



AVIA SOLUTIONS GROUP (ASG) PLC
Condensed Consolidated Interim Financial Information
For the Nine-Month Period Ended 30 September 2024
(Unaudited)



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GENERAL INFORMATION

Beginning of the financial period	1 January 2024
End of the financial period	30 September 2024
Board of Directors:	Gediminas Ziemelis Jonas Janukenas Zilvinas Lapinskas Linus Dovydenas Thomas Klein Pascal Jean Alexandre Picano
Date of registration:	10 October 2022
Registration number:	727348
Registered office:	Building 9, Vantage West Central Park Dublin, D18 FT0C, Ireland
Company Secretary:	HMP Secretarial Limited Riverside One Sir John Rogerson's Quay Dublin, D02 X576, Ireland
Auditors:	Ernst & Young Harcourt Centre, Harcourt Street, Dublin 2, Ireland

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	January - September	
		2024	2023
Revenue	4	2 057 399	1 642 213
Other income		2 908	4 762
Cost of services and goods	5	(1 207 142)	(993 456)
Depreciation and amortisation	4, 11	(265 277)	(156 588)
Employee related expenses		(363 562)	(282 972)
Other operating expenses	6	(97 835)	(66 202)
Decrease in the provision for impairment of financial assets	7	508	204
(Increase) in the provision for impairment of non-financial assets	7	(3 852)	(2 008)
Other gains - net		18 547	14 823
Operating profit	4	141 694	160 776
Finance income	8	63 961	4 576
Finance costs	8	(104 976)	(85 137)
Finance costs – net	8	(41 015)	(80 561)
Share of profit of equity-accounted investees		5	2 478
Profit before income tax		100 684	82 693
Income tax credit/(expense)	9	(17 358)	(11 904)
Profit for the year		83 326	70 789
Profit attributable to:			
Equity holders of the parent		80 929	69 979
Non-controlling interests		2 397	810
		83 326	70 789

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	January - September	
		2024	2023
Other comprehensive income/(expense)			
<i>Items that may be reclassified to profit or loss</i>			
(Loss)/gain on cash flow hedges, net of tax		(1 644)	754
Exchange differences on translation of foreign operations		(5 075)	2 915
Other comprehensive income/(expense) for the year		(6 719)	3 669
Total comprehensive income for the year attributable to:			
Equity holders of the parent		74 293	73 650
Non-controlling interests		2 314	808
Total comprehensive income		76 607	74 458

CONSOLIDATED BALANCE SHEET - ASSETS

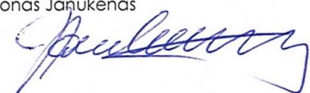
	Notes	30 September 2024	31 December 2023*
Non-current assets			
Property, plant and equipment	11	1 671 461	1 410 635
Investment property	11	60 181	41 151
Intangible assets	11	148 537	139 622
Investments accounted for using the equity method		-	348
Deferred tax assets		43 533	38 486
Financial assets at fair value through profit or loss	19	1 617	1 289
Non-current derivative financial instruments	19	-	2 774
Long-term bank deposits		866	865
Non-current trade and other receivables	12	147 712	112 618
		2 073 907	1 747 788
Current assets			
Inventories	15	200 006	125 745
Trade and other receivables	12	383 022	327 359
Financial assets at fair value through profit or loss	19	316	371
Contract assets		29 294	35 986
Prepaid income tax		5 781	3 729
Short-term bank deposits		21 145	2 944
Cash and cash equivalents	14	280 340	200 553
		919 904	696 687
Total assets	4	2 993 811	2 444 475

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

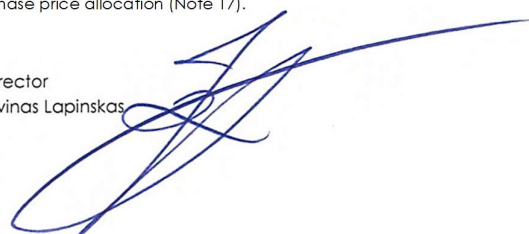
	Notes	30 September 2024	31 December 2023*
Equity attributable to the Group's equity shareholders			
Share capital	3	28 194	22 556
Share premium	3	10 000	10 000
Other reserves	3	2 605	1 994
Treasury shares	3	-	-
Merger reserve	3	(456)	(456)
Fair value reserve	3	1 852	3 496
Cumulative translation differences		(14 061)	(9 069)
Retained earnings		688 651	313 360
Equity attributable to equity holders of the parent		716 785	341 881
Non-controlling interests		7 650	6 000
Total equity		724 435	347 881
Convertible preferred shares	20	-	352 576
Lease liabilities		983 634	786 959
Borrowings		302 877	29 985
Security deposits received		2 274	845
Trade and other payables	16	5 950	7 705
Provisions	13	13 523	15 813
Deferred income tax liabilities		18 026	17 161
Derivative financial instruments	19	4 336	1 464
Non-current liabilities		1 330 620	1 212 508
Trade and other payables	16	403 781	306 400
Provisions	13	26 309	38 944
Lease liabilities		258 393	219 148
Borrowings		32 635	184 749
Contract liabilities		164 236	98 155
Security deposits received		20 606	17 632
Derivative financial instruments	19	-	141
Current income tax liabilities		32 796	18 917
Current liabilities		938 756	884 086
Total liabilities		2 269 376	2 096 594
Total equity and liabilities	4	2 993 811	2 444 475

*The comparative figures have been revised to reflect purchase price allocation (Note 17).

Managing Director
Jonas Janukenas



Director
Zilvinas Lapinskas



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the Group

	Share capital	Share premium	Treasury shares	Merger reserve	Other reserve	Fair value reserve	Currency translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
Balance at 1 January 2023	22 556	282 158	(1 644)	(456)	860	3 886	2 353	1 816	311 529	4 088	315 617
Comprehensive income											
Net gain on cash flow hedge	-	-	-	-	-	754	-	-	754	-	754
Currency translation difference	-	-	-	-	-	-	2 917	-	2 917	(2)	2 915
Profit for the period	-	-	-	-	-	-	-	69 979	69 979	810	70 789
Total comprehensive income/(loss)	-	-	-	-	-	754	2 917	69 979	73 650	808	74 458
Transactions with owners											
Merger accounting impact	-	895 286	-	(895 286)	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(1 308)	(1 308)
Allocation to share-based payment reserves	-	-	-	-	199	-	-	-	199	-	199
Sale of treasury shares	-	-	1 644	-	-	-	-	(596)	1 048	-	1 048
Total transactions with owners	-	895 286	1 644	(895 286)	199	-	-	(596)	1 247	(1 308)	(61)
Balance at 30 September 2023	22 556	1 177 444	-	(895 742)	1 059	4 640	5 270	71 199	386 426	3 588	390 014
Balance at 1 January 2024	22 556	10 000	-	(456)	1 994	3 496	(9 069)	313 360	341 881	6 000	347 881
Comprehensive income											
Net gain on cash flow hedge	-	-	-	-	-	(1 644)	-	-	(1 644)	-	(1 644)
Currency translation difference	-	-	-	-	-	-	(4 992)	-	(4 992)	(83)	(5 075)
Profit for the period	-	-	-	-	-	-	-	80 929	80 929	2 397	83 326
Total comprehensive income/(loss)	-	-	-	-	-	(1 644)	(4 992)	80 929	74 293	2 314	76 607
Transactions with owners											
Dividends paid	-	-	-	-	-	-	-	-	-	(664)	(664)
Preferred shares conversion to ordinary	5 638	-	-	-	-	-	-	294 362	300 000	-	300 000
Allocation to share-based payment reserves	-	-	-	-	611	-	-	-	611	-	611
Total transactions with owners	5 638	-	-	-	611	-	-	294 362	300 611	(664)	299 947
Balance at 30 September 2024	28 194	10 000	-	(456)	2 605	1 852	(14 061)	688 651	716 785	7 650	724 435

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	January - September			Notes	January - September	
		2024	2023			2024	2023
Operating activities				Investing activities			
Profit for the period		83 326	70 789	Purchase of property, plant and equipment		(155 650)	(122 791)
Income tax expense		17 358	11 904	Purchase of intangible assets		(7 041)	(6 366)
<i>Adjustments for:</i>				Proceeds from property, plant and equipment and intangible assets disposal		5 334	104
Depreciation and amortisation	11	265 277	156 588	Proceeds from aircraft sale leaseback		44 096	-
Increase in the provision for impairment of assets	7	3 344	1 804	Disposal of other investment		3 632	320
Interest expenses	8	101 178	57 995	Loans granted		(5 049)	(4 036)
Foreign exchange (gain)/loss		(7 370)	6 884	Repayment of loans granted		942	2 225
Discounting effect on financial assets	8	2 021	3 529	Bank deposits (placed)/repaid		(18 699)	1 313
Fair value (gain)/loss	8	(52 576)	19 807	Purchase of subsidiaries (net of cash acquired)		(7 224)	(10 270)
Hedging initial transaction costs		1 511	-	Sales of subsidiaries (net of cash disposed)		-	20 097
Changes in other reserves		612	199	Payments for financial assets at amortised cost		(2 875)	(1 820)
(Gain)/loss on property, plant and equipment disposals and write-offs		(16 146)	524	Net cash from used in investing activities		(142 534)	(121 224)
(Gain) on termination/modification of leases		(1 021)	(1 387)				
(Gain)/loss on sub-lease agreements		(3 219)	-	Financing activities			
(Gain) on subsidiaries disposal (as adjusted for leaseback transaction)		-	(8 160)	Dividends paid		(1 024)	(1 308)
Amortisation of government grants		(3)	(107)	Bank borrowings received		15 930	1 981
Interest income		(6 144)	(1 731)	Repayment of bank borrowings		(4 229)	(3 227)
Share of (profit) of associates		(5)	(2 478)	Other borrowings received		-	1 030
(Gain) on bonds repurchase		-	(498)	Repayment of other borrowings		(4 386)	(9 105)
<i>Changes in operating assets and liabilities:</i>				Transaction costs on issuance of bonds		(7 239)	-
- Inventories		(72 817)	(30 575)	Issuance of bonds		278 836	-
- Trade and other receivables, contract assets		(48 101)	(86 786)	Repayment of bonds		(167 611)	(19 811)
- Security deposits placed		(23 705)	(30 022)	Repayment of lease liabilities		(187 730)	(93 383)
- Accrued expenses for certain contracts		-	(150)	Net cash used in financing activities		(77 453)	(123 823)
- Trade and other payables, advances received/contract liabilities		137 471	90 752				
- Security deposits received		14 331	12 849	Currency translation difference		(4 969)	-
Cash generated from operating activities		395 322	271 730				
Interest received		4 605	274	At beginning of year		200 553	324 607
Interest paid		(87 359)	(48 231)	Increase/(decrease) in cash and cash equivalents		78 182	(40 980)
Income tax paid		(9 430)	(19 706)	At end of year		278 735	283 627
Net cash generated from operating activities		303 138	204 067				

The notes on pages 8 to 15 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

The consolidated interim financial information for the nine-month period ended 30 September 2024 (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 “and the requirements of the Companies Act 2014 applicable in the Republic of Ireland. 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 2023. The consolidated financial statements of the Group as at year ended 31 December 2023 are available at <https://aviasg.com/>.

The consolidated financial information is presented in thousands of euro, unless indicated otherwise.

The consolidated interim financial information for the nine-month period ended 30 September 2024 is not audited. Financial statements for the year ended 31 December 2023 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 2023, Note 1 (pg. 19-21). Changes in Group structure during the nine-month period ending 30 September 2024 are disclosed in Note 17 of these interim financial statements.

The number of full-time staff employed by the Group on 30 September 2024 amounted to 7 599 (31 December 2023: 6 806; 30 September 2023: 6 986).

3. Share capital, share premium and reserves

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

As at 30 September 2024, the holding company Avia Solutions Group (ASG) PLC share capital of the company amounted to EUR 28 194 444 and consisted of 97 222 220 ordinary registered shares with a nominal value of 0.29 Euro each. All shares were fully paid up and authorised share capital is the same as issued and paid up share capital. On 30 September 2024, the share premium of the Company amounted to EUR 10 000 thousand.

As at 30 September 2024 the Group had no outstanding treasury shares (no such as at 31 December 2023 and as at 30 September 2023) which are deducted from the equity attributable to the Group's equity holders.

None of the ordinary shareholders of the Company have any special controlling rights. Rights of all ordinary shareholders are equal. One ordinary registered share of Avia Solutions Group (ASG) PLC gives one vote in the General Meeting of Shareholders.

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

4. Segment information

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

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

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 1. Segment revenue, cost and operating expenses, other income, other gain/loss and segment operating profit include transfers between operating segments. Those transfers are eliminated on consolidation.

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

4. Segment information (continued)

The following table 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 2024 and for the nine-month period ended 30 September 2023:

Nine-month period	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	30 September 2024	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	30 September 2023
Operations										
Revenue from contracts with external customers	1 462 035	548 211	47 153	-	2 057 399	1 147 104	466 019	29 090	-	1 642 213
Intersegment sales	4 285	45 301	24 263	(73 849)	-	3 660	31 828	9 531	(45 019)	-
Total revenue	1 466 320	593 512	71 416	(73 849)	2 057 399	1 150 764	497 847	38 621	(45 019)	1 642 213
Other income	2 110	447	21 610	(21 259)	2 908	3 690	693	15 651	(15 272)	4 762
Cost of services and goods purchased	(967 636)	(262 219)	(24 956)	47 669	(1 207 142)	(767 563)	(237 731)	(22 294)	34 132	(993 456)
Employee related expenses	(125 675)	(221 790)	(17 434)	1 337	(363 562)	(84 186)	(185 269)	(14 221)	704	(282 972)
(Increase)/ decrease in the provision for impairment of financial assets	(548)	5 699	(2 082)	(2 561)	508	564	(4 351)	(5 760)	9 751	204
(Increase)/ decrease in the provision for impairment of non-financial assets	(1 933)	(1 897)	(22)	-	(3 852)	(1 132)	(982)	106	-	(2 008)
Other operating expenses	(55 559)	(33 621)	(28 290)	19 635	(97 835)	(39 019)	(27 778)	(6 730)	7 325	(66 202)
Depreciation and amortisation	(236 830)	(23 890)	(7 302)	2 745	(265 277)	(135 138)	(16 692)	(6 224)	1 466	(156 588)
Other gains/(losses) – net	15 780	2 777	85	(95)	18 547	31 385	(238)	(5 598)	(10 726)	14 823
Segment operating profit (loss)	96 029	59 018	13 025	(26 378)	141 694	159 365	25 499	(6 449)	(17 639)	160 776
Finance costs - net (Note 8)					(41 015)					(80 561)
Share of profit of associates					5					2 478
Profit before income tax					100 684					82 693
Income tax (Note 9)					(17 358)					(11 904)
Net profit for the period					83 326					70 789
As at 30 September:										
Segment assets	2 197 479	538 434	257 898	-	2 993 811	1 682 787	490 752	246 024	-	2 419 563
Segment liabilities	1 660 802	276 790	331 784	-	2 269 376	1 206 625	260 367	562 557	-	2 029 549

5. Cost of services and goods

	January - September	
	2024	2023
Aircraft fuel expenses	200 386	216 599
Cost of purchased services	128 051	73 340
Costs of aircraft sold	33 888	13 445
Rent of aircraft, training and other equipment and lease related services	284 463	221 153
Cost of goods purchased	99 571	117 236
Aircraft repair and maintenance costs	174 962	107 254
Subcontractors and other related expenses	192 329	150 120
Aircraft operations costs and flight related charges	81 029	80 561
Rent and maintenance of premises	12 463	13 748
	1 207 142	993 456

6. Other operating expenses

	January - September	
	2024	2023
Consulting expenses	19 686	13 960
Office administrative, communications and IT expenses	17 014	13 023
Insurance expenses	27 118	13 751
Transportation and related expenses	1 271	1 206
Business travel expenses	13 411	8 440
Marketing and sales expenses	6 580	5 234
VAT expenses	2 631	1 797
Other expenses	10 124	8 791
	97 835	66 202

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

	January - September	
	2024	2023
<i>Non-financial assets</i>		
Impairment of prepayments	155	20
Impairment of inventories	1 735	1 865
Impairment of non-current assets	1 962	123
	3 852	2 008

January - September

	January - September	
	2024	2023
<i>Financial assets</i>		
(Reversal of)/impairment of trade receivables and other contract assets	(999)	(204)
Impairment of other financial assets	491	-
	(508)	(204)
Total impairment-related expenses	3 344	1 804

8. Finance income and costs

	January - September	
	2024	2023
Interest income on cash and cash equivalents	4 054	3 508
Foreign exchange gain on financing activities	7 331	-
Gain from fair value change recognised in profit and loss	52 576	93
Gain from bonds repurchased	-	499
Other finance income	-	476
Finance income	63 961	4 576
Interest expenses on borrowings and lease liabilities	(101 178)	(57 995)
Foreign exchange loss on financing activities	-	(3 348)
Loss from fair value change of convertible preferred shares (Note 20)	-	(19 900)
Discounting effect on financial assets	(2 021)	(3 529)
Other finance costs	(1 777)	(365)
Finance costs	(104 976)	(85 137)
Finance costs - Net	(41 015)	(80 561)

9. Income tax (expenses)

	January - September	
	2024	2023
Current income tax	(21 355)	(23 937)
Deferred income tax	3 997	12 033
Total income tax expense	(17 358)	(11 904)

10. 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.

11. Property, plant and equipment, intangible assets

	Property, plant and equipment	Intangible assets*	Right of use assets	Investment property
Opening net book amount as at 1 January 2024	375 102	139 622	1 035 533	41 151
Acquisition of subsidiary (Note 17)	5 954	6 201	8 225	-
Additions	235 589	7 143	351 294	609
Disposals	(123 770)	(5)	(779)	-
Write-offs	(891)	-	(942)	-
Asset sub-lease:	(4)	-	(12 753)	-
Modification/termination of the lease contracts	1 103	-	97 649	-
Reclassification	(25 476)	(4)	2 519	19 195
Impairment	(99)	-	-	-
Cumulative currency differences	(4 045)	541	(13 774)	568
Depreciation (amortisation) charge	(31 122)	(4 961)	(227 852)	(1 342)
Closing net book amount as at 30 September 2024	432 341	148 537	1 239 120	60 181
Opening net book amount as at 1 January 2023	293 993	110 215	482 328	41 640
Acquisition of subsidiary (Note 17)	1 909	26 573	57 869	1 547
Additions	113 053	6 367	504 780	2 029
Disposals	(398)	(13)	-	-
Write-offs	(217)	-	-	-
Modification/termination of the lease contracts	-	-	1 542	-
Reclassification	(21 032)	-	11 839	(3 504)
Impairment	-	-	-	-
Cumulative currency differences	(432)	(372)	6 164	481
Depreciation (amortisation) charge	(19 714)	(3 799)	(132 280)	(795)
Closing net book amount as at 30 September 2023	367 162	138 971	932 242	41 398

*The comparative figures have been revised to reflect purchase price allocation (Note 17).

12. Trade and other receivables

	30 September 2024	31 December 2023
Trade receivables	203 327	192 722
Less: provision for impairment of trade receivables	(45 173)	(43 786)
Trade receivables – net	158 154	148 936

	30 September 2024	31 December 2023
Prepayments	51 933	56 227
Less: provision for impairment of prepayments	(682)	(554)
Prepayments - net	51 251	55 673
Other receivables	23 191	40 834
Discounting of other receivables	(19)	(38)
Less: provision for impairment of other receivables	(1 804)	(1 312)
Other receivables – net	21 368	39 484
Trade receivables from related parties	965	700
Less: provision for impairment of trade receivables from related parties	(9)	(5)
Trade receivables from related parties - net (Note 18)	956	695
Loans granted to related parties	26 608	26 733
Less: provision for impairment of loans granted to related parties	(182)	(232)
Loans granted to related parties – net (Note 18)	26 426	26 501
Loans granted	19 244	19 271
Discounting of loans granted	(76)	(91)
Less: provision for impairment of loans granted	(7 398)	(7 410)
Loans granted - net	11 770	11 770
Investment in lease	14 669	-
Less: provision for impairment of net investment in lease	(136)	-
Investment in lease - Net	14 533	-
Other receivables from related parties	10 287	9 542
Discounting of other receivables from other related parties	(152)	(204)
Less: provision for impairment of other receivables from related parties	(267)	(262)
Other receivables from related parties – net (Note 18)	9 868	9 076
VAT receivables	30 186	20 801
Receivables from investment in bonds - gross	1 876	1 900
Less: provision for impairment of receivables from investment in bonds	(1 876)	(1 900)
Receivables from investment in bonds - net	-	-
Deferred charges	109 876	47 193
Security deposit – net	95 872	79 438
Deferred charges to related parties (Note 18)	24	-
Security deposits from related parties placed – net (Note 18)	15	11
Prepayments from related parties (Note 18)	435	399
Total trade and other receivables:	530 734	439 977
Less non-current portion:	(147 712)	(112 618)
Current portion:	383 022	327 359

12. Trade and other receivables (continued)

Non-current portion of other receivables is disclosed below:	30 September 2024	31 December 2023
Loans granted to related parties	25 626	25 653
Less: provision for impairment of loans granted to related parties	(101)	(101)
Loans granted to related parties - net	25 525	25 552
Loans granted	10 475	10 511
Discounting of loans granted	(76)	-
Less: provision for impairment of loans granted	(2 993)	(3 003)
Loans granted - net	7 406	7 508
Investment in lease	1 2820	-
Less: provision for impairment of investment in lease	(120)	-
Investment in lease - net	12 700	-
Deferred charges	11 963	7 684
Security deposit – net	77 116	59 239
Security deposit to related parties – net	15	11
Other receivables	6 451	6 843
Discounting of other receivables	(19)	-
Less: provision for impairment of other receivables	(831)	(842)
Other receivables – net	5 601	6 001
Other receivables from related parties	7 568	6 651
Less: provision for impairment of other receivables from related parties	(182)	(28)
Other receivables from related parties – net	7 386	6 623
Total non-current trade and other	147 712	112 618
Classification of trade and other receivables to non-financial and financial is disclosed below:	30 September 2024	31 December 2023
Financial trade and other receivables (IFRS 9)		
Trade receivables	158 154	148 936
Trade receivables from related parties (Note 18)	956	695
Other receivables	21 368	39 484
Loans granted to related parties (Note 18)	26 426	26 501
Net investment in lease	14 533	-
Other receivables from related parties (Note 18)	9 868	9 076
Security deposits	95 872	79 438
Loans granted	11 770	11 770
	338 947	315 900
Non-financial trade and other receivables		
Prepayments	51 251	55 673
VAT receivables	30 186	20 801
Deferred charges	109 876	47 193
Deferred charges to other related parties (Note 18)	24	-
Security deposit with lessor from related parties (Note 18)	15	11
Prepayments to other related parties (Note 18)	435	399
	191 787	124 077
Total	530 734	439 977

The revenue recognised in the nine months ended 30 September 2024 related to the contract liabilities as at the beginning of the period is EUR 62 301 thousand (in the same period 2023: EUR 38 968 thousand). Revenue from performance obligations satisfied as at the beginning of the period is EUR 142 527 thousand (in the same period 2023: EUR 90 462 thousand).

13. Provisions

	30 September 2024	31 December 2023*
C-check & other aircraft maintenance provisions	32 629	43 623
Legal claim provisions	1 476	6 217
Other provisions	5 727	4 917
	39 832	54 757
Less: non-current portion	(13 523)	(15 813)
Current portion	26 309	38 944
C-check & other aircraft maintenance provisions	12 446	13 878
Other provisions	1 077	1 935
Non-current portion	13 523	15 813

*The comparative figures have been revised to reflect purchase price allocation (Note 17).

14. Cash and cash equivalents

	30 September 2024	31 December 2023	30 September 2023
Cash and cash equivalents	280 340	200 553	283 627
Bank overdraft	(1 605)	-	-
Total	278 735	200 553	283 627

15. Inventories

	30 September 2024	31 December 2023*
Spare parts and materials – gross amount	107 451	84 114
Less: provision for impairment of inventories	(8 570)	(11 829)
Spare parts and materials	98 881	72 285
Aircraft and aircraft components – gross amount	94 007	46 416
Less: provision for impairment of aircraft	(1 892)	(4 702)
Aircraft and aircraft components	92 115	41 714
Aircraft fuel	1 295	1 355
Work in progress	112	3 151
Goods in transit	201	1 095
Other inventories – gross amount	7 529	6 275
Less: provision for impairment of other inventories	(127)	(130)
Other inventories	7 402	6 145
Total	200 006	125 745

*The comparative figures have been revised to reflect purchase price allocation (Note 17).

16. Trade and other payables

	30 September 2024	31 December 2023
Trade payables	191 331	134 996
Accrued expenses	122 289	83 129
Salaries and social security payable	68 325	69 436
Employee benefit obligations	3 970	1 912
Amounts payables to related parties (Note 18)	191	775
Dividends payable	417	800
VAT payable	13 865	11 778
Pension reserve accrual	749	404
Other payables to related parties (Note 18)	55	2
Other payables	8 223	10 695
Accrued expenses to related parties (Note 18)	316	178
	409 731	314 105
Less: non-current portion	(5 950)	(7 705)
Current portion	403 781	306 400

17. Business combinations and disposals

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

Establishments, acquisitions, and disposals in 2024

During March 2024, the Group established new subsidiary RWS Logistics LLC based in Kazakhstan.

During March 2024, the Group acquired 100% of the shareholding of Skytrans PTY Ltd. based in Australia for amount of EUR 6.8m. The entity is operating as a regional airline and air charter business. The process of completion accounts and purchase price allocation is in progress of the date of these financial statements.

During April 2024, the Group established new subsidiary ASCEND AIRWAYS MALAYSIA SDN. BHD in Malaysia.

During April 2024, the Group established new subsidiary AEROOPPOTUNITY HOLDINGS MALAYSIA SDN. BHD in Malaysia.

During April 2024, the Group merged AviaAM B06 UAB to subsidiary AviaAM B02 UAB.

During April 2024, the Group merged AviaAM B04 UAB to subsidiary AviaAM B05 UAB.

During April 2024, the Group merged Nordic Airport Services AB to subsidiary Aviator Airport Services Finland.

During May 2024, the Group established new subsidiary Intradco Global Inc. in United States.

During June 2024, the Group established new subsidiary Avia Management Group Asia Pte. Ltd based in Singapore.

During June 2024, the Group established new subsidiary FL Technics Wheels and Brakes S.r.l. based in Italy.

During July 2024, the Group acquired 100% of the shareholding of Gulfstream Oil SIA based in Latvia.

During July 2024, the Group established new subsidiary BBN INVEST CAPITAL MANAGEMENT DMCC in United Arab Emirates.

During July 2024, the Group established new subsidiary Chapman Freeborn OBC SdeRLdeCV in Mexico.

During July 2024, the Group established new subsidiary BBN Airlines Philippines Inc. in Philippines.

During the period, the Group has revised the purchase price allocation for the acquisition of AirExplore s.r.o (May 2023). Based on additional information obtained regarding conditions existing as of the acquisition date, the fair values of the acquired net assets have been adjusted as follows.

	Adjusted 31 December 2023	PPA adjustment	Reported 31 December 2023
Intangible assets	139 622	2 638	136 984
Other non-current assets	1 608 166	-	1 608 166
Non-current assets	1 747 788	2 638	1 745 150
Inventories	125 745	(510)	126 255
Other current assets	570 942	-	570 942
Current assets	696 687	(510)	697 197
Total assets	2 444 475	2 128	2 442 347
Total equity	347 881	-	347 881
Deferred income tax liabilities	17 161	(702)	17 863
Other non-current liabilities	1 195 347	-	1 195 347
Non-current liabilities	1 212 508	(702)	1 213 210
Provisions	38 944	2 830	36 114
Other current liabilities	845 142	-	845 142
Current liabilities	884 086	2 830	881 256
Total liabilities	2 096 594	2 128	2 094 466
Total equity and liabilities	2 444 475	2 128	2 442 347

18. 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 (until 1 February 2024) and Vertas Cyprus LTD (until 1 February 2024), Vertas Management UAB (previously – Vertas Management AB), Parent entity – Ziemelis Holding FZ-LLC (previously Pracyone 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	
	2024	2023
Sales of services to:		
Ultimate Beneficial Owner	64	-
Entities having significant influence	8	135
Other related parties	371	205
	443	340
Sales of assets:		
Other related parties	101	397
	101	397
Total sales of assets and services	544	737
Purchases of assets from:		
Other related parties	75	2 276
	75	2 276
Purchases of services from:		
Entities having significant influence	1	-
Other related parties	1 433	741
	1 434	741
Total purchases of assets and services	1 509	3 017
Other income & other gains	862	483
Finance and other costs	161	191

	30 September 2024	31 December 2023
Trade receivables from related parties:		
Trade receivables from Ultimate Beneficial Owner	66	18
Trade receivables from entities having significant influence	92	77
Trade receivables from other related parties	807	605
Impairment of trade receivables from other related parties	(9)	(5)
Trade receivables from related parties – net (Note 12)	956	695
Loans granted to Parent	9 627	9 678
Loans granted to entities having significant influence	10 349	10 364
Loans granted to other related parties	6 632	6 691
Impairment of loans granted to other related parties	(182)	(232)
Loans granted to related parties – net (Note 12)	26 426	26 501
Security deposit with lessor from related parties (Note 12)	15	11
Other receivables from Parent	2 756	2 677
Other receivables from entities having significant influence	3 312	2 882
Other receivables from other related parties	4 219	3 983
Discounting of other receivables from other related parties	(152)	(204)
Impairment of other receivables from other related parties	(267)	(262)
Other receivables from related parties – net (Note 12)	9 868	9 076
Prepayments to other related parties (Note 12)	435	399
Amount due from customers for contract work from other related parties	-	5
Deferred charges (Note 12)	24	-
	37 724	36 687
Payables and advances received from related parties:		
Amounts payable to entities having significant influence (Note 16)	7	6
Amounts payable to other related parties (Note 16)	145	730
Lease liabilities	4 400	5 243
Advances received from other related parties*	7 170	7 259
Advances received from Ultimate Beneficial Owner	-	15
Other financial payables to other related parties	53	-
Other financial payables to Ultimate Beneficial Owner	2	2
Accrued expenses from related parties	316	178
Dividends payable to other related parties	83	231
Amounts payable to Parent (Note 16)	39	39
	12 215	13 703

*Advances received from related parties include advance received from joint venture AviaAM Financial Leasing China Co., Ltd amounting to EUR 7 240 thousand based on LOI for search of aircrafts.

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.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 September 2024 and 31 December 2023:

Recurring fair value measurements at 30 September 2024	Level 1	Level 2	Level 3
Financial assets			
Financial assets at fair value through profit or loss (FVPL)	1 582	-	-
Total financial assets	1 582	-	-
Financial liabilities			
Hedging derivatives - foreign currency interest rate swap	-	4 336	-
Convertible preferred shares (Note 20)	-	-	-
Total financial liabilities	-	4 336	-
Recurring fair value measurements at 31 December 2023			
Financial assets			
Financial assets at fair value through profit or loss (FVPL)	1 650	-	-
Hedging derivatives - foreign currency interest rate swap	-	2 774	-
Total financial assets	1 650	2 774	-
Financial liabilities			
Hedging derivatives - foreign currency interest rate swap	-	1 605	-
Convertible preferred shares (Note 20)	-	-	352 576
Total financial liabilities	-	1 605	352 576

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;

All of the resulting fair value estimates are included in level 2. For the method used in determining fair value of convertible preferred shares (level 3) refer to Note 20.

20. Convertible preferred shares

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

- **Dividend rights.** Preferred shares are with a fixed dividend of 8% per annum, which is accrued (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, except for change in fair value due to change in own credit risk, which is accounted in other comprehensive income. 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:

Convertible preferred shares	2024	2023
Opening balance 1 January	352 576	325 726
Change in fair value recognised in profit or loss (Note 8)	(52 576)	19 881
Change in fair value recognised in OCI (own credit risk)	-	-
Conversion of preferred shares to ordinary shares	(300 000)	-
Closing balance 30 September	-	345 607

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

21. Events after the reporting date

During October, the Group signed a direct purchase order with Boeing for 40 737-8 airplanes.

No other significant events have occurred after the reporting date that would require any adjustments or disclosures in these financial statements.