



**AVIA SOLUTIONS GROUP (ASG) PLC**  
Condensed Consolidated Interim Financial Information  
For the Three-Month Period Ended 31 March 2024  
(Unaudited)



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## GENERAL INFORMATION

**Beginning of the financial period** 1 January 2024

**End of the financial period** 31 March 2024

**Board of Directors:**

Gediminas Ziemelis  
Jonas Janukenas  
Zilvinas Lapinskas  
Linas Dovydenas  
Thomas Klein  
Pascal Jean Alexandre Picano

**Date of registration:**

10 October 2022

**Registration number:**

727348

**Registered office:**

Building 9, Vantage West  
Central Park  
Dublin, D18 FT0C, Ireland

**Company Secretary:**

HMP Secretarial Limited  
Riverside One  
Sir John Rogerson's Quay  
Dublin, D02 X576, Ireland

**Auditors:**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1, Ireland

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	January - March	
		2024	2023
<b>Revenue</b>	4	<b>508 778</b>	<b>404 776</b>
Other income		1 109	783
Cost of services and goods	5	(360 502)	(278 055)
Depreciation and amortisation	4, 11	(81 707)	(41 974)
Employee related expenses		(115 571)	(85 755)
Other operating expenses	6	(32 188)	(21 850)
Decrease/(increase) in the provision for impairment of financial assets	7	1 105	(133)
(Increase)/decrease in the provision for impairment of non-financial assets	7	(820)	17
Other gains - net		10 448	3 463
<b>Operating loss</b>	4	<b>(69 348)</b>	<b>(18 728)</b>
Finance income	8	593	6 358
Finance costs	8	(41 744)	(24 175)
<b>Finance costs – net</b>	8	<b>(41 151)</b>	<b>(17 817)</b>
Share of profit of equity-accounted investees		4	4
<b>Loss before income tax</b>		<b>(110 495)</b>	<b>(36 541)</b>
Income tax credit	9	12 940	3 000
<b>Loss for the year</b>		<b>(97 555)</b>	<b>(33 541)</b>
<b>Profit/(loss) attributable to:</b>			
Equity holders of the parent		(98 636)	(34 075)
Non-controlling interests		1 081	534
		<b>(97 555)</b>	<b>(33 541)</b>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	January - March	
		2024	2023
<b>Other comprehensive income/(expense)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Gain on cash flow hedges, net of tax		286	172
Exchange differences on translation of foreign operations		8 314	(6 596)
<b>Other comprehensive income/(expense) for the year</b>		<b>8 600</b>	<b>(6 424)</b>
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
Equity holders of the parent		(90 105)	(40 769)
Non-controlling interests		1 150	804
<b>Total comprehensive expense</b>		<b>(88 955)</b>	<b>(39 965)</b>

**CONSOLIDATED BALANCE SHEET - ASSETS**

	Notes	31 March 2024	31 December 2023
<b>Non-current assets</b>			
Property, plant and equipment	11	1 584 065	1 410 635
Investment property	11	64 490	41 151
Intangible assets	11	146 163	136 984
Investments accounted for using the equity method		356	348
Deferred tax assets		57 412	38 486
Financial assets at fair value through profit or loss	19	1 311	1 289
Non-current derivative financial instruments	19	4 092	2 774
Long-term bank deposits		875	865
Non-current trade and other receivables	12	120 322	112 618
		<b>1 979 086</b>	<b>1 745 150</b>
<b>Current assets</b>			
Inventories	15	151 759	126 255
Trade and other receivables	12	371 961	327 359
Financial assets at fair value through profit or loss	19	324	371
Contract assets		36 744	35 986
Prepaid income tax		5 769	3 729
Short-term bank deposits		762	2 944
Cash and cash equivalents	14	186 973	200 553
		<b>754 292</b>	<b>697 197</b>
<b>Total assets</b>	4	<b>2 733 378</b>	<b>2 442 347</b>

**CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES**

	Notes	31 March 2024	31 December 2023
<b>Equity attributable to the Group's equity shareholders</b>			
Share capital	3	22 556	22 556
Share premium	3	10 000	10 000
Other reserves	3	2 198	1 994
Treasury shares	3	-	-
Merger reserve	3	(456)	(456)
Fair value reserve	3	3 782	3 496
Cumulative translation differences		(824)	(9 069)
Retained earnings		214 724	313 360
<b>Equity attributable to equity holders of the parent</b>		<b>251 980</b>	<b>341 881</b>
Non-controlling interests		7 150	6 000
<b>Total equity</b>		<b>259 130</b>	<b>347 881</b>
Convertible preferred shares	20	359 608	352 576
Lease liabilities		985 896	786 959
Borrowings		30 187	29 985
Security deposits received		900	845
Trade and other payables	16	7 648	7 705
Provisions	13	16 832	15 813
Deferred income tax liabilities		20 193	17 863
Derivative financial instruments	19	54	1 464
<b>Non-current liabilities</b>		<b>1 421 318</b>	<b>1 213 210</b>
Trade and other payables	16	364 416	306 400
Provisions	13	32 663	36 114
Lease liabilities		243 337	219 148
Borrowings		190 487	184 749
Contract liabilities		164 075	98 155
Security deposits received		36 542	17 632
Derivative financial instruments	19	198	141
Current income tax liabilities		21 212	18 917
<b>Current liabilities</b>		<b>1 052 930</b>	<b>881 256</b>
<b>Total liabilities</b>		<b>2 474 248</b>	<b>2 094 466</b>
<b>Total equity and liabilities</b>	4	<b>2 733 378</b>	<b>2 442 347</b>

  
Managing Director  
Jonas Janukenas

Director  
Zilvinas Lapinskas



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Equity attributable to equity holders of the Group

	Share capital	Share premium	Treasury shares	Merger reserve	Other reserve	Fair value reserve	Currency translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
<b>Balance at 1 January 2023</b>	<b>22 556</b>	<b>282 158</b>	<b>(1 644)</b>	<b>(456)</b>	<b>860</b>	<b>3 886</b>	<b>2 353</b>	<b>1 816</b>	<b>311 529</b>	<b>4 088</b>	<b>315 617</b>
<b>Comprehensive income</b>											
Net gain on cash flow hedge	-	-	-	-	-	172	-	-	172	-	172
Currency translation difference	-	-	-	-	-	-	(6 866)	-	(6 866)	270	(6 596)
Loss/(profit) for the period	-	-	-	-	-	-	-	(34 075)	(34 075)	534	(33 541)
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172</b>	<b>(6 866)</b>	<b>(34 075)</b>	<b>(40 769)</b>	<b>804</b>	<b>(39 965)</b>
<b>Transactions with owners</b>											
Merger accounting impact	-	895 286	-	(895 286)	-	-	-	-	-	-	-
Allocation to share-based payment reserves	-	-	-	-	66	-	-	-	66	-	66
Sale of treasury shares	-	-	1 644	-	-	-	-	-	1 644	-	1 644
<b>Total transactions with owners</b>	<b>-</b>	<b>895 286</b>	<b>1 644</b>	<b>(895 286)</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 710</b>	<b>-</b>	<b>1 710</b>
<b>Balance at 31 March 2023</b>	<b>22 556</b>	<b>1 177 444</b>	<b>-</b>	<b>(895 742)</b>	<b>926</b>	<b>4 058</b>	<b>(4 513)</b>	<b>(32 259)</b>	<b>272 470</b>	<b>4 892</b>	<b>277 362</b>
<b>Balance at 1 January 2024</b>	<b>22 556</b>	<b>10 000</b>	<b>-</b>	<b>(456)</b>	<b>1 994</b>	<b>3 496</b>	<b>(9 069)</b>	<b>313 360</b>	<b>341 881</b>	<b>6 000</b>	<b>347 881</b>
<b>Comprehensive income</b>											
Net gain on cash flow hedge	-	-	-	-	-	286	-	-	286	-	286
Currency translation difference	-	-	-	-	-	-	8 245	-	8 245	69	8 314
Loss/(profit) for the period	-	-	-	-	-	-	-	(98 636)	(98 636)	1 081	(97 555)
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286</b>	<b>8 245</b>	<b>(98 636)</b>	<b>(90 105)</b>	<b>1 150</b>	<b>(88 955)</b>
<b>Transactions with owners</b>											
Allocation to share-based payment reserves	-	-	-	-	204	-	-	-	204	-	204
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>-</b>	<b>204</b>
<b>Balance at 31 March 2024</b>	<b>22 556</b>	<b>10 000</b>	<b>-</b>	<b>(456)</b>	<b>2 198</b>	<b>3 782</b>	<b>(824)</b>	<b>214 724</b>	<b>251 980</b>	<b>7 150</b>	<b>259 130</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	January - March			Notes	January - March	
		2024	2023			2024	2023
<b>Operating activities</b>				<b>Investing activities</b>			
Loss for the period		(97 555)	(33 541)	Purchase of property, plant and equipment		(42 935)	(34 387)
Income tax (credit)		(12 940)	(3 000)	Purchase intangible assets		(1 957)	(2 179)
<i>Adjustments for:</i>				Proceeds from property, plant and equipment and intangible assets disposal		41	53
Depreciation and amortisation	11	81 707	41 974	Proceeds from aircraft sale leaseback		33 240	-
(Decrease)/increase in the provision for impairment of assets	7	(285)	116	Sales of other investment		61	-
Interest expenses	8	29 160	16 243	Loans granted		(4 437)	(11)
Foreign exchange loss/(gain)		3 824	(8 876)	Repayments of loans granted		47	27
Discounting effect on financial assets	8	1 308	1 391	Bank deposits placed/repaid		2 175	1 398
Fair value loss	8	7 032	6 425	Purchase of subsidiaries (net of cash acquired)		(5 729)	(2 008)
Changes in other reserves		204	66	Sales of subsidiaries (net of cash disposed)		-	20 262
(Gain)/loss on property, plant and equipment disposals and write-offs		(8 902)	366	Payments for financial assets at amortised cost		(2 830)	-
(Gain) on termination/modification of leases		(478)	(76)	<b>Net cash from used in investing activities</b>		<b>(22 324)</b>	<b>(16 845)</b>
(Gain) on subsidiaries disposal (as adjusted for leaseback transaction)		-	(7 189)	<b>Financing activities</b>			
Amortisation of government grants		-	(44)	Dividends paid		(70)	-
Interest income		(1 065)	(262)	Bank borrowings received		839	-
Share of (profit) of associates		(4)	(4)	Repayments of bank borrowings		(1 435)	(1 314)
<i>Changes in operating assets and liabilities:</i>				Repayments of other borrowings		(845)	(3 734)
- Inventories		(5 613)	(8 757)	Repayments of lease liabilities		(50 913)	(21 097)
- Trade and other receivables, contract assets		(40 815)	(47 637)	<b>Net cash used in financing activities</b>		<b>(52 424)</b>	<b>(26 145)</b>
- Security deposits placed		(7 138)	(13 460)	<b>Currency translation difference</b>		<b>1 883</b>	<b>-</b>
- Accrued expenses for certain contracts		74	(39)	<b>At beginning of year</b>		<b>200 553</b>	<b>324 420</b>
- Trade and other payables, advances received/contract liabilities		115 082	76 776	(Decrease)/increase in cash and cash equivalents		(13 580)	(39 072)
- Security deposits received		21 742	4 345	<b>At end of year</b>		<b>186 973</b>	<b>285 348</b>
<b>Cash generated from operating activities</b>		<b>85 338</b>	<b>24 817</b>				
Interest received		607	192				
Interest paid		(24 293)	(9 784)				
Income tax paid		(2 367)	(11 307)				
<b>Net cash generated from operating activities</b>		<b>59 285</b>	<b>3 918</b>				

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Accounting policies

The consolidated interim financial information for the three-month period ended 31 March 2024 (hereinafter The Consolidated Financial Information) is prepared in accordance with the International Financial Accounting Standards, adopted by European Union, includes IAS 34 „Interim financial reporting “and the requirements of the Companies Act 2014 applicable in the Republic of Ireland. In all material respects, the same accounting principles have been followed as in the preparation of consolidated financial statements for the year ended 31 December 2023. The consolidated financial statements of the Group as at year ended 31 December 2023 are available at <https://aviasg.com/>.

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

The consolidated interim financial information for the three-month period ended 31 March 2024 is not audited. Financial statements for the year ended 31 December 2023 were audited by the independent auditor *PricewaterhouseCoopers*.

### 2. Investments in subsidiaries and associates

The consolidated group (hereinafter the Group) consists of the Company, its subsidiaries and associates. The subsidiaries and associates are disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2023, Note 1 (pg. 19-21). Changes in Group structure during the three-month period ending 31 March 2024 are disclosed in Note 17 of these interim financial statements.

The number of full-time staff employed by the Group on 31 March 2024 amounted to 7 100 (31 December 2023: 6 806; 31 March 2023: 5 783).

### 3. Share capital, share premium and reserves

As at 31 March 2024, the holding company Avia Solutions Group (ASG) PLC share capital of the company amounted to EUR 22 555 555 and consisted of 77 777 777 ordinary registered shares with a nominal value of 0.29 Euro each. All shares were fully paid up and authorised share capital is the same as issued and paid up share capital. On 31 March 2024, the share premium of the Company amounted to EUR 10 000 thousand.

As at 31 March 2024 the Group had no outstanding treasury shares (no such as at 31 December 2023 and as at 1 March 2023) which are deducted from the equity attributable to the Group's equity holders.

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

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

### 4. Segment information

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

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

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

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

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

#### 4. Segment information (continued)

The following table present sales to external customers, cost and operating expenses, other income, other gain/loss and operating profit information according to the Group's business segments for the three-month period ended 31 March 2024 and for the three-month period ended 31 March 2023:

Three-month period	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	31 March 2024	Logistics and Distribution Services	Support Services	Unallocated	Inter-segment transactions	31 March 2023
<b>Operations</b>										
Revenue from contracts with external customers	324 594	168 302	15 882	-	<b>508 778</b>	244 901	147 245	12 630	-	<b>404 776</b>
Intersegment sales	1 244	9 592	8 016	(18 852)	-	1 268	8 282	3 005	(12 555)	-
<b>Total revenue</b>	<b>325 838</b>	<b>177 894</b>	<b>23 898</b>	<b>(18 852)</b>	<b>508 778</b>	<b>246 169</b>	<b>155 527</b>	<b>15 635</b>	<b>(12 555)</b>	<b>404 776</b>
Other income	792	182	6 794	(6 659)	<b>1 109</b>	406	149	4 523	(4 295)	<b>783</b>
Cost of services and goods purchased	(290 363)	(73 709)	(9 118)	12 688	<b>(360 502)</b>	(206 985)	(72 629)	(8 934)	10 493	<b>(278 055)</b>
Employee related expenses	(37 815)	(72 240)	(5 951)	435	<b>(115 571)</b>	(22 587)	(58 462)	(4 800)	94	<b>(85 755)</b>
(Increase)/ decrease in the provision for impairment of financial assets	73	5 104	(376)	(3 696)	<b>1 105</b>	503	(2 902)	(3 046)	5 312	<b>(133)</b>
(Increase)/ decrease in the provision for impairment of non-financial assets	(278)	(544)	2	-	<b>(820)</b>	(945)	963	(1)	-	<b>17</b>
Other operating expenses	(17 264)	(10 862)	(8 481)	4 419	<b>(32 188)</b>	(12 015)	(10 374)	(1 947)	2 486	<b>(21 850)</b>
Depreciation and amortisation	(72 508)	(7 776)	(2 193)	770	<b>(81 707)</b>	(34 902)	(5 035)	(2 078)	41	<b>(41 974)</b>
Other gains – net	11 407	(942)	(113)	96	<b>10 448</b>	5 442	(518)	76	(1 537)	<b>3 463</b>
<b>Segment operating profit (loss)</b>	<b>(80 118)</b>	<b>17 107</b>	<b>4 462</b>	<b>(10 799)</b>	<b>(69 348)</b>	<b>(24 914)</b>	<b>6 719</b>	<b>(572)</b>	<b>39</b>	<b>(18 728)</b>
Finance costs - net (Note 8)					(41 151)					(17 817)
Share of profit of associates					4					4
<b>Loss before income tax</b>					<b>(110 495)</b>					<b>(36 541)</b>
Income tax (credit) (Note 9)					12 940					3 000
<b>Net loss for the period</b>					<b>(97 555)</b>					<b>(33 541)</b>
<b>As at 31 March:</b>										
Segment assets	2 014 438	518 363	200 577	-	<b>2 733 378</b>	382 588	1 196 303	364 455	1 314	<b>1 944 660</b>
Segment liabilities	1 601 551	281 493	591 204	-	<b>2 474 248</b>	236 035	858 672	572 591	-	<b>1 667 298</b>

## 5. Cost of services and goods

	January - March	
	2024	2023
Aircraft fuel expenses	60 217	77 842
Cost of purchased services	35 893	35 792
Costs of aircraft sold	25 500	13 474
Rent of aircraft, training and other equipment and lease related services	72 191	38 773
Cost of goods purchased	32 348	39 284
Aircraft repair and maintenance costs	50 742	25 818
Subcontractors and other related expenses	53 230	25 807
Aircraft operations costs and flight related charges	25 532	15 521
Rent and maintenance of premises	4 849	5 744
	<b>360 502</b>	<b>278 055</b>

## 6. Other operating expenses

	January - March	
	2024	2023
Consulting expenses	6 110	3 847
Office administrative, communications and IT expenses	5 514	4 117
Insurance expenses	10 228	4 160
Transportation and related expenses	438	2 911
Business travel expenses	4 024	2 309
Marketing and sales expenses	1 842	1 338
VAT expenses	776	238
Other expenses	3 256	2 930
	<b>32 188</b>	<b>21 850</b>

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

	January - March	
	2024	2023
<i>Non-financial assets</i>		
(Reversal of)/impairment of prepayments	(2)	-
Impairment of inventories	543	(146)
Impairment of non-current assets	279	129
	<b>820</b>	<b>(17)</b>

## January - March

	2024	2023
	<i>Financial assets</i>	
(Reversal of)/impairment of trade receivables and other contract assets	(1 130)	133
Impairment of other financial assets	25	-
	<b>(1 105)</b>	<b>133</b>
<b>Total impairment-related expenses</b>	<b>(285)</b>	<b>116</b>

## 8. Finance income and costs

	January - March	
	2024	2023
Interest income on cash and cash equivalents	532	1 013
Foreign exchange gain on financing activities	-	5 315
Other finance income	61	30
<b>Finance income</b>	<b>593</b>	<b>6 358</b>
Interest expenses on borrowings and lease liabilities	(29 160)	(16 243)
Foreign exchange loss on financing activities	(4 015)	-
Loss from fair value change of convertible preferred shares (Note 20)	(7 032)	(6 425)
Unwinding of discounted financial assets received	(1 308)	(1 397)
Other finance costs	(229)	(110)
<b>Finance costs</b>	<b>(41 744)</b>	<b>(24 175)</b>
<b>Finance costs - Net</b>	<b>(41 151)</b>	<b>(17 817)</b>

## 9. Income tax (expenses)

	January - March	
	2024	2023
Current income tax	(3 547)	(4 829)
Deferred income tax	16 487	7 829
<b>Total income tax credit</b>	<b>12 940</b>	<b>3 000</b>

## 10. Earnings per share

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

## 11. Property, plant and equipment, intangible assets

	Property, plant and equipment	Intangible assets	Right of use assets	Investment property
<b>Opening net book amount as at 1 January 2024</b>	<b>376 097</b>	<b>136 984</b>	<b>1 034 538</b>	<b>41 151</b>
Acquisition of subsidiary (Note 17)	2 278	8 024	7 747	-
Additions	102 209	1 994	159 025	-
Disposals	(87 122)	-	-	-
Write-offs	(382)	-	-	-
Modification/termination of the lease contracts	-	-	89 041	-
Reclassification	(41 760)	-	946	23 080
Cumulative currency differences	1 941	793	19 239	602
Depreciation (amortisation) charge	(9 187)	(1 632)	(70 545)	(343)
<b>Closing net book amount as at 31 March 2024</b>	<b>344 074</b>	<b>146 163</b>	<b>1 239 991</b>	<b>64 490</b>
<b>Opening net book amount as at 1 January 2023</b>	<b>293 993</b>	<b>110 215</b>	<b>482 328</b>	<b>41 640</b>
Acquisition of subsidiary (Note 17)	800	-	-	1 547
Additions	33 111	2 179	186 177	281
Disposals	(76)	(7)	-	-
Write-offs	(300)	(33)	-	-
Modification/termination of the lease contracts	-	-	3 113	-
Reclassification	4 232	-	(5)	-
Cumulative currency differences	(3 179)	(629)	(6 221)	425
Depreciation (amortisation) charge	(6 711)	(1 252)	(33 738)	(273)
<b>Closing net book amount as at 31 March 2023</b>	<b>321 870</b>	<b>110 473</b>	<b>631 654</b>	<b>43 620</b>

## 12. Trade and other receivables

	31 March 2024	31 December 2023
Trade receivables	200 557	192 722
Less: provision for impairment of trade receivables	(42 910)	(43 786)
<b>Trade receivables - net</b>	<b>157 647</b>	<b>148 936</b>
Prepayments	58 072	56 227
Less: provision for impairment of prepayments	(553)	(554)
<b>Prepayments - net</b>	<b>57 519</b>	<b>55 673</b>
Other receivables	23 381	40 834
Discounting of other receivables	(32)	(38)
Less: provision for impairment of other receivables	(1 336)	(1 312)
<b>Other receivables - net</b>	<b>22 013</b>	<b>39 484</b>
Trade receivables from related parties	824	700
Less: provision for impairment of trade receivables from related parties	(4)	(5)
<b>Trade receivables from related parties - net (Note 18)</b>	<b>820</b>	<b>695</b>
Loans granted to related parties	26 824	26 733
Less: provision for impairment of loans granted to related parties	(232)	(232)
<b>Loans granted to related parties - net</b>	<b>26 592</b>	<b>26 501</b>
Loans granted	23 718	19 271
Discounting of loans granted	(86)	(91)
Less: provision for impairment of loans granted	(7 438)	(7 410)
<b>Loans granted - net</b>	<b>16 194</b>	<b>11 770</b>
Other receivables from related parties	9 857	9 542
Discounting of other receivables from other related parties	(186)	(204)
Less: provision for impairment of other receivables from related parties	(264)	(262)
<b>Other receivables from related parties - net (Note 18)</b>	<b>9 407</b>	<b>9 076</b>
VAT receivables	22 242	20 801
Receivables from investment in bonds - gross	1 942	1 900
Less: provision for impairment of receivables from investment in bonds	(1 942)	(1 900)
<b>Receivables from investment in bonds - net</b>	<b>-</b>	<b>-</b>
Deferred charges	91 820	47 193
Security deposit - net	87 965	79 438
Deferred charges to related parties (Note 18)	24	-
Security deposits from related parties placed - net (Note 18)	15	11
Prepayments from related parties (Note 18)	25	399
<b>Total trade and other receivables:</b>	<b>492 283</b>	<b>439 977</b>
Less non-current portion:	(120 322)	(112 618)
<b>Current portion:</b>	<b>371 961</b>	<b>327 359</b>

## 12. Trade and other receivables (continued)

	31 March 2024	31 December 2023
Non-current portion of other receivables is disclosed below:		
Loans granted to related parties	25 796	25 653
Less: provision for impairment of loans granted to related parties	(101)	(101)
<b>Loans granted to related parties - net</b>	<b>25 695</b>	<b>25 552</b>
Loans granted	10 645	10 511
Discounting of loans granted	(86)	-
Less: provision for impairment of loans granted	(3 009)	(3 003)
<b>Loans granted - net</b>	<b>7 550</b>	<b>7 508</b>
<b>Deferred charges</b>	<b>8 290</b>	<b>7 684</b>
Security deposit – net	66 012	59 239
Security deposit to related parties – net	15	11
Other receivables	6 697	6 843
Discounting of other receivables	(32)	-
Less: provision for impairment of other receivables	(860)	(842)
<b>Other receivables – net</b>	<b>5 805</b>	<b>6 001</b>
Other receivables from related parties	7 170	6 651
Less: provision for impairment of other receivables from related parties	(215)	(28)
<b>Other receivables from related parties – net</b>	<b>6 955</b>	<b>6 623</b>
<b>Total non-current trade and other</b>	<b>120 322</b>	<b>112 618</b>
Classification of trade and other receivables to non-financial and financial is disclosed below:		
	31 March 2024	31 December 2023
<b>Financial trade and other receivables (IFRS 9)</b>		
Trade receivables	157 647	148 936
Trade receivables from related parties (Note 18)	820	695
Other receivables	22 013	39 484
Loans granted to related parties (Note 18)	26 592	26 501
Other receivables from related parties (Note 18)	9 407	9 076
Security deposits	87 965	79 438
Loans granted	16 194	11 770
	<b>320 638</b>	<b>315 900</b>
<b>Non-financial trade and other receivables</b>		
Prepayments	57 519	55 673
VAT receivables	22 242	20 801
Deferred charges	91 820	47 193
Deferred charges to other related parties (Note 18)	24	-
Security deposit with lessor from related parties (Note 18)	15	11
Prepayments to other related parties (Note 18)	25	399
	<b>171 645</b>	<b>124 077</b>
<b>Total</b>	<b>492 283</b>	<b>439 977</b>

The revenue recognised in the three months ended 31 March 2024 related to the contract liabilities as at the beginning of the period is EUR 65 341 thousand (in the same period 2023: EUR 35 557 thousand). Revenue from performance obligations satisfied as at the beginning of the period is EUR 132 166 thousand (in the same period 2023: EUR 78 737 thousand).

## 13. Provisions

	31 March 2024	31 December 2023
C-check & other aircraft maintenance provisions	36 978	40 793
Legal claim provisions	5 131	6 217
Other provisions	7 386	4 917
	<b>49 495</b>	<b>51 927</b>
Less: non-current portion	(16 832)	(15 813)
<b>Current portion</b>	<b>32 663</b>	<b>36 114</b>
C-check & other aircraft maintenance provisions	12 950	13 878
Other provisions	3 882	1 935
<b>Non-current portion</b>	<b>16 832</b>	<b>15 813</b>

## 14. Cash and cash equivalents

	31 March 2024	31 December 2023	31 March 2023
<b>Cash and cash equivalents</b>	<b>186 973</b>	<b>200 553</b>	<b>285 348</b>
Cash at banks classified as assets held for sale	-	-	-
Bank overdraft	-	-	-
<b>Total</b>	<b>186 973</b>	<b>200 553</b>	<b>285 348</b>

## 15. Inventories

	31 March 2024	31 December 2023
Spare parts and materials – gross amount	91 801	84 624
Less: provision for impairment of inventories	(11 533)	(11 829)
<b>Spare parts and materials</b>	<b>80 268</b>	<b>72 795</b>
Aircraft and aircraft components – gross amount	63 720	46 416
Less: provision for impairment of aircraft	(3 241)	(4 702)
<b>Aircraft and aircraft components</b>	<b>60 479</b>	<b>41 714</b>
<b>Aircraft fuel</b>	<b>1 415</b>	<b>1 355</b>
<b>Work in progress</b>	<b>2 873</b>	<b>3 151</b>
<b>Goods in transit</b>	<b>258</b>	<b>1 095</b>
Other inventories – gross amount	6 596	6 276
Less: provision for impairment of other inventories	(130)	(130)
<b>Other inventories</b>	<b>6 466</b>	<b>6 145</b>
	<b>151 759</b>	<b>126 255</b>

## 16. Trade and other payables

	31 March 2024	31 December 2023
Trade payables	160 071	134 996
Accrued expenses	110 373	83 129
Salaries and social security payable	72 071	69 436
Employee benefit obligations	3 396	1 912
Amounts payables to related parties (Note 18)	203	775
Dividends payable	729	800
VAT payable	11 939	11 778
Pension reserve accrual	566	404
Other payables to related parties (Note 18)	9	2
Other payables	12 524	10 695
Accrued expenses to related parties (Note 18)	183	178
	<b>372 064</b>	<b>314 105</b>
Less: non-current portion	(7 648)	(7 705)
<b>Current portion</b>	<b>364 416</b>	<b>306 400</b>

## 17. Business combinations and disposals

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

### Establishments, acquisitions, and disposals in 2024

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

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

## 18. Related party transactions

Related parties of the Group include entities having significant influence over the Group, parent, key management personnel of the Group and other related parties which are controlled by the ultimate beneficial owner or close members of that person's family. Entities having significant influence over the Group are Vertas Aircraft Leasing Limited (until 1 February 2024) and Vertas Cyprus LTD (until 1 February 2024), Vertas Management UAB (previously – Vertas Management AB). Parent entity – Procyone FZE. Transactions with these companies are presented separately. Related parties include subsidiaries of the entities having significant influence over the Group. They are presented as other related parties.

The following transactions were carried out with related parties:

	January - March	
	2024	2023
<b>Sales of services to:</b>		
Ultimate Beneficial Owner	68	-
Entities having significant influence	4	14
Other related parties	139	96
	<b>211</b>	<b>110</b>
<b>Sales of assets:</b>		
Other related parties	-	-
	-	-
<b>Total sales of assets and services</b>	<b>211</b>	<b>110</b>
<b>Purchases of assets from:</b>		
Other related parties	55	141
	<b>55</b>	<b>141</b>
<b>Purchases of services from:</b>		
Entities having significant influence	-	33
Other related parties	656	897
	<b>656</b>	<b>930</b>
<b>Total purchases of assets and services</b>	<b>711</b>	<b>1 071</b>
<b>Other income &amp; other gains</b>	<b>315</b>	<b>325</b>
<b>Finance and other costs</b>	<b>57</b>	<b>-</b>

## 18. Related party transactions (continued)

	31 March 2024	31 December 2023
<b>Trade receivables from related parties:</b>		
Trade receivables from Ultimate Beneficial Owner	71	18
Trade receivables from entities having significant influence	82	77
Trade receivables from other related parties	671	605
Impairment of trade receivables from other related parties	(4)	(5)
<b>Trade receivables from related parties – net (Note 12)</b>	<b>820</b>	<b>695</b>
<b>Security deposit with lessor from related parties (Note 12)</b>	<b>15</b>	<b>11</b>
Other receivables from Parent	2 718	2 677
Other receivables from entities having significant influence	3 030	2 882
Other receivables from other related parties	4 109	3 983
Discounting of other receivables from other related parties	(186)	(204)
Impairment of other receivables from other related parties	(264)	(262)
<b>Other receivables from related parties – net (Note 12)</b>	<b>9 407</b>	<b>9 076</b>
Prepayments to other related parties (Note 12)	25	399
Amount due from customers for contract work from other related parties	-	5
Deferred charges (Note 12)	24	-
	<b>10 291</b>	<b>10 186</b>
<b>Payables and advances received from related parties:</b>		
Amounts payable to entities having significant influence (Note 16)	6	6
Amounts payable to other related parties (Note 16)	157	730
Lease liabilities	4 960	5 243
Advances received from other related parties*	7 417	7 259
Advances received from Ultimate Beneficial Owner	-	15
Other financial payables to other related parties	7	-
Other financial payables to Ultimate Beneficial Owner	2	2
Accrued expenses from related parties**	183	178
Dividends payable to other related parties	215	231
Amounts payable to Parent (Note 16)	40	39
	<b>12 987</b>	<b>13 703</b>

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

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

## 19. Derivatives

### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

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

Recurring fair value measurements at 31 March 2024	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Financial assets at fair value through profit or loss (FVPL)	1 635	-	-
Hedging derivatives - foreign currency interest rate swap	-	4 092	-
<b>Total financial assets</b>	<b>1 635</b>	<b>4 092</b>	<b>-</b>
<b>Financial liabilities</b>			
Hedging derivatives - foreign currency interest rate swap	-	252	-
Convertible preferred shares (Note 19)	-	-	359 608
<b>Total financial liabilities</b>	<b>-</b>	<b>252</b>	<b>359 608</b>
<b>Recurring fair value measurements at 31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>			
Financial assets at fair value through profit or loss (FVPL)	1 650	-	-
Hedging derivatives - foreign currency interest rate swap	-	2 774	-
<b>Total financial assets</b>	<b>1 650</b>	<b>2 774</b>	<b>-</b>
<b>Financial liabilities</b>			
Hedging derivatives - foreign currency interest rate swap	-	1 605	-
Convertible preferred shares (Note 19)	-	-	352 576
<b>Total financial liabilities</b>	<b>-</b>	<b>1 605</b>	<b>352 576</b>

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

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

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

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

## 19. Derivatives (continued)

Specific valuation techniques used to value financial instruments include:

- for foreign currency interest rate swaps – the present value of the estimated future cash flows based on observable yield curves. Additionally, the instruments' value is agreed upon with bank;
- for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the balance sheet date;

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

## 20. Convertible preferred shares

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

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

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

The preferred shares include embedded conversion options and the Group irrevocably designated the entire instrument to be measured at fair value through profit or loss, except for change in fair value due to change in own credit risk, which is accounted in other comprehensive income. In general, the fair value measurement is within level 3 of the fair value hierarchy due to unobservable inputs.

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

<b>Convertible preferred shares</b>	<b>2024</b>	<b>2023</b>
<b>Opening balance 1 January</b>	<b>352 576</b>	<b>325 726</b>
Change in fair value recognised in profit or loss (Note 8)	7 032	6 425
Change in fair value recognised in OCI (own credit risk)	-	-
<b>Closing balance 31 March</b>	<b>359 608</b>	<b>332 151</b>

## 21. Events after the reporting date

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

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

During April 2024, the Group established new subsidiary AEROOPPORTUNITY HOLDINGS MALAYSIA SDN. BHD.

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

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

During May 2024, Avia Solutions Group (ASG) PLC completed bonds issue process and issued USD 300 million of senior unsecured notes with a tenure of 5 years at a rate of 9.75 percent.