

AVIA SOLUTIONS GROUP PLC

Condensed Consolidated Interim Financial Information,
For the Three-Month Period Ended 31 March 2020 (Unaudited)

Beginning of the financial period	1 January 2020
End of reporting period	31 March 2020
Name of the company	Avia Solutions Group PLC (hereinafter “the Company”)
Date of registration	28 February 2018
Code of enterprise	HE 380586
Name of Register of Legal Entities	Department of Registrar of Companies and Official Receiver
Registered office	28 Oktovriou, 1 ENGOMIBUSINESS CENTER BLC E, Flat 111 Egkomi 2414, Nicosia Cyprus
Telephone number	+44 20 808 99777 / +370 5 252 5500
E-mail	info@aviasg.com
Internet address	www.aviasg.com
Segments of consolidated Group	Aviation Supporting Services, Aviation Logistics and Distribution Services, Aircraft Trading and Portfolio Management, Unallocated (holding and financing activities).
Board of Directors:	Gediminas Žiemelis (appointed from 12 July 2019) Jonas Janukėnas (appointed from 28 February 2018) Žilvinas Lapinskas (appointed from 12 July 2019) Linas Dovydėnas (appointed from 12 July 2019) Vygaudas Ušackas (appointed from 16 September 2019)
Company Secretary:	Fidema Services (appointed from 28 February 2018)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	January – March	
		2020	2019*
Revenue	3	267 869	93 496
Other income	3	1 034	160
Cost of services and goods	3, 4	(185 272)	(62 428)
Employee related expenses	3	(39 977)	(20 556)
Depreciation and amortisation	3, 10	(26 639)	(2 936)
Other operating expenses	3, 5.1	(12 328)	(5 566)
Impairment losses of financial assets	3, 5.2	(1 370)	(219)
Other impairment-related expenses	3, 5.2	(256)	(407)
Other gain/(loss) – net	3	377	657
Operating profit (loss)		3 438	2 201
Finance income	6	1 059	3
Finance cost	6	(10 943)	(1 155)
Finance costs – net		(9 884)	(1 152)
Share of profit (losses) of associates		840	(54)
Profit (loss) before income tax		(5 606)	995
Income tax	7	(1 795)	(408)
Profit (loss) for the period from continuing operations		(7 401)	587
Profit (loss) from discontinued operations	17	-	-
Profit (loss) for the period		(7 401)	587
Profit (loss) attributable to:			
Equity holders of the parent			
Profit (loss) from continuing operations		(8 006)	459
Profit (loss) from discontinued operations		-	-
Profit for the period attributable to equity holders of the parent		(8 006)	459
Non-controlling interests			
Profit (loss) from continuing operations		605	128
Profit (loss) from discontinued operations		-	-
Profit for the period attributable to non-controlling interests		605	128
		(7 401)	587

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (CONTINUED)**

	Note	January – March	
		2020	2019*
Other comprehensive income			
Net gain on cash flow hedges		4 166	-
Income tax		(949)	-
		3 217	-
Exchange differences on translation of foreign operations		126	484
Other comprehensive income (loss) for the period		3 343	484
Discontinued operations			
Exchange differences on translation of foreign operations from discontinued operations		-	-
		3 343	484
Total comprehensive income for the period attributable to:			
Equity holders of the parent			
Total comprehensive income (loss) for the period from continuing operations		(4 804)	976
Total comprehensive income (loss) for the period from discontinued operations		-	-
Total comprehensive income (loss) for the period attributable to equity holders of the parent		(4 804)	976
Non-controlling interests			
Total comprehensive income (loss) for the period from continuing operations		746	95
Total comprehensive income (loss) for the period from discontinued operations		-	-
Total comprehensive income (loss) for the period attributable to non-controlling interests		746	95
		(4 058)	1 071
Earnings per share attributable to owners of the parent during the period			
Basic and diluted earnings per share			
From continuing operations		(0,103)	0,059
From discontinued operations		-	-
From profit for the period	9	(0,103)	0,059

*Restated, see Note 17



Managing Director
Jonas Janukėnas



Chief Financial Officer
Aurimas Sanikovas

AVIA SOLUTIONS GROUP PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION


FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

(All tabular amounts are in EUR '000 unless otherwise stated)**Avia Solutions Group****CONDENSED CONSOLIDATED BALANCE SHEET**

	Notes	31 March 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	10	405 787	363 286
Investments property	10	12 645	11 842
Intangible assets	10	94 381	74 412
Investments accounted for using the equity method		48 816	47 034
Deferred tax assets	7	15 222	9 615
Non-current trade and other receivables	12	47 791	40 319
Non-current derivative financial instruments		7 665	3 672
Long-term bank deposits		997	983
		633 304	551 163
Current assets			
Inventories	14	39 111	95 847
Trade and other receivables	12	183 817	142 850
Contract assets		10 924	7 376
Prepaid income tax		2 494	1 156
Derivative financial instruments		-	377
Short-term bank deposit		172 597	84 011
Cash and cash equivalents	13	136 283	217 252
Assets of disposal group classified as held for sale	17	-	-
		545 226	548 869
Total assets	3	1 178 530	1 100 032

**CONDENSED CONSOLIDATED BALANCE SHEET
 (CONTINUED)**

	Notes	31 March 2020	31 December 2019
EQUITY			
Equity attributable to the Group's equity shareholders			
Share capital	8	22 556	22 556
Share premium		282 158	282 158
Other reserves		132	60
Treasury shares		(1 010)	(1 010)
Merger reserve		(456)	(456)
Fair value reserve		2 785	(432)
Cumulative translations differences		(2 971)	(2 956)
Retained earnings		33 116	41 122
Equity attributable to equity holders of the parent		336 310	341 042
Non-controlling interests		5 726	4 980
Total equity		342 036	346 022
LIABILITIES			
Non-current liabilities			
Borrowings		274 735	270 317
Lease liabilities		176 956	161 201
Government grants		713	773
Security deposits received		692	1 097
Trade and other payables	15	4 142	4 600
Derivative financial instruments		3 747	4 686
Deferred income tax liabilities	7	21 279	14 434
		482 264	457 108
Current liabilities			
Trade and other payables	15	179 378	121 769
Lease liabilities		89 060	75 992
Borrowings		6 749	6 817
Contract liabilities		45 621	66 098
Security deposits received		8 891	7 123
Current income tax liabilities		24 531	19 103
Liabilities of disposal group classified as held for sale	17	-	-
		354 230	296 902
Total liabilities		836 494	754 010
Total equity and liabilities		1 178 530	1 100 032



Managing Director
Jonas Janukėnas



Chief Financial Officer
Aurimas Sanikovas

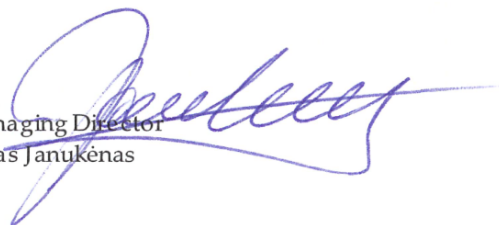
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Group										
	Share capital	Share premium	Treasury shares	Merger reserve	Legal reserve	Fair value reserve	Currency translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
Balance at 31 December 2018	2 256	33 133	-	(457)	237	2	(210)	30 456	65 417	(662)	64 755
Adjustment on initial application of IFRS 16 (net of tax)	-	-	-	-	-	-	-	(786)	(786)	-	(786)
Balance at 1 January 2019	2 256	33 133	-	(457)	237	2	(210)	29 670	64 631	(662)	63 969
Comprehensive income											
Currency translation difference	-	-	-	-	-	-	517	-	517	(33)	484
Profit (loss) for the period from continuing operations	-	-	-	-	-	-	-	459	459	128	587
Profit (loss) for the period from discontinuing operations	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	517	459	976	95	1 071
Transactions with owners											
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2019	2 256	33 133	-	(457)	237	2	307	30 129	65 607	(567)	65 040

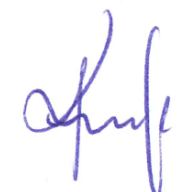
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Group										
	Share capital	Share premium	Treasury shares	Merger reserve	Other reserves	Fair value reserve	Currency translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2020	22 556	282 158	(1 010)	(456)	60	(432)	(2 956)	41 122	341 042	4 980	346 022
Comprehensive income											
Net profit (loss) on cash flow hedge	-	-	-	-	-	3 217	-	-	3 217	-	3 217
Currency translation difference from continuing operations	-	-	-	-	-	-	(15)	-	(15)	141	126
Profit (loss) for the period from continuing operations	-	-	-	-	-	-	-	(8 006)	(8 006)	605	(7 401)
Total comprehensive income	-	-	-	-	-	3 217	(15)	(8 006)	(4 804)	746	(4 058)
Transactions with owners											
Share based payments (other reserves)	-	-	-	-	72	-	-	-	72	-	72
Total transactions with owners	-	-	-	-	72	-	-	-	72	-	72
Balance at 31 March 2020	22 556	282 158	(1 010)	(456)	132	2 785	(2 971)	33 116	336 310	5 726	342 036

Managing Director
Jonas Janukėnas



Chief Financial Officer
Aurimas Sanikovas



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	January – March	
		2020	2019*
Operating activities			
Profit for the period		(7 401)	587
Income tax	7	1 795	408
<i>Adjustments for:</i>			
Depreciation and amortisation	3, 10	26 639	2 936
Impairment-related expenses	3	1 626	626
Interest expenses	6	9 986	833
Discounting effect on financial assets	6	(73)	2
Share of profit/(loss) of associates		(840)	54
(Profit) / loss of PPE disposals		289	(272)
Amortisation of government grants		(60)	(62)
Interest income		(400)	(90)
Currency translations differences		4 145	352
Changes in other reserves		72	-
<i>Changes in working capital:</i>			
- Accrued expenses for certain contracts		478	(101)
- Inventories		58 460	1 258
- Trade and other receivables		(27 374)	(6 486)
- Trade and other payables, advances received		(5 299)	6 890
- Security deposits received		1 434	36
Cash generated from (used in) operations		63 477	6 971
Interest paid		(4 566)	(726)
Income tax paid		(160)	(67)
Net cash generated from (used in) operating activities from continuing operations		58 751	6 178
Net cash generated from (used in) operating activities from discontinued operations	17	-	-
Net cash generated from (used in) operating activities		58 751	6 178

CONDENSED STATEMENTS OF CASH FLOWS
 (CONTINUED)

	Notes	January – March	
		2020	2019*
Investing activities			
Purchase of PPE and intangible assets		(18 545)	(3 532)
Proceeds from PPE and intangible assets		433	328
Payments for financial assets at a mortised cost		(11 508)	-
Investment into associate		(272)	(4 239)
Loans granted		(511)	(586)
Repayments of loans granted		177	313
Deposits placed		(91 998)	(567)
Repayments of deposits placed		2 892	47
Purchase of subsidiaries (net of cash acquired)		(3 925)	-
Net cash generated from (used in) investing activities from continued operations		(123 257)	(8 236)
Net cash generated from (used in) investing activities from discontinued operations	17	-	-
Net cash generated from (used in) investing activities		(123 257)	(8 236)
Financing activities			
Bank borrowings received		1 455	731
Repayments of bank borrowings		(1 082)	(1 053)
Borrowings from related parties received		-	2 905
Repayments of other borrowings		(100)	-
Repayment of lease liabilities		(16 841)	(1 543)
Net cash generated from (used in) financing activities from continued operations		16 568	1 040
Net cash generated from (used in) financing activities from discontinued operations	17	-	-
Net cash generated from (used in) financing activities		16 568	1 040
Increase (decrease) in cash and cash equivalents		(81 074)	(1 018)
At beginning of period	13	212 089	(16 633)
At end of period (including continuing and discontinuing operations)	13	131 015	(17 651)

*Restated, see Note 17.



Managing Director
 Jonas Janukėnas



Chief Financial Officer
 Aurimas Sanikovas

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Accounting policies

The consolidated interim financial information for the three-month period ended 31 March 2020 (hereinafter *The Consolidated Financial Information*) is prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union, includes IAS 34 „Interim financial reporting“. 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 2019.

The consolidated financial information is presented in thousands of euro, unless indicated otherwise. The consolidated financial information is prepared under the historical cost convention.

Until 16 July 2019 the 99,98% of the Company's share capital was owned by Avia Solutions Group AB, which was a public limited liability company incorporated at State Enterprise Centre of Registers of the Republic of Lithuania as at 31 August 2010 (Company code – 302541648). The Company was domiciled in Vilnius, the capital of Lithuania. The address of its registered office was as follows: Smolensko St. 10, LT-03201, Vilnius.

On 15 July 2019 Avia Solutions Group AB was dissolved without going into liquidation and was deregistered from the Register of Legal Entities of the Republic of Lithuania. On 9 July 2019 Avia Solutions Group PLC registered a permanent establishment of a foreign legal entity in Lithuania (identification number (code): 9001538174, VAT code: LT100012497310), which after the merger is operating in the territory of the Republic of Lithuania.

On 28 March 2019, the Board of Avia Solutions Group AB, implementing the decisions of the general meeting of shareholders of the Company, dated 28 December 2018, regarding the participation in the cross-border merger has prepared the merger terms of the Company and AVIA SOLUTIONS GROUP (CY) PLC. As of 16 July 2019, in accordance with these common cross-border merger terms, all Avia Solutions Group AB assets, rights and liabilities were taken over by Avia Solutions Group PLC that continues its activities thereafter and as of 16 July 2019 Avia Solutions Group AB assets and liabilities, rights and obligations under the transactions, are included in the accounting records of Avia Solutions Group PLC.

The consolidated interim financial information for the three-month period ended 31 March 2020 is prepared in the name of AVIA SOLUTIONS GROUP PLC but these financial statements represent a continuation of the financial statements of Avia Solutions Group AB.

The consolidated interim financial information for the three-month period ended 31 March 2020 is not audited. Financial statements for the year ended 31 December 2019 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 listed below.

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Avia Solutions Group PLC (previously Avia Solutions Group (CY) LTD)	Republic of Cyprus	Unallocated	-	-	99.98	The Company was established on 28 February 2018. The Company did not conducted active operations until the merger. On 15 July 2019 Avia Solutions Group AB merged into Avia Solutions Group PLC which continues its activities as the Group's holding company.
ASG Finance Designated Activity Company	Ireland	Unallocated	100	100	-	The subsidiary was established on 16 September 2019. The company provides financing activities to subsidiaries of the Group.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
AviationCV.com UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established in spring of 2011. The company provides aviation personnel solutions.
BAA Training UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The Group company was established on 22 November 2006. The company provides aircraft crew training services.
BAA Simulators 2 UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established on 8 January 2018. The company provides lease of full flight simulators.
BAA Training Vietnam LTD	Socialist Republic of Vietnam	Aviation Supporting Services	100	100	100	The subsidiary was established on 2 February 2018. The company provides lease of full flight simulators.
DG21 UAB	Republic of Lithuania	Aviation Supporting Services	100	100	-	The subsidiary was acquired on 3 April 2019 (Note 16). Company is engaged in the business of real estate management and operations of Loop hotel.
SIA Rezidence Kapteini	Republic of Latvia	Aviation Supporting Services	100	100	-	The subsidiary of DG21 UAB was acquired on 3 April 2019 (Note 16). Company is engaged in the business of real estate management.
ASG Asset Management UAB	Republic of Lithuania	Aviation Supporting Services	100	100	-	The subsidiary was established on 21 May 2019 (Note 16). The company is providing property management services.
Helisota UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 16 December 2013. The company provides maintenance, repair and overhaul services for helicopters.
Kauno aviacijos gamykla UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 16 December 2013. It is a direct subsidiary of BAA Training UAB. The subsidiary provides real estate management services.
Jet Maintenance Solutions UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 1 December 2010. The company provides maintenance services for business aircraft.
KlasJet UAB	Republic of Lithuania	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 9 October 2013. The subsidiary has started business charter activity in summer 2014. From April 2017 it is a direct subsidiary of Jet Maintenance Solutions UAB.
KIDY Tour UAB	Republic of Lithuania	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 3 December 2015. The company provides tour operator services.
KIDY Tour OÜ	Republic of Estonia	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was acquired on 16 September 2016. The company provides tour operator services.
KIDY Tour OOO	Russian Federation	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 6 March 2017. The company is providing tour operator services
KIDY Tour SIA	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	100	The subsidiary was established on 9 October 2017. The company is providing tour operator services.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Locatory.com UAB	Republic of Lithuania	Aviation Supporting Services	99	99	95	The subsidiary was established on 7 December 2010. Starting summer 2012, the company is acting as an aircraft parts locator and offers innovative IT solution for MRO business segment.
BGS ADR SIA (previously: Sky Knights SIA)	Republic of Latvia	Private Jet Charter, Flight, Tour Operations and Hospitality services	100	100	100	The subsidiary was established on 22 January 2019. Company provides fuel logistic services.
BGS Trading TOV (previously: Aviatehniks TOV)	Ukraine	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 30 March 2020. The company is planning to provide trading operations.
Baltic Ground Services UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 31 October 2008. The company provides aircraft ground handling and fuelling services in Lithuania.
BGS Rail Holdings UAB	Republic of Lithuania	Aviation Supporting Services	99.99	99.99	99.99	The subsidiary was established on 24 October 2017. The company is acting as a holding company for subsidiary BGS Rail LLC.
Baltic Ground Services Sp.z.o.o.	Republic of Poland	Aviation Supporting Services	100	100	100	The subsidiary was established in spring of 2010. It is a direct subsidiary of Baltic Ground Services UAB. The company provides aircraft ground handling and fuelling services in Poland.
Baltic Ground Services UA TOV	Ukraine	Aviation Supporting Services	50	50	50	The subsidiary was established in summer of 2011. On 29 September 2015, 50% of share capital was sold to a third party. The subsidiary provides fuelling services in Ukraine. The Group has a control over an investee due to right to nominate the management of the company.
Baltic Ground Services RU OOO	Russian Federation	Aviation Supporting Services	100	100	100	The subsidiary was established on 23 March 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company provides aircraft ground handling fuelling and transportation services in Russia.
Baltic Ground Services EE OÜ	Republic of Estonia	Aviation Supporting Services	100	100	100	The subsidiary was established on 31 July 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company provides fuelling services in Estonia.
Baltic Ground Services HR d.o.o. (previously: OMV Adriatic Marketing d.o.o.)	Republic of Croatia	Aviation Supporting Services	100	100	-	The subsidiary was acquired on 16 December 2019 (Note 16). The company is planning to provide aircraft fuelling services.
Baltic Ground Services LV SIA	Republic of Latvia	Aviation Supporting Services	51	51	51	The subsidiary was acquired on 1 October 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company provides fuelling services in Latvia.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Baltic Ground Services CZ s.r.o.	Czech Republic	Aviation Supporting Services	100	100	100	The subsidiary was established on 18 December 2015. It is a direct subsidiary of Baltic Ground Services UAB. The company is providing fuelling services in Czech Republic.
BGS Rail Lease LLC (previously BGS Trans UALLC)	Ukraine	Aviation Supporting Services	100	100	100	The subsidiary was established on 3 July 2017. From 10 July 2019 it is the subsidiary of BGS Rail Holdings UAB. The company is involved in semi wagon lease.
Baltic Ground Services DE GmbH	Federal Republic of Germany	Aviation Supporting Services	100	100	100	The subsidiary was established on 11 January 2018. The company is providing fuel logistic services.
BGS Rail LLC	Ukraine	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 13 June 2018. The company is involved in semi wagon lease.
FL Technics UAB	Republic of Lithuania	Aviation Supporting Services	100	100	100	The subsidiary was established on 22 December 2005. The company provides aircraft maintenance, repair and overhaul (MRO) services.
Avia Technics Dirgantara PT.	Republic of Indonesia	Aviation Supporting Services	67	67	67	An investee of FL Technics UAB was established on 5 August 2014. The Group has a control over an investee due to right to nominate the management of the company. The company provides line and base maintenance services in Jakarta. On 30 November 2018 the Company additionally acquired 18 per cent shareholding in the subsidiary from third party.
FL Technics Asia Co. Ltd.	Kingdom of Thailand	Aviation Supporting Services	99.997	99.997	99.997	The subsidiary was established on 4 January 2016. It is a direct subsidiary of FL Technics UAB. The subsidiary is planning to provide aircraft maintenance services in Thailand.
FL Technics Line OOO	Russian Federation	Aviation Supporting Services	93	93	93	The subsidiary was established in summer of 2011. It is a direct subsidiary of FL Technics UAB.
"FLM" Flash Line maintenance S.r.l.	Italy	Aviation Supporting Services	100	-	-	The subsidiary was established on 19 February 2020. It is a direct subsidiary of FL Technics UAB. The subsidiary provides aircraft line station services
FL Technics Georgia LLC	Georgia	Aviation Supporting Services	100	100	-	The subsidiary was established on 26 November 2019. It is a direct subsidiary of FL Technics UAB.
Storm Aviation Ltd.	The United Kingdom	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 31 December 2011. It is a direct subsidiary of FL Technics UAB. The company provides aircraft line station services.
Storm Aviation (Cyprus) Ltd.	Republic of Cyprus	Aviation Supporting Services	100	100	100	The subsidiary was acquired on 31 December 2011. It is a direct subsidiary of Storm Aviation Ltd. The company provides aircraft line station services in Cyprus.
Storm Aviation (Nigeria) Ltd.	Federal Republic of Nigeria	Aviation Supporting Services	100	100	100	The subsidiary was established on 26 August 2016. It is a direct subsidiary of Storm Aviation Ltd. The company provides aircraft line station services in Nigeria.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Storm Aviation (Germany) GmbH	Federal Republic of Germany	Aviation Supporting Services	100	100	100	The subsidiary was established on 29 March 2017. It is a direct subsidiary of Storm Aviation Ltd. The company is providing aircraft line station services in Germany.
FL Technics Hong Kong Limited	Hong Kong	Aviation Supporting Services	100	100	100	The subsidiary was established on 27 September 2018. The subsidiary does not conduct active operations.
FL Technics GmbH	Republic of Austria	Aviation Supporting Services	100	100	100	The subsidiary was established on 15 December 2018. The subsidiary is planning to provide aircraft maintenance services in Austria.
FL Technics Ukraine TOV	Ukraine	Aviation Supporting Services	100	100	-	The subsidiary was established on 17 April 2019 (Note 16). It is a direct subsidiary of FL Technics UAB.
FL Technics Engine Services UAB	Republic of Lithuania	Aviation Supporting Services	100	100	-	The subsidiary was established on 23 April 2019 (Note 16). It is a direct subsidiary of FL Technics UAB.
FL Technics Ireland Ltd.	Republic of Ireland	Aviation Supporting Services	100	100	100	The subsidiary was established on 1 February 2019. The subsidiary is planning to provide engine and other maintenance services.
BSTS & Storm Aviation Limited	Republic of Bangladesh	Joint venture	49	49	49	The company was established as at 30 September 2018 and is providing aircraft maintenance services in Bangladesh.
BAA Training China Co., Ltd	Republic of China	Joint venture	50	50	-	The company was established as at 21 October 2019. The company will provide training services and lease of full flight simulators.
FL ARI Aircraft Maintenance & Engineering Company CO. LTD	People's Republic of China	Joint venture	40	40	40	The company was established as at 18 December 2018 and is providing aircraft maintenance services in China.
Avia AM Leasing AB	Republic of Lithuania	Aircraft Trading and Portfolio Management	98.84	98.84	-	77,26% of the share capital in the subsidiary was acquired on 2 October 2019. The additional 8,44% and 13,14% of the share capital in Avia AM Leasing AB were acquired on 15 October 2019 and 4 December 2019. The company is acting as a holding company. The subsidiaries of Avia AM Leasing AB are engaged in the business of aircraft leasing trading and management.
Avia AM B01 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B02 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B04 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Avia AM B05 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B06 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
BUSNEX UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
DG AVIA UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Sniego takas UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Darius ir Gireno 20 UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B10 Ltd	Republic of Ireland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM Leasing PLC	Republic of Cyprus	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
AAL Capital Aircraft Holdings Ltd	Republic of Cyprus	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing AB.
Avia AM B08 Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.
Avia AM B09 Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.
Ice Aircraft Management Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.
Boulevard Two Aircraft Ltd	Republic of Ireland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.
Dikkys Investments Ltd	Republic of Cyprus	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.
Avia AM B11 Ltd	Republic of Ireland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.
Avia AM Leasing Bermuda Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Regional Charter Capital Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing Bermuda Ltd.
Golden Jet Aviation Trading Ltd	Republic of Bermuda	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Avia AM Leasing Bermuda Ltd.
Skyroad Leasing UAB	Republic of Lithuania	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of AAAL Capital Aircraft Holdings Ltd.
BUSNEX POLAND Sp. z o.o.	Republic of Poland	Aircraft Trading and Portfolio Management	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of BUSNEX UAB.
Avia AM Financial Leasing China Co. Ltd.	China	Joint venture	51	51	-	The company was acquired on 2 October 2019. The Joint venture company is not consolidated as the Group does not control Avia AM Financial Leasing China Co., Ltd. The principal activity of the joint venture is to provide comprehensive services across the field of aircraft acquisition, lease and sale.
Eyjafofl SAS	France	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 10 October 2019. The company is acting as a holding company which controls 100 % of the share capital in Avion Express UAB and 100% of the share capital in Avion Malta. The subsidiaries of Eyjafofl SAS provide logistics services and acts as intermediary in leasing-in and leasing-out the aircraft capacity to non-airline or airline customers.
Avion Express UAB	Republic of Lithuania	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 10 October 2019. It is a direct subsidiary of Eyjafofl SAS.
Avion Express Malta Ltd	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 10 October 2019. It is a direct subsidiary of Eyjafofl SAS.
Chapman Freeborn Holdings Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. The company is acting as a holding company. The subsidiaries of Chapman Freeborn Holdings Limited provide a wide range of aircraft charter and leasing services to cargo, passenger and VIP charter clients across a broad spectrum of industries.
Alltrans Management PTY Ltd	Australia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering bv	Belgium	Aviation Logistics and Distribution Services	80	80	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering Ltd.	Canada	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Chapman Freeborn Airchartering (China) Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering Consulting (Shanghai) Co. Ltd	China	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airmarketing GmbH	Germany	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering Pvt Ltd	India	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn International Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Al tajer Al Hur for Air freight and passenger services LLC - Baghdad	Iraq	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Aviation Services FZE.
Chapman Freeborn OBC GmbH	Germany	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Handcarry Limited	Hong Kong	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn OBC Inc.	United States	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering S.p.a.	Poland	Aviation Logistics and Distribution Services	85	85	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering PTE. LTD.	Singapore	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering (South Africa) Proprietary Limited	South Africa	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering SL	Spain	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Aviation Services FZE	Sharjah - UAE	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Chapman Freeborn Aviation Services FZCO	Dubai - UAE	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering Inc	USA	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Intradco Cargo Services Limited	The United Kingdom	Aviation Logistics and Distribution Services	75	75	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Zeusbond Limited.
Logik Logistics International Limited	The United Kingdom	Aviation Logistics and Distribution Services	80	80	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Magma Aviation Limited	The United Kingdom	Aviation Logistics and Distribution Services	75	75	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Wings 24 Limited	The United Kingdom	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Zeusbond Limited	The United Kingdom	Aviation Logistics and Distribution Services	75	75	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited.
Chapman Freeborn Airchartering Ltd.	Afghanistan	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited. The subsidiary is under liquidation procedures.
SCI France Patrimoine	France	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited. The subsidiary is under liquidation procedures.
Chapman Freeborn Airchartering GmbH	Germany	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited. The subsidiary is under liquidation procedures.
Chapman Freeborn Havacilik Tasimacilik Ticaret Limited Sirketi	Turkey	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited. The subsidiary is under liquidation procedures.
Chapman Freeborn Airchartering (Uganda) Limited	Uganda	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited. The subsidiary is under liquidation procedures.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Chapman Freeborn Airchartering Limited	Hong Kong	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 11 October 2019. It is a direct subsidiary of Chapman Freeborn Holdings Limited. The subsidiary is under liquidation procedures.
Smart Aviation Holding SIA	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. The company is acting as a holding company which controls 100 % of the share capital in Smart Lynx Airlines SIA and 51% of the share capital in Eyjaföll SAS. The subsidiaries of Smart Aviation Holding SIA provide logistics services and acts as intermediary in leasing-in and leasing-out the aircraft capacity to non-airline or airline customers.
SIA SMARTLYNX AIRLINES	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Smart Aviation Holdings SIA.
SmartLynx Airlines Estonia OÜ	Republic of Estonia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
SmartLynx Airlines Crewing OÜ	Republic of Estonia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
Smartlynx Airlines Malta Limited	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of Air Holding Limited.
Air Holding Limited	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
Smartlynx Airlines Cabo Verde SA	Cabo Verde	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA. The subsidiary is under liquidation procedures.
"SLH Invest LLC (ООО «СЛХ ИНВЕСТ»)"	Russian Federation	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA. The subsidiary is under liquidation procedures.
Smart Aviation Limited	Republic of Malta	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
SIA Smartlynx Technik	Republic of Latvia	Aviation Logistics and Distribution Services	100	100	-	The subsidiary was acquired on 2 October 2019. It is a direct subsidiary of SMARTLYNX AIRLINES SIA.
Blafugl ehf (Bluebird Nordic)	Republic of Iceland	Aviation Logistics and Distribution Services	100	-	-	The subsidiary was acquired on 31 March 2020. The subsidiary provides import and export air freight services worldwide.
Aviator Airport Alliance, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. The company is acting as a holding company. The company provides aircraft ground handling services.

2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2020	31-12-2019	31-03-2019	
Nordic Aero Holding, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March. It is a direct subsidiary of Aviator Airport Alliance, AB.
Copenhagen Flight services, ApS	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
OY Noedic Airport Services, AB	Republic of Finland	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Airport Services Sweden, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Airport Services Finland, OY	Republic of Finland	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Airport Alliance, AS	Kingdom of Norway	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator OSL, AS	Kingdom of Norway	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Airport Alliance Danmark, A/S	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Airport Services Denmark, A/S	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Relaxium, ApS	Kingdom of Denmark	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Airport Services, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.
Aviator Robotics, AB	Kingdom of Sweden	Aviation Supporting Services	100	-	-	The subsidiary was acquired on 1 March 2020. It is a direct subsidiary of Aviator Airport Alliance, AB.

As at 31 March 2020 the Company had one representative Office in Russia, 1st Tverskaya-Yamskaja St., 21, 2nd floor, 125047, Moscow and no branches.

The number of full-time staff employed by the Group on 31 March 2020 amounted to 4 309 (31 December 2019: 3 467; 31 March 2019: 2 568).

3 Revenue

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

- (1) Aviation Supporting Services;
- (2) Aviation Logistics and Distribution Services;
- (3) Aircraft Trading and Portfolio Management;
- (4) Unallocated (holding and financing activities).

The unallocated sales include sales of management services, which cannot be attributed to the other segments. The management assesses the performance of the Group based on Operating Profit.

3 Revenue (continued)

Transfer pricing between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, cost and operating expenses, other income, other gain/loss and segment operating profit include transfers between business segments. Those transfers are eliminated on consolidation.

The following tables 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 2020 and for the three-month period ended 31 March 2019

	Aviation Support Services	Aviation Logistics and Distribution Services	Aircraft Trading and Portfolio Management	Unallocated	Inter- segment transactions	Total
Three-month period ended 31 March 2020						
Sales to external customers	97 023	83 701	87 071	74	-	267 869
<i>Timing of revenue recognition</i>						
<i>At a point in time</i>	73 881	71 517	85 849	74	-	231 321
<i>Over time</i>	23 142	12 184	1 222	-	-	36 548
Inter-segment sales	9 995	25 193	4 752	964	(40 904)	-
Total revenue	107 018	108 894	91 823	1 038	(40 904)	267 869
Other income	932	615	1 555	1 639	(3 707)	1 034
Cost of services and goods purchased	(61 978)	(94 113)	(67 799)	(147)	38 765	(185 272)
Depreciation and amortisation	(4 975)	(20 842)	(999)	(215)	392	(26 639)
Employee related expenses	(27 350)	(11 340)	(420)	(901)	34	(39 977)
Other operating expenses	(6 887)	(4 869)	(1 041)	(1 242)	1 711	(12 328)
Impairment-related expenses	(1 351)	(57)	(143)	(1 351)	1 276	(1 626)
Other gain/(loss) – net	(1 135)	1 611	49	(130)	(18)	377
Segment operating profit	4 274	(20 101)	23 025	(1 309)	(2 451)	3 438
As at 31 March 2020						
Segment assets	310 775	396 201	176 082	295 472	-	1 178 530
Segment liabilities	195 704	323 112	36 338	281 340	-	836 494

3 Revenue (continued)

	Aviation Support Services	Aviation Logistics and Distribution Services	Unallocated	Inter-segment transactions	Total
Three-month period ended 31 March 2019*					
Sales to external customers	87 733	5 480	283	-	93 496
<i>Timing of revenue recognition</i>					
<i>At a point in time</i>	66 736	5 480	283	-	72 499
<i>Over time</i>	20 997	-	-	-	20 997
Inter-segment sales	5 068	-	807	(5 875)	-
Total revenue	92 801	5 480	1 090	(5 875)	93 496
Other income	504	10	109	(463)	160
Cost of services and goods purchased	(61 209)	(5 401)	(176)	4 358	(62 428)
Depreciation and amortisation	(2 732)	(72)	(140)	8	(2 936)
Employee related expenses	(19 496)	(523)	(652)	115	(20 556)
Other operating expenses	(6 047)	(439)	(428)	1 348	(5 566)
Impairment-related expenses	(1 055)	5	(27)	451	(626)
Other gain/(loss) – net	721	(62)	3	(5)	657
Segment operating profit	3 487	(1 002)	(221)	(63)	2 201
Segment assets	186 894	9 072	17 389	-	213 355
Segment liabilities	138 293	4 523	5 499	-	148 315

*Restated, see Note 17

Reportable Group's business segments are influenced by seasonal movements on both summer and winter periods. The highest growth comes in summer-season (June-September) from Aviation Logistics and Distribution Services segment, and in the winter-season (October-April) increase of sales is recorded in Aviation Support Services segment (aircraft maintenance, repair and overhaul (MRO) and crew training activity).

4 Cost of goods and services	January – March	
	2020	2019*
Aircraft fuel expenses	34 649	30 171
Cost of goods purchased	25 338	17 315
Cost of purchased services	16 997	11 936
Rent of aircraft, training and other equipment	14 301	1 592
Rent and maintenance of premises	2 558	1 414
Aircraft operations costs and flight related charges	4 022	-
Aircraft repair and maintenance costs	15 657	-
Costs of aircraft sold	62 188	-
Employee rent and other related personnel expenses	9 562	-
	185 272	62 428

	January – March	
	2020	2019*
5.1 Other operating expenses		
Business travel expenses	2 028	971
Transportation and related expenses	1 548	1 104
Marketing and sales expenses	1 348	612
Consultation expenses	2 273	763
Office administrative, communications and IT expenses	1 725	827
Insurance expenses	1 555	357
Other expenses	1 851	932
	12 328	5 566
5.2 Impairment-related expenses		
Impairment of inventories	(295)	(381)
Impairment of trade receivables and other contract assets	(1 370)	(219)
Impairment of prepayments	71	(20)
Impairment of other assets	(32)	(6)
	(1 626)	(626)
6 Finance income and costs		
Interest income on cash and cash equivalents	552	2
Unwinding of discounted financial assets placed	73	-
Foreign exchange gain on financing activities	395	-
Other finance income	39	1
Finance income	1 059	3
Interest expenses on borrowings and lease liabilities	(9 986)	(833)
Foreign exchange loss on financing activities	-	(181)
Other finance costs	(957)	(139)
Fair value adjustment of financial guarantees issued	-	(2)
Finance costs	(10 943)	(1 155)
Finance costs – net	(9 884)	(1 152)

*Restated, see Note 17

7 Income tax and deferred income tax

In Lithuania the income tax is calculated at 15 per cent of the annual profit for the year, in Poland income tax – 19 per cent, in the United Kingdom – 19 per cent, in Russia – 20 per cent, in Ukraine – 18 per cent, in Latvia – 15 per cent, in Indonesia – 25 per cent, in Thailand – 20 per cent, in Cyprus – 12.5 per cent, in Nigeria – 30 per cent, in Czech Republic – 19 per cent, in Germany – 30 per cent, in Ireland – 25 per cent, in Malta – 35 per cent, in USA – 27 per cent, in Austria – 25 per cent, in Australia – 30 per cent, in Belgium – 29 per cent, in South Africa – 28 per cent, in China – 25 per cent, in Hong Kong – 11 per cent, in Vietnam – 20 per cent. Deferred income tax asset and liability related to the entities operating in Lithuania are calculated at 15% rate (2019: 15% rate), in Poland - at 19% rate (2019: 19% rate), in the United Kingdom – at 19% rate (2019: 19% rate), in Russia – at 20% rate (2019: 20% rate), in Ukraine – at 18% rate (2019: 18% rate), in Latvia – at 15% rate (2019: 15% rate), in Indonesia – at 25% rate (2019: 25% rate), in Cyprus – at 12.5% rate (2019: 12.5% rate), in Nigeria – at 30% rate (2019: 30% rate), in Germany – at 30% rate (2019: 30% rate). Corporate income tax in Estonia and in Latvia is shifted from the moment of earning the profits to the moment of their distribution, i.e. until dividends pay out.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

7 Income tax and deferred income tax (continued)

The tax expenses for the period comprise current and deferred tax as follows:

	January – March	
	2020	2019*
Current income tax	(3 561)	(560)
Deferred income tax	1 766	152
Total income tax expenses	(1 795)	(408)

*Restated, see Note 17

8 Share capital

On 31 March 2020 the share capital of the Company amounts to EUR 22 555 555 and consists of 77 777 777 ordinary registered shares with a nominal value of 0.29 Euro each (on 31 December 2019 – 77 777 777 ordinary registered shares). All shares are fully paid up.

As at 31 March 2020 and 31 December 2019 the Group has 270 014 treasury shares which are deducted from equity attributable to the Group's equity holders.

9 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the parent entity's ordinary equity holders by the weighted average number of ordinary shares in issue during the period. The Group has no dilutive potential ordinary shares and therefore diluted earnings per share are the same as basic earnings per share.

	January – March	
	2020	2019*
Profit (loss) attributable to:		
Equity holders of the parent		
Profit (loss) from continuing operations	(8 006)	459
Profit (loss) from discontinued operations	-	-
Profit (loss) attributable to equity holders of the parent	(8 006)	459
Weighted average number of ordinary shares (thousand)	77 508	7 778
Basic and diluted earnings per share		
From continuing operations	(0,103)	0,059
From discontinued operations	-	-
From profit (loss)	(0,103)	0,059

*Restated, see Note 17.

10 Property, plant and equipment, intangible assets

	Property, plant and equipment	Intangible assets	Right of use assets	Investment property
Opening net book amount as at 1 January 2019	62 449	6 963	-	-
Additions	10 150	475	10 958	-
Disposals	(47)	(3)	-	-
Reclassifications	(7)	-	-	-
Cumulative currency differences	680	(14)	1	-
Depreciation charge (Note 3)	(2 034)	(210)	(692)	-
Closing net book amount as at 31 March 2019	71 191	7 211	10 267	-
Opening net book amount as at 1 January 2020	90 931	74 412	272 355	11 842
Acquisition of subsidiary (Note 16)	8 900	20 748	30 465	-
Additions	17 827	781	17 109	953
Disposals	(176)	(12)	(5 054)	-
Write-offs	(109)	-	(64)	-
Reclassification	(1 144)	10	1 149	-
Cumulative currency differences	(546)	(1 116)	214	(23)
Depreciation charge (Note 3)	(4 505)	(442)	(21 565)	(127)
Closing net book amount as at 31 March 2020	111 178	94 381	294 609	12 645

11 Investment in joint venture

On 25 October 2018, AVIA SOLUTIONS GROUP PLC subsidiary Storm Aviation Ltd. together with partners established a joint venture company BSTS & Storm Aviation Limited (Bangladesh). The share of equity of the Group is 49% and the Group does not have a control over an investee. Registered capital is TK 50 000 000 (equivalent of EUR 525 thousand). The company is providing aircraft maintenance services in Bangladesh. The cost of Group's investment in joint venture company BSTS & Storm Aviation Limited as at 31 March 2020 and as at 31 December 2019 amounted to EUR 103 thousand. The share of net assets attributable to the Group and accounted for using the equity method amounted to EUR 101 thousand as at 31 March 2020 (EUR 99 thousand as at 31 December 2019). Share of profit attributable to the Group for the three months period ended 31 March 2020 amounted to EUR 2 thousand (loss of EUR 7 thousand for 2019).

On 18 December 2018 AVIA SOLUTIONS GROUP PLC subsidiary FL Technics Hong Kong Limited together with partners established a joint venture company FL ARI Aircraft Maintenance & Engineering Company CO. LTD (China). The share of equity of the Group is 40% and the Group does not have a control over an investee. The joint venture company is providing aircraft maintenance services in China. The cost of Group's investment in joint venture company FL ARI Aircraft Maintenance & Engineering Company CO as at 31 March 2020 and as at 31 December 2019 amounted to EUR 1 430 thousand. The share of net assets attributable to the Group and accounted for using the equity method was negative and amounted to EUR 532 thousand as at 31 March 2020 (EUR 12 thousand as at 31 December 2019). Share of loss attributable to the Group for the three months period ended 31 March 2020 amounted to EUR 554 thousand (loss of EUR 47 thousand for 2019).

On 2 October 2019 Avia Solutions Group (CY) PLC completed the acquisition of the share capital in AviaAM Leasing AB. AviaAM Leasing AB holds a 51% stake in a joint venture AviaAM Financial Leasing China Co. Ltd., established on 4 August 2016. The cost of investment in joint venture amounted to USD 39,015 thousand (EUR 34,869 thousand) as at 31 March 2020 and as at 31 December 2019. Joint venture is engaged in the business of operating leasing and management of brand new narrow and wide body aircraft. The share of net assets attributable to the Group and accounted for using the equity method amounted to EUR 48 974 thousand as at 31 March 2020 (EUR 46 923 thousand as at 31 December 2019). Share of profit attributable to the Group for the three months period ended 31 March 2020 amounted to EUR 1 392 thousand.

On 21 October 2019 Avia Solutions Group PLC together with partners established a joint venture company BAA Training China Co., Ltd. The share of equity of the Group is 50%, but the Group does not have a control over an investee. The cost of Group's investment in joint venture company BAA Training China Co., Ltd as at 31 March 2020 amounted to EUR 272 thousand (not paid as at 31 December 2019). The joint venture company is planning to provide aircraft crew training services in China.

12 Trade and other receivables

	31 March 2020	31 December 2019
Trade receivables	119 437	82 133
Less: provision for impairment of trade receivables	(20 344)	(17 597)
Trade receivables – net	99 093	64 536
Prepayments	24 503	24 179
Less: provision for impairment of prepayments	(547)	(626)
Prepayments – net	23 956	23 553
Other receivables	14 793	12 934
Discounting of other receivables	(56)	(73)
Less: provision for impairment of other receivables	(3 945)	(1 908)
Other receivables – net	10 792	10 953
Trade receivables from related parties	991	722
Less: provision for impairment of trade receivables from related parties	(80)	(39)
Trade receivables from related parties – net (Note 18)	911	683
Loans granted to related parties	20 492	20 431
Less: provision for impairment of loans granted to related parties	(101)	(101)
Loans granted to related parties – net (Note 18)	20 391	20 330
Loans granted	22 315	21 979
Discounting of loans granted	-	(155)
Less: provision for impairment of loans granted	(11 116)	(10 979)
Loans granted – net	11 199	10 845
Receivables from investment in bonds (at 5.20%)	9 247	9 792
Less: provision for impairment of investment in bonds	(9 247)	(9 792)
Receivables from investment in bonds	-	-
Other receivables from related parties	4 276	4 315
Discounting of other receivables from other related parties	(74)	(244)
Less: provision for impairment of other receivables from related parties	(25)	(24)
Other receivables from related parties – net (Note 18)	4 177	4 047
Leasehold receivables	197	-
Less: provision for impairment of leasehold receivables	-	-
Leasehold receivables - net	197	-
VAT receivables – net	10 982	12 739
Deferred charges	24 560	12 281
Security deposit – net	25 280	23 149
Deferred charges to other related parties (Note 18)	33	28
Security deposits from other related parties placed (Note 18)	14	18
Prepayments from other related parties (Note 18)	23	7
	231 608	183 169
Less non-current portion:	(47 791)	(40 319)
Current portion:	183 817	142 850

12 Trade and other receivables (continued)

Non-current portion of other receivables is disclosed below:

	31 March 2020	31 December 2019
Loans granted to related parties	19 528	13 658
Less: provision for impairment of loans granted to related parties	(98)	(69)
Loans granted to related parties - net	19 430	13 589
Loans granted - gross	21 108	20 650
Less: provision for impairment of loans granted	(10 506)	(10 392)
Loans granted - net	10 602	10 258
Prepayments - gross	4	1 204
Less: provision for impairment of prepayments	-	-
Prepayments - net	4	1 204
Leasehold receivables	149	-
Less: provision for impairment of leasehold receivables	-	-
Leasehold receivables - net	149	-
Security deposits - net	16 381	14 054
Other receivables	2 379	534
Less: provision for impairment of other receivables	(1 980)	(130)
Other receivables - net	399	404
Other receivables from related parties	831	815
Less: provision for impairment of other receivables from related parties	(5)	(5)
Other receivables from related parties - net	826	810
Total	47 791	40 319

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

	31 March 2020	31 December 2019
<i>Financial trade and other receivables</i>		
Trade receivables	99 093	64 536
Trade receivables from related parties (Note 18)	911	683
Other receivables	10 112	10 543
Loans granted to related parties (Note 18)	20 391	20 330
Other receivables from related parties (Note 18)	4 177	4 047
Security deposits	25 280	23 149
Leasehold receivables	197	-
Loans granted	11 199	10 845
<i>Non-financial trade and other receivables</i>		
Prepayments	23 956	23 553
Other non-financial receivables	680	410
VAT receivables	10 982	12 739
Deferred charges	24 560	12 281
Deferred charges to other related parties (Note 18)	33	28
Security deposit with lessor from related parties (Note 18)	14	18
Prepayments to other related parties (Note 18)	23	7
Total:	231 608	183 169

The revenue recognised in the three months ended 31 March 2020 related to the contract liabilities as at the beginning of the period is EUR 67 429 thousand (in the same period 2019: EUR 10 352 thousand). Revenue from performance obligations satisfied as at the beginning of the period was not significant for the Group.

13 Cash and cash equivalents	31 March 2020	31 December 2019	31 March 2019
Cash and cash equivalents	136 283	217 252	7 237
Bank overdraft	(5 268)	(5 163)	(24 888)
Total	131 015	212 089	(17 651)

14 Inventories	31 March 2020	31 December 2019
Spare parts and materials – gross amount	39 632	32 405
Less: provision for impairment of inventories	(5 449)	(5 340)
Spare parts and materials	34 183	27 065
Goods for sales – gross amount	2 232	2 971
Less: provision for impairment of inventories	(313)	(313)
Goods for sale	1 919	2 658
Aircraft	-	61 028
Aircraft components	130	234
Aircraft fuel	311	1 954
Work in progress	238	216
Goods in transit	56	858
Other inventories	2 274	1 834
	39 111	95 847

15 Trade and other payables	31 March 2020	31 December 2019
Trade payables	75 234	59 582
Accrued expenses	45 399	33 340
Salaries and social security payable	32 083	11 748
Provisions	7 322	10 525
Amounts payable to other related parties (Note 18)	496	385
Other payables	16 476	5 853
Other financial payables	2 304	316
Other payables to related parties (Note 18)	4 206	4 620
	183 520	126 369
Less: non-current portion	(4 142)	(4 600)
Current portion	179 378	121 769

On 3 December 2019 Avia Solutions Group PLC completed bonds issue process and issued USD 300 000 thousand of senior unsecured notes which included 7,875% USD interest. The notes were issued in the Euronext Dublin.

The Company or its subsidiaries may, at any time and from time to time, seek to retire or purchase outstanding debt (including bonds) through cash purchases, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

16 Business combination and disposals

Establishment and acquisitions in 2020

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

On 19 February 2020 Avia Solutions Group PLC subsidiary FL Technics UAB completed acquisition of 100% of the share capital in Flash Line maintenance S.r.l. for consideration for amount of EUR 578 thousand. The subsidiary provides aircraft line maintenance services.

16 Business combination and disposals (continued)

Details of purchase consideration and consolidated assets and liabilities arising from the acquisition of *Flash Line maintenance S.r.l.* are as follows:

	Flash Line maintenance S.r.l. - acquiree's fair value
	EUR
Property, plant and equipment	44
Intangible assets	163
Inventories	452
Trade and other receivables	556
Cash and cash equivalents	71
Borrowings	(720)
Trade and other payables	(853)
Total identifiable net assets acquired	(287)
Purchase consideration	(578)
Goodwill as at 31 March 2020	865

The values included in purchase price allocation are provisional and will be updated within 12 months period after the acquisition date.

On the 24th of January 2020, *Avia Solutions Group PLC* signed an agreement with *BB Holding EHF* for the full acquisition of *Bluebird Nordic (Bláfugl ehf.)*, which entails a 100% stake ownership of the company's shareholdings, for consideration for amount of EUR 5 240 thousand (USD 5 782 thousand) which is subject to final adjustments. On the 31st of March 2020, following the completion of all prerequisites and receipt of relevant clearances from competition authorities, the transaction was finalised. *Bluebird Nordic* provides import and export air freight services worldwide.

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition, including fair value adjustments are given below. As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in US Dollars (USD) which is the functional currency of *Bláfugl ehf* (*Bluebird Nordic*) and translated to EUR at the rate as at acquisition date 31 March 2020 used 1EUR = 1,1034 USD).

	Bláfugl ehf (Bluebird Nordic) - acquiree's fair value	
	USD	EUR
Property, plant and equipment	27 098	24 559
Intangible assets	575	521
Inventories	327	296
Trade and other receivables	5 897	5 344
Cash and cash equivalents	1 628	1 475
Borrowings	(27 762)	(25 160)
Deferred income tax liabilities	(264)	(239)
Trade and other payables	(2 921)	(2 647)
Total identifiable net assets acquired	4 578	4 149
Purchase consideration	(5 782)	(5 240)
Goodwill as at 31 March 2020	1 204	1 091

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these interim financial information, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

16 Business combination and disposals (continued)

On 14th of February 2020, Avia Solutions Group PLC signed an agreement to acquire 100% of the shareholding of Aviator Airport Alliance AB (Aviator), a full-range aviation services provider for the Nordic region. Aviator provides aircraft ground handling and fuelling services. Offering flexible and cost-effective solutions that meet the demand for high-quality support services of a wide range of airlines, Aviator is a valuable addition to Avia Solution Group's portfolio. Upside earnings opportunities for the group will be realised through the provision of additional services, such as fuelling and line maintenance, at Aviator's stations as well as through synergies in purchasing of ground handling equipment and the use of proprietary operations management software.

As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in Sweden Krona (SEK) which is the functional currency of Aviator Group and translated to EUR at the rate as at acquisition date 29 February 2020 used 1EUR = 10,6738 SEK). At the balance sheet date the goodwill was translated to SEK using the balance sheet closing rate, which was 1EUR = 10,674 SEK.

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition of Aviator Group, including fair value adjustments are given below.

	Aviator Airport Alliance AB - acquiree's fair value	
	SEK	EUR
Property, plant and equipment	157 569	14 762
Intangible assets	35 599	3 335
Deferred income tax assets	21 343	2 000
Inventories	13 724	1 286
Trade and other receivables	218 460	20 467
Cash and cash equivalents	23 739	2 224
Borrowings	(199 614)	(18 701)
Deferred income tax liabilities	(41 509)	(3 889)
Trade and other payables	(366 959)	(34 380)
Total identifiable net assets acquired	(137 647)	(12 896)
Purchase consideration	(20 040)	(1 877)
Goodwill as at 29 February 2020	(157 687)	(14 773)
Currency translation differences	-	487
Goodwill as at 31 March 2020	157 687	14 286

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, trade and other receivable and borrowings have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these interim financial information, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

On 30 March 2020, Avia Solutions Group PLC subsidiary Baltic Ground Services UAB completed the acquisition of 100% of the share capital in BGS Trading (previously: Aviatehniks TOV) for consideration of EUR 5 thousand. The company is going to provide aircraft ground handling and fuelling services.

On 2 January 2020 the Group, through one of its subsidiaries, acquired 100% of the share capital in Dariaus ir Gireno 20 UAB for consideration for amount of EUR 2 500 thousand which was paid in December 2019. The Company is incorporated in Lithuania and is engaged in real estate business. The Company owns land and a few buildings. The fair value of the assets acquired is equal to consideration paid as the group treats this investments as the acquisition of investment property.

16 Business combination and disposals (continued)

On 3 March 2020 the Group, through one of its subsidiaries, acquired 100% of the share capital in BUSNEX POLAND SP. Z.O.O – with a purpose to develop business in relation to public transportation solutions. The newly established company with a share capital of PLN 5 thousand is incorporated in Poland. Purchase consideration paid was USD 3 thousand (EUR 2 thousand or PLN 10 thousand).

On 13 March 2020 the Group, through one of its subsidiaries, acquired 100% of the share capital in Skyroad Leasing, UAB for consideration for a amount of EUR 3 thousand. The company is incorporated in Lithuania and is engaged in aircraft leasing business.

Purchase consideration – cash outflow (summary of acquisition during three months period of 2020):

	2020
<i>Outflow of cash to acquire subsidiary:</i>	
Cash consideration Aviator Airport Alliance AB	(1 877)
Cash consideration Bluebird Nordic	(5 240)
Cash consideration Flash Line Maintenance S.r.L.	(578)
Cash consideration BGS Trading	(5)
	(7 700)
<i>Balances acquired:</i>	
Cash Aviator Airport Alliance AB	2 224
Cash Bluebird Nordic	1 475
Cash Flash Line Maintenance S.r.L.	71
Cash BGS Trading	5
	3 775
Net outflow of cash – investing activities	(3 925)

Acquisitions, established and disposals in 2019

On 15 January 2019, Avia Solutions Group AB's subsidiary Avia Solutions Group (CY) PLC established new subsidiary Sky Knights SIA. Registered capital is EUR 3 000. The main purpose of the company is to provide flight support services to airlines. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 1 February 2019, Avia Solutions Group AB's subsidiary FL Technics UAB established a new subsidiary FL Technics Ireland Limited. Registered capital is EUR 10 000. As at 31 December 2019 the share capital has not been paid. The subsidiary is planning to provide engine and other maintenance services. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 1 April 2019, Avia Solutions Group AB additionally acquired 4% of the share capital of Locatory UAB for consideration of EUR 5 thousand. As the purchases was from non-controlling interests, the difference between consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary for a amount of EUR 72 thousand was recorded in equity.

16 Business combination and disposals (continued)

On 3 April 2019 Avia Solutions Group AB completed the acquisition of 100% of the share capital in DG21 UAB from related party Avia AM Leasing AB. Acquired company is engaged in the business of real estate management. DG21 UAB has 100% share capital in Residence Kapteini SIA. This transaction was considered not being one transaction with the acquisition of the controlling stake in Avia AM Leasing AB which has occurred in October 2019 as these transactions were not carried in close period of time and not in contemplation of each other.

Details of purchase consideration and consolidated assets and liabilities arising from the acquisition of DG21 UAB Group (incl. Residence Kapteini SIA) are as follows:

	<u>Acquiree's fair value</u>
Intangible and tangible assets	5 826
Deferred income tax assets	122
Trade and other receivables	226
Cash and cash equivalents	174
Borrowings	(6 389)
Deferred income tax liabilities	(50)
Trade and other payables	(214)
Total identifiable net assets acquired	(305)
Purchase consideration – paid in cash	10
Goodwill	315

If the acquisition had been performed on 1 January 2019, revenue and profit contribution of the acquired business to the group performance would not have been significant. The revenue and profit of the acquired business from the acquisition date is also not significant.

On 17 April 2019, Avia Solutions Group AB subsidiary FL Technics UAB established new subsidiary FL Technics Ukraine TOV. Registered capital UAH 1 thousand (equivalent to EUR 34), FL Technics UAB fully paid for share capital. The subsidiary is planning to provide engine and other maintenance services. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 23 April 2019, Avia Solutions Group AB's subsidiary FL Technics UAB established new subsidiary FL Technics Engine Services UAB. Registered capital is EUR 10 000, FL Technics UAB fully paid for share capital. The company activities is planning to be aircraft line base maintenance, engineering and planning, aircraft engines repair, technical training and consulting, aircraft components supply, repair and overhaul. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 21 May 2019, Avia Solutions Group AB subsidiary BAA Training UAB established new subsidiary ASG Asset Management UAB. Registered capital is EUR 2 500. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

On 10 July 2019 Baltic Ground Services UAB has sold its subsidiary BGS Trans UA LLC to its other subsidiary BGS Rail Holdings UAB. This transaction does not have impact on these consolidated financial statements as it is fully eliminated. On 23 July 2019 BGS Trans UA LLC has been renamed to BGS Rails Lease LLC.

On 16 September 2019 the Company has established ASG Finance DAC subsidiary in Republic of Ireland. Registered capital EUR 1 000. The establishment of the new subsidiary does not have an impact on these consolidated financial statements.

16 Business combination and disposal (continued)

On 2 October 2019 Avia Solutions Group PLC completed the acquisition of 77,26% of the share capital in *AviaAM Leasing AB*. *AviaAM Leasing AB* is engaged in the business of aircraft leasing, trading and management. The additional 18,44% of the share capital in *AviaAM Leasing AB* were acquired on 15 October 2019. The consideration for *AviaAM Leasing AB* shares were newly issued 39 144 138 shares of *Avia Solutions Group PLC*. On 4 December 2019 *Avia Solutions Group PLC* completed the acquisition of additional 16 000 000 shares of *AviaAM Leasing AB* (13,14% of the share capital). The consideration for those additional shares of *AviaAM Leasing AB* shares were newly issued 6 000 000 shares of *Avia Solutions Group PLC*. All the above listed transactions are treated as single transaction of acquisition of the control over *AviaAM Leasing AB* due to the fact that these transactions were entered into at the close period of time (within 2 months), in contemplation of each other, and they form a single transaction designed to achieve an overall commercial effect of obtaining control over *AviaAM Leasing AB*.

The fair value of total consideration transferred for 98,84% in total of *AviaAM Leasing AB* shares is USD 184 626 thousand. The fair value of consideration transferred determined based on the value of the *AviaAM Leasing* business appraised by independent valuers.

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition, including fair value adjustments are given below. As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in US Dollars (USD) which is the functional currency of *Avia AM Leasing* and translated to EUR at the rate as at acquisition date 30 September 2019 used 1EUR = 1,0935 USD). At the balance sheet date the goodwill was translated to USD using the balance sheet closing rate, which was 1EUR = 1,1189 USD.

	AviaAM Leasing AB - acquiree's fair value	
	USD	EUR
Property, plant and equipment	40 782	37 254
Intangible assets	22	20
Investment in Joint venture	52 115	47 659
Other financial assets	1 104	1 010
Inventories	45 745	41 834
Trade and other receivables	52 231	47 765
Cash and cash equivalents	36 449	33 332
Lease liabilities	(8 317)	(7 606)
Other borrowings	(7 418)	(6 784)
Deferred income tax liabilities	(2 987)	(2 736)
Trade and other payables	(37 183)	(34 004)
Total identifiable net assets acquired	172 543	157 744
NCI measured at proportional share in the net assets	1 930	1 765
Purchase consideration - equity instruments issued by ASG	184 626	168 839
Aggregate of consideration transferred and NCI	186 556	170 604
Goodwill as at 1 October 2019	14 013	12 860
Currency translation differences	-	320
Goodwill as at 31 December 2019	14 013	12 540

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these financial statements, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

Goodwill recorded in connection with acquisitions is primarily attributable to the assembled professionals, synergies expected to arise after the acquisition of those businesses and expected profitability of the acquired business driven by professionalism of work force acquired.

16 Business combination and disposal (continued)

Acquisitions, established and disposals in 2019 (continued)

Summary on New Assets Recognized and Fair Value Adjustments

Fair value of investment to joint venture in China is fully derived from fair value of aircraft (with lease attach) owned. Result of valuation showed the fair value of EUR 47 659 (USD 52 115).

AviaAM Leasing AB have several aircraft under ownership. Fair value of such aircraft were estimated based on purchase offers received from the unrelated parties.

AviaAM Leasing AB hold three buildings under property, plant and equipment. All of them were under construction or just recently entered into exploitation. Fair value of the property were appraised by independent valuers, showing the fair value of the property of EUR 8 608 thousand which was recognized on acquisition.

The fair value of acquired trade and other receivables is EUR 47 765 thousand. The gross contractual amount for trade and other receivables due is EUR 62 082 thousand, with the amount of EUR 14 317 thousand being the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Deferred tax was calculated based on the temporary differences between the fair values of the acquired assets and liabilities and their tax base.

On 2 October 2019 Avia Solutions Group PLC completed the acquisition of 100% of the share capital in Smart Aviation Holding SIA (SAH) which controls 100% of the share capital in Smart Lynx Airlines SIA and 51% of the share capital in Eyjafoll SAS. Eyjafoll SAS controls 100% of the share capital in Avion Express UAB. The acquired group is operating in a aviation logistics and distribution services.

100% of interest in SAH was acquired from related party being a fellow subsidiary under the common control of the same ultimate controlling party; As this acquisition occurred shortly after the related party has acquired SAH from third party, the acquisition of interest in SAH by ASG was not considered to be a transaction under common control thus the acquisition method was applied to account for this transaction. The consideration for Smart Aviation Holding SIA shares were newly issued 23 805 856 shares of Avia Solutions Group PLC.

On 10 October 2019 Avia Solutions Group PLC completed the acquisition of 49% of the share capital in Eyjafoll SAS which controls 100% of the share capital in Avion Express UAB. The consideration for Eyjafoll SAS shares were newly issued 1 050 000 shares of Avia Solutions Group PLC.

Acquisition of 100% of the share capital of Smart Aviation Holding SIA Group and the remaining 49% of the share capital of Eyjafoll SAS forms a single business combination transaction accounted for using the acquisition method due to the fact that all these transactions were entered into a close period of time (app. within 1 week), in contemplation of each other, and they form a single transaction designed to achieve an overall commercial effect of obtaining control over SAH Group. The Group always have seen acquisition of full stake in Avion Express UAB as inevitable and directly linked to a acquisition of Smart Aviation Holding SIA. Having acquired 51% of the share capital of Eyjafoll SAS, the Group shareholders obtained bargaining purchase power over the non-controlling shareholders and have utilized it in acquiring the rest 49% of the share capital in Eyjafoll SAS. Therefore these two acquisitions are considered as linked transactions forming a single business combination.

Total consideration transferred for 100% of the share capital in Smart Aviation Holding SIA and 51% of the share capital of Eyjafoll SAS amounts to EUR 100 486 thousand. Consideration transferred determined based on the value of the SAH business appraised by independent valuers.

16 Business combination and disposal (continued)

Acquisitions, established and disposals in 2019 (continued)

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition of SAH Group, including fair value adjustments are given below.

	Total- acquiree's fair value
	EUR
Property, plant and equipment	194 939
Intangible assets	1 931
Deferred income tax assets	953
Inventories	4 456
Trade and other receivables	45 069
Cash and cash equivalents	82 650
Lease liabilities	(180 887)
Other borrowings	(3 126)
Deferred income tax liabilities	(10 099)
Trade and other payables	(63 954)
Total identifiable net assets acquired	71 932
Purchase consideration - equity instruments issued by ASG	100 486
Goodwill as at 1 October 2019	28 554
Currency translation differences	406
Goodwill as at 31 December 2019	28 148

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these financial statements, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

Goodwill recorded in connection with acquisitions is primarily attributable to the assembled professionals, synergies expected to arise after the acquisition of those businesses and expected profitability of the acquired business driven by professionalism of work force acquired.

Summary on New Assets Recognized and Fair Value Adjustments

On the acquisition date the right-of-use assets of *Smartlynx Airlines SIA* were measured at an amount equal to the recognised liability (these lease contracts are broadly at market terms).

Smartlynx Airlines SIA holds three air operator's certificates (in Latvia, Estonia and Malta). Depreciated replacement cost approach has been used to value these certificates.

Additional deferred tax liability was calculated on undistributed profits in Latvia and Estonia and amounted to EUR 10 000 thousand as it is probable that the profits will be distributed to the parent company in the foreseeable future.

On the acquisition date the right-of-use assets of *Avion Express UAB* were measured at an amount equal to the recognised liability with further adjustment to the right of use asset due to unfavourable element. Aircraft lease rates as per *Avion Express UAB* agreements were compared with independent valuation reports. Future cash flow above/below market lease rates were discounted to present value using 5% discount rate. Based on estimation, the adjustment for non-favourable aircraft lease agreements of EUR 4 658 thousand (USD 5 212 thousand) was recognized on acquisition.

Avion Express UAB owns airframes which fair value has been measured based on the recent comparable transactions part-out sale of similar airframe.

Avion Express UAB holds two air operator's certificates (in Lithuania and Malta). Depreciated replacement cost approach has been used to value these licences.

16 Business combination and disposal (continued)

Acquisitions, established and disposals in 2019 (continued)

As at 30 September 2019, *Avion Express UAB* held number of rotables, which were accounted as property, plant and equipment. In December 2019 part of these rotables were sold, the fair value of rotables was calculated based on the sales price.

The fair value of acquired trade and other receivables is EUR 45 069 thousand. The gross contractual amount for trade and other receivables due is EUR 48 300 thousand, with the amount of EUR 3 231 thousand being the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Deferred tax liability was calculated from all fair value increases and, respectively, deferred tax asset was recognized from all fair value decreases applying statutory current income tax rate of 15% in Lithuania and resulted in total adjustment for amount of EUR 97 thousand (USD 109 thousand) on acquisition.

On 11 October 2019, the *Avia Solutions Group PLC* completed the acquisition of 100% of the shareholding of *Chapman Freeborn Holdings Limited* for consideration for amount of EUR 52 000 thousand. The subsidiary provides a wide range of aircraft charter and leasing services to cargo, passenger and VIP charter clients across a broad spectrum of industries. According to the share sale and purchase agreement the purchase consideration is split into two parts completion consideration and deferred consideration. As part of deferred consideration the amount of EUR 8 482 thousand is paid in two years and it dependent upon continues employment of the two selling shareholders therefore, it is accounted for as post-combination employee benefit cost over the service period and therefore was not included within purchase consideration.

Details of purchase consideration and the fair values of assets and liabilities arising from the acquisition, including fair value adjustments are given below. As goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation, the fair values of assets and liabilities below are presented in British Pounds (GBP) and translated to EUR at acquisition date at rate as at 30 September 2019 used (1EUR = 0,88778 GBP). As at the balance sheet date, the goodwill was translated the closing rate, which was 1EUR = 0,85208 GBP.

	ChapmanFreebom Holdings Limited - acquiree's fair value	
	GBP	EUR
Property, plant and equipment	1 474	1 661
Right-of-use assets	14 032	15 806
Intangible assets	913	1 029
Deferred income tax assets	428	483
Trade and other receivables	40 429	45 539
Cash and cash equivalents	9 879	11 128
Lease liabilities	(14 038)	(15 812)
Deferred income tax liabilities	(228)	(256)
Trade and other payables	(30 195)	(34 014)
Total identifiable net assets acquired	22 694	25 562
NCI measured at the proportionate share of the net assets acquired	2 766	3 116
Purchase consideration – paid in cash	38 634	43 518
Goodwill as at 1 October 2019	18 706	21 071
Currency translation differences	-	(883)
Goodwill as at 31 December 2019	18 706	21 954

16 Business combination and disposal (continued)

Acquisitions, established and disposals in 2019 (continued)

Fair values of net assets acquired that were recognized in relation to the fair value of intangible assets, property, plant and equipment, and trade and other receivable have been determined provisionally. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of a acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, then the accounting of the acquisition will be revised. As of the date of the approval of these financial statements, the Management of the Group is not aware of any circumstances that could drive the changes in fair values recognized.

Goodwill recorded in connection with acquisitions is primarily attributable to the assembled professionals, synergies expected to arise after the acquisition of those businesses and expected profitability of the acquired business driven by professionalism of work force acquired.

Summary on New Assets Recognized and Fair Value Adjustments

The pre-closing dividends of GBP 11 026 thousand were distributed to the former shareholders' of *Chapman Freebom Holdings Limited*, therefore, net assets acquired were adjusted to take into account impact of the pre-closing dividends.

On the acquisition date the right-of-use assets were measured at an amount equal to the recognised liability (these lease contracts are broadly at market terms).

The fair value of acquired trade and other receivables is EUR 45 539 thousand. The gross contractual amount for trade and other receivables due is EUR 45 688 thousand, with the amount of EUR 149 thousand being the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Additional deferred tax liability of EUR 212 thousand (GBP 181 thousand) was recognized on fair value adjustments applying statutory current income tax rate in United Kingdom of 19%.

On 15 November 2019 *Helisota UAB* has sold its subsidiary *Kauno Aviācijas Gamykla UAB* to other Group company *BAA Training UAB*. This transaction does not have an impact on these consolidated financial statements as it is fully eliminated.

On 26 November 2019 *Avia Solutions Group PLC's* subsidiary *FL Technics UAB* established new subsidiary *FL Technics Georgia LLC*. The company is planning to provide aircraft line maintenance services in Georgia. The establishment of the new subsidiary does not have impact on these consolidated financial statements.

On 16 December 2019 *Avia Solutions Group PLC's* subsidiary *Baltic Ground Services UAB* completed the acquisition of 100% of the share capital in *OMV Adriatic Marketing d.o.o.* (from 3 April 2020 *Baltic Ground Services HR d.o.o.*). Acquired company is planning to provide aircraft ground handling services in Croatia. The investment for shares amounted to EUR 15 thousand, total identifiable net assets acquired amounted to minus EUR 13 thousand, excess of cost over fair value of acquiree's net assets was EUR 28 thousand and was recognised as goodwill. As the transaction is not material thus no further disclosure is provided.

17 Discontinued operations

On 27 December 2018 the Board of the Group approved the intention to sell the shares of the subsidiary - *Helisota UAB*. The associated assets and liabilities were consequently presented as held for sale in the 2018 financial statements and in the 2019 Condensed Consolidated Interim Financial Information as the Group was planning that subsidiary will be sold during 12 months.

The subsidiary provides maintenance, repair and overhaul services for helicopters. As the Group planned to dispose a separate line of business - helicopter maintenance activity, the operations were classified as a discontinued operation. In the Condensed Consolidated Interim Financial Information for the three months period ended 31 March 2019, the consolidated statement of profit or loss and cash flows has been represented to show the discontinued operation separately from continuing operations.

17 **Discontinued operations (continued)**

As at 31 December 2019 the subsidiary has not been sold as the Group lost the only potential buyer in this transaction and it does not have an intention to search for another buyer. As the criteria for held for sale were no longer met, the results of the entity were reclassified to continuing operations.

According to International Financial Reporting Standard No 5 - if a disposal group being a subsidiary ceases to be classified as held-for-sale, then the financial statements for the periods since classification as held-for-sale are amended accordingly. As indicated in the accounting policy in the Note 2.11, the Group applies the change to the measurement and to the presentation i.e. the Group restated the comparative consolidated statement of profit or loss and other comprehensive income, balance sheet and cash flows. On reclassification the disposal group was measured at the lower of its recoverable amount and the carrying amount that would have been recognised had the asset never been classified as held-for-sale. The reclassification has not resulted in any additional net adjustments that should be added additionally to the results for the three months period ended 31 March 2019.

The following results were adjusted in relation to the discontinued operation in January – March 2019:

Statement of profit or loss and other comprehensive income	January – March 2019 as previously issued	Restatement due to the change of the plan to sell	January – March 2019 restated
Revenue	91 754	1 742	93 496
Other income	160	-	160
Cost of services and goods purchased	(61 277)	(1 151)	(62 428)
Other operating expenses	(5 332)	(234)	(5 566)
Depreciation and amortisation	(2 878)	(58)	(2 936)
Employee related expenses	(19 553)	(1 003)	(20 556)
Impairment-related expenses	(558)	(68)	(626)
Other gain/(loss) - net	617	40	657
Operating profit (loss)	2 933	(732)	2 201
Finance costs – net	(1 124)	(28)	(1 152)
Share of profit (losses) of associates	(54)	-	(54)
Profit (loss) before income tax	1 755	(760)	995
Income tax expense	(520)	112	(408)
Profit / (Loss) for the period from continuing operations	1 235	(648)	587
Profit (loss) for the year from discontinued operations net of tax	(648)	648	-
Profit (loss) for the year	587	-	587
Other comprehensive income	484	-	484
Total comprehensive income	1 071	-	1 071

17 Discontinued operations (continued)

The following assets and liabilities were adjusted in relation to the discontinued operation as at 31 March 2019:

	31 March 2019 as previously issued	Restatement due to the change of the plan to sell	31 March 2019 restated
Non-current assets			
Property, plant and equipment	80 305	1 153	81 458
Intangible assets	7 192	19	7 211
Investments in associates	1 474	-	1 474
Other investments	2 868	-	2 868
Deferred income tax assets	5 926	1 249	7 175
Non-current trade and other receivables	4 927	-	4 927
Current assets			
Inventories	19 347	5 724	25 071
Trade receivables	66 629	2 669	69 298
Contract assets	4 007	1 477	5 484
Prepaid income tax	937	215	1 152
Cash and cash equivalents	6 839	398	7 237
Assets of disposal group classified as held for sale	12 904	(12 904)	-
Total assets	213 355	-	213 355
Non-current liabilities			
Borrowings	34 362	189	34 551
Government grants	953	-	953
Security deposits received	368	-	368
Trade and other payables	366	70	436
Deferred income tax liabilities	1 715	-	1 715
Current liabilities			
Trade and other payables	44 234	3 143	47 377
Borrowings	33 683	4 016	37 699
Contract liabilities	19 935	800	20 735
Security deposits received	387	-	387
Current income tax liabilities	4 069	-	4 069
Liabilities of disposal group classified as held for sale	8 218	(8 218)	-
Total liabilities	148 290	-	148 290

17 **Discontinued operations (continued)**

The following cash flows statements were adjusted in relation to the discontinued operation in January - March 2019:

	January – March 2019 as previously issued	Restatement due to the change of the plan to sell	January – March 2019 restated
Operating activities			
Profit for the year	790	(203)	587
Income tax	520	(112)	408
<i>Adjustments for:</i>			
De pre ciation and a mortisation	2 878	58	2 936
Impairment-related expenses	591	35	626
Interest expenses	808	25	833
Currency translations differences	227	125	352
Discounting effect on financial assets	2	-	2
Fair value (gain) loss on de riva tive financial instruments	-	-	-
Share of profit/(loss) of associates	54	-	54
(Profit)/loss of PPE disposals	(272)	-	(272)
(Gain) of subsidiaries disposal	-	-	-
Amortisation of government grants	(62)	-	(62)
Interest income	(173)	83	(90)
<i>Changes in working capital:</i>			
- Inventories	1 241	17	1 258
- Trade and other receivables, contract assets	(6 822)	336	(6 486)
- Accrued expenses for certain contracts	(101)	-	(101)
- Trade and other payables, advances received/contract liabilities	6 885	5	6 890
- Se curity de posits received	36	-	36
Cash generated from (used in) operating activities	6 602	369	6 971
Interest received	-	-	-
Interest paid	(700)	(26)	(726)
Income tax paid	(67)	-	(67)
Net cash generated from (used in) operating activities from continuing operations	5 835	343	6 178
Net cash generated from (used in) operating activities from discontinued operations	343	(343)	-
Net cash generated from (used in) operating activities	6 178	-	6 178

17 Discontinued operations (continued)

	January – March 2019 as previously issued	Restatement due to the change of the plan to sell	January – March 2019 restated
Investing activities			
Purchase of PPE and intangible assets	(3 524)	(8)	(3 532)
Proceeds from PPE and intangible assets disposal	328	-	328
Loans granted	(586)	-	(586)
Repayments of loans granted	313	-	313
Deposits placed	(540)	(27)	(567)
Repayments of deposits placed	47	-	47
Purchase of subsidiaries (net of cash acquired)	-	-	-
Sales of subsidiaries (net of cash disposed)	-	-	-
Investment into associate	(4 239)	-	(4 239)
Net cash from/(used in) investing activities from continued operations	(8 201)	(35)	(8 236)
Net cash generated from (used in) investing activities from discontinued operations	(35)	35	-
Net cash (from) used in investing activities	(8 236)	-	(8 236)
Financing activities			
Acquisition of interest in a subsidiary (no change in control)	-	-	-
Bank borrowings received	731	-	731
Repayments of bank borrowings	(1 053)	-	(1 053)
Borrowings from related parties received	2 905	-	2 905
Repayments of borrowings from related parties	-	-	-
Repayments of lease liabilities	(1 535)	(8)	(1 543)
Net cash from/(used in) financing activities from continued operations	1 048	(8)	1 040
Net cash generated from/(used in) financing activities from discontinued operations	(8)	8	-
Net cash from/(used in) financing activities	1 040	-	1 040
Increase in cash and cash equivalents	(1 018)	-	(1 018)
At beginning of year	(16 633)	-	(16 633)
At end of year	(17 651)	-	(17 651)

18 Related party transactions

Related parties of the Group include entities having significant influence over the Group, 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 PROCYONE FZE, VERTAS AIRCRAFT LEASING LIMITED, Vertas Cyprus Ltd, Vertas Management AB (the sole shareholder of Vertas Cyprus Ltd). 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	
	2020	2019
Sales of services to:		
Entities having significant influence	3	7
Other related parties	367	1 679
	370	1 686
Sales of services to:		
Other related parties	14	-
	14	-
Other income	175	7
Total sales of assets, services and other income	559	1 693
	January – March	
	2020	2019
Purchases of services from:		
Other related parties	915	1 103
	915	1 103
Purchases of assets from:		
Other related parties	93	1
	93	1
Finance costs	(10)	(151)
Total purchases of assets and services	998	953
	31 March 2020	31 December 2019
Trade receivables from related parties:		
Trade receivables from entities having significant influence	8	9
Trade receivables from other related parties	983	713
Impairment of trade receivables from other related parties	(80)	(39)
Trade receivables from related parties – net (Note 12)	911	683
Loans granted to other related parties	3 709	3 378
Loans granted to entities having significant influence	16 783	17 053
Impairment of loans granted to other related parties	(101)	(101)
Loans granted to other related parties – net (Note 12)	20 391	20 330
Security deposit with lessor from related parties (Note 12)	14	18
Other receivables from entities having significant influence	3 235	2 808
Other receivables from other related parties	967	1 263
Impairment of other receivables from other related parties	(25)	(24)
Other receivables from related parties – net (Note 12)	4 177	4 047
Pre payments to related parties (Note 12)	23	7
Amount due from customers for contract work from other related parties	7	150
Deferred charges (Note 12)	33	28
	25 556	25 263

18 Related party transaction (continued)

	31 March 2020	31 December 2019
Payables and advances received from related parties		
Amounts payable to other related parties (Note 15)	474	363
Amounts payable to entities having significant influence (Note 15)	22	22
Finance lease liabilities from other related parties	13 244	13 594
Advances received from other related parties	34	35
Other financial payables to other related parties (Note 15)	4 206	4 603
Other financial payables to entities having significant influence (Note 15)	-	17
	17 980	18 634

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.

Recurring fair value measurements at 31 March 2020	Level 2
Financial assets	
Hedging derivatives - foreign currency interest rate swap	7 665
Total financial assets	7 665
Financial liabilities	
Hedging derivatives - foreign currency interest rate swap	3 747
Total financial assets	3 747
Recurring fair value measurements at 31 December 2019	Level 2
Financial assets	
Financial assets at fair value through profit or loss (FVPL)	
Derivatives - foreign currency options	413
Derivatives - foreign currency forwards	36
Hedging derivatives - foreign currency interest rate swap	3 600
Total financial assets	4 049
Financial liabilities	
Hedging derivatives - foreign currency interest rate swap	4 686
Total financial assets	4 686

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.

19 Derivatives (continued)

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

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

Specific valuation techniques used to value financial instruments include:

- for foreign currency interest rate swaps – the present value of the estimated future cash flows based on observable yield curves. Additionally, the instruments' value is agreed upon with bank.
- for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the balance sheet date
- for foreign currency options – option pricing models (Black-Scholes, Vanna-Volga models)

All of the resulting fair value estimates are included in level 2

20 Events after the reporting date

COVID-19 impact on the Group's activities

Avia Solutions Group operations were significantly impacted by the spread of COVID-19 virus. Lockdowns are being enforced and prolonged across territories restricting daily operations. In April 2020 passenger air traffic decreased more than 80% as compared to the previous year that drives down the demand for aviation related services except for Cargo Services which operates at increased capacity. Currently Cargo operation are actively working to address increased demand of the market, MRO services are operating at decreased capacity and remaining operations are either operating at minimum capacity or idling.

Management of the Group established crisis management committee, has put comprehensive plan in place to minimise and control the effects of this crisis, including through utilization of support offered by the governments in terms of employee cost compensation packages during lock downs, downsizing of labor force, introducing payroll reductions, applying for tax incentives and negotiating with certain counterparties in order to agree on more favorable terms and conditions. These measures facilitate in significantly decreasing cash burn of idle operations of the Group. The Group is in the process of taking action in order to minimise and control the effects of this crisis.

Government officials started indicating that each county shall introduce its operation resumption plans, however it is uncertain when restrictions to conduct operations will be lifted. Having this uncertainty, the Management of the Group also prepared cash flow forecast considering worst case scenario, whereby operations do not resume until June 2021 and it concluded that the Group will have sufficient liquidity to continue as going concern more than a year from the approval of these financial statements.

This outbreak may have implication to the future assessments of fair values, expected credit losses and impairment of assets. As at the date these financial statements were authorized for issue the sufficient data of the impact of COVID-19 virus on Groups operations have not been available and the quantitative assessments of the above mentioned implications will be reflected in the later financial statements.

21 Events after the reporting date (continued)

In May 2020, the Group completed the acquisition of one Boeing 747-412F cargo aircraft.

On 21 May 2020 the Group, through one of its subsidiaries made additional investments for the amount of USD 1 600 000 (equivalent to EUR 1 460 thousand) to *FL ARI Aircraft Maintenance & Engineering Company CO. LTD* joint venture based in China.

Under the circumstances of flights being grounded under COVID-19 impact and the competition with the Poland's state owned service providers being high on 2 June 2020, *Baltic Ground Services UAB* subsidiary of the Company sold 100% of the share capital of *Baltic Ground Services Sp.z.o.o.* to the third party based in Poland for the total price of PLN 350 thousand (equivalent to EUR 79 thousand).



Managing Director
Jonas Janukėnas



Chief Financial Officer
Aurimas Sanikovas