



**AB NOVATURAS**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND  
CONSOLIDATED INTERIM REPORT

**for the six-month period ended 30 June 2021**

**(unaudited)**

Beginning of reporting period	1 January 2021
End of reporting period	30 June 2021
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	<a href="http://www.novaturasgroup.com">www.novaturasgroup.com</a>

## Table of Contents

Management report.....	4
Main ratios.....	6
Segment information.....	8
Geographic and other sales split information .....	10
Information about changes in the management bodies' structure.....	13
Share capital and shareholders .....	14
Consolidated statements of comprehensive income .....	17
Consolidated statements of financial position.....	19
Consolidated statements of changes in equity .....	20
Consolidated statements of cash flow .....	21
Notes to the financial statements.....	22
Information about subsidiaries .....	22
Sales and marketing expenses.....	22
General and administrative expenses .....	23
Hedging.....	23
Borrowings and off-balance sheet commitments.....	25
Related party transactions .....	25
Management confirmation of the Consolidated Financial Statements .....	26
Interim Consolidated Report .....	27

## Management report

### 2021 first-half highlights:

- Novaturas's turnover in the first half of 2021 was EUR 29.1 mln, while in the same period of 2020 it amounted to EUR 23.5 mln.
- Gross profit amounted to EUR 5.2 mln. In the same period of 2020, it was EUR 2.7 mln.
- Operating expenses amounted to EUR 3.6 mln and were 1% lower as to compare with first-half period of 2020. Excluding the impact of commissions and one-time expenses, operating costs decreased by 17% from the same period a year earlier.
- EBITDA amounted to EUR 1.8 mln, while in same period of 2020 it was EUR -0.8 mln.
- The actual profit tax rate in the first half of 2020 was -8.7%, compared to 9.4% in the same period of 2020.
- Novaturas had a net profit of EUR 1.1 mln, compared to net loss of EUR 2.2 mln in the same period of 2020.
- In the first half of 2021, the Company served 46.082 clients, compared to 31.205 in the same period of 2020.

### 2020 second-quarter highlights:

- Novaturas's turnover in the second quarter of the year was EUR 23.4 mln, while in the same period of 2020 it amounted to EUR 0.1 mln.
- Gross profit amounted to EUR 3.5 mln, compared to EUR 0.1 mln in the same period of 2020.
- Operating expenses totaled EUR 2.5 mln, which was 204% higher than in the same period of 2020 when amounted to EUR 0.8 mln. Excluding the impact of commissions and one-time expenses, operating costs increased by 51.0% from the same period a year earlier.
- EBITDA amounted to EUR 1.2 mln, while in the corresponding period of 2020 it was EUR -0.7 mln.
- The actual profit tax rate in the period was -8.7%, compared to 8.5% in the same period of 2020.
- Novaturas had a net profit of EUR 0.9 mln, compared to net loss EUR 1.9 mln in the corresponding period of 2020.
- In the second quarter of 2021 the Company served 37 142 clients. In the second quarter of 2020, Company's operations have been suspended due to travel restrictions caused by COVID-19.

### Management Comment

Dear All,

During the first 6 months of this year, we have earned 1.1 million euros net profit, while in the same period last year suffered a loss of 2.2 million euros. EBITDA ratio during this half year reached 1.8 million euros, compared to a loss of 0.8 million euros in the same period last year. While comparing these profitability indicators with the same period of 2019, the results achieved back then were more modest, EBITDA amounted to 1.7 million euros, and net profit reached 0.4 million euros. During the first half of 2021 our supply of holiday destinations available gradually became similar to the usual one of the pre-pandemic years.

During the first half of this year, we have served over 46 thousand customers, which is 48% more than in the corresponding period last year. The group's revenue for the 6 months amounted to 29.1 million euros and exceeded the results of the first half of 2020 by 24%. During the first half of this year, the number of people served, and the income earned are still lower than the corresponding time in 2019, but we are steadily reducing the difference every month.

With the gradual resumption of operations, our operating expenses reached 3.6 million euros and were 1% lower as to compare with first half of 2020. Excluding the impact of commissions and one-time expenses, operating expenses decreased by 17% compared to the same period in 2020. Taken leadership in being the first in the market to open safe holidays destinations, increasing flight programs, and the acceleration of vaccination processes - all these factors had a positive effect on our first half profitability ratios.

### Recovery of the tourism sector and plans for autumn

We have started 2021 holiday season in February with scheduled flight programs and gradually increased our operations since March. In the first quarter of this year, we have operated flights to Tenerife and Egypt. During the second quarter, after a year break, we have resumed flights from all the markets to the most popular summer holiday destination – Turkey. In May the Greek islands of Crete, Rhodes and Corfu were added to holiday destinations portfolio. In June our planes took

off to Bulgaria and Montenegro. The latter holiday destination became a star of this summer season and because of its high demand, we have doubled planned flights to Montenegro.

In June, most of the restrictions were lifted in Lithuania, vaccination processes started, and it gave the impulse travel abroad more freely and actively. In June we have served 17 thousand travelers, i. e. 7 thousand more than in May.

In the middle of 2021, the pace of vaccination process has accelerated. The EU digital COVID certificate that has come into force in July, stabilized the rules of travelling and it opened the possibility to travel safely to a larger number of people. Testing services have become widely available to the travelers, in many countries' tests can be done at the airports. Insurance companies and banks have also adapted to these changes and offer special COVID-19 insurances that cover the cost of treatment in case the travelers get infected with the virus. All holiday destinations are fully adapted to the new travel reality and have implemented safety and hygiene protocols that are mandatory for all segments of the tourism sector: hotels, restaurants, wellness centers, transportation services providers, etc.

People who are vaccinated or have recovered from the virus travel even much easier these days. Testing and isolation requirements do not apply to them. While perhaps not as fast as one would like, but the number of vaccinated people around the world is steadily increasing, they continue to travel safely and comfortably, making plans for their future trips. The number of people planning their holidays in July and August is approaching to the pre-pandemic years.

We are monitoring the trends of holiday packages purchases and, reacting to market conditions, started highlighting our travelers flexible booking conditions. From September, in addition to the holiday destinations currently on offer, we also plan flights to the traditional autumn destinations - Portugal, Italy and Spain. The number of bookings in advance is growing and it allows us to predict that in the third quarter, the number of people each month traveling abroad at the group level will reach 20 thousand. We hope that more people will find motives to continue vaccinating in order to develop significant universal immunity not only in Lithuania, but also around the world.

### **Return on investment**

In February 2021, we have agreed with the State Investment Management Agency on 10 million euros investment in company bonds for a period of six years. The investments in ordinary and convertible bonds have reached us in May and June, respectively. We have allocated the first part of the investment received for ordinary bonds to our strategic priorities - development of relations with partners abroad, strengthening company's positions in the holiday destinations and improvement of the e-commerce system. The good results of the first and second quarters of 2021 allow us to redeem part of the issued convertible bonds before the terms agreed. The PVF investment was carefully considered decision that paid off. Also, it showed that our business model during difficult times for the tourism sector proved to be right. The attracted investments have given us stability during unsettling times and allowed to focus on generating revenues and rapid recovery of operations. We monitor the recovery of the tourism market every month and it reflects in our results.

Sincerely,

Audronė Keinytė

CEO



## Main ratios

Financial indicators*	Q2 2021	Q2 2020	Q2 2019	Change, % 21/20	Change, % 21/20
Sales	23,543	126	54,454	+18,854.9	-99.8
Gross profit	3,547	126	6,501	+2,715.1	-98.1
EBITDA	1,175	(650)	1,645	-	-
Operating profit (EBIT)	1,135	(714)	1,593	-	-
Profit before taxes	883	(2,067)	1,441	-	-
Net profit for the period	929	(1,891)	585	-	-

Financial indicators*	6M 2021	6M 2020	6M 2019	Change, % 21/20	Change, % 20/19
Sales	29,114	23,476	83,260	+24.0	-71.8
Gross profit	5,164	2,661	10,060	+94.1	-73.5
EBITDA	1,790	(840)	1,728	-	-
Operating profit (EBIT)	1,707	(968)	1,598	-	-
Profit before taxes	1,030	(2,476)	1,279	-	-
Net profit for the period	1,120	(2,244)	437	-	-

Relative indicators/ratios	Q2 2021	Q2 2020	Q2 2019	Change 21/20	Change 20/19
Number of ordinary registered share	7 807 000	7,807,000	7,807,000	-	-
Profit per share (EUR)	0.12	-0.24	0.07	+0.36	-0.31
Gross profit margin (%)	15.1	-	11.9	-	-
EBITDA margin (%)	5.0	-	3.0	-	-
EBIT margin (%)	4.8	-	2.9	-	-
Profit before taxes margin (%)	3.8	-	2.6	-	-
Net profit margin for the period (%)	3.9	-	1.1	-	-
Return on assets (ROA) (%)	1.6	-3.6	1.1	+5.2pp	-4.7pp
Return on equity (ROE) (%)	6.08	-11.46	3.69	+17.54pp	-15.15pp
Debt / equity ratio (%)	146.6	79.6	47.4	+67.1pp	+32.2pp
Equity ratio (%)	26.4	31.3	30.8	-4.9pp	+0.5pp
Actual profit tax rate (%)	-5.2	-	59.4	-	-
Total liquidity ratio	1.23	0.77	0.72	+0.46	-0.05

Relative indicators/ratios	6M 2021	6M 2020	6M 2019	Change 21/20	Change 20/19
Number of ordinary registered share	7 807 000	7,807,000	7,807,000	-	-
Profit per share (EUR)	0.14	-0.29	0.06	+0.43	-0.35
Gross profit margin (%)	17.7	11.3	12.1	+6.4pp	-0.8pp
EBITDA margin (%)	6.1	-3.6	2.1	+9.7pp	-5.7pp
EBIT margin (%)	5.9	-4.1	1.9	+10.0pp	-6.0pp
Profit before taxes margin (%)	3.5	-10.5	1.5	+14.0pp	-12.0pp
Net profit margin for the period (%)	3.8	-9.6	0.5	+13.4pp	-10.1pp
Return on assets (ROA) (%)	2.2	-4.2	0.8	+6.3pp	-5.0pp
Return on Equity (ROE) (%)	7.33	-13.60	2.76	+20.93pp	-16.36pp
Debt / equity ratio (%)	146.6	79.6	47.4	+67.1pp	32.2pp
Equity ratio (%)	26.4	31.3	30.8	-4.9pp	0.5pp
Actual profit tax rate (%)	-8.7	-	65.8	-	-
Total liquidity ratio	1.23	0.77	0.72	+0.5	-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)

	Q2 2021	Q2 2020	Q2 2019	Change 21/20	Change 20/19
<b>Flight package tours</b>					
Sales	22,366	125	48,438	-	-99.7%
Cost of sales	(18,497)	-	(42,377)	-	-
<b>Gross profit</b>	<b>3,869</b>	<b>125</b>	<b>6,061</b>	-	<b>-97.9%</b>
Gross profit margin (%)	17.3%	-	12.5%	-	-
Sales commission expenses	(1,338)	(13)	(2,843)	-	-99.5%
<b>Sales profit by segment</b>	<b>2,531</b>	<b>112</b>	<b>3,218</b>	-	<b>-96.5%</b>
Sales profit margin (%)	11.3%	-	6.6%	-	-
<b>Sightseeing tours by coach</b>					
Sales	-	(1)	1,166	-	-100.1%
Cost of sales	-	(4)	(945)	-	-99.6%
<b>Gross profit</b>	-	<b>(5)</b>	<b>221</b>	-	<b>102.3%</b>
Gross profit margin (%)	-	-	19.0%	-	-
Sales commission expenses	-	-	(53)	-	-
<b>Sales profit by segment</b>	-	<b>(5)</b>	<b>168</b>	-	-
Sales profit margin (%)	-	-	14.4%	-	-
<b>Sightseeing tours by plane</b>					
Sales	-	2	438	-	-99.5%
Cost of sales	-	1	(366)	-	-100.3%
<b>Gross profit</b>	-	<b>3</b>	<b>72</b>	-	<b>-95.8%</b>
Gross profit margin (%)	-	-	16.4%	-	-
Sales commission expenses	-	-	(20)	-	-
<b>Sales profit by segment</b>	-	<b>3</b>	<b>52</b>	-	<b>-94.2%</b>
Sales profit margin (%)	-	-	11.9%	-	-
<b>Other products</b>					
Sales	1,177	-	4,412	-	-100.0%
Cost of sales	(1,499)	-	(4,265)	-	-100.0%
<b>Gross profit</b>	<b>(322)</b>	-	<b>147</b>	-	<b>-100.0%</b>
Gross profit margin (%)	-27.4%	-	3.3%	-	-
Sales commission expenses	-	-	-	-	-
<b>Sales profit by segment</b>	<b>(322)</b>	-	<b>147</b>	-	<b>-100.0%</b>
Sales profit margin (%)	-27.4%	-	3.3%	-	-

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.

	6M 2021	6M 2020	6M 2019	Change 21/20	Change 20/19
<b>Flight package tours</b>					
Sales	26,520	20,001	72,839	+32.6%	-72.5%
Cost of sales	(21,473)	(17,892)	(63,175)	+20.0%	-71.7%
<b>Gross profit</b>	<b>5,047</b>	<b>2,109</b>	<b>9,664</b>	<b>+139.3%</b>	<b>-78.2%</b>
Gross profit margin (%)	19.0%	10.5%	13.3%	+8.5pp	-2.7pp
Sales commission expenses	(1,617)	(1,200)	(4,293)	+34.8%	-72.0%
<b>Sales profit by segment</b>	<b>3,430</b>	<b>909</b>	<b>5,371</b>	<b>+277.3%</b>	<b>-83.1%</b>
Sales profit margin (%)	12.9%	4.5%	7.4%	8.4pp	-2.8pp
<b>Sightseeing tours by coach</b>					
Sales	-	29	1,308	-	-97.8%
Cost of sales	-	(32)	(1,090)	-	-97.1%
<b>Gross profit</b>	<b>-</b>	<b>(3)</b>	<b>218</b>	<b>-</b>	<b>-101.4%</b>
Gross profit margin (%)	-	-10.3%	16.7%	-	-27.0pp
Sales commission expenses	-	(4)	(58)	-	-98.3%
<b>Sales profit by segment</b>	<b>-</b>	<b>160</b>	<b>160</b>	<b>-</b>	<b>-102.5%</b>
Sales profit margin (%)	-	-13.8%	12.2%	-	-26.0pp
<b>Sightseeing tours by plane</b>					
Sales	-	218	814	-	-73.2%
Cost of sales	-	(185)	(655)	-	-71.8%
<b>Gross profit</b>	<b>-</b>	<b>33</b>	<b>159</b>	<b>-</b>	<b>-79.2%</b>
Gross profit margin (%)	-	15.1%	19.5%	-	-4.4pp
Sales commission expenses	-	(12)	(43)	-	-72.1%
<b>Sales profit by segment</b>	<b>-</b>	<b>21</b>	<b>116</b>	<b>-</b>	<b>-81.9%</b>
Sales profit margin (%)	-	9.6%	14.3%	-	-4.6pp
<b>Other products</b>					
Sales	2,594	3,228	8,299	-19.6%	-61.1%
Cost of sales	(2,477)	(2,706)	(8,280)	-8.5%	-67.3%
<b>Gross profit</b>	<b>117</b>	<b>522</b>	<b>19</b>	<b>-77.6%</b>	<b>-</b>
Gross profit margin (%)	4.5%	16.2%	0.2%	-11.7pp	15.9pp
Sales commission expenses	-	-	-	-	-
<b>Sales profit by segment</b>	<b>117</b>	<b>522</b>	<b>19</b>	<b>-77.6%</b>	<b>-</b>
Sales profit margin (%)	4.5%	16.2%	0.2%	-11.7pp	15.9pp

## 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 first half of 2021, the Company's websites were visited by 0.7 million unique visitors, which is 53% less than the 1.5 million unique visitors in the first half of 2020.

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:

	Q2 2021, %	Q2 2020, %	Q2 2019, %	Change 21/20	Change 20/19
Travel agencies	70.2	-	73.2	-	-
Own retail	11.5	-	11.0	-	-
Web sales	15.9	-	14.4	-	-
GDS	2.4	-	1.4	-	-
<b>Total</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>

	6M 2021, %	6M 2020, %	6M 2019, %	Change 21/20	Change 20/19
Travel agencies	70.0	70.5	72.7	-0.5 pp	+2.2 pp
Own retail	11.4	12.8	11.6	-1.4 pp	1.2 pp
Web sales	15.2	15.1	14.3	+0.1 pp	0.8 pp
GDS	3.4	1.6	1.4	+1.8 pp	0.2 pp
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>		

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 6 months 2020 financial results significantly.

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

	Q2 2021	Q2 2020	Q2 2019	Change, % 21/20	Change, % 20/19
Lithuania	19.1	-	54.1	-	-100.0
Latvia	6.1	-	16.8	-	-100.0
Estonia	11.9	-	24.3	-	-100.0
Other	-	-	0.7	-	-100.0
<b>Total</b>	<b>37.1</b>	<b>-</b>	<b>95.9</b>	<b>-</b>	<b>-100.0</b>

	6M 2021	6M 2020	6M 2019	Change, % 21/20	Change, % 20/19
Lithuania	24.0	12.7	71.5	+90.6	-82.4
Latvia	7.3	7.2	26.9	+0.4	-73.1
Estonia	14.8	11.2	37.8	+31.5	-70.3
Other	-	0.1	0.8	-100.0	-84.4
<b>Total</b>	<b>46.1</b>	<b>31.2</b>	<b>137.0</b>	<b>+47.7</b>	<b>-77.2</b>

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

	Q2 2021	Q2 2020	Q2 2019	Change, % 21/20	Change, % 20/19
Flight package tours	29.6	-	82.6	-	-100.0
Sightseeing tours by coach	-	-	3.8	-	-100.0
Sightseeing tours by plane	-	-	0.5	-	-100.0
Other sales (separate flight and hotel services)	7.5	-	9.0	-	-100.0
<b>Total</b>	<b>37.1</b>	<b>-</b>	<b>95.9</b>	<b>-</b>	<b>-100.0</b>

	6M 2021	6M 2020	6M 2019	Change, % 21/20	Change, % 20/19
Flight package tours	35.1	26.4	116.3	+32.9	-77.3
Sightseeing tours by coach	-	0.2	4.3	-100.0	-95.7
Sightseeing tours by plane	-	0.2	0.9	-100.0	-76.9
Other sales (separate flight and hotel services)	11.0	4.4	15.5	+148.2	-71.3
<b>Total</b>	<b>46.1</b>	<b>31.2</b>	<b>137.0</b>	<b>+47.7</b>	<b>-77.2</b>

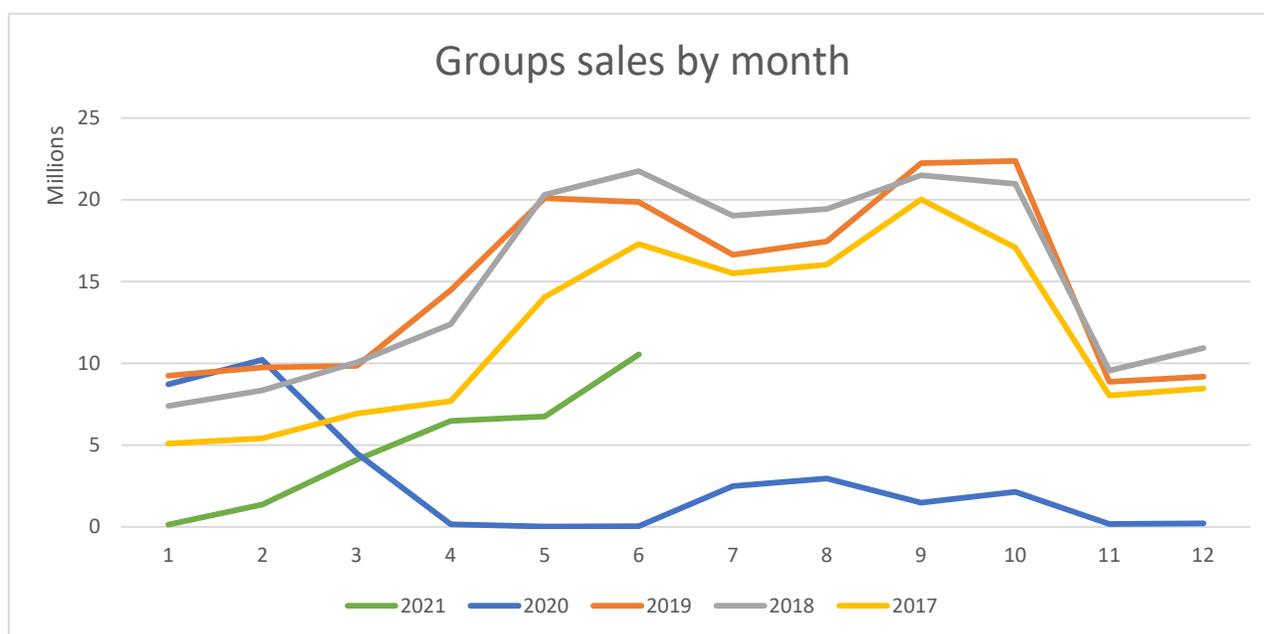
Turkey, Greece and Egypt hold main positions in 6M of 2021. During the Q1 months Egypt and Tenerife were the main holiday destinations and during the Q2 Turkey, Greece and Bulgaria have returned to the available holiday destinations portfolio. Due to pandemic, in the first half of 2021 we have not operated flights to skiing destinations and long-haul destinations selection was very limited

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

	Q2 2021, %	Q2 2020, %	Q2 2019, %	Change 21/20	Change 20/19
Turkey	45.6	-	54.8	+45.6pp	-54.8pp
Greece	22.0	-	14.4	+22.0pp	-14.4pp
Egypt	16.1	-	11.5	+16.1pp	-11.5pp
Bulgaria	5.2	-	6.2	+5.2pp	-6.2pp
Spain (including Canary Islands)	7.3	-	2.8	+7.3pp	-2.8pp
Skiing	-	-	-	-	-
Long haul	0.3	-	-	+0.3pp	-
Other destinations	3.5	-	10.3	+3.5pp	-10.3pp
<b>Total</b>	<b>100.0</b>	<b>-</b>	<b>100.0</b>		

	6M 2021, %	6M 2020, %	6M 2019, %	Change 21/20	Change 20/19
Turkey	36.7	-	36.5	+36.7pp	-36.5pp
Greece	17.7	-	9.6	+17.7pp	-9.6pp
Egypt	24.9	50.3	25.8	-25.4pp	+24.5pp
Bulgaria	4.2	-	4.1	+4.2pp	-4.1pp
Spain (including Canary Islands)	12.9	14.1	5.4	-1.2pp	+8.7pp
Skiing	-	12.1	3.9	-12.1pp	+8.2pp
Long haul	0.6	17.1	5.2	-4.6pp	+11.9pp
Other destinations	3.0	6.4	9.5	-3.4pp	-3.1pp
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

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 30<sup>th</sup> of June 2021 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.

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 30<sup>th</sup> of June 2021:

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 JSC "Optimistai" – Managing Director	535,278	2020-06-30
Janek Pohla	Member of the Board	Member of the Board of the Estonian Chamber of Commerce and Industry; Take Outdoors, OU – member of Management Board; Rendez Vous, OU – member of Management Board and sole owner	781,000	2020-06-30
Andrius Jurkonis	Member of the Board (independent member)	Open type investment fund Axia Capital – fund manager; Farmacijas kapitāls, JSC – director; New Pharma, CEE – director; Privataus kapitālo investīcijas, JSC – director; New retail LV, JSC – director and 100% owner	-	2020-06-30
Virginijus Lepeška	Member of the Board (independent member)	Organizāciju vystymo centrs, 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 30<sup>th</sup> of June 2021:

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

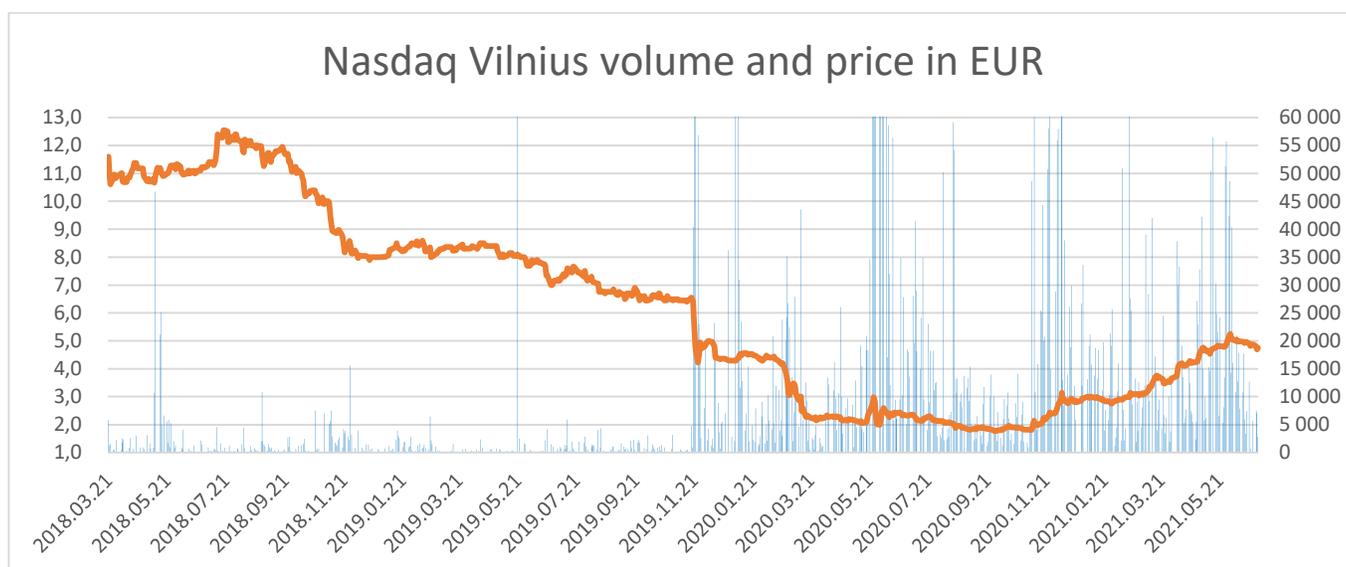
The Company's share capital is EUR 234,210. It consists of 7,807,000 ordinary registered shares with a nominal value of EUR 0.03. The number of shares of the Company that grant votes in the General Meeting of Shareholders is 7,807,000.

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 June 2021 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
Q4 2020	EUR	1.79	3.20	1.76	2.94	2.47	1,222,888	3,021,562
Q1 2021	EUR	2.94	3.90	2.70	3.52	3.14	897,418	2,821,109
Q2 2021	EUR	3.58	4.90	3.58	4.70	4.45	627,522	2,793,640

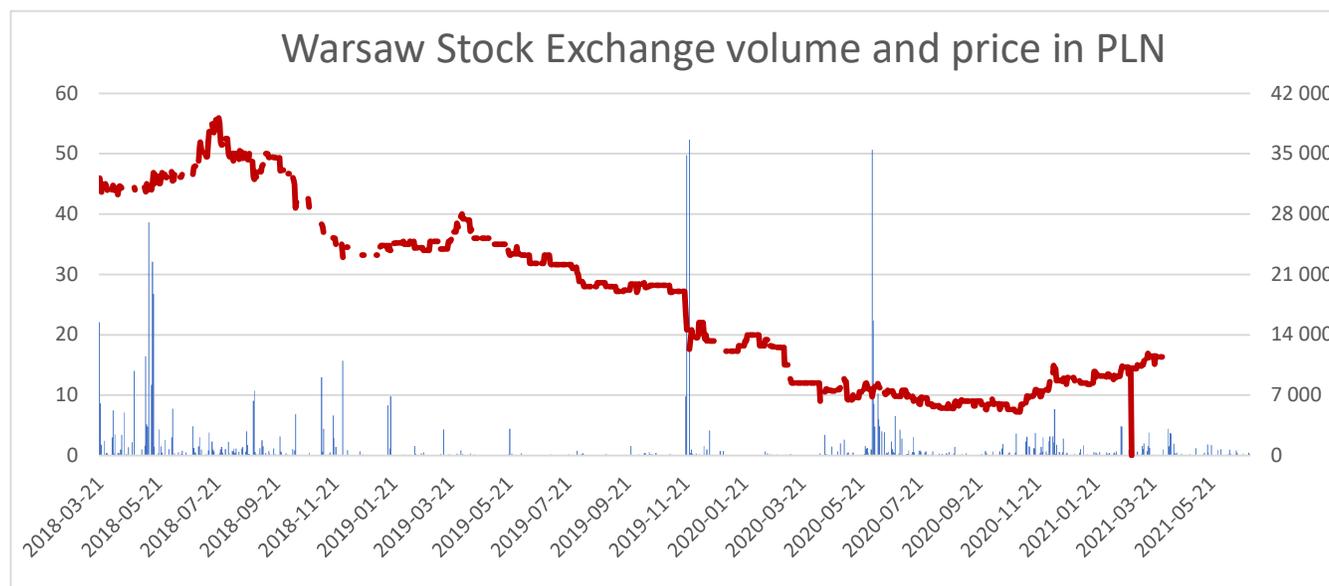
As of 30 June 2021, the company's market capitalization was EUR 36.7 million and decreased by 25.11% in the second quarter.



Information about trading in AB Novaturas shares from 21 March 2018 to 30 June 2021 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
Q4 2020	PLN	8,50	15,00	7,00	12,40	10,88	39 256	427 100
Q1 2021	PLN	12,40	17,00	11,80	16,30	14,41	22 350	321 980
Q2 2021	PLN	16,20	25,00	16,00	20,20	20,38	21 718	442 613

As of 30 June 2021, the company's market capitalization was PLN 157.7 million and, calculated in PLN, decreased by 19.93% during second quarter.



Shareholders holding at least 5% of share capital and votes as of 30 June 2021:

<b>Name of the shareholder</b>	<b>Number of shares</b>	<b>Share of authorized capital and total number of votes</b>
Rendez Vous OU	781,000	10.00
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
Others (free float)	3,654,842	46.81
<b>Total</b>	<b>7,807,000</b>	<b>100.00</b>

Information regarding shareholders according to country as of 30 June 2021:

<b>Country</b>	<b>Number of shaholders</b>	<b>Share of authorized capital and total number of votes</b>
Lithuania	1,402	52.24
Estonia	2,869	40.93
Latvia	207	4.49
Poland	229	0.75
Other countries	36	1.59
<b>Iš viso:</b>	<b>4,743</b>	<b>100.00%</b>

## Consolidated statements of comprehensive income

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

	Q2 2021	Q2 2020	Q2 2019	Change, % 21/20	Change, % 20/19
Sales	23,543	126	54,454	-	-99.8
Cost of sales	(19,996)	-	(47,953)	-	-
<b>Gross profit</b>	<b>3,547</b>	<b>126</b>	<b>6,501</b>	-	<b>-98.1</b>
Sales and marketing expenses	(1,964)	(366)	(3,888)	-	-90.6
General and administrative expenses	(577)	(469)	(1,020)	-	-54.0
Other operating income	130	-	-	-	-
Other operating (expenses)	(1)	-	-	-	-
<b>Profit from operations</b>	<b>1,135</b>	<b>(714)</b>	<b>1,593</b>	-	-
Finance income	68	423	160	-83,9	-
Finance (expenses)	(320)	(1,776)	(312)	-82,0	-
<b>Profit before tax</b>	<b>883</b>	<b>(2,067)</b>	<b>1,441</b>	-	-
Income tax (expense)	46	176	(856)	-73,9	-
<b>Net profit</b>	<b>929</b>	<b>(1,891)</b>	<b>585</b>	-	-
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>					
Result of changes in cash flow hedge reserve	20	1,350	99	-	-
Impact of income tax	(3)	(203)	(15)	-	-
<b>Total comprehensive income for the year</b>	<b>946</b>	<b>(744)</b>	<b>669</b>	-	-
<b>Net profit attributable to:</b>					
The shareholders of the Company	929	(1,891)	585	-	-
Non-controlling interests	-	-	-	-	-
	<b>929</b>	<b>(1,891)</b>	<b>585</b>	-	-
<b>Total comprehensive income attributable to:</b>					
The shareholders of the Company	946	(744)	669	-	-
Non-controlling interests	-	-	-	-	-
	<b>946</b>	<b>(744)</b>	<b>669</b>	-	-
<b>Earnings per share (EPS) for continuing operations:</b>					
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)	0.12	(0.24)	0.07	-	-

	6M 2021	6M 2020	6M 2019	Change, % 21/20	Change, % 20/19
Sales	29,114	23,476	83,260	+24.0	-71.8
Cost of sales		(20,815)	(73,200)	+15.1	-71.6
	(23,950)				
<b>Gross profit</b>	<b>5,164</b>	<b>2,661</b>	<b>10,060</b>	<b>+94.1</b>	<b>-73.5</b>
Sales and marketing expenses	(2,616)	(2,454)	(6,366)	+6.6	-61.5
General and administrative expenses	(970)	(1,170)	(2,095)	-17.1	-44.1
Other operating income	130	-	1	-	-
Other operating (expenses)	(1)	(5)	(2)	-	150.0
<b>Profit from operations</b>	<b>1,707</b>	<b>(968)</b>	<b>1,598</b>	-	-
Finance income	280	532	270	-47.4	97.0
Finance (expenses)	(957)	(2,040)	(589)	-53.1	246.3
<b>Profit before tax</b>	<b>1,030</b>	<b>(2,476)</b>	<b>1,279</b>	-	-
Income tax (expense)	90	232	(842)	-61.2	-
<b>Net profit</b>	<b>1,120</b>	<b>(2,244)</b>	<b>437</b>	-	-
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>					
Result of changes in cash flow hedge reserve	469	(1,655)	1,225	-	-
Impact of income tax	(70)	248	(184)	-	-
<b>Total comprehensive income for the year</b>	<b>1,519</b>	<b>(3,651)</b>	<b>1,478</b>	-	-
<b>Net profit attributable to:</b>					
The shareholders of the Company	1,120	(2,244)	437		
Non-controlling interests	-	-	-		
	<b>1,120</b>	<b>(2,244)</b>	<b>(437)</b>	-	-
<b>Total comprehensive income attributable to:</b>					
The shareholders of the Company	1,519	(3,651)	1,478		
Non-controlling interests	-	-	-		
	<b>1,519</b>	<b>(3,651)</b>	<b>1,478</b>	-	-
<b>Earnings per share (EPS) for continuing operations:</b>					
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)	0.14	(0.29)	0.06	-	-

## Consolidated statements of financial position

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

	30 June 2021	30 June 2020	30 June 2019
<b>ASSETS</b>			
Non-current assets			
Goodwill	30,327	30,327	30,327
Other intangible assets	102	172	347
Property, plant and equipment	93	157	260
Right-of-use assets	219	562	-
Long term receivables	211	218	62
Deferred income tax asset	980	461	7
<b>Total non-current assets</b>	<b>31,932</b>	<b>31,897</b>	<b>31,003</b>
<b>Current assets</b>			
Inventories	2	3	4
Prepayments and deferred expenses	5,002	12,610	11,178
Trade accounts receivable	362	497	549
Prepaid income tax	70	70	233
Other receivables	286	647	2,632
Other current financial assets	200	-	-
Restricted cash	2,000	3,200	3,200
Cash and cash equivalents	17,937	3,719	2,585
<b>Total current assets</b>	<b>25,859</b>	<b>20,746</b>	<b>20,381</b>
<b>Total assets</b>	<b>57,791</b>	<b>52,643</b>	<b>51,384</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	234	234	234
Cash flow hedge reserve	(22)	(1,185)	(310)
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	14,894	17,280	15,747
<b>Total equity</b>	<b>15,280</b>	<b>16,503</b>	<b>15,845</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current borrowings	21,348	7,070	6,000
Deferred income tax liabilities	-	-	3,114
Non-current lease liabilities	83	360	-
<b>Total non-current liabilities</b>	<b>21,431</b>	<b>7,430</b>	<b>9,114</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	1,057	500	1,500
Current borrowings	-	5,561	-
Trade payables	2,956	2,278	4,998
Advances received	15,201	17,276	18,928
Income tax payable	6	976	98
Other current liabilities and accrued expenses	1,688	509	534
Lease liabilities	149	216	-
Other current financial liabilities	23	1,394	367
<b>Total current liabilities</b>	<b>21,080</b>	<b>28,710</b>	<b>26,425</b>
<b>Total equity and liabilities</b>	<b>57,791</b>	<b>52,643</b>	<b>51,384</b>

## 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
<b>Balance as at 31 December 2019</b>	<b>234</b>	<b>29</b>	<b>222</b>	<b>19,524</b>	<b>145</b>	<b>20,154</b>
Net profit for the year	-	-	-	(5,750)	-	(5,750)
Other comprehensive income	-	-	(643)	-	-	(643)
Total comprehensive income			(643)	(5,750)	-	(6,393)
<b>Balance as at 31 December 2020</b>	<b>234</b>	<b>29</b>	<b>(421)</b>	<b>13,774</b>	<b>145</b>	<b>13,761</b>
Net profit for the year	-	-	-	1,120	-	1,120
Other comprehensive income	-	-	399	-	-	399
Total comprehensive income			399	1,120	-	1,519
<b>Balance as at 30 June 2021</b>	<b>234</b>	<b>29</b>	<b>(22)</b>	<b>14,894</b>	<b>145</b>	<b>15,280</b>

## Consolidated statements of cash flow

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

	6M 2021	6M 2020	6M 2019
<b>Cash flows from (to) operating activities</b>			
Net profit	1,120	(2,244)	437
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization	83	128	130
Change in deferred income tax	26	-	337
Current income tax expenses	-	-	146
Elimination of financial, investment and other non-cash activity results	885	(1,016)	1,333
	<b>2,114</b>	<b>(3,132)</b>	<b>2,383</b>
<b>Changes in working capital:</b>			
Decrease in inventories	-	1	(1)
(Increase) decrease in trade receivables	(218)	155	148
(Increase) decrease in other receivables	(302)	488	(404)
(Increase) decrease in prepayments and deferred expenses	2,647	(3,635)	(2,314)
Increase (decrease) in trade payables	995	(1,895)	387
Increase in advances received	4,325	2,279	4,669
Income tax paid	(53)	(603)	(74)
Increase (decrease) in other accounts payable and accrued expenses	38	(332)	(2,892)
<b>Net cash flows from operating activities</b>	<b>9,546</b>	<b>(6,674)</b>	<b>1,902</b>
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of non-current assets (except investments)	(43)	(3)	(56)
Proceeds from sale of non-current assets (except investments)	-	2	-
<b>Net cash flows (to) investing activities</b>	<b>(43)</b>	<b>(1)</b>	<b>(56)</b>
<b>Cash flows from financing activities</b>			
Loans received	10,948	9,570	8,000
(Repayment) of loans	(5,397)	(2,439)	(8,500)
Interest (paid)	(482)	(391)	(264)
<b>Net cash flows (to) financing activities</b>	<b>5,069</b>	<b>6,740</b>	<b>(764)</b>
<b>Net increase (decrease) in cash flows</b>	<b>14,572</b>	<b>65</b>	<b>1,082</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,365</b>	<b>6,854</b>	<b>4,703</b>
<b>Cash and cash equivalents at the end of period</b>	<b>19,937</b>	<b>6,919</b>	<b>5,785</b>

## 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 June 2021
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

	Q2 2021	Q2 2020	Q2 2019	Change, % 21/20	Change, % 20/19
Commissions	1,338	13	2,916	-	-99.6
Salaries and related taxes	448	221	615	+102.7	-64.1
Advertising and marketing expenses	109	70	249	+55.7	-71.9
Rent and maintenance expenses	42	42	50	-	-16.8
Depreciation and amortization	8	9	4	-11.1	+114.2
Business trips expenses	2	-	12	-	-
Communication expenses	9	6	10	+50.0	-42.9
Transportation expenses	5	3	8	+66.7	-62.1
Representation expenses	-	1	10	-	-90.3
Training expenses	-	-	1	-	-
Other	3	1	12	-	-91.6
<b>Total:</b>	<b>1,964</b>	<b>366</b>	<b>3,888</b>	<b>+436.6</b>	<b>-90.6</b>

	6M 2021	6M 2020	6M 2019	Change, % 21/20	Change, % 20/19
Commissions	1,617	1,213	4,394	+33.3	-72.4
Salaries and related taxes	700	756	1,205	-7.4	-37.3
Advertising and marketing expenses	173	312	513	-44.6	-39.2
Rent and maintenance expenses	75	101	110	-25.7	-8.6
Depreciation and amortization	16	19	9	-15.8	+106.5
Business trips expenses	2	8	21	-75.0	-61.3
Communication expenses	18	14	23	+28.6	-40.4
Transportation expenses	8	11	17	-27.3	-35.0
Representation expenses	-	8	37	-	-78.6
Training expenses	-	1	2	-	-46.4
Other	7	11	34	-36.4	-67.6
<b>Total:</b>	<b>2,616</b>	<b>2,454</b>	<b>6,366</b>	<b>+6.6</b>	<b>-61.5</b>

## General and administrative expenses

	Q2 2021	Q2 2020	Q2 2019	Change, % 21/20	Change, % 20/19
Salaries and related taxes	219	205	555	+6.8	-63.1
Rent and maintenance expenses	18	13	35	+38.5	-62.8
Depreciation and amortization	34	54	52	-37.0	+4.8
Business trips expenses	1	1	25	-	-96.1
Communication expenses	5	5	10	-	-49.8
Consulting expenses	30	58	52	-48.3	+11.3
Transportation expenses	10	8	14	+25.0	-44.7
Representation expenses	3	2	21	+50.0	-90.3
Bad debt expenses	-	-	26	-	-
Training expenses	6	-	7	-	-
Other	251	123	222	+104.1	-44.6
<b>Total:</b>	<b>577</b>	<b>469</b>	<b>1,020</b>	<b>+23.0</b>	<b>-54.0</b>

	6M 2021	6M 2020	6M 2019	Change, % 21/20	Change, % 20/19
Darbo užmokestis ir susiję mokesčiai	387	546	1,084	-29.1	-49.6
Biuro nuomos ir išlaikymo sąnaudos	35	41	67	-14.6	-38.8
Nusidėvėjimas ir amortizacija	68	110	123	-38.2	-10.2
Komandiruočių išlaidos	1	8	42	-87.5	-81.1
Komunikacijos išlaidos	10	11	19	-9.1	-42.0
Konsultacinės išlaidos	84	93	125	-9.7	-25.7
Transporto išlaidos	14	16	23	-12.5	-31.8
Reprezentacijos išlaidos	5	14	45	-64.3	-68.7
Blogų skolų išlaidos	-	-	26	-	-
Kvalifikacijos kėlimo sąnaudos	6	6	10	-	-41.7
Kita	360	325	530	+10.8	-38.7
<b>Iš viso:</b>	<b>970</b>	<b>1,170</b>	<b>2,095</b>	<b>-17.1</b>	<b>-44.1</b>

In the first half of 2021, the Company incurred one-off expenses related to legal cases (EUR 3,000) and headcount decrease (EUR 88,000). In the first half of 2020, the Company incurred one-off expenses related to legal cases (EUR 28,000) and headcount decrease (EUR 29,000).

## 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):

	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Change 21/20</b>	<b>Change 20/19</b>
Result of closed hedging contracts already reflected in the period statement of comprehensive income	(12)	(1 123)	(300)	1 111	(823)

	<b>6M 2021</b>	<b>6M 2020</b>	<b>6M 2019</b>	<b>Change 21/20</b>	<b>Change 20/19</b>
Result of closed hedging contracts already reflected in the period statement of comprehensive income	(172)	(1 160)	(223)	988	(937)

	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Market value of existing hedges at the end of the period	(26)	(1 394)	(365)

Ineffective result of closed hedging contracts for the 2nd quarter 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:

	30 June 2021	30 June 2020	30 June 2019
<b>Long term borrowings</b>			
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 3.8%	3,045	6,000	7,500
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 4.0%	5,000	1,320	-
UAB „Investicijų ir verslo garantijos“ ,loan , annual interest rate – 1,69%	2,404	-	-
Altum loan, annual interest rate 2.9%	840	250	-
Komanditinė ūkinė bendrija „Pagalbos verslui fondas“ ordinary bonds, annual interest rate 8,0% – 10,5%	5,000	-	-
Komanditinė ūkinė bendrija „Pagalbos verslui fondas“ convertible bonds, annual interest rate 9,5% – 12,0%	5,000	-	-
Tax loans	1,116	-	-
<b>Total non-current borrowings</b>	<b>22,405</b>	<b>7,570</b>	<b>7,500</b>
Current portion of non-current borrowings	(1,057)	(500)	(1,500)
	<b>21,348</b>	<b>7,070</b>	<b>6,000</b>
<b>Current borrowings</b>			
Current portion of non-current borrowings	1,057	500	1,500
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 4.0%	-	5,561	-
<b>Total current borrowings</b>	<b>1,057</b>	<b>6,061</b>	<b>1,500</b>

Off-balance sheet commitments:

<b>Bank guarantees</b>	<b>Total Limit at 30 June 2021</b>	<b>Used limit at 30 June 2021</b>
AB Luminor Bank annual interest rate of 3-month EURIBOR + 1.7%	11,000	11,000

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

As of June 30, 2021, additional guarantees were issued for EUR 2,000 thousand by depositing funds with a bank.

## Related party transactions

During the six-month period ended 30 June 2021, total payments of EUR 54,000 (of which EUR 29,000 during the second quarter) were made to Management 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 six-month period ended 30 June 2021, 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

## Interim Consolidated Report

### Reporting period

January-June 2021.

### Issuer and its contact details

Name of the Issuer	<b>AB Novaturas (hereinafter – ‘the Company’)</b>
Legal form	Public company
Date of registration	16 December 1999
Name of the Register of Legal Entities	State Enterprise Centre of Registers
Company code	135567698
LEI code	097900BGCW0000042109
Registered office	A. Mickevičiaus str. 27, LT-44245 Kaunas
Telephone number	+370 37 321 264
Fax number	+370 37 321 130
E-mail address	info@novaturas.lt
Internet address	www.novaturasgroup.com

### The influence of COVID-19

The company started 2021 holiday season in February with scheduled flight programs and gradually increased its operations since March. In the first quarter of this year the company operated flights to Tenerife and Egypt. During the second quarter, after a year break, “Novaturas” resumed flights from all the markets to the most popular summer holiday destination – Turkey. In May the Greek islands of Crete, Rhodes and Corfu were added to holiday destinations portfolio. In June the planes took off to Bulgaria and Montenegro. The latter holiday destination became a star of this summer season and because of its high demand, the company doubled planned flights to Montenegro. During the first half of 2021 the supply of holiday destinations available gradually became similar to the usual one of the pre-pandemic years.

In June, most of the restrictions were lifted in Lithuania, vaccination processes started, and it gave the impulse travel abroad more freely and actively. In the middle of 2021, the pace of vaccination process has accelerated. The EU digital COVID certificate that has come into force in July, stabilized the rules of travelling and it opened the possibility to travel safely to a larger number of people.

After the severely affected 2020, the number of customers served and the achieved turnover are not equal to the particularly successful 2019. However, the recovery trends of the tourism sector are obvious, and the group is gradually reducing the difference from the pandemic year each month.

### Main activities of the Company

Novaturas Group is the leading tour operator in the Baltic States, established in the market since 1999. The Company offers organized summer and winter holiday packages and sightseeing tours by bus and plane to more than 30 destinations around the world, including the most popular resorts and destinations in Southern Europe, North Africa, the Middle East, Asia and Latin America.

Adapting to changes in the tourism business, the Company also offered accommodation services in all Baltic countries and sightseeing tours in Lithuania. The Company also sells airline tickets on its organized flights, so it can meet various customer needs.

The Company operates in Lithuania, Latvia and Estonia. Novaturas Group partners with more than 400 travel agencies, including the largest agencies in the Baltic States. The Company also owns sales spots in major cities of Lithuania, Latvia and Estonia, and is constantly developing its own e-commerce channels.

**Flight package tours.** Flight packaged tours are the main part of Company’s services. They include holiday trips to popular summer resorts in Europe (in the Mediterranean Sea region), North Africa and Asia, as well as to the most popular European winter destinations in Italy, France and Andorra. Customers receive a full range of services, including flights, transfer from

airport to hotel, accommodation, a round-the-clock resident tour guide, and attractions during the stay, including full-day excursions during the summer.

**Sightseeing trips by plane.** These are long-distance round trips by plane, including to Asia and South America, using both chartered and regular flights from Vilnius. Novaturas Group provides the flights, accommodation, sightseeing tours by coach and a full-time tour guide who stays with the tourists during the entire trip, providing them with information on the country and the available attractions.

**Sightseeing trips by coach.** These are sightseeing trips to European destinations, including Poland, Germany, France, Italy, Austria, Croatia and Greece. The round trips by coach are organized from Lithuania. Company provides transportation by coach, accommodation, sightseeing and a tour guide who stays with the tourists during the entire trip.

**Other products.** Company's other products include flight tickets and hotel bookings online. Novaturas Group sells these to retail clients as well as to other tour operators who are often interested in booking seats on the most popular chartered flight routes.

**Local tourism.** Adapting to the changes in the tourism sector, the Company introduced a new product - accommodation services in the Baltic States and sightseeing tours in Lithuania. Clients in the Baltic States are offered recreation in 7 Lithuanian, 4 Estonian and 3 Latvian resorts and 8 sightseeing itineraries in Lithuania. Many years of experience in the tourism industry in many countries of the world have allowed the Company to form an attractive assortment in the most beautiful resorts of the Baltic States, and strong negotiating positions - to ensure competitive prices for customers, especially when choosing longer stays of 3 or more nights.

## 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 June 2021
Novatours SIA	Latvia	100
Novatours OÜ	Estonia	100
Aviaturas ir Partneriai UAB	Lithuania	100
SRL Novatours Holidays*	Romania	100

\* The activities of the subsidiary in Romania were suspended in 2009 and have not been renewed since that time.

## Data about securities traded on a regulated market

The Nasdaq Vilnius stock exchange is the home market for the Company's shares. Since 21 March 2018, the Company's ordinary shares have been dual-listed on the Nasdaq Vilnius exchange and the Warsaw Stock Exchange.

The symbol of the Company's shares is NTU1L on the Nasdaq Vilnius exchange and NTU on the Warsaw Stock Exchange.

Type of shares	Number of shares	Nominal value (in EUR)	Total nominal value (in EUR)	Issue code
Ordinary registered shares	7,807,000	0.03	234,210	LT0000131872

## Information about related party transactions

The Company's transactions with related parties are disclosed in the Notes to the Financial Statements.

## Risk management

### Credit risk

The Company's credit risk is relatively low as customers are required to pay for tours before the tours start. Besides that, credit limits are granted to the travel agencies that carry out the majority of sales. The main purpose of the credit limits is to ensure timely payments. If a credit limit is exceeded, the Company's reservation system automatically blocks sales.

The Company does not guarantee the obligations of other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the statement of financial position. Consequently, the Company considers that its maximum exposure is reflected by the amount of trade and other receivables, net of allowance for doubtful accounts recognized at the statement of financial position.

#### Interest rate risk

A major portion of the Company's borrowings is subject to variable rates, tied to EURIBOR, which creates an interest rate risk. No financial instruments have been designated to manage the outstanding exposure to fluctuation in interest rates.

#### Foreign exchange risk

The Company manages foreign exchange risk by contracting agreements in EUR, and functional currency of the subsidiaries in Latvia and Estonia is the EUR.

In December 2010, the Company began to use derivative financial instruments to reduce EUR/USD foreign exchange risk and fuel price variance risk. These risks are managed through the purchase of foreign exchange forward contracts and ICE Brent futures contracts. As of 1 January 2014, the Group and the Company started to use derivatives for which hedge accounting applies.

#### Liquidity management

The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans. Liquidity risk is managed by planning of the Company's cash flows.

#### Capital management

The primary objective of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements and that the Company maintains healthy capital ratios in order to support the business and to maximize shareholders' value. (Capital in the meaning of IAS 1 consists of the equity presented in the financial statements.)

The Company manage its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of activities. In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the dividend payment to shareholders and/or return capital to shareholders.

The Company is obliged to maintain equity at no less than 50% of its share capital, as required by the Law on Companies of the Republic of Lithuania. External share capital requirements regarding the equity-to-asset ratio may also be imposed on the Company by banks.

The Company assesses capital using a ratio of total liabilities and equity. The Company's capital includes ordinary shares, reserves and retained earnings attributable to the equity shareholders of the parent company.

### **Corporate governance**

The governing bodies of the Company were the General Shareholders' Meeting, the Supervisory Council, the Board and the CEO. According to the decision of the Ordinary General Meeting of the Shareholders of the Company which was taken on 30 June 2020 the Supervisory Council was repealed and governing bodies is consisted of the Board and the CEO.

The decisions of the General Shareholders' Meeting made regarding matters for which the General Shareholders' Meeting has competence are binding on the Shareholders, the Supervisory Council, the Board, the CEO and other officials of the Company. Shareholders of the Company who at the end of the date of record of the General Shareholder's Meeting are shareholders of the Company have the right to participate in the General Shareholders' Meeting. The date of record of the General Meeting of Shareholders of the Company is the fifth business day prior to the General Meeting of Shareholders or the repeated General Meeting of Shareholders. A person who participates in a General Shareholders' Meeting and has the right to vote must present documents that establish his/her identity. If the person is not a shareholder, then he/she must present a document establishing his/her right to vote at the General Meeting of Shareholders.

## Shareholders rights

None of the shareholders of the Company have any special controlling rights. The rights of all shareholders are equal. As of 30 June 2021, the number of the Company's shares that grant voting rights during the General Meeting of Shareholders amounted to 7,807,000. One ordinary registered share of the Company gives one vote in the General Meeting of Shareholders.

The Company is not aware of any agreements between shareholders that would limit their ability to exercise their voting rights or restrict trading.

## Treasury stock

The Company has no treasury stocks. The Company has never acquired any shares from the management of the Company.

## Dividends

In 2018 the Board of the Company approved a dividend policy to pay out 70-80% of earned net profits as dividends. The Company neither announced nor paid dividends during the period January-June 2021.

## Members of the Board as of the 30<sup>th</sup> of June 2020

**Ugnius Radvila** has been working with the Company since its establishment. From 1999 to 2011 he was the manager of its Vilnius branch and since 2011 he has been a consultant to the Company. In 1995-2004 he was also tourism director at Interservis Kelionių Agentūra. He graduated from the Vilnius University Faculty of Communication with a master's degree in Communication and Information (International Communication Programme). He holds 9.49% of the Company's shares.

**Vidas Paliūnas** participated in the establishment of Novaturas UAB on the basis of a merger of three travel agencies, one of which was DELTA Travel Agency where he was the managing director. From 2009 to 2018 he was a member of Novaturas' Board and as of February 2018 he has been a member of the Supervisory Council. He obtained an IT degree from Chemnitz University of Technology in Germany. He holds 6.86% of the Company's shares.

**Janek Pohla** is the founder and board member of Tahe Outdoors and a member of the board of the Estonian Chamber of Commerce and Industry. Tahe Outdoors has been a successful manufacturer and distributor of water sports equipment for more than 25 years and is one of the leaders in the field in Europe. Since 2004 holds the position of a member of the board in various companies. Janek Pohla holds a bachelor's and master's degree (MBA) in Business Administration from the University of Tartu. He is the Head of Rendez Vous OU in Estonia, which has owned 10% of Company's shares since June. He is a member of a board of few companies in the Tahe Outdoors Group.

**Andrius Jurkonis** - manager of the investment fund Axia Capital Fund and certified financial analyst. He has accumulated many years of experience in management positions at Euroapothecca, VST, Swedbank. A. Jurkonis has a bachelor's degree and a master's degree in economics from Vilnius University. He is currently the director of New Pharma CEE, a partner of UAB Blue flight, UAB Gusania. He holds no shares of the Company.

**Virginijus Lepeška** - chairman of the Board and Consultant of the management consulting and training company OVC Consulting. Has accumulated extensive experience in organizational consulting, corporate governance, strategic management. Since 2003, he has been a member of the Board and the Supervisory Board in various companies. Virginijus Lepeška has a doctorate in social sciences (psychology) from Vilnius University. He is currently a member of the Board of UAB Svenheim, a member of the Board of UAB Alma littera and a member of the Advisory Board of UAB Ruptela. He is also a member of the board of the Child Support Center. Has no shares in the company.

## Company's top executives as of the 30<sup>th</sup> of June 2020

**Audronė Keinytė** joined Novaturas in 2006. Initially she was the firm's representative abroad in foreign destinations. In 2009-2010, she worked as Head of Foreign Services, and for the past 8 years (since 2010) she has primarily been in charge of the development and purchasing of products. She graduated from the Philosophy Faculty at Vilnius University with a master's and a bachelor's degree in sociology. She also gained professional experience working at hotels in Lithuania and that USA between 1999 and 2003.

**Tomas Staškūnas** has been with Novaturas since 2009, during which time he has been responsible mainly for financial reporting, budgeting, relations with financial institutions and organizing the book-keeping process. He has a master's degree in finance and banking from the Vytautas Magnus University. He holds 0.75% of the Company's shares.

**Ieva Galvydienė** has joined Novaturas in 2006 and started her career as sales manager. Since then she has been responsible for the coordination of the sales department groupwise and since 2011 has been head of sales for Lithuanian market. In the end of 2019, she started a new position as a head of Novaturas group Aviation department. She has graduated from Faculty of Humanities at Vytautas Magnus University and gained English philology bachelor's degree.

## Personnel

Average number of employees of the Company (headcount) by field of activity:

	6M 2021	6M 2020	6M 2019	Change, % 21/20	Change, % 20/19
Representatives abroad and guides	33	21	65	+56.9	-67.6
Retail personnel	20	31	40	-36.2	-22.5
Office personnel	100	83	132	-18.9	-37.1
<b>Total:</b>	<b>120</b>	<b>135</b>	<b>237</b>	<b>-11.1</b>	<b>-43.0</b>

Figures do not include employees who are on maternity/paternity leave.

## Confirmation of responsible persons

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, CEO of AB Novaturas, and Tomas Staškūnas, CFO of AB Novaturas, hereby confirm that, to the best of our knowledge, the AB Novaturas Consolidated Interim Report for the Six-Month Period Ended 30 June 2021 provides a fair review of the development and performance of the business and the position of the Company's undertakings in relation to the description of the main risks and contingencies faced therein.

Audronė Keinytė  
CEO

Tomas Staškūnas  
CFO