

SEPARATE AND CONSOLIDATED ANNUAL REPORT

Approved by the Board as at 7 April 2016

I. GENERAL INFORMATION

Reporting period Year ended 31 December 2015

Issuer and its contact details

Name of the Issuer Avia Solutions Group AB
(hereinafter – ‘Avia Solutions Group AB’ or ‘the Company’)

Legal form Public company (joint-stock company)

Date of registration 31 August 2010

Name of Register of Legal Entities State Enterprise Centre of Registers

Code of enterprise 302541648

Registered office Smolensko St. 10, LT-03201 Vilnius, Lithuania

Telephone number +370 5 252 5500

Fax number +370 5 252 5501

E-mail info@aviasg.com

Internet address www.aviasg.com

Persons responsible for the accuracy of the provided information:

Name	Position	Telephone number	E-mail
Linus Dovydenas	CEO of Avia Solutions Group AB	+370 5 252 5500	Linus.Dovydenas@aviasg.com
Aurimas Sanikovas	CFO of Avia Solutions Group AB	+370 5 252 5500	Aurimas.Sanikovas@aviasg.com

Main activities

Avia Solutions Group AB is a holding company together with its subsidiaries (hereinafter collectively – the ‘Group’) engaged in delivering our clients integrated aviation related services.

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

- Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO);
- Aircraft Ground Handling and Fuelling;
- Crew Training and Staffing;
- Private Jet Charter, Flight and Tour Operations;
- Unallocated segment;
- Airport Infrastructure Management (classified as discontinued).

The *Airport Infrastructure Management* segment is no longer disclosed. It was reclassified to assets held for sale in the financial statements for the year ended 31 December 2014 and was disposed on 30 September 2015. Information about discontinued operations is provided in Notes 33, 34 of the Group’s and the Company’s Financial Statements for the year ended 31 December 2015.

Aircraft Maintenance, Repair and Overhaul (MRO)

Activities in our MRO business segment are conducted by FL Technics UAB (*FL Technics*), Jet Maintenance Solutions UAB (*Jet Maintenance Solutions*, previously FL Technics Jets), FL Technics Line OOO (*FL Technics Line*), Locatory.com AB (*Locatory.com*), Helisota UAB (*Helisota*), Storm Aviation Limited (*Storm Aviation*), Storm Aviation (Cyprus) Limited (*Storm Aviation Cyprus*) and include: aircraft base and line maintenance; component management; engineering services; spare parts and consumable sales; technical training; consulting; engine maintenance management; military aircraft component support; aircraft parts marketplace services, business jet maintenance and repair services and other related aircraft and helicopter maintenance services.

Base maintenance

FL Technics occupies 3 aircraft maintenance hangars together with administrative, warehouse and back shop facilities in Vilnius International Airport, Kaunas International Airport and newly rented one in Soekarno-Hatta International Airport, Jakarta– 31,200 sq. meters in total. The hangars are comprised of total 8 airframe maintenance bays with 3 more to come in Jakarta. Utilizing these hangars and the nearby premises *FL Technics* provides base maintenance services, including: aircraft base maintenance checks, structure inspection and structure repairs, routine maintenance, technical defect rectification, interior refurbishment, minor / major modifications (avionics, airframe), engine replacement, landing gear replacement and non-destructive testing.

Line maintenance

Line maintenance is defined as maintenance that is carried out before each flight to ensure that the aircraft is airworthy and fit for the intended flight and includes: daily service and weekly checks, unscheduled checks, 24/7 AOG support troubleshooting, defect rectification and minor component replacements. As at 31 December 2015 *FL Technics* and *Storm Aviation* collectively operated twenty one line stations (at 31 December 2014 – twenty one line stations).

Continuing airworthiness management (engineering) services

FL Technics provides comprehensive engineering management services to the aircraft operators, airlines and leasing companies. Basic engineering services provided by *FL Technics* include: aircraft airworthiness review and renewal, engine condition monitoring, aircraft weighting, flight data read-out, monitoring and analysis and ageing aircraft programs.

Spare parts and consumable sales

Spare parts and consumable sales are carried by the Group through *FL Technics* and *FL Technics Line*. The Group provides comprehensive spare parts management services including: planning / provisioning, purchasing, inventory control, asset management, warehousing and distribution of spare parts and consumables. One of the core competences of the Group is expanded own stock of spare parts and components in a number of locations, such as London, Vilnius, Warsaw, Moscow. Stock and in-house capabilities are listed in databases such as ILS, Parts Base and Locatory.com. The Group has offered online access to a warehouse and possibility of e-purchases to clients.

FL Technics provides cost saving programmes for airlines, including engine material management and component repair management, which includes landing gear overhaul. In addition to ad hoc and pool agreements, the power-by-the-hour (PBH) and Consumable Support products have been introduced for existing and new customers.

Technical training and consulting services

FL Technics provides technical training for aviation specialists involved in the maintenance and repair of aircraft, as well as other specialized training programs and consulting services. The training programs, which are drawn up in accordance with the requirements of EASA, cover four main areas: basic maintenance training, aircraft type training, specialized aviation training and other consulting services. *FL Technics* has developed specialized online training program specifically for aircraft technical professionals worldwide: www.147training.com.

Specialized aviation training includes auditors training (theory and practice), wheels and brakes training, avionics components maintenance training, implementing rules – PART-M and PART-145 training, human factors training, fuel tank safety training, quality systems training, aviation legislation training, aircraft structure repair training, engineering and planning procedures training, material management and logistics training, escape slides and life preservers maintenance training and engine borescope inspection (CFM56-3) training.

Engine and Components management services

FL Technics provides comprehensive engine and component management services aimed at saving its customers' time and money. Scrap replacement materials are provided during a shop visit. *FL Technics* also offers a number of alternative options to deal with the engine, landing gear, APU and other components' problems, including exchange, sale, purchase and lease of an engine or other components.

Defence aircraft component support

FL Technics provides comprehensive spare parts support and overhaul of components for various types of defence aircraft. *FL Technics* has possibilities to support defence vehicles and tanks with spare parts supply, overhaul and modernization services.

Defence Aviation Department is approved NATO and NSPA supplier and has NATO Commercial and Government Entity Code (NCAGE) 0083R and International Traffic in Arms Regulations (ITAR) code and is a trusted service provider of MOD and MOI from 12 countries in Africa, Asia and CIS regions.

Other MRO services

Other MRO services are mainly comprised of non-destructive testing (eddy current, magnetic particle, dye penetrate and ultrasonic) of airframes and components services provided by *FL Technics*, and of aircraft parts marketplace services provided by *Locatory.com*. *Locatory.com* develops and maintains its own trading platform catered specifically to the aircraft spare parts aftermarket while offering proactive customer support and enhancing the industry with effective supply chain management solutions.

Business jet MRO

Business jet MRO operations are carried by the Group through *Jet Maintenance Solutions*. The subsidiary is a global provider of tailor-made maintenance, repair and overhaul services for business aviation. Certified as an EASA Part-145 organization, *Jet Maintenance Solutions* serves business aircraft registered in the Russian Federation, Aruba, Bermuda and Cayman Islands. This company is the first service centre in the region authorized to provide warranty support for Tronair's ground support equipment (GSE) and is appointed by Rockwell Collins as an Authorized Business and Regional Systems (BRS) Dealer. *Jet Maintenance Solutions* provides base maintenance services for Hawker Beechcraft BAe 125 (Hawker Beechcraft 700 / 750 / 800 / 800XP / 850 XP / 900XP), Bombardier CL-600-2B19 (Bombardier CRJ100 / 200 / 440 and Bombardier Challenger 850), CL-600-2B16 (Bombardier Challenger 604/605) aircraft type families.

Helicopter MRO

Helisota is an international provider of integrated maintenance, repair and overhaul (MRO) services for rotorcraft aviation. The company is an EASA Part 145 organisation, SAAU (State Aviation Administration of Ukraine) Part 145 organisation and Part 147 organisation as well as an authorized Mil Helicopters and Robinson Helicopters Company service center. *Helisota* is also approved by Interstate Aviation Committee (MAK) as Overhaul and Repair station, Ministry of Transport of the Russian Federation and Federal State Unitary Enterprise State Civil Aviation Scientific Research Institute as the company which meets the requirements for providing delivery of aviation technical property as well as a member of Aviation Suppliers Association (ASA-100). *Helisota* is also approved under AQAP-2120 quality requirements, which allow company to support NATO countries with various services. Based on certificates and years of experience *Helisota* is able to offer a list of services for various government and private rotorcraft operators worldwide: helicopters MRO, component MRO, spare parts supply, helicopters sales, upgrades and modernisation.

Aircraft Ground Handling and Fuelling

Aircraft ground handling and fuelling services are conducted by Subsidiaries of the Company, namely: Baltic Ground Services UAB (*Baltic Ground Services LT*), Baltic Ground Services Sp.z.o.o. (*Baltic Ground Services PL*), Baltic Ground Service UA TOV (*Baltic Ground Service UA*), newly established Baltic Ground Services RU OOO (*Baltic Ground Services RU*), Baltic Ground Services EE OU (*Baltic Ground Services EE*) and newly acquired subsidiary in Latvia – Baltic Ground Services LV SIA (*Baltic Ground Services LV*).

The above mentioned companies are jointly referred to as *Baltic Ground Services*. *Baltic Ground Services* is a regional group of ground handling companies, which provide full range of aircraft ground handling and fuelling services. As at 31 December 2015, *Baltic Ground Services* activities were concentrated in main airports of Lithuania, Latvia, Estonia, Poland, Ukraine and Russia. *Baltic Ground Services* expands its network and continues to develop its activities in aforementioned regions.

Crew Training and Staffing

Crew training and staffing operations are carried through BAA Training UAB (*BAA Training*, previously Baltic Aviation Academy UAB) and AviationCV.com UAB (*AviationCV.com*).

Certified as the Approved Training Organization (ATO), *BAA Training* offers Fixed or Rotary wing Ab Initio, Type Rating, Cabin Crew, Ground Handling, Flight Dispatcher and UAV/UAS training solutions. Headquartered in Vilnius, Lithuania, the academy is providing the custom tailored training solutions wrapped in the personal care and seeks to establish itself as a leading aviation training center in Central Europe.

BAA Training occupies approx. 3 000 m². Its training center is divided into Ab Initio school and Type Rating training learning complex with modern auditoriums, rest areas, dining rooms and specialized training facilities equipped with FNPT II (Flight Navigation Procedures Trainer); aircraft fleet of 1 Cessna 172S, 9 Tecnam P2002JF and 2 Tecnam 2006T; Boeing 737-300/400/500 and Airbus 320 Full Flight Simulators (FFS), Real Fire Fighting and Smoke Trainer. In addition to that, in 2015 *BAA Training* in partnership opened training centre in Singapore- *BAA Training Singapore* providing Airbus 320, Boeing 737 NG, Cabin Crew and Ground Handling training in Asia.

Course completion certificates issued by *BAA Training* are valid in: EASA countries and Brazil, Egypt, China, Indonesia, Nepal, Ukraine, Israel, Belarus, Malaysia, Bulgaria, Jordan, Kazakhstan, Afghanistan, Saudi Arabia, Vietnam, Russia, Philippines, Cuba, and Nigeria.

AviationCV.com is a global provider of aviation specialist resourcing solutions for airlines, MRO providers and other industry players. The company runs a job search portal (www.aviationcv.com) for flight crew members, aircraft engineers and other aviation specialists aimed at meeting short and long term human resource needs of the global aviation industry.

Private Jet Charter, Flight and Tour Operations

The Group is involved in private jet charter operations related activities conducted through its subsidiary, KlasJet UAB (previously named Verslo skrydžiai UAB). *KlasJet* is a charter carrier (EASA AOC holder), specializing in private and corporate flights as well as comprehensive aircraft management solutions. With a fleet of business jets based in Vilnius, Lithuania, as well as other airports across Russian Federation, Eastern Europe and the CIS, *KlasJet* is perfectly positioned to provide VIP flight services to customers and partners at any place and time. KlasJet offers its customers, aircraft owners, maintenance and refurbishment solutions, CAMO support, crew recruitment and training solutions, spare parts and components supply.

In March 2015 Laserpas UAB started its operations as an international remotely piloted airborne system operator, engaged in development of state-of-the-art payload control and image processing systems as well as execution of high-precision aerial monitoring. Laserpas services focus on infrastructure surveillance and monitoring.

In December 2015 a new subsidiary KIDY Tour UAB (*KIDY Tour*) was established which will represent Tour Operations business segment. The purpose of the Company's activities is to provide its clients with tour operator as well as other related services. The Company starts its activities by offering a wide range of holiday tours into Turkish resorts.

The Company's vision and mission

The Company's vision is to be the best partner in aviation related services in the region. By employing professionalism of our employees, taking responsibility and being flexible in finding the best way to improve any situation we enable customers to focus on their core activities. The Group's mission is to create value for shareholders and customers by providing professional and high-quality aviation related services.

As on 31 December 2015, the Group consisted of the parent company, *Avia Solutions Group AB*, (registered on 31 August 2010, code 302541648, name of the Register of Legal Entities: State Enterprise Center of Registers; address: Smolensko St. 10, LT-03201 Vilnius tel.: +370 5 252 5500; fax. +370 5 252 5501; e-mail: info@aviasg.com; internet address: www.aviasg.com) and its effective subsidiaries and associate:

Name of the company	Date of registration, code, name of Register of Legal Entities	Contact details	Effective holding of the Company (%)
Avia Solutions Group - Airports Management OOO	14 March 2014, code 1147746272190, State Register of Legal Entities of Russian Federation	1st Tverskaya-Yamskaja st., 23, Building 1, 125047, Moscow, Russia, tel. +7 495 232 0139, fax. +7 495 232 01 39, info@ramport.aero, www.ramport.aero	30.00*****
Avia Solutions Group B.V.	21 March 2014, code 60335653, Trade Register of the Chamber of Commerce of Netherlands	Strawinskylaan 1245, Tower B, 1077, Amsterdam, the Netherlands	30.00
Avia Technics Dirgantara PT.	5 August 2014, code (TDP) No.09.04.1.33.39698, Ministry of Justice and Human Rights	Soekarno-Hatta International Airport, Tangerang, Banten 19120, Indonesia, indonesia@fltechnics.com	25.00***
AviationCV.com UAB	13 April 2011, code 302615625, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10, LT-03201 Vilnius, Lithuania tel. +370 5 2525500, fax. +370 5 2525501, info@aviationcv.com, www.aviationcv.com	100.00
BAA Training UAB (previously Baltic Aviation Academy UAB)	22 November 2006, code 300618099, Register of Legal Persons of the Republic of Lithuania	Dariaus ir Girėno st. 21, LT-02189 Vilnius, Lithuania tel. +370 5 2525536, fax. +370 5 2525537, info@baatraining.com, www.baatraining.com	100.00
Baltic Ground Services UAB	11 August 2005, code 300136658, Register of Legal Persons of the Republic of Lithuania	Rodūnijos road 6, LT- 02187 Vilnius, Lithuania tel. +370 5 252 55 92, fax. +370 5 252 50 07, info@bgs.aero, www.bgs.aero	100.00*
Baltic Ground Services PL Sp. z.o.o.	15 April 2010, code 0000353957, Register of Entrepreneurs of the National Court Register held by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register	17 Stycznia 45 B, 02-146 Warsaw, Poland, tel. +48 22 256 99 00, fax. +48 22 256 99 01, info.waw@bgs.aero, www.bgs.aero	100.00*
Baltic Ground Services UA TOV	29 August 2011, code 37856865, State Register of Legal Entities and Individual Entrepreneurs of Ukraine	Muzeyny lane, 4, 01001, Kyiv, Ukraine tel. +380 96 731 59 76, a.riabotenko@bgs.aero, www.bgs.aero	50.00*
Baltic Ground Services RU OOO	23 March 2015, code 1155040001973, State Register of Legal Entities of Russian Federation	Zhukovskiy-5, 140185, Moscow region, Russian Federation, tel. +7 495 956 10 06, fax +7 495 956 10 06 info.mow@bgs.aero	100.00*
Baltic Ground Services EE OU	15 July 2015, code 12890890, State Enterprise Register	Lennujaama st. 13, Tallinn, Harju Region 11101, Estonia, www.bgs.aero	100.00*
Baltic Ground Services LV SIA	12 December 2012, code 40103619641, State Enterprise Register	Nakotnes street 3, Riga Airport, Marupes district, LV-1053, Latvia, tel. +371 67280007, info.lv@bgs.aero, www.bgs.aero	51.00*
Baltic Ground Services CZ s.r.o.	31 December 2015, code 04681061, State Enterprise Register	Moshnov 413 , 742 51, Czech Republic	100.00*
Laserpas UAB (previously Ground Handling CIS UAB)	4 July 2011, code 302644356, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10, LT-03201 Vilnius, Lithuania tel. +370 5 2525500, fax. +370 5 2525501, info@laserpas.com	90.00
FL Technics UAB	22 December 2005, code 300517602, Register of Legal Persons of the Republic of Lithuania	Rodūnijos road 18, LT-02188 Vilnius, Lithuania tel. +370 5 252 5015, fax. +370 5 252 5646, info@fltechnics.com, www.fltechnics.com	100.00
Jet Maintenance Solutions UAB (previously FL Technics Jets UAB)	11 June 2007, code 300869952, Register of Legal Persons of the Republic of Lithuania	Naugarduko g. 100, LT-03160 Vilnius, Lithuania tel. +370 5 252 5662, fax. +370 5 252 5646, info@jetms.aero, www.jetms.aero	100.00
FL Technics Line OOO	3 August 2011, code 7746600289, State Register of Legal Entities of Russian Federation	Rodūnijos road 18, LT-02188 Vilnius, Lithuania tel.+ 370 5 252 5015, fax. +370 5 252 5646, line@fltechnics.com, www.fltechnicsline.com	93.00***

Name of the company	Date of registration, code, name of Register of Legal Entities	Contact details	Effective holding of the Company (%)
FL Technics Ulyanovsk OOO	22 July 2011, code 7329004322, State Register of Legal Entities of Russian Federation	Sovietskaya st. 6, 433400, Cherdakly, Cherdaklinsky District, Ulyanovsk Region, Russian Federation tel. +370 682 30366, fax. +370 5 252 5646 www.fltechnicsulyanovsk.ru	99.00****
FLT Trading House UAB	26 May 2010, code 302514409, Register of Legal Persons of the Republic of Lithuania	Žirmūnų st. 139, LT-09120, Vilnius, Lithuania tel. 370 5 252 5500, fax. +370 5 2525501	100.00
Helisota UAB	7 May 1997, code 134953768, Register of Legal Persons of the Republic of Lithuania	Europos Ave. 5, LT-46329 Kaunas, Lithuania tel. +370 3 742 1637, fax. +370 3 742 0420, helisota@helisota.com, www.helisota.com	100.00
Kauno aviacijos gamykla UAB	16 July 1993, code 133745440, Register of Legal Persons of the Republic of Lithuania	Europos Ave. 21, LT-46329 Kaunas, Lithuania tel. + 370 3 742 0395, fax. +370 3 742 0994 kag@kaunas.omnitel.net	100.00*****
KIDY Tour UAB	3 December 2015, code 304147043, Register of Legal Persons of the Republic of Lithuania	Konstitucijos ave. 12-2, LT-09038, Vilnius, Lithuania, tel. +370 5 2078070, info@kidytour.lt, www.kidytour.lt	100.00
KlasJet UAB (previously Verslo skrydžiai UAB)	9 October 2013, code 303163347, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10, LT-03201 Vilnius, Lithuania tel. +370 5 252 5581, fax. +370 5 252 5529 info@klasjet.aero, www.klasjet.aero	75.00
Locatory.com UAB	7 December 2010, code 302572273, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10, LT-03201 Vilnius, Lithuania tel. +370 520 75423, info@locatory.com, www.locatory.com	95.00
RAMPORT AERO OAO	30 July 2014, code 1145040008827, State Register of Legal Entities of Russian Federation	1st Tverskaya-Yamskaja Str., 23, building 1, 3rd entrance, 8th floor, 125047, Moscow, Russia tel. +7 495 232 0139, fax +7 495 232 0139 info@ramport.aero, www.ramport.aero	22.50****
RAMPORT SECURITY OOO	6 May 2015, code 1155040003051, State Register of Legal Entities of Russian Federation	Narkomvoda St. 23, 140180, Zhukovsky, Moscow Region, Russia tel. +7 495 232 0139, fax +7 495 232 0139 info@ramport.aero, www.ramport.aero	22.50****
Storm Aviation (Cyprus) Ltd.	30 September 2011, code HE290461, Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver Nicosia	Rafail Santi 58, Nefeli Court 11, 1st floor, Flat/Office 104-105, 6052, Larnaca, Cyprus www.stormaviation.com	100.00*****
Storm Aviation Ltd	30 September 2011, code 05229468, The Registrar of Companies for England	Unit 259 Capability Green Luton LU1 3LU, Great Britain, tel. +44 (0) 1582 390640 line@stormaviation.com, www.stormaviation.com	100.00***

* - Shareholding through Baltic Ground Services UAB

** - Shareholding through Laserpas UAB

*** - Shareholding through FL Technics UAB

**** - Shareholding through FLT Trading House UAB

**** - Shareholding through associate Avia Solutions Group B.V.

***** - Shareholding through Helisota UAB

***** - Shareholding through Storm Aviation Limited

Information about date of acquiring/establishment and activity of Group's subsidiaries is provided in Note 1 of the Group's Financial Statements for the year ended 31 December 2015.

As at 31 December 2015 the Company had one representative Office (the branch) in the Russian Federation, 1st. Tverskaya-Yamskaja St., 23, building 1, 4th entrance, 4th floor, Moscow and no branches.

Agreements with intermediaries of public trading in securities

Securities' accounting services are performed by Orion Securities UAB FMĮ (code 122033915), A. Tumėno St. 4, B corps, 7 floor, LT-01109 Vilnius.

II. FINANCIAL AND OPERATIONAL INFORMATION

In 2015 *Avia Solutions Group AB* and its subsidiaries (hereinafter – the Group) generated net loss from continuing operations of EUR 6.9 million (in 2014 generated net loss of EUR 1.5 million). The consolidated net loss from continuing operations incurred primarily due to recognised significant allowances for impairment of trade receivables and inventories. Due to initiated bankruptcy proceeding for one of the biggest Russia's private airline, the Group recognised EUR 7.7 million allowance for trade receivables. In addition to that the allowance for impairment of inventories in the total amount of EUR 5.8 million was accounted to represent their net realisable value.

Comparing with 2014 the consolidated revenue from continuing operations has increased up to EUR 229 million, or by 24% as compared with EUR 184 million in 2014.

The major events to the Group's structure during 2015 were as follows:

Date	Operating Segment	Event
March 2015	Aircraft Ground Handling and Fuelling	<i>Baltic Ground Services UAB</i> established a new subsidiary named <i>Baltic Ground Services RU OOO</i> .
April 2015	Private Jet Charter, Flight and Tour Operations	<i>Avia Solutions Group UAB</i> purchased 90% of the share capital of <i>Laserpas UAB</i> (previously named as <i>Ground Handling CIS UAB</i>) from <i>Baltic Ground Services UAB</i> . Remaining 10% of the share capital was sold to general director of <i>Laserpas UAB</i> .
May 2015	Airport Infrastructure Management	<i>RAMPORT AERO OOO</i> established a new subsidiary named <i>RAMPORT SECURITY OOO</i> .
June 2015	Airport Infrastructure Management	99,983% stakes in <i>Globus Distribution OAO</i> were sold by <i>RAMPORT AERO</i> to a related party.
July 2015	Aircraft Ground Handling and Fuelling	<i>Baltic Ground Services UAB</i> established a new subsidiary named <i>Baltic Ground Services EE OUI</i> .
August 2015	Aircraft Ground Handling and Fuelling	<i>Baltic Ground Services UAB</i> purchased 100% of the share capital of <i>Baltic Ground Services UA TOV</i> from <i>Laserpas UAB</i> .
September 2015	Aircraft Ground Handling and Fuelling	50% stakes in <i>Baltic Ground Services UA TOV</i> was sold to a third party.
September 2015	Airport Infrastructure Management	100% stakes in <i>Avia Solutions Group – Airport Management OOO</i> (Russia) were sold to an associate.
October 2015	Aircraft Ground Handling and Fuelling	<i>Baltic Ground Services UAB</i> purchased 51% of the share capital of <i>Baltic Ground Services LV SIA</i> from a third party.
December 2015	Private Jet Charter, Flight and Tour Operations	<i>Avia Solutions Group AB</i> established a new subsidiary named <i>KIDY Tour UAB</i> .
December 2015	Aircraft Ground Handling and Fuelling	<i>Baltic Ground Services UAB</i> established a new subsidiary named <i>Baltic Ground Services CZ s.r.o.</i>

The consolidated financial statements of the Group have been prepared according to International Financial Reporting Standards as adopted by the European Union.

Key figures of the Group

Financial ratios	31 December 2015	31 December 2014
Return on equity (ROE)* (%)	-5.5	-7.3
Gearing ratio** (%)	30.2	29.2
Equity to total assets ratio*** (%)	42.6	39.7
Liquidity ratio	1.3	1.4
Number of full-time employees at the end of the period of the whole Group	1 674	1 544
Number of full-time employees at the end of the period (from the continuing operations only)	1 674	1 534

* - *Return on equity (ROE)* = Net profit for the period / Total equity

** - *Gearing ratio* = Net debt / (Net debt + Total equity), *Net debt* = Borrowings – Cash and cash equivalents

*** - *Equity ratio* = Total equity / Total assets

Financial figures	2015	2014	Change
Revenue from continuing operations (EUR thousand)	229 300	184 352	24.4%
Operating profit from continuing operations (EUR thousand)	(7 131)	17	-
Operating profit margin (%)	-3.1	0.0	-3.1
Profit (loss) before income tax from continuing operations (EUR thousand)	(7 359)	(1 519)	-
Net profit (loss) for the period from continuing operations (EUR thousand)	(6 945)	(1 481)	-
Net profit (loss) for the period from discontinued operations (EUR thousand)	4 112	(2 900)	-
Net profit (loss) for the period (EUR thousand)	(2 833)	(4 381)	-
Net profit (loss) for the period from continuing operations margin (%)	-3.0	-0.8	-2.2
Earnings per share from continuing operations (EUR)	(0.855)	(0.234)	-
Earnings per share from discontinued operations (EUR)	0.550	(0.696)	-
Earnings per share (EUR)	(0.305)	(0.930)	-
Weighted number of shares (thousand)	7 778	6 158	26.3%

Operating figures	2015	2014	Change
Number of SOLD man-hours in base maintenance	411 181	360 921	+13.9%
Number of SOLD man-hours in engineering	51 554	59 701	-13.6%
Number of SOLD man-hours in maintenance training	12 216	12 844	-4.9%
Number of line stations at the end of the period	21	21	-
Number of aircrafts served	12 408	12 708	-2.4%
Number of passengers served	2 098 585	1 900 173	+10.4%
Volume of fuel sold (tonnes)	150 447	83 174	+80.9%
TRTO - Number of sold theoretical training hours	10 162	7 644	+32.9%
TRTO - Number of sold practical training (FFS) hours	12 383	12 953	-4.4%

Revenue related to continuing operations

The total consolidated Group's revenue from continuing operations for the year 2015 was EUR 229 million, an increase by 24 per cent over the total revenue of EUR 184 million for the year 2014.

In 2015 revenue growth was noticed in all business segments as compared with 2014. *Aircraft maintenance segment* revenue to external customers increased by EUR 13.4 million and amounted to EUR 119.5 million in 2015 as compared to EUR 106.1 million in 2014, which is a 12.6% increase. The growth was driven primarily by increase in base maintenance services, spare parts and consumables sales, line maintenance services. In addition, revenue from business jet maintenance and repair increased to EUR 8.3 million in 2015 as compared to EUR 5.8 million in 2014, which is more than a 43% increase. The most significant increase (more than 52%) was noted in helicopter maintenance, repair and overhaul services, where revenue to external customers increased by EUR 4.7 million and amounted to EUR 13.7 million in 2015 as compared to EUR 9 million in 2014.

Ground handling and fuelling segment revenue to external customers have increased by EUR 26.7 million (increase of 39.6%) and amounted to EUR 94.1 million in 2015 as compared to EUR 67.4 million in 2014. The increase was caused by increased revenue from aircraft fuel sales. Increased revenue was primarily driven by new contracts signed and significantly increased volume of fuel sold. *Baltic Ground Services* has starter expansion to other countries and significantly increased position in existing airports.

Crew training and staffing business segment's revenue to external customers has increased by EUR 1.1 million (increase of 12.5%). In 2015 subsidiaries offering training services generated revenue in amount of EUR 9.9 million. The most significant amount in this segment was generated from TRTO sales, which amounted to EUR 7.3 million.

In 2015 *KlasJet* (representing private jet charter operations segment) generated revenue in amount of EUR 5.3 million. The subsidiary performed 381 flights generating 974 block hours in the 2015.

Operating expenses related to continuing operations

In year 2015 the most significant nominal change in operating expenses was due to the higher amounts sold. The most significant element in expenses is aircraft fuel expenses which totalled to EUR 78.2 million (increase of EUR 22.5 million compared to EUR 55.7 million in 2014).

Due to higher volume of sales, cost of goods purchased in 2015 increased by EUR 4.2 million (increase of almost 11%) to EUR 42.7 million as to compare with EUR 38.5 million in 2014. In addition to that, costs of purchased services increased by EUR 2.9 million to EUR 36.9 million in 2015 (8.5% increase comparing to 2014).

Transportation and related expenses increased by 38% and amounted to EUR 4.7 million in 2015 (compared to EUR 3.4 million in 2014) mainly due to increased number of PBH contracts.

In 2015 the Group recognised significant allowance for impairment of inventories and trade receivables in the total amount of EUR 14 million mainly due to insolvency of MRO business segment' client and due to representation of net realisable value of inventories. Details about impairment-related expenses are provided in Note 3.1 of the Group's Financial Statements for the year ended 31 December 2015.

The Group considerably expanded the number of employees, therefore, employee related expenses in 2015 increased by 18.7% and equalled to EUR 38.8 million in 2015 compared to EUR 32.7 million in 2014.

Net financial costs decreased by 84.8% primarily as a result of foreign exchange gain on financing activities as at 31 December 2015.

Balance sheet and cash flow

During 2015 total assets of the Group decreased by EUR 32 million or more than 21% comparing to EUR 152 million as at 31 December 2014 primarily as a result of a disposal of airport infrastructure business segment. As at 31 December 2014 the amount of assets of disposal group classified as held for sale was EUR 27.6 million. In 2015 the Group invested in property, plant and equipment and spare parts and materials (considering that provision for impairment of inventories increased by EUR 5.2 million). In addition, amount due from customers for contract work increased by EUR 2.8 million to EUR 5.4 million due to significant contract costs incurred and accrued revenue in MRO business segment.

During 2015 total liabilities increased by EUR 1.7 million up to EUR 68.9 million primarily due to increase in advances and government grants received.

In 2015 the Group generated EUR 1.7 million from investing activities (continuing operations). This was primarily due to repayments of loans granted and additional grants received from the government.

In 2015 net cash flow used in financing activities from continuing operations was EUR 4 million. The majority of it was used in repayments of bank borrowings, financial lease liabilities and borrowings received from related parties.

Information about related party transactions

Information about related party transactions is provided in Note 35 of the Group's Financial Statements for the year ended 31 December 2015.

Related parties include the following:

- Entities having significant influence over the Company and the Group;
- Associates of the Group;
- Subsidiaries of the Company;
- Key management personnel of the Company and the Group;
- Other related parties.

Following the International Financial Reporting Standards as adopted by the EU, the parties related to the Company and the Group are the Company's subsidiaries and associates, entities having significant influence over the Company, key management personnel of the Group and other related parties. Entities having significant influence over the Company and the Group are ZIA Valda Cyprus Ltd and ZIA Valda AB (the sole shareholder of ZIA Valda Cyprus Ltd). Transactions with these companies are presented separately. Related parties also include subsidiaries of ZIA Valda AB group. They are presented as other related parties. Transactions with related parties are carried out based on the arm's length principle.

The Company and its subsidiaries are providing to each other business consulting and management services, aircraft maintenance, providing of spare parts, private jet charter services. In year 2015 amount of sales of consulting and management services from the Company to its related parties was EUR 2 567 thousand (2014: EUR 1 841 thousand). In year 2015 amount of sales of aircraft maintenance services from the Group to related parties of *AviaAM Leasing AB Group* was EUR 2 665 thousand (2014: EUR 3 783 thousand). In year 2015 amount of purchases of premises lease services from related party VA Reals AB was EUR 1 624 thousand (in 2014: EUR 1 629 thousand).

Investments related to continuing operations

The Group has been expanding its assets investing in Property, plant and equipment as well as Intangible assets for the total amount of EUR 9.4 million (2014: EUR 4.7 million, only from continuing operations). The majority of capital investments from continuing operations (EUR 7.9 million) went to expansion of the development of aircraft maintenance, repair and overhaul business segment and aircraft ground handling and fuelling business segment. The remaining part was invested into aircraft fleet of crew training and staffing center.

Investments ('000 EUR)	2015	2014	Change
Aircraft maintenance, repair and overhaul business segment	4 278	3 262	+31.1%
Aircraft ground handling and fuelling business segment	3 649	562	+549.3%
Crew training and staffing business segment	1 211	776	+56.1%
Unallocated business segment	174	124	+40.3%
Private Jet Charter, Flight and Tour business segment	89	15	+493.3%
Airport infrastructure management segment*	-	10 706*	-
Total investments	9 401	15 445	-39.1%
Less discontinued operations	-	(10 706)	-
Total investments from continuing operations	9 401	4 739	+98.4%

* As at the balance date the segment assets are disclosed as held for sale.

All details concerning the assets of the Group are presented in the Separate and Consolidated Financial Statements for the year ended 31 December 2015 (Notes 5, 15, 16).

Research and development activities

There were no major research and development projects undertaken during 2015, except the on-going development and improvement of the Group's services and

- a) Development of spare parts trade platform (www.locatory.com);
- b) Development of web-platform for training planning. MOMook is an intelligent management software designed specifically for aviation training centers. MOMook helps to plan and manage organization's processes by using the following modules: Scheduling, LMS (Learning Management System) and Student Progress, Documents Tracking, Availability, Accurate Reports, MRO (Maintenance Repair Operations), Flight Tracker;
- c) Development of FFS's SH Info Terminal with integrated training workflow management software (MOMook) included in the same package. It streamlines flight training process efficiently, provides the full set of analytical data, easily allows to monitor whole training session and related documents;
- d) Researching possibilities on development of Flight and navigations procedures trainer, qualification level: FNPT II, simulating aircraft: Cessna 172 and Tecnam 2006T;
- e) Baltic Ground Services during 2015 developed fuel transportation services and expanded their fleet of vehicles as well as continued to develop internal systems for servicing aircrafts;
- f) Laserpas intends to continue development into multiple sensor applications, and will start offering services with full Lidar and thermal scanning as supplements to optical;
- g) Specialized training program designed by FL Technics Training specifically for aircraft technical professionals worldwide (www.147training.com);
- h) Development of modern web-based and cloud-enabled operation management solution for airports and ground handling operators. SENSUS.AERO provides following modules: AODB (Airport Operational Data Base), RMS (Resource Management System), FIDS (Flight Information Display System), PA (Public Announcement), Quality module, GSE (Ground Service Equipment) management, commerce and billing, reporting and DCS (Departure Control System).

Environmental protection

In its activities, the Group uses innovative means and the modern technological processes that meet all ecological standards and help reduce the negative impact on the environment.

Risk management

The main risk factors associated with the activities of the Group are as follows:

- Strategic risk;
- Demand for aviation services;
- Changes in the legal regulation of the Group's activities;
- Competition with other market players;

- Currencies' exchange rates fluctuation;
- General economic situation in the Republic of Lithuania;
- Changes in the Lithuanian legislation;
- Safety, Health and Environmental (SHE) risks.

Strategic risk arises from adverse or erroneous business decisions, improper decisions implementation or lack of response to any political or regulatory developments. In 2015 the Group was constantly monitoring its' strategic risk.

Demand for aviation services risk is a risk of getting lower profit than planned due to adverse changes in aviation services market. In 2015 the Group partly experienced the effects of downsizing Russian market.

Changes in the legal regulation of the Group's activities risk is a risk of an increase in the loss and (or) loss of goodwill and a decrease of trust which can be due to external factors (such as law violations, regulatory non-compliance, failure to comply with contractual obligations with third parties) or internal factors (such as violations of ethical standards, failure to comply with internal regulations internal fraud, etc.). Legal department manages legal compliances risks – lawyers are involved in agreement review process.

Competition with other market players risk arises when price pressure and other competitive challenges may cause the profitability of the Group's activities to deviate from the projected levels. Companies' management is constantly monitoring the market and relevant decisions to increase competitiveness are being made.

An economic downturn could have a significant detrimental effect on the achievement of the targets. This effect could be aggravated by *volatility in currencies*. The sensitivities to variations in several key currencies are given in Note 3.1. The Group will proceed with its profit protection plans, including further control on operating working capital.

The Group has strict safety policies which mitigate *Safety, Health and Environmental (SHE) risks*.

The Group's and the Company's activities expose it to the following financial risks: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk, liquidity risk.

The Group's Policy for Treasury Management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance of the Group.

The Company's financial risk management is carried out by the CFO and the Management Board.

Information about the Company's the Group's financial risk management is provided in Note 3 of the Group's Financial Statements for the year ended 31 December 2015.

Plans and forecasts

In 2016 the Group will strive for revenue increase in all business lines with the focus on lean operations and profitability. The Group will also work on integration of acquired helicopter maintenance business, managing start-ups and implementation of IT solutions for overall business effectiveness. It is expected to continue sustainable growth and geographical expansion.

Significant post balance sheet events

In February the Company granted short-term loan to third party in total amount of EUR 1 million.

III. INFORMATION ABOUT SHARE CAPITAL AND SHAREHOLDERS

Share capital

After euro adoption in 1 January 2015 and according to the Republic of Lithuania Law on redenomination to the euro of the capital and of the nominal value of securities of Public Limited Liability Companies and Private Limited Liability Companies and amendment of the Articles of Association of these Companies, the nominal value of the Company's shares were automatically converted from 1 LTL per share to 0.29 EUR per share in the Central Securities Depository of Lithuania. On 31 December 2015 the share capital of the Company amounts to EUR 2 255 555 and consists of 7 777 777 ordinary registered shares with a nominal value of 0.29 Euro each. All shares carry equal voting rights. All shares are fully paid up.

On 10 December 2014 the Company issued additional 1 719 444 ordinary shares. Following the increase of the capital, share premium amounts to EUR 33 133 thousand.

Shareholders

On 31 December 2015 the Company had seventeen shareholders whose shares were accounted in Lithuanian securities depository system. The shares of remaining shareholders were accounted in Polish securities depository system. Due to prevailing private information protection laws in Poland, Polish National Depository for Securities is not able to provide the Company with information about number of Company's shareholders whose shares are accounted in Polish securities depository system.

Shareholders, holding more than 5 per cent of the share capital and votes, as on 31 December 2015 and 7 April 2016:

No.	Name of the shareholder	Company code and address	Number of ordinary registered shares owned by the shareholder	Share of the share capital (%)	Share of votes given by the shares owned by the right of ownership (%)
1.	ZIA Valda Cyprus Ltd.	Company code: HE 270489 Address: 1 Avlonos Street, Maria House, 5th floor, 1075 Nicosia, Cyprus	2 290 045	29.44	29.44
2.	Vaidas Barakauskas	-	832 666	10.71	10.71
3.	VGE Investments Limited	Company code: HE 264242 Address: 15 Dimokritou Street, Panaretos El, Limasol, Cyprus	785 216	10.10	10.10
4.	Mesotania Holdings Limited	Company code: HE 280922 Address: 1 Avlonos Street, Maria House, 5 th floor, Nicosia, Cyprus	699 115	8.99	8.99
5.	Harberin Enterprises Limited	Company code: HE 268672 Address: 7 Florinis, Greg Tower, 6 th floor, Cyprus	605 227	7.78	7.78
6.	Nationale-Nederlanden Otwarty Fundusz Emerytalny	Company code: NIP 526-22-41-523 Address: ul. Topiel 12; 00-342 Warsaw, Poland	390 000	5.01	5.01
7.	Other shareholders	-	2 175 508	27.97	27.97
	Total		7 777 777	100.00	100.00

The number of shares owned by the Management of the Company, members of the Management Board and Supervisory Council as on 31 December 2015 and as on 7 April 2016 is listed in the table below:

Name	Role in the Company's Management	Number of shares	%
Mr Vaidas Barakauskas	Member of the Supervisory Board	832 666	10.71
Mr Anatolij Legenzov	Member of the Management Board, CEO of Helisota UAB	73 255	0.94
Mr Aurimas Sanikovas	Member of the Management Board, CFO of Avia Solutions Group AB	60 775	0.78
Mr Žilvinas Lapinskas	Member of the Management Board, CEO of FL Technics UAB	32 960	0.42
Mr Daumantas Lapinskas	Member of the Management Board, Deputy CEO of Avia Solutions Group AB	8 240	0.11

Treasury stocks

On 31 December 2015 neither the Company nor its subsidiaries hold any treasury stock.

Acquisition of treasury stocks

Under applicable Lithuanian laws a qualified $\frac{3}{4}$ majority of votes of shareholders is required to adopt a resolution on the acquisition of its own shares. The Company is not entitled to exercise property and non-property rights conferred by such shares.

The Company may acquire its own shares under the following conditions: a) the acquisition of its own shares shall occur within a period of eighteen months after the resolution of the General Shareholders' Meeting specifying the terms, conditions and purpose for the acquisition of its own shares is adopted; (b) the total nominal value of the shares to be acquired shall not exceed one-tenth of the share capital of the Company; (c) after the acquisition of its own shares, the Company's equity shall not fall below the sum of the paid share capital, mandatory reserve and the reserve for acquisition of own shares; (d) price for the treasury shares shall be paid from a special reserve for acquisition of its own shares which has to be formed by the Company prior to acquisition; (e) acquired shares shall be fully paid; (f) acquisition of its own shares by the Company shall ensure equal possibilities for all shareholders to sell their shares to the Company.

Shares that were acquired infringing the above listed requirements (a)-(d) must be sold within twelve months from the acquisition of these shares. If the shares are not sold during this period, then the corresponding portion of the share capital of the Company must be annulled.

Shall the Company undertake no actions to annul the preference shares which were acquired infringing the above listed requirements, the share capital shall be reduced accordingly by the court decision. The right to apply to the court shall be vested in the manager of the Company, the Management Board, the shareholder and the creditor. The General Manager of the Company shall be responsible for compliance with the requirements set for the acquisition of the treasury shares of the Company.

Shareholders' rights

None of the shareholders of the Company have any special controlling rights. Rights of all shareholders are equal. The number of *Avia Solutions Group AB* shares that provide voting rights during the General Meeting of Shareholders amounts to 7,777,777. One ordinary registered share of *Avia Solutions Group AB* gives one vote in the General Meeting of Shareholders. The Company and its' subsidiaries do not own any shares of the Company.

The Company is not aware of any agreements between the shareholders that could limit transfer of securities and/or their ability to exercise their voting rights.

Type of shares	Number of shares	Nominal value in EUR	Total nominal value in EUR	ISIN
Ordinary registered shares	7,777,777	0.29	2,255,555	LT0000128381

Information about trading in the Company's securities

On 3 March 2011 shares of the Company were introduced to trading at Warsaw Stock Exchange (code: AVIASG).

Securities of the Company's subsidiaries are not traded publicly.

Dividends

The Company has not paid out to the shareholders any dividends.

IV. PERSONNEL

During the year 2015 the average number of employees *without discontinued operations, i.e. Airport Infrastructure Management segment* was 1 768, while the total number of Group's staff has increased by 140 (which amounts to 9% increase). The most significant positive change has occurred in following companies: *Baltic Ground Services UAB, BAA Training UAB, Helisota UAB, Storm Aviation Ltd.* and *Baltic Ground Services Sp.z.o.o.* due to further expansion of offered services and growth of sales. The most significant negative change of 4.3 per cent has occurred in *FL Technics UAB* due to implemented lean operations and reviewed organisational structure.

The breakdown of the number of full-time employees by the Group's companies:

The Group's companies	31 December 2015	31 December 2014	Change
Avia Solutions Group AB	61	54	7
AviationCV.com UAB	21	16	5
BAA Training UAB (previously Baltic Aviation Academy UAB)	93	59	34
Baltic Ground Services UAB	272	225	47
Baltic Ground Services Sp.z.o.o.	105	90	15
Laserpas UAB	5	-	5
Baltic Ground Services UA TOV	6	-	6
Baltic Ground Services RU OOO	6	-	6
Baltic Ground Services EE OÜ	2	-	2
Baltic Ground Services LV SIA	6	-	6
Baltic Ground Services CZ s.r.o.	-	-	-
FL Technics UAB	729	762	-33
Jet Maintenance Solutions UAB (previously FL Technics Jets UAB)	69	72	-3
FL Technics Line OOO	5	5	-
FL Technics Ulyanovsk OOO	-	-	-
FLT Trading House UAB	-	-	-
Locatory.com UAB	28	28	-
Storm Aviation Ltd.	61	45	16
Storm Aviation (Cyprus) Ltd.	2	2	-
KlasJet UAB (previously Verslo skydžiai UAB)	8	8	-
Helisota UAB	181	163	18
Kauno aviacijos gamykla UAB	5	5	-
KIDY Tour UAB	4	-	4
PT. Avia Technics Dirgantara	5	-	5
Avia Solutions Group - Airports Management OOO*	-	1	-
RAMPART AERO OAO*	-	8	-
RAMPART SECURITY OAO*	-	-	-
Globus Distribution OAO*	-	1	-
Number of all full-time employees at the end of the period	1 674	1 544	130
Number of full-time employees without airport infrastructure management segment at the end of the period (only from continuing operations)	1 674	1 534	140

* The companies are disclosed as discontinued operations as at 31 December 2014. Globus Distribution OAO was sold in June 2015, Avia Solutions Group – Airports Management OOO and its' subsidiaries were disposed on 30 September 2015

The breakdown of the Group's number of full-time employees and average salaries by categories in 2015 from continuing operations:

Employee category	31 December 2015	Average monthly salary, EUR	31 December 2014	Average monthly salary, EUR
Management (first and second level managers)	275	2 396	260	2 027
Specialists (qualified and/or certified, if the Company requires)	1 046	1 260	909	1 300
Other operative staff	353	786	365	735
Number of full-time employees at the end of the period from continuing operations only and weighted average monthly salary (excluding social insurance expenses)	1 674	1 347	1 534	1 289

The breakdown of the Group's number of part-time employees and average salaries by categories in 2015 from continuing operations:

Employee category	31 December 2015	Average monthly salary, EUR	31 December 2014	Average monthly salary, EUR
Management (first and second level managers)	16	1 508	12	763
Specialists (qualified and/or certified, if the Company requires)	56	593	75	374
Other operative staff	32	396	23	415
Number of part-time employees at the end of the period from continuing operations only and weighted average monthly salary (excluding social insurance expenses)	104	673	110	425

The breakdown of the Group's number of employees (including part-time employees) by education level in 2015:

Education level	31 December 2015	31 December 2014
University third cycle studies (doctoral, postgraduate and residency studies)	1	5
University second cycle studies (master and specialized professional studies)	347	319
First cycle studies (bachelor studies, including non-university studies)	805	747
Secondary professional education	234	236
Secondary education	372	306
Primary education	19	31
Number of employees (including part-time employees) at the end of the period	1 778	1 644

The breakdown of the Company's number of full-time employees and average salaries by categories in 2015:

Employee category	31 December 2015	Average monthly salary, EUR	31 December 2014	Average monthly salary, EUR
Management (first and second level managers)	12	4 605	12	3 196
Specialists (qualified and/or certified, if the Company requires)	30	1 590	23	889
Other operative staff	19	946	19	952
Number of full-time employees at the end of the period and weighted average monthly salary (excluding social insurance expenses)	61	1 983	54	1 424

The breakdown of the Company's number of part-time employees and average salaries by categories in 2015:

Employee category	31 December 2015	Average monthly salary, EUR	31 December 2014	Average monthly salary, EUR
Management (first and second level managers)	2	39	3	1 034
Specialists (qualified and/or certified, if the Company requires)	2	2 340	6	862
Other operative staff	2	58	2	371
Number of part-time employees at the end of the period and weighted average monthly salary (excluding social insurance expenses)	6	812	11	820

The breakdown of the Company's number of employees (including part-time employees) by education level in 2015:

Education level	31 December 2015	31 December 2014
University third cycle studies (doctoral, postgraduate and residency studies)	-	-
University second cycle studies (master and specialized professional studies)	21	20
First cycle studies (bachelor studies, including non-university studies)	41	39
Secondary professional education	1	1
Secondary education	4	5
Primary education	-	-
Number of employees (including part-time employees) at the end of the period	67	65

V. MANAGING BODIES OF THE ISSUER

According to the Articles of Association of *Avia Solutions Group AB*, the managing bodies of the Company are General Meeting of Shareholders, the Supervisory Council, the Board and the Head of the Company (the General Director).

The Supervisory Board is responsible for the supervision of activities of the Company and its management bodies. Board is responsible for the strategic management of the Company (including the appointment and removal of the General Director), whereas the General Director manages day-to-day operations of the Company and has the exclusive right to represent the Company in relations with third parties.

The decisions of the General Meeting made regarding the matters of competence of the General Meeting, are binding upon the Shareholders, the Supervisory Council, the Board, General Director and other officials of the Company. The Shareholders of the Company have the right to participate in the General Meeting.

The Supervisory Council is a collegial supervisory body, which is responsible for supervising the activities of the Company and its management bodies, the appointment and removal of the members of the Management Board, submitting its comments and proposals to the General Meeting on the Company's operating strategy, set of annual financial statements, draft of profit/loss appropriation, the annual report of the Company, the activities of the Management Board and the General Director, submitting proposals to revoke decisions of the General Meeting, Management Board or General Director, etc. The Supervisory Council consists of three members for a term of four years. Members of the Supervisory Council institutes two committees: Nomination and Remuneration Committee and Audit Committee. Two members of the Supervisory Council comprise Nomination and Remuneration Committee and two members of the Supervisory Council comprise the Audit Committee.

The Nomination and Remuneration Committee is a collegial body, which is established to assist the Supervisory Council in all matters relating to the appointment of candidates to the Company's Board members, company directors or senior management positions.

The Audit Committee is a collegial body, which is established to observe the integrity of financial information, review internal controls and risk management systems, ensure the effectiveness of internal control functions, make recommendations to the Supervisory Council in relation to the selection of the audit firm, etc. The members of the Committees as well as their Chairmen are appointed by the Supervisory Council, based on the recommendations of (i) the Nomination and Remuneration Committee (in case of the Audit Committee) and (ii) the elected members of the Nomination and Remuneration Committee (in case of the Nomination and Remuneration Committee). The Committees consist of a number of members established by the Supervisory Council, but in any event not less than 2 members of who has to be the members of the Supervisory Council. The members of the Committees may receive remuneration for work in the Committees which shall be established by the Supervisory Council. The Supervisory Council has the right to withdraw the entire Committees *in corpore* or their individual members and to appoint a new Committees or individual members of the Committees.

Members serving on the Board of the Company are acting jointly as a governing body of the Company. The Board approves the operating strategy, the annual report of the Company, the management structure of the Company and the positions of the employees, the positions to which employees are recruited by holding competitions, regulations of branches and representative offices of the Company, etc. The Board consists of five members. The members of the Board are elected for a term of four years. The Chairman of the Board is elected by the Board from its members for four years. The members of the Board are elected by the Supervisory Council in accordance with the procedure established by the Law on Companies of the Republic of Lithuania.

The Board elects and recalls the General Director, sets his/her remuneration and other conditions of the employment agreement, approves his/her office regulations, induces and applies penalties to him/her. The General Director is the Head of the Company. The Head of the Company is a one-man management body of the Company and, within his scope of authority, organizes the day-to-day operation of the Company.

Procedure for amending the Company's Articles of Association

Avia Solutions Group AB Articles of Association provides that present Articles of Association of the Company may be amended in the manner prescribed by the Lithuanian Company Law.

The Supervisory Council activities

According to the Articles of Association the Supervisory Council should be comprised of three members.

During 2015 six meetings of the Supervisory Council were held. The Supervisory Council analysed the consolidated annual report of the Company for the year ended 31 December 2014, audited annual financial statements of the Company and of the Group for the year ended 31 December 2014, reviewed consolidated interim financial information for the periods of the first and third quarters of the year 2015, discussed results and compared with the same period in 2014.

Additionally the Supervisory Council discussed about and assessed the impact of insolvency of one of a client, the impact of assets impairment as well as write-offs on the results of the Company's subsidiary. During the meetings the Supervisory Council proposed to amend the Articles of Association of the Company and approved the new wording. Finally the Supervisory Council reviewed the products of particular subsidiaries of the Company and assessed their future business activities.

Members of the Supervisory Council

According to the decision of the Extraordinary General Meeting of Shareholders on 24 September 2014 the number of the members of the Supervisory Council was decreased to 3.

Currently the Supervisory Council is comprised of three members elected for the tenure of four years: in 2014 Hubert Bojdo resigned, Vldas Bagavičius was dismissed from Supervisory Council (following the decision to reduce the number of the Supervisory Council members).

The table below indicates the elected members of the Supervisory Council at the balance sheet date:

Name	Position within the Company	In the position	
		Since	Until*
Supervisory Council			
Mr Vaidas Barakauskas	Chairman of the Supervisory Council	24 September 2014	24 September 2018
Mrs Džiuginta Balčiūnė	Member of the Supervisory Council	30 April 2014	30 April 2018
Mr Dariusz Marek Formela	Member of the Supervisory Council (the independent member)	30 April 2014	30 April 2018

* - but, in any case, not longer than Annual Shareholders' Meeting to be held in April 2018.

Information about all members of the Supervisory Council is presented below:

Mr Vaidas Barakauskas. Mr Vaidas Barakauskas has a considerable management experience: from 1992 till 2008 he acted as the president in Fima UAB and ZVC UAB, and now he is a director in Ilzenbergo dvaras UAB, Indeco: Investment and Development UAB, FIT UAB, RVB Fondas VSI . From 2010 Mr Vaidas Barakauskas is an indirect and from 2014 is a direct and indirect shareholder of Avia Solutions Group AB. From 2012 he holds a position of president of Lithuanian Modern Pentathlon Federation. Mr Vaidas Barakauskas graduated from Vilnius University, Faculty of Mathematics, where he obtained bachelor degree in Mathematics, and in 2002 he graduated and obtained an executive MBA at the Baltic Management Institute. Mr Vaidas Barakauskas directly and indirectly owns 1'531'781 shares in the Avia Solutions Group AB (19.69% of all the shares).

Mrs Džiuginta Balčiūnė. Mrs Džiuginta Balčiūnė has a considerable legal experience. She gained her professional experience at the law firm Broda-Warnke-Schartner in Berlin (in 2003), in the Chamber of Industry and Commerce in Berlin (in 2005), at the law firm N. Motiejuniene, M. Pukas and Partners (Rödl & Partner UAB) in Vilnius, Lithuania (in 2006) and in the Political Unit of Representation of the European Commission in Berlin (in 2006). Mrs Džiuginta Balčiūnė worked as an associate lawyer at the law firm Bernotas and Dominas GLIMSTEDT in Vilnius (2006–2008) and as an associate lawyer at the law firm RAIDLA LEJINS & NORCOUS in Vilnius (2009-10) and since 2010 she acted as an independent attorney-at-law Džiuginta Balčiūnė. Mrs Džiuginta Balčiūnė acted as a member of the Supervisory Board in Agrowill AB. Mrs Džiuginta Balčiūnė has a special knowledge in mergers and acquisitions, real estate law, bankruptcy and restructuring. Džiuginta Balčiūnė graduated from the Vilnius University, Faculty of Law in 2004 and obtained a Master of German and European Law and Legal Practice (M.L.L.P.) in Humboldt University, Law faculty, in Berlin, Germany. Mrs Džiuginta Balčiūnė does not participate in the capital of any companies of the Group.

Mr Dariusz Formela. Mr Dariusz Formela' work experience and competence directly connected to collegial organs: from 2000 he acted as the member of the Supervisory Board in Makton SA, the member of the Supervisory Board in PGE Mining & Energy, the Vice-Chairman of the Supervisory Board of Unipetrol AS, including the position of Chairmen of the Nominations and Salaries Committee as well as Chairman of the Corporate Governance Committee, the Chairman of the Supervisory Board in Plock Industry and Technology Park SA, the Chairman of the Supervisory Board Kedzierzyn Kozle Orlen Transport Sp.z.o.o., the Chairman of the Supervisory Board Orlen Laboratorium Sp.z.o.o., the Chairman of the Supervisory Board Administration ORLEN Sp.z.o.o., the Chairman of the Supervisory Board ORLEN Prevention Sp.z.o.o., the Chairman of the Supervisory Board ORLEN Protection Co. Sp.z.o.o., the Chairman of the Supervisory Board Wisla Plock S.A., the Vice-Chairman of the Supervisory Board ORLEN Accounting Sp.z.o.o., the Vice-Chairman of the Supervisory Board ORLEN Upstream Sp.z.o.o., the Member of the Supervisory Board Spolana AS and Kaučuk AS, the member of the Supervisory Board of LW Bogdanka S.A (as well as a Chairman of the Nominations and Remuneration Committee), the member of the Supervisory Council of Polimex Mostostal (as well as a Chairman of the Audit Committee). Since 2012 Mr Dariusz Formela is acting as the President (CEO) of PKM DUDA SA. Since 2013 Mr Dariusz Formela is acting as the member of the Supervisory Board Agora SA (as well as the member of the Audit Committee). Mr Dariusz Formela graduated from University of Gdansk, Faculty of Law and Administration in 1998 and obtained a Master's degree in the University of Bradford in 2006. He undertook postgraduate studies: Supervisory Board Member's rights in the State Treasury companies (state examination), Study for Investment Advisors and Stock Market Analysts (Business Development Institute), Postgraduate Studies in Company's Value Management (Warsaw School of Economics), Managerial Postgraduate Study XXth edition (Warsaw School of

Economics), attended Finance College in Gdansk Foundation for Management Development, undertook Health Insurance internship in Paris. Mr Dariusz Formela does not participate in the capital of any companies of the Group.

The Audit Committee activities

During 2015 no meetings of the Audit Committee were held.

According to the Regulations of the Audit Committee the main functions of this committee are as follows:

- to observe the integrity of financial information provided by the Company with particular attention to the relevance and consistency of methods used by the Company and the Group;
- at least once a year to review internal controls and risk management systems to ensure that the main risks (including the risk associated with compliance with the existing laws and regulations) are properly established, managed and information of them is disclosed;
- to ensure the effectiveness of internal control functions;
- to make recommendations to the Supervisory Council with regard to the selection of external audit firm, its appointment, reappointment and dismissal, and with the terms and conditions of agreement with the audit firm. The Committee shall examine situations in which the audit firm or an auditor has a basis to resign, and provide recommendations on actions required in such case;
- to monitor the independence and objectivity of the external audit firm, to check whether the audit firm takes into account the requirements in relation to the audit partner rotation, inspect the amount of remuneration paid by the Company to the audit firm and other matters, etc.

Members of the Audit Committee

According to the Supervisory Council meeting held on 24 September 2014 the number of the members of the Audit Committee was reduced to 2.

The table below indicates the elected members of the Audit Committee at the balance sheet date:

Name	Position within the Company	In the position	
		Since	Until*
Audit Committee			
Mrs Džiuginta Balčiūnė	Member of the Audit Committee	24 September 2014	24 September 2018
Mr Dariusz Formela	Chairman of the Audit Committee (the independent member)	24 September 2014	24 September 2018

* - but, in any case, not longer than Annual Shareholders' Meeting to be held in April 2018.

Information about members of the Audit Committee is presented in paragraphs above.

The Nomination and Remuneration Committee activities

During 2015 no meetings of the Nomination and Remuneration Committee were held.

The Regulations of the Nomination and Remuneration Committee foresees that the Committee shall provide the assistance to the Supervisory Council in all matters relating to the appointment of candidates to the Management Board members, directors or senior management positions. Specifically, the Committee shall:

- select and recommend candidates to the Supervisory Council to vacant positions in the management bodies. The Committee shall assess the balance of skills, knowledge and experience in management bodies, establish the list of roles and capabilities required for each office, and assess the time required for carrying out the obligations;
- discuss the nominations proposed by the Company's shareholders and management to the Board members or senior management;
- recommend candidates to the Supervisory Council to other committees established by the Supervisory Council; regularly assesses the structure, size, composition and performance of management bodies, provide guidance on how to achieve the necessary changes;
- regularly evaluate knowledge, skills and experience of individual directors and shall notify the Supervisory Council;
- provide assistance to the Supervisory Council in all matters relating to the establishment of remuneration of the members of management bodies and senior management, etc.

Members of the Nomination and Remuneration Committee

According to the Supervisory Council meeting held on 24 September 2014 the number of the members of the Nomination and Remuneration Committee was reduced to 2.

The table below indicates the elected members of the Nomination and Remuneration Committee at the balance sheet date:

Name	Position within the Company	In the position	
		Since	Until*
Nomination and Remuneration Committee			
Mr Vaidas Barakauskas	Chairman of the Nomination and Remuneration Committee	24 September 2014	24 September 2018
Mrs Džiuginta Balčiūnė	Member of the Nomination and Remuneration Committee	24 September 2014	24 September 2018

* - but, in any case, not longer than Annual Shareholders' Meeting to be held in April 2018.

Information about Mrs Džiuginta Balčiūnė and Mr Vaidas Barakauskas is presented in paragraphs above.

The Board Activities

During 2015 thirty six meetings of the Board were held. During all Board meetings there was quorum prescribed by legal acts. The Board approved storage, use and a list of commercial (trade) secrets, approved to issue loans to Group and related companies, approved the establishment of the new subsidiaries and purchase of shares in a subsidiaries, agreed to participate in the General Meeting of Shareholders of an associate, adopted a decision to prolong surety ship agreement under amended terms, approved significant contracts and participation in the competition for corporate publication production services, approved to issue letter of comfort for a subsidiaries' financial leasing agreement and prolong credit line with assets' collateral, agreed on a development strategy in Thailand. During the meetings the set of annual financial statements of the Group for 2014 and amendments of Articles of Association were approved and decided that the Company shall continue preparing and publishing its interim financial statement (despite the fact that it is no longer obliged). It was also approved to transfer 100% of authorized share capital owned by the Company at the subsidiary Avia Solutions Group – Airports Management OOO.

Members of the Board

Currently the Management Board consists of five members. The Supervisory Council of Avia Solutions Group AB on 25 April 2014 unanimously decided to re-elect the members of the Management Board of the Company.

The table below indicates the elected members of the Board at the balance sheet date:

Name	Position within the Company	In the position	
		Since	Until*
Management Board			
Mr Gediminas Žiemelis	Chairman of the Management Board	25 April 2014	25 April 2018
Mr Aurimas Sanikovas	Member of the Management Board	25 April 2014	25 April 2018
Mr Daumantas Lapinskas	Member of the Management Board	25 April 2014	25 April 2018
Mr Žilvinas Lapinskas	Member of the Management Board	25 April 2014	25 April 2018
Mr Anatolij Legenzov	Member of the Management Board	25 April 2014	25 April 2018

* - but, in any case, not longer than Annual Shareholders' Meeting to be held in April 2018.

Information about all members of the Board is presented below:

Mr Gediminas Žiemelis. Mr Gediminas Žiemelis has a unique management and advisory experience. He started his career in 1999 as the deputy manager of the Vindication and Fraud Division in Lithuania Savings bank, AB (currently, Swedbank, AB), the Department of Problematic Assets and Vindication (1999–2001). He acted as the General Manager of Žvilgsnis iš arčiau UAB (2001–2005) (currently named Creditinfo UAB), which was engaged mainly in debt recovery and credit risk management, the General Manager of ŽIA VALDA AB (2002–2006) and the General Manager of brokerage firm Finhill Soft UAB FMĮ (in 2007-2008). Mr Gediminas Žiemelis is a Chairman of the Management Board in ŽIA VALDA AB since 2002 and was a Business development Manager since 2007 till 2009. Mr Gediminas Žiemelis is the Chairman of the Management Board in Avia Solutions Group AB and the Manager of the Development Department since 2009 and the member of the Supervisory Board in Agrowill AB since 2010. Mr Gediminas Žiemelis also acted as a chairman of the Management Board of AviaAM Leasing AB (2012-2014). Mr Gediminas Žiemelis obtained a bachelor's degree at the Faculty of Business Management in the Vilnius Gediminas Technical University, Lithuania in 1999 and a master's degree at the Faculty of Law in the Mykolas Romeris University, Lithuania in 2004. He has also finished the Program for Leadership Development (PLD) in the Harvard Business School, Boston, MA, U.S.: Accelerating the Careers of High-Potential Leaders. Mr Gediminas Žiemelis was selected twice among the top 40 most talented young industry leaders by Aviation Week & Space Technology and is a member of the YPO (Young Presidents Organization) organization.

Mr Aurimas Sanikovas. Mr Aurimas Sanikovas started his career as an audit associate in PricewaterhouseCoopers, Lithuania in 2001. In 2007 his last position held at the company was that of a manager. He performed supervision and execution of audit engagements performed in accordance with the IAS and US GAAS. Mr Aurimas Sanikovas has principal expertise in telecommunications, IT, manufacturing, construction, consumer products and energy sectors. From 2007 till 2010 he acted as the Chief Financial Officer of Avia Solutions Group Holdings AB. Mr Aurimas Sanikovas also acted as a member of the Management Board of Avia Asset Management AB (2008–2010), a member of the Management Board of FL Technics (2008–2010) and a member of the Management Board of Small Planet Airlines Sp.z.o.o. and Small Planet Airlines AS (2009–2010). He has also acted as the Interim General Manager of Avia Funds Management UAB (2010-2011). Moreover, since 2010 Mr Aurimas Sanikovas is a member of the Supervisory Board of Agrowill Group AB. Mr Aurimas Sanikovas also acted as a member of the Management Board of AviaAM Leasing AB (since 2012). His main responsibilities at the Group include control of operations of subsidiaries, leading budgeting, reporting, treasury and risk management functions, finance function staffing, fund raising, deal structuring, tax planning and managing resolution of finance related issues. Mr Aurimas Sanikovas obtained his bachelor's and master's degrees in economics at the Faculty of Economics, Vilnius University, Lithuania with an exchange term in the University of Copenhagen. Since 2006 Mr Aurimas Sanikovas is a fellow of the Association of Chartered Certified Accountants (ACCA). Mr Aurimas Sanikovas owns 294,478 shares in the AviaAM Leasing AB (0.68% of all the Shares). Apart from holding 60,775 shares of *Avia Solutions Group AB* (0.78 per cent of all shares) and 294,478 shares in AviaAM Leasing AB (0.68 per cent of all shares) Mr Aurimas Sanikovas does not participate in the capital of any other legal entities.

Mr Daumantas Lapinskas. Mr Daumantas Lapinskas has more than 16 years of experience in sectors as diverse as public service (in 2009-2010 was an advisor to the Minister of Economy, Lithuania, served as the Vice Minister of Economy in the 15th Government of Lithuania), banking (more than seven years at the European Bank for Reconstruction and Development, executing monitoring debt, equity and working capital financing projects for the Companies in CEE and CIS), trading and private business. Mr Daumantas Lapinskas held board positions in the following companies: Invest Lietuva (2010-2012), Enterprise Lithuania (2010-2012), JSC Investicijų Verslo Garantijos (INVEGA) (Chairman of the Board). Mr Daumantas Lapinskas graduated from Vilnius University where he obtained bachelor degree in Economics (specialization in Finance), and in 1999 he obtained a master's in International Economics and Finance at the Brandeis University, USA (Edmund S. Muskie Scholarship in Economics). Since 2013 Mr Daumantas Lapinskas is a Deputy CEO at *Avia Solutions Group AB*. Apart from holding 8,240 shares of *Avia Solutions Group AB* (0.11 per cent of all shares), 1,640 shares of *Kauno Energija AB* (0.00 per cent of all shares) and 9,500 shares of *TEO AB* (0.00 per cent of all shares), Mr Daumantas Lapinskas does not have interest in the share capital of any other legal entities.

Mr Žilvinas Lapinskas. Mr Žilvinas Lapinskas has a deep international business expertise. He started his career as sales manager in Rubikon Prodimpeksas, since 1999 worked in City Service – OMX listed company, where he held CCO and Head of Facilities Management Department positions prior to becoming CEO in 2004. Mr Žilvinas Lapinskas took LEAN 6 Sigma Implementation courses as well as Facilities Management course at Dalkia Facility Management, Stocholm, Sweden. Mr Žilvinas Lapinskas holds a bachelor degree in Business management. Since November 2013 Mr Žilvinas Lapinskas is CEO at FL Technics UAB. Mr Žilvinas Lapinskas is a direct shareholder of the Company and has 32,960 shares of *Avia Solutions Group AB* that accounts to almost 0,42 per cent of the share capital. Mr Žilvinas Lapinskas does not participate in the capital of any other legal entities

Mr Anatolij Legenzov. Mr Anatolij Legenzov started his career in 1996 in Oxford Health Plans, LLC as an IT Support Analyst. He worked for this company for 2 years and since 1998 started his career in Helisota UAB. Prior to becoming General Director in 2013 Mr Anatolij Legenzov held International Sales Representative, Director International Sales, and Director for Commerce positions. Since 2011 he is a member of Helisota UAB Board. Mr Anatolij Legenzov studied in Kaunas University of Technology, obtained bachelor degree in Computer Science from University of Bridgeport and master degree in Computer Science from Columbia University. In 2001 he obtained an executive MBA at the Vytautas Magnus University. Mr Anatolij Legenzov is a direct shareholder of the Company and has 73,255 shares of *Avia Solutions Group AB* that accounts to almost 0.94 per cent of the share capital. Mr Anatolij Legenzov does not participate in the capital of any other legal entities.

Members of the Company's Administration

Company's Administration consists of three key executives: the Chief Financial Officer, the Director of Development and the General Director. All the employees of the Company are directly subordinated and report to the General Director.

Name	Position within the Company	In the position	
		Since	Until
Key Executives			
Mr Linas Dovydenas	General Manager	25 August 2010	Indefinite
Mr Aurimas Sanikovas	Chief Financial Officer	30 September 2010	Indefinite
Mr Gediminas Žiemelis	Director of Development	30 September 2010	Indefinite

Mr Linas Dovydėnas. Mr Linas Dovydėnas started his career in 1995 in Sanitex UAB, Lithuania. He worked for this company for 7 years and his last two positions held at the company were Key Account Manager and Regional Manager Horeca. From 2002 to 2007 he acted for Philip Morris Baltic States. He held the following positions at the company: Supervisor Key Accounts Baltic States, Manager National Sales Estonia, Manager Customer Development Lithuania and Manager National Sales Lithuania. Mr Linas Dovydėnas joined the Group in 2008. He held a position of the Chairman of the Supervisory Board of Small Planet Airlines AS and was a member of the Management Board in FL Technics. Mr Linas Dovydėnas also acted as a member of the Management Board of AviaAM Leasing AB (since 2012). He leads the management team in planning, development and implementation strategies to meet agreed organizational plans within agreed budgets and timescales. In 1997 Mr Linas Dovydėnas obtained a bachelor's degree in Business and Business Administration at the Faculty of Economics, Vilnius University, and in 2006 he obtained an executive MBA at the Baltic Management Institute. Mr Linas Dovydėnas owns 441,717 shares in AviaAM Leasing AB (1.02% of all the shares). Mr Linas Dovydėnas does not participate in the capital of any other legal entities.

Information about Mr Gediminas Žiemelis and Mr Aurimas Sanikovas is presented in paragraphs above.

Information about remuneration of key management of the Company and the Group personnel is provided in Note 35 of the Company's and the Group's Financial Statements for the year ended 31 December 2015. Members of Supervisory and Management Boards do not receive salary except if they are employed by the Group.

Information about total amounts calculated for Management groups of the Company and the Group during 2015 and 2014:

Position ('000 EUR)	2015	2014	Change
<i>Remuneration of key management of the Company</i>			
Members of Supervisory Board	3	-	-
Members of Management Board	4	4	-
Company's Administration (General Manager, Chief Financier)	116	120	-3.3%
<i>Remuneration of key management of the Group</i>			
Members of Supervisory Board	3	7	-57.1%
Members of Management Board	4	4	-
Administration of Group's Companies (General Managers, Chief Financiers)	1 306	1 235	+5.7%

Average monthly salary of the Group's General Managers and Chief Financiers:

Position (EUR)	2015	2014	Change
Company's Administration (General Manager, Chief Financier)	4 832	4 984	-3.0%
Administration of Group's Companies (General Managers, Chief Financiers)	3 297	3 812	-13.5%

There were no annual compensation (tantiemes) paid to the Company's Management, to the Company's Board members or Company's Supervisory board member during 2015.

In 2015 there were no guarantees or sponsorship granted to the members of the Supervisory or Management Boards or Management by the Company as well as none of subsidiaries paid salaries or other pay-outs to the members of the Boards or the employees of the Company for being members of their managing bodies, except the loan granted to Mr Aurimas Sanikovas from Avia Solutions Group AB, which constituted EUR 272 as at 31 December 2015. According to this loan agreement the employee has the right to put back the shares to the Company in a period from 31 March 2014 to 31 December 2018, if the Group achieves appointed EBT targets or if the Company's share price declines 10 or more percent compared to their acquisition price. As at 28 November 2014 the Company signed two put option agreements with the employees, related to the Key Management of the Group, which give them a right to put back the newly issued shares of the Company in a period from 1 January 2015 to 31 December 2018 under similar conditions as those presented above. On 28 April 2015 the Company signed an agreement with an employee, related to the Key Management of the Group, which give a right to put back 10 per cent of shares to the Company if certain Profit before taxes target is achieved. Additionally the Company has a call option to buy back those shares. The Management of the Group has evaluated that the above mentioned option agreements made with the members of the Key Management of the Group do not have a material impact on these financial statements.

During the year there were no transactions with subsidiaries or other related parties under harmful conditions for the Group.

All the Company's employment agreements with the employees, including management, of the Company are concluded following requirements of the Labour Code of the Republic of Lithuania. Employees are employed and laid off following requirements of the Labour Code.

There are no material agreements to which the Company is a party and which would come into effect, be amended or terminated in case of change in the Company's control.

Auditors

Auditors from PricewaterhouseCoopers UAB audited the balance sheet of the Company and together with its consolidated subsidiaries for the years ended 31 December 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and other explanatory notes for the years then ended.

On 30 April 2014, the shareholders of the Company during the Annual General Meeting of Shareholders elected UAB PricewaterhouseCoopers as the Company's audit enterprise for the period of the next two years to perform the audit of the annual separate and consolidated financial statements of the Avia Solutions Group AB for the years 2014 and 2015, and to make the assessment of the consolidated annual report of the Company for the years 2014 and 2015. Shareholders authorized the Company's General Manager to conclude the agreement for audit services, establishing the payment for services as agreed between the parties but in any case not more than EUR 101 367 (VAT excluded) for the audit services.

VI. OTHER INFORMATION

Information about compliance with Corporate Governance Code

The Company essentially follows a recommendatory Corporate Governance Code for the WSE Listed Companies (hereinafter 'the Governance Code') prepared and announced on 30 June 2011. This announced version of Corporate Governance Statement of *Avia Solutions Group AB* is available on the corporate website: www.aviasg.com in the "Investor Relations" section dedicated to the Company's shareholders under "Reports, codes" in the "WSE Best Practice" tab: <http://www.aviasg.com/en/investor-relations/reports-codes/wse-best-practice.html>.

The WSE has a corporate governance code, which is the Code of Best Practice for WSE Listed Companies, the most recent version being the Appendix to Resolution No.19/1307/2012 of the Exchange Supervisory Board dated 21 November 2012 (the "WSE Corporate Governance Code").

The Company acknowledges the importance of good corporate governance and intends to seek the compliance with the WSE Corporate Governance Code to the extent possible. Especially, the Company intends to be as transparent as it is legally and practically possible using multilingual Company's website. Moreover, some members of the Supervisory Council are independent. However, due to, inter alia, differences between Polish and Lithuanian Corporate Law the Company does not comply with the following rules of the WSE Corporate Governance Code:

- **Rule II.3 and Rule III.9**, according to which the Supervisory Council should approve a significant transaction/agreement with a related entity at the request of the Management Board. In accordance with Lithuanian law, the Supervisory Council is not entitled to approve any decisions of the Management Board;
- **Rule IV 10**, according to which the Company should enable its shareholders to participate in a general meeting using electronic communication means through real-life broadcast of General Meetings and real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting. The Company does not enable participation in the general meeting by using electronic communication means through real-life broadcast and real-time bilateral communication. However, the Company does not exclude that such means will be adopted in the future.

Furthermore, the Company does not comply with the following recommendations:

- **Recommendation I.1**, regarding on-line broadcasting of general meeting. The Company does not enable on-line broadcasts of general meetings over the Internet, record general meetings, and publish the recordings on the company website. However, the Company intends to expand its website in line with development of its corporate events in order to meet the expectations of the investors and shareholders.
- **Recommendation I.5**, regarding remuneration policy. Currently, the Company does not have a remuneration policy adopted. The Company does not exclude that the remuneration policy will be adopted by the General Meeting in the future.
- **Recommendation I.9**, regarding balanced proportion of men and women in the Management Board and Supervisory Council. Currently, there is only one woman in governing bodies of the Company, Džiuginta Balčiūnė, a member of the Supervisory Council. The Company supports this recommendation. However the members of the Supervisory Board are appointed by the General Meeting of Shareholders and therefore the compliance with this recommendation depends on the shareholders' future decisions.
- **Recommendation I.12**, according to which the Company should enable its shareholders to exercise the voting right during a general meeting either in person or through a proxy, outside the venue of the general meeting, using electronic communication means. Currently, the Company does not envisage possibility to enable its shareholders to exercise the voting right during a general meeting outside the venue of the general meeting, using electronic communication means. However, the Company does not exclude that relevant solutions will be introduced in the future.

Publicly announced information

During the year ended 31 December 2015 the Company publicly announced through Warsaw Stock Exchange Information system and on own webpage the following information:

Publication Date	Title	Category of announcement
18 February 2015	Consolidated Financial Information for the year ended 31 December 2014 (Unaudited)	Interim information
8 April 2015	Notice on Annual General Meeting of Shareholders	Notification on material event
14 April 2015	Independent Auditor's Report, Separate and Consolidated Financial Statements, Consolidated Annual Report for the Year Ended 31 December 2014	Notification on material event
20 April 2015	The Supervisory Council proposes to amend the draft of the articles of association of the Company and to amend the draft decisions accordingly	Notification on material event
5 May 2015	Notice on the decisions adopted by the Annual General Meeting of Shareholders of AB Avia Solutions Group	Notification on material event
15 May 2015	Consolidated Financial Information for the three-month period ended 31 March 2015 (Unaudited)	Interim information
7 July 2015	Notice on registration of the new wording of Articles of Association	Notification on material event
13 August 2015	Consolidated Financial Information for the six-month period ended 30 June 2015 (Unaudited)	Interim information
30 September 2015	Avia Solutions Group AB completed the transfer of shareholding of its subsidiary Avia Solutions Group – Airports Management OOO	Notification on material event
13 November 2015	Consolidated Financial Information for the nine-month period ended 30 September 2015 (Unaudited)	Interim information
10 December 2015	Notice on the decision adopted by the Board of AB Avia Solutions Group	Investor news
16 December 2015	Notice on establishment of a new subsidiary of AB Avia Solutions Group	Notification on material event
23 December 2015	Avia Solutions Group AB financial reporting in 2016	Investor news

Contents of above mentioned announcements can be obtained on Company's webpage:
<http://www.aviasg.com/en/investor-relations/major-events.html>

CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuania, We, Linas Dovydenas, General Director of *Avia Solutions Group AB*, and, Aurimas Sanikovas, Chief Financial Officer of *Avia Solutions Group AB*, hereby confirm that, to the best of our knowledge, Consolidated Annual Report of *Avia Solutions Group AB* for the year 2015 includes a fair review of the development and performance of the business and the position of the Company and the Group of undertakings in relation to the description of the main risks and contingencies faced thereby.

General Director
Linas Dovydenas



Chief Financial Officer
Aurimas Sanikovas

