

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017**  
**UNAUDITED**

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**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017**

(All tabular amounts are in USD'000 and EUR'000 unless otherwise stated)

**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

|  | Note | July-September |                |               |                | January-September |                 |               |                |
|--|------|----------------|----------------|---------------|----------------|-------------------|-----------------|---------------|----------------|
|  |      | 2017           |                | 2016          |                | 2017              |                 | 2016          |                |
|  |      | USD            | EUR            | USD           | EUR            | USD               | EUR             | USD           | EUR            |
| <b>Revenue</b>   | 3    | 40,180         | 35,484         | 28,966        | 25,944         | 64,059            | 57,555          | 48,590        | 43,528         |
| Interest income on loans   |      | 534            | 459            | 323           | 289            | 1,346             | 1,210           | 1,362         | 1,220          |
| Costs of aircraft sold   |      | (12,993)       | (11,674)       | (1,775)       | (1,589)        | (12,993)          | (11,674)        | (9,472)       | (8,486)        |
| Costs of services rendered   |      | (14,246)       | (12,576)       | (8,739)       | (7,829)        | (22,891)          | (20,567)        | (8,775)       | (7,861)        |
| Aircraft maintenance and servicing expenses                              |      | (1,716)        | (1,476)        | (779)         | (697)          | (4,256)           | (3,824)         | (3,340)       | (2,992)        |
| Depreciation and amortisation  |      | (1,170)        | (941)          | (3,402)       | (3,047)        | (5,432)           | (4,880)         | (6,924)       | (6,203)        |
| Employee-related expenses  | 4    | (338)          | (287)          | (214)         | (191)          | (966)             | (868)           | (637)         | (570)          |
| Other operating expenses   | 5    | (778)          | (666)          | (602)         | (538)          | (2,103)           | (1,890)         | (1,694)       | (1,517)        |
| Gain on sale of property, plant and equipment (net)                      |      | (1,948)        | (2,039)        | (64)          | (58)           | 9,210             | 8,275           | 5,771         | 5,170          |
| Other gain (losses) net  |      | (180)          | (170)          | (588)         | (527)          | 137               | 123             | (114)         | (102)          |
| <b>Operating profit</b>  |      | <b>7,345</b>   | <b>6,114</b>   | <b>13,126</b> | <b>11,757</b>  | <b>26,111</b>     | <b>23,460</b>   | <b>24,767</b> | <b>22,187</b>  |
| Finance income   | 6    | 1,169          | 962            | 374           | 334            | 4,556             | 4,093           | 1,284         | 1,150          |
| Finance costs  | 6    | (260)          | (189)          | (822)         | (737)          | (1,954)           | (1,755)         | (2,271)       | (2,034)        |
| <b>Finance costs – net</b>   |      | <b>909</b>     | <b>773</b>     | <b>(448)</b>  | <b>(403)</b>   | <b>2,602</b>      | <b>2,338</b>    | <b>(987)</b>  | <b>(884)</b>   |
| Share of profit of associates  |      | 1,542          | 1,400          | -             | -              | 963               | 865             | -             | -              |
| <b>Profit (loss) before income tax</b>                                   |      | <b>9,796</b>   | <b>8,287</b>   | <b>12,678</b> | <b>11,354</b>  | <b>29,676</b>     | <b>26,663</b>   | <b>23,780</b> | <b>21,303</b>  |
| Income tax   | 7    | (825)          | (679)          | (1,537)       | (1,376)        | (3,266)           | (2,935)         | (2,790)       | (2,499)        |
| <b>Profit (loss) for the period</b>                                      |      | <b>8,971</b>   | <b>7,608</b>   | <b>11,141</b> | <b>9,978</b>   | <b>26,410</b>     | <b>23,728</b>   | <b>20,990</b> | <b>18,804</b>  |
| <b>Other comprehensive income</b>  |      |                |                |               |                |                   |                 |               |                |
| Revaluation reserve write-off  |      | -              | -              | -             | -              | -                 | -               | -             | -              |
| Currency translation differences on translation to presentation currency |      | -              | (5,824)        | -             | (1,184)        | -                 | (13,430)        | -             | (2,678)        |
| <b>Total other comprehensive income</b>                                  |      | <b>-</b>       | <b>(5,824)</b> | <b>-</b>      | <b>(1,184)</b> | <b>-</b>          | <b>(13,430)</b> | <b>-</b>      | <b>(2,678)</b> |
| <b>Total comprehensive income</b>  |      | <b>8,971</b>   | <b>1,784</b>   | <b>11,141</b> | <b>8,794</b>   | <b>26,410</b>     | <b>10,298</b>   | <b>20,990</b> | <b>16,126</b>  |
| Basic and diluted earnings per share (USD/EUR)                           | 8    | 0.21           | 0.18           | 0.26          | 0.23           | 0.61              | 0.55            | 0.48          | 0.43           |

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**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017**

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**CONSOLIDATED INTERIM BALANCE SHEET**

|   | Note | 30 September 2017 |                | 31 December 2016 |                |
|---|------|-------------------|----------------|------------------|----------------|
|   |      | USD               | EUR            | USD              | EUR            |
| <b>ASSETS</b>   |      |                   |                |                  |                |
| <b>Non-current assets</b>                                     |      |                   |                |                  |                |
| Property, plant and equipment                                 | 9    | 43,016            | 36,436         | 94,897           | 90,784         |
| Investment property   | 10   | 4,666             | 3,952          | 2,091            | 2,000          |
| Investments in joint venture                                  |      | 39,978            | 33,863         | 15,300           | 14,300         |
| Available-for-sale financial assets                           |      | 2,125             | 1,800          | 2,125            | 2,019          |
| Loans granted   | 12   | 19,030            | 16,119         | 4,767            | 4,561          |
| Trade and other receivables                                   | 13   | 40                | 34             | 558              | 534            |
|   |      | <b>108,855</b>    | <b>92,204</b>  | <b>119,738</b>   | <b>114,198</b> |
| <b>Current assets</b>   |      |                   |                |                  |                |
| Inventory   | 11   | 1,476             | 1,250          | 1,463            | 1,401          |
| Loans granted   | 12   | 35,965            | 30,463         | 24,370           | 23,314         |
| Trade and other receivables                                   | 13   | 18,285            | 15,488         | 25,104           | 24,010         |
| Financial assets at fair value through profit or loss         |      | 12,654            | 10,718         | 11,298           | 10,808         |
| Prepaid income tax  |      | 1,914             | 1,621          | -                | -              |
| Cash and cash equivalents                                     | 14   | 49,792            | 42,175         | 28,916           | 27,663         |
|   |      | <b>120,086</b>    | <b>101,715</b> | <b>91,151</b>    | <b>87,196</b>  |
| <b>Total assets</b>   |      | <b>228,941</b>    | <b>193,919</b> | <b>210,889</b>   | <b>201,394</b> |
| <b>EQUITY</b>   |      |                   |                |                  |                |
| <b>Equity attributable to the Group's equity shareholders</b> |      |                   |                |                  |                |
| Share capital   | 15   | 16,804            | 12,559         | 16,804           | 12,559         |
| Share premium   |      | 27,972            | 20,878         | 27,972           | 20,878         |
| Legal reserve   |      | 1,739             | 1,254          | 1,739            | 1,254          |
| Reserve for own shares  |      | -                 | -              | 1,315            | 1,204          |
| Revaluation reserve (deficit) of financial assets             |      | (613)             | (571)          | (613)            | (587)          |
| Cumulative translation reserve                                |      | -                 | 5,013          | -                | 18,459         |
| Retained earnings   |      | 93,847            | 79,238         | 66,121           | 54,305         |
| <b>Total equity</b>   |      | <b>139,749</b>    | <b>118,371</b> | <b>113,338</b>   | <b>108,072</b> |
| <b>LIABILITIES</b>  |      |                   |                |                  |                |
| <b>Non-current liabilities</b>                                |      |                   |                |                  |                |
| Borrowings  | 16   | 18,823            | 15,944         | 50,859           | 48,655         |
| Security deposits received                                    | 18   | 6,830             | 5,785          | 5,210            | 4,984          |
| Deferred income tax liabilities                               |      | 2,736             | 2,317          | 2,709            | 2,592          |
|   |      | <b>28,389</b>     | <b>24,046</b>  | <b>58,778</b>    | <b>56,231</b>  |
| <b>Current liabilities</b>                                    |      |                   |                |                  |                |
| Borrowings  | 16   | 2,374             | 2,011          | 8,642            | 8,267          |
| Trade and other payables                                      | 17   | 39,579            | 33,524         | 25,104           | 24,016         |
| Security deposits received                                    | 18   | 10,000            | 8,470          | -                | -              |
| Advances received   | 17   | 1                 | 1              | 292              | 279            |
| Current income tax liabilities                                |      | 8,849             | 7,496          | 4,735            | 4,529          |
|   |      | <b>60,803</b>     | <b>51,502</b>  | <b>38,773</b>    | <b>37,091</b>  |
| <b>Total liabilities</b>                                      |      | <b>89,192</b>     | <b>75,548</b>  | <b>97,551</b>    | <b>93,322</b>  |
| <b>Total equity and liabilities</b>                           |      | <b>228,941</b>    | <b>193,919</b> | <b>210,889</b>   | <b>201,394</b> |

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**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

| USD   | Share capital | Share premium | Legal reserve | Reserve for own shares | Revaluation reserve (deficit) of financial assets | Retained earnings | Total equity   |
|---|---------------|---------------|---------------|------------------------|---|-------------------|----------------|
| <b>Balance at 1 January 2016</b>  | <b>16,804</b> | <b>27,972</b> | <b>1,739</b>  | <b>1,315</b>           | <b>(1,179)</b>                                    | <b>49,289</b>     | <b>95,940</b>  |
| <b>Comprehensive income</b>   |               |               |               |                        |   |                   |                |
| Revaluation of financial assets available for sale                        | -             | -             | -             | -                      | 713   | -                 | 713            |
| Deferred income tax on revaluation of financial assets available for sale | -             | -             | -             | -                      | (147)   | -                 | (147)          |
| <b>Other comprehensive income (loss)</b>                                  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>566</b>  | <b>-</b>          | <b>566</b>     |
| Profit for the year   | -             | -             | -             | -                      | -   | 17,820            | 17,820         |
| <b>Total comprehensive income</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>566</b>  | <b>17,820</b>     | <b>18,386</b>  |
| <b>Transactions with owners</b>   |               |               |               |                        |   |                   |                |
| Dividends   | -             | -             | -             | -                      | -   | (987)             | (987)          |
| <b>Total transactions with owners</b>                                     | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>-</b>  | <b>(987)</b>      | <b>(987)</b>   |
| <b>Balance at 31 December 2016 / 1 January 2017</b>                       | <b>16,804</b> | <b>27,972</b> | <b>1,739</b>  | <b>1,315</b>           | <b>(613)</b>                                      | <b>66,121</b>     | <b>113,338</b> |
| <b>Comprehensive income</b>   |               |               |               |                        |   |                   |                |
| Revaluation reserve write-off   | -             | -             | -             | -                      | -   | -                 | -              |
| <b>Other comprehensive income (loss)</b>                                  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>-</b>  | <b>-</b>          | <b>-</b>       |
| Profit for the period   | -             | -             | -             | -                      | -   | 26,410            | 26,410         |
| <b>Total comprehensive income</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>-</b>  | <b>26,410</b>     | <b>26,410</b>  |
| <b>Transactions with owners</b>   |               |               |               |                        |   |                   |                |
| Transfer to reserve for own shares  | -             | -             | -             | (1,315)                | -   | 1,315             | -              |
| <b>Total transactions with owners</b>                                     | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>(1,315)</b>         | <b>-</b>  | <b>1,315</b>      | <b>-</b>       |
| <b>Balance at 30 September 2017</b>                                       | <b>16,804</b> | <b>27,972</b> | <b>1,739</b>  | <b>-</b>               | <b>(613)</b>                                      | <b>93,847</b>     | <b>139,749</b> |

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**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

| EUR   | Share capital | Share premium | Legal reserve | Reserve for own shares | Revaluation reserve (deficit) of financial assets | Cum. trans.     | Retained earnings | Total equity    |
|---|---------------|---------------|---------------|------------------------|---|-----------------|-------------------|-----------------|
| <b>Balance at 1 January 2016</b>  | <b>12,559</b> | <b>20,878</b> | <b>1,254</b>  | <b>1,204</b>           | <b>(1,079)</b>                                    | <b>13,926</b>   | <b>38,917</b>     | <b>87,660</b>   |
| <b>Comprehensive income</b>   |               |               |               |                        |   |                 |                   |                 |
| Revaluation of financial assets available for sale                        | -             | -             | -             | -                      | 682   | -               | -                 | 682             |
| Deferred income tax on revaluation of financial assets available for sale | -             | -             | -             | -                      | (141)   | -               | -                 | (141)           |
| Currency translation differences  | -             | -             | -             | -                      | (49)  | 4,533           | -                 | 4,484           |
| <b>Other comprehensive income (loss)</b>                                  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>492</b>  | <b>4,533</b>    | <b>-</b>          | <b>5,025</b>    |
| Profit for the year   | -             | -             | -             | -                      | -   | -               | 16,066            | 16,066          |
| <b>Total comprehensive income</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>492</b>  | <b>4,533</b>    | <b>16,066</b>     | <b>21,091</b>   |
| <b>Transactions with owners</b>   |               |               |               |                        |   |                 |                   |                 |
| Dividends   | -             | -             | -             | -                      | -   | -               | (866)             | (866)           |
| Currency translation differences  | -             | -             | -             | -                      | -   | -               | 189               | 189             |
| <b>Total transactions with owners</b>                                     | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>-</b>  | <b>-</b>        | <b>(677)</b>      | <b>(677)</b>    |
| <b>Balance at 31 December 2016/ 1 January 2017</b>                        | <b>12,559</b> | <b>20,878</b> | <b>1,254</b>  | <b>1,204</b>           | <b>(587)</b>                                      | <b>18,459</b>   | <b>54,305</b>     | <b>108,072</b>  |
| <b>Comprehensive income</b>   |               |               |               |                        |   |                 |                   |                 |
| Currency translation differences  | -             | -             | -             | -                      | 16  | (13,446)        | -                 | (13,430)        |
| <b>Other comprehensive income (loss)</b>                                  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>16</b>   | <b>(13,446)</b> | <b>-</b>          | <b>(13,430)</b> |
| Profit for the period   | -             | -             | -             | -                      | -   | -               | 23,728            | 23,728          |
| <b>Total comprehensive income</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>               | <b>16</b>   | <b>(13,446)</b> | <b>23,728</b>     | <b>10,298</b>   |
| <b>Transactions with owners</b>   |               |               |               |                        |   |                 |                   |                 |
| Transfer to reserve for own shares  | -             | -             | -             | (1,204)                | -   | -               | 1,204             | -               |
| <b>Total transactions with owners</b>                                     | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>(1,204)</b>         | <b>-</b>  | <b>-</b>        | <b>1,204</b>      | <b>-</b>        |
| <b>Balance at 30 September 2017</b>                                       | <b>12,559</b> | <b>20,878</b> | <b>1,254</b>  | <b>-</b>               | <b>(571)</b>                                      | <b>5,013</b>    | <b>79,238</b>     | <b>118,371</b>  |

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**CONSOLIDATED INTERIM STATEMENT OF CASH FLOW**

|   | Note | 9 months ended 30 September |                 |                 |                 |
|---|------|-----------------------------|-----------------|-----------------|-----------------|
|   |      | USD                         | EUR             | USD             | EUR             |
| <b>Operating activities</b>   |      |                             |                 |                 |                 |
| Profit (loss) before income tax   |      | 29,676                      | 26,663          | 23,780          | 21,303          |
| <i>Adjustments for:</i>   |      |                             |                 |                 |                 |
| Depreciation and amortisation   |      | 5,432                       | 4,880           | 6,924           | 6,203           |
| Discounting effect  |      | 527                         | 474             | (144)           | (129)           |
| Finance costs – net   |      | 2,991                       | 2,687           | 600             | 537             |
| Change in fair value of aircraft  |      | (963)                       | (865)           | -               | -               |
| Profit from loan cession  |      | -                           | -               | (464)           | (416)           |
| Profit /loss from sale of fixed assets                                    |      | (9,210)                     | (8,275)         | (5,771)         | (5,170)         |
| Foreign translation differences   |      | -                           | -               | (896)           | (804)           |
| <i>Changes in working capital:</i>  |      |                             |                 |                 |                 |
| Trade and other receivables   |      | 8,545                       | 7,678           | (8,953)         | (8,020)         |
| Trade and other payables  |      | 13,379                      | 12,021          | 50,176          | 44,948          |
| Security deposits and advances received                                   |      | (2,858)                     | (2,568)         | 9,789           | 8,769           |
| Inventory   |      | -                           | -               | (27,105)        | (24,281)        |
| <b>Cash generated from operations</b>                                     |      | <b>47,519</b>               | <b>42,695</b>   | <b>47,936</b>   | <b>42,940</b>   |
| Interest paid   |      | (1,000)                     | (898)           | (1,638)         | (1,467)         |
| Income tax paid   |      | (1,209)                     | (1,087)         | (1,230)         | (1,102)         |
| <b>Net cash generated from operating activities</b>                       |      | <b>45,310</b>               | <b>40,710</b>   | <b>45,068</b>   | <b>40,371</b>   |
| <b>Investing activities</b>   |      |                             |                 |                 |                 |
| Purchase of property, plant and equipment and intangible assets           |      | (10,357)                    | (9,305)         | (85,271)        | (76,387)        |
| Purchase of investment property   |      | (2,602)                     | (2,337)         | (893)           | (800)           |
| Purchase of subsidiaries (net of cash paid)                               |      | -                           | -               | (1,350)         | (1,209)         |
| Prepayments for property plant and equipment                              |      | 696                         | 625             | (810)           | (726)           |
| Sale of property plant and equipment and intangible assets                |      | 71,504                      | 64,245          | 37,883          | 33,936          |
| Investments in other entities   |      | (23,715)                    | (21,307)        | (2,695)         | (2,414)         |
| Purchase of financial assets carried at fair value through profit or loss |      | -                           | -               | (11,974)        | (10,727)        |
| Loans granted   |      | (9,550)                     | (8,581)         | (19,536)        | (17,501)        |
| Loans repaid  |      | 2,268                       | 2,038           | 3,096           | 2,773           |
| Interest received   |      | 229                         | 205             | 865             | 775             |
| <b>Net cash generated from (used in) investing activities</b>             |      | <b>28,473</b>               | <b>25,583</b>   | <b>(80,685)</b> | <b>(72,280)</b> |
| <b>Financing activities</b>   |      |                             |                 |                 |                 |
| Borrowings  |      | (51,066)                    | (45,881)        | 52,544          | 47,070          |
| Dividends paid  |      | -                           | -               | (988)           | (885)           |
| Lease (finance lease) payments  |      | (1,841)                     | (1,655)         | (2,222)         | (1,991)         |
| <b>Net cash generated from (used in) financing activities</b>             |      | <b>(52,907)</b>             | <b>(47,536)</b> | <b>49,334</b>   | <b>44,194</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>                   |      | <b>20,876</b>               | <b>18,757</b>   | <b>13,717</b>   | <b>12,285</b>   |
| <b>Movement in cash and cash equivalents</b>                              |      |                             |                 |                 |                 |
| At the beginning of year  |      | 28,916                      | 27,663          | 27,093          | 24,797          |
| Increase (decrease) in cash and cash equivalents                          |      | 20,876                      | 18,757          | 13,717          | 12,285          |
| Foreign translation differences   |      | -                           | (4,245)         | -               | (713)           |
| <b>At the end of the period</b>   | 14   | <b>49,792</b>               | <b>42,175</b>   | <b>40,810</b>   | <b>36,369</b>   |

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**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2017**

(All tabular amounts are in USD'000 and EUR'000 unless otherwise stated)

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**1 General information**

AviaAM Leasing AB (referred to as *the Company*) is a public limited liability company incorporated at State Enterprise Centre of the Republic of Lithuania as at 17 April 2009 (Company code – 302330793). The Company is domiciled in Vilnius, the capital of Lithuania. The address of its registered office is at Smolensko g. 10, LT-03201 Vilnius, Lithuania.

The shareholders' structure of the Company as at 30 September 2017 and 31 December 2016 was as follows:

|  | As at 30 September 2017 |               | As at 31 December 2016 |               |
|--|-------------------------|---------------|------------------------|---------------|
|  | Number of shares        | %             | Number of shares       | %             |
| ALH Aircraft Leasing Holdings Limited                                | 12,994,905              | 30.01         | 12,994,905             | 30.01         |
| Mesotania Holdings Limited   | 9,857,217               | 22.76         | 10,899,858             | 25.17         |
| Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open pension fund) | 2,500,000               | 5.77          | 5,000,000              | 11.55         |
| Aurimas Sanikovas  | 294,478                 | 0.68          | 294,478                | 0.68          |
| Tadas Goberis  | 147,239                 | 0.34          | 147,239                | 0.34          |
| Other shareholders   | 17,511,754              | 40.44         | 13,969,113             | 32.25         |
| <b>Total</b>   | <b>43,305,593</b>       | <b>100.00</b> | <b>43,305,593</b>      | <b>100.00</b> |

The Company and its subsidiaries (together, *the Group*) are engaged in the business of aircraft leasing, trading and management. The principal activity of the Group is operating leasing, management and trading of mid-life narrow body and regional jet aircraft.

As of 30 September 2017 the Group owned 14 aircraft: 1 Airbus A321, 1 Boeing 737-300, 2 Boeing 737-500 and 10 Bombardier CRJ200 aircraft. 14 aircraft were leased out under operating lease contracts.

The subsidiaries and joint ventures, which are included in the Group's consolidated financial statements are indicated below:

| The Group's companies | Country of establishment | Share of equity, %      |                        | Date of acquiring (establishment) / activity / address of establishment         |
|-----------------------|--------------------------|-------------------------|------------------------|---|
|                       |                          | As at 30 September 2017 | As at 31 December 2016 |   |
| AviaAM B01 UAB        | Lithuania                | 100                     | 100                    | Date of acquiring: 4 January 2010 / Aircraft leasing / Smolensko g. 10, Vilnius |
| AviaAM B02 UAB        | Lithuania                | 100                     | 100                    | Date of acquiring: 4 January 2010 / Aircraft leasing / Smolensko g. 10, Vilnius |



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**1 General information (continued)**

| The Group's companies             | Country of establishment | Share of equity, %      |                        | Date of acquiring (establishment) / activity / address of establishment  |
|-----------------------------------|--------------------------|-------------------------|------------------------|--|
|                                   |                          | As at 30 September 2017 | As at 31 December 2016 |  |
| AviaAM B04 UAB                    | Lithuania                | 100                     | 100                    | Date of establishment: 22 February 2007 / Aircraft leasing / Smolensko g. 10, Vilnius  |
| AviaAM B05 UAB                    | Lithuania                | 100                     | 100                    | Date of establishment: 28 June 2011 / Aircraft leasing / Smolensko g. 10, Vilnius  |
| AviaAM B06 UAB                    | Lithuania                | 100                     | 100                    | Date of establishment: 15 July 2011 / Aircraft leasing / Smolensko g. 10, Vilnius  |
| AviaAM B07 UAB                    | Lithuania                | 100                     | 100                    | Date of establishment: 30 September 2011 / Aircraft leasing / Smolensko g. 10, Vilnius   |
| DG21 UAB                          | Lithuania                | 100                     | 100                    | Date of establishment: 7 August 2015 / Real estate management / Smolensko g. 10, Vilnius   |
| DG AVIA UAB                       | Lithuania                | 100                     | -                      | Date of establishment: 7 February 2017 / Real estate management / Smolensko g. 10, Vilnius   |
| AviaAM B10 Ltd                    | Ireland                  | 100                     | 100                    | Date of establishment: 17 December 2015 / Aircraft leasing / Suite 10, The Mall, Beacon Court, Sandyford, Dublin 18, Ireland                                     |
| AAL Aircraft Investment Ltd       | Cyprus                   | 100                     | 100                    | Date of establishment: 8 November 2016 / Aircraft leasing / Jacovides Tower, Georgiou Griva Digeni Ave. 81-83, 1st floor, Office No. 122, 1090, Nicosia, Cyprus  |
| AAL Capital Aircraft Holdings Ltd | Cyprus                   | 100                     | 100                    | Date of establishment: 29 September 2011 / Aircraft leasing / Jacovides Tower, Georgiou Griva Digeni Ave. 81-83, 1st floor, Office No. 122, 1090 Nicosia, Cyprus |
| AviaAM Leasing Bermuda Ltd        | Bermuda                  | 100*                    | 100*                   | Date of establishment: 16 September 2011 / Aircraft leasing / Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda  |
| AviaAM B08 Ltd                    | Bermuda                  | 100*                    | 100*                   | Date of establishment: 26 April 2014 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda  |
| AviaAM B09 Ltd                    | Bermuda                  | 100*                    | 100*                   | Date of establishment: 27 June 2013 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda  |
| Ice Aircraft Management Ltd       | Bermuda                  | 100*                    | 100*                   | Date of establishment: 23 October 2013 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda   |
| Boulevard Two Aircraft Ltd        | Ireland                  | 100*                    | 100*                   | Date of acquiring: 20 December 2013 / Aircraft leasing / 70 Sir John Rogerson's Quay, Dublin 2, Ireland  |

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**1 General information (continued)**

| The Group's companies                   | Country of establishment   | Share of equity, %      |                        | Date of acquiring (establishment) / activity / address of establishment  |
|---|----------------------------|-------------------------|------------------------|--|
|   |                            | As at 30 September 2017 | As at 31 December 2016 |  |
| AviaAM Financial Leasing China Co., Ltd | People's Republic of China | 51                      | 51                     | Date of establishment: 4 August 2016 / Aircraft leasing / 2401, Floor 24, No. 8, Shangwu Outer Ring Road, Zhengdong New Area, Zhengzhou City, Henan Province, People's Republic of China |
| Dikkys Investments Ltd                  | Cyprus                     | 100*                    | 100*                   | Date of acquiring: / 24 March 2016 Aircraft leasing / Jacovides Tower, Georgiou Griva Digeni Ave. 81-83, 1st floor, Office No. 122, 1090 Nicosia, Cyprus                                 |
| Regional Charter Capital Ltd            | Bermuda                    | 100**                   | 100**                  | Date of establishment: 31 October 2012 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda   |

\* Shareholding through AAL Capital Aircraft Holdings Ltd. which owns 100 per cent of the company.

\*\* Shareholding through AviaAM Leasing Bermuda Ltd. which owns 100 per cent of the company.

**2 Accounting policies**

The consolidated interim financial information for the nine month period ended 30 September 2017 (hereinafter, the *Consolidated Interim 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 financial statements for 2016.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

The consolidated financial statements are presented in US Dollars (USD) and Euro (EUR) and all values are rounded to the nearest thousand (USD'000 and EUR'000) except when otherwise indicated.

The Consolidated Interim Financial Information for the nine months period ended 30 September 2017 is not audited. Financial Statements for the year ended 31 December 2016 were audited by external auditor PricewaterhouseCoopers UAB.

**3 Revenue**

|                               | 9 months ended 30 September |               |               |               |
|-------------------------------|-----------------------------|---------------|---------------|---------------|
|                               | USD                         | EUR           | USD           | EUR           |
| Sales of aircraft             | 16,059                      | 14,428        | 10,750        | 9,630         |
| Lease revenue                 | 11,581                      | 10,406        | 13,985        | 12,528        |
| Commission income             | 29,672                      | 26,659        | 17,294        | 15,492        |
| Supplemental maintenance rent | 6,604                       | 5,934         | 6,468         | 5,795         |
| Revenue from real estate      | 120                         | 108           | -             | -             |
| Other revenue                 | 23                          | 20            | 93            | 83            |
|                               | <b>64,059</b>               | <b>57,555</b> | <b>48,590</b> | <b>43,528</b> |

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(All tabular amounts are in USD'000 and EUR'000 unless otherwise stated)

**3 Revenue (continued)**

The General Manager has determined that the activities of the Company form a single operating segment – aircraft leasing, trading and aircraft transaction management. The internal reporting provided to the General Manager has been prepared using the accounting policies and presentation consistent with those used in preparation of the financial statements. The General Manager monitors net profit and operating profit as a measure of profit.

**4 Employee related expenses**

|                           | 9 months ended 30 September |            |            |            |
|---------------------------|-----------------------------|------------|------------|------------|
|                           | USD                         | EUR        | USD        | EUR        |
| Salaries                  | 717                         | 644        | 480        | 431        |
| Social insurance expenses | 249                         | 224        | 157        | 139        |
|                           | <b>966</b>                  | <b>868</b> | <b>637</b> | <b>570</b> |

**5 Other operating expenses**

|  | 9 months ended 30 September |              |              |              |
|--|-----------------------------|--------------|--------------|--------------|
|  | USD                         | EUR          | USD          | EUR          |
| Legal and translation expenses         | 819                         | 736          | 564          | 505          |
| Representation expenses                | 144                         | 129          | 151          | 135          |
| Traveling expenses                     | 132                         | 119          | 184          | 163          |
| Insurance expenses                     | 132                         | 118          | 83           | 74           |
| Training expenses                      | 118                         | 106          | 5            | 5            |
| Marketing expenses                     | 113                         | 101          | 83           | 75           |
| Audit and accounting expenses          | 93                          | 84           | 71           | 64           |
| Charity expenses                       | 81                          | 73           | 66           | 59           |
| Office expenses                        | 66                          | 59           | 30           | 27           |
| Trustee fees                           | 58                          | 52           | 17           | 15           |
| Database usage expenses                | 50                          | 45           | 61           | 55           |
| Bank fees                              | 49                          | 44           | 86           | 77           |
| Fuel costs                             | 29                          | 26           | 36           | 32           |
| Other fixed assets depreciation        | 27                          | 25           | 22           | 20           |
| Transportation expenses                | 26                          | 23           | 16           | 14           |
| Communication (Public Relations) costs | 21                          | 19           | 13           | 12           |
| Expenses related to listing of shares  | 19                          | 17           | 29           | 26           |
| IT costs                               | 18                          | 16           | 14           | 13           |
| Other administrative expenses          | 108                         | 98           | 163          | 146          |
|  | <b>2,103</b>                | <b>1,890</b> | <b>1,694</b> | <b>1,517</b> |

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**6 Finance costs – net**

|   | <b>9 months ended 30 September</b> |                |                |                |
|---|------------------------------------|----------------|----------------|----------------|
|   | <b>2017</b>                        |                | <b>2016</b>    |                |
|   | <b>USD</b>                         | <b>EUR</b>     | <b>USD</b>     | <b>EUR</b>     |
| Gain from disposal of investments                   | 570                                | 512            | 15             | 13             |
| Other finance income                                | 260                                | 233            | 100            | 90             |
| Discounting of security deposits received           | 95                                 | 85             | 582            | 521            |
| Foreign exchange gain on financing activities       | 3,628                              | 3,261          | 587            | 526            |
| Interest income on cash and cash equivalents        | 3                                  | 2              | -              | -              |
| <b>Finance income</b>                               | <b>4,556</b>                       | <b>4,093</b>   | <b>1,284</b>   | <b>1,150</b>   |
| Interest expenses                                   | (1,000)                            | (898)          | (1,638)        | (1,468)        |
| Foreign exchange loss on financing activities       | -                                  | -              | -              | -              |
| Unwinding of discount of security deposits received | (621)                              | (558)          | (438)          | (392)          |
| Other finance costs                                 | (333)                              | (299)          | (195)          | (174)          |
| <b>Finance costs</b>                                | <b>(1,954)</b>                     | <b>(1,755)</b> | <b>(2,271)</b> | <b>(2,034)</b> |
| <b>Finance costs – net</b>                          | <b>2,602</b>                       | <b>2,338</b>   | <b>(987)</b>   | <b>(884)</b>   |

**7 Income tax**

The tax expenses for the period comprise current and deferred tax.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority.

|                                  | <b>9 months ended 30 September</b> |              |              |              |
|----------------------------------|------------------------------------|--------------|--------------|--------------|
|                                  | <b>2017</b>                        |              | <b>2016</b>  |              |
|                                  | <b>USD</b>                         | <b>EUR</b>   | <b>USD</b>   | <b>EUR</b>   |
| Current tax                      | 3,266                              | 2,935        | 2,790        | 2,499        |
| <b>Total income tax expenses</b> | <b>3,266</b>                       | <b>2,935</b> | <b>2,790</b> | <b>2,499</b> |

**8 Earnings per share**

Earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued during the year.

|   | <b>July – September</b> |             |             |             | <b>January – September</b> |             |             |             |
|---|-------------------------|-------------|-------------|-------------|----------------------------|-------------|-------------|-------------|
|   | <b>2017</b>             |             | <b>2016</b> |             | <b>2017</b>                |             | <b>2016</b> |             |
|   | <b>USD</b>              | <b>EUR</b>  | <b>USD</b>  | <b>EUR</b>  | <b>USD</b>                 | <b>EUR</b>  | <b>USD</b>  | <b>EUR</b>  |
| Net profit attributable to shareholders           | 8,971                   | 7,608       | 11,141      | 9,978       | 26,410                     | 23,728      | 20,990      | 18,804      |
| Weighted average number of ordinary shares issued | 43,306                  |             | 43,306      |             | 43,306                     |             | 43,306      |             |
| Basic earnings per share (USD/EUR)                | <b>0.21</b>             | <b>0.18</b> | <b>0.26</b> | <b>0.23</b> | <b>0.61</b>                | <b>0.55</b> | <b>0.48</b> | <b>0.43</b> |

The Group has no dilutive potential ordinary shares, therefore, the diluted earnings per share are the same as basic earnings per share.

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**9 Property, plant and equipment**

| USD  | Aircraft and<br>engines | Aircraft and<br>engines under<br>preparation for use | Other<br>tangible fixed<br>assets | Total         |
|--|-------------------------|--|-----------------------------------|---------------|
| <b>Opening net book amount as at 1 January 2016</b>    | 50,868                  | 750  | 158                               | 51,776        |
| Additions  | 99,646                  | 770  | -                                 | 100,416       |
| Disposals  | (42,991)                | -  | -                                 | (42,991)      |
| Reclassifications                                      | 999                     | (750)  | 13                                | 262           |
| Depreciation charge                                    | (8,956)                 | -  | -                                 | (8,956)       |
| Impairment loss - net                                  | (5,609)                 | -  | -                                 | (5,609)       |
| <b>Closing net book amount as at 31 December 2016</b>  | <b>93,957</b>           | <b>770</b>   | <b>171</b>                        | <b>94,898</b> |
| <b>At 31 December 2016</b>                             |                         |  |                                   |               |
| Cost or valuation                                      | 119,468                 | 770  | 234                               | 120,472       |
| Accumulated depreciation                               | (25,511)                | -  | (63)                              | (25,574)      |
| <b>Net book amount</b>                                 | <b>93,957</b>           | <b>770</b>   | <b>171</b>                        | <b>94,898</b> |
| <b>Opening net book amount as at 1 January 2017</b>    | <b>93,957</b>           | <b>770</b>   | <b>171</b>                        | <b>94,898</b> |
| Additions  | 18,009                  | 814  | 1,589                             | 20,412        |
| Disposals  | (66,823)                | -  | -                                 | (66,823)      |
| Reclassifications                                      | 1,584                   | (1,584)  | -                                 | -             |
| Depreciation charge                                    | (5,432)                 | -  | (39)                              | (5,471)       |
| Revaluation surplus                                    | -                       | -  | -                                 | -             |
| Revaluation loss                                       | -                       | -  | -                                 | -             |
| <b>Closing net book amount as at 30 September 2017</b> | <b>41,295</b>           | <b>-</b>   | <b>1,721</b>                      | <b>43,016</b> |
| <b>At 30 September 2017</b>                            |                         |  |                                   |               |
| Cost or valuation                                      | 41,295                  | -  | 1,823                             | 43,118        |
| Accumulated depreciation                               | -                       | -  | (102)                             | (102)         |
| <b>Net book amount</b>                                 | <b>41,295</b>           | <b>-</b>   | <b>1,721</b>                      | <b>43,016</b> |

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**9 Property, plant and equipment (continued)**

| EUR  | Aircraft and<br>engines | Aircraft and engines<br>under preparation<br>for use | Other tangible<br>fixed assets | Total         |
|--|-------------------------|--|--------------------------------|---------------|
| <b>Opening net book amount as at<br/>1 January 2016</b>    | 46,555                  | 686  | 146                            | 47,387        |
| Additions  | 89,999                  | 695  | 14                             | 90,708        |
| Disposals  | (38,828)                | -  | -                              | (38,828)      |
| Reclassifications  | 902                     | (676)  | -                              | 226           |
| Depreciation charge  | (8,077)                 | -  | (14)                           | (8,091)       |
| Impairment loss – net                                      | (5,065)                 | (1)  | -                              | (5,066)       |
| Exchange differences                                       | 4,410                   | 33   | 5                              | 4,448         |
| <b>Closing net book amount as at<br/>31 December 2016</b>  | <b>89,896</b>           | <b>737</b>   | <b>151</b>                     | <b>90,784</b> |
| <b>At 31 December 2016</b>                                 |                         |  |                                |               |
| Cost or valuation  | 111,803                 | 737  | 224                            | 112,764       |
| Accumulated depreciation                                   | (21,907)                | -  | (73)                           | (21,980)      |
| <b>Net book amount</b>                                     | <b>89,896</b>           | <b>737</b>   | <b>151</b>                     | <b>90,784</b> |
| <b>Opening net book amount as at<br/>1 January 2017</b>    | <b>89,896</b>           | <b>737</b>   | <b>151</b>                     | <b>90,784</b> |
| Additions  | 16,181                  | 731  | 1,428                          | 18,340        |
| Disposals  | (60,039)                | -  | -                              | (60,039)      |
| Reclassifications  | 1,423                   | (1,423)  | -                              | -             |
| Depreciation charge  | (4,880)                 | -  | (35)                           | (4,915)       |
| Revaluation surplus  | -                       | -  | -                              | -             |
| Revaluation loss   | -                       | -  | -                              | -             |
| Exchange differences                                       | (7,602)                 | (45)   | (87)                           | (7,734)       |
| <b>Closing net book amount as at<br/>30 September 2017</b> | <b>34,979</b>           | <b>-</b>   | <b>1,457</b>                   | <b>36,436</b> |
| <b>At 30 September 2017</b>                                |                         |  |                                |               |
| Cost or valuation  | 34,979                  | -  | 1,543                          | 36,522        |
| Accumulated depreciation                                   | -                       | -  | (86)                           | (86)          |
| <b>Net book amount</b>                                     | <b>34,979</b>           | <b>-</b>   | <b>1,457</b>                   | <b>36,436</b> |

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**10 Investment property**

|  | USD          | EUR          |
|--|--------------|--------------|
| <b>Opening net book amount as at 1 January 2016</b>    | <b>1,540</b> | <b>1,410</b> |
| Additions  | 1,159        | 1,047        |
| Disposals  | -            | -            |
| Reclassifications                                      | -            | -            |
| Depreciation charge                                    | -            | -            |
| Revaluation loss                                       | (608)        | (549)        |
| Exchange differences                                   | -            | 92           |
| <b>Closing net book amount as at 31 December 2016</b>  | <b>2,091</b> | <b>2,000</b> |
| <b>At 31 December 2016</b>                             |              |              |
| Cost or valuation                                      | 2,091        | 2,000        |
| Accumulated depreciation                               | -            | -            |
| <b>Net book amount</b>                                 | <b>2,091</b> | <b>2,000</b> |
| <b>Opening net book amount as at 1 January 2017</b>    | <b>2,091</b> | <b>2,000</b> |
| Additions  | 2,602        | 2,338        |
| Disposals  | -            | -            |
| Reclassifications                                      | -            | -            |
| Depreciation charge                                    | -            | -            |
| Revaluation surplus                                    | (27)         | (24)         |
| Exchange differences                                   | -            | (362)        |
| <b>Closing net book amount as at 30 September 2017</b> | <b>4,666</b> | <b>3,952</b> |
| <b>At 30 September 2017</b>                            |              |              |
| Cost or valuation                                      | 4,666        | 3,952        |
| Accumulated depreciation                               | -            | -            |
| <b>Net book amount</b>                                 | <b>4,666</b> | <b>3,952</b> |

**11 Inventories**

|                     | 30 September 2017 |              | 31 December 2016 |              |
|---------------------|-------------------|--------------|------------------|--------------|
|                     | USD               | EUR          | USD              | EUR          |
| Aircraft            | -                 | -            | -                | -            |
| Aircraft components | 1,476             | 1,250        | 1,463            | 1,401        |
|                     | <b>1,476</b>      | <b>1,250</b> | <b>1,463</b>     | <b>1,401</b> |

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**12 Loans granted**

|  | 30 September 2017 |               | 31 December 2016 |               |
|--|-------------------|---------------|------------------|---------------|
|  | USD               | EUR           | USD              | EUR           |
| <b>Non-current loans</b>   |                   |               |                  |               |
| Loans granted to related parties                                   | 743               | 629           | 661              | 632           |
| Bonds acquired from related parties                                | 2,435             | 2,063         | 2,355            | 2,254         |
| Loans granted to third parties                                     | 452               | 383           | 1,751            | 1,675         |
| Bonds acquired from third parties                                  | 15,400            | 13,044        | -                | -             |
|  | <b>19,030</b>     | <b>16,119</b> | <b>4,767</b>     | <b>4,561</b>  |
| <b>Current loans</b>   |                   |               |                  |               |
| Loans granted to related parties                                   | 14,571            | 12,342        | 12,576           | 12,032        |
| Less: provision for impairment of loans granted to related parties | (112)             | (95)          | (112)            | (107)         |
| Loans granted to third parties                                     | 21,506            | 18,216        | 11,906           | 11,389        |
|  | <b>35,965</b>     | <b>30,463</b> | <b>24,370</b>    | <b>23,314</b> |
| <b>Total loans granted</b>   | <b>54,995</b>     | <b>46,582</b> | <b>29,137</b>    | <b>27,875</b> |

**13 Trade and other receivables**

|  | 30 September 2017 |               | 31 December 2016 |               |
|--|-------------------|---------------|------------------|---------------|
|  | USD               | EUR           | USD              | EUR           |
| Trade receivables from third parties                                     | 14,563            | 12,335        | 25,414           | 24,307        |
| Less: provision for impairment of trade receivables                      | (2,163)           | (1,832)       | (2,163)          | (2,069)       |
| <b>Trade receivables from third parties – net</b>                        | <b>12,400</b>     | <b>10,503</b> | <b>23,251</b>    | <b>22,238</b> |
| Receivables from related parties   | 3,430             | 2,905         | 1,693            | 1,619         |
| Less: provision for impairment of trade receivables from related parties | (1,048)           | (888)         | (1,048)          | (1,003)       |
| <b>Receivables from related parties - net</b>                            | <b>2,382</b>      | <b>2,017</b>  | <b>645</b>       | <b>616</b>    |
| Other receivables  | 29                | 25            | 29               | 28            |
| Less: provision for impairment of other receivables                      | (29)              | (25)          | (29)             | (28)          |
| <b>Other receivables - net</b>   | <b>-</b>          | <b>-</b>      | <b>-</b>         | <b>-</b>      |
| VAT receivables  | 313               | 265           | 185              | 177           |
| Prepayments  | 3,052             | 2,585         | 1,217            | 1,165         |
| Deferred expenses  | 178               | 152           | 364              | 348           |
|  | <b>18,325</b>     | <b>15,522</b> | <b>25,662</b>    | <b>24,544</b> |
| Non-current portion:   | 40                | 34            | 558              | 534           |
| <b>Current portion:</b>  | <b>18,285</b>     | <b>15,488</b> | <b>25,104</b>    | <b>24,010</b> |



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**14 Cash and cash equivalents**

Cash and cash equivalents are dominated in following currencies:

|  | 30 September 2017 |               | 31 December 2016 |               |
|--|-------------------|---------------|------------------|---------------|
|  | USD               | EUR           | USD              | EUR           |
| USD                                    | 40,852            | 34,603        | 24,574           | 23,509        |
| EUR                                    | 8,940             | 7,572         | 4,342            | 4,154         |
| <b>Total cash and cash equivalents</b> | <b>49,792</b>     | <b>42,175</b> | <b>28,916</b>    | <b>27,663</b> |

**15 Share capital**

After euro adoption in 1 January 2015 and according to the Republic of Lithuania Law on redenomination to the euro of the capital and of the nominal value of securities of Public Limited Liability Companies and Private Limited Liability Companies and amendment of the Articles of Association of these Companies, the nominal value of the Company's shares were automatically converted from LTL 1 per share to EUR 0.29 per share in the Central Securities Depository of Lithuania. As at 30 September 2017 and 31 December 2016 the share capital of the Company amounted to EUR 12,588,622 (USD 16,804,002) and consisted of 43,305,593 ordinary registered shares with a nominal value of EUR 0.29 each. All shares were fully paid up.

Since 28 June 2013 the ordinary registered shares of the Company (ISIN code LT10000128555) are listed on the Main List of Warsaw Stock Exchange (symbol: AAL).

**16 Borrowings**

|                            | 30 September 2017 |               | 31 December 2016 |               |
|----------------------------|-------------------|---------------|------------------|---------------|
|                            | USD               | EUR           | USD              | EUR           |
| <b>Non-current</b>         |                   |               |                  |               |
| Profit participating notes | 14,603            | 12,370        | -                | -             |
| Bank borrowings            | 539               | 456           | 45,466           | 43,496        |
| Finance lease liabilities  | 3,681             | 3,118         | 5,393            | 5,159         |
|                            | <b>18,823</b>     | <b>15,944</b> | <b>50,859</b>    | <b>48,655</b> |
| <b>Current</b>             |                   |               |                  |               |
| Bank borrowings            | 77                | 65            | 6,213            | 5,943         |
| Finance lease liabilities  | 2,297             | 1,946         | 2,429            | 2,324         |
|                            | <b>2,374</b>      | <b>2,011</b>  | <b>8,642</b>     | <b>8,267</b>  |
| <b>Total borrowings</b>    | <b>21,197</b>     | <b>17,955</b> | <b>59,501</b>    | <b>56,922</b> |

The weighted average interest rates at the balance sheet date were as follows:

|                           | 30 September 2017 | 31 December 2016 |
|---------------------------|-------------------|------------------|
| Bank borrowings           | 2.10%             | 4.74%            |
| Finance lease liabilities | 8.73%             | 8.34%            |

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**17 Trade and other payables and advances received**

|  | 30 September 2017 |               | 31 December 2016 |               |
|--|-------------------|---------------|------------------|---------------|
|  | USD               | EUR           | USD              | EUR           |
| <b>Trade and other payables – financial liabilities</b>          |                   |               |                  |               |
| Trade payables to third parties                                  | 29,123            | 24,668        | 19,665           | 18,812        |
| Trade payables to related parties                                | 5,906             | 5,002         | 841              | 805           |
| Salaries and social security payable, including vacation accrual | 249               | 211           | 103              | 99            |
| Accruals   | 4,301             | 3,643         | 4,495            | 4,300         |
|  | <b>39,579</b>     | <b>33,524</b> | <b>25,104</b>    | <b>24,016</b> |
| <br>   |                   |               |                  |               |
|  | 30 September 2017 |               | 31 December 2016 |               |
|  | USD               | EUR           | USD              | EUR           |
| <b>Advance payments received – non-financial liabilities</b>     |                   |               |                  |               |
| Advance payments from customers                                  | 1                 | 1             | 292              | 279           |
|  | <b>1</b>          | <b>1</b>      | <b>292</b>       | <b>279</b>    |

**18 Security deposits received**

|   | 30 September 2017 |               | 31 December 2016 |              |
|---|-------------------|---------------|------------------|--------------|
|   | USD               | EUR           | USD              | EUR          |
| Security deposits repayable after one year at nominal value | 7,302             | 6,185         | 6,209            | 5,940        |
| Less: discounting effect                                    | (472)             | (400)         | (999)            | (956)        |
| <b>Security deposits repayable after one year</b>           | <b>6,830</b>      | <b>5,785</b>  | <b>5,210</b>     | <b>4,984</b> |
| Security deposits repayable within one year                 | 10,000            | 8,470         | -                | -            |
| Less: discounting effect                                    | -                 | -             | -                | -            |
| <b>Security deposits repayable within one year</b>          | <b>10,000</b>     | <b>8,470</b>  | <b>-</b>         | <b>-</b>     |
| <b>Security deposits</b>                                    | <b>16,830</b>     | <b>14,255</b> | <b>5,210</b>     | <b>4,984</b> |

Average rates used for security deposits discounting are as follows: 2017: 4.57%; 2016: 3.78%.

Security deposits serve as a security by a lessee for the performance of its obligations under the aircraft lease agreements and upon termination of lease lessor is obliged return it to lessee. All of the Group's security deposits are denominated in USD. Security deposits are not interest-bearing.

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**19 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. Entities having significant influence over the Company and the Group are ALH Aircraft Leasing Holdings Ltd, being the majority shareholder of the Company, and ZIA Valda AB (the shareholder of ALH Aircraft Leasing Holdings Ltd). Transactions with these companies are presented separately. Related parties also include other shareholders of the Company, associates and jointly controlled entities of the Group and subsidiaries of ZIA Valda AB group. They are presented as other related parties. The following transactions were carried out with related parties:

|   | 9 months ended 30 September |              |              |              |
|---|-----------------------------|--------------|--------------|--------------|
|   | 2017                        |              | 2016         |              |
|   | USD                         | EUR          | USD          | EUR          |
| <b>Sales of services to:</b>              |                             |              |              |              |
| Entities having significant influence     | 215                         | 193          | 217          | 194          |
| Other related parties                     | 1,159                       | 1,041        | 918          | 823          |
|   | <b>1,374</b>                | <b>1,234</b> | <b>1,135</b> | <b>1,017</b> |
| <b>Total sales of assets and services</b> | <b>1,374</b>                | <b>1,234</b> | <b>1,135</b> | <b>1,017</b> |

|   | 9 months ended 30 September |              |              |              |
|---|-----------------------------|--------------|--------------|--------------|
|   | 2017                        |              | 2016         |              |
|   | USD                         | EUR          | USD          | EUR          |
| <b>Purchases of services from:</b>            |                             |              |              |              |
| Entities having significant influence         | 1                           | 1            | 2            | 1            |
| Other related parties                         | 2,091                       | 1,878        | 1,470        | 1,317        |
|   | <b>2,092</b>                | <b>1,879</b> | <b>1,472</b> | <b>1,318</b> |
| <b>Total purchases of assets and services</b> | <b>2,092</b>                | <b>1,879</b> | <b>1,472</b> | <b>1,318</b> |

**Period-end balances arising from sales/purchase of assets/services:**

**Trade and other receivables from related parties**

|  | 30 September 2017 |              | 31 December 2016 |              |
|--|-------------------|--------------|------------------|--------------|
|  | USD               | EUR          | USD              | EUR          |
| Other related parties  | 3,430             | 2,905        | 1,693            | 1,619        |
| <b>Trade and other receivables at nominal value</b>                      | <b>3,430</b>      | <b>2,905</b> | <b>1,693</b>     | <b>1,619</b> |
| Less: provision for impairment of receivables from other related parties | (1,048)           | (888)        | (1,048)          | (1,003)      |
|  | <b>2,382</b>      | <b>2,017</b> | <b>645</b>       | <b>616</b>   |

Individually impaired receivable relates to the customer that is in bankruptcy proceedings.

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**19 Related party transactions (continued)**

**Payables to and prepayments from related parties**

|                       | 30 September 2017 |              | 31 December 2016 |            |
|-----------------------|-------------------|--------------|------------------|------------|
|                       | USD               | EUR          | USD              | EUR        |
| Other related parties | 5,906             | 5,002        | 841              | 805        |
|                       | <b>5,906</b>      | <b>5,002</b> | <b>841</b>       | <b>805</b> |

**Loans granted to related parties**

|   | 30 September 2017 |               | 31 December 2016 |               |
|---|-------------------|---------------|------------------|---------------|
|   | USD               | EUR           | USD              | EUR           |
| <b>Beginning of the year</b>                            | <b>15,480</b>     | <b>14,811</b> | <b>18,713</b>    | <b>17,127</b> |
| Loans advanced during the year as monetary transactions | -                 | -             | 4,692            | 4,238         |
| Loan repayments received as monetary transactions       | (20)              | (18)          | (253)            | (228)         |
| Loan repayments received as non-monetary transactions   | -                 | -             | (63)             | (57)          |
| Interest charged  | 473               | 425           | 959              | 867           |
| Interest received                                       | (3)               | (2)           | (17)             | (15)          |
| Netted loans  | -                 | -             | (7,919)          | (7,152)       |
| Exchange rate differences                               | 1,707             | 630           | (632)            | 31            |
| <b>End of the period</b>                                | <b>17,637</b>     | <b>15,846</b> | <b>15,480</b>    | <b>14,811</b> |

**20 Acquisition of subsidiary**

In March 2016 The Group acquired 100% of the issued shares in Dikkys Investment Limited. The Group simultaneously entered into the cession of claims agreement with third party regarding loan provided to Dikkys Investment Limited. The consideration for aforementioned agreements amounted to USD 1.4 million (EUR 1.2 million).

Dikkys Investment Limited is incorporated in the Republic of Cyprus and is engaged in the business of aircraft leasing and trading. The company owns one Boeing 737-500 aircraft. The book value of the aforementioned aircraft amounted to USD 1.8 million (EUR 1.6 million) as at the date of acquisition.

The operating results and assets and liabilities of the acquired company were consolidated from 24 March 2016.

*(i) Purchase consideration*

|                                     | 24 March 2016 |              |
|-------------------------------------|---------------|--------------|
|                                     | USD           | EUR          |
| Purchase consideration              |               |              |
| Cash paid                           | 1,352         | 1,212        |
| Contingent consideration            | -             | -            |
| <b>Total purchase consideration</b> | <b>1,352</b>  | <b>1,212</b> |

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**20 Acquisition of subsidiary (continued)**

The determined fair values of the assets and liabilities of Dikkys Investment Limited as at the date of acquisition are as follows:

|                                    | USD         | EUR         |
|------------------------------------|-------------|-------------|
| Property, plant and equipment      | 1,750       | 1,569       |
| Cash and cash equivalents          | 2           | 2           |
| Loan from the Group                | (1,814)     | (1,626)     |
| Payables                           | (22)        | (20)        |
|                                    | <b>(84)</b> | <b>(75)</b> |
| Less: non-controlling interest     | -           | -           |
| Net assets acquired                | <b>(84)</b> | <b>(75)</b> |
| Profit from cession of claims      | 464         | 416         |
| <b>Net profit from transaction</b> | <b>380</b>  | <b>341</b>  |

Transaction resulted to a total net gain of USD 0.4 million (EUR 0.4 million) in the consolidated financial statements of the Group for the respective period.

**21 Events after the balance sheet date**

In October 2017 the Group completed the arrangement of two Airbus A320 and one B747-400F aircraft deliveries.

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**MANAGEMENT CONFIRMATION OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION**

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Tadas Goberis, General Manager of AviaAM Leasing AB and Justinas Gilys, Executive Director of AviaAM Leasing AB, hereby confirm that, to the best of our knowledge, the unaudited AviaAM Leasing AB Consolidated Condensed Interim Financial Information for the nine month period ended 30 September 2017, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of the Group.

General Manager  
Tadas Goberis



15 November 2017



Executive Director  
Justinas Gilys