

**AVIA SOLUTIONS GROUP PLC**

Condensed Consolidated Interim Financial Information,  
For the Nine-Month Period Ended 30 September 2022 (Unaudited)

Beginning of the financial period	1 January 2022
End of reporting period	30 September 2022
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	117 Arch. Makariou Ave. 5th Floor, Office 505 3021 Limassol, 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, financing and other with aviation not related 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) Tom Klein (appointed on 15 December 2021)
Company Secretary:	Fidema Services (appointed from 28 February 2018)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	January – September	
		2022	2021
<b>Revenue</b>	3	<b>1 344 539</b>	<b>668 286</b>
Other income	3	4 346	4 186
Cost of services and goods	3, 4	(863 428)	(407 188)
Employee related expenses	3	(221 076)	(134 315)
Depreciation and amortisation	3, 10	(84 391)	(54 207)
Other operating expenses	3, 5.1	(58 404)	(38 095)
Impairment losses of financial assets	3, 5.2	(8 934)	(2 399)
Other impairment-related expenses	3, 5.2	(4 662)	(1 591)
Other gain/(loss) – net	3	42 042	30 313
<b>Operating profit (loss)</b>	3	<b>150 032</b>	<b>64 990</b>
Finance income	6	2 297	2 667
Finance cost	6	(76 592)	(26 843)
<b>Finance costs – net</b>	6	<b>(74 295)</b>	<b>(24 176)</b>
Share of profit (losses) of associates	11	(13)	(49)
<b>Profit (loss) before income tax</b>		<b>75 724</b>	<b>40 765</b>
Income tax	7	(20 475)	(4 123)
<b>Profit (loss) for the period</b>		<b>55 249</b>	<b>36 642</b>
<b>Profit (loss) attributable to:</b>			
Equity holders of the parent		53 789	36 093
Non-controlling interests		1 460	549
		<b>55 249</b>	<b>36 642</b>
<b>Other comprehensive income</b>			
Gain (loss) on cash flow hedges, net of income tax		922	541
Exchange differences on translation of foreign operations		40 523	13 959
<b>Other comprehensive income (loss) for the period</b>		<b>41 445</b>	<b>14 500</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the parent		94 269	50 460
Non-controlling interests		2 425	682
		<b>96 694</b>	<b>51 142</b>



Managing Director  
Jonas Janukėnas



Chief Financial Officer  
Robertas Čipkus

**CONDENSED CONSOLIDATED BALANCE SHEET**


	Notes	30 September 2022	31 December 2021*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	752 719	414 443
Investments property	10	38 728	31 030
Intangible assets	10	115 845	113 584
Investments accounted for using the equity method	11	59 877	51 602
Deferred tax assets		18 065	16 728
Financial assets at fair value through profit or loss	18	2 977	2 924
Non-current derivative financial instruments	18	15 864	4 667
Long-term bank deposits		946	2 297
Non-current trade and other receivables	12	80 256	49 725
		<b>1 085 277</b>	<b>687 000</b>
<b>Current assets</b>			
Inventories	14	126 329	73 551
Trade and other receivables	12	289 900	247 093
Financial assets at fair value through profit or loss	18	-	313
Contract assets		26 936	20 676
Prepaid income tax		1 594	1 739
Short-term bank deposit		154 814	225 083
Cash and cash equivalents	13	293 280	216 664
		<b>892 853</b>	<b>785 119</b>
<b>Total assets</b>		<b>1 978 130</b>	<b>1 472 119</b>

\*The comparative figures have been amended to reflect finalised purchase price allocation (Note 16).

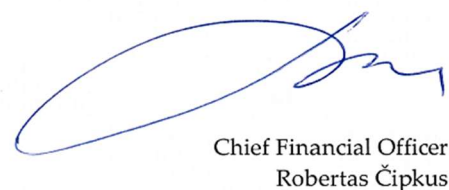
**CONDENSED CONSOLIDATED BALANCE SHEET  
(CONTINUED)**

	Notes	30 September 2022	31 December 2021*
<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		794	596
Treasury shares		(1 627)	(12)
Merger reserve		(456)	(456)
Fair value reserve		2 964	2 042
Cumulative translations differences		36 337	(3 221)
Retained earnings		45 200	21 449
<b>Equity attributable to equity holders of the parent</b>		<b>387 926</b>	<b>325 112</b>
Non-controlling interests		14 780	3 267
<b>Total equity</b>		<b>402 706</b>	<b>328 379</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Convertible preferred shares	19	319 288	300 920
Borrowings		259 431	281 613
Lease liabilities		401 568	126 529
Government grants		151	298
Security deposits received		1 068	385
Trade and other payables	15	23 688	18 537
Deferred income tax liabilities		11 423	11 626
Derivative financial instruments	18	-	5 865
		<b>1 016 617</b>	<b>745 773</b>
<b>Current liabilities</b>			
Trade and other payables	15	274 368	217 366
Borrowings		23 706	17 301
Lease liabilities		114 411	54 226
Contract liabilities		95 052	77 635
Security deposits received		15 344	6 309
Current income tax liabilities		35 926	25 130
Derivative financial instruments	18	-	-
		<b>558 807</b>	<b>397 967</b>
<b>Total liabilities</b>		<b>1 575 424</b>	<b>1 143 740</b>
<b>Total equity and liabilities</b>		<b>1 978 130</b>	<b>1 472 119</b>

\*The comparative figures have been amended to reflect finalised purchase price allocation (Note 16).



Managing Director  
Jonas Janukėnas



Chief Financial Officer  
Robertas Čipkus

**AVIA SOLUTIONS GROUP PLC**

 CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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


**CONSOLIDATED STATEMENT 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 2021</b>	22 556	282 158	(1 165)	(456)	331	1 496	(22 005)	(11 970)	270 945	2 425	273 370
<b>Comprehensive income</b>											
Net gain (loss) on cash flow hedge	-	-	-	-	-	541	-	-	541	-	541
Currency translation difference	-	-	-	-	-	-	13 826	-	13 826	133	13 959
Profit (loss) for the period	-	-	-	-	-	-	-	36 093	36 093	549	36 642
<b>Total comprehensive income</b>	-	-	-	-	-	541	13 826	36 093	50 460	682	51 142
<b>Transactions with owners</b>											
Dividends paid	-	-	-	-	-	-	-	-	-	(293)	(293)
Change of treasury shares	-	-	953	-	-	-	-	-	953	-	953
Share based payments (other reserves)	-	-	-	-	198	-	-	-	198	-	198
<b>Total transactions with owners</b>	-	-	953	-	198	-	-	-	1 151	(293)	858
<b>Balance at 30 September 2021</b>	22 556	282 158	(212)	(456)	529	2 037	(8 179)	24 123	322 556	2 814	325 370

**AVIA SOLUTIONS GROUP PLC**

 CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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


**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

	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 2022</b>	22 556	282 158	(12)	(456)	596	2 042	(3 221)	21 449	325 112	3 267	328 379
<b>Comprehensive income</b>											
Net gain (loss) on cash flow hedge	-	-	-	-	-	922	-	-	922	-	922
Currency translation difference	-	-	-	-	-	-	39 558	-	39 558	965	40 523
Profit (loss) for the period	-	-	-	-	-	-	-	53 789	53 789	1 460	55 249
<b>Total comprehensive income</b>	-	-	-	-	-	922	39 558	53 789	94 269	2 425	96 694
<b>Transactions with owners</b>											
Dividends paid	-	-	-	-	-	-	-	(30 000)	(30 000)	(579)	(30 576)
Change of treasury shares	-	-	(1 615)	-	-	-	-	-	(1 615)	-	(1 615)
Purchase of interest in subsidiary	-	-	-	-	-	-	-	(38)	(38)	9 667	9 629
Share based payments (other reserves)	-	-	-	-	198	-	-	-	198	-	198
<b>Total transactions with owners</b>	-	-	(1 615)	-	198	-	-	(30 038)	(31 455)	9 088	(22 367)
<b>Balance at 30 September 2022</b>	22 556	282 158	(1 627)	(456)	794	2 964	36 337	45 200	387 926	14 780	402 706

 Managing Director  
 Jonas Janukėnas



 Chief Financial Officer  
 Robertas Čipkus



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	January – September	
		2022	2021
<b>Operating activities</b>			
Profit (loss) for the period		55 249	36 642
Income tax	7	20 475	4 123
<i>Adjustments for:</i>			
Depreciation and amortisation	3, 10	84 391	54 207
Impairment-related expenses	3	13 596	3 990
Interest expenses	6	34 653	24 823
Currency translation differences		45 217	7 496
Discounting effect on financial assets	6	3 140	91
Fair value (gains) losses		18 465	(2 478)
Net result of subsidiaries disposal		(2 981)	(5 130)
Changes in other reserves		199	199
(Gain) / loss of PPE disposals, write-offs and leaseback agreements		(29 006)	3 662
(Gain) / loss from bonds repurchase		(2 299)	(40)
(Gain) / loss on termination/modification of lease agreements		(772)	(10 785)
Amortisation of government grants		(146)	(178)
Interest income		(1 353)	(1 295)
Share of (profit) loss of associates		13	49
<i>Changes in working capital:</i>			
- Inventories		(29 474)	(23 664)
- Trade and other receivables		(66 946)	(94 038)
- Trade and other payables, advances received/contract liabilities		64 180	68 229
- Accrued expenses for certain contracts		(465)	458
- Security deposits placed		(16 551)	(7 195)
- Security deposits received		11 170	1 871
<b>Cash generated from (used in) operations</b>		<b>200 755</b>	<b>61 037</b>
Interest paid		(26 351)	(16 475)
Interest received		1 479	846
Income tax paid		(14 670)	(17 001)
<b>Net cash generated from (used in) operating activities</b>		<b>161 213</b>	<b>28 407</b>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Notes	January – September	
		2022	2021
<b>Investing activities</b>			
Purchase of PPE and intangible assets		(60 481)	(49 615)
Proceeds from PPE and intangible assets		23 286	587
Purchase of other investment		-	(3 111)
Proceeds from sale of other investment		284	2 275
Loans granted		(14 116)	(10 599)
Repayments of loans granted		3 099	1 179
Bank deposits placed		(65 724)	(930)
Repayments of bank deposits placed		139 636	26 174
Purchase of subsidiaries (net of cash acquired)		9 631	(10 118)
Sales of subsidiaries (net of cash disposed)		(55)	6 413
<b>Net cash generated from (used in) investing activities</b>		<b>35 560</b>	<b>(37 745)</b>
<b>Financing activities</b>			
Dividends paid		(30 293)	(293)
Bank borrowings received		11 082	26 121
Repayments of bank borrowings		(3 501)	(4 853)
Other borrowings received		43	3 020
Repayments of other borrowings		(1 940)	-
Repurchase of bonds		(55 592)	(503)
Repayment of lease liabilities		(39 157)	(26 586)
<b>Net cash generated from (used in) financing activities</b>		<b>(119 358)</b>	<b>(3 094)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>77 415</b>	<b>(12 432)</b>
At beginning of period	13	215 865	177 852
<b>At end of period</b>	13	<b>293 280</b>	<b>165 420</b>



Managing Director  
Jonas Janukėnas



Chief Financial Officer  
Robertas Čipkus

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 Accounting policies

The consolidated interim financial information for the nine-month period ended 30 September 2022 (hereinafter *The Consolidated Financial Information*) is prepared in accordance with the International Financial Accounting Standards, adopted by 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 2021. The consolidated financial statements of the Group as at year ended 31 December 2021 are available at <https://aviasg.com/>.

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 2022 is not audited. Financial statements for the year ended 31 December 2021 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 disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2021, Note 1 (pg. 15-28). Changes in Group structure during the nine-month period ending 30 September 2022 are disclosed in Note 16 of these interim financial statements.

The number of full-time staff employed by the Group on 30 September 2022 amounted to 5 472 (31 December 2021: 4 707; 30 September 2021: 4 393).

### 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, financing and other activities not related to aviation).

The unallocated sales include sales of management services, financing and other activities not related to aviation, 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 2022 and for the nine-month period ended 30 September 2021:

	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 2022</b>						
Sales to external customers	387 582	907 030	17 444	32 483	-	1 344 539
<i>Timing of revenue recognition</i>						
<i>At a point in time</i>	321 656	907 030	16 892	31 465	-	1 277 043
<i>Over time</i>	65 926	-	552	1 018	-	67 496
Inter-segment sales	34 692	8 611	11 793	7 877	(62 973)	-
<b>Total revenue</b>	<b>422 274</b>	<b>915 641</b>	<b>29 237</b>	<b>40 360</b>	<b>(62 973)</b>	<b>1 344 539</b>
Other income	688	2 955	1 102	12 336	(12 735)	4 346
Cost of services and goods purchased	(213 211)	(676 431)	(9 535)	(19 859)	55 608	(863 428)
Employee related expenses	(159 839)	(51 536)	(1 122)	(8 579)	-	(221 076)
Depreciation and amortisation	(14 521)	(60 608)	(3 630)	(6 075)	443	(84 391)
Other operating expenses	(27 556)	(27 552)	(2 504)	(7 295)	6 503	(58 404)
Impairment losses of financial assets	(8 538)	(274)	1 853	(4 809)	2 834	(8 934)
Other impairment-related expenses	(172)	29	(591)	(3 928)	-	(4 662)
Other gain/(loss) – net	5 338	21 558	17 458	(129)	(2 183)	42 042
<b>Segment operating profit (loss)</b>	<b>4 463</b>	<b>123 782</b>	<b>32 268</b>	<b>2 022</b>	<b>(12 503)</b>	<b>150 032</b>
<b>As at 30 September 2022</b>						
Segment assets	350 395	884 735	289 711	453 289	-	1 978 130
Segment liabilities	221 170	724 186	43 701	586 367	-	1 575 424

3 Revenue (continued)

	Aviation Support Services	Aviation Logistics and Distribution Services	Trading and Portfolio Management	Unallocated	Inter- segment transactions	Total
<b>Nine-month period ended 30 September 2021</b>						
Sales to external customers	214 586	434 874	452	18 374	-	668 286
<i>Timing of revenue recognition</i>						
<i>At a point in time</i>	106 960	434 874	30	17 779	-	559 643
<i>Over time</i>	107 626	-	422	595	-	108 643
Inter-segment sales	16 460	5 791	8 519	4 620	(35 390)	-
<b>Total revenue</b>	<b>231 046</b>	<b>440 665</b>	<b>8 971</b>	<b>22 994</b>	<b>(35 390)</b>	<b>668 286</b>
Other income	1 496	1 578	1 720	6 857	(7 465)	4 186
Cost of services and goods purchased	(107 615)	(317 485)	(2 193)	(11 123)	31 228	(407 188)
Employee related expenses	(92 266)	(35 384)	(779)	(5 893)	7	(134 315)
Depreciation and amortisation	(12 197)	(33 613)	(3 487)	(5 379)	469	(54 207)
Other operating expenses	(20 312)	(14 645)	(1 417)	(4 969)	3 248	(38 095)
Impairment losses of financial assets	(1 661)	(1 691)	587	(3 148)	3 514	(2 399)
Other impairment-related expenses	(1 576)	(15)	-	-	-	(1 591)
Other gain/(loss) – net	2 704	23 059	(670)	5 217	3	30 313
<b>Segment operating profit (loss)</b>	<b>(381)</b>	<b>62 469</b>	<b>2 732</b>	<b>4 556</b>	<b>(4 386)</b>	<b>64 990</b>
<b>As at 30 September 2021</b>						
Segment assets	275 688	377 174	237 822	226 742	-	1 117 426
Segment liabilities	187 532	274 363	42 969	287 192	-	792 056

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).

		January – September	
		2022	2021
<b>4</b>	<b>Cost of goods and services</b>		
	Aircraft fuel expenses	314 587	121 571
	Cost of purchased services	104 678	86 253
	Rent of aircraft, training and other equipment	152 309	82 090
	Cost of goods purchased	63 355	42 224
	Aircraft repair and maintenance costs	82 791	26 108
	Aircraft operations costs and flight related charges	50 780	23 575
	Employee rent and other related personnel expenses	68 014	17 590
	Rent and maintenance of premises	20 772	7 687
	Costs of aircraft sold	6 142	90
		<b>863 428</b>	<b>407 188</b>
		January – September	
		2022	2021
<b>5.1</b>	<b>Other operating expenses</b>		
	Consultation expenses	10 481	11 873
	Office administrative, communications and IT expenses	10 306	7 399
	Insurance expenses	8 574	5 081
	Transportation and related expenses	5 803	4 009
	Business travel expenses	8 673	3 216
	Marketing and sales expenses	5 138	1 980
	VAT expenses	1 193	571
	Other expenses	8 236	3 966
		<b>58 404</b>	<b>38 095</b>
		January – September	
		2022	2021
<b>5.2</b>	<b>Impairment-related expenses</b>		
	Impairment of trade receivables and other contract assets	8 934	2 399
	Impairment of non-current assets	3 824	-
	Impairment of inventories	632	1 466
	Impairment of other assets	-	66
	Impairment of prepayments	206	59
		<b>13 596</b>	<b>3 990</b>

	<u>January – September</u>	
	2022	2021
<b>6 Finance income and costs</b>		
Gain from fair value recognised in profit and loss	-	2 478
Interest income on cash and cash equivalents	166	123
Profit from bonds repurchase	2 106	-
Other finance income	25	66
Foreign exchange gain on financing activities	-	-
Unwinding of discounted financial assets placed	-	-
<b>Finance income</b>	<b>2 297</b>	<b>2 667</b>
Interest expenses on borrowings and lease liabilities	(34 653)	(24 823)
Foreign exchange loss on financing activities	(19 210)	(1 222)
Other finance costs	(1 172)	(707)
Unwinding of discounted financial assets received	(3 140)	(91)
Loss from fair value revaluation of convertible preferred shares	(18 368)	-
Loss from fair value recognised in profit and loss	(49)	-
<b>Finance costs</b>	<b>(76 592)</b>	<b>(26 843)</b>
<b>Finance costs – net</b>	<b>(74 295)</b>	<b>(24 176)</b>

## 7 Income tax and deferred income tax

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

	<u>January – September</u>	
	2022	2021
Current income tax	(23 596)	(12 849)
Deferred income tax	3 121	8 726
<b>Total income tax expenses</b>	<b>(20 475)</b>	<b>(4 123)</b>

## 8 Share capital and reserves

On 30 September 2022 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 2021 – 77 777 777 ordinary registered shares). All shares are fully paid up.

As at 30 September 2022 the Group had 118 514 treasury shares (10 014 as at 31 December 2021) which are deducted from equity attributable to the Group's equity holders.

On 30 September 2022 and on 31 December 2021 the share premium of the Company amounted to EUR 282 158 thousand. During nine months period ended 30 September 2022 there was no movement of share premium.

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

Fair value reserves comprise changes in fair value of cash flow hedge.

Other reserves are formed for option agreements which give the right for the Group employees to put back acquired shares of the Company during the period from 2019 to 2024.

## 9 Earnings per share

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

## 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 2021</b>	<b>187 286</b>	<b>102 777</b>	<b>165 645</b>	<b>10 132</b>
Acquisition of subsidiary (Note 16)	1 468	5 925	1 531	2 882
Additions	33 323	2 319	69 517	10 818
Disposals	(3 204)	-	-	-
Write-offs	(1 031)	-	-	-
Modifications / termination of the lease contracts	-	-	(15 839)	-
Disposal of subsidiary (Note 16)	(71)	(2 130)	(24)	-
Reclassification	(368)	(238)	(43)	(13 834)
Cumulative currency differences	4 089	2 669	5 711	2 052
Depreciation charge (Note 3)	(15 043)	(2 440)	(36 273)	(451)
<b>Closing net book amount as at 30 September 2021</b>	<b>206 449</b>	<b>108 883</b>	<b>190 225</b>	<b>11 599</b>
<b>Opening net book amount as at 1 January 2022*</b>	<b>226 696</b>	<b>113 584</b>	<b>187 747</b>	<b>31 030</b>
Additions	48 256	2 593	362 378	4 120
Disposals	(7 598)	-	-	-
Write-offs	(5 352)	-	-	-
Modifications / termination of the lease contracts	-	-	(5 006)	-
Impairment charge	(3 761)	-	-	-
Acquisition of subsidiary (Note 16)	-	-	-	4 027
Disposal of subsidiary (Note 16)	(298)	-	(183)	-
Reclassification	(8 338)	-	191	(699)
Cumulative currency differences	14 762	2 824	23 582	1 128
Depreciation (amortisation) charge (Note 3)	(17 069)	(3 156)	(63 288)	(878)
<b>Closing net book amount as at 30 September 2022</b>	<b>247 298</b>	<b>115 845</b>	<b>505 421</b>	<b>38 728</b>

\*The comparative figures have been amended to reflect finalised purchase price allocation (Note 16).



## 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)*. Registered capital is TK 50 000 000 (equivalent of EUR 525 thousand). The company is providing aircraft maintenance services in Bangladesh.

On 18 December 2018 Avia Solutions Group PLC subsidiary FL Technics Hong Kong Limited together with partners established a joint venture company *FL ARI Aircraft Maintenance & Engineering Company CO. LTD (China)*. The joint venture company is providing aircraft maintenance services in China.

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 joint venture *AviaAM Financial Leasing China Co. Ltd.*, established on 4 August 2016. Joint venture is engaged in the business of operating leasing and management of brand new narrow and wide body aircraft.

On 21 October 2019 Avia Solutions Group PLC together with partners established a joint venture company *BAA Training China Co., Ltd.* The joint venture company is planning to provide aircraft crew training services in China.

On 25 August 2021 Avia Solution Group PLC completed the indirect acquisition of the share capital in Chevron Aircraft Maintenance Limited. Chevron Aircraft Maintenance Limited holds a 50% stake in joint venture Certifying Staff. Com B.V., incorporated on 23 July 2009. Joint venture is a quality provider for Aircraft Line maintenance services and certifying staff recruitment services.

Financial data in thousand EUR for each joint venture is provided in the table below:

	Share of Equity	Control over Investee	Cost of investment		Share of Net Assets		Share of Profit/ Loss	
			30 September 2022	31 December 2021	30 September 2022	31 December 2021	January - September 2022	January - September 2021
BSTS & Storm Aviation Limited (Bangladesh)	49 %	No	104	107	81	80	2	(20)
FL ARI Aircraft Maintenance & Engineering Company CO. LTD (China)	40 %	No	3 898	3 355	(5 294)	(2 819)	(2 887)	(1 855)
AviaAM Financial Leasing China Co. Ltd	51 %	No	40 024	34 447	59 518	48 372	-	1 826
BAA Training China Co., Ltd	50 %	No	272	272	272	272	-	-
Certifying Staff. Com B.V.	50 %	No	25	25	7	25	(15)	-

12 Trade and other receivables

30 September 2022 31 December 2021\*

Trade receivables	204 489	175 628
Less: provision for impairment of trade receivables	(43 671)	(34 926)
<b>Trade receivables – net</b>	<b>160 818</b>	<b>140 702</b>
Prepayments	45 126	39 008
Less: provision for impairment of prepayments	(407)	(232)
<b>Prepayments – net</b>	<b>44 719</b>	<b>38 776</b>
Other receivables	15 922	13 847
Discounting of other receivables	-	(93)
Less: provision for impairment of other receivables	(7 547)	(6 081)
<b>Other receivables – net</b>	<b>8 375</b>	<b>7 673</b>
Trade receivables from related parties	1 155	849
Less: provision for impairment of trade receivables from related parties	(403)	(311)
<b>Trade receivables from related parties – net (Note 17)</b>	<b>752</b>	<b>538</b>
Loans granted to related parties	27 217	26 144
Less: provision for impairment of loans granted to related parties	(114)	(137)
<b>Loans granted to related parties – net (Note 17)</b>	<b>27 103</b>	<b>26 007</b>
Loans granted	46 654	30 890
Discounting of loans granted	(5)	(127)
Less: provision for impairment of loans granted	(28 142)	(24 433)
<b>Loans granted – net</b>	<b>18 507</b>	<b>6 330</b>
Receivables from investment in bonds - gross	10 473	9 792
Less: provision for impairment of investment in bonds	(10 473)	(9 792)
<b>Receivables from investment in bonds</b>	<b>-</b>	<b>-</b>
Other receivables from related parties	6 079	5 794
Discounting of other receivables from other related parties	-	(157)
Less: provision for impairment of other receivables from related parties	(34)	(32)
<b>Other receivables from related parties – net (Note 17)</b>	<b>6 045</b>	<b>5 605</b>
VAT receivables – net	14 672	8 872
Deferred charges	47 095	36 202
Security deposit – net	41 948	25 367
Deferred charges from other related parties (Note 17)	22	732
Security deposits placed to other related parties placed (Note 17)	9	9
Prepayments to other related parties (Note 17)	91	5
	<b>370 156</b>	<b>296 818</b>
Less non-current portion:	(80 256)	(49 725)
<b>Current portion:</b>	<b>289 900</b>	<b>247 093</b>

\*The comparative figures have been amended to reflect finalised purchase price allocation (Note 16).

## 12 Trade and other receivables (continued)

Non-current portion of other receivables is disclosed below:

	30 September 2022	31 December 2021
Loans granted to related parties	26 187	24 916
Less: provision for impairment of loans granted to related parties	(110)	(131)
<b>Loans granted to related parties - net</b>	<b>26 077</b>	<b>24 785</b>
Loans granted - gross	38 817	24 292
Less: provision for impairment of loans granted	(24 059)	(19 869)
<b>Loans granted - net</b>	<b>14 758</b>	<b>4 423</b>
Prepayments - gross	198	243
Less: provision for impairment of prepayments	-	-
<b>Prepayments - net</b>	<b>198</b>	<b>243</b>
Security deposits - net	34 099	16 321
Other receivables	8 417	6 193
Less: provision for impairment of other receivables	(6 940)	(5 456)
<b>Other receivables - net</b>	<b>1 477</b>	<b>737</b>
Other receivables from related parties	3 666	3 233
Less: provision for impairment of other receivables from related parties	(19)	(17)
<b>Other receivables from related parties - net</b>	<b>3 647</b>	<b>3 216</b>
<b>Total</b>	<b>80 256</b>	<b>49 725</b>

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

	30 September 2022	31 December 2021*
<i>Financial trade and other receivables</i>		
Trade receivables	160 818	140 702
Trade receivables from related parties (Note 17)	752	538
Other receivables	7 959	7 475
Loans granted to related parties (Note 17)	27 103	26 007
Other receivables from related parties (Note 17)	6 045	5 605
Loans granted	18 507	6 330
<i>Non-financial trade and other receivables</i>		
Prepayments	44 719	38 776
Other non-financial receivables	416	198
VAT receivables	14 672	8 872
Deferred charges	47 095	36 202
Security deposits	41 948	25 367
Deferred charges to other related parties (Note 17)	22	732
Security deposit with lessor from related parties (Note 17)	9	9
Prepayments to other related parties (Note 17)	91	5
<b>Total:</b>	<b>370 156</b>	<b>296 818</b>

\*The comparative figures have been amended to reflect finalised purchase price allocation (Note 16).

The revenue recognised in the nine months ended 30 September 2022 related to the contract liabilities as at the beginning of the period is EUR 57 704 thousand (in the same period 2021: EUR 14 555 thousand).

13 Cash and cash equivalents	30 September 2022	31 December 2021	30 September 2021
Cash and cash equivalents	293 280	216 664	165 530
Bank overdraft	-	(799)	(110)
<b>Total</b>	<b>293 280</b>	<b>215 865</b>	<b>165 420</b>

14 Inventories	30 September 2022	31 December 2021
Spare parts and materials – gross amount	59 334	42 020
Less: provision for impairment of inventories	(8 955)	(8 831)
<b>Spare parts and materials</b>	<b>50 379</b>	<b>33 189</b>
Goods for sales – gross amount	8 452	6 397
Less: provision for impairment of inventories	(136)	(634)
<b>Goods for sale</b>	<b>8 316</b>	<b>5 763</b>
Aircraft - gross amount	62 845	31 279
Less: provision for impairment of aircraft	(701)	(1 885)
<b>Aircraft</b>	<b>62 144</b>	<b>29 394</b>
Aircraft components	145	131
Aircraft fuel	1 079	1 330
Work in progress	982	592
Goods in transit	11	468
Other inventories	3 273	2 684
	<b>126 329</b>	<b>73 551</b>

15 Trade and other payables	30 September 2022	31 December 2021
Trade payables	96 347	86 135
Accrued expenses	89 459	63 399
Salaries and social security payable	52 992	47 995
Provisions	19 762	10 619
Employee benefit obligations	749	299
Amounts payable to related parties (Note 17)	299	596
Dividends payable	296	6
VAT payable	13 308	7 742
Pension reserve accrual	357	287
Other payables to related parties (Note 17)	3	1
Other payables	24 484	18 824
	<b>298 056</b>	<b>235 903</b>
Less: non-current portion	(23 688)	(18 537)
<b>Current portion</b>	<b>274 368</b>	<b>217 366</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

### *Establishments, acquisitions and disposals in 2022*

During January 2022, the Group established new subsidiary *CF Couriers LLC*.

During February 2022, the Group established new subsidiary *BAA Training France*.

During 2022 March indirect subsidiary of Avia Solutions Group PLC has disposed its' investment in *Chapman Freeborn RU LLC*.

During 2022 March indirect subsidiary of Avia Solutions Group PLC has disposed its' investment in *Baltic Ground Services RU OOO*.

During 2022 April the Group has disposed 100% shares of the indirect subsidiary *FL Technics Line OOO*.

During 2022 April the Group has liquidated shares of *France Patrimoine, SCI*.

During 2022 May the Group has disposed 49% of the joint venture shares in *BBN Hava Yolları ve Taşımacılık Anonim Şirketi*.

On 18 May 2022, the Group has established a new subsidiary *Aero city Group UAB*. Registered capital EUR 200 000 which was fully paid. The subsidiary is designated to structuralize the Group's real estate management.

During May 2022, *Aero city Group UAB* has established new subsidiaries *AV4 Aero UAB* and *BK14 Aero UAB*.

During June 2022, the Group established new subsidiary *FL Technics LLC UAE*.

During June 2022, *UAB Aero city Group UAB* established new subsidiaries: *DG32 Aero UAB*, *DG21 Aero UAB*, *DG25 Aero UAB*, *EI18 Aero UAB*, *EI75 Aero UAB*, *DG28 Aero UAB*, *DG30 Aero UAB*, *DG41A Aero UAB*, *Small Aero UAB*, *BK10 Aero UAB*, *BK20 Aero UAB*, *EI17A Aero UAB*, *Finance Aero UAB*, *Aero Invest 1 UAB*, *Aero Invest 2 UAB*. The subsidiaries are designated to structuralize the Group's real estate management.

On 23 June 2022, Avia Solutions Group PLC subsidiary *AviaAM Leasing AB* sold its 100% of shares in the subsidiary *Dikkys Investments Ltd*.

On 30 June 2022 *Aero city Group UAB* acquired 100% of the shareholding of *Nordic NT AB* based in Lithuania. The entity holds commercial real estate.

During September 2022 *Busnex UAB* established new subsidiary *EV MOTORS SP.Z O.O*.

During September 2022 *FL Technics UAB* established new subsidiaries: *FL Technics Wheels and Brakes Kft*. and *FL Technics Trading DMCC*.

## 16 Business combination and disposals (continue)

### Purchase price allocation

On 25 August 2021 Storm Aviation Ltd. acquired 100% of the share capital of the UK-based Chevron Technical Services Limited (CIT) and its Prestwick-based subsidiary Chevron Aircraft Maintenance Limited (CAM) providing aerospace solutions to the aircraft maintenance industry.

On 22 October 2021, Avia Solutions Group PLC subsidiary completed the acquisition of 100% of the shareholding of Biggin Hill Hangar Company Ltd. the owner of Hangar 510, a Fixed Base Operations (FBO) and Maintenance Repair & Overhaul (MRO) centre of operations at London Biggin Hill Airport.

The Group had completed the accounting for the acquisition of Chevron Technical Services Limited, Chevron Aircraft Maintenance Limited and Biggin Hill Hangar Company Ltd. Fair values of net assets acquired that were recognised in relation to the fair value of intangible assets and property, plant and equipment have been adjusted accordingly:

	Biggin Hill Hangar Company Ltd.		Chevron Technical Services Limited and Chevron Aircraft Maintenance Limited				31 December 2021 (Amended)
	31 December 2021 (Reported)	Investment property valuation	Reversal of provision for receivables	Licences valuation	Brand valuation	Customer relationship valuation	
<b>Non-current assets</b>							
Property, plant and equipment	414 443	-	-	-	-	-	414 443
Investments property	26 428	4 602	-	-	-	-	31 030
Intangible assets	115 946	(3 716)	(57)	195	71	1 145	113 584
<i>Licences</i>	2 780	-	-	1 027	-	-	3 807
<i>Goodwill</i>	97 030	(3 716)	(57)	(832)	(303)	(3 220)	88 902
<i>Customer relationship</i>	5 220	-	-	-	-	4 365	9 585
<i>Other intangible assets</i>	10 916	-	-	-	374	-	11 290
Other non-current assets	127 943	-	-	-	-	-	127 943
	<b>684 760</b>	<b>886</b>	<b>(57)</b>	<b>195</b>	<b>71</b>	<b>1 145</b>	<b>687 000</b>
<b>Current assets</b>							
Trade and other receivables	247 036	-	57	-	-	-	247 093
Other current assets	538 026	-	-	-	-	-	538 026
	<b>785 062</b>	<b>-</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785 119</b>
<b>Non-current liabilities</b>							
Deferred income tax liabilities	9 329	886	-	195	71	1 145	11 626
Other non-current liabilities	734 147	-	-	-	-	-	734 147
	<b>743 476</b>	<b>886</b>	<b>-</b>	<b>195</b>	<b>71</b>	<b>1 145</b>	<b>745 773</b>

Purchase price allocation finalization impact on the consolidated statement of comprehensive income for the year ended 31 December 2021 is not material.

## 17 Related party transactions

Related parties of the Group include entities having significant influence over the Group, parent, key management personnel of the Group and other related parties which are controlled by the ultimate beneficial owner or close members of that person's family. Entities having significant influence over the Group are VERTAS AIRCRAFT LEASING LIMITED and Vertas Management AB. Parent entity - PROCYONE FZE. 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	
	2022	2021
<b>Sales of services to:</b>		
Entities having significant influence	180	10
Other related parties	133	88
	<b>313</b>	<b>98</b>
<b>Sales of assets to:</b>		
Entities having significant influence	-	-
Other related parties	15	-
	<b>15</b>	<b>-</b>
<b>Other income</b>	<b>1 003</b>	<b>723</b>
<b>Total sales of assets, services and other income</b>	<b>1 018</b>	<b>821</b>

	January – September	
	2022	2021
<b>Purchases of assets from:</b>		
Other related parties	777	855
Other gains	15	-
	<b>792</b>	<b>855</b>
<b>Purchases of services from:</b>		
Parent	734	-
Entities having significant influence	16	-
Other related parties	1 885	1 909
	<b>2 635</b>	<b>1 909</b>
<b>Finance costs</b>	<b>-</b>	<b>292</b>
<b>Total purchases of assets, services and finance costs</b>	<b>3 427</b>	<b>3 056</b>

17 Related party transactions (continued)

	30 September 2022	31 December 2021
<b>Trade receivables from related parties:</b>		
Trade receivables from entities having significant influence	80	66
Trade receivables from other related parties	1 075	783
Impairment of trade receivables from other related parties	(403)	(311)
<b>Trade receivables from related parties – net (Note 12)</b>	<b>752</b>	<b>538</b>
Loans granted to other related parties	6 698	6 190
Loans granted to the Parent	10 197	9 583
Loans granted to entities having significant influence	10 322	10 371
Impairment of loans granted to other related parties	(114)	(137)
<b>Loans granted to other related parties – net (Note 12)</b>	<b>27 103</b>	<b>26 007</b>
<b>Security deposit with lessor to related parties (Note 12)</b>	<b>9</b>	<b>9</b>
Other receivables from the Parent	2 581	2 436
Other receivables from entities having significant influence	2 131	1 720
Other receivables from other related parties	1 367	1 638
Discounting of other receivables from other related parties	-	(157)
Impairment of other receivables from other related parties	(34)	(32)
<b>Other receivables from related parties – net (Note 12)</b>	<b>6 045</b>	<b>5 605</b>
Prepayments to related parties (Note 12)	91	5
Contract asset from other related parties	1	1
Deferred charges (Note 12)	22	732
	<b>34 023</b>	<b>32 897</b>
	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Payables and advances received from related parties</b>		
Amounts payable to other related parties (Note 15)	238	557
Amounts payable to the Parent (Note 15)	42	39
Amounts payable to entities having significant influence (Note 15)	19	-
Borrowings from other entities having significant influence	-	-
Lease liabilities from other related parties	9 690	10 389
Advances received from other related parties	8 207	7 064
Other accrued expenses from other related parties	-	-
Dividends payable to other related parties	102	-
Other financial payables to entities having significant influence (Note 15)	2	-
Other financial payables to other related parties (Note 15)	1	1
Other financial payables to the Parent (Note 15)	-	-
	<b>18 301</b>	<b>18 050</b>



## 18 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.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 September 2022 and 31 December 2021:

Recurring fair value measurements at 30 September 2022	Level 1	Level 2
<b>Financial assets</b>		
Financial assets at fair value through profit or loss (FVPL)	2 977	-
Hedging derivatives - foreign currency interest rate swap	-	15 864
<b>Total financial assets</b>	<b>2 977</b>	<b>15 864</b>
<b>Financial liabilities</b>		
Hedging derivatives - foreign currency interest rate swap	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>
Recurring fair value measurements at 31 December 2021	Level 1	Level 2
<b>Financial assets</b>		
Financial assets at fair value through profit or loss (FVPL)	3 237	-
Hedging derivatives - foreign currency interest rate swap	-	4 667
<b>Total financial assets</b>	<b>3 237</b>	<b>4 667</b>
<b>Financial liabilities</b>		
Hedging derivatives - foreign currency interest rate swap	-	5 865
<b>Total financial liabilities</b>	<b>-</b>	<b>5 865</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.

**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.

## 19 Convertible preferred shares

On 15 December 2021 the Group issued non-voting convertible preferred shares amounting to EUR 300 million to investor Certares Compass LLC. The key terms of the convertible preferred shares are:

- **Dividend rights.** Preferred shares are with a fixed dividend of 8% per annum, payable in kind (i.e. not payable in cash). After the fourth year, the dividend rate will increase by 1% per year;
- **Conversion feature and liquidation preferences.** Upon a qualified liquidity event, the convertible preferred shares are mandatory converted into variable number of ordinary shares; The variable number of shares depends on the outcome of share price at liquidity event date.
- **Redemption option.** The group may redeem the preferred shares (including accrued dividends) after 1 year based on trailing 12 months EBITDA, however the preferred shares investor at their sole discretion would be able to convert into 20% of Groups common equity.

Based on IFRS accounting requirements they are classified as a financial liability, since the preferred shares do not pass the "fixed-for-fixed" test (i.e. instrument to be settled by the issuer delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash) and therefore do not meet the definition of equity instrument. The preferred shares are a senior security to all existing common equity of the Company but junior to the Group existing debt and senior bonds.

The preferred shares include embedded conversion options and the Group irrevocably designated the entire instrument to be measured at fair value through profit or loss. In general, the fair value measurement is within level 3 of the fair value hierarchy due to unobservable inputs.

The movement of the convertible preferred shares is set out as below:

	2022	2021
<b>Opening balance as at 1 January</b>	<b>300 920</b>	-
Issuance of convertible preferred shares	-	-
Change in fair value recognised in profit (loss)	18 368	-
Change in fair value recognised in OCI (own credit risk)	-	-
<b>Closing balance as at 30 September</b>	<b>319 288</b>	-


## 20 Events after the reporting date

During October 2022 the Group established new subsidiaries: BBN Airlines Indonesia and JetMS Holdings Limited.

There were no other material post balance sheet events that could have a material effect on the Group's interim financial information for the nine-month period ended 30 September 2022.



Managing Director  
Jonas Janukenas



Chief Financial Officer  
Robertas Čipkus