

SEPARATE AND CONSOLIDATED ANNUAL REPORT

Approved by the Board as at 6 April 2017

I. GENERAL INFORMATION

Reporting period Year ended 31 December 2016

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 / +44 20 808 99777
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
Linās Dovydenas	CEO of Avia Solutions Group AB	+370 5 252 5500	Linās.Dovydenas@aviasg.com
Aurimas Sanikovas	CFO of Avia Solutions Group AB	+370 5 252 5500	Aurimas.Sanikovas@aviasg.com
Rūta Valkiūnienė	Head of Financial Reporting Unit of Avia Solutions Group AB	+370 5 252 5500	Ruta.Valkiuniene@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.

The *Airport Infrastructure Management* segment is no longer disclosed. It was reclassified to assets held for sale 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 2016.

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*), 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*), Storm Aviation (Nigeria) Limited (*Storm Aviation Nigeria*), Avia Technics Dirgantara PT. and FL Technics Asia Co. Ltd and include: aircraft base and line maintenance; component management; engineering services; spare parts and consumable sales; technical training; consulting; engine maintenance management; defence 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 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 2016 *FL Technics*, *Storm Aviation*, *Storm Aviation (Cyprus)* and *Storm Aviation (Nigeria)* collectively operated twenty seven line stations (at 31 December 2015 – 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), Consumable Support products, full wheels and brakes programs, including pool of W&B assets, repairs and logistics are provided by *FL Technics* 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. It has possibilities to support defence vehicles with spare parts supply, overhaul and modernization services.

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, Belarus, Turkmenistan, Kazakhstan, Ukraine, Lebanon, 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 / 850XP / 900XP), Bombardier CL-600-2B19 (Bombardier CRJ100/200 and Bombardier Challenger 850) and 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 rotor craft aviation. The company is an EASA Part 145 maintenance organisation for Robinson and Airbus Helicopters, Part 145 organisation and Part 147 organisation as well as an authorized Robinson Helicopters Company service center. *Helisota* is also approved by Interstate Aviation Committee (IAAC) as Overhaul and Repair station, Holds GosNII GA and ASA100 approvals for supply of aviation spares. Furthermore, *Helisota* is approved under quality management system ISO 9001, AQAP-2120 quality requirements, which allow company to support NATO countries with various services for military aviation. Based on certificates and years of experience *Helisota* is able to offer a list of services for various government and private rotor craft operators worldwide: helicopters MRO, component MRO, spare parts supply, helicopters sales, upgrades and modernization.

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*), Baltic Ground Services RU OOO (*Baltic Ground Services RU*), Baltic Ground Services EE OÜ (*Baltic Ground Services EE*), Baltic Ground Services CZ s.r.o. (*Baltic Ground Services CZ*) and 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 2016, *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*) 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 including online training courses. Headquartered in Vilnius, Lithuania, the academy provides the custom tailored training solutions wrapped in the personal care and seeks to establish itself as a globally leading aviation training centre.

BAA Training occupies approx. 3 000 sq. meters. Its training centre 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), A320 FTD (Flight Training Device), Boeing 737-300/400/500 and Airbus 320 Full Flight Simulators (FFS), Real Fire Fighting and Smoke Trainer; aircraft fleet of 1 Cessna 172S, 9 Tecnam P2002JF and 2 Tecnam 2006T. *BAA Training* operations in Dubai provides Airbus 320 and Boeing 737 CL training services for Middle East. Furthermore, *BAA Training* established operations in Tunis to fulfil needs of African region.

BAA Training offers training solutions for 18 types of aircraft on 54 Full Flight Simulators at 26 locations in Europe, North and South Americas, Africa and Asia. Almost 700 pilots flew close to 20,000 hours on FFSs in 2016 and acquired Type Rating at *BAA Training*. Cadet Pilot programmes with 4 airlines were established in 2016, too.

Course completion certificates issued by *BAA Training* are valid in all EASA countries and Belarus, Cuba, Jordan, Lybia, Laos, Kazakhstan, Kyrgyzstan, Malaysia, Mongolia, Nepal, Russia, Seychelles, Ukraine and Vietnam.

Moreover, *BAA Training* is developing MOMook - aviation training management software and offering a Flight Tracker device for aviation training centres. Meanwhile, SimHelp is the first point of contact for FFS Operators, which also offers a newly developed FFS Terminal and flight simulator for commercial sales. Embllick – an internal Avia Solutions Group competency centre, which is also open for other Lithuanian organisations, was launched by *BAA Training* in 2016.

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. *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.

The Group is involved in flight operations related activities conducted through its subsidiary, Laserpas UAB. In March 2015 *Laserpas* started its operations as an international remotely piloted airborne system (RPAS) operator, offering comprehensive and tailor-made UAV solutions to accommodate a wide array of customer needs in a variety of industries. *Laserpas* is the first independent RPAS operator in the Baltic States, engaged in the activity of developing state-of-the-art payload control and image processing systems. The company also conducts high-precision, long distance UAV operations, providing its customers with actionable data and professional support. In 2016 *Laserpas* has executed first commercial contracts, and currently is performing work in Lithuania and Romania, with contracts pending in Czech Republic, Latvia and Turkey. Currently *Laserpas* is able to use both – its own and leased UAVs and manned helicopters.

In December 2015 a new subsidiary KIDY Tour UAB (*KIDY Tour*) was established and on 16 September 2016 100 percent of the share capital in GoAdventure OÜ (which was renamed to KIDY Tour OÜ) was acquired. Both companies collectively represent Tour Operations business segment. The purpose of companies' activities is to provide clients with tour operator as well as other related services. Currently companies are offering a wide range of holiday tours into Turkish and Egypt 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 2016, 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.: +44 20 808 99777; 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 (%)
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	22 November 2006, code 300618099, Register of Legal Persons of the Republic of Lithuania	Darius ir Girėno st. 21, LT-02189 Vilnius, Lithuania tel. +370 5 2525536, fax. +370 5 2525537, info@baatraining.com , www.baatraining.com	100.00
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
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	99.00*
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**
Jet Maintenance Solutions UAB	11 June 2007, code 300869952, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10A, LT-03201 Vilnius, Lithuania tel. +370 5 252 5662, info@jetms.aero , www.jetms.aero	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
KIDY Tour OÜ	20 November 2006, code 11324349, State Enterprise Register	Narva str. 7-352, Kesklinna district, Tallinn 10117, Estonia, tel. +372 6108000, info@kidytour.ee , www.kidytour.ee	100.00
KlasJet UAB	9 October 2013, code 303163347, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10, LT-03201 Vilnius, Lithuania tel. +370 6 332 2768, fax. +370 5 252 5529 info@klasjet.aero , www.klasjet.aero	100.00
Laserpas UAB	4 July 2011, code 302644356, Register of Legal Persons of the Republic of Lithuania	Smolensko st. 10B, LT-03201 Vilnius, Lithuania tel. +370 5 2525500, fax. +370 5 2525501, info@laserpas.com , www.laserpas.lt	90.00
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
Baltic Ground Services UAB	11 August 2005, code 300136658, Register of Legal Persons of the Republic of Lithuania	Rodūnios 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, info@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	Zhukovsky-5, 140185, Moscow region, Russian Federation, tel. +7 495 956 10 06, fax +7 495 956 10 06 info.mow@bgs.aero , www.bgs.aero	100.00***
Baltic Ground Services EE OÜ	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	Nakotne street 3, Riga Airport, Marupe 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***
FL Technics UAB	22 December 2005, code 300517602, Register of Legal Persons of the Republic of Lithuania	Rodūnios road 18, LT-02188 Vilnius, Lithuania tel. +370 5 252 5015, fax. +370 5 252 5646, info@fltechnics.com , www.fltechnics.com	100.00

Name of the company	Date of registration, code, name of Register of Legal Entities	Contact details	Effective holding of the Company (%)
Avia Technics Dirgantara PT.	5 August 2014, code (TDP) No.09.04.1.33.39698, Ministry of Justice and Human Rights	Bandara Soekarno-Hatta International Airport, Tangerang, Banten 19120, Indonesia, indonesia@fltechnics.com	25.00****
FL Technics Asia Co. Ltd.	4 January 2016, code 0105559000107, The Bangkok Partnerships/Companies Registry Office	184/30 Forum Tower 12A Fl. Ratchadaphisek Road, Huay Khwang, Bangkok 10320, Thailand tel. +66 204 75458, asia@fltechnics.com	99.997****
FL Technics Line OOO	3 August 2011, code 7746600289, State Register of Legal Entities of Russian Federation	Vnukovo International Airport, 2nd Reysovaya Street 2, Building 5, Moscow, Russia tel. +7 915 270 4220, fax. +370 5 252 5646, line@fltechnics.com, www.fltechnicsline.com	93.00****
Storm Aviation Ltd	30 September 2011, code 05229468, The Registrar of Companies for England	The Diamond Hangar, Long Border Road, Stansted Airport, Essex, CM24 1RE, Great Britain, tel. +44 1279 681330 line@stormaviation.com, www.stormaviation.com	100.00****
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 (Nigeria) Ltd	26 August 2016, code RC1357613, Corporate Affairs Commission Federal Republic of Nigeria	Suite 7, Second Floor, Ibukun House 70, Adetokunbo Ademola Street, Victoria Island, Lagos State, Nigeria, +234 (0) 909 999 3057	100.00****
Avia Solutions Group B.V.	21 March 2014, code 60335653, Trade Register of the Chamber of Commerce of Netherlands	Herengracht 493, 1017BT Amsterdam, the Netherlands	30.00
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*****
RAMPOR 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*****
International Airport Ramenskoye AO	19 June 2012, code 1125040004033, State Register of Legal Entities of Russian Federation	Garnaeva str. 2A, Zhukovsky, Moscow region, Russia, 140180, tel. +7 (495) 556-51-16, info@mar.aero, www.mar.aero	22.50*****
RAMPOR 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*****

* - Shareholding through FLT Trading House UAB
** - Shareholding through Helisota UAB
*** - Shareholding through Baltic Ground Services UAB

**** - Shareholding through FL Technics UAB
***** - Shareholding through Storm Aviation Limited
***** - Shareholding through associate Avia Solutions Group B.V.

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 2016.

As at 31 December 2016 the Company had one representative Office in the Russian Federation, 1st Tverskaya-Yamskaja Str., 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 2016 *Avia Solutions Group AB* and its subsidiaries (hereinafter – the Group) generated net profit from continuing operations of EUR 8 million (in 2015 - net loss of EUR 6.9 million). Comparing with 2015 the consolidated revenue from continuing operations has increased up to EUR 306 million, or by 34% as compared with EUR 229 million.

The major events to the Group's structure during year ended 31 December 2016 were as follows:

Date	Operating Segment	Event
January 2016	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	<i>FL Technics UAB</i> established a new subsidiary named <i>FL Technics Asia Co Ltd.</i> , where it holds 99.997 per cent of shares. Remaining 0.003% of share capital is held by 2 private persons.
August 2016	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	<i>Storm Aviation Ltd.</i> established a new subsidiary named <i>Storm Aviation (Nigeria) Ltd.</i> , where it holds 100 per cent of shareholding.
August 2016	Private Jet Charter, Flight and Tour Operations	<i>Avia Solutions Group AB</i> acquired 25% of the share capital of <i>Klasjet UAB</i> from a third party and increased control in the subsidiary to a 100%.
September 2016	Private Jet Charter, Flight and Tour Operations	<i>Avia Solutions Group AB</i> completed the acquisition of 100 percent of the share capital in <i>GoAdventure OÜ</i> which was renamed to <i>KIDY Tour OÜ</i> following the acquisition.

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	2016	2015
Return on equity (ROE)* (%)	13.7	-5.5
Gearing ratio** (%)	31.2	30.2
Equity to total assets ratio*** (%)	40.7	42.6
Liquidity ratio	1.2	1.3
Number of full-time employees at the end of the period	1 954	1 674

* - *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	2016	2015	Change
Revenue from continuing operations (EUR thousand)	305 960	229 300	+34%
Operating profit from continuing operations (EUR thousand)	10 515	(7 131)	+247%
<i>Operating profit margin (%)</i>	3.4	-3.1	+6.5
Profit (loss) before income tax from continuing operations (EUR thousand)	9 408	(7 359)	+228%
Net profit (loss) for the period from continuing operations (EUR thousand)	8 094	(6 945)	+217%
Net profit (loss) for the period from discontinued operations (EUR thousand)	-	4 112	-
Net profit (loss) for the period (EUR thousand)	8 094	(2 833)	+386%
<i>Net profit (loss) for the period from continuing operations margin (%)</i>	2.6	-3.0	+5.6
Profit (loss) for the year attributable to equity holders of the parent	8 794	(2 370)	+471%
Earnings per share from continuing operations (EUR)	1.131	(0.855)	+232%
Earnings per share from discontinued operations (EUR)	-	0.550	-
Earnings per share (EUR)	1.131	(0.305)	+471%
Weighted number of shares (thousand)	7 778	7 778	-

Operating figures	2016	2015	Change
Number of SOLD man-hours in base maintenance	421 193	411 181	+2.4%
Number of SOLD man-hours in engineering	58 282	51 554	+13.1%
Number of SOLD man-hours in maintenance training	10 422	12 216	-14.7%
Number of line stations at the end of the period	27	21	+6
Number of aircrafts served	18 556	12 408	+49.5%
Number of passengers served	2 183 679	2 098 585	+4.1%
Volume of fuel sold (tonnes)	273 587	150 447	+81.8%
TRTO - Number of sold theoretical training hours	11 478	10 162	+13%
TRTO - Number of sold practical training (FFS) hours	19 812	12 383	+60%

Revenue related to continuing operations

The total consolidated Group's revenue from continuing operations for the year ended 31 December 2016 was EUR 306 million, an increase by 34 per cent over the total revenue of EUR 229 million for the year ended 31 December 2015.

During the period revenue growth was noticed in all business segments as compared to the 2015. *Aircraft and helicopter maintenance, repair and overhaul segment* revenue to external customers increased by EUR 23.7 million and amounted to EUR 143.2 million in 2016 as compared to EUR 119.5 million during the 2015, which is a 20% increase. The growth was driven primarily by increase in spare parts and consumables sales, base and line maintenance, engineering services. The most significant increase (almost 100%) was noted in helicopter maintenance, repair and overhaul services, where revenue to external customers increased by EUR 13.6 million and amounted to EUR 27.3 million during 2016 as compared to EUR 13.7 million in 2015.

In 2016 *ground handling and fuelling segment* revenue to external customers increased by EUR 45.6 million (increase of 48%) and amounted to EUR 139.7 million as compared to EUR 94.1 million during the 2015. The increase was caused by increased revenue from aircraft fuel sales. Revenue growth was primarily driven by new contracts signed and significantly increased volume of fuel sold. *Baltic Ground Services* has started expansion to other countries and significantly strengthen position in existing airports.

Crew training and staffing business segment's revenue to external customers has increased by EUR 2.2 million (increase of 22%). During the 2016 subsidiaries offering training services generated revenue in amount of EUR 12.1 million. The most significant amount in this segment was generated from TRTO sales.

During the 2016 *private jet charter, flight and tour operations* segment generated revenue in amount of EUR 10.2 million, increase of 94% comparing to the 2015. Starting its tour operator activity in April, *KIDY Tour* generated EUR 2.4 million revenue contributing to the segment's revenue. In 2016 *Klasjet* generated 1 131 block hours which increases revenue by 26% up to EUR 6.7 million.

Operating expenses related to continuing operations

During 2016 the most significant nominal change in expenses was due to the higher amounts sold. The most significant element in expenses is aircraft fuel expenses which totalled to EUR 120.6 million (increase of EUR 42.4 million compared to EUR 78.2 million during the 2015).

Due to higher volume of sales, cost of goods purchased during the 2016 increased by EUR 8.4 million (increase of almost 20%) to EUR 51.1 million as compared with EUR 42.7 million in the 2015. In addition to that, costs of purchased services increased by EUR 10.2 million to EUR 47.1 million during the 2016 (almost 28% increase comparing to the 2015). The most significant increase of these expenses was noted in MRO and ground handling and fuelling business segments.

The Group is constantly expanding its operations to other countries as well as developing current activities. This led to an increase of rent and maintenance of premises expenses in the 2016 by 21% to EUR 5.7 million as to compare with EUR 4.7 million during the 2015. New locations increased business travel expenses by 31% up to EUR 2.7 million.

The Group expanded the number of employees, therefore, employee related expenses during the 2016 increased by 18% and equalled to EUR 45.9 million compared with EUR 38.8 million during the 2015.

Net financial costs increased primarily as a result of decrease of foreign exchange gain on financing activities for the year ended 31 December 2016.

Balance sheet and cash flow

During the 2016 total assets of the Group increased by EUR 25.7 million or 21% comparing with EUR 120 million as at 31 December 2015 primarily as a result of increased levels of trade receivables in ground handling and fuelling business segment (due to increased volumes of fuel sold) and goodwill recognised on the purchase of subsidiary.

During the year ended 31 December 2016 total liabilities increased by EUR 17.6 million up to EUR 86.4 million primarily due to increase in trade payables.

During the year ended 31 December 2016 net cash flow generated from operating activities increased up to EUR 2.6 million.

During the year ended 31 December 2016 net cash flow used in investing activities was EUR 4.1 million. The Group invested EUR 3.7 million to purchase property, plant and equipment and intangible assets and granted loans in amount of more than EUR 1 million.

During the year ended 31 December 2016 net cash flow used in financing activities was EUR 5.2 million which was primarily due to repayments of bank and lease borrowings.

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 2016.

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 2016 amount of sales of consulting and management services from the Company to its related parties was EUR 2 650 thousand (during the 2015: EUR 2 567 thousand). During the 2016 amount of sales of aircraft maintenance services from the Group to related parties of *AviaAM Leasing AB* Group was EUR 2 840 thousand (2015: EUR 2 665 thousand). During the year ended 31 December 2016 amount of purchases of premises lease services from related party VA Reals AB was EUR 1 663 thousand (in 2015: EUR 1 624 thousand).

Investments related to continuing operations

The Group has maintained the level of its assets by investing in Property, plant and equipment as well as Intangible assets for the total amount of EUR 7.9 million (during 2015: EUR 9.4 million, only from continuing operations). The majority of capital investments from continuing operations (EUR 5.9 million) went to the development of aircraft ground handling and fuelling business segment and aircraft maintenance, repair and overhaul business segment. The remaining part was invested into a property of crew training and staffing segment.

Investments ('000 EUR)	2016	2015	Change
Aircraft ground handling and fuelling business segment	3 534	3 649	-3.2%
Aircraft maintenance, repair and overhaul business segment	2 415	4 278	-43.5%
Crew training and staffing business segment	1 502	1 211	+24%
Unallocated business segment	254	174	+46%
Private Jet Charter, Flight and Tour business segment	145	89	+62.9%
Total investments	7 850	9 401	-16.5%

All details concerning the assets of the Group are presented in the Consolidated Financial Statements for the year ended 31 December 2016 (Notes 5, 15, 16).

Research and development activities

During the year ended 31 December 2016 the Group invested into on-going improvements of Group's services and especially:

- (a) Web-based aviation training management software MOMook dedicated for ATO, Type Rating Training Centers, Ab Initio Training Centers, and airlines with training centers;

- (b) 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);
- (c) *Laserpas* continued development has reached commercial stage – *Laserpas* plans to start offering services based on fixed wing and helicopter UAVs, which will have full range of sensors;
- (d) Development of process based IT solution for aircrafts MRO organization. Modules that will be developed: Bidding & Quoting, Planning, HR, Quality, Execution, Parts & Tools, integrations with 3rd party software, such as Airbus (AMM documentation), Quantum, Navision, etc., will be available.

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 2016 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. During the year ended 31 December 2016 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.

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*.

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.

The Group'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 2016.

Plans and forecasts

In 2017 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 managing start-ups and implementation of IT solutions for overall business effectiveness. It is expected to continue sustainable growth and geographical expansion.

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 2016 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.

Share premium as at 31 December 2016 amounts to EUR 33 133 thousand.

Shareholders

On 31 December 2016 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 2016 and as on 6 April 2017:

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.	Indeco: Investment and Development UAB	Company code: 300134995 Address: Žirmūnų Street 139, Vilnius, Lithuania	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, 5th floor, Nicosia, Cyprus	699 115	8.99	8.99
5.	Harberin Enterprises Limited	Company code: HE 268672 Address: 7 Florinis, Greg Tower, 6th 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 2016 and as on 6 April 2017 is listed in the table below:

Name	Role in the Company's Management	Number of shares	%
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 2016 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 2016 the average number of employees was 1 910, while the total number of Group's staff has increased by 280 (which amounts to 17% increase). The most significant positive change (above 10%) has occurred in following companies: *AviationCV.com*, *BAA Training*, *Baltic Ground Services UA*, *Baltic Ground Services RU*, *Baltic Ground Services LV*, *FL Technics Asia*, *Jet Maintenance Solutions*, *Locatory.com*, *Storm Aviation*, *Storm Aviation (Cyprus)*, *Storm Aviation (Nigeria)*, *Helisota*, *KIDY Tour*, *KIDY Tour OÜ*, *KlasJet*, *Laserpas UAB* and *Avia Technics Dirgantara* due to further expansion of offered services and growth of sales.

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

The Group's companies	31 December 2016	31 December 2015	Change
Avia Solutions Group AB	60	61	-1
AviationCV.com UAB	25	21	+4
BAA Training UAB	103	93	+10
Baltic Ground Services UAB	269	272	-3
Baltic Ground Services Sp.z.o.o.	101	105	-4
Baltic Ground Services UA TOV	31	6	+25
Baltic Ground Services RU OOO	90	6	+84
Baltic Ground Services EE OÜ	2	2	-
Baltic Ground Services LV SIA	7	6	+1
Baltic Ground Services CZ s.r.o.	-	-	-
Laserpas UAB	7	5	+2
FL Technics UAB	755	729	+26
Jet Maintenance Solutions UAB	77	69	+8
FL Technics Line OOO	5	5	-
FL Technics Ulyanovsk OOO	-	-	-
FLT Trading House UAB	-	-	-
Locatory.com UAB	34	28	+6
Storm Aviation Ltd.	81	61	+20
Storm Aviation (Cyprus) Ltd.	4	2	+2
Storm Aviation (Nigeria) Ltd.	2	-	+2
KlasJet UAB	11	8	+3
Helisota UAB	209	181	+28
Kauno aviacijos gamykla UAB	5	5	-
KIDY Tour UAB	11	4	+7
KIDY Tour OÜ	13	-	+13
Avia Technics Dirgantara P.T.	46	5	+41
FL Technics Asia Co. Ltd.	6	-	+6
Number of all full-time employees at the end of the period	1 954	1 674	+280

The breakdown of the Group's number of full-time employees and average salaries by categories during year ended 31 December 2016:

Employee category	Number as on 31 December 2016	Average monthly salary, EUR	Number as on 31 December 2015	Average monthly salary, EUR
Management (first and second level managers)	305	2 450	275	2 396
Specialists (qualified and/or certified, if the Company requires)	1 222	1 324	1 046	1 260
Other operative staff	427	810	353	786
Number of full-time employees at the end of the period from continuing operations only and weighted average monthly salary (before taxes)	1 954	1 387	1 674	1 347

The breakdown of the Group's number of part-time employees and average salaries by categories during 2016:

Employee category	Number as on 31 December 2016	Average monthly salary, EUR	Number as on 31 December 2015	Average monthly salary, EUR
Management (first and second level managers)	15	1 606	16	1 508
Specialists (qualified and/or certified, if the Company requires)	76	426	56	593
Other operative staff	22	586	32	396
Number of part-time employees at the end of the period from continuing operations only and weighted average monthly salary (before taxes)	113	614	104	673

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

Education level	31 December 2016	31 December 2015
University third cycle studies (doctoral, postgraduate and residency studies)	2	1
University second cycle studies (master and specialized professional studies)	420	347
First cycle studies (bachelor studies, including non-university studies)	917	805
Secondary professional education	292	234
Secondary education	417	372
Primary education	19	19
Number of employees (including part-time employees) at the end of the period	2 067	1 778

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

Employee category	Number as on 31 December 2016	Average monthly salary, EUR	Number as on 31 December 2015	Average monthly salary, EUR
Management (first and second level managers)	9	3 824	12	2 537
Specialists (qualified and/or certified, if the Company requires)	32	1 154	30	1 590
Other operative staff	19	1 003	19	946
Number of full-time employees at the end of the period and weighted average monthly salary (before taxes)	60	1 507	61	1 576

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

Employee category	Number as on 31 December 2016	Average monthly salary, EUR	Number as on 31 December 2015	Average monthly salary, EUR
Management (first and second level managers)	3	408	2	39
Specialists (qualified and/or certified, if the Company requires)	2	1 174	2	2 340
Other operative staff	2	135	2	58
Number of part-time employees at the end of the period and weighted average monthly salary (before taxes)	7	549	6	812

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

Education level	31 December 2016	31 December 2015
University third cycle studies (doctoral, postgraduate and residency studies)	1	-
University second cycle studies (master and specialized professional studies)	25	21
First cycle studies (bachelor studies, including non-university studies)	38	41
Secondary professional education	1	1
Secondary education	2	4
Number of employees (including part-time employees) at the end of the period	67	67

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. Two members of the Supervisory Council comprise an Audit Committee. On 10 June 2016 during the meeting of the Supervisory Council it was decided to terminate the activities of previously established Nomination and Remuneration Committee of the Supervisory Council.

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 Committee as well as its' Chairman are appointed by the Supervisory Council. The Supervisory Council has the right to withdraw the Audit Committee *in corpore* or its' individual members and to appoint a new Audit Committee or individual members of the Audit Committee.

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 the 2016 seven meetings of the Supervisory Council were held. The Supervisory Council reviewed and discussed the Group's Consolidated Financial Information for the year 2015, reviewed monthly interim results and main events of the Group, overviewed the ongoing projects, approved to terminate the activities of the Nomination and Remuneration Committee of the Supervisory Council, amended the Regulations of the Audit Committee of the Supervisory Council, elected the new member of the Company's Audit Committee of the Supervisory Council.

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 two members elected for the tenure of four years: Mrs Džiuginta Balčiūnė resigned from her position in the Supervisory Council as of 3 October 2016. The third member of the Company's Supervisory Council will be elected during the Annual Shareholders' Meeting to be held in April 2017.

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
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 indirectly owns 1'531'781 shares in the Avia Solutions Group AB (19.69% of all the shares issued by Avia Solutions Group AB).

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 the year 2016 three meetings of the Audit Committee were held. The Audit Committee assessed the proposals of the audit firms in respect of performance of the Company's audit in the years 2016 and 2017 and elected the Company's auditor. The Audit Committee also discussed the necessity to separate function of internal audit in the Company and reviewed and discussed the Company's internal controls and risk management systems.

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;
- to check the effectiveness of the external audit process and the administration's response to the recommendations made by the external auditor's firm in the letter to management;
- to decide and approve whether the Committee is satisfied with the independence of the audit process, providing a brief description of the steps taken to reach the appropriate conclusions.

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. Mrs Džiuginta Balčiūnė resigned from her position in the Company's Supervisory Council as well as the Audit Committee as of 3 October 2016. On 9 December 2016 during the meeting of the Supervisory Council Mr Vaidas Barakauskas was elected as the new member of the Company's Audit Committee.

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			
Mr Vaidas Barakauskas	Member of the Audit Committee	9 December 2016	30 April 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.

According to the Supervisory Council meeting held on 10 June 2016 the activities of the Nomination and Remuneration Committee were terminated.

The Board Activities

During the year ended 31 December 2016 forty meetings of the Board were held. During all Board meetings there was quorum prescribed by legal acts. The Board approved to issue loan to third party, to issue and consolidate loans to Group companies, agreed on amendment of work regulations of the Management Board, approved the purchase of property, plant and equipment by Group companies and administration premises renovation works, approved implementation of a new enterprise resource planning system by the Group company and approved the surety ship agreements of the Group companies, adopted a decision to prolong surety ship agreement under amended terms, agreed to amend bank overdraft agreements with Group companies and prolong the pledges of the property. The Board approved the acquisition of 100% of share capital in KIDY Tour OÜ (formerly GoAdventure OÜ), the acquisition of 25% of share capital in KlasJet UAB, confirmed to increase share capital in the Group companies and to cover one of the Company's subsidiaries' retained losses with share premium, agreed to contribute the accrued interest on bonds issued by the associate as a share premium contribution, approved the Company's intention to participate in privatization of foreign company. The Board also approved the list of persons having access to Inside information about Avia Solutions Group AB. During the meetings the set of annual financial statements of the Group and the Company as well as profit allocation for 2015 were approved.

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), Mr Daumantas Lapinskas does not have interests 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 Dovydenas. Mr Linas Dovydenas 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 Dovydenas 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 Dovydenas 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 Dovydenas 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 Dovydenas owns 221,717 shares in AviaAM Leasing AB (0.51% of all the shares). Mr Linas Dovydenas 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 36 of the Company's and the Group's Financial Statements for the year ended 31 December 2016. Members of Supervisory and Management Boards do not receive salary except if they are employed by the Group.

Information about total amounts calculated (excluding salary if the person is employed in the Company) for Management groups of the Company and the Group during the 2016 and 2015:

Position ('000 EUR)	2016	2015
<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)	152	116
<i>Remuneration of key management of the Group</i>		
Members of Supervisory Board	-	3
Members of Management Board	4	4
Administration of Group's Companies (General Managers, Chief Financiers)	1 855	1 306

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

Position (EUR)	2016	2015
Company's Administration (General Manager, Chief Financier)	4 848	4 832
Administration of Group's Companies (General Managers, Chief Financiers)	4 212	3 297

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 2016.

In 2016 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 2016. 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.

On 20 May 2016 and 1 June 2016 the Company signed two put option agreements with the Group employees, related to the Key Management of the Group, which give the right to put back acquired shares of the Company during the period from 30 April 2019 to 1 June 2019, if subsidiaries, where these employees are acting general managers, achieve appointed profit targets. The above mentioned employees have not yet acquired all agreed Company's shares thus put options are not valid at the moment.

During the year 2016 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, 2015 and 2016 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 29 April 2016, 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 2016 and 2017, and to make the assessment of the consolidated annual report of the Company for the years 2016 and 2017. 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 100 000 (VAT excluded) for the audit services.

VI. OTHER INFORMATION

Information about compliance with Corporate Governance Code

The Company complies with the Lithuanian corporate regime established by the Lithuanian law and the Articles of Association of the Company. Since 3 March 2011 the Shares of the Company are listed on the parallel market of the Warsaw Stock Exchange (the "WSE").

The WSE has adopted a corporate governance code, which is the Code of Best Practice for WSE Listed Companies 2016 approved by the resolution of the Exchange Supervisory Board on the date as of 13 October 2015 (the "WSE Corporate Governance Code") which can be found on the website dedicated to the corporate governance at the Warsaw Stock Exchange: www.corp-gov.gpw.pl.

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, all 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 all the rules of the WSE Corporate Governance Code. A statement on the Company's compliance with the corporate governance recommendations and principles stipulated in the WSE Corporate Governance Code is contained in the Company's website and may be found by clicking the link below:

http://www.aviasg.com/private/uploads/images/corporate-governance/GPW_dobre_praktyki_Avia_Solutions_Group_AB.pdf

Publicly announced information

During the year ended 31 December 2016 the Company publicly announced through Warsaw Stock Exchange Information system and on own webpage the following information:

Publication Date	Title	Category of announcement
15 February 2016	Consolidated Financial Information for the year ended 31 December 2015 (Unaudited) ESPI Report No 1/2016	Interim information
7 April 2016	Independent Auditor's Report, Separate and Consolidated Financial Statements, Consolidated Annual Report for the Year ended 31 December 2015 ESPI Report No 2/2016	Notification on material event
7 April 2016	Notice on Annual General Meeting of Shareholders ESPI Report No 3/2016	Notification on material event
3 May 2016	Notice on the decisions adopted by the Annual General Meeting of Shareholders of AB Avia Solutions Group ESPI Report No 5/2016	Notification on material event
16 May 2016	Consolidated Financial Information for the three-month period ended 31 March 2016 (Unaudited) ESPI Report No 6/2016	Interim information
16 August 2016	Consolidated Financial Information for the six-month period ended 30 June 2016 (Unaudited) ESPI Report No 8/2016	Interim information
16 September 2016	Avia Solutions Group AB completed the acquisition of 100 percent of shareholding in Estonian company – GoAdventure OÜ ESPI Report No 9/2016	Notification on material event
3 October 2016	Resignation of Supervisory Board Member of Avia Solutions Group AB ESPI Report No 10/2016	Notification on material event
15 November 2016	Consolidated Financial Information for the nine-month period ended 30 September 2016 (Unaudited) ESPI Report No 11/2016	Interim information
29 December 2016	Avia Solutions Group AB financial reporting in 2017 ESPI Report No. 12/2016	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 Dovydėnas, 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 2016 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 Dovydėnas



Chief Financial Officer
Aurimas Sanikovas

