Avia Solutions Group

AVIA SOLUTIONS GROUP (ASG) PLC

Condensed Consolidated Interim Financial Information
For the Six-Month Period Ended 30 June 2026
(Unaudited)

CONTENTS

GENERAL INFORMATION

Beginning of the financial period	1 January 2026
End of the financial period	30 June 2026
Board of Directors:	Gediminas Ziemelis (Lithuanian) Thomas Klein (American) Zilvinas Lapinskas (Lithuanian) Linas Dovydenas (Lithuanian) Tadas Goberis (Lithuanian) Jonas Janukenas (Lithuanian) until 7 July 2026 AJ Abedin (American) from 17 July 2026
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
Company Secretary- Joint:	Ernestas Juska Dariaus ir Gireno st. 21A Vilnius Lithuania
Auditors:	Ernst & Young Harcourt Centre, Harcourt Street, Dublin 2, Ireland

(All tabular amounts are in EUR '000)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	January - June 2026	January - June 2025*
Revenue	4	**1 114 520**	**1 018 442**
Other income		3 500	1 748
Cost of services and goods	5	(699 754)	(581 210)
Depreciation and amortisation	4, 11	(125 860)	(123 235)
Employee related expenses		(278 917)	(254 090)
Other operating expenses	6	(53 519)	(56 638)
(Increase)/decrease in the provision for impairment of financial assets	7	(30 363)	1 733
(Increase)/decrease in the provision for impairment of non-financial assets	7	(11 646)	6 369
Other gains - net		10 640	2 111
Operating (loss)/profit	4	**(71 399)**	**15 230**
Finance income	8	1 134	18 676
Finance costs	8	(44 093)	(40 258)
Finance costs – net	8	**(42 959)**	**(21 582)**
Share of profit of equity-accounted investees		5	12
Loss before income tax		**(114 353)**	**(6 340)**
Income tax credit	9	11 566	1 467
Loss for the period		**(102 787)**	**(4 873)**
Discontinued operations			
Gain/(loss) for the period from discontinued operations		20 954	(106 152)
Loss for the period		**(81 833)**	**(111 025)**
Profit/loss attributable to:			
Equity holders of the parent		(83 373)	(112 833)
Non-controlling interests		1 540	1 808
		(81 833)	**(111 025)**

*Comparative figures have been restated for discontinued operations (Note 20).

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	January - June 2026	January - June 2025
Other comprehensive income			
Items that may be reclassified to profit or loss			
Loss on cash flow hedges, net of tax		(172)	(1 096)
Exchange differences on translation of foreign operations		4 533	(4 694)
Other comprehensive income/(loss) for the period		**4 361**	**(5 790)**
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the parent		(79 186)	(117 916)
Non-controlling interests		1 714	1 101
Total comprehensive income/(loss)		**(77 472)**	**(116 815)**

(All tabular amounts are in EUR '000)

CONSOLIDATED BALANCE SHEET - ASSETS

	Notes	30 June 2026	31 December 2025
Non-current assets			
Property, plant and equipment	11	939 053	1 084 449
Investment property	11	52 892	53 604
Intangible assets	11	132 969	133 318
Investments accounted for using the equity method		103	86
Deferred tax assets		84 819	64 647
Other investment		12	-
Financial assets at fair value through profit or loss	19	540	-
Long-term bank deposits		3 397	1 762
Trade and other receivables	12	75 186	81 777
		1 288 971	**1 419 643**
Current assets			
Inventories	15	190 585	221 047
Trade and other receivables	12	335 079	317 267
Financial assets at fair value through profit or loss	19	70	71
Contract assets		24 200	15 053
Prepaid income		4 307	2 553
Short-term bank deposits		5 716	401
Cash and cash equivalents	14	120 470	124 020
		680 427	**680 412**
Non-current assets classified as held for sale		-	8 547
		680 427	**688 959**
Total assets	4	**1 969 398**	**2 108 602**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

	Notes	30 June 2026	31 December 2025
Equity attributable to the Group's equity shareholders			
Share capital	3	28 194	28 194
Share premium	3	10 000	10 000
Other reserve	3	1 994	1 994
Merger reserve	3	(456)	(456)
Cash flow hedge reserve	3	(60)	112
Cumulative translation differences		8 084	3 725
Retained earnings		391 958	474 649
		439 714	**518 218**
Non-controlling interests		12 591	11 045
Total equity		**452 305**	**529 263**
Non-current liabilities			
Lease liabilities		282 202	445 296
Borrowings		378 408	338 770
Security deposits received		452	429
Trade and other payables	16	3 591	3 748
Provisions		16 575	22 792
Deferred income tax liabilities		22 529	20 088
Derivative financial instruments	19	5 127	7 515
		708 884	**838 638**
Current liabilities			
Trade and other payables	16	351 293	307 056
Provisions		21 300	20 889
Lease liabilities		138 128	192 583
Borrowings		134 658	62 250
Contract liabilities		122 905	121 769
Security deposits received		19 353	19 512
Government grants		115	67
Current income tax liabilities		20 457	16 575
		808 209	**740 701**
Total liabilities	4	**1 517 093**	**1 579 339**
Total equity and liabilities	4	**1 969 398**	**2 108 602**

Managing Director
Zilvinas Lapinskas

Director
Tadas Goberis

(All tabular amounts are in EUR '000)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Group									
	Share capital	Share premium	Merger reserve	Other reserve	Cash flow hedge reserve	Currency translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2025	**28 194**	**10 000**	**(456)**	**1 994**	**(51)**	**12 408**	**541 978**	**594 067**	**11 401**	**605 468**
Comprehensive income/(loss)										
Net (loss) on cash flow hedges	-	-	-	-	(1 096)	-	-	**(1 096)**	-	**(1 096)**
Currency translation difference	-	-	-	-	-	(3 987)	-	**(3 987)**	(707)	**(4 694)**
Profit/(loss) for the period	-	-	-	-	-	-	(112 833)	**(112 833)**	1 808	**(111 025)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(1 096)**	**(3 987)**	**(112 833)**	**(117 916)**	**1 101**	**(116 815)**
Transactions with owners										
Dividends declared	-	-	-	-	-	-	-	**-**	(528)	(528)
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(528)**	**(528)**
Balance at 30 June 2025	**28 194**	**10 000**	**(456)**	**1 994**	**(1 147)**	**8 421**	**429 145**	**476 151**	**11 974**	**488 125**
Balance at 1 January 2026	**28 194**	**10 000**	**(456)**	**1 994**	**112**	**3 725**	**474 649**	**518 218**	**11 045**	**529 263**
Comprehensive income/(loss)										
Net (loss) on cash flow hedges	-	-	-	-	(172)	-	-	**(172)**	-	**(172)**
Currency translation difference	-	-	-	-	-	4 359	-	**4 359**	174	**4 533**
Profit/(loss) for the period	-	-	-	-	-	-	(83 373)	**(83 373)**	1 540	**(81 833)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(172)**	**4 359**	**(83 373)**	**(79 186)**	**1 714**	**(77 472)**
Transactions with owners										
Dividends declared	-	-	-	-	-	-	-	**-**	(1 074)	**(1 074)**
Change in ownership interest of a subsidiary without loss of control	-	-	-	-	-	-	682	**682**	906	**1 588**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**682**	**682**	**(168)**	**514**
Balance at 30 June 2026	**28 194**	**10 000**	**(456)**	**1 994**	**(60)**	**8 084**	**391 958**	**439 714**	**12 591**	**452 305**

(All tabular amounts are in EUR ‘000)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	January - June 2026	2025
Operating activities			
Loss for the period		(81 833)	(111 025)
Income tax (credit)		(7 296)	(1 877)
Adjustments for:			
Depreciation and amortisation	11	131 744	192 833
Increase/(decrease) in the provision for impairment of financial and non-financial assets	7	49 619	(14 185)
Interest expenses	8	43 649	64 885
Foreign exchange loss		3 037	(11 605)
Discounting effect on financial assets	8	(1 499)	(2 406)
Fair value loss	8	32	803
Hedging initial transaction costs		-	1 137
(Gain)/loss on property, plant and equipment disposals and write-offs		(439)	(2 721)
(Gain)/loss on termination/modification of leases		(17 640)	(4 785)
(Gain)/loss on sub-lease agreements		(32)	1 721
(Gain) on subsidiaries disposal		(40 273)	-
(Gain) from bargain purchase		(984)	-
Amortisation of government grants		(5)	(199)
Interest income		(2 763)	(2 226)
Share of (profit) of associates		(5)	(12)
Changes in operating assets and liabilities:			
- Inventories		26 747	17 298
- Trade and other receivables, contract assets		(4 743)	(13 843)
- Security deposits placed		645	378
- Trade and other payables, advances received/contract liabilities		27 577	88 049
- Security deposits received		5 754	7 060
Cash generated from operating activities		**131 292**	**209 280**
Interest received		359	1 018
Interest paid		(40 996)	(62 250)
Income tax paid		(5 193)	(9 288)
Net cash generated from operating activities		**85 462**	**138 760**

	Notes	January -June 2026	2025
Investing activities			
Purchase of property, plant and equipment		(69 520)	(76 912)
Purchase of intangible assets		(3 222)	(2 398)
Proceeds from the disposal of property, plant and equipment and intangible assets		2 580	15 650
Proceeds from aircraft sale leaseback		6 803	27 809
Disposal of other investments		9	7 220
Loans granted		(6 506)	(1 264)
Repayment of loans granted		566	1 383
Bank deposits repaid		(6 259)	2 764
Purchase of subsidiaries (net of cash acquired)		(24 824)	(12)
Sales of subsidiaries (net of cash disposed)		1 639	-
Payments for financial assets at amortised cost		(4 832)	-
Receipt of government grants		52	775
Net cash used in investing activities		**(103 514)**	**(24 985)**
Financing activities			
Dividends paid		(1 076)	(253)
Bank borrowings received		126 510	51 307
Repayment of bank borrowings		(18 607)	(2 500)
Other borrowings received		359	1 419
Repayment of other borrowings		(13 819)	(3 475)
Transaction costs on issuance of debt instruments		(130)	-
Repayment of lease liabilities		(80 489)	(140 434)
Net cash from (used in) financing activities		**12 748**	**(93 936)**
Currency translation difference		**603**	**(8 825)**
At beginning of year		**122 655**	**184 701**
Decrease in cash and cash equivalents		(4 701)	11 014
At end of period		**117 954**	**195 715**

The notes on pages 8 to 16 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

The consolidated interim financial information for the six-month Period ended 30 June 2026 (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 2025. The consolidated financial statements of the Group as at year ended 31 December 2025 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 2026 is not audited. Financial statements for the year ended 31 December 2025 were audited by the independent auditor *Ernst & Young.*

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 2025, Note 1 (pg. 19-21). Changes in Group structure during the six-month Period ending 30 June 2026 are disclosed in Note 17 of these interim financial statements.

The number of full-time staff employed by the Group on 30 June 2026 amounted to 8 631 (31 December 2025: 7 924; 30 June 2025: 7 658).

3. Share capital, share premium and reserves

As at 30 June 2026, 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 and 1 retained preferred share 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 2026, the share premium of the Company amounted to EUR 10 000 thousand.

As at 30 June 2026 the Group had no outstanding treasury shares (no such as at 31 December 2025 and as at 30 June 2025) 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.

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, passenger servicing, ticket 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.

(All tabular amounts are in EUR '000)

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 2026 and for the six-month Period ended 30 June 2025:

Six-month Period	**Logistics and Distribution Services**	**Support Services**	**Unallocated**	**Inter-segment transactions**	**30 June 2026**	**Logistics and Distribution Services**	**Support Services**	**Unallocated**	**Inter-segment transactions**	**30 June 2025**
Operations										
Revenue from contracts with external customers	557 297	524 807	32 416	-	**1 114 520**	589 834	404 184	24 424	-	**1 018 442**
Intersegment sales	3 122	19 610	12 014	(34 746)	**-**	3 493	23 400	20 731	(47 624)	**-**
Total revenue	**560 419**	**544 417**	**44 430**	**(34 746)**	**1 114 520**	**593 327**	**427 584**	**45 155**	**(47 624)**	**1 018 442**
Other income	4 243	953	13 923	(15 619)	**3 500**	1 802	407	20 839	(21 300)	**1 748**
Cost of services and goods	(425 870)	(275 702)	(20 188)	22 006	**(699 754)**	(406 184)	(188 203)	(14 563)	27 740	**(581 210)**
Depreciation and amortisation	(104 985)	(19 805)	(3 273)	2 203	**(125 860)**	(101 833)	(17 812)	(5 617)	2 027	**(123 235)**
Employee related expenses	(74 755)	(190 800)	(14 220)	858	**(278 917)**	(74 522)	(167 149)	(13 154)	735	**(254 090)**
Other operating expenses	(26 694)	(26 958)	(8 352)	8 485	**(53 519)**	(28 992)	(26 963)	(17 820)	17 137	**(56 638)**
(Increase)/decrease in the provision for impairment of financial assets	(2 279)	(2 318)	(23 066)	(2 700)	**(30 363)**	1 052	266	(28 166)	28 581	**1 733**
(Increase)/decrease in the provision for impairment of non-financial assets	(10 089)	(1 538)	(19)	-	**(11 646)**	7 034	(660)	(5)	-	**6 369**
Other gains/(losses) – net	5 464	843	4 502	(169)	**10 640**	4 248	(2 690)	808	(255)	**2 111**
Segment operating profit (loss)	**(74 546)**	**29 092**	**(6 263)**	**(19 682)**	**(71 399)**	**(4 068)**	**24 780**	**(12 523)**	**7 041**	**15 230**
Finance costs - net (Note 8)					(42 959)					(21 582)
Share in profit of equity-accounted investees					5					12
Loss before income tax					**(114 353)**					**(6 340)**
Income tax (Note 9)					11 566					1 467
Net loss for the period					**(102 787)**					**(4 873)**
As at 30 June:										
Segment assets	1 030 749	637 459	301 190	-	**1 969 398**	1 713 258	567 061	282 206	-	**2 562 525**
Segment liabilities	753 086	373 259	390 749	-	**1 517 094**	1 394 898	303 528	375 974	-	**2 074 400**

(All tabular amounts are in EUR '000)

5. Cost of services and goods

	January - June	
	2026	2025*
Aircraft fuel expenses	184 557	110 485
Cost of purchased services	47 835	46 657
Costs of aircraft sold	72 161	48 896
Rent of aircraft, training and other equipment and lease related services	92 426	107 187
Cost of goods purchased	143 629	77 600
Aircraft repair and maintenance costs	52 063	70 965
Subcontractors and other related expenses	67 270	78 782
Aircraft operations costs and flight related charges	28 989	30 856
Rent and maintenance of premises	10 824	9 782
	699 754	**581 210**

*Comparative figures have been restated for discontinued operations (Note 20).

6. Other operating expenses

	January - June	
	2026	2025*
Consulting expenses	11 472	12 638
Office administrative, communications and IT expenses	11 938	11 495
Insurance expenses	10 487	12 096
Transportation and related expenses	863	880
Business travel expenses	7 055	9 229
Marketing and sales expenses	2 829	4 554
VAT expenses	2 009	1 621
Other expenses	6 866	4 125
	53 519	**56 638**

*Comparative figures have been restated for discontinued operations (Note 20).

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

	January - June	
	2026	2025*
Non-financial assets		
Impairment and write-off of prepayments	9	(200)
Impairment and write-off of inventories	1 115	893
Impairment and write-off of other assets	2	7
Impairment and write-off of non-current assets	10 520	(7 069)
	11 646	**(6 369)**
Financial assets		
Impairment/(reversal of impairment) of trade receivables and contract assets	3 565	(63)
Impairment/(reversal of impairment) of other financial assets	26 798	(1 670)
	30 363	**(1 733)**
Total impairment-related expenses	**42 009**	**(8 102)**

*Comparative figures have been restated for discontinued operations (Note 20).

8. Finance income and costs

	January - June	
	2026	2025*
Interest income on cash and cash equivalents	303	760
Foreign exchange gain on financing activities	-	17 450
Unwinding of discounted financial assets	831	369
Other finance income	-	97
Finance income	**1 134**	**18 676**
Interest expenses on borrowings and lease liabilities	(41 175)	(38 993)
Foreign exchange loss on financing activities	(2 306)	-
Loss from fair value change recognised in profit and loss	(32)	(9)
Other finance costs	(580)	(1 256)
Finance costs	**(44 093)**	**(40 258)**
Finance costs - net	**(42 959)**	**(21 582)**

*Comparative figures have been restated for discontinued operations (Note 20).

9. Income tax (expenses)

	January - June	
	2026	2025*
Current income tax	(7 664)	(1 927)
Deferred income tax	19 230	3 394
Total income tax credit (expense)	**11 566**	**1 467**

*Comparative figures have been restated for discontinued operations (Note 20).

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.

(All tabular amounts are in EUR '000)

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 2026	**403 989**	**133 318**	**680 460**	**53 604**
Acquisitions of subsidiaries (Note 17)	24 571	191	-	-
Derecognised on loss of control of subsidiaries	(6 565)	(825)	-	(83)
Additions	77 192	3 921	58 642	12
Disposals	(14 058)	(2)	(1 964)	-
Write-offs	(465)	(125)	(2 795)	-
Sub-lease / lease out	(409)	-	-	-
Modification/termination of the lease contracts	7 550	-	(178 350)	-
Reclassification	8 938	50	1 209	-
Impairment	-	(878)	(9 467)	-
Cumulative currency differences	6 043	1 375	11 241	338
Depreciation (amortisation) charge	(18 896)	(4 056)	(107 813)	(979)
Closing net book amount as at 30 June 2026	**487 890**	**132 969**	**451 163**	**52 892**
Opening net book amount as at 1 January 2025	**425 008**	**151 848**	**1 298 654**	**59 644**
Additions	68 975	2 268	177 465	475
Disposals	(34 715)	(26)	(1180)	-
Write-offs	(3 786)	-	(9 474)	-
Sub-lease / lease out	326	-	5 705	-
Modification/termination of the lease contracts	598	-	(233 084)	-
Reclassification	286	239	3 393	(2 253)
Impairment reversal	386	-	20 219	-
Cumulative currency differences	(20 385)	(5 106)	(106 867)	(1 259)
Depreciation (amortisation) charge	(23 358)	(3 913)	(164 568)	(994)
Closing net book amount as at 30 June 2025	**413 335**	**145 310**	**990 263**	**55 613**

12. Trade and other receivables

	30 June 2026	31 December 2025
Trade receivables	192 922	173 876
Less: provision for impairment of trade receivables	(20 571)	(19 709)
Trade receivables – net	**172 351**	**154 167**
Prepayments	62 452	70 276
Less: provision for impairment of prepayments	(717)	(710)
Prepayments - net	**61 735**	**69 566**
Prepayments to related parties (Note 18)	**23**	**53**
Other receivables	30 771	30 393
Discounting of other receivables	(5)	(11)
Less: provision for impairment of other receivables	(16 529)	(15 541)
Other receivables – net	**14 237**	**14 841**
Trade receivables from related parties	1 170	987
Less: provision for impairment of trade receivables from related parties	(335)	(317)
Trade receivables from related parties - net (Note 18)	**835**	**670**
Loans granted to related parties (Note 18)	28 821	26 325
Discounting of loans granted to related parties	(292)	(378)
Less: provision for impairment of loans granted to related parties	(174)	(173)
Loans granted to related parties – net	**28 355**	**25 774**
Loans granted	191 936	152 081
Discounting of loans granted	(46)	(53)
Less: provision for impairment of loans granted	(175 324)	(145 006)
Loans granted - net	**16 566**	**7 022**
Other receivables from related parties	12 204	11 195
Discounting of other receivables from other related parties	(46)	(65)
Less: provision for impairment of other receivables from related parties	(276)	(272)
Other receivables from related parties – net (Note 18)	**11 882**	**10 858**
VAT receivables	**20 786**	**15 362**
Deferred charges	**41 383**	**38 890**
Deferred charges to related parties (Note 18)	**581**	**7 510**
Security deposits placed – gross	45 097	60 325
Discounting of security deposit	(2 591)	(3 970)
Less: provision for impairment of security deposits	(989)	(2 038)
Security deposits – net	**41 517**	**54 317**
Security deposits to related parties – net (Note 18)	**14**	**14**
Total trade and other receivables	**410 265**	**399 044**
Less non-current portion	(75 186)	(81 777)
Current portion	**335 079**	**317 267**

(All tabular amounts are in EUR '000)

12. Trade and other receivables (continued)

Non-current portion of other receivables is disclosed below:	30 June 2026	31 December 2025
Loans granted to related parties	24 245	24 127
Discounting of loans granted to related parties	(292)	(378)
Less: provision for impairment of loans granted to related parties	(94)	(93)
Loans granted to related parties - net	**23 859**	**23 656**
Loans granted	162 270	130 675
Discounting of loans granted	(46)	(53)
Less: provision for impairment of loans granted	(156 542)	(127 225)
Loans granted – net	**5 682**	**3 397**
Deferred charges	**342**	**273**
Security deposits placed - gross	33 402	46 025
Discounting of security deposit	(2 298)	(3 559)
Less: provision for impairment of security deposits	(47)	(1 108)
Security deposit – net	**31 057**	**41 358**
Security deposit to related parties – net	**12**	**12**
Other receivables	5 212	4 922
Discounting of other receivables	(5)	(11)
Less: provision for impairment of other receivables	(73)	(66)
Other receivables – net	**5 134**	**4 845**
Other receivables from related parties	9 179	8 331
Discounting of other receivables from related parties	(46)	(65)
Less: provision for impairment of other receivables from related parties	(33)	(30)
Other receivables from related parties – net	**9 100**	**8 236**
Total non-current trade and other receivables	**75 186**	**81 777**

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

	30 June 2026	31 December 2025
Financial instruments		
Trade receivables	172 351	154 167
Trade receivables from related parties (Note 18)	835	670
Other receivables	14 237	14 841
Other receivables from related parties (Note 18)	11 882	10 858
Loans granted	16 566	7 022
Loans granted to related parties (Note 18)	28 355	25 774
Security deposits	41 517	54 317
	285 743	**267 649**
Non-financial instruments		
Prepayments	61 735	69 566
VAT receivables	20 786	15 362
Deferred charges	41 383	38 890
Deferred charges to related parties (Note 18)	581	7 510
Security deposits to related parties (Note 18)	14	14
Prepayments to related parties (Note 18)	23	53
	124 522	**131 395**
Total	**410 265**	**399 044**

The revenue recognised in the six months ended 30 June 2026 related to the contract liabilities as at the beginning of the period is EUR 123 992 thousand (in the same period 2025: EUR 71 498 thousand). Revenue from performance obligations satisfied as at the beginning of the period is EUR 141 168 thousand (in the same period 2025: EUR 168 809 thousand).

13. Provisions

	30 June 2026	31 December 2025
C-check and other aircraft maintenance provisions	24 500	30 069
Legal claim provisions	1 394	1 186
Other provisions	11 981	12 426
	37 875	**43 681**
Less: non-current portion	(16 575)	(22 792)
Current portion	**21 300**	**20 889**
C-check and other aircraft maintenance provisions	15 725	21 322
Other provisions	850	1 470
Non-current portion	**16 575**	**22 792**

(All tabular amounts are in EUR '000)

14. Cash and cash equivalents

	30 June 2026	31 December 2025	30 June 2025
Cash and cash equivalents	120 470	124 020	198 281
Bank overdraft	(2 516)	(1 365)	(2 566)
Total	**117 954**	**122 655**	**195 715**

15. Inventories

	30 June 2026	31 December 2025
Spare parts and materials – gross amount	72 543	75 413
Less: provision for impairment of inventories	(10 995)	(9 270)
Spare parts and materials	**61 548**	**66 143**
Aircraft and aircraft components, engines – gross amount	115 624	143 830
Less: provision for impairment of aircraft	(2 251)	(2 723)
Aircraft and aircraft components, engines	**113 373**	**141 107**
Aircraft fuel	**847**	**1 723**
Work in progress	**7 303**	**2 135**
Goods in transit	**840**	**1 305**
Other inventories – gross amount	6 737	8 700
Less: provision for impairment of other inventories	(63)	(66)
Other inventories	**6 674**	**8 634**
Total	**190 585**	**221 047**

16. Trade and other payables

	30 June 2026	31 December 2025
Trade payables	162 281	126 466
Trade payables to related parties (Note 18)	501	8 404
Accrued expenses	87 696	84 116
Accrued expenses to related parties (Note 18)	40	302
Dividends payable	188	191
Other payables to related parties (Note 18)	193	182
Other payables	4 982	5 311
Salaries and social security payable	76 767	71 462
VAT payable	14 663	7 213
Employee benefit obligations	5 679	5 293
Pension reserve accrual	1 894	1 864
	354 884	**310 804**
Less: non-current portion	(3 591)	(3 748)
Current portion	**351 293**	**307 056**

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 2026

During February 2026, the Group acquired new subsidiary JOB AIR Technic a.s. (Czech Republic). The entity operates in aircraft maintenance, repair, and overhaul industry.

During February 2026, the Group established new subsidiary SIA AHC (Latvia). The entity operates in ground handling industry.

During April 2026, the Group established new subsidiaries AVIAAM AC FINANCE IE LIMITED (Ireland), AVIAAM AC FINANCE US LLC (United States). Entities operate in aircraft asset management industry.

In April 2026, the Group sold EI13 Aero UAB, EI17A Aero UAB and BK20 Aero UAB for EUR 1.9 million. These subsidiaries were holding real estate in Lithuania.

In May 2026, the Group acquired new subsidiary AI12 Limited (United Arab Emirates). Entity operates as insurance broker.

In May 2026, the Board of Directors of Ascend Airways Limited (UK) resolved to place the company into creditors' voluntary liquidation. Following the appointment of the liquidator, the Group lost control of Ascend Airways Limited in accordance with IFRS 10, as the liquidator obtained the unilateral ability to direct the company's relevant activities for its own purposes, and the Group accordingly deconsolidated the entity at that date. The results of Ascend Airways Limited up to the date control was lost, together with the resulting gain on deconsolidation, are presented as a discontinued operation, see Note 20 for further detail.

During June 2026, the Group established new subsidiary ASG Global Inc. (United States).

(All tabular amounts are in EUR '000)

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 Ziemelis Holding FZ-LLC, Vertas Management UAB and Certares Compass S.à r.l.. Transactions with these related parties are presented separately. Related parties include subsidiaries of the entities having significant influence over the Group. They are presented as other related parties.

The following transactions were carried out with related parties:

	January - June	
	2026	2025
Sales of services		
Ultimate Beneficial Owner	10	123
Entities having significant influence	9	10
Other related parties	165	351
	184	**484**
Sales of assets		
Other related parties	-	-
	-	**-**
Total sales of assets and services	**184**	**484**
Purchases of assets		
Other related parties	51	8
	51	**8**
Purchases of services		
Ultimate Beneficial Owner	-	8
Entities having significant influence	(415)	25
Other related parties	1 970	1 408
	1 555	**1 441**
Total purchases of assets and services	**1 606**	**1 449**
Other income & other gains	**1 077**	**914**
Finance and other costs	**(17)**	**87**

18. Related party transactions (continued)

	30 June 2026	31 December 2025
Trade and other receivables from related parties		
Trade receivables from ultimate beneficial owner	392	219
Trade receivables from entities having significant influence	129	118
Trade receivables from other related parties	649	650
Impairment of trade receivables from related parties	(335)	(317)
Trade receivables from related parties – net (Note 12)	**835**	**670**
Loans granted to entities having significant influence	18 952	18 833
Loans granted to other related parties	9 869	7 492
Discounting of loans granted to other related parties	(292)	(378)
Impairment of loans granted to other related parties	(174)	(173)
Loans granted to related parties – net (Note 12)	**28 355**	**25 774**
Security deposit to related parties (Note 12)	**14**	**14**
Other receivables from entities having significant influence	7 929	7 349
Other receivables from other related parties	4 275	3 846
Discounting of other receivables from related parties	(46)	(65)
Impairment of other receivables from related parties	(276)	(272)
Other receivables from related parties – net (Note 12)	**11 882**	**10 858**
Deferred charges to related parties (Note 12)	**581**	**7 510**
Prepayments to other related parties (Note 12)	**23**	**53**
	41 690	**44 879**
Trade and other payables to related parties		
Trade payables to entities having significant influence	46	45
Trade payables to other related parties	455	8 359
Trade payables to ultimate beneficial owner	-	-
Trade payables to related parties (Note 16)	**501**	**8 404**
Accrued expenses to related parties*	**40**	**302**
Lease liabilities	**2 625**	**3 376**
Advances received from other related parties**	**7 022**	**6 808**
Other payables to other related parties	128	119
Other payables to ultimate beneficial owner	65	63
Other payables to related parties (Note 16)	**193**	**182**
Dividends payable to other related parties	**4**	**4**
Security deposits received from other related parties	**8**	**8**
	10 393	**19 084**

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

**Advances received from related parties include advance received from joint venture AviaAM Financial Leasing China Co., Ltd amounting to EUR 7 021 thousand (2025: EUR 6 809 thousand) based on a letter of intent for search of aircraft, equal to USD 8 000 thousand in 2026 and 2025.

(All tabular amounts are in EUR '000)

19. Financial assets and financial liabilities

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 2026 and 31 December 2025:

Recurring fair value measurements at 30 June 2026	Level 1	Level 2	Level 3
Financial assets			
Financial assets at fair value through profit or loss	70	-	540
Total financial assets	**70**	**-**	**540**
Financial liabilities			
Derivative financial instruments	-	5 127	-
Total financial liabilities	**-**	**5 127**	**-**

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

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

20. Discontinued operations

In May 2026, the Board of Directors of Ascend Airways Limited (UK) resolved to place the company into creditors' voluntary liquidation. The discontinued operations operated under the Logistics and Distribution Services segment.

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

	January - June	
	2026	**2025**
Loss for the period (discontinued operations Ascend UK)	(16 318)	(7 639)
Loss for the period (discontinued operations Smartlynx)	-	(103 701)
Gain from deconsolidation (Ascend UK)	37 272	-
Gain/(loss) for the period (discontinued operations)	**20 954**	**(111 340)**

The statements of profit or loss and other comprehensive income of the discontinued operation were as follows:

	January - June	
	2026	**2025**
Revenue from contracts with customers	17 083	19 450
Cost of services and goods	(12 351)	(9 867)
Operating expenses	(15 029)	(16 869)
Decrease/(Increase) in the provision for impairment of financial and non-financial assets	(7 610)	(30)
Other income and gains/(losses) - net	7 667	(115)
Finance costs – net	(1 808)	(1 912)
Loss before tax	**(12 048)**	**(9 343)**
Income tax credit/(expense)	(4 270)	1 704
Loss for the period (discontinued operations)	**(16 318)**	**(7 639)**

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

The major classes of assets and liabilities of the Ascend Airways Limited (UK) are as follows:

Net assets	**2026 May**
Property, plant and equipment	821
Intangible assets	803
Inventories	584
Trade and other receivables	4 276
Contract assets	(8)
Cash and cash equivalents	282
Non-current borrowings and lease liabilities	(21 830)
Deferred income tax liabilities	(142)
Trade and other payables	(16 704)
Current borrowings and lease liabilities	(3 561)
Contract liabilities	(967)
Total identifiable net liabilities	**(36 446)**
Recycled currency translation reserve from OCI	(826)
Gain from deconsolidated net liabilities	**37 272**

(All tabular amounts are in EUR '000)

20. Discontinued operations (continued)

The net cash flows incurred by the Ascend Airways Limited (UK) are as follows:

	January - June	
	2026	**2025**
Operating	(3 806)	(1 223)
Investing	(16)	(712)
Financing	(4 790)	(3 006)
Net cash (outflow)/inflow, net of intercompany	**(8 612)**	**(4 941)**

Furthermore, as part of the disposal, intercompany receivables from Ascend Airways Limited (UK) were externalised and fully impaired under IFRS 9, leading to a recognised loss of EUR 28.9 million (classified within continuing operations), thereby reducing the overall net gain from the deconsolidation of net liabilities.

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

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

	January - June	
	2026	**2025**
Revenue from contracts with customers	-	144 574
Cost of services and goods	-	(145 621)
Operating expenses	-	(88 416)
Decrease/(Increase) in the provision for impairment of financial and non-financial assets	-	6 113
Other income and gains - net	-	3 571
Finance costs – net	-	(22 585)
Loss before tax	**-**	**(102 364)**
Income tax credit/(expense)	-	(1 337)
Loss for the period (discontinued operations)	**-**	**(103 701)**

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

	January - June	
	2026	**2025**
Operating	-	10 550
Investing	-	(4 254)
Financing	-	(54 998)
Net cash (outflow)/inflow, net of intercompany	**-**	**(48 702)**

21. Events after the reporting date

During July 2026, Jonas Janukenas resigned as a Director of the Company, and AJ Abedin was appointed as a Director in his place.

In July 2026, the Group acquired Liepājas speciālās ekonomiskās zonas SIA GLEN OIL (Latvia) for EUR 771 thousand.

In July 2026, the decision was taken to liquidate JETMS Completions Ltd. and JETMS Interiors UAB in the face of declining demand for interior works resulting from reduced airline spending due to the war. During the first six months of 2026, the entities earned EUR 1 059 thousand revenue and incurred a loss of EUR 2 146 thousand.