



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



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GENERAL INFORMATION

Beginning of the financial period 1 January 2024

End of the financial period 30 June 2024

Board of Directors:

Gediminas Ziemelis
Jonas Janukenas
Zilvinas Lapinskas
Linas 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 - June	
		2024	2023
Revenue	4	1 228 894	954 678
Other income		2 167	1 196
Cost of services and goods	5	(763 091)	(605 372)
Depreciation and amortisation	4, 11	(171 318)	(92 017)
Employee related expenses		(240 080)	(181 897)
Other operating expenses	6	(63 586)	(41 749)
Decrease in the provision for impairment of financial assets	7	723	2 032
(Increase) in the provision for impairment of non-financial assets	7	(2 326)	(1 582)
Other gains - net		16 347	7 455
Operating profit	4	7 730	42 744
Finance income	8	54 812	7 084
Finance costs	8	(69 044)	(50 733)
Finance costs – net	8	(14 232)	(43 649)
Share of profit of equity-accounted investees		4	2 097
Profit/(loss) before income tax		(6 498)	1 192
Income tax credit/(expense)	9	5 469	(4 123)
Profit/(loss) for the year		(1 029)	(2 931)
Profit/(loss) attributable to:			
Equity holders of the parent		(2 962)	(3 681)
Non-controlling interests		1 933	750
		(1 029)	(2 931)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	January - June	
		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		(2 723)	18
Exchange differences on translation of foreign operations		11 012	(3 883)
Other comprehensive income/(expense) for the year		8 289	(3 865)
Total comprehensive income/(expense) for the year attributable to:			
Equity holders of the parent		5 226	(7 483)
Non-controlling interests		2 033	687
Total comprehensive expense		7 259	(6 796)

CONSOLIDATED BALANCE SHEET - ASSETS

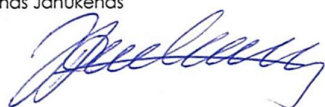
	Notes	30 June 2024	31 December 2023*
Non-current assets			
Property, plant and equipment	11	1 670 091	1 410 635
Investment property	11	60 761	41 151
Intangible assets	11	147 907	139 622
Investments accounted for using the equity method		354	348
Deferred tax assets		52 405	38 486
Financial assets at fair value through profit or loss	19	1 324	1 289
Non-current derivative financial instruments	19	1 579	2 774
Long-term bank deposits		878	865
Non-current trade and other receivables	12	136 818	112 618
		2 072 117	1 747 788
Current assets			
Inventories	15	159 693	125 745
Trade and other receivables	12	398 356	327 359
Financial assets at fair value through profit or loss	19	330	371
Contract assets		34 093	35 986
Prepaid income tax		7 348	3 729
Short-term bank deposits		12 188	2 944
Cash and cash equivalents	14	298 691	200 553
		910 699	696 687
Total assets	4	2 982 816	2 444 475

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

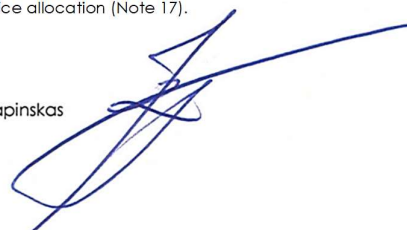
	Notes	30 June 2024	31 December 2023*
Equity attributable to the Group's equity shareholders			
Share capital	3	28 194	22 556
Share premium	3	10 000	10 000
Other reserves	3	2 401	1 994
Treasury shares	3	-	-
Merger reserve	3	(456)	(456)
Fair value reserve	3	773	3 496
Cumulative translation differences		1 843	(9 069)
Retained earnings		604 760	313 360
Equity attributable to equity holders of the parent		647 515	341 881
Non-controlling interests		7 369	6 000
Total equity		654 884	347 881
Convertible preferred shares	20	-	352 576
Lease liabilities		1 036 177	786 959
Borrowings		316 706	29 985
Security deposits received		1 915	845
Trade and other payables	16	7 138	7 705
Provisions	13	15 567	15 813
Deferred income tax liabilities		17 216	17 161
Derivative financial instruments	19	-	1 464
Non-current liabilities		1 394 719	1 212 508
Trade and other payables	16	372 439	306 400
Provisions	13	27 324	38 944
Lease liabilities		260 720	219 148
Borrowings		24 305	184 749
Contract liabilities		207 462	98 155
Security deposits received		20 678	17 632
Derivative financial instruments	19	-	141
Current income tax liabilities		20 285	18 917
Current liabilities		933 213	884 086
Total liabilities		2 327 932	2 096 594
Total equity and liabilities	4	2 982 816	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	-	-	-	-	-	18	-	-	18	-	18
Currency translation difference	-	-	-	-	-	-	(3 820)	-	(3 820)	(63)	(3 883)
Profit/(loss) for the period	-	-	-	-	-	-	-	(3 681)	(3 681)	750	(2 931)
Total comprehensive income/(loss)	-	-	-	-	-	18	(3 820)	(3 681)	(7 483)	687	(6 796)
Transactions with owners											
Merger accounting impact	-	895 286	-	(895 286)	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(572)	(572)
Allocation to share-based payment reserves	-	-	-	-	133	-	-	-	133	-	133
Sale of treasury shares	-	-	1 644	-	-	-	-	(597)	1 047	-	1 047
Total transactions with owners	-	-	1 644	-	133	-	-	(597)	1 180	(572)	608
Balance at 30 June 2023	22 556	1 177 444	-	(895 742)	993	3 904	(1 467)	(2 462)	305 226	4 203	309 429
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 (loss) on cash flow hedge	-	-	-	-	-	(2 723)	-	-	(2 723)	-	(2 723)
Currency translation difference	-	-	-	-	-	-	10 912	-	10 912	100	11 012
Profit/(loss) for the period	-	-	-	-	-	-	-	(2 962)	(2 962)	1 933	(1 029)
Total comprehensive income/(loss)	-	-	-	-	-	(2 723)	10 912	(2 962)	5 227	2 033	7 260
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	-	-	-	-	407	-	-	-	407	-	407
Total transactions with owners	5 638	-	-	-	407	-	-	294 362	300 407	(664)	299 743
Balance at 30 June 2024	28 194	10 000	-	(456)	2 401	773	1 843	604 760	647 515	7 369	654 884

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	January - June	
		2024	2023
Operating activities			
Loss for the period		(1 030)	(2 931)
Income tax (credit)/expense		(5 469)	4 123
<i>Adjustments for:</i>			
Depreciation and amortisation	11	171 318	92 017
Decrease/(increase) in the provision for impairment of assets	7	1 603	(450)
Interest expenses	8	65 055	34 710
Foreign exchange loss/(gain)		5 579	(3 888)
Discounting effect on financial assets	8	1 492	2 789
Fair value (gain)/loss	8	(52 576)	13 050
Changes in other reserves		407	133
(Gain)/loss on property, plant and equipment disposals and write-offs		(11 700)	172
(Gain) on termination/modification of leases		(707)	(838)
(Gain)/loss on sub-lease agreements		(3 219)	-
(Gain) on subsidiaries disposal (as adjusted for leaseback transaction)		-	(7 189)
Amortisation of government grants		(2)	(83)
Interest income		(3 351)	(840)
Share of (profit) of associates		(4)	(2 097)
(Gain) / loss on bonds repurchase		-	(499)
<i>Changes in operating assets and liabilities:</i>			
- Inventories		(27 446)	(18 118)
- Trade and other receivables, contract assets		(76 073)	(79 702)
- Security deposits placed		(9 878)	(23 546)
- Accrued expenses for certain contracts		268	(98)
- Trade and other payables, advances received/contract liabilities		152 713	120 545
- Security deposits received		11 498	14 257
Cash generated from operating activities		218 478	141 517
Interest received		3 151	257
Interest paid		(57 841)	(32 017)
Income tax paid		(4 836)	(7 513)
Net cash generated from operating activities		158 952	102 244

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

	Notes	January - June	
		2024	2023
Investing activities			
Purchase of property, plant and equipment		(82 960)	(90 221)
Purchase of intangible assets		(4 347)	(4 565)
Proceeds from property, plant and equipment and intangible assets disposal		1 355	1
Proceeds from aircraft sale leaseback		42 390	-
Disposal of other investment		59	487
Loans granted		(4 511)	(4 030)
Repayment of loans granted		392	2 222
Bank deposits placed/repaid		(9 247)	1 382
Purchase of subsidiaries (net of cash acquired)		(2 856)	(6 401)
Sales of subsidiaries (net of cash disposed)		-	20 147
Payments for financial assets at amortised cost		(2 830)	-
Net cash from used in investing activities		(62 555)	(80 978)
Financing activities			
Dividends paid		(735)	(572)
Bank borrowings received		15 860	276
Repayment of bank borrowings		(2 220)	(1 868)
Repayment of other borrowings		(1 799)	(14 142)
Transaction costs on issuance of bonds		(6 934)	-
Issuance of bonds		277 444	-
Repayment of bonds		(166 774)	(19 858)
Repayment of lease liabilities		(116 561)	(49 856)
Net cash used in financing activities		(1 719)	(86 020)
Currency translation difference		3 460	-
At beginning of year		200 553	324 420
Increase/(decrease) in cash and cash equivalents		98 138	(64 754)
At end of year		298 691	259 666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

The consolidated interim financial information for the six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ending 30 June 2024 are disclosed in Note 17 of these interim financial statements.

The number of full-time staff employed by the Group on 30 June 2024 amounted to 7 431 (31 December 2023: 6 806; 30 June 2023: 822).

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 June 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 June 2024, the share premium of the Company amounted to EUR 10 000 thousand.

As at 30 June 2024 the Group had no outstanding treasury shares (no such as at 31 December 2023 and as at 30 June 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 six-month period ended 30 June 2024 and for the six-month period ended 30 June 2023:

Six-month period	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	30 June 2024	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	30 June 2023
Operations										
Revenue from contracts with external customers	833 154	363 655	32 085	-	1 228 894	631 203	301 396	22 079	-	954 678
Intersegment sales	2 528	20 851	16 667	(40 046)	-	2 433	18 392	7 111	(27 936)	-
Total revenue	835 682	384 506	48 752	(40 046)	1 228 894	633 636	319 788	29 190	(27 936)	954 678
Other income	1 611	610	13 847	(13 901)	2 167	779	168	9 880	(9 631)	1 196
Cost of services and goods purchased	(604 910)	(163 300)	(18 361)	23 480	(763 091)	(458 219)	(150 435)	(17 571)	20 853	(605 372)
Employee related expenses	(80 879)	(148 154)	(11 895)	848	(240 080)	(50 687)	(122 181)	(9 528)	499	(181 897)
(Increase)/ decrease in the provision for impairment of financial assets	(380)	5 459	581	(4 937)	723	366	(4 287)	(5 545)	11 498	2 032
(Increase)/ decrease in the provision for impairment of non-financial assets	(917)	(1 382)	(27)	-	(2 326)	(984)	(577)	(21)	-	(1 582)
Other operating expenses	(36 911)	(22 458)	(17 294)	13 077	(63 586)	(23 737)	(18 489)	(4 467)	4 944	(41 749)
Depreciation and amortisation	(152 748)	(15 612)	(4 727)	1 769	(171 318)	(77 937)	(10 834)	(4 106)	860	(92 017)
Other gains – net	15 692	1 304	(85)	(564)	16 347	15 127	(796)	851	(7 727)	7 455
Segment operating profit (loss)	(23 760)	40 973	10 791	(20 274)	7 730	38 344	12 357	(1 317)	(6 640)	42 744
Finance costs - net (Note 8)					(14 232)					(43 649)
Share of profit of associates					4					2 097
Loss before income tax					(6 498)					1 192
Income tax (credit) (Note 9)					5 469					(4 123)
Net loss for the period					(1 029)					(2 931)
As at 30 June:										
Segment assets	2 156 661	531 571	294 584	-	2 982 816	1 527 680	444 462	221 942	-	2 194 084
Segment liabilities	1 711 070	278 998	337 864	-	2 327 932	1 106 006	229 048	549 601	-	1 884 655

5. Cost of services and goods

	January - June	
	2024	2023
Aircraft fuel expenses	126 975	142 341
Cost of purchased services	79 126	46 958
Costs of aircraft sold	32 533	13 443
Rent of aircraft, training and other equipment and lease related services	162 060	118 121
Cost of goods purchased	67 955	80 627
Aircraft repair and maintenance costs	112 743	57 715
Subcontractors and other related expenses	120 458	84 381
Aircraft operations costs and flight related charges	52 161	52 933
Rent and maintenance of premises	9 080	8 853
	763 091	605 372

6. Other operating expenses

	January - June	
	2024	2023
Consulting expenses	12 912	8 762
Office administrative, communications and IT expenses	11 102	8 308
Insurance expenses	17 069	8 393
Transportation and related expenses	863	789
Business travel expenses	8 543	5 482
Marketing and sales expenses	4 355	3 180
VAT expenses	1 415	1 228
Other expenses	7 327	5 607
	63 586	41 749

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

	January - June	
	2024	2023
<i>Non-financial assets</i>		
(Reversal of)/impairment of prepayments	(3)	24
Impairment of inventories	1 378	1 405
Impairment of non-current assets	951	153
	2 326	1 582

	January - June	
	2024	2023
<i>Financial assets</i>		
(Reversal of)/impairment of trade receivables and other contract assets	(1 239)	(2 033)
Impairment of other financial assets	516	1
	(723)	(2 032)
Total impairment-related expenses	1 603	(450)

8. Finance income and costs

	January - June	
	2024	2023
Interest income on cash and cash equivalents	2 049	2 115
Foreign exchange gain on financing activities	164	4 172
Gain from fair value change of convertible preferred shares (Note 20)	52 576	-
Gain from bonds repurchased	-	499
Other finance income	23	298
Finance income	54 812	7 084
Interest expenses on borrowings and lease liabilities	(65 055)	(34 710)
Foreign exchange loss on financing activities	(700)	-
Loss from fair value change of convertible preferred shares (Note 20)	-	(13 050)
Unwinding of discounted financial assets received	(1 535)	(2 789)
Other finance costs	(1 754)	(184)
Finance costs	(69 044)	(50 733)
Finance costs - Net	(14 232)	(43 649)

9. Income tax (expenses)

	January - June	
	2024	2023
Current income tax	(6 178)	(10 524)
Deferred income tax	11 647	6 401
Total income tax credit	5 469	(4 123)

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)	2 569	5 497	7 622	-
Additions	164 517	4 376	281 006	-
Disposals	(115 449)	-	-	-
Write-offs	(1 112)	-	-	-
Asset sub-lease:	-	-	(12 859)	-
Modification/termination of the lease contracts	-	-	93 533	-
Reclassification	(25 824)	(6)	1 107	19 544
Cumulative currency differences	4 180	1 689	27 369	910
Depreciation (amortisation) charge	(19 065)	(3 271)	(148 138)	(844)
Closing net book amount as at 30 June 2024	384 918	147 907	1 285 173	60 761
Opening net book amount as at 1 January 2023	293 993	110 215	482 328	41 640
Acquisition of subsidiary (Note 17)	1 070	22 324	57 869	1 547
Additions	85 736	4 575	325 451	81
Disposals	(179)	(13)	-	-
Asset sub-lease:	-	-	-	-
Write-offs	-	(3)	-	-
Modification/termination of the lease contracts	-	-	(473)	-
Reclassification	(10 479)	-	9 724	315
Cumulative currency differences	(2 836)	(1 355)	(8 865)	(14)
Depreciation (amortisation) charge	(13 158)	(2 437)	(76 012)	(410)
Closing net book amount as at 30 June 2023	354 147	133 306	790 022	43 159

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

12. Trade and other receivables

	30 June 2024	31 December 2023
Trade receivables	215 192	192 722
Less: provision for impairment of trade receivables	(42 968)	(43 786)
Trade receivables – net	172 224	148 936

	30 June 2024	31 December 2023
Prepayments	52 172	56 227
Less: provision for impairment of prepayments	(548)	(554)
Prepayments - net	51 624	55 673
Other receivables	26 911	40 834
Discounting of other receivables	(25)	(38)
Less: provision for impairment of other receivables	(1 457)	(1 312)
Other receivables – net	25 429	39 484
Trade receivables from related parties	912	700
Less: provision for impairment of trade receivables from related parties	(9)	(5)
Trade receivables from related parties - net (Note 18)	903	695
Loans granted to related parties	26 857	26 733
Less: provision for impairment of loans granted to related parties	(233)	(232)
Loans granted to related parties – net (Note 18)	26 624	26 501
Loans granted	23 585	19 271
Discounting of loans granted	(81)	(91)
Less: provision for impairment of loans granted	(7 440)	(7 410)
Loans granted - net	16 064	11 770
Investment in lease	15 798	-
Less: provision for impairment of net investment in lease	(142)	-
Investment in lease - Net	15 656	-
Other receivables from related parties	10 140	9 542
Discounting of other receivables from other related parties	(169)	(204)
Less: provision for impairment of other receivables from related parties	(266)	(262)
Other receivables from related parties – net (Note 18)	9 705	9 076
VAT receivables	24 503	20 801
Receivables from investment in bonds - gross	1 962	1 900
Less: provision for impairment of receivables from investment in bonds	(1 962)	(1 900)
Receivables from investment in bonds - net	-	-
Deferred charges	105 532	47 193
Security deposit – net	86 817	79 438
Deferred charges to related parties (Note 18)	48	-
Security deposits from related parties placed – net (Note 18)	15	11
Prepayments from related parties (Note 18)	30	399
Total trade and other receivables:	535 174	439 977
Less non-current portion:	(136 818)	(112 618)
Current portion:	398 356	327 359

12. Trade and other receivables (continued)

	30 June 2024	31 December 2023
Non-current portion of other receivables is disclosed below:		
Loans granted to related parties	25 837	25 653
Less: provision for impairment of loans granted to related parties	(102)	(101)
Loans granted to related parties - net	25 735	25 552
Loans granted	10 514	10 511
Discounting of loans granted	(81)	-
Less: provision for impairment of loans granted	(3 012)	(3 003)
Loans granted - net	7 421	7 508
Investment in lease	13 907	-
Less: provision for impairment of investment in lease	(125)	-
Investment in lease - net	13 782	-
Deferred charges	10 021	7 684
Security deposit – net	67 096	59 239
Security deposit to related parties – net	15	11
Other receivables	6 410	6 843
Discounting of other receivables	(25)	-
Less: provision for impairment of other receivables	(869)	(842)
Other receivables – net	5 516	6 001
Other receivables from related parties	7 262	6 651
Less: provision for impairment of other receivables from related parties	(30)	(28)
Other receivables from related parties – net	7 232	6 623
Total non-current trade and other	136 818	112 618
Classification of trade and other receivables to non-financial and financial is disclosed below:		
	30 June 2024	31 December 2023
Financial trade and other receivables (IFRS 9)		
Trade receivables	172 224	148 936
Trade receivables from related parties (Note 18)	903	695
Other receivables	25 429	39 484
Loans granted to related parties (Note 18)	26 624	26 501
Net investment in lease	15 656	-
Other receivables from related parties (Note 18)	9 705	9 076
Security deposits	86 817	79 438
Loans granted	16 064	11 770
	353 422	315 900
Non-financial trade and other receivables		
Prepayments	51 624	55 673
VAT receivables	24 503	20 801
Deferred charges	105 532	47 193
Deferred charges to other related parties (Note 18)	48	-
Security deposit with lessor from related parties (Note 18)	15	11
Prepayments to other related parties (Note 18)	30	399
	181 752	124 077
Total	535 174	439 977

The revenue recognised in the six months ended 30 June 2024 related to the contract liabilities as at the beginning of the period is EUR 69 927 thousand (in the same period 2023: EUR 35 518 thousand). Revenue from performance obligations satisfied as at the beginning of the period is EUR 180 855 thousand (in the same period 2023: EUR 59 073 thousand).

13. Provisions

	30 June 2024	31 December 2023*
C-check & other aircraft maintenance provisions	35 438	43 623
Legal claim provisions	1 544	6 217
Other provisions	5 909	4 917
	42 891	54 757
Less: non-current portion	(15 567)	(15 813)
Current portion	27 324	38 944
C-check & other aircraft maintenance provisions	14 073	13 878
Other provisions	1 494	1 935
Non-current portion	15 567	15 813

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

14. Cash and cash equivalents

	30 June 2024	31 December 2023	30 June 2023
Cash and cash equivalents	298 691	200 553	259 666
Bank overdraft	-	-	-
Total	289 691	200 553	259 666

15. Inventories

	30 June 2024	31 December 2023*
Spare parts and materials – gross amount	103 825	84 114
Less: provision for impairment of inventories	(10 623)	(11 829)
Spare parts and materials	93 202	72 285
Aircraft and aircraft components – gross amount	58 749	46 416
Less: provision for impairment of aircraft	(1 979)	(4 702)
Aircraft and aircraft components	56 770	41 714
Aircraft fuel	1 591	1 355
Work in progress	1 011	3 151
Goods in transit	844	1 095
Other inventories – gross amount	6 402	6 275
Less: provision for impairment of other inventories	(127)	(130)
Other inventories	6 275	6 145
	159 693	125 745

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

16. Trade and other payables

	30 June 2024	31 December 2023
Trade payables	158 637	134 996
Accrued expenses	121 553	83 129
Salaries and social security payable	73 348	69 436
Employee benefit obligations	3 793	1 912
Amounts payables to related parties (Note 18)	156	775
Dividends payable	417	800
VAT payable	11 048	11 778
Pension reserve accrual	717	404
Other payables to related parties (Note 18)	34	2
Other payables	9 718	10 695
Accrued expenses to related parties (Note 18)	156	178
	379 577	314 105
Less: non-current portion	(7 138)	(7 705)
Current portion	372 439	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 AEROOPPORTUNITY 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 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 - June	
	2024	2023
Sales of services to:		
Ultimate Beneficial Owner	60	-
Entities having significant influence	3	89
Other related parties	293	150
	356	239
Sales of assets:		
Other related parties	-	388
	-	388
Total sales of assets and services	356	627
Purchases of assets from:		
Other related parties	70	231
	70	131
Purchases of services from:		
Entities having significant influence	1	-
Other related parties	775	673
	776	673
Total purchases of assets and services	846	905
Other income & other gains	631	197
Finance and other costs	109	129

	30 June 2024	31 December 2023
Trade receivables from related parties:		
Trade receivables from Ultimate Beneficial Owner	62	18
Trade receivables from entities having significant influence	87	77
Trade receivables from other related parties	763	605
Impairment of trade receivables from other related parties	(9)	(5)
Trade receivables from related parties – net (Note 12)	903	695
Loans granted to Parent	9 803	9 678
Loans granted to entities having significant influence	10 382	10 364
Loans granted to other related parties	6 672	6 691
Impairment of loans granted to other related parties	(233)	(232)
Loans granted to related parties – net (Note 12)	26 624	26 501
Security deposit with lessor from related parties (Note 12)	15	11
Other receivables from Parent	2 753	2 677
Other receivables from entities having significant influence	3 176	2 882
Other receivables from other related parties	4 211	3 983
Discounting of other receivables from other related parties	(169)	(204)
Impairment of other receivables from other related parties	(266)	(262)
Other receivables from related parties – net (Note 12)	9 705	9 076
Prepayments to other related parties (Note 12)	30	399
Amount due from customers for contract work from other related parties	-	5
Deferred charges (Note 12)	48	-
	37 325	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)	109	730
Lease liabilities	4 715	5 243
Advances received from other related parties*	7 481	7 259
Advances received from Ultimate Beneficial Owner	-	15
Other financial payables to other related parties	32	-
Other financial payables to Ultimate Beneficial Owner	2	2
Accrued expenses from related parties**	156	178
Dividends payable to other related parties	83	231
Amounts payable to Parent (Note 16)	40	39
	12 625	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.

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

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 June 2024 and 31 December 2023:

Recurring fair value measurements at 30 June 2024	Level 1	Level 2	Level 3
Financial assets			
Financial assets at fair value through profit or loss (FVPL)	2 008	-	-
Hedging derivatives - foreign currency interest rate swap	-	1 579	-
Total financial assets	2 008	1 579	-
Financial liabilities			
Convertible preferred shares (Note 20)	-	-	-
Total financial liabilities	-	-	-
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 are:

- **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)	13 050
Change in fair value recognised in OCI (own credit risk)	-	-
Conversion of preferred shares to ordinary shares	(300 000)	-
Closing balance 30 June	-	338 776

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

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