

**AVIA SOLUTIONS GROUP PLC**

Condensed Consolidated Interim Financial Information,  
For the Nine-Month Period Ended 30 September 2020 (Unaudited)

Beginning of the financial period	1 January 2020
End of reporting period	30 September 2020
Name of the company	<b>Avia Solutions Group PLC</b> (hereinafter “the Company”)
Date of registration	28 February 2018
Code of enterprise	HE 380586
Name of Register of Legal Entities	Department of Registrar of Companies and Official Receiver
Registered office	28 Oktovriou, 1 ENGOMIBUSINESS CENTER BLC E, Flat 111 Egkomi 2414, Nicosia Cyprus
Telephone number	+44 20 808 99777 / +370 5 252 5500
E-mail	<a href="mailto:info@aviasg.com">info@aviasg.com</a>
Internet address	<a href="http://www.aviasg.com">www.aviasg.com</a>
Segments of consolidated Group	Aviation Supporting Services, Aviation Logistics and Distribution Services, Aircraft Trading and Portfolio Management, Unallocated (holding and financing activities).
Board of Directors:	Gediminas Žiemelis (appointed from 12 July 2019) Jonas Janukėnas (appointed from 28 February 2018) Žilvinas Lapinskas (appointed from 12 July 2019) Linas Dovydėnas (appointed from 12 July 2019) Vygaudas Ušackas (appointed from 16 September 2019)
Company Secretary:	Fidema Services (appointed from 28 February 2018)

**CONTENTS**

**Pages**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME ..... 4

CONDENSED CONSOLIDATED BALANCE SHEET ..... 5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ..... 7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS..... 9

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION ..... 11

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		January – September	
		2020	2019*
	<b>Note</b>		
<b>Revenue</b>	3	<b>534 639</b>	<b>320 448</b>
Other income	3	13 380	403
Cost of services and goods	3, 4	(323 845)	(218 973)
Employee related expenses	3	(108 718)	(61 923)
Depreciation and amortisation	3, 10	(77 619)	(9 593)
Other operating expenses	3, 5.1	(32 791)	(18 504)
Impairment losses of financial assets	3, 5.2	(7 849)	(676)
Other impairment-related expenses	3, 5.2	(4 464)	(1 163)
Other gain/(loss) – net	3	10 639	457
<b>Operating profit (loss)</b>	3	<b>3 372</b>	<b>10 476</b>
Finance income	6	4 735	356
Finance cost	6	(30 936)	(3 371)
<b>Finance costs – net</b>	6	<b>(26 201)</b>	<b>(3 015)</b>
Share of profit (losses) of associates	11	3 411	(938)
<b>Profit (loss) before income tax</b>		<b>(19 418)</b>	<b>6 523</b>
Income tax	7	(5 152)	(1 736)
<b>Profit (loss) for the period</b>		<b>(24 570)</b>	<b>4 787</b>
<b>Profit (loss) attributable to:</b>			
Equity holders of the parent		(31 572)	4 333
Non-controlling interests		7 002	454
		<b>(24 570)</b>	<b>4 787</b>
<b>Other comprehensive income</b>			
Net gain on cash flow hedges		4 008	(3)
Income tax		703	1
		<b>4 711</b>	<b>(2)</b>
Exchange differences on translation of foreign operations		(12 400)	710
<b>Other comprehensive income (loss) for the period</b>		<b>(7 689)</b>	<b>708</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the parent		(38 410)	5 085
Non-controlling interests		6 151	410
		<b>(32 259)</b>	<b>5 495</b>
<b>Earnings per share attributable to owners of the parent during the period</b>			
Basic and diluted earnings per share	9	(0,408)	0,557
		<b>(0,408)</b>	<b>0,557</b>

\*Restated, see Note 17

Managing Director  
Jonas Janukėnas




Chief Financial Officer  
Aurimas Sanikovas

**CONDENSED CONSOLIDATED BALANCE SHEET**

	Notes	30 September 2020	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	380 535	363 286
Investments property	10	10 473	11 842
Intangible assets	10	94 424	74 412
Other investment		1 289	-
Investments accounted for using the equity method	11	50 101	47 034
Deferred tax assets	7	22 331	9 615
Non-current trade and other receivables	12	45 451	40 319
Non-current derivative financial instruments		5 321	3 672
Long-term bank deposits		940	983
		<b>610 865</b>	<b>551 163</b>
<b>Current assets</b>			
Inventories	14	41 206	95 847
Trade and other receivables	12	152 414	142 850
Contract assets		10 546	7 376
Prepaid income tax		1 768	1 156
Derivative financial instruments		-	377
Short-term bank deposit		26 862	84 011
Cash and cash equivalents	13	215 279	217 252
		<b>448 075</b>	<b>548 869</b>
<b>Total assets</b>	<b>3</b>	<b>1 058 940</b>	<b>1 100 032</b>

**CONDENSED CONSOLIDATED BALANCE SHEET  
 (CONTINUED)**

	Notes	30 September 2020	31 December 2019
<b>EQUITY</b>			
<b>Equity attributable to the Group's equity shareholders</b>			
Share capital	8	22 556	22 556
Share premium		282 158	282 158
Other reserves		264	60
Treasury shares		(1 165)	(1 010)
Merger reserve		(456)	(456)
Fair value reserve		4 279	(432)
Cumulative translations differences		(14 505)	(2 956)
Retained earnings		9 550	41 122
<b>Equity attributable to equity holders of the parent</b>		<b>302 681</b>	<b>341 042</b>
Non-controlling interests		10 925	4 980
<b>Total equity</b>		<b>313 606</b>	<b>346 022</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		248 659	270 317
Lease liabilities		143 171	161 201
Government grants		594	773
Security deposits received		687	1 097
Trade and other payables	15	3 410	4 600
Derivative financial instruments		8 250	4 686
Deferred income tax liabilities	7	20 372	14 434
		<b>425 143</b>	<b>457 108</b>
<b>Current liabilities</b>			
Trade and other payables	15	180 750	121 769
Lease liabilities		63 361	75 992
Borrowings		1 997	6 817
Contract liabilities		37 077	66 098
Security deposits received		5 484	7 123
Current income tax liabilities		31 485	19 103
Derivative financial instruments		37	-
		<b>320 191</b>	<b>296 902</b>
<b>Total liabilities</b>	3	<b>745 334</b>	<b>754 010</b>
<b>Total equity and liabilities</b>		<b>1 058 940</b>	<b>1 100 032</b>

Managing Director  
Jonas Janukėnas




Chief Financial Officer  
Aurimas Sanikovas

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Group										
	Share capital	Share premium	Treasury shares	Merger reserve	Legal reserve	Fair value reserve	Currency translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
<b>Balance at 31 December 2018</b>	2 256	33 133	-	(457)	237	2	(210)	30 456	65 417	(662)	64 755
Adjustment on initial application of IFRS 16 (net of tax)	-	-	-	-	-	-	-	(760)	(760)	-	(760)
<b>Balance at 1 January 2019</b>	2 256	33 133	-	(457)	237	2	(210)	29 696	64 657	(662)	63 995
<b>Comprehensive income</b>											
Currency translation difference	-	-	-	-	-	-	754	-	754	(44)	710
Fair value reserve	-	-	-	-	-	(2)	-	-	(2)	-	(2)
Profit (loss) for the period	-	-	-	-	-	-	-	4 333	4 333	454	4 787
<b>Total comprehensive income</b>	-	-	-	-	-	(2)	754	4 333	5 085	410	5 495
<b>Transactions with owners</b>											
Purchase of interest in subsidiary	-	-	-	-	-	-	-	(72)	(72)	68	(4)
Transfer to legal reserve	-	-	-	-	(237)	-	-	237	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	(237)	-	-	165	(72)	68	(4)
<b>Balance at 30 September 2019</b>	2 256	33 133	-	(457)	-	-	544	34 194	69 670	(184)	69 486

**AVIA SOLUTIONS GROUP PLC**

 CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020

(All tabular amounts are in EUR '000 unless otherwise stated)


**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Equity attributable to equity holders of the Group										
	Share capital	Share premium	Treasury shares	Merger reserve	Other reserves	Fair value reserve	Currency translation differences	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2020</b>	22 556	282 158	(1 010)	(456)	60	(432)	(2 956)	41 122	341 042	4 980	346 022
<b>Comprehensive income</b>											
Net profit (loss) on cash flow hedge	-	-	-	-	-	4 711	-	-	4 711	-	4 711
Currency translation difference	-	-	-	-	-	-	(11 549)	-	(11 549)	(851)	(12 400)
Profit (loss) for the period	-	-	-	-	-	-	-	(31 572)	(31 572)	7 002	(24 570)
<b>Total comprehensive income</b>	-	-	-	-	-	4 711	(11 549)	(31 572)	(38 410)	6 151	(32 259)
<b>Transactions with owners</b>											
Dividends paid	-	-	-	-	-	-	-	-	-	(137)	(137)
Sale of subsidiary	-	-	-	-	-	-	-	-	-	(69)	(69)
Acquisition of treasury shares	-	-	(155)	-	-	-	-	-	(155)	-	(155)
Share based payments (other reserves)	-	-	-	-	204	-	-	-	204	-	204
<b>Total transactions with owners</b>	-	-	(155)	-	204	-	-	-	49	(206)	(157)
<b>Balance at 30 September 2020</b>	22 556	282 158	(1 165)	(456)	264	4 279	(14 505)	9 550	302 681	10 925	313 606

 Managing Director  
 Jonas Janukėnas





 Chief Financial Officer  
 Aurimas Sanikovas



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	January – September	
		2020	2019*
<b>Operating activities</b>			
Profit (loss) for the period		(24 570)	4 787
Income tax	7	5 152	1 736
<i>Adjustments for:</i>			
Depreciation and amortisation	3, 10	77 619	9 593
Impairment-related expenses	3	12 313	1 839
Interest expenses	6	29 584	2 638
Discounting effect on financial assets	6	(563)	115
Fair value loss on derivative financial instruments		(3)	-
Share of (profit)/ loss of associates		(3 411)	938
(Profit) / loss of PPE disposals		1 322	(373)
(Profit) / loss on termination/modification of lease agreements		(8 174)	-
(Profit) loss from bonds repurchase		(4 533)	-
Amortisation of government grants		(179)	(183)
Interest income		(1 776)	(157)
Currency translations differences		(4 851)	162
Changes in other reserves		205	(2)
Net result of subsidiaries disposal		(2 680)	-
<i>Changes in working capital:</i>			
- Accrued expenses for certain contracts		(393)	504
- Inventories		53 271	(2 102)
- Trade and other receivables		(4 859)	(13 275)
- Trade and other payables, advances received		(31 580)	4 261
- Security deposits received		1 700	467
<b>Cash generated from (used in) operations</b>		<b>93 594</b>	<b>10 948</b>
Interest paid		(15 708)	(1 845)
Interest received		426	28
Income tax paid		(1 328)	(1 567)
<b>Net cash generated from (used in) operating activities</b>		<b>76 984</b>	<b>7 564</b>

**CONDENSED STATEMENTS OF CASH FLOWS  
 (CONTINUED)**

	Notes	January – September	
		2020	2019*
<b>Investing activities</b>			
Purchase of PPE and intangible assets		(69 275)	(4 022)
Proceeds from PPE and intangible assets		665	528
Payments for financial assets at a mortgaged cost		(11 568)	-
Investment into associate		(1 658)	(1 433)
Purchase of other investment		(443)	-
Loans granted		(4 232)	(819)
Repayments of loans granted		167	15
Bank deposits placed		(297 580)	-
Repayments of bank deposits placed		353 979	-
Security deposits placed		(1 887)	(3 893)
Repayments of security deposits placed		2 615	132
Purchase of subsidiaries (net of cash acquired)		(5 790)	164
Sales of subsidiaries (net of cash disposed)		38	-
<b>Net cash generated from (used in) investing activities</b>		<b>(34 969)</b>	<b>(9 328)</b>
<b>Financing activities</b>			
Acquisition of interest in a subsidiary		-	(5)
Bank borrowings received		1 696	2 640
Repayments of bank borrowings		(1 669)	(3 941)
Repurchase of bonds		(7 151)	-
Borrowings from related parties received		-	13 638
Repayments of other borrowings		-	(6 634)
Repayment of lease liabilities		(32 338)	(4 731)
<b>Net cash generated from (used in) financing activities</b>		<b>(39 462)</b>	<b>967</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>2 553</b>	<b>(797)</b>
At beginning of period	13	212 089	(16 634)
<b>At end of period</b>	13	<b>214 642</b>	<b>(17 431)</b>

\*Restated, see Note 17.

Managing Director  
 Jonas Janukėnas



Chief Financial Officer  
 Aurimas Sanikovas



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 Accounting policies

The consolidated interim financial information for the nine-month period ended 30 September 2020 (hereinafter *The Consolidated Financial Information*) is prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union, includes IAS 34 „Interim financial reporting“. In all material respects, the same accounting principles have been followed as in the preparation of consolidated financial statements for the year ended 31 December 2019.

The consolidated financial information is presented in thousands of euro, unless indicated otherwise. The consolidated financial information is prepared under the historical cost convention.

The consolidated interim financial information for the nine-month period ended 30 September 2020 is not audited. Financial statements for the year ended 31 December 2019 were audited by the independent auditor *PricewaterhouseCoopers*.

### 2 Investments in subsidiaries and associates

The consolidated group (hereinafter *the Group*) consists of the Company, its subsidiaries and associates. The subsidiaries and associates are listed below.

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
ASG Finance Designated Activity Company	Ireland	Unallocated	100	100	100	The subsidiary was established on 16 September 2019. The company provides financing activities to subsidiaries of the Group.
AviationCV.com UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established in spring of 2011. The company provides aviation personnel and media solutions.
BAA Training UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The Group company was established on 22 November 2006. The company provides aircraft crew training services.
BAA Simulators 2 UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established on 8 January 2018. The company provides lease of full flight simulators.
BAA Training Vietnam LTD	Socialist Republic of Vietnam	Aviation Supporting Services	100	100	100	The subsidiary was established on 2 February 2018. The company provides lease of full flight simulators.
DG21 UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 3 April 2019. Company is engaged in the business of real estate management and operations of Loop hotel.
SIA Reizidence Kapteini	Republic of Latvia	Aviation Supporting Services	100	100	100	The subsidiary of DG21 UAB was acquired on 3 April 2019. Company is engaged in the business of real estate management.
ASG Asset Management UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established on 21 May 2019. The company is providing property management services.
Aeroclass UAB	Republic of Lithuania	Aviation Supporting Services	100	-	-	The subsidiary was established on 15 September 2020. The company is planning to provide aviation training services.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Helisota UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 16 December 2013. The company provides maintenance, repair and overhaul services for helicopters.
Kauno aviacijos gamykla UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 16 December 2013. It is a direct subsidiary of BAA Training UAB. The subsidiary provides real estate management services.
Jet Maintenance Solutions UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 1 December 2010. The company provides maintenance services for business aircraft.
JetMS Regional UAB	Republic of Lithuania	Aviation Supporting Services	100	-	-	The subsidiary was established on 7 July 2020. The company is planning to provide maintenance and related services for regional aviation aircraft.
KlasJet UAB	Republic of Lithuania	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 9 October 2013. The subsidiary has started business charter activity in summer 2014. From April 2017 it is a direct subsidiary of Jet Maintenance Solutions UAB.
KIDY Tour UAB	Republic of Lithuania	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 3 December 2015. The company provides tour operator services.
KIDY Tour OÜ	Republic of Estonia	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was acquired on 16 September 2016. The company provides tour operator services.
KIDY Tour OOO	Russian Federation	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 6 March 2017. The company does not conduct active operations.
KIDY Tour SIA	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 9 October 2017. The company does not conduct active operations.
Locatory.com UAB	Republic of Lithuania	Aviation Supporting Services	99	99	99	The subsidiary was established on 7 December 2010. Starting summer 2012, the company is acting as an aircraft parts locator and offers innovative IT solution for MRO business segment.
BGS ADR SIA (previously: Sky Knights SIA)	Republic of Latvia	Private Jet Charter, Flight, Tour Operations and Hospitality services	100	100	100	The subsidiary was established on 22 January 2019. Company provides fuel logistic services.
BGS Trading TOV (previously: Aviatehniks TOV)	Ukraine	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 30 March 2020. The company is planning to provide trading operations.
Baltic Ground Services UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 31 October 2008. The company provides aircraft ground handling and fuelling services in Lithuania.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
BGS Rail Holdings UAB	Republic of Lithuania	Aviation Supporting Services	100	99.99	99.99	The subsidiary was established on 24 October 2017. The company is acting as a holding company for subsidiary BGS Rail LLC.
Baltic Ground Services Sp.z.o.o.	Republic of Poland	Aviation Supporting Services	-	100	100	The subsidiary was established in spring of 2010. On 2 June 2020 the Company was sold to third parties.
Baltic Ground Services UATOV	Ukraine	Aviation Supporting Services	50	50	50	The subsidiary was established in summer of 2011. On 29 September 2015, 50% of share capital was sold to a third party. The subsidiary provides fuelling services in Ukraine. The Group has a control over an investee due to right to nominate the management of the company.
Baltic Ground Services RU OOO	Russian Federation	Aviation Supporting Services	100	100	100	The subsidiary was established on 23 March 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company provides aircraft ground handling fuelling and transportation services in Russia.
Baltic Ground Services EE OÜ	Republic of Estonia	Aviation Supporting Services	100	100	100	The subsidiary was established on 31 July 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company provides fuelling services in Estonia.
Baltic Ground Services HR d.o.o	Republic of Croatia	Aviation Supporting Services	100	100	-	The subsidiary was acquired on 16 December 2019. The company is planning to provide aircraft fuelling services.
Baltic Ground Services LV SIA	Republic of Latvia	Aviation Supporting Services	51	51	51	The subsidiary was acquired on 1 October 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company provides fuelling services in Latvia.
Baltic Ground Services CZ s.r.o.	Czech Republic	Aviation Supporting Services	100	100	100	The subsidiary was established on 18 December 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company is providing fuelling services in Czech Republic.
BGS Rail Lease LLC (previously BGS Trans UALLC)	Ukraine	Aviation Supporting Services	100	100	100	The subsidiary was established on 3 July 2017. From 10 July 2019 it is the subsidiary of BGS Rail Holdings UAB. The company provides semi wagon lease services.
Baltic Ground Services DE GmbH	Federal Republic of Germany	Aviation Supporting Services	100	100	100	The subsidiary was established on 11 January 2018. The company is providing fuel logistic services.
BGS Rail LLC	Ukraine	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 13 June 2018. The company provides wagon lease services.
FL Technics UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established on 22 December 2005. The company provides aircraft maintenance, repair and overhaul (MRO) services.
Avia Technics Dirgantara PT.	Republic of Indonesia	Aviation Supporting Services	67	67	67	An investee of FL Technics UAB was established on 5 August 2014. The company provides line and base maintenance services in Jakarta.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
FL Technics Asia Co. Ltd.	Kingdom of Thailand	Aviation Supporting Services	99.997	99.997	99.997	The subsidiary was established on 4 January 2016. It is a direct subsidiary of FL Technics UAB. The subsidiary is planning to provide aircraft maintenance services in Thailand.
FL Technics Line OOO	Russian Federation	Aviation Supporting Services	93	93	93	The subsidiary was established in summer of 2011. It is a direct subsidiary of FL Technics UAB.
"FLM" Flash Line maintenance S.r.l.	Italy	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 19 February 2020. It is a direct subsidiary of FL Technics UAB. The subsidiary provides aircraft line station services
FL Technics Georgia LLC	Georgia	Aviation Supporting Services	100	100	-	The subsidiary was established on 26 November 2019. It is a direct subsidiary of FL Technics UAB. The company provides aircraft line station services.
FL Technics S.R.L	Romania	Aviation Supporting Services	100	-	-	The subsidiary was established on 1 July 2020. It is a direct subsidiary of FL Technics UAB. The company is planning to provide repairs of fabricated metal products, machinery and equipment.
Storm Aviation Ltd.	The United Kingdom	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 31 December 2011. It is a direct subsidiary of FL Technics UAB. The company provides aircraft line station services.
Storm Aviation (Cyprus) Ltd.	Republic of Cyprus	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 31 December 2011. It is a direct subsidiary of Storm Aviation Ltd. The company provides aircraft line station services in Cyprus.
Storm Aviation (Nigeria) Ltd.	Federal Republic of Nigeria	Aviation Supporting Services	100	100	100	The subsidiary was established on 26 August 2016. It is a direct subsidiary of Storm Aviation Ltd. The company provides aircraft line station services in Nigeria.
Storm Aviation (Germany) GmbH	Federal Republic of Germany	Aviation Supporting Services	100	100	100	The subsidiary was established on 29 March 2017. It is a direct subsidiary of Storm Aviation Ltd. The company is providing aircraft line station services in Germany.
FL Technics Hong Kong Limited	Hong Kong	Aviation Supporting Services	100	100	100	The subsidiary was established on 27 September 2018. The subsidiary does not conduct active operations.
FL Technics GmbH	Republic of Austria	Aviation Supporting Services	100	100	100	The subsidiary was established on 15 December 2018. The subsidiary provides aircraft maintenance services in Austria.
FL Technics Ukraine TOV	Ukraine	Aviation Supporting Services	100	100	100	The subsidiary was established on 17 April 2019. It is a direct subsidiary of FL Technics UAB.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
FL Technics Engine Services UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established on 23 April 2019. It is a direct subsidiary of FL Technics UAB. The subsidiary is planning to provide engine and other maintenance services.
FL Technics Ireland Ltd.	Republic of Ireland	Aviation Supporting Services	100	100	100	The subsidiary was established on 1 February 2019. The subsidiary is planning to provide engine and other maintenance services.
BSTS & Storm Aviation Limited	Republic of Bangladesh	Joint venture	49	49	49	The company was established as at 30 September 2018 and is providing aircraft maintenance services in Bangladesh.
BAA Training China Co., Ltd	Republic of China	Joint venture	50	50	-	The company was established as at 21 October 2019. The company will provide training services and lease of full flight simulators.
FL ARI Aircraft Maintenance & Engineering Company CO. LTD	People's Republic of China	Joint venture	40	40	40	The company was established as at 18 December 2018 and is providing aircraft maintenance services in China.
Avia AM Leasing AB	Republic of Lithuania	Aircraft Trading and Portfolio Management	98.84	98.84	-	77,26% of the share capital in the subsidiary was acquired on 2 October 2019. The additional 8,44% and 13,14% of the share capital in Avia AM Leasing AB were acquired on 15 October 2019 and 4 December 2019. The company is acting as a holding company. The subsidiaries of Avia AM Leasing AB are engaged in the business of aircraft leasing trading and management.
Avia AM B01 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B02 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B04 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B05 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B06 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
BUSNEX UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. Until 15 July 2020 it was a direct subsidiary of Avia AM Leasing AB. From 15 July 2020 it is direct subsidiary of Avia Solutions Group PLC.
DG AVIA UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.



**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Sniego takas UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Darius ir Gireno 20 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary Sniego Takas UAB.
Avia AM B10 Ltd	Republic of Ireland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM Leasing PLC	Republic of Cyprus	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
AAL Capital Aircraft Holdings Ltd	Republic of Cyprus	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B08 Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAL Capital Aircraft Holdings Ltd.
Avia Ultima Limited	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	-	-	The subsidiary was established on 17 June 2020. It is a direct subsidiary of AAL Capital Aircraft Holdings Ltd.
Avia AM B09 Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	-	100	-	The subsidiary was acquired on 2 October 2019. Until 23 June 2020 it was a direct subsidiary of AAL Capital Aircraft Holdings Ltd. On 23 June 2020 the company was merged to Avia Ultima Limited.
Ice Aircraft Management Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	-	100	-	The subsidiary was acquired on 2 October 2019. Until 23 June 2020 it was a direct subsidiary of AAL Capital Aircraft Holdings Ltd. On 23 June 2020 the company was merged to Avia Ultima Limited.
Boulevard Two Aircraft Ltd	Republic of Ireland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAL Capital Aircraft Holdings Ltd.
Dikkys Investments Ltd	Republic of Cyprus	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAL Capital Aircraft Holdings Ltd.
Avia AM B11 Ltd	Republic of Ireland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAL Capital Aircraft Holdings Ltd.
Avia AM Leasing Bermuda Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	-	100	-	The subsidiary was acquired on 2 October 2019. Until 23 June 2020 it was a direct subsidiary of AAL Capital Aircraft Holdings Ltd. On 23 June 2020 the company was merged to Avia Ultima Limited.
Regional Charter Capital Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	-	100	-	The subsidiary was acquired on 2 October 2019. It was a direct subsidiary of Avia AM Leasing Bermuda Ltd. On 23 June 2020 the company was merged to Avia Ultima Limited.



## 2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Golden Jet Aviation Trading Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	-	100	-	The subsidiary was acquired on 2 October 2019. It was a direct subsidiary of Avia AM Leasing Bermuda Ltd. On 23 June 2020 the company was merged to Avia Ultima Limited.
Skyroad Leasing UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAL Capital Aircraft Holdings Ltd.
BUSNEX POLAND Sp. z o.o.	Republic of Poland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of BUSNEX UAB.
Avia AM Financial Leasing China Co. Ltd.	China	Joint venture	51	51	-	The company was acquired on 2 October 2019. The joint venture company is not consolidated as the Group does not control Avia AM Financial Leasing China Co., Ltd. The principal activity of the joint venture is to provide comprehensive services across the field of aircraft acquisition, lease and sale.
Eyjafoll SAS	France	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 10 October 2019. The company is acting as a holding company which controls 100 % of the share capital in Avion Express UAB and 100% of the share capital in Avion Malta. The subsidiaries of Eyjafoll SAS provide logistics services and acts as intermediary in leasing-in and leasing-out the aircraft capacity to non-airline or airline customers.
Avion Express UAB	Republic of Lithuania	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 10 October 2019. It is a direct subsidiary of Eyjafoll SAS.
Avion Express Malta Ltd	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 10 October 2019. It is a direct subsidiary of Eyjafoll SAS.
Avion Express GmbH	Germany	Aviation Logistics and Distribution Services	100	-	-	The subsidiary was established on 22 June 2020. It is a direct subsidiary of Avion Express UAB.
Chapman Freeborn Holdings Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. The company is acting as a holding company. The subsidiaries of Chapman Freeborn Holdings Limited provide a wide range of aircraft charter and leasing services to cargo, passenger and VIP charter clients across a broad spectrum of industries.
Alltrans Management PTY Ltd	Australia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering bv	Belgium	Aviation Logistics and Distribution Services	80	80	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Chapman Freeborn Airchartering Ltd.	Canada	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering (China) Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering Consulting (Shanghai) Co. Ltd	China	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airmarketing GmbH	Germany	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering pvt Ltd	India	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn International Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Al tajer Al Hur for Air freight and passenger services LLC - Baghdad	Iraq	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Aviation Services FZE.
Chapman Freeborn OBC GmbH	Germany	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Handcarry Limited	Hong Kong	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn OBC Inc.	United States	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering S.p.z.o.o	Poland	Aviation Logistics and Distribution Services	85	85	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering PTE. LTD.	Singapore	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering (South Africa) Proprietary Limited	South Africa	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Chapman Freeborn Airchartering SL	Spain	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Aviation Services FZE	Sharjah - UAE	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Aviation Services FZCO	Dubai - UAE	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering Inc	USA	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Intradco Cargo Services Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	75	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Zeusbond Limited.
Logik Logistics International Limited	The United Kingdom	Aviation Logistics and Distribution Services	-	80	-	The subsidiary was acquired on 11 October 2019. On 12 May 2020 the Company was sold to third parties.
Magma Aviation Limited	The United Kingdom	Aviation Logistics and Distribution Services	75	75	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Wings 24 Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Zeusbond Limited	The United Kingdom	Aviation Logistics and Distribution Services	75	75	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited.
Chapman Freeborn Airchartering Ltd.	Afghanistan	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited. The subsidiary is under liquidation procedures.
SCI France Patrimoine	France	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited. The subsidiary is under liquidation procedures.
Chapman Freeborn Airchartering GmbH	Germany	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited. The subsidiary is under liquidation procedures.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Chapman Freeborn Havacilik Tasimacilik Ticaret Limited Sirketi	Turkey	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn International Limited. The subsidiary is under liquidation procedures.
Chapman Freeborn Airchartering (Uganda) Limited	Uganda	Aviation Logistics and Distribution Services	-	100	-	The subsidiary was acquired on 11 October 2019. It was a direct subsidiary of Chapman Freeborn International Limited. On 2 July 2020 the subsidiary was liquidated.
Chapman Freeborn Airchartering Limited	Hong Kong	Aviation Logistics and Distribution Services	-	-	-	The subsidiary was acquired on 11 October 2019. It was a direct subsidiary of Chapman Freeborn International Limited. On 27 December 2019 the subsidiary was liquidated.
Arcus-Air-Logistic GmbH	Germany	Aviation Logistics and Distribution Services	100	-	-	The subsidiary was acquired on 18 June 2020. It is a direct subsidiary of Chapman Freeborn Airmarketing GmbH.
Arcus-Air-Logistic Iberica S.L.U.	Spain	Aviation Logistics and Distribution Services	100	-	-	The subsidiary was acquired on 18 June 2020. It is a direct subsidiary of Chapman Freeborn Airmarketing GmbH.
Arcus-Air-Logistic s.r.o.	Slovakia	Aviation Logistics and Distribution Services	99	-	-	The subsidiary was acquired on 18 June 2020. It is a direct subsidiary of Chapman Freeborn Airmarketing GmbH.
Arcus OBC GmbH	Germany	Aviation Logistics and Distribution Services	100	-	-	The subsidiary was acquired on 18 June 2020. It is a direct subsidiary of Chapman Freeborn OBC GmbH.
Smart Aviation Holding SIA	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. The company is acting as a holding company which controls 100 % of the share capital in SmartLynx Airlines SIA and 51% of the share capital in Eyjaföll SAS. The subsidiaries of Smart Aviation Holding SIA provides aircraft ACMI and full charter services and acts as intermediary in leasing-in and leasing-out the aircraft capacity to non-airline or airline customers.
SIA SMARTLYNX AIRLINES	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Smart Aviation Holdings SIA.
SmartLynx Airlines Estonia OÜ	Republic of Estonia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
SmartLynx Airlines Crewing OÜ	Republic of Estonia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
Smartlynx Airlines Malta Limited	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Air Holding Limited.
Air Holding Limited	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia Solutions Group PLC.

**2 Investments in subsidiaries and associates (continued)**

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Smartlynx Airlines Cabo Verde SA	Cabo Verde	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA. The subsidiary is under liquidation procedures.
"SLH Invest LLC (OOO «С/Х ИНВЕСТ»)"	Russian Federation	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA. The subsidiary is under liquidation procedures.
Smart Aviation Limited	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia Solutions Group PLC.
SIA Smartlynx Technik	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
Blafugl ehf (Bluebird Nordic)	Republic of Iceland	Aviation Logistics and Distribution Services	100	-	-	The subsidiary was acquired on 31 March 2020. The subsidiary provides import and export air freight services worldwide.
Aviator Airport Alliance, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. The company is acting as a holding company. Aviator group subsidiaries provide aircraft ground handling services.
Nordic Aero Holding, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Copenhagen Flight services, ApS	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Nordic Aero Holding, AB.
OY Nordic Airport Services, AB	Republic of Finland	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Nordic Aero Holding, AB.
Aviator Airport Services Sweden, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Nordic Aero Holding, AB.
Aviator Airport Services Finland, OY	Republic of Finland	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Nordic Airport Services, AB.
Aviator Airport Alliance, AS	Kingdom of Norway	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator OSL, AS	Kingdom of Norway	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AS.
Aviator Airport Alliance Danmark, A/S	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.

## 2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			30-09-2020	31-12-2019	30-09-2019	
Aviator Airport Services Denmark, A/S	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance Denmark, A/S.
Aviator Relaxium, ApS	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance Denmark, A/S.
Aviator Airport Services, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance Denmark, A/S.
Aviator Robotics, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.

As at 30 September 2020 the Company had one representative Office in Russia, 1st Tverskaya-Yamskaja St., 21, 2nd floor, 125047, Moscow and no branches.

The number of full-time staff employed by the Group on 30 September 2020 amounted to 3 956 (31 December 2019: 3 467; 30 September 2019: 2 715).

## 3 Revenue

For management purposes, the Group is organized into business units based on the services provided, and has four reportable operating segments:

- (1) Aviation Supporting Services;
- (2) Aviation Logistics and Distribution Services;
- (3) Aircraft Trading and Portfolio Management;
- (4) Unallocated (holding and financing activities).

The unallocated sales include sales of management services, which cannot be attributed to the other segments. The management assesses the performance of the Group based on Operating Profit.

Transfer pricing between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, cost and operating expenses, other income, other gain/loss and segment operating profit include transfers between business segments. Those transfers are eliminated on consolidation.

The following tables present sales to external customers, cost and operating expenses, other income, other gain/loss and operating profit information according to the Group's business segments for the nine-month period ended 30 September 2020 and for the nine-month period ended 30 September 2019:

### 3 Revenue (continued)

	Aviation Support Services	Aviation Logistics and Distribution Services	Aircraft Trading and Portfolio Management	Unallocated	Inter- segment transactions	Total
<b>Nine-month period ended 30 September 2020</b>						
Sales to external customers	184 553	261 897	87 962	227	-	534 639
<i>Timing of revenue recognition</i>						
<i>At a point in time</i>	140 924	249 713	85 849	227	-	476 713
<i>Over time</i>	43 629	12 184	2 113	-	-	57 926
Inter-segment sales	25 081	97 278	8 310	3 128	(133 797)	-
<b>Total revenue</b>	<b>209 634</b>	<b>359 175</b>	<b>96 272</b>	<b>3 355</b>	<b>(133 797)</b>	<b>534 639</b>
Other income	4 607	10 999	5 182	6 474	(13 882)	13 380
Cost of services and goods purchased	(109 192)	(268 798)	(72 515)	(376)	127 036	(323 845)
Depreciation and amortisation	(16 470)	(59 441)	(2 338)	(646)	1 276	(77 619)
Employee related expenses	(74 219)	(31 487)	(918)	(2 405)	311	(108 718)
Other operating expenses	(17 232)	(14 983)	(2 592)	(3 531)	5 547	(32 791)
Impairment-related expenses	(6 711)	(1 969)	(656)	(4 956)	1 979	(12 313)
Other gain/(loss) – net	(4 082)	7 811	(35)	4 535	2 410	10 639
<b>Segment operating profit</b>	<b>(13 665)</b>	<b>1 307</b>	<b>22 400</b>	<b>2 450</b>	<b>(9 120)</b>	<b>3 372</b>
<b>As at 30 September 2020</b>						
Segment assets	314 097	342 450	169 256	233 137	-	1 058 940
Segment liabilities	183 073	265 010	39 652	257 599	-	745 334

	Aviation Support Services	Aviation Logistics and Distribution Services	Unallocated	Inter-segment transactions	Total
<b>Nine-month period ended 30 September 2019*</b>					
Sales to external customers	293 070	26 442	936	-	320 448
<i>Timing of revenue recognition</i>					
<i>At a point in time</i>	242 424	26 442	936	-	269 802
<i>Over time</i>	50 646	-	-	-	50 646
Inter-segment sales	21 555	98	2 526	(24 179)	-
<b>Total revenue</b>	<b>314 625</b>	<b>26 540</b>	<b>3 462</b>	<b>(24 179)</b>	<b>320 448</b>
Other income	1 429	45	438	(1 509)	403
Cost of services and goods purchased	(213 796)	(23 946)	(820)	19 589	(218 973)
Depreciation and amortisation	(8 829)	(436)	(410)	82	(9 593)
Employee related expenses	(58 523)	(1 705)	(2 115)	420	(61 923)
Other operating expenses	(18 809)	(1 681)	(1 635)	3 621	(18 504)
Impairment-related expenses	(2 350)	11	(428)	928	(1 839)
Other gain/(loss) – net	911	(371)	3	(86)	457
<b>Segment operating profit</b>	<b>14 658</b>	<b>(1 543)</b>	<b>(1 505)</b>	<b>(1 134)</b>	<b>10 476</b>
<b>As at 30 September 2019</b>					
Segment assets	220 910	15 738	13 013	-	249 661
Segment liabilities	161 183	9 699	9 293	-	180 175

\*Restated, see Note 17



### 3 Revenue (continued)

Reportable Group's business segments are influenced by seasonal movements on both summer and winter periods. The highest growth comes in summer-season (June-September) from Aviation Logistics and Distribution Services segment, and in the winter-season (October-April) increase of sales is recorded in Aviation Support Services segment (aircraft maintenance, repair and overhaul (MRO) and crew training activity).

4	Cost of goods and services	January – September	
		2020	2019*
	Aircraft fuel expenses	65 000	108 617
	Cost of goods purchased	45 745	39 575
	Cost of purchased services	42 233	42 997
	Rent of aircraft, training and other equipment	45 802	4 034
	Rent and maintenance of premises	9 261	20 474
	Aircraft operations costs and flight related charges	10 174	2 156
	Aircraft repair and maintenance costs	29 008	57
	Cost of aircraft sold	63 336	-
	Employee rent and other related personnel expenses	13 286	1 063
		<b>323 845</b>	<b>218 973</b>

5.1	Other operating expenses	January – September	
		2020	2019*
	Business travel expenses	2 911	3 289
	Transportation and related expenses	3 921	2 652
	Marketing and sales expenses	3 085	2 192
	Consultation expenses	8 118	2 857
	Office administrative, communications and IT expenses	5 632	2 776
	Insurance expenses	5 569	1 997
	Other expenses	3 555	2 741
		<b>32 791</b>	<b>18 504</b>

5.2	Impairment-related expenses	January – September	
		2020	2019*
	Impairment of inventories	(2 562)	(1 109)
	Impairment of trade receivables and other contract assets	(7 849)	(676)
	Impairment of pre payments	253	(54)
	Impairment of other assets	(2 155)	-
		<b>(12 313)</b>	<b>(1 839)</b>



	January – September	
	2020	2019*
<b>6 Finance income and costs</b>		
Interest income on cash and cash equivalents	1 199	8
Unwinding of discounted financial assets placed	563	-
Foreign exchange gain on financing activities	2 294	-
Other finance income	679	348
<b>Finance income</b>	<b>4 735</b>	<b>356</b>
Interest expenses on borrowings and lease liabilities	(29 584)	(2 638)
Foreign exchange loss on financing activities	-	(213)
Other finance costs	(1 352)	(405)
Fair value adjustment of financial guarantees issued	-	(115)
<b>Finance costs</b>	<b>(30 936)</b>	<b>(3 371)</b>
<b>Finance costs – net</b>	<b>(26 201)</b>	<b>(3 015)</b>

\*Restated, see Note 17

## 7 Income tax and deferred income tax

The income tax expenses for the period comprise current and deferred tax as follows:

	January – September	
	2020	2019*
Current income tax	(17 291)	(2 128)
Deferred income tax	12 139	392
<b>Total income tax expenses</b>	<b>(5 152)</b>	<b>(1 736)</b>

\*Restated, see Note 17

## 8 Share capital

On 30 September 2020 the share capital of the Company amounts to EUR 22 555 555 and consists of 77 777 777 ordinary registered shares with a nominal value of 0.29 Euro each (on 31 December 2019 – 77 777 777 ordinary registered shares). All shares are fully paid up.

As at 30 September 2020 the Group has 370 014 treasury shares (270 014 as at 31 December 2019) which are deducted from equity attributable to the Group's equity holders.

## 9 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the parent entity's ordinary equity holders by the weighted average number of ordinary shares in issue during the period. The Group has no dilutive potential ordinary shares and therefore diluted earnings per share are the same as basic earnings per share.

	January – September	
	2020	2019
Profit (loss) attributable to equity holders of the parent	(31 572)	4 333
Weighted average number of ordinary shares (thousand)	77 408	7 778
<b>Basic and diluted earnings per share</b>	<b>(0,408)</b>	<b>0,557</b>

## 10 Property, plant and equipment, intangible assets

	Property, plant and equipment	Intangible assets	Right of use assets	Investment property
<b>Opening net book amount as at 1 January 2019</b>	<b>62 449</b>	<b>6 963</b>	<b>-</b>	<b>-</b>
Acquisition of subsidiary (Note 16)	5 798	317	26	-
Additions	26 101	1 721	23 681	-
Disposals	(168)	-	-	-
Write-offs	(23)	(3)	42	-
Reclassifications	(78)	-	-	-
Cumulative currency differences	1 593	3	359	-
Depreciation charge (Note 3)	(6 719)	(571)	(2 303)	-
<b>Closing net book amount as at 30 September 2019</b>	<b>88 953</b>	<b>8 430</b>	<b>21 805</b>	<b>-</b>
<b>Opening net book amount as at 1 January 2020</b>	<b>90 931</b>	<b>74 412</b>	<b>272 355</b>	<b>11 842</b>
Acquisition of subsidiary (Note 16)	9 013	22 688	30 465	-
Additions	62 786	1 560	52 787	2 268
Disposals	(611)	(11)	(1 453)	-
Write-offs	(756)	(142)	-	-
Termination of the lease contracts	-	-	(50 193)	-
Disposal of subsidiary (Note 16)	(1 416)	-	(43)	-
Reclassification	20 650	40	(17 885)	(2 007)
Cumulative currency differences	(3 378)	(2 573)	(7 063)	(1 215)
Depreciation charge (Note 3)	(13 488)	(1 550)	(62 166)	(415)
<b>Closing net book amount as at 30 September 2020</b>	<b>163 731</b>	<b>94 424</b>	<b>216 804</b>	<b>10 473</b>

## 11 Investment in joint venture

On 25 October 2018, Avia Solutions Group PLC subsidiary Storm Aviation Ltd. together with partners established a joint venture company *BSTS & Storm Aviation Limited (Bangladesh)*. The share of equity of the Group is 49% and the Group does not have a control over an investee. Registered capital is TK 50 000 000 (equivalent of EUR 525 thousand). The company is providing aircraft maintenance services in Bangladesh. The cost of Group's investment in joint venture company *BSTS & Storm Aviation Limited* as at 30 September 2020 amounted to EUR 101 thousand (EUR 103 as at 31 December 2019). The share of net assets attributable to the Group and accounted for using the equity method amounted to EUR 96 thousand as at 30 September 2020 (EUR 99 thousand as at 31 December 2019). Share of profit attributable to the Group for the nine months period ended 30 September 2020 amounted to EUR 2 thousand (loss of EUR 8 thousand for the nine months period ended 30 September 2019).

On 18 December 2018 Avia Solutions Group PLC subsidiary FL Technics Hong Kong Limited together with partners established a joint venture company *FLARI Aircraft Maintenance & Engineering Company CO. LTD (China)*. The share of equity of the Group is 40% and the Group does not have a control over an investee. The joint venture company is providing aircraft maintenance services in China. The cost of Group's investment in joint venture company *FLARI Aircraft Maintenance & Engineering Company CO* as at 30 September 2020 amounted to EUR 2 735 (EUR 1 430 as at 31 December 2019). The share of net assets attributable to the Group and accounted for using the equity method was positive and amounted to EUR 67 thousand as at 30 September 2020 (EUR 12 thousand as at 31 December 2019). Share of loss attributable to the Group for the nine months period ended 30 September 2020 amounted to EUR 1 561 thousand (loss of EUR 930 thousand for the nine months period ended 30 September 2019).

On 2 October 2019 Avia Solutions Group PLC completed the acquisition of the share capital in AviaAM Leasing AB. AviaAM Leasing AB holds a 51% stake in a joint venture *AviaAM Financial Leasing China Co. Ltd.*, established on 4 August 2016. The cost of investment in joint venture amounted to USD 39,015 thousand (EUR 34,869 thousand) as at 30 September 2020 and as at 31 December 2019. Joint venture is engaged in the business of operating leasing and management of brand new narrow and wide body aircraft. The share of net assets attributable to the Group and accounted for using the equity method amounted to EUR 49 666 thousand as at 30 September 2020 (EUR 46 923 thousand as at 31 December 2019). Share of profit attributable to the Group for the nine months period ended 30 September 2020 amounted to EUR 4 970 thousand.

On 21 October 2019 Avia Solutions Group PLC together with partners established a joint venture company *BAA Training China Co., Ltd.* The share of equity of the Group is 50%, but the Group does not have a control over an investee. The cost of Group's investment in joint venture company *BAA Training China Co., Ltd* as at 30 September 2020 amounted to EUR 272 thousand (not paid as at 31 December 2019). The joint venture company is planning to provide aircraft crew training services in China.

12 Trade and other receivables

	30 September 2020	31 December 2019
Trade receivables	108 685	82 133
Less: provision for impairment of trade receivables	(20 988)	(17 597)
<b>Trade receivables – net</b>	<b>87 697</b>	<b>64 536</b>
Prepayments	23 341	24 179
Less: provision for impairment of prepayments	(362)	(626)
<b>Prepayments – net</b>	<b>22 979</b>	<b>23 553</b>
Other receivables	12 757	12 934
Discounting of other receivables	(69)	(73)
Less: provision for impairment of other receivables	(4 467)	(1 908)
<b>Other receivables – net</b>	<b>8 221</b>	<b>10 953</b>
Trade receivables from related parties	696	722
Less: provision for impairment of trade receivables from related parties	(85)	(39)
<b>Trade receivables from related parties – net (Note 18)</b>	<b>611</b>	<b>683</b>
Loans granted to related parties	24 036	20 431
Less: provision for impairment of loans granted to related parties	(116)	(101)
<b>Loans granted to related parties – net (Note 18)</b>	<b>23 920</b>	<b>20 330</b>
Loans granted	25 546	21 979
Discounting of loans granted	(159)	(155)
Less: provision for impairment of loans granted	(15 921)	(10 979)
<b>Loans granted – net</b>	<b>9 466</b>	<b>10 845</b>
Receivables from investment in bonds (at 5.20%)	9 792	9 792
Less: provision for impairment of investment in bonds	(9 792)	(9 792)
<b>Receivables from investment in bonds</b>	<b>-</b>	<b>-</b>
Other receivables from related parties	4 619	4 315
Discounting of other receivables from other related parties	(155)	(244)
Less: provision for impairment of other receivables from related parties	(26)	(24)
<b>Other receivables from related parties – net (Note 18)</b>	<b>4 438</b>	<b>4 047</b>
VAT receivables – net	9 812	12 739
Deferred charges	11 270	12 281
Security deposit – net	19 425	23 149
Deferred charges to other related parties (Note 18)	2	28
Security deposits from other related parties placed (Note 18)	-	18
Prepayments from other related parties (Note 18)	24	7
	<b>197 865</b>	<b>183 169</b>
Less non-current portion:	<b>(45 451)</b>	<b>(40 319)</b>
<b>Current portion:</b>	<b>152 414</b>	<b>142 850</b>

## 12 Trade and other receivables (continued)

Non-current portion of other receivables is disclosed below:

	30 September 2020	31 December 2019
Loans granted to related parties	23 037	13 658
Less: provision for impairment of loans granted to related parties	(112)	(69)
<b>Loans granted to related parties - net</b>	<b>22 925</b>	<b>13 589</b>
Loans granted - gross	20 273	20 650
Less: provision for impairment of loans granted	(11 385)	(10 392)
<b>Loans granted - net</b>	<b>8 888</b>	<b>10 258</b>
Prepayments - gross	4	1 204
Less: provision for impairment of prepayments	-	-
<b>Prepayments - net</b>	<b>4</b>	<b>1 204</b>
Security deposits - net	12 522	14 054
Other receivables	2 458	534
Less: provision for impairment of other receivables	(2 050)	(130)
<b>Other receivables - net</b>	<b>408</b>	<b>404</b>
Other receivables from related parties	708	815
Less: provision for impairment of other receivables from related parties	(4)	(5)
<b>Other receivables from related parties - net</b>	<b>704</b>	<b>810</b>
<b>Total</b>	<b>45 451</b>	<b>40 319</b>

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

	30 September 2020	31 December 2019
<i>Financial trade and other receivables</i>		
Trade receivables	87 697	64 536
Trade receivables from related parties (Note 18)	611	683
Other receivables	7 537	10 543
Loans granted to related parties (Note 18)	23 920	20 330
Other receivables from related parties (Note 18)	4 438	4 047
Security deposits	19 425	23 149
Loans granted	9 466	10 845
<i>Non-financial trade and other receivables</i>		
Prepayments	22 979	23 553
Other non-financial receivables	684	410
VAT receivables	9 812	12 739
Deferred charges	11 270	12 281
Deferred charges to other related parties (Note 18)	2	28
Security deposit with lessor from related parties (Note 18)	-	18
Prepayments to other related parties (Note 18)	24	7
<b>Total:</b>	<b>197 865</b>	<b>183 169</b>

The revenue recognised in the nine months ended 30 September 2020 related to the contract liabilities as at the beginning of the period is EUR 56 822 thousand (in the same period 2019: EUR 12 732 thousand). Revenue from performance obligations satisfied as at the beginning of the period was not significant for the Group.

13 Cash and cash equivalents	30 September 2020	31 December 2019	30 September 2019
Cash and cash equivalents	215 279	217 252	10 082
Bank overdraft	(637)	(5 163)	(27 513)
<b>Total</b>	<b>214 642</b>	<b>212 089</b>	<b>(17 431)</b>

14 Inventories	30 September 2020	31 December 2019
Spare parts and materials – gross amount	40 482	32 405
Less: provision for impairment of inventories	(5 378)	(5 340)
<b>Spare parts and materials</b>	<b>35 104</b>	<b>27 065</b>
Goods for sales – gross amount	2 032	2 971
Less: provision for impairment of inventories	(313)	(313)
<b>Goods for sale</b>	<b>1 719</b>	<b>2 658</b>
Aircraft	-	61 028
Aircraft components	130	234
Aircraft fuel	832	1 954
Work in progress	259	216
Goods in transit	57	858
Other inventories	3 105	1 834
	<b>41 206</b>	<b>95 847</b>

15 Trade and other payables	30 September 2020	31 December 2019
Trade payables	66 226	59 582
Accrued expenses	41 150	33 340
Salaries and social security payable	42 315	11 748
Provisions	10 274	10 525
Amounts payable to other related parties (Note 18)	403	385
Other payables	19 096	5 853
Other financial payables	2 393	316
Other payables to related parties (Note 18)	2 303	4 620
	<b>184 160</b>	<b>126 369</b>
Less: non-current portion	(3 410)	(4 600)
<b>Current portion</b>	<b>180 750</b>	<b>121 769</b>

On 3 December 2019 Avia Solutions Group PLC completed bonds issue process and issued USD 300 000 thousand of senior unsecured notes which included 7,875% USD interest. The notes were issued in the Euronext Dublin.

The Company or its subsidiaries may, at any time and from time to time, seek to retire or purchase outstanding debt (including bonds) through cash purchases, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

#### 16 Business combination and disposals

##### *Establishment and acquisitions in 2020*

The primary reason for all business combinations mentioned below is the Group's overall strategy to expand and diversify its operations.

On 15 September 2020, Avia Solutions Group PLC established new subsidiary *AeroClass UAB*. Registered capital EUR 2 500 which was fully paid. The subsidiary is planning to provide aviation training services.

## 16 Business combination and disposals (continued)

On 15 July 2020 *AviaAM Leasing AB* has sold its subsidiary *Busnex UAB* to a holding company *Avia Solutions Group PLC*.

On 7 July 2020, *Avia Solutions Group PLC* established new subsidiary *JetMS Regional UAB*. Registered capital was EUR 10 000 which was fully paid. In September 2020 registered share capital was increased to EUR 300 000.

On 1 July 2020, *Avia Solutions Group PLC* subsidiary *FL Technics UAB* established new subsidiary *FL Technics S.R.L.* Registered capital RON 48 400 (equivalent to EUR 10 000), *FL Technics UAB* fully paid for share capital. The subsidiary is planning to provide repair and maintenance of aircraft and spacecraft, repair of fabricated metal products, machinery and equipment.

On 22 June 2020, *Avia Solutions Group PLC* subsidiary *Avion Express UAB* established new subsidiary *Avion Express GmbH*. Registered capital EUR 25 thousand, *Avion Express UAB* fully paid for share capital. In September registered share capital was increased to EUR 4 000 000 and was fully paid by *Avion Express UAB* (75 % of the share capital) and *Blafugle hf.* (25 % of the share capital).

On 18 June 2020 *Avia Solutions Group PLC* subsidiary *Chapman Freeborn Airmarketing GmbH and Chapman Freeborn OBC GmbH* completed acquisition of 100% of the share capital in *Arcus-Air-Logistic GmbH* for consideration for amount of EUR 1 946 thousand, *Arcus OBC GmbH* for consideration for amount of EUR 6 thousand, *Arcus-Air-Logistic S.L.U. – Iberica* for consideration for amount of EUR 1 149 thousand, *Arcus-Air-Logistic s.r.o. – Slovakia* for consideration for amount of EUR 602 thousand. Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition, including fair value adjustments are given below. The fair values of assets and liabilities below are presented in British Pounds (GBP) which is the functional currency of *Chapman Freeborn International Limited* and translated to EUR at the rate as at acquisition date 30 June 2020 used 1EUR = 0,9154 GBP. The values included in purchase price allocation are provisional and will be updated within 12 months period after the acquisition date.

	Arcus-Air-Logistic GmbH - acquiree's fair value	
	GBP	EUR
Property, plant and equipment	33	36
Trade and other receivables	426	465
Cash and cash equivalents	1 164	1 272
Trade and other payables	(807)	(882)
<b>Total identifiable net assets acquired</b>	<b>816</b>	<b>891</b>
<b>Purchase consideration</b>	<b>1 782</b>	<b>1 946</b>
<b>Goodwill as at 30 June 2020</b>	<b>966</b>	<b>1 055</b>

	Arcus OBC GmbH - acquiree's fair value	
	GBP	EUR
Property, plant and equipment	36	39
Intangible assets	12	14
Trade and other receivables	16	17
Cash and cash equivalents	77	84
Trade and other payables	(144)	(157)
<b>Total identifiable net assets acquired</b>	<b>(3)</b>	<b>(3)</b>
<b>Purchase consideration</b>	<b>6</b>	<b>6</b>
<b>Goodwill as at 30 June 2020</b>	<b>9</b>	<b>9</b>

16 Business combination and disposals (continued)

	Arcus-Air-Logistic S.L.U. – Iberica - acquiree's fair value	
	GBP	EUR
Property, plant and equipment	17	19
Trade and other receivables	237	259
Cash and cash equivalents	274	299
Trade and other payables	(2)	(2)
<b>Total identifiable net assets acquired</b>	<b>526</b>	<b>575</b>
<b>Purchase consideration</b>	<b>1 051</b>	<b>1 149</b>
<b>Goodwill as at 30 June 2020</b>	<b>525</b>	<b>574</b>

	Arcus-Air-Logistic s.r.o. – Slovakia - acquiree's fair value	
	GBP	EUR
Property, plant and equipment	17	19
Trade and other receivables	149	163
Cash and cash equivalents	167	183
Trade and other payables	(47)	(51)
<b>Total identifiable net assets acquired</b>	<b>286</b>	<b>314</b>
<b>Purchase consideration</b>	<b>551</b>	<b>602</b>
<b>Goodwill as at 30 June 2020</b>	<b>265</b>	<b>288</b>

On 19 February 2020 Avia Solutions Group PLC subsidiary *FL Technics UAB* completed acquisition of 100% of the share capital in *Flash Line maintenance S.r.l.* for consideration for amount of EUR 578 thousand. The subsidiary provides aircraft line maintenance services.

Details of purchase consideration and consolidated assets and liabilities arising from the acquisition of *Flash Line maintenance S.r.l.* are as follows:

	Flash Line maintenance S.r.l. - acquiree's fair value EUR
Property, plant and equipment	44
Intangible assets	163
Inventories	452
Trade and other receivables	556
Cash and cash equivalents	71
Borrowings	(720)
Trade and other payables	(853)
<b>Total identifiable net assets acquired</b>	<b>(287)</b>
<b>Purchase consideration</b>	<b>578</b>
<b>Goodwill as at 31 March 2020</b>	<b>865</b>

The values included in purchase price allocation are provisional and will be updated within 12 months period after the acquisition date.

On the 24th of January 2020, Avia Solutions Group PLC signed an agreement with BB Holding EHF for the full acquisition of Bluebird Nordic (Bláfugl ehf.), which entails a 100% stake ownership of the company's shareholdings, for consideration for amount of EUR 5 240 thousand (USD 5 782 thousand). On the 31st of March 2020, following the completion of all prerequisites and receipt of relevant clearances from competition authorities, the transaction was finalised. Bluebird Nordic provides cargo ACMI and charter services.



## 16 Business combination and disposals (continued)

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition, including fair value adjustments are given below. As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in US Dollars (USD) which is the functional currency of Blafugl ehf (Bluebird Nordic) and translated to EUR at the rate as at acquisition date 31 March 2020 used 1EUR = 1,1034 USD.

	Blafugl ehf (Bluebird Nordic) - acquiree's fair value	
	USD	EUR
Property, plant and equipment	27 098	24 559
Intangible assets	575	521
Inventories	327	296
Trade and other receivables	5 897	5 344
Cash and cash equivalents	1 628	1 475
Borrowings	(27 762)	(25 160)
Deferred income tax liabilities	(264)	(239)
Trade and other payables	(2 921)	(2 647)
<b>Total identifiable net assets acquired</b>	<b>4 578</b>	<b>4 149</b>
<b>Purchase consideration</b>	<b>5 782</b>	<b>5 240</b>
<b>Goodwill as at 31 March 2020</b>	<b>1 204</b>	<b>1 091</b>

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these interim financial information, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

On 14th of February 2020, Avia Solutions Group PLC signed an agreement to acquire 100% of the shareholding of Aviator Airport Alliance AB (Aviator), a full-range aviation services provider for the Nordic region. Aviator provides aircraft ground handling and fuelling services. Offering flexible and cost-effective solutions that meet the demand for high-quality support services of a wide range of airlines, Aviator is a valuable addition to Avia Solution Group's portfolio.

As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in Sweden Krona (SEK) which is the functional currency of Aviator Group and translated to EUR at the rate as at acquisition date 29 February 2020 used 1EUR = 10,6738 SEK. At the balance sheet date the goodwill was translated to SEK using the balance sheet closing rate, which was 1EUR = 10,674 SEK.

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition of Aviator Group, including fair value adjustments are given below.

16 Business combination and disposals (continued)

	Aviator Airport Alliance AB- acquiree's fair value	
	SEK	EUR
Property, plant and equipment	157 569	14 762
Intangible assets	35 599	3 335
Deferred income tax assets	21 343	2 000
Inventories	13 724	1 286
Trade and other receivables	218 460	20 467
Cash and cash equivalents	23 739	2 224
Borrowings	(199 614)	(18 701)
Deferred income tax liabilities	(41 509)	(3 889)
Trade and other payables	(366 958)	(34 380)
<b>Total identifiable net assets acquired</b>	<b>(137 647)</b>	<b>(12 896)</b>
<b>Purchase consideration</b>	<b>20 040</b>	<b>1 877</b>
<b>Goodwill as at 29 February 2020</b>	<b>157 687</b>	<b>14 773</b>
Currency translation differences	-	(487)
<b>Goodwill as at 31 March 2020</b>	<b>157 687</b>	<b>14 286</b>

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, trade and other receivable and borrowings have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these interim financial information, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

On 30 March 2020, Avia Solutions Group PLC subsidiary Baltic Ground Services UAB completed the acquisition of 100% of the share capital in BGS Trading (previously: Aviatehniks TOV) for consideration of EUR 5 thousand. The company is going to provide aircraft ground handling and fuelling services.

On 2 January 2020 the Group, through one of its subsidiaries, acquired 100% of the share capital in Darius ir Gireno 20 UAB for consideration for amount of EUR 2 500 thousand which was paid in December 2019. The Company is incorporated in Lithuania and is engaged in real estate business. The Company owns land and a few buildings. The fair value of the assets acquired is equal to consideration paid as the group treats this investments as the acquisition of investment property.

## 16 Business combination and disposals (continued)

On 12 May 2020, Avia Solutions Group PLC subsidiary Chapman Freeborn International Limited sold its 80% of shares in the subsidiary Logik Logistics International Limited. Sales proceeds from the disposal amounted to EUR 546 thousand. Disposal's carrying amount of assets and liabilities below are presented in British Pounds (GBP) which is the functional currency of Chapman Freeborn International Limited and translated to EUR at the rate as at end of period date 30 June 2020 used 1EUR = 0,9154 GBP. Details of sale price and assets and liabilities arising from the disposal in Group's financial statements are as follows:

	Logik Logistics International Limited - disposal's carrying amount	
	GBP	EUR
Property, plant and equipment	40	43
Trade and other receivables	1 146	1 252
Cash and cash equivalents	192	210
Trade and other payables	(1 063)	(1 161)
<b>Total identifiable net assets</b>	<b>315</b>	<b>344</b>
NCI based on proportionate share of net assets (80%)	63	69
<b>Net assets attributed to equity holders of the parent</b>	<b>252</b>	<b>275</b>
Proceeds from sale of interest in subsidiaries	500	546
Gain (loss) on disposal, directly recognised in disposal's group other gains/(losses)	248	271

On 3 March 2020 the Group, through one of its subsidiaries, acquired 100% of the share capital in BUSNEX POLAND SP. Z.O.O – with a purpose to develop business in relation to public transportation solutions. The newly established company with a share capital of PLN 5 thousand is incorporated in Poland. Purchase consideration paid was USD 3 thousand (EUR 2 thousand or PLN 10 thousand).

On 13 March 2020 the Group, through one of its subsidiaries, acquired 100% of the share capital in Skyroad Leasing UAB for consideration for amount of EUR 3 thousand. The company is incorporated in Lithuania and is engaged in aircraft leasing business.

On 2 June 2020, Avia Solutions Group PLC subsidiary Baltic Ground Services UAB sold its 100% of shares in the subsidiary Baltic Ground Services Sp.z.o.o. Sales proceeds from the disposal amounted to EUR 79 thousand. Disposal's carrying amount of assets and liabilities below are presented in Poland Zloty (PLN) which is the functional currency of Baltic Ground Services Sp.z.o.o. and translated to EUR at the rate as at disposal's date used 1EUR = 4,4664 PLN. Details of sale price and assets and liabilities arising from the disposal in Group's financial statements are as follows:

	Baltic Ground Services Sp.z.o.o - disposal's carrying amount	
	PLN	EUR
Property, plant and equipment	6 322	1 416
Deferred income tax assets	2 655	594
Trade and other receivables	2 161	484
Inventories	202	45
Cash and cash equivalents	1 686	377
Borrowings	(18 941)	(4 241)
Trade and other payables	(2 585)	(579)
Contract liabilities	(1 031)	(231)
Deferred income tax liabilities	(872)	(195)
<b>Total identifiable net assets</b>	<b>(10 403)</b>	<b>(2 330)</b>
Proceeds from sale of interest in subsidiaries	353	79
Gain (loss) on disposal, directly recognised in disposal's group other gains/(losses)	10 756	2 409

16 Business combination and disposals (continued)

**Purchase consideration – cash outflow (summary of acquisition during nine months period of 2020):**

	2020
<i>Outflow of cash to acquire subsidiary:</i>	
Cash consideration Avia tor Airport Alliance AB	(1 877)
Cash consideration Bluebird Nordic	(5 240)
Cash consideration Flash Line Maintenance S.r.L.	(578)
Cash consideration BGS Trading	(5)
Cash consideration Arcus -Air-Logistic GmbH	(1 946)
Cash consideration Arcus OBC GmbH	(6)
Cash consideration Arcus -Air-Logistic S.L.U. – Iberica	(1 149)
Cash consideration Arcus -Air-Logistic s.r.o. – Slovakia	(602)
	<b>(11 403)</b>
<i>Balances acquired:</i>	
Cash Avia tor Airport Alliance AB	2 224
Cash Bluebird Nordic	1 475
Cash Flash Line Maintenance S.r.L.	71
Cash BGS Trading	5
Cash Arcus -Air-Logistic GmbH	1 272
Cash Arcus OBC GmbH	84
Cash Arcus -Air-Logistic S.L.U. – Iberica	299
Cash Arcus -Air-Logistic s.r.o. – Slovakia	183
	<b>5 613</b>
<b>Net outflow of cash – investing activities</b>	<b>(5 790)</b>

*Acquisitions, established and disposals in 2019*

On 15 January 2019, Avia Solutions Group AB's subsidiary Avia Solutions Group (CY) PLC established new subsidiary Sky Knights SIA. Registered capital is EUR 3 000. The main purpose of the company is to provide flight support services to airlines. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 1 April 2019, Avia Solutions Group AB additionally acquired 4% of the share capital of Locatory UAB for consideration of EUR 5 thousand. As the purchases was from non-controlling interests, the difference between consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary for amount of EUR 72 thousand was recorded in equity.

On 1 February 2019, Avia Solutions Group AB's subsidiary FL Technics UAB established a new subsidiary FL Technics Ireland Limited. Registered capital is EUR 10 000. As at 31 December 2019 the share capital has not been paid. The subsidiary is planning to provide engine and other maintenance services. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 3 April 2019 Avia Solutions Group AB completed the acquisition of 100% of the share capital in DG21 UAB from related party Avia AM Leasing AB. Acquired company is engaged in the business of real estate management. DG21 UAB has 100% share capital in Rezidence Kapteini SIA. This transaction was considered not being one transaction with the acquisition of the controlling stake in Avia AM Leasing AB which has occurred in October 2019 as these transactions were not carried in close period of time and not in contemplation of each other.

16 Business combination and disposal (continued)

Details of purchase consideration and consolidated assets and liabilities arising from the acquisition of *DG21 UAB* Group (incl. *Rezidence Kapteini SIA*) are as follows:

	Acquiree's fair value
Intangible and tangible assets	5 826
Deferred income tax assets	122
Trade and other receivables	226
Cash and cash equivalents	174
Borrowings	(6 389)
Deferred income tax liabilities	(50)
Trade and other payables	(214)
<b>Total identifiable net assets acquired</b>	<b>(305)</b>
Purchase consideration – paid in cash	10
<b>Goodwill</b>	<b>315</b>

If the acquisition had been performed on 1 January 2019, revenue and profit contribution of the acquired business to the group performance would not have been significant. The revenue and profit of the acquired business from the acquisition date is also not significant.

On 17 April 2019, *Avia Solutions Group AB* subsidiary *FL Technics UAB* established new subsidiary *FL Technics Ukraine TOV*. Registered capital UAH 1 thousand (equivalent to EUR 34), *FL Technics UAB* fully paid for share capital. The subsidiary is planning to provide engine and other maintenance services. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 23 April 2019, *Avia Solutions Group AB's* subsidiary *FL Technics UAB* established new subsidiary *FL Technics Engine Services UAB*. Registered capital is EUR 10 000, *FL Technics UAB* fully paid for share capital. The company activities is planning to be aircraft line base maintenance, engineering and planning, aircraft engines repair, technical training and consulting, aircraft components supply, repair and overhaul. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 21 May 2019, *Avia Solutions Group AB* subsidiary *BAA Training UAB* established new subsidiary *ASG Asset Management UAB*. Registered capital is EUR 2 500. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 10 July 2019 *Baltic Ground Services UAB* has sold its subsidiary *BGS Trans UA LLC* to its other subsidiary *BGS Rail Holdings UAB*. This transaction does not have impact on these consolidated financial statements as it is fully eliminated. On 23 July 2019 *BGS Trans UA LLC* has been renamed to *BGS Rails Lease LLC*.

On 16 September 2019 the Company has established *ASG Finance DAC* subsidiary in Republic of Ireland. Registered capital EUR 1 000. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

## 16 Business combination and disposal (continued)

On 2 October 2019 Avia Solutions Group PLC completed the acquisition of 77,26% of the share capital in *AviaAM Leasing AB*. *AviaAM Leasing AB* is engaged in the business of aircraft leasing, trading and management. The additional 18,44% of the share capital in *AviaAM Leasing AB* were acquired on 15 October 2019. The consideration for *AviaAM Leasing AB* shares were newly issued 39 144 138 shares of *Avia Solutions Group PLC*. On 4 December 2019 *Avia Solutions Group PLC* completed the acquisition of additional 16 000 000 shares of *AviaAM Leasing AB* (13,14% of the share capital). The consideration for those additional shares of *AviaAM Leasing AB* shares were newly issued 6 000 000 shares of *Avia Solutions Group PLC*. All the above listed transactions are treated as single transaction of acquisition of the control over *AviaAM Leasing AB* due to the fact that these transactions were entered into at the close period of time (within 2 months), in contemplation of each other, and they form a single transaction designed to achieve an overall commercial effect of obtaining control over *AviaAM Leasing AB*.

The fair value of total consideration transferred for 98,84% in total of *AviaAM Leasing AB* shares is USD 184 626 thousand. The fair value of consideration transferred determined based on the value of the *AviaAM Leasing* business appraised by independent valuers.

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition, including fair value adjustments are given below. As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in US Dollars (USD) which is the functional currency of *Avia AM Leasing* and translated to EUR at the rate as at acquisition date 30 September 2019 used 1EUR = 1,0935 USD). At the balance sheet date the goodwill was translated to USD using the balance sheet closing rate, which was 1EUR = 1,1189 USD.

	Avia AM Leasing AB - acquiree's fair value	
	USD	EUR
Property, plant and equipment	40 782	37 254
Intangible assets	22	20
Investment in Joint venture	52 115	47 659
Other financial assets	1 104	1 010
Inventories	45 745	41 834
Trade and other receivables	52 231	47 765
Cash and cash equivalents	36 449	33 332
Lease liabilities	(8 317)	(7 606)
Other borrowings	(7 418)	(6 784)
Deferred income tax liabilities	(2 987)	(2 736)
Trade and other payables	(37 183)	(34 004)
<b>Total identifiable net assets acquired</b>	<b>172 543</b>	<b>157 744</b>
NCI measured at proportional share in the net assets	1 930	1 765
Purchase consideration - equity instruments issued by ASG	184 626	168 839
<b>Aggregate of consideration transferred and NCI</b>	<b>186 556</b>	<b>170 604</b>
<b>Goodwill as at 1 October 2019</b>	<b>14 013</b>	<b>12 860</b>
Currency translation differences	-	(320)
<b>Goodwill as at 31 December 2019</b>	<b>14 013</b>	<b>12 540</b>

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these financial statements, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

Goodwill recorded in connection with acquisitions is primarily attributable to the assembled professionals, synergies expected to arise after the acquisition of those businesses and expected profitability of the acquired business driven by professionalism of work force acquired.



## 16 Business combination and disposal (continued)

*Acquisitions, establishments and disposals in 2019 (continued)*

*Summary on New Assets Recognized and Fair Value Adjustments*

Fair value of investment to joint venture in China is fully derived from fair value of aircraft (with lease attach) owned. Result of valuation showed the fair value of EUR 47 659 (USD 52 115).

*AviaAM Leasing AB* have several aircraft under ownership. Fair value of such aircraft were estimated based on purchase offers received from the unrelated parties.

*AviaAM Leasing AB* holds three buildings under property, plant and equipment. All of them were under construction or just recently entered into active use. Fair value of the property were appraised by independent valuers, showing the fair value of the property of EUR 8 608 thousand which was recognized on acquisition.

The fair value of acquired trade and other receivables is EUR 47 765 thousand. The gross contractual amount for trade and other receivables due is EUR 62 082 thousand, with the amount of EUR 14 317 thousand being the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Deferred tax was calculated based on the temporary differences between the fair values of the acquired assets and liabilities and their tax base.

On 2 October 2019 Avia Solutions Group PLC completed the acquisition of 100% of the share capital in Smart Aviation Holding SIA (SAH) which controls 100% of the share capital in Smart Lynx Airlines SIA and 51% of the share capital in Eyjaföll SAS. Eyjaföll SAS controls 100% of the share capital in Avion Express UAB. The acquired group is operating in aviation logistics and distribution services.

100% of interest in SAH was acquired from related party being a fellow subsidiary under the common control of the same ultimate controlling party; As this acquisition occurred shortly after the related party has acquired SAH from third party, the acquisition of interest in SAH by ASG was not considered to be a transaction under common control thus the acquisition method was applied to account for this transaction. The consideration for Smart Aviation Holding SIA shares were newly issued 23 805 856 shares of Avia Solutions Group PLC.

On 10 October 2019 Avia Solutions Group PLC completed the acquisition of 49% of the share capital in Eyjaföll SAS which controls 100% of the share capital in Avion Express UAB. The consideration for Eyjaföll SAS shares were newly issued 1 050 000 shares of Avia Solutions Group PLC.

Acquisition of 100% of the share capital of Smart Aviation Holding SIA Group and the remaining 49% of the share capital of Eyjaföll SAS forms a single business combination transaction accounted for using the acquisition method due to the fact that all these transactions were entered into a close period of time (app. within 1 week), in contemplation of each other, and they form a single transaction designed to achieve an overall commercial effect of obtaining control over SAH Group. The Group always have seen acquisition of full stake in Avion Express UAB as inevitable and directly linked to a acquisition of Smart Aviation Holding SIA. Having acquired 51% of the share capital of Eyjaföll SAS, the Group shareholders obtained bargaining purchase power over the non-controlling shareholders and have utilized it in acquiring the rest 49% of the share capital in Eyjaföll SAS. Therefore these two acquisitions are considered as linked transactions forming a single business combination.

Total consideration transferred for 100% of the share capital in Smart Aviation Holding SIA and 51% of the share capital of Eyjaföll SAS amounts to EUR 100 486 thousand. Consideration transferred determined based on the value of the SAH business appraised by independent valuers.

16 Business combination and disposal (continued)

Acquisitions, established and disposals in 2019 (continued)

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition of SAH Group, including fair value adjustments are given below.

	<b>Total- acquiree's fair value</b>
	<b>EUR</b>
Property, plant and equipment	194 939
Intangible assets	1 931
Deferred income tax assets	953
Inventories	4 456
Trade and other receivables	45 069
Cash and cash equivalents	82 650
Lease liabilities	(180 887)
Other borrowings	(3 126)
Deferred income tax liabilities	(10 099)
Trade and other payables	(63 954)
<b>Total identifiable net assets acquired</b>	<b>71 932</b>
Purchase consideration - equity instruments issued by ASG	100 486
<b>Goodwill as at 1 October 2019</b>	<b>28 554</b>
Currency translation differences	(406)
<b>Goodwill as at 31 December 2019</b>	<b>28 148</b>

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these financial statements, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

Goodwill recorded in connection with acquisitions is primarily attributable to the assembled professionals, synergies expected to arise after the acquisition of those businesses and expected profitability of the acquired business driven by professionalism of work force acquired.

*Summary on New Assets Recognized and Fair Value Adjustments*

On the acquisition date the right-of-use assets of *Smartlynx Airlines SIA* were measured at an amount equal to the recognised liability (these lease contracts are broadly at market terms).

*Smartlynx Airlines SIA* holds three air operator's certificates (in Latvia, Estonia and Malta). Depreciated replacement cost approach has been used to value these certificates.

Additional deferred tax liability was calculated on undistributed profits in Latvia and Estonia and amounted to EUR 10 000 thousand as it is probable that the profits will be distributed to the parent company in the foreseeable future.

On the acquisition date the right-of-use assets of *Avion Express UAB* were measured at an amount equal to the recognised liability with further adjustment to the right of use asset due to unfavourable element. Aircraft lease rates as per *Avion Express UAB* agreements were compared with independent valuation reports. Future cash flow above/below market lease rates were discounted to present value using 5% discount rate. Based on estimation, the adjustment for non-favourable aircraft lease agreements of EUR 4 658 thousand (USD 5 212 thousand) was recognized on acquisition.

*Avion Express UAB* owns airframes which fair value has been measured based on the recent comparable transactions part-out sale of similar airframe.



## 16 Business combination and disposal (continued)

*Acquisitions, established and disposals in 2019 (continued)*

Avion Express holds two air operator's certificates (in Lithuania and Malta). Depreciated replacement cost approach has been used to value these licences.

As at 30 September 2019, Avion Express UAB held number of rotables, which were accounted as property, plant and equipment. In December 2019 part of these rotables were sold, the fair value of rotables was calculated based on the sales price.

The fair value of acquired trade and other receivables is EUR 45 069 thousand. The gross contractual amount for trade and other receivables due is EUR 48 300 thousand, with the amount of EUR 3 231 thousand being the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Deferred tax liability was calculated from all fair value increases and, respectively, deferred tax asset was recognized from all fair value decreases applying statutory current income tax rate of 15% in Lithuania and resulted in total adjustment for amount of EUR 97 thousand (USD 109 thousand) on acquisition.

On 11 October 2019, the Avia Solutions Group PLC completed the acquisition of 100% of the shareholding of Chapman Freeborn Holdings Limited for consideration for amount of EUR 52 000 thousand. The subsidiary provides a wide range of aircraft charter and leasing services to cargo, passenger and VIP charter clients across a broad spectrum of industries. According to the share sale and purchase agreement the purchase consideration is split into two parts completion consideration and deferred consideration. As part of deferred consideration the amount of EUR 8 482 thousand is paid in two years and it dependent upon continues employment of the two selling shareholders therefore, it is accounted for as post-combination employee benefit cost over the service period and therefore was not included within purchase consideration.

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition, including fair value adjustments are given below. As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in British Pounds (GBP) and translated to EUR at acquisition date at rate as at 30 September 2019 used 1EUR = 0,88778 GBP). As at the balance sheet date, the goodwill was translated the closing rate, which was 1EUR = 0,85208 GBP.

	Chapman Freeborn Holdings Limited - acquiree's fair value	
	GBP	EUR
Property, plant and equipment	1 474	1 661
Right-of-use assets	14 032	15 806
Intangible assets	913	1 029
Deferred income tax assets	428	483
Trade and other receivables	40 429	45 539
Cash and cash equivalents	9 879	11 128
Lease liabilities	(14 038)	(15 812)
Deferred income tax liabilities	(228)	(256)
Trade and other payables	(30 195)	(34 015)
<b>Total identifiable net assets acquired</b>	<b>22 694</b>	<b>25 563</b>
NCI measured at the proportionate share of the net assets acquired	2 766	3 116
Purchase consideration – paid in cash	38 634	43 518
<b>Goodwill as at 1 October 2019</b>	<b>18 706</b>	<b>21 071</b>
Currency translation differences	-	883
<b>Goodwill as at 31 December 2019</b>	<b>18 706</b>	<b>21 954</b>

## 16 Business combination and disposal (continued)

### *Acquisitions, established and disposals in 2019 (continued)*

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these financial statements, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

Goodwill recorded in connection with acquisitions is primarily attributable to the assembled professionals, synergies expected to arise after the acquisition of those businesses and expected profitability of the acquired business driven by professionalism of work force acquired.

### *Summary on New Assets Recognized and Fair Value Adjustments*

The pre-closing dividends of GBP 11 026 thousand were distributed to the former shareholders' of *Chapman Freebom Holdings Limited*, therefore, net assets acquired were adjusted to take into account impact of the pre-closing dividends.

On the acquisition date the right-of-use assets were measured at an amount equal to the recognised liability (these lease contracts are broadly at market terms).

The fair value of acquired trade and other receivables is EUR 45 539 thousand. The gross contractual amount for trade and other receivables due is EUR 45 688 thousand, with the amount of EUR 149 thousand being the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Additional deferred tax liability of EUR 212 thousand (GBP 181 thousand) was recognized on fair value adjustments applying statutory current income tax rate in United Kingdom of 19%.

On 15 November 2019 *Helisota UAB* has sold its subsidiary *Kauno Aviācijas Gamykla UAB* to other Group company *BAA Training UAB*. This transaction does not have an impact on these consolidated financial statements as it is fully eliminated.

On 26 November 2019 *Avia Solutions Group PLC's* subsidiary *FL Technics UAB* established new subsidiary *FL Technics Georgia LLC*. The company is planning to provide aircraft line maintenance services in Georgia. The establishment of the new subsidiary does not have impact on these consolidated financial statements.

On 16 December 2019 *Avia Solutions Group PLC's* subsidiary *Baltic Ground Services UAB* completed the acquisition of 100% of the share capital in *OMV Adriatic Marketing d.o.o.* (from 3 April 2020 *Baltic Ground Services HR d.o.o.*). Acquired company is planning to provide aircraft ground handling services in Croatia. The investment for shares amounted to EUR 15 thousand, total identifiable net assets acquired amounted to minus EUR 13 thousand, excess of cost over fair value of acquiree's net assets was EUR 28 thousand and was recognised as goodwill. As the transaction is not material thus no further disclosure is provided.

## 17 Discontinued operations

On 27 December 2018 the Board of the Group approved the intention to sell the shares of the subsidiary - *Helisota UAB*. The associated assets and liabilities were consequently presented as held for sale in the 2018 financial statements and in the 2019 Condensed Consolidated Interim Financial Information as the Group was planning that subsidiary will be sold during 12 months.

The subsidiary provides maintenance, repair and overhaul services for helicopters. As the Group planned to dispose a separate line of business - helicopter maintenance activity, the operations were classified as a discontinued operation. In the Condensed Consolidated Interim Financial Information for the nine months period ended 30 September 2019, the consolidated statement of profit or loss and cash flows has been represented to show the discontinued operation separately from continuing operations.

17 **Discontinued operations (continued)**

As at 31 December 2019 the subsidiary has not been sold as the Group lost the only potential buyer in this transaction and it does not have an intention to search for another buyer. As the criteria for held for sale were no longer met, the results of the entity were reclassified to continuing operations.

According to International Financial Reporting Standard No 5 - if a disposal group being a subsidiary ceases to be classified as held-for-sale, then the financial statements for the periods since classification as held-for-sale are amended accordingly. The Group applied the change to the measurement and to the presentation i.e. the Group restated the comparative consolidated statement of profit or loss and other comprehensive income, balance sheet and cash flows. On reclassification the disposal group was measured at the lower of its recoverable amount and the carrying amount that would have been recognised had the asset never been classified as held-for-sale. The reclassification has not resulted in any additional net adjustments that should be added additionally to the results for the nine months period ended 30 September 2019.

The following results were adjusted in relation to the discontinued operation in January – September 2019:

Statement of profit or loss and other comprehensive income	January – September 2019 as previously issued	Restatement due to the change of the plan to sell	January – September 2019 restated
<b>Revenue</b>	<b>315 193</b>	<b>5 255</b>	<b>320 448</b>
Other income	403	-	403
Cost of services and goods purchased	(215 894)	(3 079)	(218 973)
Other operating expenses	(17 732)	(772)	(18 504)
Depreciation and amortisation	(9 412)	(181)	(9 593)
Employee related expenses	(58 942)	(2 981)	(61 923)
Impairment-related expenses	(1 650)	(189)	(1 839)
Other gain/(loss) - net	435	22	457
<b>Operating profit (loss)</b>	<b>12 401</b>	<b>(1 925)</b>	<b>10 476</b>
Finance costs – net	(2 898)	(117)	(3 015)
Share of profit (losses) of associates	(938)	-	(938)
<b>Profit (loss) before income tax</b>	<b>8 565</b>	<b>(2 042)</b>	<b>6 523</b>
Income tax expense	(2 023)	287	(1 736)
<b>Profit/ (Loss) for the period from continuing operations</b>	<b>6 542</b>	<b>(1 755)</b>	<b>4 787</b>
Profit (loss) for the year from discontinued operations net of tax	(1 755)	1 755	-
<b>Profit (loss) for the year</b>	<b>4 787</b>	<b>-</b>	<b>4 787</b>
<b>Other comprehensive income</b>	<b>708</b>	<b>-</b>	<b>708</b>
<b>Total comprehensive income</b>	<b>5 495</b>	<b>-</b>	<b>5 495</b>

17 Discontinued operations (continued)

The following assets and liabilities were adjusted in relation to the discontinued operation as at 30 September 2019:

	30 September 2019 as previously issued	Restatement due to the change of the plan to sell	30 September 2019 restated
<b>Non-current assets</b>			
Property, plant and equipment	109 520	1 238	110 758
Intangible assets	8 421	9	8 430
Investments in associates and joint ventures	597	-	597
Deferred income tax assets	6 212	926	7 138
Non-current trade and other receivables	5 568	(19)	5 549
<b>Current assets</b>			
Inventories	22 130	5 652	27 782
Trade receivables	71 173	1 744	72 917
Contract assets	4 102	1 499	5 601
Prepaid income tax	806	-	806
Cash and cash equivalents	9 965	117	10 082
Assets of disposal group classified as held for sale	11 166	(11 166)	-
<b>Total assets</b>	<b>249 660</b>	<b>-</b>	<b>249 660</b>
<b>Non-current liabilities</b>			
Borrowings	56 625	187	56 812
Government grants	833	-	833
Security deposits received	390	-	390
Trade and other payables	269	76	345
Deferred income tax liabilities	1 890	-	1 890
<b>Current liabilities</b>			
Trade and other payables	54 128	1 930	56 058
Borrowings	34 977	3 765	38 742
Contract liabilities	21 109	1 208	22 317
Security deposits received	816	-	816
Current income tax liabilities	1 971	-	1 971
Liabilities of disposal group classified as held for sale	7 166	(7 166)	-
<b>Total liabilities</b>	<b>180 174</b>	<b>-</b>	<b>180 174</b>

17 Discontinued operations (continued)

The following cash flows statements were adjusted in relation to the discontinued operation in January - September 2019:

	January – September 2019 as previously issued	Restatement due to the change of the plan to sell	January – September 2019 restated
<b>Operating activities</b>			
Profit for the year	4 787	-	4 787
Income tax	2 023	(287)	1 736
<i>Adjustments for:</i>			
De pre ciation and amortisation	9 412	181	9 593
Impairment-related expenses	1 650	189	1 839
Interest expenses	2 559	79	2 638
Currency translations differences	170	(8)	162
Discounting effect on financial assets	115	-	115
Fair value (gain) loss on derivative financial instruments	(2)	-	(2)
Share of profit/(loss) of associates	938	-	938
(Profit)/loss of PPE disposals	(373)	-	(373)
(Gain) of subsidiaries disposal	-	-	-
Amortisation of government grants	(183)	-	(183)
Interest income	(157)	-	(157)
<i>Changes in working capital:</i>			
- Inventories	(2 063)	(39)	(2 102)
- Trade and other receivables, contract assets	(14 520)	1 245	(13 275)
- Accrued expenses for certain contracts	574	(70)	504
- Trade and other payables, advances received/contract liabilities	4 273	(12)	4 261
- Security deposits received	467	-	467
<b>Cash generated from (used in) operating activities</b>	<b>9 670</b>	<b>1 278</b>	<b>10 948</b>
Interest received	28	-	28
Interest paid	(1 766)	(79)	(1 845)
Income tax paid	(1 567)	-	(1 567)
<b>Net cash generated from (used in) operating activities from continuing operations</b>	<b>6 365</b>	<b>1 199</b>	<b>7 564</b>
Net cash generated from (used in) operating activities from discontinued operations	1 199	(1 199)	-
<b>Net cash generated from (used in) operating activities</b>	<b>7 564</b>	<b>-</b>	<b>7 564</b>

17 Discontinued operations (continued)

	January – September 2019 as previously issued	Restatement due to the change of the plan to sell	January – September 2019 restated
<b>Investing activities</b>			
Purchase of PPE and intangible assets	(3 818)	(204)	(4 022)
Proceeds from PPE and intangible assets disposal	528	-	528
Loans granted	(819)	-	(819)
Repayments of loans granted	15	-	15
Deposits placed	(3 851)	(42)	(3 893)
Repayments of deposits placed	125	7	132
Purchase of subsidiaries (net of cash acquired)	164	-	164
Investment in joint venture	(1 433)	-	(1 433)
<b>Net cash from/(used in) investing activities from continued operations</b>	<b>(9 089)</b>	<b>(239)</b>	<b>(9 328)</b>
Net cash generated from (used in) investing activities from discontinued operations	(239)	239	-
<b>Net cash (from) used in investing activities</b>	<b>(9 328)</b>	<b>-</b>	<b>(9 328)</b>
<b>Financing activities</b>			
Acquisition of interest in a subsidiary (no change in control)	(5)	-	(5)
Bank borrowings received	2 640	-	2 640
Repayments of bank borrowings	(3 941)	-	(3 941)
Borrowings from related parties received	13 638	-	13 638
Repayments of borrowings from related parties	(6 634)	-	(6 634)
Repayments of lease liabilities	(4 710)	(21)	(4 731)
<b>Net cash from/(used in) financing activities from continued operations</b>	<b>988</b>	<b>(21)</b>	<b>967</b>
Net cash generated from/(used in) financing activities from discontinued operations	(21)	21	-
<b>Net cash from/(used in) financing activities</b>	<b>967</b>	<b>-</b>	<b>967</b>
<b>Increase in cash and cash equivalents</b>	<b>(797)</b>	<b>-</b>	<b>(797)</b>
At beginning of year	(16 634)	-	(16 634)
<b>At end of year</b>	<b>(17 431)</b>	<b>-</b>	<b>(17 431)</b>

## 18 Related party transactions

Related parties of the Group include entities having significant influence over the Group, 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 PROCYONE FZE, VERTAS AIRCRAFT LEASING LIMITED, Vertas Cyprus Ltd, Vertas Management AB (the sole shareholder of Vertas Cyprus Ltd). Transactions with these companies 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:

	January – September	
	2020	2019
<b>Sales of services to:</b>		
Entities having significant influence	13	12
Other related parties	1 142	6 679
	<b>1 155</b>	<b>6 691</b>
<b>Sales of assets to:</b>		
Other related parties	15	-
	<b>15</b>	<b>-</b>
Other income	639	56
<b>Total sales of assets, services and other income</b>	<b>1 809</b>	<b>6 747</b>
	January – September	
	2020	2019
<b>Purchases of services from:</b>		
Entities having significant influence	179	-
Other related parties	1 856	3 402
	<b>2 035</b>	<b>3 402</b>
<b>Purchases of assets from:</b>		
Other related parties	7 477	2 232
	<b>7 477</b>	<b>2 232</b>
Finance costs	(302)	(600)
<b>Total purchases of assets and services</b>	<b>9 210</b>	<b>5 034</b>
	30 September 2020	31 December 2019
<b>Trade receivables from related parties:</b>		
Trade receivables from entities having significant influence	20	9
Trade receivables from other related parties	676	713
Impairment of trade receivables from other related parties	(85)	(39)
<b>Trade receivables from related parties – net (Note 12)</b>	<b>611</b>	<b>683</b>
Loans granted to other related parties	3 998	3 378
Loans granted to entities having significant influence	20 038	17 053
Impairment of loans granted to other related parties	(116)	(101)
<b>Loans granted to other related parties – net (Note 12)</b>	<b>23 920</b>	<b>20 330</b>
Security deposit with lessor from related parties (Note 12)	-	18
Other receivables from entities having significant influence	3 290	2 808
Other receivables from other related parties	1 174	1 263
Impairment of other receivables from other related parties	(26)	(24)
<b>Other receivables from related parties – net (Note 12)</b>	<b>4 438</b>	<b>4 047</b>
Pre payments to related parties (Note 12)	24	7
Contract asset from other related parties	58	150
Deferred charges (Note 12)	2	28
	<b>29 053</b>	<b>25 263</b>

18 Related party transaction (continued)

	30 September 2020	31 December 2019
<b>Payables and advances received from related parties</b>		
Amounts payable to other related parties (Note 15)	382	363
Amounts payable to entities having significant influence (Note 15)	21	22
Finance lease liabilities from other related parties	12 091	13 594
Advances received from other related parties	149	35
Security deposits received from other related parties	45	-
Financial payables to other related parties	5 848	-
Other payables to other related parties (Note 15)	2 286	4 603
Other payables to entities having significant influence (Note 15)	17	17
	<b>20 839</b>	<b>18 634</b>

19 Derivatives

**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 underneath the table.

<b>Recurring fair value measurements at 30 September 2020</b>	<b>Level 2</b>
<b>Financial assets</b>	
Hedging derivatives - foreign currency interest rate swap	5 321
<b>Total financial assets</b>	<b>5 321</b>
<b>Financial liabilities</b>	
Hedging derivatives - foreign currency interest rate swap	8 250
<b>Total financial liabilities</b>	<b>8 250</b>
<b>Recurring fair value measurements at 31 December 2019</b>	<b>Level 2</b>
<b>Financial assets</b>	
Financial assets at fair value through profit or loss (FVPL)	
Derivatives - foreign currency options	413
Derivatives - foreign currency forwards	36
Hedging derivatives - foreign currency interest rate swap	3 600
<b>Total financial assets</b>	<b>4 049</b>
<b>Financial liabilities</b>	
Hedging derivatives - foreign currency interest rate swap	4 686
<b>Total financial liabilities</b>	<b>4 686</b>

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

**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.



## 19 Derivatives (continued)

**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 bank.
- for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the balance sheet date
- for foreign currency options – option pricing models (Black-Scholes, Vanna-Volga models)

All of the resulting fair value estimates are included in level 2

## 20 Events after the reporting date

### *COVID-19 impact on the Group's activities*

Avia Solutions Group operations were significantly impacted by the spread of COVID-19 virus. Lockdowns are being enforced and prolonged a cross territories restricting daily operations.

Management of the Group established crisis management committee, has put comprehensive plan in place to minimise and control the effects of this crisis, including through utilization of support offered by the governments in terms of employee cost compensation packages during lockdowns, downsizing of labour force, introducing payroll reductions, applying for tax incentives and negotiating with certain counterparties in order to agree on more favourable terms and conditions. These measures facilitate in significantly decreasing cash burn of idle operations of the Group. The Group is in the process of taking action in order to minimise and control the effects of this crisis.

Second wave of Covid-19 started in the regions of operations, certain operational restrictions continue and it is unknown when sufficient vaccinations will be performed and when restrictions to conduct operations will be lifted and in which pattern demand for aviation services will recover. Having this uncertainty, the Management of the Group also prepared cash flow forecast considering worst case scenario, whereby operations do not resume until September 2021 and it concluded that the Group will have sufficient liquidity to continue as going concern more than a year from the approval of these financial statements.

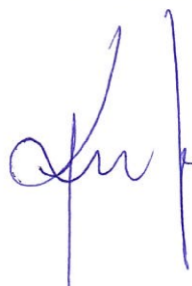
This outbreak may have implication to the future assessments of fair values, expected credit losses and impairment of assets. As at the date these financial statements were authorized for issue the sufficient reliable data for the recovery from the impact of COVID-19 virus on Groups operations have not been available and the quantitative assessments of the above mentioned implications (if any) will be reflected in the later financial statements.

**20 Events after reporting period (continued)**

On 16 November 2020, *Avia Solutions Group PLC* subsidiary *DG21 UAB* completed the acquisition of 100% of the shareholding of four companies: *SEVEN Life UAB*, *Panevėžio Arena UAB*, *TIKETA UAB* and *Universali Arena UAB*. The new subsidiaries specializes in organizing concerts and shows, distributes tickets and provides rental services for sports and events.

In November 2020 Chapman Freeborn Holdings Limited acquired the remaining 15% of the shareholding in Chapman Freeborn Airchartering S.p.z.o.o (Poland).

Managing Director  
Jonas Janukėnas



Chief Financial Officer  
Aurimas Sanikovas