



AB NOVATURAS

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND

CONSOLIDATED INTERIM REPORT

for the six-month period ended 30 June 2020

(unaudited)

Beginning of reporting period	1 January 2020
End of reporting period	30 June 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
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Management report

2020 first-half highlights:

- Novaturas's turnover in the first half of 2020 was EUR 23.5 mln, while in the same period of 2019 it amounted to EUR 83.3 mln.
- Gross profit amounted to EUR 2.7 mln. In the same period of 2019, it was EUR 10.1 mln.
- Operating expenses amounted to EUR 3.6 mln (57.2% less than in the same period of 2019 when it was EUR 8.5 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 -0.8 mln, while in same period of 2019 it was EUR 1.7 mln.
- The actual profit tax rate in the first half of 2020 was -214.3%, compared to 65.8% in the same period of 2019.
- Novaturas had a net loss of EUR 2.2 mln, compared to net profit of EUR 0.4 mln in the same period of 2019.
- In the first half of 2020, the Company served 31.205 clients, compared to 137.036 in the same period of 2019.

2020 second-quarter highlights:

- Novaturas's turnover in the second quarter of the year was EUR 0.1 mln, while in the same period of 2019 it amounted to EUR 54.5 mln.
- Gross profit amounted to EUR 0.1 mln, compared to EUR 6.5 mln in the same period of 2019.
- Operating expenses totaled EUR 0.8 mln, which was 83% less than in the same period of 2019 when amounted to EUR 5 mln. Excluding the impact of commissions and one-time expenses, operating costs decreased by 58.7% from the same period a year earlier.
- EBITDA amounted to EUR -0.7 mln, while in the corresponding period of 2019 it was EUR 1.6 mln.
- The actual profit tax rate in the period was -520%, compared to 59.4% in the same period of 2019.
- Novaturas had a net loss of EUR 1.9 mln, compared to net profit EUR 0.6 mln in the corresponding period of 2019.
- In the second quarter of 2020, Company's operations have been suspended due to travel restrictions caused by COVID-19. During the same period of 2019, 95.939 clients have travelled with Novaturas Group.

Management Comment

Dear All,

We started 2020 successfully, but already at the end of the first quarter of the year together with the global tourism industry we faced the unprecedented impact of COVID-19. Due to the restrictions caused by the pandemic, we did not carry out any trips from mid-March to July. This undoubtedly had a negative impact on all the results of the first half of the year - revenue amounted to EUR 23.5 million (at the same time last year was EUR 83.3 million), we incurred a net loss of EUR 2.2 million. (we earned a net profit of EUR 0.4 million in the respective period in 2019).

And yet the biggest crisis in the history of tourism is managed smoothly and efficiently. When the borders of the states closed in the middle of March, we repatriated back home from various corners of the world more than 2 thousand travelers. We immediately took strict cost savings (compared to the first half of 2019, operating expenses reduced by 57.2%), ensured the company's liquidity, agreed with the bank on deferral of the existing loan and extension of the overdraft.

We have actively worked and continue to do so with the governments and responsible institutions of the Baltic States to benefit from the assistance provided by the countries - in Latvia we received a loan of EUR 1 million, in Lithuania - a long-term liquidity loan of EUR 5 million. The Estonian government has provided us with a EUR 60 thousand subsidy, in all markets we have used a salary compensation of EUR 135 thousand. In the tourism business, seasonality is particularly notable, which is why these state aid measures are crucial for balancing cash flows. This is especially relevant now since part of the Company's funds as advance payments are still suspended by the foreign partners, but we are not yet able to use the services because of existing travel restrictions.

The second quarter of the year was also marked by significant changes in shareholder and governance structures. After the withdrawal of the Central European Tour Operator, three companies from Estonia invested into Novaturas Group: 10.25% shares were acquired by Rendez Vous OU, 9.99 percent - Moonrider OU, owned by the Estonian investment company Go Group, 5.25% of shares are now owned by Rondam AS. We value investor confidence in the long-term business perspective.

From now on, we have an extremely broad shareholder base, which we hope will help to work even more transparently and efficiently.

The corporate governance structure has also changed: from 30th June the supervisory board was replaced by a new board, to which part of the supervisory functions was transferred. The new board consists of Janek Pohla, Vidas Paliūnas, Ugnius Radvila, and two more independent members - Virginijus Lapeška and Andrius Jurkonis. The former board members form a team of top executives. Changes in corporate governance have simplified the management of the group of companies, and greater involvement of independent members will provide opportunities to supplement existing competencies, incorporate new approaches and solid governance practices.

We are extremely grateful to our customers, who value our experience in the tourism industry and the high quality of the services we provide. Most of our travelers have agreed to postpone trips affected by COVID-19 restrictions, which allows us to plan loads for the summer season of 2021. For those who didn't want to postpone their trips, we were one of the first to start refunding for canceled trips.

Adapting to the situation, we offered local tourism - accommodation services in Baltics in the most beautiful resorts, and in Lithuania - sightseeing trips by bus.

We have restarted some trips to European countries since July, the main safe holiday destination is resorts in Greece. This is the peak of the holiday for the residents of the Baltic States, therefore we feel a recovering interest in travel. We are already accustomed to the new rules of public life, so the principles of safe travel - wearing a face mask at airports, on airplanes or keeping a safe distance in hotels - do not prevent travelers from traveling. We are constantly working with our partners in destinations to ensure maximum safety for travelers and ready to offer more destinations once they are safe again. We believe that the control of COVID-19 and the principles of safe travel will allow us to maintain and strengthen the trust of travel-longing customers as a leading tour operator.

Sincerely,

Audronė Keinytė

CEO



Main ratios

Financial indicators*	Q2 2020	Q2 2019	Change, %	6M 2020	6M 2019	Change, %
Sales	126	54,454	-99.8	23,476	83,260	-71.8
Gross profit	126	6,501	-8.1	2,661	10,060	-73.5
EBITDA	(650)	1,645	-	(840)	1,728	-
Operating profit (EBIT)	(714)	1,593	-	(968)	1,598	-
Profit before taxes	(2 067)	1,441	-	(2 476)	1,279	-
Net profit for the period	(1,891)	585	-	(2,244)	437	-

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

Relative indicators/ratios	Q2 2020	Q2 2019	Change	6M 2020	6M 2019	Change
Number of ordinary registered share	7,807,000	7,807,000	-	7,807,000	7,807,000	-
Profit per share (EUR)	-0.24	0.07	-0.31	-0.29	0.06	-0.35
Gross profit margin (%)	-	11.9	-	11.3	12.1	-0.8pp
EBITDA margin (%)	-	3.0	-	-3.6	2.1	-5.7pp
EBIT margin (%)	-	2.9	-	-4.1	1.9	-6.0pp
Profit before taxes margin (%)	-	2.6	-	-10.5	1.5	-12.0pp
Net profit margin for the period (%)	-	1.1	-	-9.6	0.5	-10.1pp
Return on assets (ROA) (%)	-3.6	1.1	-4.7pp	-4.2	0.8	-5.0pp
Debt / equity ratio (%)	79.6	47.4	32.2pp	79.6	47.4	32.2pp
Equity ratio (%)	31.3	30.8	0.5pp	31.3	30.8	0.5pp
Actual profit tax rate (%)	-	59.4	-	-	65.8	-
Total liquidity ratio	0.77	0.72	-0.05	0.77	0.72	-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 2020	Q2 2019	Change	6M 2020	6M 2019	Change
Flight package tours						
Sales	125	48,438	-99.7%	20,001	72,839	-72.5%
Cost of sales	-	(42,377)	-	(17,892)	(63,175)	-71.7%
Gross profit	125	6,061	-97.9%	2,109	9,664	-78.2%
Gross profit margin (%)	-	12.5%	-	10.5%	13.3%	-2.7pp
Sales commission expenses	(13)	(2,843)	-99.5%	(1,200)	(4,293)	-72.0%
Sales profit by segment	112	3,218	-96.5%	909	5,371	-83.1%
Sales profit margin (%)	-	6.6%	-	4.5%	7.4%	-2.8pp
Sightseeing tours by coach						
Sales	(1)	1,166	-100.1%	29	1,308	-97.8%
Cost of sales	(4)	(945)	-99.6%	(32)	(1,090)	-97.1%
Gross profit	(5)	221	102.3%	(3)	218	-101.4%
Gross profit margin (%)	-	19.0%	-	-10.3%	16.7%	-27.0pp
Sales commission expenses	-	(53)	-	(4)	(58)	-98.3%
Sales profit by segment	(5)	168	-	160	160	-102.5%
Sales profit margin (%)	-	14.4%	-	-13.8%	12.2%	-26.0pp
Sightseeing tours by plane						
Sales	2	438	-99.5%	218	814	-73.2%
Cost of sales	1	(366)	-100.3%	(185)	(655)	-71.8%
Gross profit	3	72	-95.8%	33	159	-79.2%
Gross profit margin (%)	-	16.4%	-	15.1%	19.5%	-4.4pp
Sales commission expenses	-	(20)	-	(12)	(43)	-72.1%
Sales profit by segment	3	52	-94.2%	21	116	-81.9%
Sales profit margin (%)	-	11.9%	-	9.6%	14.3%	-4.6pp
Other products						
Sales	-	4,412	-	3,228	8,299	-61.1%
Cost of sales	-	(4,265)	-	(2,706)	(8,280)	-67.3%
Gross profit	-	147	-	522	19	-
Gross profit margin (%)	-	3.3%	-	16.2%	0.2%	15.9pp
Sales commission expenses	-	-	-	-	-	-
Sales profit by segment	-	147	-	522	19	-
Sales profit margin (%)	-	3.3%	-	16.2%	0.2%	15.9pp

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 first half of 2020, the Company's websites were visited by 1.5 million unique visitors, which is 28% less than the 2.03 million unique visitors in the first half 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:

	Q2 2020, %	Q2 2019, %	Change	6M 2020, %	6M 2019, %	Change
Travel agencies	-	73.2	-	70.5	72.7	+2.2 pp
Own retail	-	11.0	-	12.8	11.6	1.2 pp
Web sales	-	14.4	-	15.1	14.3	0.8 pp
GDS	-	1.4	-	1.6	1.4	0.2 pp
Total	-	100		100	100	

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 2020	Q2 2019	Change, %	6M 2020	6M 2019	Change, %
Lithuania	-	54.1	-	12.7	71.5	-82.4
Latvia	-	16.8	-	7.2	26.9	-73.1
Estonia	-	24.3	-	11.2	37.8	-70.3
Other	-	0.7	-	0.1	0.8	-84.4
Total	-	95.9	-	31.2	137.0	-77.2

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

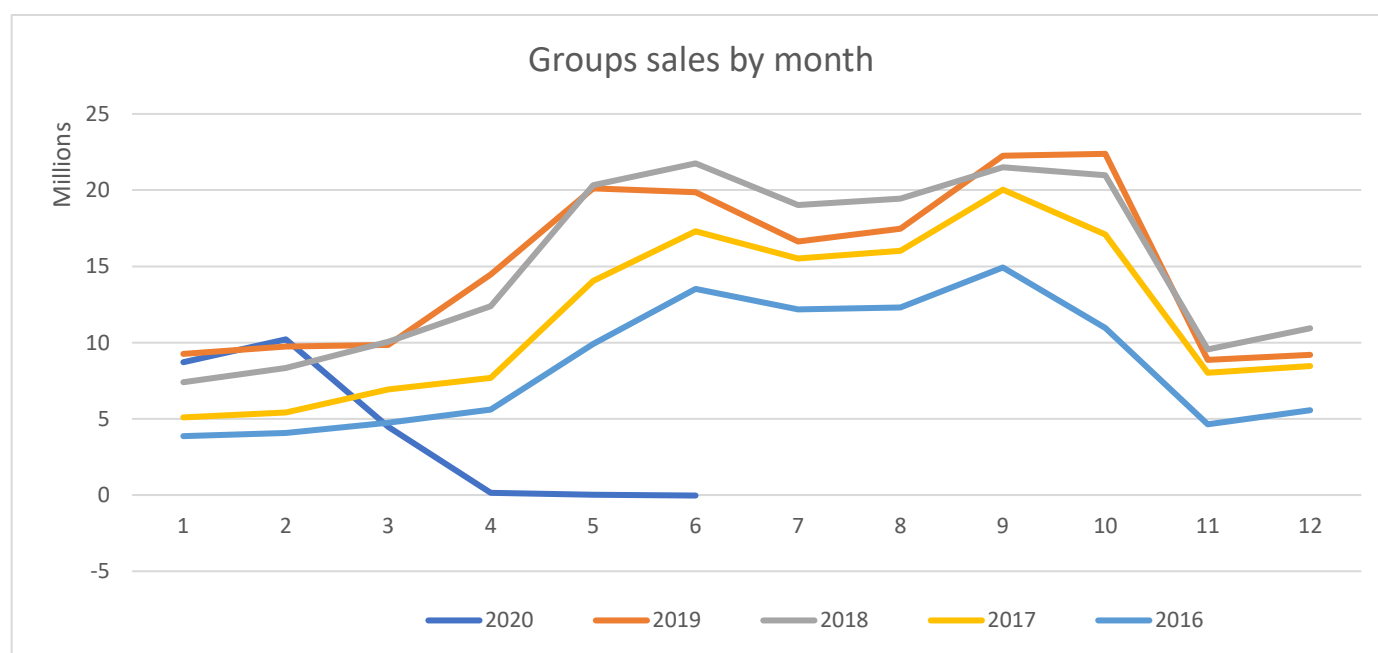
	Q2 2020	Q2 2019	Change, %	6M 2020	6M 2019	Change, %
Flight package tours	-	82.6	-	26.4	116.3	-77.3
Sightseeing tours by coach	-	3.8	-	0.2	4.3	-95.7
Sightseeing tours by plane	-	0.5	-	0.2	0.9	-76.9
Other sales (separate flight and hotel services)	-	9.0	-	4.4	15.5	-71.3
Total	-	95.9	-	31.2	137.0	-77.2

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:

	Q2 2020, %	Q2 2019, %	Change	6M 2020, %	6M 2019, %	Change
Turkey	-	54.8	-	-	36.5	-
Greece	-	14.4	-	-	9.6	-
Egypt	-	11.5	-	50.3	25.8	+24.5pp
Bulgaria	-	6.2	-	-	4.1	-
Spain (including Canary Islands)	-	2.8	-	14.1	5.4	+8.7pp
Skiing	-	-	-	12.1	3.9	+8.2pp
Long haul	-	-	-	17.1	5.2	+11.9pp
Other destinations	-	10.3	-	6.4	9.5	-3.1pp
Total	-	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 June 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	Member 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 June 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 June 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

As of 30 June 2020, the company's market capitalization was EUR 16.0 million and decreased by 47.30% in the second quarter.

Information about trading in AB Novaturas shares from 21 March 2018 to 30 June 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

As of 30 June 2020, the company's market capitalization was PLN 80.7 million and, calculated in PLN, decreased by 41.45% during second quarter.

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

	Q2 2020	Q2 2019	Change, %	6M 2020	6M 2019	Change, %
Sales	126	54,454	-99.8	23,476	83,260	-71.8
Cost of sales	-	(47,953)	-	(20,815)	(73,200)	-71.6
Gross profit	126	6,501	-98.1	2,661	10,060	-73.5
Sales and marketing expenses	(366)	(3,888)	-90.6	(2,454)	(6,366)	-61.5
General and administrative expenses	(469)	(1,020)	-54.0	(1,170)	(2,095)	-44.1
Other operating income	-	-	-	-	1	-
Other operating (expenses)	-	-	-	(5)	(2)	150.0
Profit from operations	(714)	1,593	-	(968)	1,598	-
Finance income	423	160	-	532	270	97.0
Finance (expenses)	(1,776)	(312)	-	(2,040)	(589)	246.3
Profit before tax	(2,067)	1,441	-	(2,476)	1,279	-
Income tax (expense)	176	(856)	-	232	(842)	-
Net profit	(1,891)	585	-	(2,244)	437	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Result of changes in cash flow hedge reserve	1,350	99	-	(1,655)	1,225	-
Impact of income tax	(203)	(15)	-	248	(184)	-
Total comprehensive income for the year	(744)	669	-	(3,651)	1,478	-
Net profit attributable to:						
The shareholders of the Company	(1,891)	585	-	(2,244)	437	-
Non-controlling interests	-	-	-	-	-	-
	(1,891)	585	-	(2,244)	(437)	-
Total comprehensive income attributable to:						
The shareholders of the Company	(744)	669	-	(3,651)	1,478	-
Non-controlling interests	-	-	-	-	-	-
	(744)	669	-	(3,651)	1,478	-
Earnings per share (EPS) for continuing operations:						
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)	(0.24)	0.07	-	(0.29)	0.06	-

Consolidated statements of financial position

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

	30 June 2020	31 December 2019	30 June 2019
ASSETS			
Non-current assets			
Goodwill	30,327	30,327	30,327
Other intangible assets	172	248	347
Property, plant and equipment	157	208	260
Right-of-use assets	562	562	-
Long term receivables	218	220	62
Deferred income tax asset	461	30	7
Total non-current assets	31,897	31,595	31,003
Current assets			
Inventories	3	4	4
Prepayments and deferred expenses	12,610	8,973	11,178
Trade accounts receivable	497	652	549
Prepaid income tax	70	175	233
Other receivables	647	874	2,632
Other current financial assets	-	261	-
Restricted cash	3,200	2,300	3,200
Cash and cash equivalents	3,719	4,554	2,585
Total current assets	20,746	17,793	20,381
Total assets	52,643	49,388	51,384
EQUITY AND LIABILITIES			
Equity			
Share capital	234	234	234
Cash flow hedge reserve	(1,185)	222	(310)
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	17,280	19,524	15,747
Total equity	16,503	20,154	15,845
Liabilities			
Non-current liabilities			
Non-current borrowings	7,070	4,000	6,000
Deferred income tax liabilities	-	-	3,114
Non-current lease liabilities	360	360	-
Total non-current liabilities	7,430	4,360	9,114
Current liabilities			
Current portion of non-current borrowings	500	2,000	1,500
Current borrowings	5,561	-	-
Trade payables	2,278	4,173	4,998
Advances received	17,276	14,997	18,928
Income tax payable	976	1,253	98
Other current liabilities and accrued expenses	509	2,235	534
Lease liabilities	216	216	-
Other current financial liabilities	1,394	-	367
Total current liabilities	28,710	24,874	26,425
Total equity and liabilities	52,643	49,388	51,384

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	-	-	-	(2,224)	-	(2,224)
Other comprehensive income	-	-	(1,407)	-	-	(1,407)
Total comprehensive income			(1,407)	(2,224)	-	(3,651)
Increase in share capital	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Balance as at 30 June 2020	234	29	(1,185)	17,280	145	16,503

Consolidated statements of cash flow

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

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

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 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

	Q2 2020	Q2 2019	Change, %	6M 2020	6M 2019	Change, %
Commissions	13	2,916	-99.6	1,213	4,394	-72.4
Salaries and related taxes	221	615	-64.1	756	1,205	-37.3
Advertising and marketing expenses	70	249	-71.9	312	513	-39.2
Rent and maintenance expenses	42	50	-16.8	101	110	-8.6
Depreciation and amortization	9	4	+114.2	19	9	+106.5
Business trips expenses	-	12	-	8	21	-61.3
Communication expenses	6	10	-42.9	14	23	-40.4
Transportation expenses	3	8	-62.1	11	17	-35.0
Representation expenses	1	10	-90.3	8	37	-78.6
Training expenses	-	1	-	1	2	-46.4
Other	1	12	-91.6	11	34	-67.6
Total:	366	3,888	-90.6	2,454	6,366	-61.5

General and administrative expenses

	Q2 2020	Q2 2019	Change, %	6M 2020	6M 2019	Change, %
Salaries and related taxes	205	555	-63.1	546	1,084	-49.6
Rent and maintenance expenses	13	35	-62.8	41	67	-38.8
Depreciation and amortization	54	52	+4.8	110	123	-10.2
Business trips expenses	1	25	-96.1	8	42	-81.1
Communication expenses	5	10	-49.8	11	19	-42.0
Consulting expenses	58	52	+11.3	93	125	-25.7
Transportation expenses	8	14	-44.7	16	23	-31.8
Representation expenses	2	21	-90.3	14	45	-68.7
Bad debt expenses	-	26	-	-	26	-
Training expenses	-	7	-	6	10	-41.7
Other	123	222	-44.6	325	530	-38.7
Total:	469	1,020	-54.0	1,170	2,095	-44.1

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). In the first half of 2019, the Company incurred one-off expenses related to legal cases (EUR 48,000) and headcount decrease (EUR 96,000).

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):

	Q2 2020	Q2 2019	Change	6M 2020	6M 2019	Change
Result of closed hedging contracts already reflected in the period statement of comprehensive income	(1,123)	(300)	(823)	(1,160)	(223)	(937)

	30 June 2020	31 December 2019	30 June 2019
Market value of existing hedges at the end of the period	(1,394)	261	(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:

Long term borrowings	30 June 2020	31 December 2019	30 June 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%	1,320	-	-
Altum loan, annual interest rate 2.9%	250	-	-
Current portion of non-current borrowings	(500)	(2,000)	(1,500)
Total non-current borrowings	7,070	4,000	6,000

Current borrowings	30 June 2020	31 December 2019	30 June 2019
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 3.8%	5,561	-	-
Total current borrowings	5,561	-	-

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

AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 4.0%	3,680
Altum loan, annual interest rate 2.9%	750
Total unused long term borrowings	4,430

The company also had unused overdraft in amount of EUR 76,000.

Off-balance sheet commitments:

Bank guarantees

AB Luminor Bank annual interest rate of 3-month EURIBOR + 1.7%

Total Limit at 30 June 2020	Used limit at 30 June 2020
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 six-month period ended 30 June 2020, total payments of EUR 24,000 (of which EUR 7,000 during the second quarter) were made to Supervisory Council 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 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

Interim Consolidated Report

Reporting period

January-June 2020.

Issuer and its contact details

Name of the Issuer	AB Novaturas (hereinafter – ‘the Company’)
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

Covid-19 update

After successfully starting 2020, the Company together with the global tourism industry faced the spread of the COVID-19 virus at the end of the first quarter of the year. Due to the restrictions caused by the pandemic, the Company temporarily suspend its operations from mid-March to July, which significantly affected the results of the first half of 2020.

To manage the situation, the Company immediately took strict cost saving measures to ensure the liquidity, agreed with the bank on the deferral of the payment of the existing loan and the extension of the overdraft.

During the crisis, the Company actively worked and continues to work with the governments and responsible authorities of the Baltic States on business support measures. Novaturas Group has acquired a long-term liquidity loan of EUR 1 million in Latvia, EUR 5 million in Lithuania. The Estonian government has supported the Company with a subsidy of EUR 60 thousand. Subsidy of EUR 135 thousand was used for salary compensation. Cooperation with state institutions continues, and sustainable business continuity solutions are being sought during this difficult period for the entire industry.

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, as well as sells charter flights from Vilnius to the neighboring Belarusian market. 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 2020
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 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.

Under the Articles of Association validated till 30 of June:

The Supervisory Council of the Company consisted of five members who were elected for a term of three years and jointly acted as a supervising body of the Company. The Council represented the shareholders and performed supervision and control

functions. The members of the Council were elected by the General Meeting of Shareholders in keeping with the procedure established by the Law on Companies of the Republic of Lithuania. The Chairperson of the Council was elected by the Council from among its members for a three-year term. The Council instituted two Committees – (1) Audit and (2) Nomination and Remuneration. The Audit Committee was composed of three members of the Council, the Nomination and Remuneration Committee – of four members of Council.

The Board of the Company consisted of three members who were elected for a term of three years and jointly acted as the managing body of the Company. The members of the Board were elected by the Supervisory Council in keeping with the procedure established by the Law on Companies of the Republic of Lithuania. The Chairperson of the Board was elected by the Board from its members for a three-year term.

The Board, with the prior consent of the Supervisory Council, elected and recalled the CEO of the Company, set his/her remuneration and other terms of employment, approved his/her office regulations, and encouraged and penalized him/her. From 30 June the Board consists of five members two of whom are independent.

The CEO is a single-person management body reporting directly to the Board of the Company who, within his/her scope of authority, organizes the day-to-day operations of the Company. Transactions of the Company shall be signed jointly by the CEO and any member of the Board, however on the basis of ordinary general meeting of shareholders dated 30 of June, transactions shall be signed only by the CEO.

In accordance with the Corporate Governance Code for Companies Listed of the Nasdaq Vilnius stock exchange (hereinafter “the Governance Code”), all members of the existed Supervisory Council considered to be non-executive directors and two of the five members of the Council considered to be independent. Both the members of the Audit Committee and members of the Nomination and Remuneration Committee were elected for three-year terms by the Council. All three members of the Audit Committee have a financial or economics background, and two of them are independent members of the Council.

According to decision of General meeting of Shareholders validated from 30 of June:

The Board of the Company consist of five members two of whom are independent and who are elected for a term of four years and jointly act as the supervisory and strategic management body of the Company. The members of the Board are elected by the General meeting of Shareholders in keeping with the procedure established by the Law on Companies of the Republic of Lithuania. The Chairperson of the Board is elected by the Board from its members.

The Board elect and recall the CEO of the Company, set his/her remuneration and other terms of employment, approve his/her office regulations, and encourage and penalize him/her.

The CEO is a single-person management body reporting directly to the Board of the Company who, within his/her scope of authority, organizes the day-to-day operations of the Company. Transactions of the Company shall be signed by the CEO.

The Company essentially follows the recommended Governance Code The Company also abides by the WSE Best Practices for companies listed on the Warsaw Stock Exchange.

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 2020, 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 2020.

Activities of the Supervisory Council

During January-June of 2020, four meetings of the Supervisory Council were held, having been convened as per the procedure set out in the Regulations of the Company's Supervisory Council. At all Supervisory Council meetings, the legally required quorum was present.

During its meetings the Supervisory Council approved Company's budget for year 2020, elected Franz Leitner as new Chairman of Remuneration and Nomination committee, elected Vidas Paliūnas as a new Chairman of Supervisory Council, elected Ieva Galvydienė as a new Board member, approved remuneration reductions for the Board members during the crisis period, postponed decision on the Board bonuses for year 2019 approval by one year, reduced Supervisory Council members remuneration during the crisis, made recommendation to accept audited financial statements for the year 2019 and recommended to postpone profit distribution decision during the crisis.

Two meetings of the Audit Committee were held in the period through 30 June 2020. During its meetings the Audit Committee was presented and discussed the draft of 2019 Audit report of the external auditors Deloitte Lietuva UAB; provided recommendations to the Supervisory Council regarding improvement of the annual report and financial statements of the Company for the period ending on the 31 of December, 2019.

Two meetings of the Nomination and Remuneration Committee were held in the period through 30 June 2020. During its meetings the Nomination and Remuneration Committee elected Franz Leitner as a new Chairman of the Committee, provided recommendations to the Supervisory Council regarding election of Ieva Galvydienė as a new Board member, remuneration reduction for the Board during the crisis, postpone approval of bonuses for year 2019 to the Board.

Information about Supervisory Council members' attendance of meetings through 30 June 2020 (number of attended meetings):

	General shareholders meeting	Supervisory Council meeting	Meeting of the Audit Committee	Meeting of the Nomination and Remuneration Committee
Total number of meetings	1	4	2	2
Sebastian Król	-	1		
Ugnius Radvila	1	4		2
Vidas Paliūnas	1	4	2	2
Franz Leitner	-	4	2	2
Piotr Nowjalis	-	4	2	2

In keeping with the Governance Code for Companies Listed on the Nasdaq Vilnius stock exchange, all members of the existed Supervisory Council were non-executive directors. Three members of the Supervisory Council represented shareholders of AB Novaturas and two members of the Supervisory Council – Franz Leitner and Piotr Nowjalis – were regarded as independent members of the Council.

Members of the Supervisory Council till the 30th 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.

Piotr Nowjalis has been involved in financial management for 20 years. He has held managerial and supervisory positions at many Warsaw Stock Exchange-listed companies, including CCC (the largest shoe retailer in CEE), AB (the largest IT distributor in CEE) and Dino Polska (a food retailer). He holds an Executive MBA degree from Kozminski University in Warsaw and is also a graduate of the University of Gdansk's Faculty of Economics and Faculty of Law and Administration.

Franz Leitner has profound knowledge of European travel markets, in particular DACH, CEE and Russia. From 1994 to 2007 he gained extensive experience serving in executive positions at Thomas Cook/Neckermann and TUI as CEO Austria/CEE/Russia. Since 2007 he has been providing consulting and transaction advisory services and has held supervisory positions for international clients in the travel industry.

Members of the Board as of the 30th 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 10.25% 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 Euroapotheica, 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.

Members of the Board till the 30th of June 2020 and Company's top executives as of the 30th 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 2020	6M 2019	Change, %
Representatives abroad and guides	21	65	-67.6
Retail personnel	31	40	-22.5
Office personnel	83	132	-37.1
Total:	135	237	-43.0

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 2020 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