



AB NOVATURAS

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the nine-month period ended 30 September 2020

(unaudited)

| | |
|-------------------------------|--|
| Beginning of reporting period | 1 January 2020 |
| End of reporting period | 30 September 2020 |
| Business name | Novaturas, AB (further – “Novaturas” or “the Company”) (The Company’s financial statements and activity ratios are presented consolidated with the results of subsidiaries; separate reports of the parent company are not presented.) |
| Legal form | Public limited company |
| Registration date | 16 December 1999 |
| Registration number | 135567698 |
| LEI code | 097900BGCW0000042109 |
| Manager of register | State Enterprise Centre of Registers |
| Company address | A. Mickevičiaus str. 27, LT-44245 Kaunas |
| Telephone | +370 37 321 264 |
| Fax | +370 37 321 130 |
| Website | www.novaturasgroup.com |

Table of Contents

| | |
|--|----|
| Management report..... | 4 |
| Main ratios..... | 6 |
| Segment information..... | 7 |
| Geographic and other sales split information | 8 |
| Information about changes in the management bodies' structure..... | 10 |
| Share capital and shareholders | 11 |
| Consolidated statements of comprehensive income | 13 |
| Consolidated statements of financial position..... | 14 |
| Consolidated statements of changes in equity | 15 |
| Consolidated statements of cash flow | 16 |
| Notes to the financial statements..... | 17 |
| Information about subsidiaries | 17 |
| Sales and marketing expenses..... | 17 |
| General and administrative expenses | 17 |
| Hedging..... | 18 |
| Borrowings and off-balance sheet commitments..... | 18 |
| Related party transactions | 19 |
| Management confirmation of the Consolidated Financial Statements | 20 |

Management report

2020 nine-month highlights:

- Novaturas's turnover in the nine-months of 2020 was EUR 30.5 mln, while in the same period of 2019 it amounted to EUR 139.6 mln.
- Gross profit amounted to EUR 3.4 mln. In the same period of 2019, it was EUR 16.2 mln.
- Operating expenses amounted to EUR 5.2 mln (61.1% less than in the same period of 2019 when it was EUR 13.4 mln). Excluding the impact of commissions and one-time expenses, operating costs decreased by 40% from the same period a year earlier.
- EBITDA amounted to EUR -1.6 mln, while in same period of 2019 it was EUR 3.0 mln.
- The actual profit tax rate in the nine-months of 2020 was 10.2%, compared to 42.0% in the same period of 2019.
- Novaturas had a net loss of EUR 3.7 mln, compared to net profit of EUR 1.3 mln in the same period of 2019.
- In the first half of 2020, the Company served 42.433 clients, compared to 237.914 in the same period of 2019.

2020 third-quarter highlights:

- Novaturas's turnover in the third quarter of the year was EUR 7.1 mln, while in the same period of 2019 it amounted to EUR 56.3 mln.
- Gross profit amounted to EUR 0.8 mln, compared to EUR 6.1 mln in the same period of 2019.
- Operating expenses totaled EUR 1.6 mln, which was 68% less than in the same period of 2019 when amounted to EUR 4.9 mln. Excluding the impact of commissions and one-time expenses, operating costs decreased by 40.0% from the same period a year earlier.
- EBITDA amounted to EUR -0.7 mln, while in the corresponding period of 2019 it was EUR 1.3 mln.
- The actual profit tax rate in the period was 11.5%, compared to 12.4% in the same period of 2019.
- Novaturas had a net loss of EUR 1.5 mln, compared to net profit EUR 0.9 mln in the corresponding period of 2019.
- During third-quarter 11 228 clients travelled with Novaturas Group, compared to 95.939 clients in the same period of 2019.

Management Comment

Dear all,

Since the first quarter of 2020, tourism sector has been facing and operating in a new reality of constant changes. Due to restrictions caused by the pandemic, only in July we were able to partially resume our operations in all Baltic countries. Constantly changing morbidity rates calculation rules and different state regulations in all the Baltics resulted that we could not resume flights to most of our holiday destinations. Because of these reasons we were able to offer holidays this year only in few countries - Greece, Tunisia and Cyprus. This undoubtedly affected 9 months results - revenue amounted to EUR 30.5 million (at the same time last year – EUR 139.6 million), we incurred a net loss of EUR 3.7 million (we earned a net profit of EUR 1.3 million in the corresponding period in 2019).

To ensure the Company's liquidity and improve future performance ratios, we continue to adhere to the crisis period program. The main aspects of this program are strict cost-saving policy, absorption of states aid measures, cash flow regulation.

We have managed to consistently optimize the Company's costs throughout the crisis. During the first three quarters of 2020, we have reduced our operating expenses by 61.1% if compared with the respective period in 2019. We have agreed with the bank to delay payments of a long-term loan and extend the overdraft until the end of March 2021. These decisions and agreements helped to ensure the Company's liquidity until we can operate more sustainably.

We have actively worked and continue to do so with the governments and responsible institutions of the Baltic States. In Latvia we have received a loan of EUR 1 million, in Lithuania - EUR 5 million long term loan. The Estonian and Latvian governments have provided us with EUR 60 thousand and 81 thousand subsidies. In Latvia, we have also received repatriation compensation of EUR 167 thousand. In all markets we have used a salary compensation of EUR 233 thousand. These state aid measures are crucial for balancing cash flows, and we use them both to ensure the company's liquidity and to refund the travelers. We continue to seek dialogue with the governments on the most sustainable and effective solutions to secure the future of the tourism sector in the face of an unprecedented crisis.

We appreciate our travelers expressed confidence in the tourism sector during this unsettling period. Most of our travelers have agreed to postpone trips affected by COVID-19 restrictions. Postponed travel reservations amount up to EUR 5.8 million. Part of travelers chose vouchers as an alternative for cancelled trips. Value of these vouchers reaches EUR 1.3 million. In total group wide we have received requests for refunds for about EUR 8 million. To the date, we have returned around EUR 5.5 million. For this matter in Lithuania we additionally agreed on EUR 1 million long-term loan, which allowed to refund part of the cancelled trips. We were one of the first to start refunding money for cancelled trips.

To strengthen our relationship with travelers and ensure their good experience, we took over the core business of the subsidiary “Sofa Travel”. Centralization of customer service processes is one of the planned steps to make Company’s own sales channels more effective. This will help to adapt to the newly forming traveling habits, improve the experience of the travelers, maintain high standards of services provided.

In June we have introduced new product to the market – domestic traveling. We have offered accommodation services and sightseeing trips in Lithuania and since the end of July – holiday options in all the Baltics. The revenue of local tourism in the Baltic States in July-September reached 4% of total revenue generated by “Novaturas” group during the relevant period. Interest in local tourism is gradually growing and we will continue to develop it.

We have noticed that people who could not travel during their vacations this year are willingly planning their holidays next year. It influenced us to open sales of 2021 summer and 2021 - 2022 winter holiday seasons unusually early. Tourism infrastructure has already adapted to new health and safety requirements. Safe traveling recommendations have already become a part of our daily lives and it results in more confident future holidays planning.

Sincerely,

Audronė Keinytė

CEO



Main ratios

| Financial indicators* | Q3 2020 | Q3 2019 | Change, % | 9M 2020 | 9M 2019 | Change, % |
|---------------------------|---------|---------|-----------|---------|---------|-----------|
| Sales | 7,078 | 56,311 | -87,4 | 30,554 | 139,571 | -78.1 |
| Gross profit | 768 | 6,098 | -87,4 | 3,429 | 16,158 | -78.8 |
| EBITDA | (741) | 1,287 | - | (1,581) | 3,015 | - |
| Operating profit (EBIT) | (802) | 1,191 | - | (1,770) | 2,789 | - |
| Profit before taxes | (1,639) | 1,032 | - | (4,115) | 2,311 | - |
| Net profit for the period | (1,450) | 904 | - | (3,694) | 1,341 | - |

* Unless otherwise indicated, amounts are in thousands of EUR.

| Relative indicators/ratios | Q3 2020 | Q3 2019 | Change | 9M 2020 | 9M 2019 | Change |
|--------------------------------------|-----------|-----------|---------|-----------|-----------|---------|
| Number of ordinary registered share | 7,807,000 | 7,807,000 | - | 7,807,000 | 7,807,000 | - |
| Profit per share (EUR) | -0.19 | 0.12 | -0.30 | -0.47 | 0.17 | -0.64 |
| Gross profit margin (%) | 10.9 | 10.8 | +0.1pp | 11.2 | 11.6 | -0.4pp |
| EBITDA margin (%) | -10.5 | 2.3 | -12.8pp | -5.2 | 2.2 | -7.4pp |
| EBIT margin (%) | -11.3 | 2.1 | -13.4pp | -5.8 | 2.0 | -7.8pp |
| Profit before taxes margin (%) | -23.2 | 1.8 | -25.0pp | -13.5 | 1.7 | -15.2pp |
| Net profit margin for the period (%) | -20.5 | 1.6 | -22.1 | -12.1 | 1.0 | -13.1pp |
| Return on assets (ROA) (%) | -2.9 | 1.6 | -4.5pp | -7.0 | 2.4 | -9.4pp |
| Debt / equity ratio (%) | 106.0 | 40.2 | 65.8pp | 106.0 | 40.2 | 65.8pp |
| Equity ratio (%) | 30.7 | 30.0 | 0.7pp | 30.7 | 30.0 | 0.7pp |
| Actual profit tax rate (%) | 11.5 | 12.4 | -0.9pp | 10.2 | 42.0 | -31.7pp |
| Total liquidity ratio | 0.78 | 0.83 | -0.05 | 0.78 | 0.83 | -0.05 |

Segment information

For management purposes, Novaturas is organized into business units based on its services (product category), which are as follows:

- Flight package tours
- Sightseeing tours by coach
- Sightseeing tours by plane
- Other sales (flight tickets, hotels, block seats sale to other operators, own agencies commissions)

(Unless otherwise indicated, amounts are in thousands of EUR)

| | Q3 2020 | Q3 2019 | Change | 9M 2020 | 9M 2019 | Change |
|-----------------------------------|------------|--------------|----------------|--------------|---------------|---------------|
| Flight package tours | | | | | | |
| Sales | 5,879 | 48,578 | -87.9% | 25,880 | 121,417 | -78.7% |
| Cost of sales | (5,240) | (42,728) | -87.7% | (23,132) | (105,903) | -78.2% |
| Gross profit | 639 | 5,850 | -89.1% | 2,748 | 15,514 | -78.2% |
| Gross profit margin (%) | 10.9% | 12.0% | -1.2pp | 10.6% | 12.8% | -2.2pp |
| Sales commission expenses | (402) | (2,871) | -86.0% | (1,602) | (7,164) | -77.6% |
| Sales profit by segment | 237 | 2,979 | -92.0% | 1,146 | 8,350 | -86.3% |
| Sales profit margin (%) | 4.0% | 6.1% | -2.1pp | 4.4% | 6.9% | -2.5pp |
| Sightseeing tours by coach | | | | | | |
| Sales | 59 | 1,646 | -96.4% | 88 | 2,954 | -97.0% |
| Cost of sales | (40) | (1,329) | -97.0% | (72) | (2,419) | -97.0% |
| Gross profit | 19 | 317 | -94.0% | 16 | 535 | -97.0% |
| Gross profit margin (%) | 32.2% | 19.3% | 12.9pp | 18.2% | 18.1% | 0.1pp |
| Sales commission expenses | (3) | (72) | -95.8% | (4) | (130) | -96.9% |
| Sales profit by segment | 16 | 245 | -93.5 | 12 | 405 | -97.0% |
| Sales profit margin (%) | 27.1% | 14.9% | 12.2pp | 13.6% | 13.7% | -0.1pp |
| Sightseeing tours by plane | | | | | | |
| Sales | 33 | 505 | -93.5% | 251 | 1,319 | -81.0% |
| Cost of sales | (39) | (402) | -90.3% | (224) | (1,057) | -78.8% |
| Gross profit | (6) | 103 | -105.8% | 27 | 262 | -89.7% |
| Gross profit margin (%) | -18.2% | 20.4% | -38.6pp | 10.8% | 19.9% | -9.1pp |
| Sales commission expenses | (1) | (27) | -96.3% | (13) | (70) | -81.4% |
| Sales profit by segment | (7) | 76 | -109.2% | 14 | 192 | -92.7% |
| Sales profit margin (%) | 21.2% | 15.0% | -36.3pp | 5.6% | 14.6% | -9.0pp |
| Other products | | | | | | |
| Sales | 1,107 | 5,582 | -80.2% | 4,335 | 13,881 | -68.8% |
| Cost of sales | (991) | (5,754) | -82.8% | (3,697) | (14,034) | -73.7% |
| Gross profit | 116 | (172) | - | 638 | (153) | - |
| Gross profit margin (%) | 10.5% | -3.1% | 13.6pp | 14.7% | -1.1% | 15.8pp |
| Sales commission expenses | - | - | - | - | - | - |
| Sales profit by segment | 116 | (172) | - | 638 | (153) | - |
| Sales profit margin (%) | 10.5% | -3.1% | 13.6pp | 14.7% | -1.1% | 15.8pp |

Sales of flight package tours accounted for the largest part of sales. Sightseeing tours by coach and by plane remained small products, while sales of other activities have limited impact on the overall profit.

Geographic and other sales split information

The Company's activities included tour organization and the distribution of tours through diversified and complementary distribution channels: a retail network of travel agencies and own retail channels (own travel agencies, e-commerce sales, tickets only sales through the Global Distribution System (GDS)). The Company partners with over 400 travel agencies, including all of the major agencies in the Baltics and more than 60 in Belarus. E-commerce sales are via Company websites. During the nine-months of 2020, the Company's websites were visited by 1.9 million unique visitors, which is 45% less than the 3.4 million unique visitors in the nine-months of 2019.

The Group sells flight tickets for its own organized charter flights via GDS, which means that Novaturas' charter tickets are available worldwide – to travel agents and also to passengers directly via internet portals for airline tickets.

The table below shows a breakdown of revenue by distribution channels:

| | Q3 2020, % | Q3 2019, % | Change | 9M 2020, % | 9M 2019, % | Change |
|-----------------|--------------|--------------|---------|--------------|--------------|---------|
| Travel agencies | 72.8 | 70.8 | +2.0 pp | 74.3 | 71.9 | +2.6 pp |
| Own retail | 11.7 | 10.7 | +1.0 pp | 11.5 | 11.3 | +0.2 pp |
| Web sales | 13.3 | 15.6 | -2.3 pp | 13.0 | 14.8 | -1.8 pp |
| GDS | 2.2 | 2.9 | -0.7 pp | 1.2 | 2.1 | -0.9 pp |
| Total | 100.0 | 100.0 | | 100.0 | 100.0 | |

Due to the restrictions caused by the COVID-19 pandemic, Novaturas Group has suspended its operation in the second quarter of 2020. Restrictions imposed have influenced 9 months 2020 financial results significantly.

Number of clients served by country of sales (in thousands of clients):

| | Q3 2020 | Q3 2019 | Change, % | 9M 2020 | 9M 2019 | Change, % |
|--------------|-------------|--------------|--------------|-------------|--------------|--------------|
| Lithuania | 4.7 | 49.8 | -90.6 | 17.3 | 121.5 | -85.7 |
| Latvia | 1.1 | 23.7 | -95.5 | 8.3 | 50.7 | -83.6 |
| Estonia | 5.5 | 26.2 | -79.1 | 16.7 | 63.4 | -73.9 |
| Other | - | 1.1 | -100.0 | 0.1 | 1.9 | -93.3 |
| Total | 11.3 | 100.9 | -88.9 | 42.4 | 237.9 | -82.2 |

The Company's main product remained packaged tours. Number of clients served by product category (in thousands of clients):

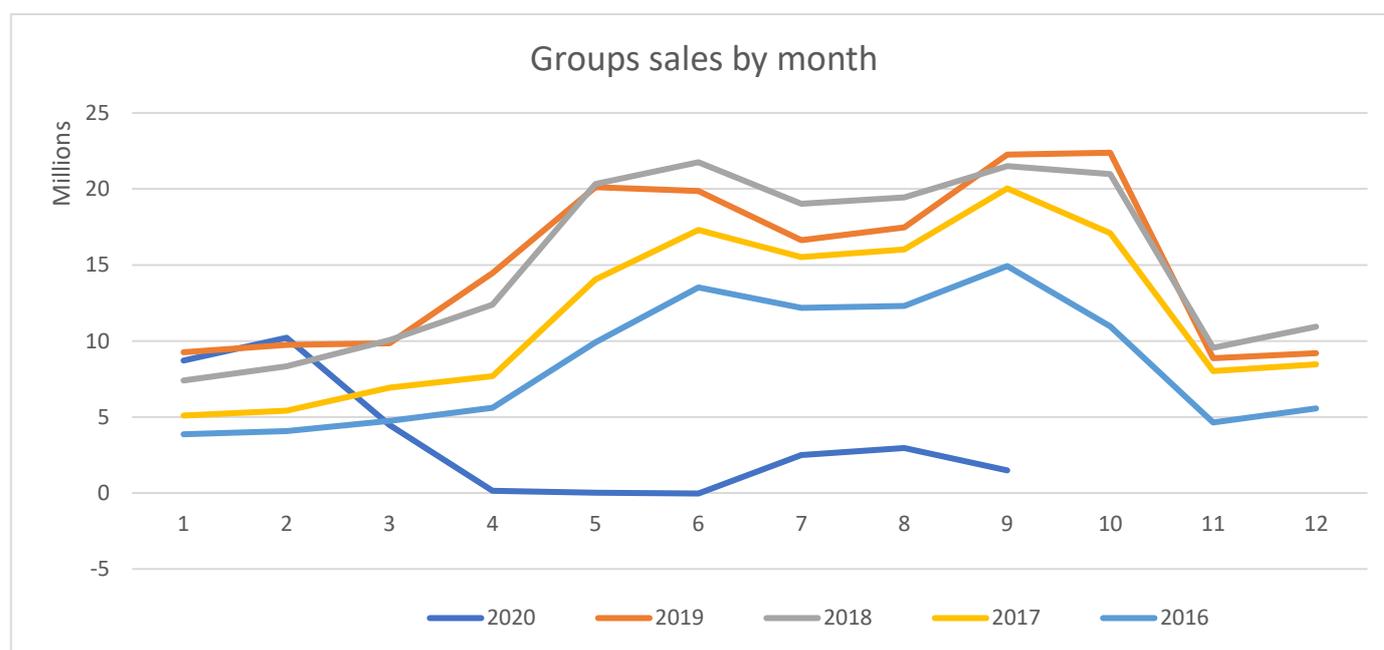
| | Q3 2020 | Q3 2019 | Change, % | 9M 2020 | 9M 2019 | Change, % |
|--|-------------|--------------|--------------|-------------|--------------|--------------|
| Flight package tours | 8,7 | 76,3 | -88,6 | 35,1 | 192,5 | -81,8 |
| Sightseeing tours by coach | 0,3 | 4,4 | -93,7 | 0,5 | 8,7 | -94,7 |
| Sightseeing tours by plane | - | 0,5 | -100,0 | 0,2 | 1,4 | -85,4 |
| Other sales (separate flight and hotel services) | 2,2 | 19,7 | -88,7 | 6,7 | 35,2 | -81,1 |
| Total | 11,2 | 100,9 | -88,9 | 42,5 | 237,9 | -82,2 |

Due to COVID-19 restrictions, the most popular summer holiday destinations (Turkey, Bulgaria and Greece) were not open at the usual time and from the very beginning of the summer season. Winter holiday destinations (Egypt, the Spanish island of Tenerife, ski and exotic destinations) before COVID-19 impact were more in demand compared to the same period in 2019.

The breakdown of group package travel sales by destinations is as follows:

| | Q3 2020, % | Q3 2019, % | Change | 9M 2020, % | 9M 2019, % | Change |
|----------------------------------|--------------|--------------|----------|--------------|--------------|----------|
| Turkey | - | 47,6 | - | - | 40,7 | - |
| Greece | 61,9 | 18,1 | - | 14,7 | 13,1 | - |
| Egypt | - | 2,8 | - | 38,4 | 16,2 | - |
| Bulgaria | 2,4 | 17,2 | - | 0,6 | 9,7 | - |
| Spain (including Canary Islands) | - | 3,0 | - | 10,7 | 5,0 | - |
| Skiing | - | - | - | 9,2 | 2,5 | - |
| Long haul | - | 0,1 | - | 13,0 | 3,1 | - |
| Other destinations | 35,7 | 11,2 | - | 13,4 | 9,7 | - |
| Total | 100,0 | 100,0 | - | 100,0 | 100,0 | - |

Group monthly sales seasonality was as follows:



Information about changes in the management bodies' structure

According to the decision of the ordinary general meeting of the shareholders of the Company the management bodies' structure has been changed by eliminating the Supervisory Board of the Company and increasing members of the Board from 3 to 5. The Company as of the 30th of June 2020 has one collegial body - the Board, to which part of the supervisory functions were delegated. 2 members of increased and newly elected Board shall be independent. A team of the Company's top executives formed the previous members of the Board.

Considering the structure of the Company's shareholders, the size of the Company, the number of employees, and the structure of Novaturas Group, the proposed changes in corporate governance shall simplify the management of the Company and make it more efficient. Greater involvement of independent members in the management of the Company, rather than in supervision, shall provide opportunities to supplement the existing competencies of the Company and make maximum use of the knowledge and experience of the current management and at the same time incorporate new approaches and good governance practices. The changes also shall strengthen the management of the group, with more decisions relating to subsidiaries being added to the Board's remit.

A model like this is recommended among the most effective forms of corporate governance, ensures the representation of shareholders and other stakeholders, and the efficiency and productivity of the Company's operations.

The Board is elected for 4 years. The new members of the Board of the Company are competent professionals with the needed experience.

Information about the Board as of the 30th of September 2020:

| Name | Position on the Board | Legal entity and position | Number of shares held in the Company | Start of term |
|--------------------|--|---|--------------------------------------|---------------|
| Ugnius Radvila | Member of the Board | - | 740,702 | 2020-06-30 |
| Vidas Paliūnas | Member of the Board | Business Center 32, UAB; – Member of the Management Board | 535,278 | 2020-06-30 |
| Janek Pohla | Member of the Board | Member of the Board of the Estonian Chamber of Commerce and Industry; Tahe Outdoors, OU – member of Management Board; Rendez Vous, OU – member of Management Board and sole owner | 800,000 | 2020-06-30 |
| Andrius Jurkonis | Member of the Board (independent member) | Open type investment fund Axia Capital – fund manager; Farmacijos kapitalas, JSC – director; New Pharma, CEE – director; Privataus kapitalo investicijos, JSC – director; New retail LV, JSC – director and 100% owner | - | 2020-06-30 |
| Virginijus Lepeška | Chairman of the Board (independent member) | Organizacijų vystymo centras, JSC – consultant, chairman of the Board; OVC mokymai, JSC – consultant; AL holdingas, JSC – deputy director, member of the Board; Swenheim, JSC – deputy director, member of the Board; Biseris, JSC – member of the Board; Lewben, JSC – member of the Board | - | 2020-06-30 |

Company's top executives as of the 30th of September 2020:

| Name | Position within the Company | Number of shares held in the Company |
|-----------------|-----------------------------|--------------------------------------|
| Audronė Keinytė | CEO | - |
| Tomas Staškūnas | CFO | 58,192 |
| Ieva Galvydienė | CCO | - |

Share capital and shareholders

The Company's share capital is EUR 234,210. It consists of 7,807,000 ordinary registered shares with a nominal value of EUR 0.03. The number of shares of the Company that grant votes in the General Meeting of Shareholders is 7,807,000.

The ordinary registered shares of AB Novaturas (ISIN code LT0000131872) are listed on the Official List of the Nasdaq Vilnius Stock Exchange (symbol NTU1L) and on the Warsaw Stock Exchange (symbol NTU, ISIN code LT0000131872).

Information about trading in AB Novaturas shares from 21 March 2018 to 30 September 2020 on the Nasdaq Vilnius exchange in Lithuania:

| | Currency | Opening price | Maximum price | Lowest price | Closing price | Average price | Volume (quantity) | Volume (EUR) |
|---------|----------|---------------|---------------|--------------|---------------|---------------|-------------------|--------------|
| Q1 2018 | EUR | 11.00 | 12.40 | 10.56 | 10.85 | 11.38 | 17,830 | 202,845 |
| Q2 2018 | EUR | 10.85 | 11.37 | 10.67 | 11.20 | 11.01 | 183,160 | 2,016,183 |
| Q3 2018 | EUR | 11.25 | 12.78 | 11.05 | 11.05 | 11.76 | 57,065 | 671,148 |
| Q4 2018 | EUR | 11.20 | 11.23 | 7.90 | 8.00 | 8.94 | 111,267 | 994,816 |
| Q1 2019 | EUR | 7.90 | 8.60 | 7.90 | 8.31 | 8.28 | 53,408 | 442,387 |
| Q2 2019 | EUR | 8.31 | 8.50 | 6.80 | 7.05 | 8.02 | 276,376 | 2,216,747 |
| Q3 2019 | EUR | 7.15 | 7.80 | 6.40 | 6.55 | 7.03 | 61,452 | 431,871 |
| Q4 2019 | EUR | 6.55 | 6.80 | 4.20 | 4.30 | 4.27 | 1,380,166 | 5,906,141 |
| Q1 2020 | EUR | 4.30 | 4.68 | 2.12 | 2.22 | 3.89 | 821,795 | 3,200,535 |
| Q2 2020 | EUR | 2.20 | 3.02 | 1.93 | 2.32 | 2.05 | 4,359,777 | 8,931,213 |
| Q3 2020 | EUR | 2.32 | 2.36 | 1.76 | 1.77 | 2.06 | 833,520 | 1,719,428 |

As of 30 September 2020, the company's market capitalization was EUR 16.0 million and remains the same in the third quarter.

Information about trading in AB Novaturas shares from 21 March 2018 to 30 September 2020 on the "GPW main market" at the Warsaw Stock Exchange in Poland:

| | Currency | Opening price | Maximum price | Lowest price | Closing price | Average price | Volume (quantity) | Volume (PLN) |
|---------|----------|---------------|---------------|--------------|---------------|---------------|-------------------|--------------|
| Q1 2018 | PLN | 43.90 | 45.95 | 43.60 | 43.95 | 45.49 | 24,951 | 1,134,971 |
| Q2 2018 | PLN | 43.95 | 48.00 | 42.60 | 48.00 | 44.96 | 150,462 | 6,765,241 |
| Q3 2018 | PLN | 48.00 | 56.00 | 44.20 | 47.30 | 48.71 | 48,202 | 2,348,140 |
| Q4 2018 | PLN | 47.30 | 48.30 | 32.39 | 33.20 | 36.98 | 39,843 | 1,473,410 |
| Q1 2019 | PLN | 33.20 | 38.48 | 33.15 | 37.80 | 34.23 | 19,337 | 661,820 |
| Q2 2019 | PLN | 37.80 | 40.00 | 31.80 | 33.20 | 34.38 | 5,150 | 177,060 |
| Q3 2019 | PLN | 31.80 | 31.80 | 27.20 | 28.40 | 28.71 | 2,824 | 81,070 |
| Q4 2019 | PLN | 28.00 | 28.60 | 17.00 | 17.50 | 20.70 | 87,854 | 1,818,800 |
| Q1 2020 | PLN | 17.20 | 21.00 | 12.00 | 12.00 | 17.66 | 1,685 | 29,760 |
| Q2 2020 | PLN | 8.00 | 13.10 | 8.00 | 9.85 | 10.34 | 102,261 | 1,056,950 |
| Q3 2020 | PLN | 9.80 | 10.90 | 7.60 | 8.50 | 9.15 | 16,461 | 150,650 |

As of 30 September 2020, the company's market capitalization was PLN 76.9 million and, calculated in PLN, increased by 15.88% during second quarter.

Shareholders holding at least 5% of share capital and votes as of 30 September 2020:

| Name of the shareholder | Number of shares | Share of authorized capital and total number of votes |
|--------------------------------|-------------------------|--|
| Rendez Vous OU | 800,000 | 10.25 |
| Moonrider OU | 780,000 | 9.99 |
| ME Investicija | 779,900 | 9.99 |
| Ugnius Radvila | 740,702 | 9.49 |
| Rytis Šūmakaris | 535,278 | 6.86 |
| Vidas Paliūnas | 535,278 | 6.86 |
| Rondam AS | 410,000 | 5.25 |
| Others (free float) | 3,225,842 | 41.32 |
| Total | 7,807,000 | 100.00 |

Consolidated statements of comprehensive income

(Unless otherwise indicated, amounts are in thousands of EUR)

| | Q3 2020 | Q3 2019 | Change, % | 9M 2020 | 9M 2019 | Change, % |
|---|----------------|--------------|--------------|----------------|---------------|--------------|
| Sales | 7,078 | 56,311 | -87.4 | 30,554 | 139,571 | -78.1 |
| Cost of sales | (6,310) | (50,213) | -87.4 | (27,125) | (123,413) | -78.0 |
| Gross profit | 768 | 6,098 | -87.4 | 3,429 | 16,158 | -78.8 |
| Sales and marketing expenses | (998) | (3,991) | -75.0 | (3,452) | (10,357) | -66.7 |
| General and administrative expenses | (577) | (917) | -37.1 | (1,747) | (3,012) | -42.0 |
| Other operating income | 5 | 1 | - | 1 | 2 | - |
| Other operating (expenses) | - | - | - | (1) | (2) | - |
| Profit from operations | (802) | 1,191 | - | (1,770) | 2,789 | - |
| Finance income | 48 | 100 | - | 580 | 370 | - |
| Finance (expenses) | (885) | (259) | - | (2,925) | (848) | - |
| Profit before tax | (1,639) | 1,032 | - | (4,115) | 2,311 | - |
| Income tax (expense) | 189 | (128) | - | 421 | (970) | - |
| Net profit | (1,450) | 904 | - | (3,694) | 1,341 | - |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | | | | | | |
| Result of changes in cash flow hedge reserve | 467 | 70 | - | (1,188) | 1,295 | - |
| Impact of income tax | (69) | (10) | - | 179 | (194) | - |
| Total comprehensive income for the year | (1,052) | 964 | - | (4,703) | 2,442 | - |
| Net profit attributable to: | | | | | | |
| The shareholders of the Company | (1,450) | 904 | - | (3,694) | 1,341 | - |
| Non-controlling interests | - | - | - | - | - | - |
| | (1,450) | 904 | - | (3,694) | 1,341 | - |
| Total comprehensive income attributable to: | | | | | | |
| The shareholders of the Company | (1,052) | 964 | - | (4,703) | 2,442 | - |
| Non-controlling interests | - | - | - | - | - | - |
| | (1,052) | 964 | - | (4,703) | 2,442 | - |
| Earnings per share (EPS) for continuing operations: | | | | | | |
| Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR) | (0.19) | 0.12 | - | (0.47) | 0.17 | - |

Consolidated statements of financial position

(Unless otherwise indicated, amounts are in thousands of EUR)

| | 30 September 2020 | 31 December 2019 | 30 September 2019 |
|--|-------------------|------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 30,327 | 30,327 | 30,327 |
| Other intangible assets | 144 | 248 | 290 |
| Property, plant and equipment | 136 | 208 | 231 |
| Right-of-use assets | 504 | 562 | - |
| Long term receivables | 217 | 220 | 222 |
| Deferred income tax asset | 580 | 30 | 7 |
| Total non-current assets | 31,908 | 31,595 | 31,077 |
| Current assets | | | |
| Inventories | 2 | 4 | 4 |
| Prepayments and deferred expenses | 8,400 | 8,973 | 6,295 |
| Trade accounts receivable | 529 | 652 | 929 |
| Prepaid income tax | 70 | 175 | 177 |
| Other receivables | 805 | 874 | 1,176 |
| Other current financial assets | - | 261 | - |
| Restricted cash | 3,200 | 2,300 | 3,200 |
| Cash and cash equivalents | 5,559 | 4,554 | 13,108 |
| Total current assets | 18,565 | 17,793 | 24,889 |
| Total assets | 50,473 | 49,388 | 55,966 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 234 | 234 | 234 |
| Cash flow hedge reserve | (788) | 222 | (251) |
| Legal reserve | 29 | 29 | 29 |
| Foreign currency translation reserve | 145 | 145 | 145 |
| Retained earnings | 15,830 | 19,524 | 16,651 |
| Total equity | 15,450 | 20,154 | 16,808 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Non-current borrowings | 10,740 | 4,000 | 6,000 |
| Other non-current liabilities | 171 | - | - |
| Deferred income tax liabilities | - | - | 3,204 |
| Non-current lease liabilities | 302 | 360 | - |
| Total non-current liabilities | 11,213 | 4,360 | 9,204 |
| Current liabilities | | | |
| Current portion of non-current borrowings | 2,086 | 2,000 | 750 |
| Current borrowings | 3,550 | - | - |
| Trade payables | 1,776 | 4,173 | 5,872 |
| Advances received | 13,188 | 14,997 | 22,337 |
| Income tax payable | 977 | 1,253 | 74 |
| Other current liabilities and accrued expenses | 1,090 | 2,235 | 921 |
| Lease liabilities | 214 | 216 | - |
| Other current financial liabilities | 929 | - | - |
| Total current liabilities | 23,810 | 24,874 | 29,954 |
| Total equity and liabilities | 50,473 | 49,388 | 55,966 |

Consolidated statements of changes in equity

(Unless otherwise indicated, amounts are in thousands of EUR)

| | Share capital | Legal reserve | Cash flow hedge reserve | Retained earnings | Foreign currency translation reserve | Equity attributable to equity holders |
|--|---------------|---------------|-------------------------|-------------------|--------------------------------------|---------------------------------------|
| Balance as at 31 December 2018 | 234 | 29 | (1,351) | 15,310 | 145 | 14,367 |
| Net profit for the year | - | - | - | 4,214 | - | 4,214 |
| Other comprehensive income | - | - | 1,573 | - | - | 1,573 |
| Total comprehensive income | | | 1,573 | 4,214 | - | 5,787 |
| Increase in share capital | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | - |
| Balance as at 31 December 2019 | 234 | 29 | 222 | 19,524 | 145 | 20,154 |
| Net profit for the year | - | - | - | (3,694) | - | (3,694) |
| Other comprehensive income | - | - | (1,009) | - | - | (1,009) |
| Total comprehensive income | | | (1,009) | (3,694) | - | (4,703) |
| Increase in share capital | - | - | - | - | - | - |
| Dividends paid | - | - | - | - | - | - |
| Balance as at 30 September 2020 | 234 | 29 | (788) | 15,830 | 145 | 15,450 |

Consolidated statements of cash flow

(Unless otherwise indicated, amounts are in thousands of EUR)

| | 9M 2020 | 9M 2019 |
|--|----------------|----------------|
| Cash flows from (to) operating activities | | |
| Net profit | (3,694) | 1,341 |
| Adjustments for non-cash items: | | |
| Depreciation and amortization | 189 | 226 |
| Change in deferred income tax | - | 423 |
| Current income tax expenses | - | 970 |
| Elimination of financial, investment and other non-cash activity results | (416) | 1,576 |
| | (3,921) | 4,536 |
| Changes in working capital: | | |
| Decrease in inventories | 2 | (1) |
| (Increase) decrease in trade receivables | 123 | (232) |
| (Increase) decrease in other receivables | 330 | 852 |
| (Increase) decrease in prepayments and deferred expenses | 576 | 2,409 |
| Increase (decrease) in trade payables | (2,397) | 1,261 |
| Increase in advances received | (1,809) | 8,078 |
| Income tax paid | (721) | (978) |
| Increase (decrease) in other accounts payable and accrued expenses | (217) | (2,872) |
| Net cash flows from operating activities | (8,034) | 13,053 |
| Cash flows from (to) investing activities | | |
| (Acquisition) of non-current assets (except investments) | (19) | (64) |
| Proceeds from sale of non-current assets (except investments) | 5 | 36 |
| Net cash flows (to) investing activities | (14) | (28) |
| Cash flows from financing activities | | |
| Loans received | 14,997 | 8,000 |
| (Repayment) of loans | (4,450) | (9,250) |
| Interest (paid) | (594) | (370) |
| Net cash flows (to) financing activities | 9,953 | (1,620) |
| Net increase (decrease) in cash flows | 1,905 | 11,405 |
| Cash and cash equivalents at the beginning of the year | 6,854 | 4,903 |
| Cash and cash equivalents at the end of period | 8,759 | 16,308 |

Notes to the financial statements

Information about subsidiaries

Novaturas Group is a holding structure and AB Novaturas is the parent company which conducts operations directly and through subsidiaries in their respective markets - Lithuania, Latvia and Estonia.

| Company | Country of operations | Shareholding % as of 30 September 2020 |
|-----------------------------|-----------------------|--|
| Novatours SIA | Latvia | 100 |
| Novatours OÜ | Estonia | 100 |
| Aviaturas ir Partneriai UAB | Lithuania | 100 |
| SRL Novatours Holidays* | Romania | 100 |

* Operations of the subsidiary in Romania were discontinued in 2009.

Sales and marketing expenses

| | Q3 2020 | Q3 2019 | Change, % | 9M 2020 | 9M 2019 | Change, % |
|------------------------------------|------------|--------------|--------------|--------------|---------------|--------------|
| Commissions | 406 | 2,970 | -86.3 | 1,619 | 7,364 | -78.0 |
| Salaries and related taxes | 409 | 621 | -34.2 | 1,165 | 1,826 | -36.2 |
| Advertising and marketing expenses | 98 | 284 | -65.4 | 410 | 797 | -48.6 |
| Rent and maintenance expenses | 54 | 58 | -6.1 | 155 | 168 | -7.7 |
| Depreciation and amortization | 8 | 6 | +38.0 | 27 | 15 | +80.0 |
| Business trips expenses | 1 | 4 | -76.9 | 9 | 25 | -64.0 |
| Communication expenses | 7 | 9 | -17.7 | 21 | 32 | -34.4 |
| Transportation expenses | 5 | 12 | -58.6 | 16 | 29 | -44.8 |
| Representation expenses | - | 12 | - | 8 | 49 | -83.7 |
| Training expenses | - | - | - | 1 | - | -50.0 |
| Other | 10 | 16 | -37.9 | 21 | 50 | -58.0 |
| Total: | 998 | 3,991 | -75.0 | 3,452 | 10,357 | -66.7 |

General and administrative expenses

| | Q3 2020 | Q3 2019 | Change, % | 9M 2020 | 9M 2019 | Change, % |
|-------------------------------|------------|------------|--------------|--------------|--------------|--------------|
| Salaries and related taxes | 297 | 489 | -39.2 | 843 | 1,573 | -46.4 |
| Rent and maintenance expenses | 24 | 25 | -4.0 | 65 | 92 | -29.3 |
| Depreciation and amortization | 53 | 88 | -40.1 | 163 | 211 | -22.7 |
| Business trips expenses | - | 23 | -100.0 | 8 | 65 | -87.7 |
| Communication expenses | 6 | 10 | -40.3 | 17 | 29 | -41.4 |
| Consulting expenses | 44 | 24 | +84.2 | 137 | 149 | -8.1 |
| Transportation expenses | 8 | 10 | -16.1 | 24 | 33 | -27.3 |
| Representation expenses | 6 | 30 | -80.2 | 20 | 75 | -73.3 |
| Bad debt expenses | - | 4 | - | - | 30 | - |
| Training expenses | - | 6 | - | 6 | 16 | -62.5 |
| Other | 139 | 209 | -33.5 | 464 | 739 | -37.2 |
| Total: | 577 | 917 | -37.1 | 1,747 | 3,012 | -42.0 |

In the nine-months of 2020, the Company incurred one-off expenses related to legal cases (EUR 42,000) and headcount decrease (EUR 33,000). In the nine-months of 2019, the Company incurred one-off expenses related to legal cases (EUR 105,000) and headcount decrease (EUR 66,000).

Hedging

The Company operates as a tour operator. Due to its business specifics the Company is exposed to the risk of fluctuation in the price of aviation fuel and the EUR/USD foreign exchange rate. The Company hedges against changes in aviation fuel prices (which affect fuel costs) and against changes in the EUR/USD exchange rate (which affects fuel and hotel costs) for the entire period of early bookings for upcoming summer and winter seasons using forward and future contracts. When derivative positions are closed on a monthly basis, the result is accounted in the comprehensive income report.

The tables below present the closed hedging contracts result and still-held hedging contracts at the period-end market value (in thousands of EUR):

| | Q3 2020 | Q3 2019 | Change | 9M 2020 | 9M 2019 | Change |
|--|--------------------------|-------------------------|---------------|--------------------------|----------------|---------------|
| Result of closed hedging contracts already reflected in the period statement of comprehensive income | (640) | (239) | (401) | (1,698) | (462) | (1,236) |
| | 30 September 2020 | 31 December 2019 | | 30 September 2019 | | |
| Market value of existing hedges at the end of the period | (927) | 261 | | (295) | | |

Ineffective result of closed hedging contracts for the 2nd and 3rd quarters is reflected under financing activities in statement of comprehensive income.

Borrowings and off-balance sheet commitments

The loans granted to the company are shown in the table below:

| Long term borrowings | 30 September 2020 | 31 December 2019 | 30 September 2019 |
|---|--------------------------|-------------------------|--------------------------|
| AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 3.8% | 6,000 | 6,000 | 7,500 |
| AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 4.0% | 4,826 | - | - |
| UAB „Investicijų ir verslo garantijos“ loan, annual interest rate 1.69% | 1,000 | - | - |
| Altum loan, annual interest rate 2.9% | 1,000 | - | - |
| Current portion of non-current borrowings | (2,086) | (2,000) | (1,500) |
| Total non-current borrowings | 10,740 | 4,000 | 6,000 |
| | 30 September 2020 | 31 December 2019 | 30 September 2019 |
| Current borrowings | | | |
| AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 4.0% | 3,550 | - | - |
| Total current borrowings | 3,550 | - | - |

Information regarding received but unused borrowings as at 30 September 2020:

| | |
|--|-----|
| AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 4.0% | 174 |
|--|-----|

The company also had unused overdraft in amount of EUR 1,087

Off-balance sheet commitments:

| Bank guarantees | Total Limit at 30 September 2020 | Used limit at 30 Septemebr 2020 |
|--|---|--|
| AB Luminor Bank annual interest rate of 3-month EURIBOR + 1.7% | 10,000 | 10,000 |

Bank guarantees are used to ensure the travel organizer's obligations in Lithuania, Latvia and Estonia.

Related party transactions

During the nine-month period ended 30 September 2020, total payments of EUR 55,000 (of which EUR 31,00 during the third quarter) were made to Supervisory Council and Board members.

Management confirmation of the Consolidated Financial Statements

In accordance with Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Audronė Keinytė, the CEO of AB Novaturas, and Tomas Staškūnas, the CFO of AB Novaturas, hereby confirm that, to the best of our knowledge, the unaudited interim consolidated financial statements for AB Novaturas for the nine-month period ended 30 September 2020, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the consolidated group's assets, liabilities, financial position, profit or loss, and cash flows.

Audronė Keinytė
CEO

Tomas Staškūnas
CFO