Services EE OÜ	1 161	1 161
Storm Aviation Ltd.	703	703
Liepājas speciālās ekonomiskās zonas SIA "NORSAF"	450	450
Loop Holding UAB	315	315
Baltic Ground Services LV SIA	299	299
Baltic Ground Services HR d.o.o	27	27
Gulfstream Oil SIA	11	11
PT Avia Technics Dirgantara	3	3
Smart Aviation Holdings	-	11 633
RAS Completions Ltd.	-	1 372
Total goodwill	**97 674**	**113 478**

The goodwill balance disaggregated by geographical regions had the following split:

	31 December 2025	31 December 2024
Lithuania	28 738	32 089
United Kingdom	26 278	27 617
Slovakia	23 469	23 469
Sweden	14 230	13 566
Australia	3 008	3 153
Estonia	1 161	1 161
Latvia	760	12 393
Other countries	30	30
Total goodwill	**97 674**	**113 478**

For annual goodwill impairment testing purposes, the recoverable amounts of cash-generating units have been determined based on a value in use calculation. This calculation uses pre-tax cash flow projections based on financial budgets approved by management for a five-year period. Management budgeted profit before tax is based on past performances, current industry trends, valued contracts with customers, and its expectations of market development.

The following table sets out the key assumptions for those cash-generating units that have significant goodwill allocated to them:

	Pre-tax discount rate (%)		Average sales annual growth rate (%)		Average EBITDA margin rate (%)		Terminal growth share (%)		Terminal growth rate (%)	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Chapman Freeborn Holdings	10%	13%	7%	-2%	7%	9%	75%	72%	2%	2%
Aviator Airport	10%	11%	6%	6%	12%	12%	80%	72%	2%	2%
Avion Express	11%	14%	2%	4%	30%	33%	76%	64%	2%	2%
AviaAM Leasing	10%	11%	3%	8%	28%	45%	74%	81%	2%	2%
AirExplore	12%	12%	5%	6%	30%	37%	76%	78%	2%	2%

Assumptions

Pre-tax discount rate	Reflects specific risks relating to the relevant segments and the countries in which they operate
Average sales annual growth rate	Average annual growth rate over a five-year forecast period; based on management's industry knowledge, strategic plans and including long-term inflation forecasts
Average EBITDA margin rate	Average EBITDA margin rate over a five-year forecast period; based on management's industry knowledge, strategic plan and historical data
Terminal growth share	Reflects the percentage of terminal growth share in present value of recoverable amount
Terminal growth rate	Weighted average growth rate used to extrapolate cash flows beyond the business plan period

For the cash-generating units, the key changes in assumptions relate to average annual sales growth and EBITDA margin. In the current year, they were revised based on actual performance during 2025 and expected outlook based on business plans and known industry environment by management where each cash-generating unit operates, taking into consideration publicly available information as at year-end.

Management projects cash flows based on financial budgets or forecasts for a five-year horizon. Due to the nature of the methodology, the assumptions are subject to estimation uncertainty. Management applies the best estimates about the prospective financial information available as at year end. When assumptions may have a significant impact on the test of recoverable value, sensitivity tests are applied.

The estimated recoverable amount of Chapman Freeborn Holdings Group exceeded its carrying amount as at 31 December 2025. The revenue decreased by approximately 27% due to cargo market downturn (2024: decreased by 15%). EBITDA margin was about 5% (2024: 6%). Budgeted EBITDA for the next five years was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected to reflect rebound in cargo market outlook. Management considered and assessed reasonably possible changes for key assumptions and have not identified any instances that could cause the carrying amount of Chapman Freeborn Holdings Group to exceed its recoverable amount.

(All tabular amounts are in EUR '000)

17. Intangible assets (continued)

The recoverable amount calculated for Aviator Airport Group exceeded its carrying amount as at 31 December 2025. The CGU have increased revenues by 11% (2024: increased by 14%) and had EBITDA margin around 9% (2024: 11%). Aviator Airport Group is providing ground handling services and revenue growth was projected based on new contracts signed and estimated sales volumes. Management has performed a sensitivity test that 5 p.p. decrease in the projected EBITDA margin applied would not result in additional impairment as at 31 December 2025.

The recoverable amount calculated for Avion Express Group exceeded its carrying amount as at 31 December 2025. Avion Express continued to expand their aircraft fleet and grew together with recovering passenger flights where total revenue in 2025 has increased by 6% compared to 2024 levels (2024: 40%), while EBITDA margin was around 31% (2024: 29%). The Group reassessed forecasts for the next five years on the assumption that revenue and EBITDA to reflect market trends and strategic decisions. Based on estimate, the recoverable amount exceeded its carrying amount as at 31 December 2025. Management has performed a sensitivity test that 5 p.p. decrease in the projected EBITDA margin applied would not result in impairment as at 31 December 2025.

The recoverable amount calculated for AviaAM Leasing Service Centre Group exceeded its carrying amount by approximately 2 times at 31 December 2025 (2024: 2 times). Total revenue in 2025 has decreased by 9% compared to 2024 levels (2024: increased by 16%), while EBITDA margin was around 13% (2024: 6%). Budgeted EBITDA for the next five years was based on expectations of future aircraft capacity deliveries. Management considered and assessed reasonably possible changes for key assumptions. Management performed a sensitivity test that 10 p.p. decrease in the projected EBITDA margin applied would not result in additional impairment as at 31 December 2025.

The recoverable amount calculated for AirExplore s.r.o. exceeded its carrying amount by approximately 5.5 times at 31 December 2025 (2024: 6 times). Total revenue in 2025 has decreased by 8% compared to 2024 levels, while EBITDA margin was around 15%. The Group assessed forecasts for the next five years on the assumption that revenue and EBITDA reflect market trends and strategic decisions. Management has performed a sensitivity test that 5 p.p. decrease in the projected EBITDA margin applied would not result in impairment as at 31 December 2025.

18. Investments in joint ventures

The Group has the following joint ventures:

Name of entity	Country of incorporation	% of ownership interest 2025	% of ownership interest 2024	Activities
BSTS & Storm Aviation Limited	Bangladesh	49	49	Aircraft maintenance services
BAA Training China Co., Ltd.	China	50	50	Aircraft crew training services
AviaAM Financial Leasing China Co.	China	51	51	Lease and management of aircraft

BAA Training China Co., Ltd. and AviaAM Financial Leasing China Co. are not carrying out any business activities during 2025 and 2024.

Reconciliation to carrying amounts as at 31 December 2025 and 2024 are presented below:

	AviaAM Financial Leasing China Co. Ltd.	BSTS & Storm Aviation Limited	BAA Training China Co., Ltd
Opening net assets as at 01 January 2025	**-**	**163**	**548**
Profit/(loss) for the period	-	35	(548)
Other comprehensive loss	-	(22)	-
Closing net assets as at 31 December 2025	**-**	**176**	**-**
Group's share	51%	49%	50%
Group's share of net assets	-	83	-
Cumulative currency differences	-	3	-
Carrying amount as at 31 December 2025	**-**	**86**	**-**
Total Group's share of profit/(loss) for the period	-	17	(272)
Cumulative currency differences	-	(17)	(7)
Total Group's share of comprehensive income	**-**	**-**	**(279)**

	AviaAM Financial Leasing China Co. Ltd.	BSTS & Storm Aviation Limited	BAA Training China Co., Ltd
Opening net assets as at 01 January 2024	**-**	**141**	**544**
Profit for the period	-	26	-
Other comprehensive (loss)/income	-	(4)	4
Closing net assets as at 31 December 2024	**-**	**163**	**548**
Group's share	51%	49%	50%
Group's share of net assets	-	81	272
Cumulative currency differences	-	8	7
Carrying amount as at 31 December 2024	**-**	**89**	**279**
Total Group's share of profit for the period	-	13	-
Cumulative currency differences	-	(2)	-
Total Group's share of comprehensive income	**-**	**11**	**-**

Management has concluded that the Group does not control AviaAM Financial Leasing China Co., Ltd., even though it holds more than half of its voting rights. The shareholders' agreement in relation to AviaAM Financial Leasing China Co., Ltd. requires unanimous consent from both parties for all relevant activities. The two partners have rights to the net assets of the joint venture. It is therefore classified as a joint venture in the consolidated financial statements and the Group does not consolidate it, but accounts using equity method. During 2022, its net assets were significantly decreased as seized aircraft contributed to majority of its total consolidated assets, which were highly leveraged. Consequently, for the year ended 31 December 2022, the Group recognised EUR 55 million as its share of loss from this equity-accounted investee, effectively reducing the carrying amount of investment to zero.

No significant developments occurred during the years 2025 and 2024.

(All tabular amounts are in EUR '000)

19. Provisions

	2025	2024
C-check and other aircraft maintenance provisions	30 069	47 803
Legal claim provisions	1 186	10 108
Other provisions	10 027	12 475
	43 681	**70 386**
Less: non-current portion	(22 792)	(19 890)
Current portion	**20 889**	**50 496**

	2025	2024
C-check and other aircraft maintenance provisions	21 322	18 403
Other provisions	1 470	1 487
Non-current portion	**22 792**	**19 890**

Other provisions caption includes individually not material various provisions for early lease terminations, carbon dioxide emissions and warranties. For more details on C-check provisions, refer to significant accounting policy judgments in Note 4.

	C-check & other aircraft maintenance and onerous contracts	**Legal claim**	**Other**	**Total**
Total provisions as at 31 December 2023	**43 623**	**6 217**	**4 917**	**54 757**
Additional provisions recognised	33 001	8 446	9 926	51 373
Amounts used during the year	(30 630)	(4 836)	(2 598)	(38 064)
Cumulative currency differences	1 809	281	230	2 320
Total provisions as at 31 December 2024	**47 803**	**10 108**	**12 475**	**70 386**
Additional provisions recognised	30 216	280	12 421	42 917
Amounts used during the year	(29 845)	(4 779)	(15 131)	(49 755)
Discontinued operations (Note 34)	(10 345)	(3 419)	-	(13 764)
Cumulative currency differences	(4 175)	(1 004)	(924)	(6 103)
Total provisions as at 31 December 2025	**33 654**	**1 186**	**8 841**	**43 681**

Contingent liabilities and provisions

In 2024, the Group was subject to a claim amounting to EUR 15.8 million relating to alleged failure to provide liquidity to Aviator Airport Services Denmark A/S during the COVID-19 pandemic. In 2025, this matter was fully resolved through a settlement, with the Group paying EUR 2.6 million. No further obligations remain.

Other contingent matters disclosed in 2024, including disputes relating to leased aircraft and certain customer claims, were fully resolved during 2025 following the disposal and loss of control of the subsidiaries to which they relate.

20. Inventories

	2025	2024
Spare parts and materials – gross amount	91 894	119 479
Less: provision for impairment of inventories	(9 270)	(10 691)
Spare parts and materials	**82 624**	**108 788**
Aircraft and aircraft components – gross amount	127 349	133 086
Less: provision for impairment of aircraft	(2 723)	(3 842)
Aircraft and aircraft components	**124 626**	**129 244**
Aircraft fuel	**1 723**	**1 299**
Work in progress	**2 135**	**392**
Goods in transit	**1 305**	**1 936**
Other inventories – gross amount	8 700	7 301
Less: provision for impairment of other inventories	(66)	(125)
Other inventories	**8 634**	**7 176**
	221 047	**248 835**

Provision for impairment of inventories in the total amount of EUR 5.2 million was additionally recognised in 2025 to represent their net realisable value (2024: EUR 4.8 million) (Note 14).

During 2025, EUR 344.1 million (2024: EUR 293.7 million) was recognised as an expense for inventories carried at net realisable value, recognised in 'Cost of services and goods'.

As at 31 December 2025 spare parts and materials of the Group with carrying amounts of EUR 33.8 million (2024: EUR 34.4 million), and goods for sale, goods in transit, and other inventories of the Group with carrying amounts of EUR 24.9 million (2024: EUR 3.0 million) were pledged to banks as collateral for borrowings (Note 27).

(All tabular amounts are in EUR '000)

21. Trade and other receivables

	2025	2024
Trade receivables	173 876	194 538
Less: provision for impairment of trade receivables	(19 709)	(38 886)
Trade receivables – net	**154 167**	**155 652**
Prepayments	70 276	51 784
Less: provision for impairment of prepayments	(710)	(943)
Prepayments - net	**69 566**	**50 841**
Prepayments to related parties (Note 35)	**53**	**18**
Other receivables	30 393	27 030
Discounting of other receivables	(11)	(7)
Less: provision for impairment of other receivables	(15 541)	(947)
Other receivables – net	**14 841**	**26 076**
Trade receivables from related parties	987	1 176
Less: provision for impairment of trade receivables from related parties	(317)	(9)
Trade receivables from related parties - net (Note 35)	**670**	**1 167**
Loans granted to related parties (Note 35)	26 325	27 623
Discounting of loans granted to related parties	(378)	(641)
Less: provision for impairment of loans granted to related parties	(173)	(182)
Loans granted to related parties – net (Note 35)	**25 774**	**26 800**
Loans granted	152 081	18 579
Discounting of loans granted	(53)	(71)
Less: provision for impairment of loans granted	(145 006)	(8 620)
Loans granted - net	**7 022**	**9 888**
Leasehold receivables	-	15 327
Less: provision for impairment of leasehold receivables	-	(5 227)
Leasehold receivables – net	**-**	**10 100**
Other receivables from related parties	11 195	9 787
Discounting of other receivables from other related parties	(65)	(117)
Less: provision for impairment of other receivables from related parties	(272)	(264)
Other receivables from related parties – net (Note 35)	**10 858**	**9 406**
VAT receivables	**15 362**	**23 995**
Deferred charges	**38 890**	**65 204**
Deferred charges to related parties (Note 35)	**7 510**	**-**
Security deposits placed - gross	60 325	102 658
Discounting of security deposit	(3 970)	(8 534)
Less: provision for impairment of security deposits	(2 038)	(3 223)
Security deposits – net	**54 317**	**90 901**
Security deposits to related parties – net (Note 35)	**14**	**14**
Total trade and other receivables	**399 044**	**470 062**
Less non-current portion	(81 777)	(134 580)
Current portion	**317 267**	**335 482**

	2025	2024
Loans granted to related parties	24 127	25 729
Discounting of loans granted to related parties	(378)	(641)
Less: provision for impairment of loans granted to related parties	(93)	(178)
Loans granted to related parties - net	**23 656**	**24 910**
Loans granted	130 675	10 416
Discounting of loans granted	(53)	(71)
Less: provision for impairment of loans granted	(127 225)	(4 216)
Loans granted – net	**3 397**	**6 129**
Leasehold receivables	-	13 291
Less: provision for impairment of leasehold receivables	-	(4 532)
Leasehold receivables – net	**-**	**8 759**
Deferred charges	**273**	**7 818**
Security deposits placed - gross	46 025	84 468
Discounting of security deposit	(3 559)	(8 534)
Less: provision for impairment of security deposits	(1 108)	(1 270)
Security deposit – net	**41 358**	**74 664**
Security deposit to related parties – net	**12**	**12**
Other receivables	4 922	5 448
Discounting of other receivables	(11)	(7)
Less: provision for impairment of other receivables	(66)	(46)
Other receivables – net	**4 845**	**5 395**
Other receivables from related parties	8 331	7 036
Discounting of other receivables from related parties	(65)	(117)
Less: provision for impairment of other receivables from related parties	(30)	(26)
Other receivables from related parties – net	**8 236**	**6 893**
Total non-current trade and other receivables	**81 777**	**134 580**

(All tabular amounts are in EUR '000)

21. Trade and other receivables (continued)

Classification of trade and other receivables between non-financial and financial instruments is disclosed below:

	2025	2024
Financial instruments		
Trade receivables	154 167	155 652
Trade receivables from related parties (Note 35)	670	1 167
Other receivables	14 841	26 076
Other receivables from related parties (Note 35)	10 858	9 406
Loans granted	7 022	9 888
Loans granted to related parties (Note 35)	25 774	26 800
Leasehold receivables	-	10 100
Security deposits	54 317	90 901
	267 649	**329 990**
Non-financial instruments		
Prepayments	69 566	50 841
VAT receivables	15 362	23 995
Deferred charges	38 890	65 204
Deferred charges to related parties	7 510	-
Security deposits to related parties (Note 35)	14	14
Prepayments to related parties (Note 35)	53	18
	131 395	**140 072**
Total	**399 044**	**470 062**

All non-current receivables as at 31 December 2025 are not due until 2027. All non-current receivables as at 31 December 2024 were not due until 2030. The fair values of trade and other receivables approximate their carrying values. The weighted average interest rate of loans granted to third parties was 9.67% (2024: 6.38%). The weighted average interest rate of loans granted to related parties was 7.51% (2024: 6.80%).

As at 31 December 2025, trade receivables of the Group with carrying amounts of EUR 20.7 million (2024: EUR 22.6 million) and other receivables of the Group with carrying amounts of EUR 3.2 million (2024: none) were pledged to banks as collateral for bank borrowings and overdraft (Note 27).

The carrying amounts of the Group's financial trade and other receivables are denominated in the following currencies:

	2025	2024
EUR	102 411	115 628
USD	102 015	160 549
GBP	6 601	5 961
Swedish Krona (SEK)	5 602	6 615
Other	51 020	41 237
	267 649	**329 990**

22. Contract assets

	2025	2024
Contract costs incurred and recognised profits (less losses) to date	15 085	42 024
Less: provision for impairment	(32)	(67)
Amounts due from customers on contracts in progress	**15 053**	**41 957**

23. Cash and cash equivalents

	2025	2024
Cash in banks	119 630	175 153
Bank deposits (maturity up to 3 months)	4 286	9 423
Cash on hand	104	125
Cash and cash equivalents	**124 020**	**184 701**
Bank overdraft (Note 27)	(1 365)	-
Total	**122 655**	**184 701**

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	2025	2024
EUR	46 287	79 192
USD	53 660	75 818
SEK	2 335	8 199
GBP	2 045	5 534
Other	19 693	15 958
	124 020	**184 701**

24. Share capital and Share premium

On 01 March 2023, the Company allotted and issued 77 777 777 ordinary shares of EUR 0.29 each and 19 444 444 convertible preferred shares of EUR 0.29 each to the shareholder(s) of Avia Solutions Group PLC resulting in the creation of share premium of EUR 1.47 billion. As the convertible preferred shares are classified as debt for accounting purposes, the share premium account disclosed on the consolidated balance sheet only relates to the ordinary shares issued by the Company at a premium.

On 17 July 2023, the shareholders of the Company approved a special resolution authorising the reduction and cancellation of EUR 1 461 805 thousand standing to the credit of the share premium account of the Company resulting from the allotment and issue of ordinary shares and convertible preferred shares under the terms of the merger and thereby increasing the Company's profits available for distribution within the meaning of Section 117 of the Companies Act 2014. In furtherance of that resolution, the Board of Directors of the Company resolved on 22 June 2023 to approve the reduction of the share premium account by EUR 1 461 805 thousand. On 02 October 2023, the High Court of Ireland confirmed the reduction and cancellation of share premium of EUR 1 461 805 thousand. This resulted in an increase of the Company's distributable profits and a transfer of an amount of EUR 1 167 444 thousand in reserves from the share premium account to the profit and loss reserve account arising from the capital reduction of the share premium arising on ordinary shares classified within equity of the same amount with effect from 11 October 2023 (being the date on which the order of the High Court approving the capital reduction was registered by the Registrar of Companies).

As at 31 December 2023, the share capital of the Company amounted to EUR 22 555 555 and consisted of 77 777 777 ordinary registered shares with a nominal value of EUR 0.29 each. All shares were fully paid up and authorised share capital is the same as issued and paid-up share capital. On 31 December 2023, the share premium of the Company amounted to EUR 10 000 thousand.

In March 2024, the Company entered into a conversion and undertaking agreement with Certares Compass S.à r.l. regarding the conversion of the preferred shares issued by the Company into ordinary shares, constituting 20% ownership in the Company. On 22 April 2024, the convertible preferred shares held by Certares Compass S.à r.l. (except for one, being the retained preferred share) have been effectively converted into ordinary shares.

(All tabular amounts are in EUR '000)

24. Share capital and Share premium (continued)

As at 31 December 2025 and 2024, the share capital of the Company amounted to EUR 28 194 444 and consisted of 97 222 220 ordinary registered shares with a nominal value of EUR 0.29 each. All shares were fully paid up and authorised share capital is the same as issued and paid-up share capital. As at 31 December 2025 and 2024, the share premium of the Company amounted to EUR 10 000 thousand.

As at 31 December 2025 and 2024, the Group had no outstanding treasury shares which are deducted from the equity attributable to the Group's equity holders.

None of the ordinary shareholders of the Company have any special controlling rights. Rights of all ordinary shareholders are equal. One ordinary registered share of the Company gives one vote in the general meeting of shareholders.

The Company is not aware of any agreements between the shareholders that could limit transfer of securities and (or) their ability to exercise their voting rights.

During 2025, at Group level, dividends amounting to EUR 3 394 thousand (2024: EUR 1 193 thousand) were declared to minority shareholders.

25. Reserves

The merger reserve consists of the difference between the purchase consideration for the acquisition of remaining stake of the share capital of the Group companies and nominal value of the share capital acquired (Note 2.21).

Cash flow hedge reserve comprise changes in fair value of derivatives designated for hedging (Notes 2.19 and 37).

Other reserves are formed for option agreements which give the right for Group employees to put back acquired shares of the Company during the period from 2019 to 2027 (Note 36).

26. Non-controlling interests

Name	Country of incorporation	Operating segment	Ownership interest held by NCI (in %) 2025	2024
Baltic Ground Services LV SIA	Latvia	Supporting Services	49	49
Liepājas speciālās ekonomiskās zonas SIA "NORSAF"	Latvia	Supporting Services	49	49
AviaAM Leasing Service Centre AB	Lithuania	Logistics and Distribution Services	1.16	1.16
Chapman Freeborn Airchartering BV	Belgium	Logistics and Distribution Services	20	20
Zeusbond Limited	The United Kingdom	Logistics and Distribution Services	25	25
Chapman Freeborn Holdings Limited	The United Kingdom	Logistics and Distribution Services	1.50	-
AI 12 DMCC	United Arab Emirates	Unallocated	49	49

Set out below is the summarized financial information for non-controlling interests as at 31 December 2025:

	Baltic Ground Services LV SIA	AviaAM Leasing Service Centre AB	Chapman Freeborn Holdings Limited	AI 12 DMCC	Other	Total
Non-current assets	4 015	96 591	21 229	109	7 469	**129 413**
Current assets	7 110	197 800	80 235	12 625	139	**297 909**
Non-current liabilities	(2 606)	(39 313)	(5 696)	(137)	-	**(47 752)**
Current liabilities	(3 899)	(60 641)	(70 715)	(9 300)	(159)	**(144 714)**
Net assets	**4 620**	**194 437**	**25 053**	**3 297**	**7 449**	**234 856**
Net assets attributable to NCI	**2 269**	**2 109**	**1 450**	**1 600**	**3 617**	**11 045**
Revenue	44 524	77 050	284 004	7 728	1 288	**414 594**
Profit/(loss)	2 280	(708)	5 777	3 117	(220)	**10 246**
Profit/(loss) allocated to NCI	**1 117**	**(8)**	**627**	**1 527**	**(81)**	**3 182**
Declared dividends to NCI	**784**	**-**	**524**	**2 086**	**-**	**3 394**

Set out below is the summarized financial information for non-controlling interests as at 31 December 2024:

	Baltic Ground Services LV SIA	AviaAM Leasing Service Centre AB	Chapman Freeborn Holdings Limited	AI 12 DMCC	Other	Total
Non-current assets	4 435	99 071	1 099	39	7 493	**112 137**
Current assets	3 989	180 967	8 050	36 655	1 467	**231 128**
Non-current liabilities	(2 378)	(11 176)	(269)	(64)	-	**(13 887)**
Current liabilities	(2 095)	(47 649)	(5 192)	(31 441)	(1 291)	**(87 668)**
Net assets	**3 951**	**221 213**	**3 688**	**5 189**	**7 669**	**241 710**
Net assets attributable to NCI	**1 935**	**2 438**	**802**	**2 527**	**3 699**	**11 401**
Revenue	31 935	85 035	14 964	30 568	-	**162 502**
Profit/(loss)	592	(1 871)	2 517	4 637	-	**5 875**
Profit/(loss) allocated to NCI	**290**	**(22)**	**621**	**2 272**	**-**	**3 161**
Declared dividends to NCI	**529**	**-**	**317**	**347**	**-**	**1 193**

The net cash flows incurred for non-controlling interests as at 31 December 2025:

	Baltic Ground Services LV SIA	AviaAM Leasing Service Centre AB	Chapman Freeborn Holdings Limited	AI 12 DMCC	Other	Total
Operating	1 972	(27 545)	12 278	4 036	162	**(9 097)**
Investing	1 534	(17 315)	(19 797)	(2 387)	(176)	**(38 141)**
Financing	(847)	38 447	(4 277)	(2 364)	-	**30 959**
Net cash flows	**2 659**	**(6 413)**	**(11 796)**	**(715)**	**(14)**	**(16 279)**

(All tabular amounts are in EUR '000)

26. Non-controlling interests (continued)

The net cash flows incurred for non-controlling interests as at 31 December 2024:

	Baltic Ground Services LV SIA	AviaAM Leasing Service Centre AB	Chapman Freeborn Holdings Limited	AI 12 DMCC	Other	Total
Operating	1 867	5 186	33 109	6 031	-	**46 193**
Investing	(5 607)	(17 010)	(2 003)	(1 974)	-	**(26 594)**
Financing	(524)	(762)	(25 620)	(696)	-	**(27 602)**
Net cash flows	**(4 264)**	**(12 586)**	**5 486**	**3 361**	**-**	**(8 003)**

27. Borrowings

	2025	2024
Non-current		
Bank borrowings	81 616	30 887
Lease liabilities	445 296	1 032 356
Bonds issued	250 479	282 006
Other borrowings*	6 675	7 940
	784 066	**1 353 189**
Current		
Bank overdraft	1 365	-
Bank borrowings	45 276	21 397
Lease liabilities	192 583	310 354
Bonds issued	3 112	3 519
Other borrowings*	12 497	10 950
	254 833	**346 220**
Total borrowings	**1 038 899**	**1 699 409**

*Other borrowings includes factoring amounting to EUR 12 055 thousand as at 31 December 2025 (2024: EUR 9 120 thousand). In a recourse factoring arrangement, the carrying value of trade receivables, as factored, equals the outstanding factoring liability in its entirety.

In the table above, the issued bonds are presented net of costs in the amount of EUR 4 385 thousand (2024: EUR 6 761 thousand).

On 15 May 2024, ASG Finance Designated Activity Company issued USD 300 000 thousand senior unsecured notes accruing interest at 9.75% ('2024 Notes'). The 2024 Notes are guaranteed by the Company, AviaAM Leasing Service Centre AB, Chapman Freeborn Holdings Limited, FL Technics UAB and SIA Smart Aviation Holdings. The 2024 Notes were listed on Euronext Dublin. As at 31 December 2025, the total principal outstanding on the 2024 Notes was EUR 255 319 thousand (2024: EUR 288 767 thousand).

On 03 December 2019, ASG Finance Designated Activity Company issued USD 300 000 thousand senior unsecured notes accruing interest at 7.875% ('2019 Notes'). The 2019 Notes were guaranteed by Avia Solutions Group PLC, AviaAM Leasing AB, Baltic Ground Services UAB, Chapman Freeborn Holdings Limited, FL Technics UAB and SIA Smart Aviation Holdings. The 2019 Notes were listed on Euronext Dublin. During 2024, the proceeds of the 2024 Notes were partially used to repay the 2019 Notes in full.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2025	2024
EUR	166 856	125 565
USD	817 623	1 521 818
GBP	12 681	5 245
SEK	6 521	6 790
Other	35 218	39 991
	1 038 899	**1 699 409**

The table below analyses the Group's borrowings into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date:

Discounted	**2025**	2024
Less than 1 year	254 833	346 220
Between 1 and 5 years	733 897	1 226 607
Over 5 years	50 169	126 582
	1 038 899	**1 699 409**

The weighted average interest rates (%) at the balance sheet date were as follows:

	2025	2024
Lease liabilities	8.31%	8.39%
Bank overdraft	5.33%	-
Bank borrowings	5.58%	6.38%
Other borrowings	8.30%	10.69%
Bonds issued	9.75%	9.75%

Lease liabilities – minimum lease payments:

	2025	2024
Not later than 1 year	240 758	416 847
After 1 year but not later than 5 years	504 684	1 181 425
After 5 years	77 533	170 561
Less: future lease charges	(185 096)	(426 123)
Present value of lease liabilities	**637 879**	**1 342 710**
Present value of lease liabilities:		
Not later than 1 year	192 583	310 354
After 1 year but not later than 5 years	410 084	909 634
After 5 years	35 212	122 722
	637 879	**1 342 710**

(All tabular amounts are in EUR '000)

27. Borrowings (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Bank overdraft	Bank borrowings	Bonds issued	Other borrowings	Lease liabilities	Convertible preferred shares	Total
Balance as at 01 January 2024	**-**	**32 902**	**162 767**	**19 065**	**1 006 107**	**352 576**	**1 573 417**
Changes from financing cash flows	-	18 297	111 225	(3 513)	(241 983)	-	**(115 974)**
Interest payments (presented as operating cash flows)*	-	(4 921)	(20 373)	(762)	(105 148)	-	**(131 204)**
Changes arising from obtaining control of subsidiaries	-	63	-	2 830	9 758	-	**12 651**
Change in bank overdraft	(30)	-	-	-	-	-	**(30)**
Foreign exchange adjustments	30	852	14 705	(217)	69 700	-	**85 070**
New leases	-	-	-	-	421 548	-	**421 548**
Interest expense	-	5 336	24 439	767	107 455	-	**137 997**
Change in fair value	-	-	-	-	-	(52 576)	**(52 576)**
Capitalised debt issuance transaction costs (presented as financing cash flows)	-	(24)	(7 238)	-	-	-	**(7 262)**
Other non-cash changes*	-	(221)	-	720	75 273	(300 000)	**(224 228)**
Balance as at 31 December 2024	**-**	**52 284**	**285 525**	**18 890**	**1 342 710**	**-**	**1 699 409**
Changes from financing cash flows	-	70 747	-	46	(250 462)	-	**(179 669)**
Interest payments (presented as operating cash flows)	-	(6 552)	(25 190)	(379)	(78 447)	-	**(110 568)**
Changes arising from obtaining or losing control of subsidiaries	-	-	-	-	(254 726)	-	**(254 726)**
Change in bank overdraft	1 353	-	-	-	-	-	**1 353**
Foreign exchange adjustments	12	(455)	(33 877)	225	(132 572)	-	**(166 667)**
New leases	-	-	-	-	224 644	-	**224 644**
Interest expense	-	7 137	27 133	185	80 154	-	**114 609**
Capitalised debt issuance transaction costs (presented as financing cash flows)	-	(24)	-	-	-	-	**(24)**
Other non-cash changes*	-	3 755	-	205	(293 422)	-	**(289 462)**
Balance as at 31 December 2025	**1 365**	**126 892**	**253 591**	**19 172**	**637 879**	**-**	**1 038 899**

*Other non-cash changes from lease liabilities include EUR 291.7 million (EUR 36.4 million) for lease terminations, mostly in the Logistics and Distribution Services and lease modifications amounting to EUR 2.0 million (2024: EUR 115.3 million).

(All tabular amounts are in EUR '000)

28. Trade and other payables

	2025	2024
Financial instruments		
Trade payables	126 466	210 012
Trade payables to related parties (Note 35)	8 404	478
Accrued expenses	84 116	98 442
Accrued expenses to related parties (Note 35)	302	189
Dividends payable	191	417
Other payables to related parties (Note 35)	182	174
Other payables	4 722	3 956
	224 383	**313 668**
Non-financial instruments		
Salaries and social security payable	71 462	77 515
VAT payable	7 213	13 373
Employee benefit obligations	5 293	4 137
Pension reserve accrual	1 864	881
Other payables	589	3 399
	86 421	**99 305**
Total	**310 804**	**412 973**
Less: non-current portion	(3 748)	(3 883)
Current portion	**307 056**	**409 090**

	2025	2024
Other payables	633	2 014
Employee benefit obligations	1 550	1 210
Pension reserve accrual	1 565	659
Non-current portion	**3 748**	**3 883**

The carrying amounts of the Group's financial trade and other payables are denominated in the following currencies:

	2025	2024
EUR	58 153	89 962
USD	131 927	189 427
GBP	9 138	9 376
SEK	4 327	3 518
Other currencies	20 838	21 385
	224 383	**313 668**

29. Security deposits received

	2025	2024
Returnable security deposits repayable after one year at nominal value	429	1 972
Less: discounting effect	-	(1)
Returnable security deposits repayable after one year	**429**	**1 971**
Returnable security deposits repayable within one year at nominal value	19 514	19 718
Less: discounting effect	(2)	-
Returnable security deposits repayable within one year	**19 512**	**19 718**

30. Deferred income tax

The movement in deferred income tax assets and deferred income tax liabilities accounts is as follows:

Deferred tax assets	2025	2024
At beginning of the period	**72 029**	**38 486**
Acquisitions of subsidiaries	-	179
Disposal of subsidiaries and discontinued operations (Notes 33 and 34)	(6 387)	-
Charged to the consolidated statement of profit or loss	3 971	32 062
Currency translation differences	(4 966)	1 302
At end of year	**64 647**	**72 029**

Deferred tax liabilities	2025	2024
At beginning of the period	**23 879**	**17 161**
Acquisitions of subsidiaries	-	1 669
Disposal of subsidiaries and discontinued operations (Notes 33 and 34)	(5 310)	-
Charged to the consolidated statement of profit or loss	105	6 694
Recognised through OCI	(129)	(1 214)
Currency translation differences	1 543	(431)
At end of year	**20 088**	**23 879**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2025	2024
Deferred tax assets		
Deferred income tax to be recovered within 1 year	50 084	59 095
Deferred income tax to be recovered after 1 year	14 563	12 934
	64 647	**72 029**
Deferred tax liabilities		
Deferred income tax to be recovered within 1 year	11 908	20 314
Deferred income tax to be recovered after 1 year	8 180	3 565
	20 088	**23 879**

Deferred income tax asset for the year is recognised to the extent that the realisation of the related tax benefit through the future taxable profit is probable.

(All tabular amounts are in EUR '000)

30. Deferred income tax (continued)

The movement in deferred tax assets and liabilities of the Group is as follows:

Deferred tax components	31 December 2025	Charged to profit or loss	Charged to OCI	Disposals	31 December 2024	Charged to profit or loss	Charged to OCI	Acquisitions	31 December 2023
Tax loss carry-forward	**51 165**	10 429	-	-	**40 736**	9 313	-	-	**31 423**
Right-of-use assets	**(118 056)**	95 888	-	5 331	**(219 275)**	(103 439)	-	(2 208)	**(113 628)**
Lease liabilities	**122 349**	(103 994)	-	(6 160)	**232 503**	110 675	-	2 380	**119 448**
Provisions	**6 659**	(350)	-	(187)	**7 196**	3 534	-	-	**3 662**
Impairment losses on financial assets	**3 141**	1 209	-	(24)	**1 956**	516	-	-	**1 440**
Impairment losses on inventories	**1 524**	411	-	-	**1 113**	(104)	-	-	**1 217**
Discounting effect	**675**	(91)	-	(16)	**782**	(39)	-	-	**821**
Cash flow hedge	**178**	-	129	-	**49**	-	1 214	-	**(1 165)**
Distributable reserves of subsidiaries	**(2 920)**	(890)	-	12	**(2 042)**	4 115	-	(562)	**(5 595)**
Fair value adjustments from business combinations	**(3 428)**	(72)	-	-	**(3 356)**	4 424	-	(765)	**(7 015)**
Provision for unrealised profit	**3 051**	(208)	-	-	**3 259**	3 259	-	-	**-**
Difference in depreciation basis of property, plant and equipment	**(19 602)**	(1 997)	-	-	**(17 605)**	(6 080)	-	(342)	**(11 183)**
Other	**(177)**	(2 978)	-	(33)	**2 834**	927	-	7	**1 900**
Currency translation differences	**-**	6 509	(6 509)	-	**-**	(1 733)	1 733	-	**-**
Total net deferred tax assets	**44 559**	**3 866**	**(6 380)**	**(1 077)**	**48 150**	**25 368**	**2 947**	**(1 490)**	**21 325**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority.

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2025	2024
Deferred tax assets, net		
Deferred income tax assets	64 647	72 029
Deferred income tax liabilities	(20 088)	(23 879)
	44 559	**48 150**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority. Deferred income tax asset and liability related to the entities operating in Lithuania are calculated at 17% rate (2024: 15% rate), in Malta - at 5% rate (2024: 35% rate), in the United Kingdom - at 25% rate (2024: 25% rate), in Latvia - at 20% rate (2024: 20% rate) only on dividend distribution, in Germany - at 30% rate (2024: 35% rate), in Estonia - at 20% rate (2024: 20% rate), only on dividend distribution, in the United Arab Emirates - at 0/9% rates (2024: 9% rates), in Sweden - at 20.6% rate (2024: 20.6% rate), in Slovakia - at 24% rate (2024: 24% rate), in Denmark - at 22% rate (2024: 22% rate), in Indonesia - at 22% rate (2024: 22% rate), in Norway - at 22% rate (2024: 22% rate), and in Finland - at 20% rate (2024: 20% rate).

Deferred income tax asset is recognised from accumulated taxable losses, generated by Group entities, to the extent that it will be realised by the Group entities generating taxable profits up to three to five years or by way of accumulated taxable loss transfer or sale. Deferred income tax asset which was not recognised from accumulated taxable losses amounted to EUR 27 781 thousand as at 31 December 2025 (2024: EUR 12 482 thousand) and the related taxable losses could be used indefinitely.

(All tabular amounts are in EUR '000)

31. Financial instruments by category

	2025	2024
Category – financial assets measured at amortised costs		
Trade receivables (Note 21)	154 167	155 652
Trade receivables from related parties (Notes 21 and 35)	670	1 167
Other receivables (Note 21)	14 841	26 076
Other receivables from related parties (Notes 21 and 35)	10 858	9 406
Loans granted (Note 21)	7 022	9 888
Loans granted to related parties (Notes 21 and 35)	25 774	26 800
Cash and cash equivalents (Note 23)	124 020	184 701
Bank deposits	2 163	3 978
Leasehold receivables (Note 21)	-	10 100
Security deposits (Note 21)	54 317	90 901
	393 832	**518 669**
Category – financial assets measured at FVOCI		
Derivative financial instruments	-	6 023
Category – financial assets measured at FVTPL		
Securities held for trading	71	26
	71	**26**
Category – financial liabilities measured at amortised cost		
Trade payables (Note 28)	126 466	210 012
Trade payables to related parties (Notes 28 and 35)	8 404	478
Accrued expenses (Note 28)	84 116	98 442
Accrued expenses to related parties (Notes 28 and 35)	302	189
Dividends payable (Note 28)	191	417
Other payables (Note 28)	4 722	3 956
Other payables to related parties (Notes 28 and 35)	182	174
Bank overdraft (Notes 23 and 27)	1 365	-
Lease liabilities (Note 27)	637 879	1 342 710
Bonds issued (Note 27)	253 591	285 525
Bank borrowings (Note 27)	126 892	52 284
Other borrowings (Note 27)	19 172	18 890
	1 263 282	**2 013 077**
Category – financial liabilities measured at FVOCI		
Derivative financial instruments	7 515	-
	7 515	**-**

32. Leases

Group as a lessee

The future aggregate minimum lease payments until maturity date for which the Group has applied the exemption as at 31 December 2025 are as follows:

	Expenses during reporting period	**Not later than 1 year**	**Later than 1 year but not later than 5 years**	**Later than 5 years**
Short-term leases	5 164	1 546	-	-
Low value leases	885	755	693	71
Total	**6 049**	**2 301**	**693**	**71**

Variable lease payments during 2025 amounted to EUR 162 381 thousand. The decrease compared to prior year is related to disposal of entities.

The Group had total cash outflows for leases of EUR 418 893 thousand in 2025.

The future aggregate minimum lease payments until maturity date for which the Group has applied the exemption as at 31 December 2024 are as follows:

	Expenses during reporting period	**Not later than 1 year**	**Later than 1 year but not later than 5 years**	**Later than 5 years**
Short-term leases	10 188	3 386	-	-
Low value leases	1 902	1 263	1 271	36
Total	**12 090**	**4 649**	**1 271**	**36**

Variable lease payments during 2024 amounted to EUR 257 088 thousand.

The Group had total cash outflows for leases of EUR 511 161 thousand in 2024.

Generally, variable lease payments depend on performance indicators such as flight hours, landings or flight cycles and are expected to increase with higher leased aircraft fleet size and higher utilisation of leased assets.

Group as a lessor

The Group has entered into operating leases on its investment properties consisting of certain office and residential buildings (Note 16). These leases have terms of between one and eight years.

Future undiscounted lease payments to be received under operating leases as at 31 December 2025 and 2024 are as follows:

	2025	2024
Within one year	4 533	5 940
Between 1 and 2 years	1 448	4 263
Between 2 and 3 years	1 330	3 958
Between 3 and 4 years	1 311	3 958
Between 4 and 5 years	1 125	3 990
More than 5 years	1 612	1 809
	11 359	**23 918**

(All tabular amounts are in EUR '000)

33. Business combinations and disposals

The Group has not acquired any entities during 2025.

Disposals in 2025

During July 2025, the Group disposed 100% of the shares of Al Tajer Al Hur for Air Freight and Passenger Services LLC - Baghdad (Free Merchant).

During August 2025 the Group disposed 100% of the shares of BBN Cargo Airlines Holdings UAB and Blafugl ehf (Bluebird Nordic).

During December 2025, the Group disposed 100% of the shares of AviaAM B08 Ltd.

Details of sale price and assets and liabilities arising from the disposals in Group financial statements are as follows:

Disposals	AviaAM B08 Ltd	BBN Cargo Group	Total
Deferred income tax assets	-	36	36
Inventories	-	456	456
Trade and other receivables	-	163	163
Cash and cash equivalents	-	366	366
Trade and other payables	(2 899)	(4 414)	(7 313)
Borrowings and lease liabilities	(2)	(10 615)	(10 617)
Current income tax liabilities	(13)	-	(13)
Total identifiable net assets	**(2 914)**	**(14 008)**	**(16 922)**
Proceeds from sale of interest in subsidiaries	-	3	3
Recycled currency translation reserve from OCI	10	2 776	2 786
Gain on disposal of subsidiaries	**2 924**	**16 787**	**19 711**

34. Discontinued operations

During October and November 2025, the Group completed the disposal of its entire shareholding of shares in SIA SmartLynx Airlines, representing 100% of its total issued and paid-up share capital, for a cash consideration of EUR 455 000. This includes the disposal of the following subsidiaries: SmartLynx Airlines Crewing OÜ, SmartLynx Airlines Lithuania UAB, SIA SmartLynx Technik, SA SmartLynx Airlines Cabo Verde, Smart Aviation Limited, SmartLynx Airlines Estonia OÜ, Air Holding Limited, and SmartLynx Airlines Malta Limited (together, the 'SmartLynx Group'). The discontinued operations operated under the Logistics and Distribution Services segment.

At the time of the disposal, the Group had receivables of EUR 139.1 million from the SmartLynx Group. These receivables were provided by the Group to the SmartLynx Group to fund its operations. On 17 December 2025, the new ownership of the SmartLynx Group was granted bankruptcy protection under the laws of the Republic of Latvia. In accordance with the requirements of IFRS 9 Financial Instruments, the Group evaluated the recoverability of the receivables due. As part of this assessment and due to the bankruptcy, the Group provided for impairment on the receivables balance in full, recognising an ECL of EUR 139.1 million.

The comparative statements of profit or loss and other comprehensive income and relevant notes have been represented to show the discontinued operations separately from continuing operations. The results of the discontinued operation were as follows:

	2025	2024
Loss for the period (discontinued operations)	(103 713)	(116 838)
Gain on disposal of subsidiaries	185 095	-
Profit/(loss) for the year from discontinued operations	**81 382**	**(116 838)**

	2025	2024
Revenue from contracts with customers	234 565	588 905
Cost of services and goods	(202 060)	(440 931)
Operating expenses	(117 782)	(189 294)
Decrease/(Increase) in the provision for impairment of financial and non-financial assets	2 487	(48 343)
Other income and gains - net	5 119	19 752
Finance costs – net	(22 454)	(53 854)
Loss before tax	**(100 125)**	**(123 765)**
Income tax credit/(expense)	(3 588)	6 927
Loss for the year (discontinued operations)	**(103 713)**	**(116 838)**

The loss for the year from discontinued operations is attributable to the equity holders of the parent.

The major classes of assets and liabilities of the SmartLynx Group are as follows:

Net assets	2025
Property, plant and equipment	249 719
Intangible assets	12 294
Deferred income tax assets	1 053
Non-current trade and other receivables	15 444
Inventories	21 678
Trade and other receivables	43 008
Contract assets	1 438
Cash and cash equivalents	811
Non-current borrowings and lease liabilities	(259 011)
Deferred income tax liabilities	(12)
Trade and other payables	(108 596)
Provisions	(13 764)
Current borrowings and lease liabilities	(124 260)
Contract liabilities	(15 766)
Security deposits received	(6 281)
Current income tax liabilities	(3 030)
Total identifiable net liabilities disposed	**(185 275)**
Proceeds from sale of interest in subsidiaries	455
Recycled currency translation reserve from OCI	(635)
Gain on disposal of subsidiaries	**185 095**

The net cash flows incurred by the SmartLynx Group are as follows:

	2025	2024
Operating	22 484	61 066
Investing	(5 783)	10 232
Financing	(73 076)	(94 228)
Net cash outflows, net of intercompany	**(56 375)**	**(22 930)**

(All tabular amounts are in EUR '000)

35. Related party transactions

Related parties of the Group include entities having significant influence over the Group, parent, key management personnel of the Group, and other related parties which are controlled by the ultimate beneficial owner or close members of that person's family. Entities having significant influence over the Group are Ziemelis Holding FZ-LLC, Vertas Management UAB and Certares Compass S.à r.l.. Transactions with these related parties are presented separately. Related parties include subsidiaries of the entities having significant influence over the Group. They are presented as other related parties.

The following transactions were carried out with related parties:

	2025	2024
Sales of services:		
Ultimate beneficial owner	11	105
Entities having significant influence	18	12
Other related parties	474	785
	503	**902**
Sales of assets:		
Other related parties	-	130
	-	**130**
Total sales of assets and services	**503**	**1 032**
Purchases of assets		
Other related parties	26	77
	26	**77**
Purchases of services		
Ultimate beneficial owner	8	-
Entities having significant influence	447	37
Other related parties*	2 650	2 613
	3 105	**2 650**
Total purchases of assets and services	**3 131**	**2 727**
Other income and other gains	**1 813**	**784**
Finance and other costs	**180**	**208**

*Other related parties includes purchase of services from joint venture BSTS & Storm Aviation Limited amounting to EUR 410 thousand (2024: EUR 789 thousand) related to consultation services and employee rent.

In 2025, purchases of premises lease from related parties was EUR 775 thousand (2024: EUR 570 thousand).

	2025	2024
Trade and other receivables from related parties		
Trade receivables from ultimate beneficial owner	219	222
Trade receivables from entities having significant influence	118	103
Trade receivables from other related parties	650	851
Impairment of trade receivables from related parties	(317)	(9)
Trade receivables from related parties – net (Note 21)	**670**	**1 167**
Security deposit to related parties (Note 21)	**14**	**14**
Other receivables from entities having significant influence	7 349	6 321
Other receivables from other related parties	3 846	3 466
Discounting of other receivables from related parties	(65)	(117)
Impairment of other receivables from related parties	(272)	(264)
Other receivables from related parties – net (Note 21)	**10 858**	**9 406**
Deferred charges to related parties (Note 21)	**7 510**	**-**
Prepayments to other related parties (Note 21)	**53**	**18**
	19 105	**10 605**
Trade and other payables to related parties		
Trade payables to entities having significant influence	45	48
Trade payables to other related parties	8 359	316
Trade payables to ultimate beneficial owner	-	114
Trade payables to related parties (Note 28)	**8 404**	**478**
Accrued expenses to related parties**	**302**	**189**
Lease liabilities	**3 376**	**4 043**
Advances received from other related parties*	**6 809**	**7 732**
Other payables to other related parties	118	102
Other payables to ultimate beneficial owner	63	72
Other payables to related parties (Note 28)	**182**	**174**
Dividends payable to other related parties	**4**	**83**
Security deposits received from other related parties	**8**	**8**
	19 085	**12 707**

*Advances received from related parties include advance received from joint venture AviaAM Financial Leasing China Co., Ltd amounting to EUR 6 809 thousand (2024: EUR 7 700 thousand) based on a letter of intent for search of aircraft, equal to USD 8 000 thousand in 2025 and 2024.

**Total amount consists of balance with joint venture BSTS & Storm Aviation Limited which is related to consultation services and employee rent.

(All tabular amounts are in EUR '000)

35. Related party transactions (continued)

Gross loans granted to related parties	2025	2024
Beginning of the period	**33 834**	**31 762**
Loans granted to entities having significant influence	1 492	992
Currency translation differences	(817)	378
Loan repayments received from other related parties, including set-offs	(1 928)	(427)
Reclassification between asset/liabilities groups	(251)	-
Interest charged to other related parties	1 829	1 299
Interest paid	(3)	(170)
End of the period	**34 156**	**33 834**
Less non-current portion	(31 453)	(31 523)
Current portion (including accrued interest)	**2 703**	**2 311**

Gross loans granted to related parties	2025	2024
Loans granted to entities having significant influence	18 833	20 359
Loans granted to other related parties	7 492	7 264
Accrued interest*	7 831	6 211
End of period	**34 156**	**33 834**

*Accrued interest is presented as part of *Other receivables from related parties* caption (Note 21).

The loans granted in direct relation with connected entities to the ultimate beneficial owner as at 31 December 2025 amounted to EUR 24 694 thousand (2024: EUR 26 470 thousand).

The other receivables (including accrued interest) in direct relation with connected entities to the ultimate beneficial owner as at 31 December 2025 amounted to EUR 9 851 thousand (2024: EUR 8 281 thousand).

The sales and purchases of services with related parties relate to consulting, legal, marketing, and IT services. Purchases and sales of assets relate to furniture and fixtures. The payments terms are standard.

Leases liabilities from related parties relate to leased hangar and premises by the Group with contractual maturities up to four years.

Outstanding balances at the year-end are unsecured with interest varying up to 9.5% and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Group recognised a net of provision for ECL of EUR 321 thousand relating to amounts owed by related parties (2024: net reversal of EUR 22 thousand).

The maturities of loans granted to related parties vary from one to five years.

In September 2023, the Group issued a call option to related party Basketball Holding Company AB for acquisition of shares of subsidiary Star Dome UAB. The call option price is EUR 21 million with a term of four years from 01 January 2024 and interest rate is 7%, compounded quarterly.

36. Remuneration of the Group's key management

Key management includes general directors of the Company and key subsidiaries, Chief Financial Officer of the Company, and members of the Board of Directors. Transactions with Group's key management are as follows:

	2025	2024
Salaries	2 881	2 600
Social insurance expenses	262	181
Bonuses	694	706
Other benefits	133	5
	3 970	**3 492**
Receivables from key management at the end of year	369	745
Number of key management personnel during the year	11	12

As at 31 December 2025, the Group had signed put option agreements with seven employees (2024: nine), granting them the right to sell back acquired shares of the Company between 2019 and 2027. These agreements, signed with employees involved in Group's management, include service conditions and a four-year lock-up period restricting share sales to third parties. Management of the Group has evaluated these option agreements and determined the benefit received by the managers to be EUR 2 415 thousand (2024: EUR 3 148 thousand), which is amortised over a vesting period of 8 to 12 years in equal parts. Several agreements were terminated in 2025. No expense related to these agreements was recognised in the consolidated statement of profit or loss for 2025 and 2024.

Directors of the Group

	2025	2024
Total emoluments for services	1 945	1 468

	31 December 2025	31 December 2024
Receivables		
Gediminas Ziemelis	219	-
Zilvinas Lapinskas	55	54
Pascal Jean Alexandre Picano	-	181
Total receivables from Directors	**274**	**235**
Loans granted		
Zilvinas Lapinskas (interest at 4%-5%)	77	77
Total loans granted to Directors	**77**	**77**

(All tabular amounts are in EUR '000)

37. Derivatives

The Group has the following derivative financial instruments in the following line items in the consolidated balance sheet which are net-settled:

	2025	2024
Non-current assets		
Foreign currency interest rate swap - cash flow hedges	-	6 023
Non-current liabilities		
Foreign currency interest rate swap - cash flow hedges	7 515	-

Hedging reserves

The Group's hedging reserves disclosed in consolidated statement of changes in equity as cash flow hedge reserve relate to the following hedging instruments:

	Foreign currency interest rate swap
Opening balance 01 January 2024	**3 484**
Change in cash flow hedge reserve of hedging instrument recognised in OCI	(4 777)
Deferred tax	1 230
Closing balance 31 December 2024	**(63)**
Opening balance 01 January 2025	**(63)**
Change in cash flow hedge reserve of hedging instrument recognised in OCI	124
Deferred tax	39
Closing balance 31 December 2025	**100**

Effects of hedge accounting on financial position and performance

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Group or the derivative counterparty.

The Group enters into currency swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its cash flows, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for currency swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:
- the credit/debit value adjustment on the currency swaps which is not matched by the loan; and
- differences in critical terms between the currency swaps and loans.

The effects of the foreign currency swaps on the Group's financial position and performance are as follows:

	2025	2024
Foreign currency interest rate swap		
Carrying amount (non-current asset)	-	6 023
Carrying amount (non-current liability)	7 515	-
Notional amount	85 106	165 624
Maturity date	May 2028	May 2028
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since 01 January	(6 378)	10 020
Change in value of hedged item used to determine hedge effectiveness	6 378	(10 020)

38. Events after the reporting date

Geopolitical situation in the Middle East

Following the reporting period, geopolitical developments in the Middle East have increased volatility and uncertainty affecting the global aviation industry, including operational disruptions, changes in demand patterns, and heightened fuel and financing risks. While the Group's operations in the region remain stable as at the reporting date and no direct material adverse impact has been identified, management has initiated precautionary measures aimed at preserving liquidity and long-term operational resilience in response to the elevated geopolitical risk environment.

As part of these measures, the Group has commenced a reassessment of its fleet strategy and overall capacity requirements. This process may, over time, lead to a reduction in the Group's operated fleet. In connection with this, the Group entered into discussions with aircraft lessors regarding potential early redelivery on its lease arrangements.

In April 2026, the Group agreed on the early redelivery of 10 aircraft. In addition, discussions are ongoing with respect to the potential early redelivery of approximately 15 to 20 further aircraft. Based on management's current assessments, the potential financial impact associated with such lease terminations is estimated to be in the range of EUR 103 million to EUR 140 million relating to right-of-use assets and EUR 110 million to EUR 150 million relating to lease liabilities. The ultimate financial effect will depend on the timing, extent, and final commercial terms agreed with lessors and may therefore differ from these estimates.

At this stage, management considers that these actions and the related geopolitical developments do not constitute adjusting events under IAS 10 Events after the Reporting Period, as the underlying conditions arose after the reporting date. Accordingly, no adjustments have been made to the reported financial information.

38. Events after the reporting date (continued)

Other events after reporting date

In February 2026, the Group completed the acquisition of JOB AIR Technic a.s., a Czech MRO provider, bringing the aircraft maintenance company into its growing international network. The purchase consideration was EUR 36 million, subject to post acquisition price corrections. The major part of acquisition was financed with acquisition debt. As part of the Group, JOB AIR Technic's teams and day-to-day operations will add experienced technical know-how and extra capacity to the organisation, allowing it to take on a broader range of maintenance work and better support customers across its network.

As at the date these financial statements were authorised for issue, the initial accounting for the business combination is incomplete. The Group is in the process of determining the fair values of the identifiable assets acquired, liabilities assumed and any resulting goodwill. Accordingly, the disclosures required by IFRS 3.B64, including the provisional amounts of assets and liabilities recognised at the acquisition date, acquisition-related costs, and the revenue and profit or loss of the acquiree since acquisition, cannot yet be provided. These will be disclosed once the purchase price allocation is finalised.

In April 2026, the Group sold EI13 Aero UAB, EI17A Aero UAB and BK20 Aero UAB for EUR 9.1 million. These subsidiaries were holding real estate in Lithuania.

Chief Executive Officer
Jonas Janukenas

Director
Linas Dovydenas

(All tabular amounts are in EUR '000)

COMPANY BALANCE SHEET

BALANCE SHEET	Notes	As at 31 December 2025	2024
ASSETS			
Property, plant and equipment		13 395	13 631
Intangible assets		1 781	1 286
Investments in subsidiaries and joint ventures	4	733 230	656 922
Deferred income tax assets		71	119
Trade and other receivables	5	16 328	461
Non-current assets		**764 805**	**672 419**
Inventories		7	9
Trade and other receivables	5	34 031	76 799
Contract assets		4 685	4 057
Prepaid income tax		1	1
Cash and cash equivalents		5 539	8 107
Current assets		**44 263**	**88 973**
Total assets		**809 068**	**761 392**
EQUITY			
Share capital	8	28 194	28 194
Share premium	8	10 000	10 000
Retained earnings from previous reporting periods		695 866	618 735
Retained earnings from current reporting period		16 854	77 131
Total equity		**750 914**	**734 060**
LIABILITIES			
Borrowings	6	50 737	3 886
Security deposits received		26	-
Non-current liabilities		**50 763**	**3 886**
Borrowings	6	405	11 466
Trade and other payables	7	4 256	11 280
Contract liabilities		76	55
Current income tax liabilities		2 654	645
Current liabilities		**7 391**	**23 446**
Total liabilities		**58 154**	**27 332**
Total equity and liabilities		**809 068**	**761 392**

The profit recorded in the financial statements of the Company for the year ended 31 December 2025 was EUR 16 854 thousand (2024: EUR 77 131 thousand). As permitted by Section 304 of the Companies Act 2014, the statement of profit or loss of the Company has not been separately presented in the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity
Balance at 01 January 2024	**22 556**	**10 000**	**324 373**	**356 929**
Conversion of preferred shares	5 638	-	294 362	**300 000**
Profit for the year	-	-	77 131	**77 131**
Balance at 31 December 2024	**28 194**	**10 000**	**695 866**	**734 060**
Profit for the year	-	-	16 854	**16 854**
Balance at 31 December 2025	**28 194**	**10 000**	**712 720**	**750 914**

The Financial Statements of the Company have been approved and signed on 22 April 2026:

Chief Executive Officer
Jonas Janukenas

Director
Linas Dovydenas

(All tabular amounts are in EUR '000)

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Basis for preparation

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2014 and Generally Accepted Accounting Practice in the Republic of Ireland (Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)). Note 2 describes the principal accounting policies under FRS 101, which have been applied consistently. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of cash flows and related notes;
- Comparative period reconciliations for tangible fixed assets and intangible assets;
- The option to take tangible and intangible assets at deemed cost;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of financial risk management;
- Disclosure of key management compensation;
- Certain requirements of IAS 1 Presentation of Financial Statements;
- Disclosures required by IFRS 7 Financial Instrument: Disclosures;
- Disclosures required by IFRS 13 Fair Value Measurement;
- Certain disclosures required by IFRS 16 Leases; and
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of Avia Solutions Group (ASG) Public Limited Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:

- Convertible preferred shares

In accordance with Section 304(2) of the Companies Act 2014, the statement of profit or loss and related notes of the Company have not been presented separately in these financial statements.

2. Material accounting policies

Investments in subsidiaries and joint ventures

Investments in subsidiaries in the separate financial statements of the Company are accounted for at cost less impairment losses, if any.

Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Company follows the guidance of IAS 36 on determining when an investment is other than temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

Other remaining financial statements items follow the accounting policies disclosed in the consolidated financial statements.

3. Statutory and other information

The following major items have been charged to the Company's statement of profit or loss:

	2025	2024
Depreciation and amortisation	(1 155)	(1 306)
Cost of purchased services	(1 412)	(3 753)
Employee related expenses	(11 556)	(10 387)
Out of which salary and wage expenses	*(11 280)*	*(10 171)*
Out of which social security expenses	*(276)*	*(216)*
Consulting expenses*	(6 712)	(6 334)
Provision for impairment of subsidiaries	(281)	(3 061)
Provision for impairment of financial assets	525	(1 170)
Interest expense on borrowings	(1 167)	(875)
Gain from fair value change of convertible preferred shares	-	52 576
Income tax credit/(expense)	(2 057)	48
Foreign exchange gain/(loss) on financing activities	(1 950)	1 105

*Under consulting expenses, fees charged by the Company's statutory auditors for the year ended 31 December 2025 amounted to EUR 437 thousand (2024: EUR 319 thousand).

The average number of persons employed by the Company during the year was 179 (2024: 159).

4. Investments in subsidiaries and joint ventures

	2025	2024
Opening balance	**656 958**	**641 044**
Purchase of interest in subsidiaries	-	8 659
Purchase price correction	(601)	-
Establishment of subsidiaries	10	105
Disposals of subsidiaries	(65)	-
Impairment of investments	(281)	(3 061)
Share capital increase of subsidiaries	77 209	10 175
Closing balance	**733 230**	**656 922**

During the year, the Company has contributed to the share capital of BAA Training UAB (EUR 55 757 thousand) and ASG Asset Management UAB (EUR 20 525 thousand).

During the year 2025, the Company has recognised impairment losses on investments BAA China (EUR 272 thousand).

For AirExplore put options recognised at the acquisition date as contingent consideration were not exercised and, upon expiry, resulted in a corresponding reduction of the carrying amount of the investment as an adjustment to the acquisition cost (EUR 601 thousand).

During August 2025, the Company disposed 100% of the shares of BBN Cargo Airlines Holdings UAB.

In July 2025, the Company disposed 100% of the shares of Al Tajer Al Hur for Air Freight and Passenger Services LLC - Baghdad (Free Merchant).

In November 2025, the Company had completed the disposal of its entire shareholding of shares in Air Holding Limited, representing 100% of its total issued and paid-up share capital.

(All tabular amounts are in EUR '000)

4. Investments in subsidiaries and joint ventures (continued)

In 2024, the Company has contributed to the share capital of ASG Finance Designated Activity Company (EUR 5 195 thousand), Air Explore s.r.o. (EUR 3 560 thousand), and JetMS Holdings Ltd. (EUR 1 420 thousand).

In 2024, the Company has recognized impairment losses on investments in Helisota UAB (EUR 1 601 thousand), BBN Cargo Airlines Holdings UAB (EUR 1 200 thousand), Panevezio arena UAB (EUR 160 thousand) and Skyllence UAB (EUR 100 thousand). The entities have ceased operations and reported negative equity balances, the impairment was recognized to reflect the diminished recoverable amounts of the investments.

5. Trade and other receivables

	2025	2024
Trade receivables	828	18
Less: provision for impairment of trade receivables	(790)	(4)
Trade receivables – net	**38**	**14**
Prepayments	**103**	**30**
Other receivables	783	28
Less: provision for impairment of other receivables	(771)	-
Other receivables – net	**12**	**28**
Trade receivables from related parties	9 959	9 360
Less: provision for impairment of trade receivables from related parties	(2 021)	(1 799)
Trade receivables from related parties – net (Note 9)	**7 938**	**7 561**
Loans granted to related parties	56 446	39 390
Less: provision for impairment of loans granted to related parties	(30 391)	(5 625)
Loans granted to related parties – net (Note 9)	**26 055**	**33 765**
Other receivables from related parties	22 130	40 681
Less: provision for impairment of other receivables from related parties	(7 646)	(7 015)
Other receivables from related parties – net (Note 9)	**14 484**	**33 666**
Leasehold receivables from IC	552	-
Less: provision of impairment of leasehold receivables from IC	(116)	-
Leasehold receivables from IC – net	**436**	-
VAT receivables	**16**	**1 060**
Deferred charges	**698**	**545**
Security deposit – net	**319**	**210**
Security deposits to related parties – net (Note 9)	**82**	**82**
Prepayments to related parties (Note 9)	**178**	**299**
Total trade and other receivables	**50 359**	**77 260**
Less non-current portion	(16 328)	(461)
Current portion	**34 031**	**76 799**

6. Borrowings

	2025	2024
Non-current		
Lease liabilities	4 048	2 242
Lease liabilities to related parties (Note 9)	399	1 644
Borrowings from related parties (Note 9)	46 290	-
	50 737	**3 886**
Current		
Lease liabilities	345	196
Lease liabilities to related parties (Note 9)	60	205
Borrowings from related parties (Note 9)	-	11 065
	405	**11 466**
Total borrowings	**51 142**	**15 352**

Borrowings from related parties comprise two fixed-rate borrowings from ASG Finance Designated Activity Company of EUR 38.9 million and EUR 7.4 million with interest rates of 8.62% and 10.39% and maturities in 2029 and 2030, respectively.

The table below analyses the Company's borrowings into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date:

	2025	2024
Less than 1 year	405	11 466
Between 1 and 5 years	48 465	2 004
Over 5 years	2 272	1 882
	51 142	**15 352**

7. Trade and other payables

	2025	2024
Trade payables	643	835
Accrued expenses	551	441
Salaries and social security payable	1 659	1 434
Provisions	-	601
Amounts payable to related parties (Note 9)	277	487
Dividends payable	181	329
Dividends payable to related parties (Note 9)	4	83
VAT payable	162	-
Pension reserve accrual	2	1
Accrued expenses to related parties (Note 9)	20	-
Other payables to related parties (Note 9)	749	7 067
Other payables	8	2
Total trade and other payables (current portion)	**4 256**	**11 280**

(All tabular amounts are in EUR '000)

8. Share capital and Share premium

During March 2024, the Company entered into a conversion and undertaking agreement with Certares Compass S.à r.l regarding the conversion of the preferred shares held by the Company into ordinary shares, constituting 20% ownership in the Company. On 22 April 2024, the convertible preferred shares held by Certares Compass S.à r.l. (except for one, being the retained preferred share) have been effectively converted into ordinary shares.

As at 31 December 2025 and 2024, the share capital of the Company amounted to EUR 28 194 444 and consisted of 97 222 220 ordinary registered shares with a nominal value of EUR 0.29 each. All shares were fully paid up and authorised share capital is the same as issued and paid-up share capital. As at 31 December 2025 and 2024, the share premium of the Company amounted to EUR 10 000 thousand.

As at 31 December 2025 and 2024, the Company had no outstanding treasury shares which are deducted from equity.

None of the ordinary shareholders of the Company have any special controlling rights. Rights of all ordinary shareholders are equal. One ordinary registered share of the Company gives one vote in the general meeting of shareholders.

9. Related party transactions

Related parties of the Company include all the entities directly or indirectly controlled by the Company, entities having significant influence over the Company, key management personnel and other related parties. Subsidiaries are entities directly or indirectly controlled by the Company. Entities having significant influence over the Company are Ziemelis Holding FZ-LLC, Vertas Management UAB and Certares Compass S.à r.l.. Transactions with these related parties are presented separately. Other related parties include entities controlled by key management personnel and entities indirectly controlled by the same ultimate beneficial owner. The following transactions were carried out with related parties:

	2025	2024
Sales of services:		
Subsidiaries	13 580	14 502
Entities having significant influence	18	12
Other related parties	38	62
	13 636	**14 576**
Sales of assets:		
Subsidiaries	17	6
	17	**6**
Total sales of assets and services:	**13 653**	**14 582**
Purchases of assets from:		
Other related parties	1	3
	1	**3**
Purchases of services from:		
Subsidiaries	2 618	1 632
Entities having significant influence	32	-
Other related parties	-	37
	2 650	**1 669**
Total purchases of assets and services	**2 651**	**1 672**

	2025	**2024**
Other income		
Subsidiaries	4 201	4 486
Other related parties	-	16
	4 201	**4 502**
Dividend income	**34 749**	**38 364**
Finance and other costs		
Subsidiaries	1 153	970
	1 153	**970**

The sales and purchases of services with related parties relate to consulting, legal, marketing, and IT services. Purchases and sales of assets relate to furniture and fixtures. The payments terms are standard.

Outstanding balances at the year-end are unsecured with interest varying up to 9.5% and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Company recognised a provision for ECL of EUR 225 thousand relating to amounts owed by related parties (2024: EUR 1 171 thousand). Loans granted to related parties mainly relate to financing operations or investment activities of subsidiaries where maturities vary from one to three years.

Loans received from related parties maturities vary from one to five years.

Other income relates to accrued interest from loans granted.

Finance costs relates to interest expenses on borrowings received.

	2025	2024
Trade receivables from		
Subsidiaries	9 635	9 074
Entities having significant influence	118	96
Other related parties	206	190
Impairment	(2 021)	(1 799)
	7 938	**7 561**
Loans granted to		
Subsidiaries	56 446	39 390
Impairment	(30 391)	(5 625)
	26 055	**33 765**
Other receivables from		
Entities having significant influence	2 153	2 153
Subsidiaries	19 962	38 492
Other related parties	15	36
Impairment	(7 646)	(7 015)
	14 484	**33 666**
Prepayments to		
Subsidiaries	178	299
	178	**299**

(All tabular amounts are in EUR '000)

9. Related party transactions (continued)

	2025	2024
Contract assets from		
Subsidiaries	4 709	4 073
Impairment	(24)	(20)
	4 685	**4 053**
Security deposits paid to		
Subsidiaries	82	82
	82	**82**
Borrowings from		
Subsidiaries	46 290	11 065
	46 290	**11 065**
Lease liabilities to		
Subsidiaries	459	1 849
	459	**1 849**
Other payables to		
Subsidiaries	769	7 067
Other related parties	4	83
	773	**7 150**
Trade payables to		
Entities having significant influence	17	17
Subsidiaries	260	470
	277	**487**
Contract liabilities		
Subsidiaries	76	55
	76	**55**

Remuneration of the Company's key management

Key management includes General Director and Chief Financial Officer of the Company and members of the Board of Directors. Transactions with Company's key management are as follows:

	2025	2024
Salaries	729	827
Social insurance expenses	31	38
	760	**865**
The number of key management at the end of year	**7**	**7**

Remuneration of the Company's Directors

	2025	2024
Total emoluments for services	517	579

(All tabular amounts are in EUR '000)

10. Principal operating subsidiaries

The list of the Company's direct holdings into subsidiaries and joint ventures are provided below:

Name, Country of establishment	Registered office	Ownership% 2025	Ownership% 2024	Nature of the business
AviaAM Leasing Service Centre AB, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	98.84	98.84	Aviation logistics and distribution services
ASG Finance Designated Activity Company, Republic of Ireland	5th Floor the Exchange, George's Dock IFSC1, D01 W3p9, Dublin, Ireland	100	100	Financing activities
SIA Smart Aviation Holding, Republic of Latvia	Mazrudas, Marupe Municipality, LV-2167, Riga, Latvia	100	100	Aviation logistics and distribution services
Chapman Freeborn Holdings Limited, The United Kingdom	3 City Place, Beehive Ring Road, Gatwick RH6 0PA, London, United Kingdom	98.50	100	Aviation logistics and distribution services
Eyjafjoll SAS, France	14 rue de Dunkerque 75010, Paris, France	49	49	Aviation logistics and distribution services
Star Dome UAB, Republic of Lithuania	Ozo str. 14, LT- 08200, Vilnius, Lithuania	99.99	99.99	Arena rent services
KlasJet UAB, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	100	100	Aviation logistics and distribution services
Loop Holding UAB, Republic of Lithuania	Dariaus ir Gireno st. 21, LT-02189, Vilnius, Lithuania	100	100	Real estate management services
Aviator Airport Alliance AB, Kingdom of Sweden	Tornvägen 17A 190 46 Stockholm-Arlanda, Sweden	100	100	Aviation supporting services
Helisota UAB, Republic of Lithuania	Europos pr. 5, LT-46329, Kaunas, Lithuania	100	100	MRO services for helicopters
BAA Training UAB, Republic of Lithuania	Dariaus ir Gireno st. 21, LT-02188, Vilnius, Lithuania	100	100	Aircraft crew training services
FL Technics UAB, Republic of Lithuania	Rodūnios kelias 2, LT-02189, Vilnius, Lithuania	100	100	MRO services
BBN Cargo Airlines Holdings UAB, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	-	100	Aviation logistics and distribution services
Digital Aero Technologies UAB, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	100	100	Holding
AI 12 DMCC, United Arab Emirates	Unit No: 2503 B Jumeirah Bay 2 Plot No: JLT-PH2-X2A Jumeirah Lakes Towers Dubai, Dubai, United Arab Emirates	51	51	Insurance broker
AeroOpportunity Holdings Limited, Republic of Ireland	Building 9, Vantage West, Central Park, D18 FT0C, Dublin, Ireland	100	100	Holding
Baltic Ground Services UAB, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	100	100	Aircraft ground handling and fueling services
BAA Training China Co. Ltd, Republic of China	No 8 Shangwu Waihuan Rd, 450000, Zhengzhou, China	50	50	Aircraft crew training services
AirExplore s.r.o., Slovakia	Krajná 29, 821 04, Bratislava, Slovakia	100	100	Aviation logistics and distribution services
Aero City Group UAB, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	100	100	Real estate management services
Panevezio arena UAB, Republic of Lithuania	Ozo str. 14, LT08200, Vilnius, Lithuania	100	100	Real estate management services
JetMS Holdings Ltd., Republic of Ireland	Building 9, Vantage West, Central Park, D18 FT0C, Dublin, Ireland	100	100	Aviation supporting services
Air Holding Limited, Malta	MK Business Centre 115A, Floor 2, Valley Road, B'Kara BKR 9022, Birkirkara, Malta	-	97	Aviation logistics and distribution services
Asia Pacific Leasing Co. SAS, France	75, Boulevard Haussmann, 75008, Paris, France	100	100	Aviation logistics and distribution services
BGS Rail Holdings UAB, Republic of Lithuania	Dariaus ir Gireno st. 21, LT-02188, Vilnius, Lithuania	100	100	Railway logistics
Aviation Services Fze, United Arab Emirates	8E-101 SD45, Dubai Airport Free Zone, PO Box 54619, Dubai, United Arab Emirates	-	100	Aviation supporting services
UAB Skyllence, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	100	100	Aviation logistics and distribution services
BPC Travel UAB, Republic of Lithuania	Konstitucijos pr. 12, LT-09308, Vilnius, Lithuania	99	99	Aviation logistics and distribution services
ASG Asset Management UAB, Republic of Lithuania	Dariaus ir Gireno st. 21, LT-02188, Vilnius, Lithuania	100	100	Asset management services
BUSNEX UAB, Republic of Lithuania	Dariaus ir Gireno st. 21A, LT-02188, Vilnius, Lithuania	100	100	Electronic vehicles distribution
SEVEN Live UAB, Republic of Lithuania	Ozo str. 14 LT- 08200, Vilnius, Lithuania	100	100	Entertainment services
Liepājas speciālās ekonomiskās zonas SIA "NORSAF" (prev.: SIA „GI Terminals"), Republic of Latvia	Ziemeļu str. 19C, LV-3405, Liepaja, Latvia	51	51	Storage and transshipment services
Skytrans Australia Pty Ltd (previously: SmartLynx Australia Pty Ltd), Australia	1 Airport Avenue, Aeroglen QLD 4870, Cairns, Australia	100	100	Aviation logistics and distribution services

(All tabular amounts are in EUR '000)

10. Principal operating subsidiaries (continued)

Name, Country of establishment	Registered office	Ownership% 2025	Ownership% 2024	Nature of the business
Aerocity Investments DWC-LLC, United Arab Emirates	Ground Floor, AC3-09, DWC- Mohammed Bin Rashid Aerospace Hub-Aerospace Supply Chain, Dubai, United Arab Emirates	100	-	Real estate management services
FL Technic Group Holding Limited, Republic of Ireland	Building 9, Vantage West, Central Park, D18 FT0C, Dublin, Republic of Ireland	100	100	Holding
BBN Invest Capital Management DMCC, United Arab Emirates	194 DMCC Business Centre Level No 8 Jewellery & Gemplex 2, Dubai, United Arab Emirates	100	100	Holding
Avia Management Group Asia Pte Ltd, Singapore	8 Tamasek Boulevard #34-02, Suntec Tower Three, Singapore	100	100	Holding
ASG Aircraft Trading DWC-LLC, United Arab Emirates	Supplier Complex, Mohammed Bin Rashid Aerospace Hub-DWC, Dubai, United Arab Emirates	100	100	Aviation logistics and distribution services
Wolf Holding DWC-LLC, United Arab Emirates	Ground Floor, AC-MBR-SC01-BOOTH3, DWC- Mohammed Bin Rashid Aerospace Hub-Aerospace Supply Chain, Dubai, United Arab Emirates	100	-	Holding
ASG Aero Invest Ireland Limited, Republic of Ireland	Building 9, Vantage West, Central Park, D18 FT0C, Dublin, Republic of Ireland	100	100	Aviation logistics and distribution services

11. Approval of financial statements

The Board of Directors approved the Company Financial Statements in respect of the year ended 31 December 2025 on 22 April 2026.