

Special-purpose Financial Statements of Retirement Benefit Plan of
SAKAERONAVIGATSIA LIMITED
AND
INDEPENDENT AUDITOR'S REPORT THEREON
As at and for the year ended 31 December 2018

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INDEPENDENT AUDITOR'S REPORT

To the shareholder and management of Sakaeronavigatsia LLC:

Opinion

We have audited the accompanying special-purpose financial statements of non-state retirement benefit plan (RBP) of Sakaeronavigatsia LLC (the Company) as at 31 December 2018.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the financial position of the RBP as at 31 December 2018, and of its financial performance and of its cash flows for the year then ended in accordance with the accounting policies disclosed in note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to note 2 to the special-purpose financial statements, which describes the basis of accounting. These financial statements have been prepared to present financial position, financial performance and cash flows of a non-state retirement benefit plan founded within and by the Company for the benefit of its voluntarily participating employees in accordance with the applicable Georgian legislation. Therefore, use of these special-purpose financial statements by persons other than those with knowledge of the relevant regulations and the rules of the Company's non-state retirement benefit scheme may not be appropriate. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the accounting policies disclosed in note 2, and for such internal control as management determines is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the Audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special-purpose financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The partner in charge of the audit resulting in this independent audit report is Mr. Bessik Bisseishvili.

A handwritten signature in blue ink, appearing to read "B. Bisseishvili", with a long horizontal flourish extending to the right.

Bessik Bisseishvili
Partner
Baker Tilly Georgia LLC
16 May 2019
Tbilisi, Georgia

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
 As at 31 December 2018
 (All amounts are in Georgian lari - GEL)

Statement of Net Assets Available for Benefits

	2018	2017
Net assets at January 1	2,328,188	-
Contributions		
Employer contributions collected	1,937,152	1,457,267
Participant (employee) contributions collected	753,337	566,715
Total contributions collected	2,690,489	2,023,982
Employer contributions receivable	185,291	165,319
Participant (employee) contributions receivable	72,057	64,291
Total contributions receivable	257,348	229,610
Total contributions	2,947,837	2,253,592
Financial income - interest	384,773	79,526
Total increase in net assets	3,332,610	2,333,118
Administrative expenses	(26,030)	(4,930)
Benefits paid	(63,435)	-
Total decrease in net assets	(89,465)	(4,930)
Net assets at December 31	5,571,333	2,328,188

The Financial Statements were approved on 16 May 2019 and signed by:



Mr. G. Mezvrishvili, General Director



Mr. I. Zakareishvili, Finance Manager



Ms. Tamar Odiashvili, Head of Non-state Pension and Provision Department

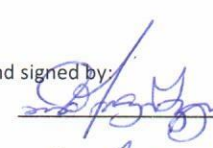
Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
 As at 31 December 2018
 (All amounts are in Georgian lari - GEL)

Special-purpose Statement of Financial Position

	Note	31-12-2018	31-12-2017
Equity			
Paid-in capital		3,014,014	3,014,014
Retained earnings		387,379	478,606
Total Equity		3,401,393	3,492,620
Liabilities			
Retirement benefit scheme gross liability		5,571,333	2,328,188
Total liabilities		5,571,333	2,328,188
Total equity and liabilities		8,972,726	5,820,808
Assets			
Bank balances payable on demand		3,401,393	3,492,620
Net assets available for benefits	3	5,571,333	2,328,188
Total assets		8,972,726	5,820,808

The Financial Statements were approved on 16 May 2019 and signed by:


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 Mr. I. Zakareishvili, Finance Manager


 Ms. Tamar Odiashvili, Head of Non-state
 Pension and Provision Department

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
 For the year ended 31 December 2018
 (All amounts are in Georgian lari - GEL)

Special-purpose Statement of Cash Flows

	Year ended 31-Dec-2018	Year ended 31-Dec-2017
Receipts		
Contributions	2,920,099	2,023,982
Employer contributions	2,102,471	1,457,267
Participant contributions	817,628	566,715
Interest collected	358,773	308,114
Paid-in capital	62,159	-
Total receipts	3,341,031	2,332,097
Payments		
Securities	-	(110,538)
Short-term deposits	(218,708)	(471,444)
Long-term deposits	(2,700,114)	(1,442,000)
Benefits paid	(63,436)	-
Collection of interest from bank deposits	(450,000)	-
Total payments	(3,432,258)	(2,023,982)
Net increase in cash and cash equivalents	(91,227)	308,114
Cash and cash equivalents – beginning of the year	3,492,619	3,184,505
Cash and cash equivalents – end of the year	3,401,392	3,492,620

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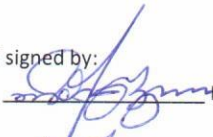
Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
As at 31 December 2018
(All amounts are in Georgian lari - GEL)

Special-purpose Statement of Changes in Equity

	Paid-in Capital	Retained earnings	Total
Balance at 1 January 2017	3,014,014	170,492	3,184,505
Interest income	-	308,114	308,114
Balance at 31 December 2017	3,014,014	478,606	3,492,620
Interest income	-	358,773	358,773
Not-restricted gains collected	-	(450,000)	(450,000)
Balance at 31 December 2018	3,014,014	387,379	3,401,393

The Financial Statements were approved on 16 May 2019 and signed by:


Mr. G. Mevrishvili, General Director


Mr. I. Zakareishvili, Finance Manager


Ms. Tamar Odiashvili, Head of Non-state
Pension and Provision Department

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
As at 31 December 2018
(All amounts are in Georgian lari - GEL)

Notes to special-purpose financial statements

1. Retirement Benefit Plan

Saqaeronavigatsia LLC has established a non-state retirement benefit plan (RBP) on 31 December 2018 for the benefit of its voluntarily participating employees. The RBP is a defined contribution plan.

The RBP is governed by the Rules of the Company's Non-state Retirement Benefit Plan. RBP is not a separate entity for legal or tax purposes. RBP assets are restricted and maybe only used for the benefit of participants and thus cannot be utilized to settle any of the Company's other obligations.

The defined contributions involve the Company as an employer and and participants (the employees) and are determined at 18 and 7 percent of the base salary cost, repsepectively.

As of the date of these financial statements 536 (2017: 522) of the Company's employees participate in the RBP.

2. Summary of significant accounting policies

Basis of preparation. These special-purpose financial statements have been prepared on accrual basis under the historical cost convention and is based on International Accounting Standard 26 – Accounting and Reporting by Retirement Benefit Plans issued by the International Accounting Standards Board (IASB). These policies have been consistently applied to all the periods presented.

Presentation currency. All amounts in these financial statements are in Georgian lari (GEL).

Assets and liabilities. Assets and liabilities presented in the special-purpose financial statements are carried at historical cost.

Financing. RBP is financed by transferring defined periodic contributions to the plans management company (independent of Saqaeronavigatsia LLC) for subsequent investment into securities, equity and other financial instruments for the purpose of generating financial gains.

Financial income. Financial income represents return on investments.

3. Investment assets

	31-12-2018	31-12-2017
Securities	112,911	112,911
<i>Georgian Government bonds (16.07.2020)</i>	61,797	61,797
<i>Georgian Government bonds (16.08.2027)</i>	51,114	51,114
Short-term deposits	539,442	496,845
<i>Balance on current account at bank</i>	539,442	287,685
<i>12-month bank deposit</i>	-	209,160
Long-term deposits	4,679,979	1,489,992
<i>12-month bank deposit</i>	1,839,432	106,510
<i>Long-term bank deposit</i>	2,840,547	74,242
Receivables	257,348	229,610
<i>Employer contributions receivable</i>	185,291	165,319
<i>Participant (employee) contributions receivable</i>	72,057	64,291
Payables	(18,347)	(1,170)
<i>Investment management fees payable</i>	(18,347)	(1,170)
Net investment assets	5,571,333	2,328,188