



SAKAERONAVIGATSIA

Non-State Pension Scheme

Annual Report 2019



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2019 IN BRIEF

In 2019 the overall performance of the Fund was +9.28%. Annual return since creation increased to +9.45%, Overall profit since creation increased to GEL 1,104,369.

In the recent years many important steps have been taken for capital market development, of which is worth mentioning:

- Signed Agreement between the National Bank of Georgia and the Financial Services and Markets Authority (FSMA) envisaging to bring the securities legislation in line with the EU's basic standards in 2018;
- Introducing the accumulative pension system from 2019.

Over the past five years, the government and corporate debt securities market increased by approximately 14 times, amounting to annual growth of 31% and 69% respectively.

The following table presents the financial status of the non-state pension fund of Sakaeronavigatsia Ltd. and the main categories of pension schemes according to the statistical data of 2018-2019.

	31/12/2019	31/12/2018
Financial Position		
Pension Fund Capital	3,001,392	3,401,392
Insurance Technical Reserves	9,604,594	5,571,332
Social Contributions	3,520,171	2,947,837
Benefits Paid	157,939	63,436
Investment Profit	671,030	358,743
Social Contributions		
Employer Social Contribution (%)	18.0%	18.0%
Employee Social Contribution (%)	7.0%	7.0%
Beneficiaries	-	-
Benefits Paid/Number of Participants	11	10
Participants	578	536
Investment Profit		
Profit since Creation	1,104,369	433,338
Annualised Return since Creation	9.5%	9.7%
Return of the Period	9.3%	9.7%

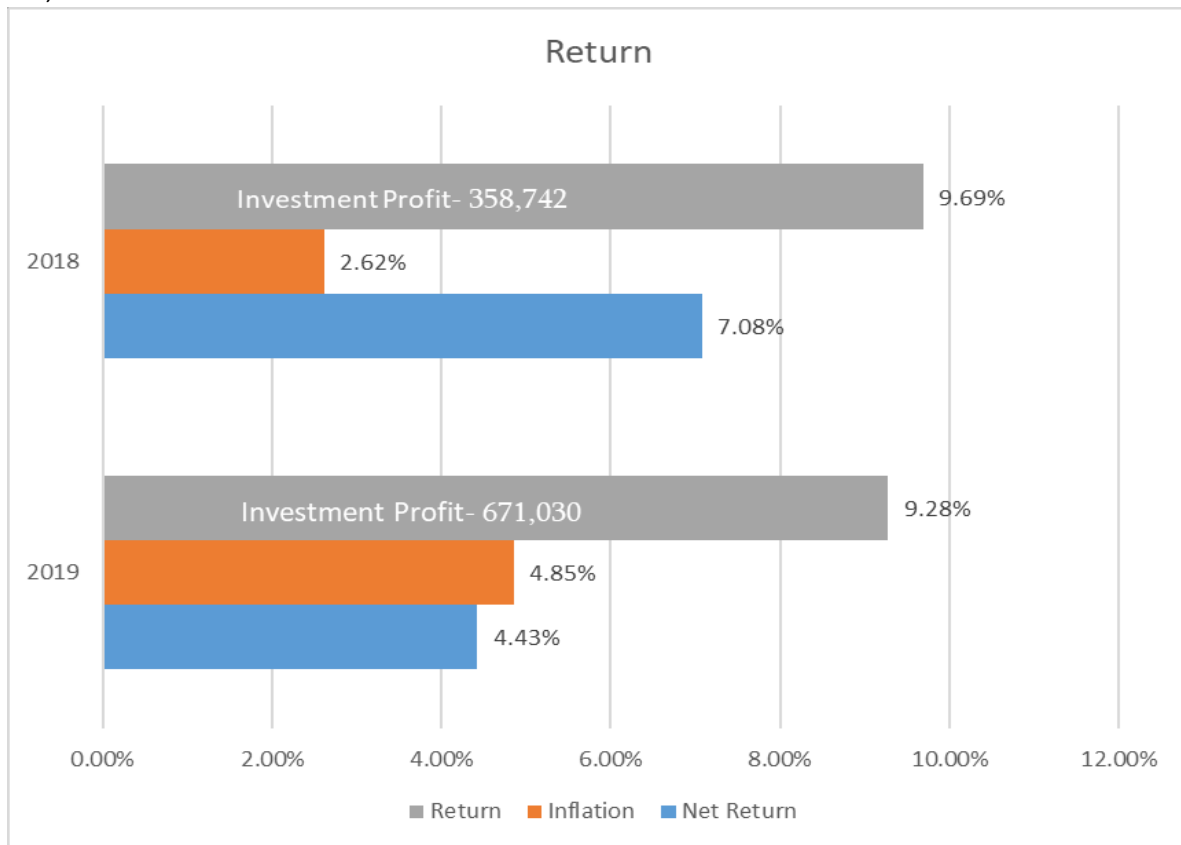
MESSAGE FROM THE CHAIRMAN OF THE PENSION FUND SUPERVISORY BOARD

The Pension Fund Supervisory Board (PFSB) of Sakaeronavigatsia pension fund has pleasure in presenting the Sakaeronavigatsia Pension Fund Annual Report for 2019.

In 2019, the local commercial bonds market increased by 25% and amounted to 4.02% of GDP. A total of 63% of commercial bonds were GEL-denominated bonds. Compared to the previous year, the bond balances of highly rated companies also increased in 2019. In 2019, a significant increase in treasury bonds was also recorded, and its volume reached 7.8% of GDP.

From the day of establishing a pension scheme, annual profitability is + 9.45%, cumulative profit since the creation of the scheme has reached 1,104,369 GEL. 2019 was a successful year for scheme with + 9.28% profitability.

During the year, the pension scheme assets increased from GEL 5,571,332 to GEL 9,604,594. Additionally, 3,464,986 GEL has been invested and the investment profit of 2019 reached to GEL 671,030.



The Pension Scheme Asset Management is implemented by the Galt & Taggart Ltd and based on the contract signed with the Central Depository, according to the order of the LEPL "Insurance State

Supervision Service of Georgia”, determining the permissible assets and their structure according to the approved rule.

The pension scheme is administered with international financial reporting standards and the best practices of internal control, which provides a periodic (quarterly) revision of the investment portfolio risk. In order to determine the acceptable risk, the asset management company, the Investment Committee and the Supervisory Board jointly analyze the following risk factors (interest rate risk, exchange rate risk, liquidity risk and defaults risk).

The overall investment profit (9.69%) in 2018 was slightly reduced (9.28%) in 2019, but the inflation in 2018 (2.62%) increased significantly (4.85%) and net profit decreased in 2019 from 7.08% to 4.45%.

The defaults risk is minimized by studying / analyzing the financial position of the issuer of the investment instrument and portfolio diversification. In 2019, 14 new deposits of Bank of Georgia, Tera Bank, Pasha Bank, VTB Bank, Basis Bank and Credo Bank, also, Georgian Treasury Bonds and Bonds of “Evex Hospitals” were purchased for further diversification of portfolio.



NINO JIBUTI
Tbilisi, 30/06/2020

REPORT OF THE PENSION FUND SUPERVISORY BOARD

INTRODUCTION

Non-state pension scheme Sakaeronavigatsia Ltd was founded on December 30, 2015 based on the Order No. 07/1 of the Head of the LEPL “Insurance State Supervision Service of Georgia”. The Scheme is a professional pension scheme and only the employees, who have been employed for 24 months by Sakaeronavigatsia Ltd have right to join it. The pension scheme is not an independent legal entity and its administration is carried out by the internal Structural Unit of Sakaeronavigatsia Ltd, Non-State Pension Insurance and Provision department.

The table below shows the change of net assets of the pension scheme in 2019 under the main components of the pension scheme.

	Assets of the Fund at 31/12/2018	5,571,332
	Income	
+	Employer Social Contributions	2,534,523
+	Employee Social Contributions	985,648
	Expenditures	
-	Benefits Paid	(157,939)
±	Investment Result	737,408
-	Costs	(66,377)
	Assets of the Fund at 31/12/2019	9,604,594

Brief description of pension scheme and accounting policies are presented in the first and second note of the independent auditor's report. The rule of non-state pension scheme Sakaeronavigatsia Ltd is available at the following website: www.pension.airnav.ge

GOVERNANCE AND ADMINISTRATION

Pension Scheme Supervisory Board

Non-State Pension Scheme Supervisory Board is the ultimate authority, with the pension insurance and provision oversight function of the non-state pension scheme participants, protecting their interests in the cases as given in the law on Non-State Pension Insurance and Provision, setting pension Scheme rules according to Georgian legislation.

The members of the Supervisory Board for the purpose of registration of the Sakaeronavigatsia NonState Pension Scheme were elected on the basis of the Order #29 of September 3, 2000 of the LEPL “Insurance State Supervision Service of Georgia” at the meeting of the company's trade union on September 17, 2015. On November 30, 2018, a meeting of the Sakaeronavigatsia Trade Union and NonState Pension Scheme participants was invited to update the composition of the Supervisory Board members.

The supervisory board of the Sakaeronavigatsia Non-State Pension Scheme is composed of four members. Half of the members of the Supervisory Board are represented by participants of the Pension Scheme, while the other half is not part of the Pension Scheme:

	Name	Position
Chairman	Jibuti Nino	Corporate Manager of the Sakaeronavigatsia
Deputy Chairperson	Karanadze Levan	Deputy Director of the Civil Aviation Agency
Members	Koplatadze zurab	Head of Financial and Economic Analysis Department of the Civil Aviation Agency ²
	Karasevi Roman	Air Traffic Controller of the Sakaeronavigatsia

Members of the Supervisory Board perform their duties without any remuneration. The Supervisory Board's regulation is uploaded on the Pension Scheme website www.pension.airnav.ge.

Investment Committee

The Investment Committee is a governing body established by Sakaeronavigatsia Ltd, as the founder of Non-State Pension Scheme, which oversees investments carried out by non-state pension scheme assets.

Investment Committee of the Non-State Pension Scheme of Sakaeronavigatsia Ltd consists of 5 members:

Zakareishvili Irakli	Financial Manager
Turabelidze Sophio	Deputy Director General on Eurocontrol Issues
Jijelava Badri	Head of Meteorological Department
Odiashvili Tamar	Head of Non-State Pension Insurance and Provision Department
Karasevi Roman	Air Traffic Controller

The members of the Investment Committee perform their duties without any remuneration. The Investment Committee's regulation is uploaded on the pension scheme website www.pension.airnav.ge.

Non-State Pension Insurance and Provision Department

Non-state pension scheme is governed by the non-state pension insurance and provision department of Sakaeronavigatsia in accordance with the requirements of the Georgian legislation, international standards and department's rules.

Non-state pension insurance and provision department of Sakaeronavigatsia LLC consists of 4 employees:

Odiashvili Tamar	Head of Department
Kvezereli Ivane	Financial Management Specialist
Kharaishvili Giorgi	Specialist on Legal Issues
Gulordava Ana	Coordinator

Audit

The financial report of the Pension Scheme shall be subject to annual audit in compliance with the requirements of the LEPL "Insurance State Supervision Service of Georgia".

The audit company is selected by Sakaeronavigatsia Ltd according to the Georgian Law on Accounting, reporting and Audit.

INVESTMENTS

Investment of Non-State Pension Scheme Assets is regulated by the decree of the Head of the LEPL “Insurance State Supervision Service of Georgia” on Approval of the Rule for Determining the Allowable Assets and Their Structure for Covering Insurance Reserves.

Asset Management Company

According to the requirements of Article 12 of the Law of Georgia on Non-State Pension Insurance and Provision pension assets investment is implemented by licensed asset management company with the Central Depository.

The Pension Asset Management Agreement (Galt & Taggart) was signed on May 24, 2017, as a result of the competition conducted on April 5, 2017 by the Working Group created for the establishment of the Non-State Pension Scheme of Sakaeronavigatsia Ltd. Also, a trilateral agreement has been signed on specialized depository services. Additional information about the asset management company can be found at website: www.galtandtaggart.com.

Investment Strategy

The long-term goal of pension scheme investment policy is to ensure the stability of pension assets. Accordingly, the current investment strategy provides low risk for stabilizing income. In order to achieve this goal and considering the capital market structure in Georgia, the pension scheme assets are available only within three types of financial instruments: state securities, deposits and current deposits. Investments made since the establishment of the Pension Scheme are fully in compliance with the limits established by the LEPL “Insurance State Supervision Service of Georgia”.

Asset Category	Lower Limit	Allocation	Upper Limit
State Securities	0%	5%	50%
Securities	0%	2%	15%
Deposits in Banks	0%	81%	90%
Current Deposits	10%	12%	100%

At the end of 2019, the government's debt securities accounted for 5%, Securities 2%, deposits of banking institutions 81% and current deposit 12%. Diversification of the pension assets by the Asset Management Company in 2019 was carried out as per the above mentioned four categories:

Asset Category	Lower Limit	Allocation	Upper Limit
Treasury bonds	0%	5%	30%
State Securities	0%	5%	50%
Evex Bonds	0%	2%	3%
Securities	0%	2%	15%
Certificate of Deposit of BOG	0%	17%	30%
Certificate of Deposit of Tera Bank	0%	13%	30%
Certificate of Deposit of Liberty Bank	0%	11%	30%
Certificate of Deposit of Pasha Bank	0%	8%	30%
Certificate of Deposit of VTB Bank	0%	3%	30%
Certificate of Deposit of Basis Bank	0%	12%	30%
Certificate of Deposit of Credo Bank	0%	17%	30%
Deposits in Banks	0%	81%	90%
Current Deposit of BOG	0%	5%	20%
Current Deposit of Liberty Bank	0%	7%	20%
Current Deposits	10%	12%	100%

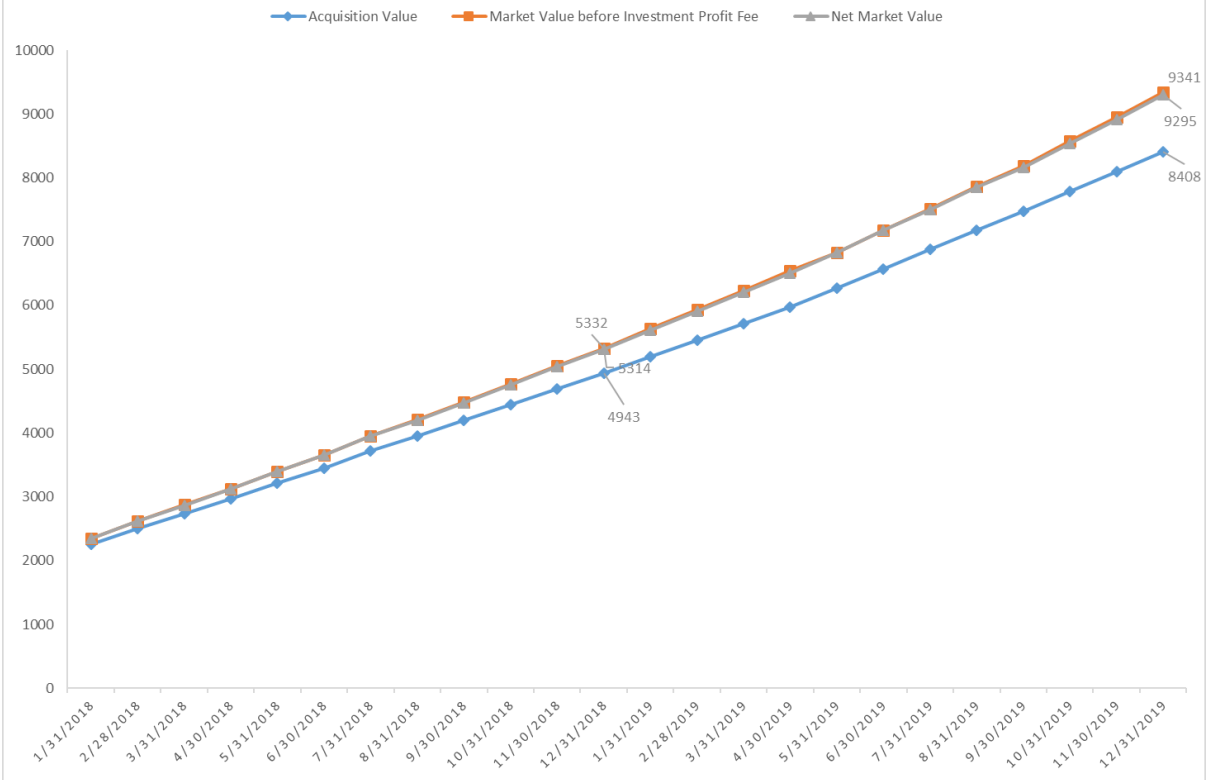
Since the entry into operation of the pension scheme (March 1, 2017) 8,407,790.47 GEL was invested. The market value of these investments amounted to 9,294,610.36 GEL as of 31 December 2019, which corresponds to the 9.28% annual profitability.

The following table presents the return (without excluding inflation) of 2018-2019 and annual net return (excluding inflation) from making the Pension Scheme operational.

Year	2019	2018	2018-2019
Return	9.3%	9.7%	9.4%
Inflation	4.9%	2.6%	3.7%
Net Return	4.4%	7.1%	5.7%

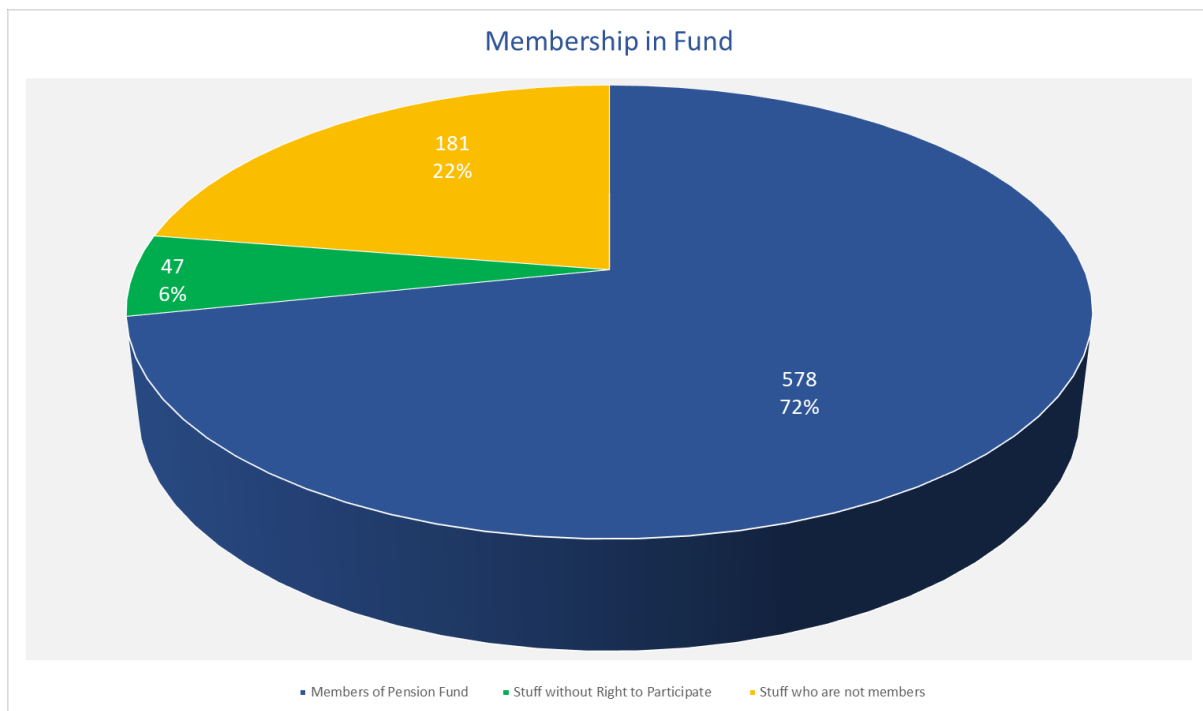
The chart below shows the difference between the acquisition value and the market value of the assets.

COMPARISON OF INVESTMENT AMOUNT AND MARKET VALUE OF ASSETS

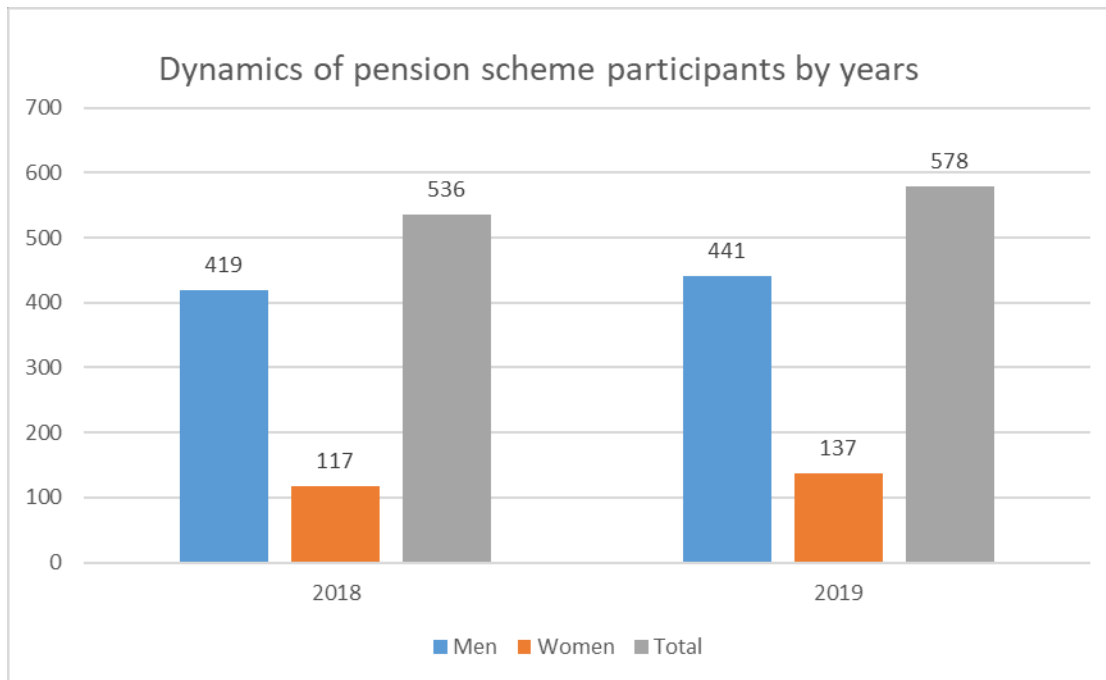


MEMBERS AND BENEFICIARIES OF THE FUND

By the end of 2019, the number of employees in Sakaeronavigatsi Ltd was 806. The scheme has 578 employees (72%) and 228 employees (28%) are not participants of the scheme, out of which 47 employees (6%) do not have sufficient work experience and therefore have no right to join the scheme.



Retirement age is 60 years for women in Georgia and 65 for men. Our pension scheme allows retired employees to postpone pension age, taking into consideration legislation. 77 employees took advantage of the right to postpone pension age. In the below given graph dynamics of pension fund participants according to their gender and year is presented.



BENEFITS PAID

During the year 2019, 11 participants of pension scheme were awarded pension benefits. The pension benefits paid was 157,938.67 GEL:

Category	2019	2018
Disbursement of pension savings to participants	145,709.98	61,976.88
Disbursement of pension savings to heirs	12,228.69	1,458.84
Total	157,938.67	63,435.72

AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT



Moore Abc, LLC

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INDEPENDENT AUDITORS' REPORT

Non-State Retirement Benefit Plan of Sakaeronavigatsia LLC

Opinion

We have audited the accompanying special purpose financial statements of Non-State Retirement Benefit Plan of Sakaeronavigatsia LLC, which comprises of special purpose statement of financial position for the year ended December 31, 2019, special purpose statement of net assets available for benefits, special purpose statement of changes in equity and special purpose statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements as at December 31, 2019 are prepared, in all material respects, according to the basis of preparation described in Note 2 of the special purpose financial statements and accounting policies.

Basis for our Opinion

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes that accompanying financial statements have been prepared to present virtual financial position, financial performance and cash flows of a Non-State Retirement Benefit Plan (which represents the relationships system between Sakaeronavigatsia LLC, as the founder, and its participated employees). Therefore, use of these special purpose financial statements by persons other than those with knowledge of the relevant regulations and the rules of Sakaeronavigatsia LLC's Non-State Retirement Benefit Plan may not be appropriate. Our opinion is not modified in respect of this matter.

Other conditions

Audit of Special purpose financial statements of Non-State Retirement Benefit Plan of Sakaeronavigatsia LLC for the year ended December 31, 2018 was conducted by another auditor, who expressed an unqualified opinion on May 16, 2019.

Responsibilities of Management and Those Charged with Governance for the special purpose Financial Statements

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

Moore Abc is a limited liability company, registered in Georgia with identification number 22612249. Registered in the State Register of Audit Firms with the registration number SA001.P.202044. An independent member firm of Moore Global Network Limited, a network of independent audit and consulting firms.

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INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management and Those Charged with Governance for the special purpose Financial Statements (Continued)

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's special purpose financial statements preparation and reporting process.

Auditors' Responsibility for the Audit of the special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 skepticism 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, misrepresentation, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate appropriateness of the accounting policies used by management, management's affirmation on defined accounting assessment and accuracy of respected notes.

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.

Mikheil Abaladze / Certified Auditor / Partner

Audit firm registration number: SARAS-F-320544

Auditor's registration number: SARAS-A-865011

Date: May 15, 2020

Tbilisi, Georgia



ANNUAL REPORTS

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
 Special Purpose Financial Statements
 For the year ended December 31, 2019
 All amounts are in Georgian Lari - GEL

Special Purpose Statement of Financial Position

	Note	31-Dec-19	31-Dec-18
Equity			
Paid-in capital	3	3,001,392	3,014,014
Retained earnings		265,225	387,379
Total equity		3,266,617	3,401,393
Liabilities			
Retirement benefit scheme gross liability	4	9,604,594	5,571,333
Total liabilities		9,604,594	5,571,333
Total equity and liabilities		12,871,211	8,972,726
Assets			
Bank balances payable on demand	5	3,266,617	3,401,393
Net assets available for benefits	6	9,604,594	5,571,333
Total assets		12,871,211	8,972,726


 Gocha Mezvrishvili
 General Director
 Sakaeronavigatsia LLC

Date: May 15, 2020


 Irakli Zakareishvili
 Financial Manager

 Tamar Odashvili
 Head of Non-State Pension and Provision Department



Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
 Special Purpose Financial Statements
 For the year ended December 31, 2019
 All amounts are in Georgian Lari - GEL

Special Purpose Statement of Net Assets Available for Benefits

	Note	2019	2018
Net assets at January 1		5,571,333	2,328,188
Contributions			
Employer contributions collected	7	2,311,334	1,937,152
Participant (employee) contributions collected	7	898,853	753,337
Total contributions collected		3,210,187	2,690,489
Employer contributions receivable	7	223,188	185,291
Participant (employee) contributions receivable		86,796	72,057
Total contributions receivable		309,983	257,348
Total contributions		3,520,170	2,947,837
Financial income - interest	8	737,408	384,773
Total increase in net assets		4,257,578	3,332,610
Administrative expenses		(66,378)	(26,030)
Benefits paid	9	(157,839)	(63,435)
Total decrease in net assets		(224,317)	(89,465)
Net assets at December 31	6	9,604,594	5,571,333


 Gocha Mezvrishvili
 General Director
 Sakaeronavigatsia LLC

Date: May 15, 2020


 Irakli Zakareishvili
 Financial Manager


 Tamar Odashvili
 Head of Non-State Pension and Provision Department

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
 Special Purpose Financial Statements
 For the year ended December 31, 2019
 All amounts are in Georgian Lari - GEL

Special Purpose Statement of Changes in Equity

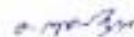
	Paid-in Capital	Retained earnings	Total
Balance as at December 31, 2017	3,014,014	478,606	3,492,620
Net interest	-	358,773	358,773
Non-restricted gains collected	-	(450,000)	(450,000)
Balance as at December 31, 2018	3,014,014	387,379	3,401,393
Net interest	-	265,225	265,225
Non-restricted gains collected	(12,622)	(387,379)	(400,001)
Balance as at December 31, 2019	3,001,392	265,225	3,266,617


 Gocha Mezyrshvili
 General Director
 Sakaeronavigatsia LLC

Date: May 15, 2020



Irakli Zakareishvili
 Financial Manager



Tamar Odiashvili
 Head of Non-State Pension and Provision Department



Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
 Special Purpose Financial Statements
 For the year ended December 31, 2019
 All amounts are in Georgian Lari - GEL

Special Purpose Statement of Cash Flows

	Note	2019	2018
Cash inflow			
Contributions		3,467,635	2,920,099
Employer's contributions		2,496,625	2,102,471
Participants' (employees') contributions		970,910	817,628
Interest income		265,225	358,773
Other incomes		155,987	62,159
Total cash inflow		3,888,747	3,341,031
Cash outflow			
Securities acquisition		(432,053)	-
Additions to short-term demand deposits		-	(218,708)
Additions to long-term deposits		(3,032,934)	(2,700,114)
Benefits paid		(157,939)	(63,436)
Collection of interest from the Fund's account		(400,597)	(450,000)
Total cash outflow		(4,023,523)	(3,432,258)
Net increase / (decrease) of cash and cash equivalents		(134,776)	(91,227)
Cash and cash equivalents at the beginning of the year		3,401,393	3,492,620
Cash and cash equivalents at the end of the year	5	3,266,617	3,401,393

Gocha Mezvinshvili
 General Director

Sakaeronavigatsia LLC

Date: May 15, 2020

Irakli Zakareishvili
 Financial Manager

Tamar Odiashvili

Head of Non-State Pension and Provision Department



NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC

Note to the Special Purpose Financial Statements

For the year ended December 31, 2019

All amount are in Georgian Lari - GEL

1 General information

The Non-State Retirement Benefit Plan ("RBP") of Sakaeronavigatsia LLC was established on December 30, 2015 in order to provide its employees with non-state retirement benefit. The retirement benefit plan is a defined contribution plan.

Sakaeronavigatsia LLC, as the founder of non-state retirement benefit plan and RBP were registered on the basis of order N7/1 dated December 30, 2015 of the Chief of Insurance State Supervision Service of Georgia, LEPL. Retirement benefit plan is managed according to the rule of Sakaeronavigatsia LLC on non-state retirement benefit plan. Retirement benefit plan is not an independent legal entity for legal and tax purposes.

RBP is an employer's plan, where size of contributions are fixed with obligations of the employer to establish individual saving accounts of participants and regularly distribute retirement benefits according to the rules of the retirement benefit plan and employment contracts signed with participants. Social contributions of the retirement benefit plan's participants can be classified as the social contributions of the employer and employees. Rate of contribution to the employer is defined as 18% of a base salary of an employee and 7% for the employee.

As at December 31, 2019 578 employees (2018: 536) of Sakaeronavigatsia LLC participate in retirement benefit plan.

2 Summary of significant accounting policies

2.1 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).

Main accounting policies, that were used to prepare these special purpose financial statements, are presented below. These policies have been consistently applied to all the periods presented.

2.2 Presentation currency

All amounts in these financial statements are in Georgian Lari (GEL) unless otherwise stated.

2.3 Assets and liabilities

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



Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
Note to the Special Purpose Financial Statements
For the year ended December 31, 2019
All amount are in Georgian Lari - GEL

2 Summary of significant accounting policies (Continued)

2.4 Financing

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

2.5 Income

Income represents return on investments.

3 Paid-in capital

According to the legislation in force, the founder of a non-state retirement benefit plan is obliged to create and keep (during the existence of a Plan) pension fund's paid-in capital in the minimum amount of 2,000,000 GEL. The amount of pension fund's capital defined by Sakaeronavigatsia LLC is 3,000,000 GEL, which was placed on a separate bank account (hereinafter "Special Account") on September 17, 2015. Interest (GEL 14,014) accrued on a balance (GEL 3,000,000) of Special Account before January 1, 2016 were added to paid-in capital of the pension fund. During the year 2019 Sakaeronavigatsia LLC withdrew GEL 12,622 from the paid-in capital.

4 Retirement benefit scheme gross liability

	31-Dec-19	31-Dec-18
<i>Retirement benefit scheme gross liability as at January 1</i>	5,571,333	2,328,188
Social contributions	3,520,170	2,947,837
Interest	737,408	384,773
Retirement benefits paid	(157,939)	(63,435)
Administrative expenses	(66,378)	(26,030)
<i>Retirement benefit scheme gross liability as at December 31</i>	9,604,594	5,571,333

5 Bank balances payable on demand

	31-Dec-19	31-Dec-18
Bank balances payable on demand	3,266,617	3,401,393
Total bank balances payable on demand	3,266,617	3,401,393

Non-state Retirement Benefit Plan (RBP) of Sakaeronavigatsia LLC
Note to the Special Purpose Financial Statements
For the year ended December 31, 2019
All amount are in Georgian Lari - GEL

6 Net assets available for benefits	31-Dec-19	31-Dec-18
Securities	712,188	112,911
<i>Georgian government bonds (9.375%_18.01.2028)</i>	395,244	-
<i>Evex Hospitals JSC bonds (RR+3.1%_06.11.2024)</i>	203,496	-
<i>Georgian government bonds (14.375%_16.07.2020)</i>	62,356	61,797
<i>Georgian government bonds (9.375%_16.08.2027)</i>	51,092	51,114
Short-term deposits	2,960,230	2,378,874
<i>Balance on current account</i>	1,083,415	539,442
<i>Up to 12-month deposits</i>	1,876,815	1,839,432
Long-term deposits	5,622,193	2,840,547
<i>Long-term deposits</i>	5,622,193	2,840,547
Receivables	309,983	257,348
<i>Employer contributions receivable</i>	223,188	185,291
<i>Employees contributions receivable</i>	86,795	72,057
Payables	-	(18,347)
<i>Investment management fees payable</i>	-	(18,347)
Total net assets available for benefits	9,604,594	5,571,333

7 Contributions

RBP is a defined contribution plan and contributions are determined as 18% and 7% of the employees' base salary from the Sakaeronavigatsia LLC and employees, respectively.

Contributions to the retirement benefit plan started in 2017. During the year 2019 the total amount of contribution from the employer was GEL 2,311,334 (2018: GEL 1,937,152) and from employees GEL 898,853 (2018: GEL 753,337). As at Decemebr 31, 2019 the accrued payable contribution of the employer is GEL 223,188 (2018: GEL 185,291).

8 Financial income - interest

Financial income - interest includes interest accrued on RBP's investment assets.

9 Benefits paid

Pension savings are distributed to the employees involved in the scheme in the following cases: (1) the employee has reached retirement age and a pension is distributed based on the employee's request; (2) the participant leaves Sakaeronavigatsia LLC before reaching the retirement age, receives the pension savings accumulated in their pension account without deduction; (3) in the event of the death of a participant, the pension shall be paid to their heirs on the same terms and conditions as the participant. During 2019, pension savings distributed to participants amounted GEL 157,939 (2018: GEL 63,435).



10 Events after the reporting period

At the beginning of 2020, the world encountered the danger of spreading the viral coronavirus ("COVID-19"). On March 11, 2020, the World Health Organization announced a pandemic in relation to coronavirus. Due to the situation, the Government of Georgia has developed several measures, including declaring a state of emergency and a curfew. However, due to the substance of the pension scheme, management assesses the risks associated with COVID-19 to a minimum.

There have been no other events after the reporting period end which would require adjustments to the figures presented in these special purpose financial statements or any additional disclosures.



SAKAERONAVIGATSIA

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