

**AB NOVATURAS**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND

CONSOLIDATED INTERIM REPORT

**for the six-month period ended 30 June 2022**

**(unaudited)**

Beginning of reporting period	1 January 2022
End of reporting period	30 June 2022
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

### First-half results for 2022:

- Novaturas turnover reached EUR 91.6M for the first half year of 2022 compared with EUR 29.1M for the same period last year.
- Gross profit reached EUR 7.9M compared with EUR 5.2M for the same period in 2021.
- Operating expenses amounted to EUR 8.7M - 141.5% more than during the same period last year. Having excluded the commissions and one-off costs, the operational costs increased by 82.3% compared to the operational costs for the first half of 2021.
- EBITDA was negative, reaching EUR 0.8M, while EBITDA margin reached EUR 1.8M for the same period in 2021.
- Company's net loss reached EUR 1.7M during the first half of this year, while the company generated EUR 1.1M net profit during the same period last year.
- The company served 128,392 clients during the first half of this year, surpassing the 46,082 clients served during the same period last year.

### Q2 2022 results:

- Novaturas turnover reached EUR 62.4M for the second quarter of 2022 compared with EUR 23.5M for the same period last year.
- Gross profit reached EUR 5.1M compared with EUR 3.5M for the second quarter of 2021.
- Operating costs amounted to EUR 5.8M, having increased by 128.3% compared with the same period in 2021. Having excluded commissions and one-off costs, the operational costs increased by 65.9% compared with operational costs for the same period in 2021.
- EBITDA was negative, reaching EUR 0.7M compared with EUR 1.2M for the same period last year.
- Company's net loss amounted to EUR 1.2M, while the company generated EUR 0.9M net profit during the same period last year.
- The company served 91,988 clients during the second quarter of this year, surpassing 37,142 clients served during the same period last year.

### CEO's commentary

Dear all,

Novaturas group started 2022 with strong sales results. The income generated during the first half of 2022 surpassed both the results for the same period in 2021 and the pre-pandemic results in 2019. We generated EUR 92M of income during the first half-year of 2022 and served 128K travelers throughout the entire group. However, rapidly increasing aviation fuel prices had a negative impact on profitability figures and therefore the EBITDA was negative and reached EUR 750K.

In order to manage the impact of increased aviation prices, we applied a fuel insurance strategy during the second quarter of this year, which proved to be effective—financial derivatives allowed us to generate EUR 103K of profit. Nevertheless, we did not insure the entire scheduled flight program and the aviation fuel prices continued growing significantly in the market. The management estimates that for this reason, the company group suffered approximately EUR 2.2M loss (24 euros per traveler on average).

Having assessed the consequences of fuel price fluctuations and the highly inconsistent market, we are planning to use financial derivatives to increase the insured fuel proportion and diversify the insurance instruments. The shorter trip booking period and fuel price fluctuation tax calculated in the travel package allow us to assume that the impact of the aviation fuel price on profitability is short-term.

### Positive prospects for H2

Despite the increased fuel price, people continue to travel actively this year. One of the positive aspects is that clients once again prefer to book their trips earlier—the average period between booking and traveling date was one and a half months at the beginning of the year and has now grown to over two months and more. At the beginning of the second half of the year, we served more travelers throughout the group than during the entirety of last year. Rapidly increasing traveler flows have caused air carriers and main airports to face operational challenges. Such circumstances highlighted the benefits of traveling with tour operator. Our extensive experience, expertise, and high level of employee professionalism allow us to



maintain our position as an industry leader during a challenging period in the global aviation market as well as a strong competitive environment.

Regardless of the negative results for the first half of the year, fuel price is stabilizing, allowing us to believe that we will be able to obtain the primary operational and profitability goals during the remaining months of the year, assuming there are no significant changes in the economic environment.

Regards,  
Vitalij Rakovski  
CEO

## Main ratios

Financial indicators*	Q2 2022	Q2 2021	Q2 2020	Change, % 22/21	Change, % 21/20
Sales	62,393	23,543	126	+165.0	+18,854.9
Gross profit	5,108	3,547	126	+44.0	+2,715.1
EBITDA	(654)	1,175	(650)	-	-
Operating profit (EBIT)	(679)	1,135	(714)	-	-
Profit before taxes	(1,050)	883	(2,067)	-	-
Net profit for the period	(1,155)	929	(1,891)	-	-

Financial indicators*	6M 2022	6M 2021	6M 2020	Change, % 22/21	Change, % 21/20
Sales	91,647	29,114	23,476	+214.8	+24.0
Gross profit	7,854	5,164	2,661	+52.1	+94.1
EBITDA	(750)	1,790	(840)	-	-
Operating profit (EBIT)	(775)	1,707	(968)	-	-
Profit before taxes	(1,660)	1,030	(2,476)	-	-
Net profit for the period	(1,660)	1,120	(2,244)	-	-

Relative indicators/ratios	Q2 2022	Q2 2021	Q2 2020	Change 22/21	Change 21/20
Number of ordinary registered shares	7,807,000	7,807,000	7,807,000	-	-
Earnings per share (EUR)	-0.15	0.12	-0.24	-0.27	+0.36
Gross profit margin (%)	8.2	15.1	-	-6.9pp	-
EBITDA margin (%)	-1.0	5.0	-	-6.0pp	-
EBIT margin (%)	-1.1	4.8	-	-4.9pp	-
Profit before taxes margin (%)	-1.7	3.8	-	-5.5pp	-
Net profit margin for the period (%)	-1.9	3.9	-	-5.8pp	-
Return on assets (ROA) (%)	-2.2	1.6	-3.6	-3.8pp	+5.2pp
Return on equity (ROE) (%)	-8.6	6.08	-11.46	-14.68pp	+17.54pp
Debt / equity ratio (%)	100.9	146.6	79.6	-45.7pp	+67.1pp
Capital/assets ratio (%)	26.1	26.4	31.3	-0.3pp	-4.9pp
Actual profit tax rate (%)	-10.0	-5.2	-	+4.8pp	-
Total liquidity ratio	0.75	1.23	0.77	-0.48	+0.46

Relative indicators/ratios	6M 2022	6M 2021	6M 2020	Change 22/21	Change 21/20
Number of ordinary registered shares	7,807,000	7,807,000	7,807,000	-	-
Earnings per share (EUR)	-0.21	0.14	-0.29	-0.35	+0.43
Gross profit margin (%)	8.6	17.7	11.3	-9.1pp	+6.4pp
EBITDA margin (%)	-0.8	6.1	-3.6	-6.9pp	+9.7pp
EBIT margin (%)	-0.8	5.9	-4.1	-6.7pp	+10.0pp
Profit before taxes margin (%)	-1.8	3.5	-10.5	-5.3pp	+14.0pp
Net profit margin for the period (%)	-1.8	3.8	-9.6	-5.6pp	+13.4pp
Return on assets (ROA) (%)	-3.4	2.2	-4.2	-5.6pp	+6.3pp
Return on Equity (ROE) (%)	-12.36	7.33	-13.60	-19.69pp	+20.93pp
Debt / equity ratio (%)	100.9	146.6	79.6	-45.7pp	+67.1pp
Capital/assets ratio (%)	26.1	26.4	31.3	-0.3pp	-4.9pp
Actual profit tax rate (%)	-	-8.7	-	+8.7pp	-8.7pp
Total liquidity ratio	0.75	1.23	0.72	-0.47	+0.51

## 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 2022	Q2 2021	Q2 2020	Change 22/21	Change 21/20
<b>Flight package tours</b>					
Sales	58,075	22,366	125	+159.66%	-
Cost of sales	(52,430)	(18,497)	-	+183.5%	-
<b>Gross profit</b>	<b>5,645</b>	<b>3,869</b>	<b>125</b>	<b>+45.9%</b>	-
Gross profit margin (%)	9.7%	17.3%	-	-7.6pp	-
Sales commission expenses	(3,810)	(1,338)	(13)	+184.8%	-
<b>Sales profit by segment</b>	<b>1,835</b>	<b>2,531</b>	<b>112</b>	<b>-27.5%</b>	-
Sales profit margin (%)	3.2%	11.3%	-	-8.2pp	-
<b>Sightseeing tours by coach</b>					
Sales	333	-	(1)	-	-
Cost of sales	(279)	-	(4)	-	-
<b>Gross profit</b>	<b>54</b>	-	<b>(5)</b>	-	-
Gross profit margin (%)	16.2%	-	-	-	-
Sales commission expenses	(9)	-	-	-	-
<b>Sales profit by segment</b>	<b>45</b>	-	<b>(5)</b>	-	-
Sales profit margin (%)	13.5%	-	-	-	-
<b>Sightseeing tours by plane</b>					
Sales	242	-	2	-	-
Cost of sales	(212)	-	1	-	-
<b>Gross profit</b>	<b>30</b>	-	<b>3</b>	-	-
Gross profit margin (%)	12.4%	-	-	-	-
Sales commission expenses	(7)	-	-	-	-
<b>Sales profit by segment</b>	<b>23</b>	-	<b>3</b>	-	-
Sales profit margin (%)	9.5%	-	-	-	-
<b>Other products</b>					
Sales	3,743	1,177	-	+218.0%	-
Cost of sales	(4,365)	(1,499)	-	+191.2%	-
<b>Gross profit</b>	<b>(622)</b>	<b>(322)</b>	-	<b>93.2%</b>	-
Gross profit margin (%)	-16.6%	-27.4%	-	+10.7pp	-
Sales commission expenses	-	-	-	-	-
<b>Sales profit by segment</b>	<b>(622)</b>	<b>(322)</b>	-	<b>93.2%</b>	-
Sales profit margin (%)	-16.6%	-27.4%	-	+10.7pp	-

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 2022	6M 2021	6M 2020	Change 22/21	Change 21/20
<b>Flight package tours</b>					
Sales	83,362	26,520	20,001	+214.34%	+32.6%
Cost of sales	(74,944)	(21,473)	(17,892)	+249.02%	+20.0%
<b>Gross profit</b>	<b>8,418</b>	<b>5,047</b>	<b>2,109</b>	<b>+66.79%</b>	<b>+139.3%</b>
Gross profit margin (%)	10.1%	19.0%	10.5%	-8.9pp	+8.5pp
Sales commission expenses	(5,024)	(1,617)	(1,200)	+210.7%	+34.8%
<b>Sales profit by segment</b>	<b>3,394</b>	<b>3,430</b>	<b>909</b>	<b>-1.05%</b>	<b>+277.3%</b>
Sales profit margin (%)	4.1%	12.9%	4.5%	-8.8pp	8.4pp
<b>Sightseeing tours by coach</b>					
Sales	354	-	29	-	-
Cost of sales	(292)	-	(32)	-	-
<b>Gross profit</b>	<b>62</b>	-	<b>(3)</b>	-	-
Gross profit margin (%)	17.5%	-	-10.3%	-	-
Sales commission expenses	(10)	-	(4)	-	-
<b>Sales profit by segment</b>	<b>52</b>	-	<b>160</b>	-	-
Sales profit margin (%)	14.7%	-	-13.8%	-	-
<b>Sightseeing tours by plane</b>					
Sales	363	-	218	-	-
Cost of sales	(329)	-	(185)	-	-
<b>Gross profit</b>	<b>34</b>	-	<b>33</b>	-	-
Gross profit margin (%)	9.4%	-	15.1%	-	-
Sales commission expenses	(12)	-	(12)	-	-
<b>Sales profit by segment</b>	<b>22</b>	-	<b>21</b>	-	-
Sales profit margin (%)	6.1%	-	9.6%	-	-
<b>Other products</b>					
Sales	7,568	2,594	3,228	+191.75%	-19.6%
Cost of sales	(8,228)	(2,477)	(2,706)	+232.18%	-8.5%
<b>Gross profit</b>	<b>(660)</b>	<b>117</b>	<b>522</b>	<b>-664.10%</b>	<b>-77.6%</b>
Gross profit margin (%)	-8.7%	4.5%	16.2%	-13.2pp	-11.7pp
Sales commission expenses	-	-	-	-	-
<b>Sales profit by segment</b>	<b>(660)</b>	<b>117</b>	<b>522</b>	-	<b>-77.6%</b>
Sales profit margin (%)	-8.7%	4.5%	16.2%	-13.2pp	-11.7pp

## 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. E-commerce sales are via Company websites. During first half of 2022, the Company's websites were visited by 2.1 million unique visitors, which is 81% more than the 1.1 million unique visitors in the first half of 2021.

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 2022, %	Q2 2021, %	Q2 2020, %	Change 22/21	Change 21/20
Travel agencies	70.8	70.2	-	+0.6pp	-
Own retail	11.5	11.5	-	-	-
Web sales	16.8	15.9	-	+0.9pp	-
GDS	0.9	2.4	-	-1.5pp	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>

	6M 2022, %	6M 2021, %	6M 2020, %	Change 22/21	Change 21/20
Travel agencies	68.5	70.0	70.5	-1.5pp	-0.5pp
Own retail	12.6	11.4	12.8	+1.2pp	-1.4pp
Web sales	17.3	15.2	15.1	+2.1pp	+0.1pp
GDS	1.6	3.4	1.6	-1.8pp	+1.8pp
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>		

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

	Q2 2022	Q2 2021	Q2 2020	Change, % 22/21	Change, % 21/20
Lithuania	53.9	19.1	-	+182.0	-
Latvia	17.2	6.1	-	+181.3	-
Estonia	20.9	11.9	-	+75.4	-
Other	-	-	-	-	-
<b>Total</b>	<b>92.0</b>	<b>37.1</b>	<b>-</b>	<b>+147.7</b>	<b>-</b>

	6M 2022	6M 2021	6M 2020	Change, % 22/21	Change, % 21/20
Lithuania	70.0	24.0	12.7	+190.7	+90.6
Latvia	26.4	7.3	7.2	+262.7	+0.4
Estonia	32.0	14.8	11.2	+117.3	+31.5
Other	-	-	0.1	-	-100.0
<b>Total</b>	<b>128.4</b>	<b>46.1</b>	<b>31.2</b>	<b>+178.6</b>	<b>+47.7</b>

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

	Q2 2022	Q2 2021	Q2 2020	Change, % 22/21	Change, % 21/20
Flight package tours	79.9	29.6	-	+170.2	-
Sightseeing tours by coach	0.9	-	-	+100.0	-
Sightseeing tours by plane	0.3	-	-	+100.0	-
Other sales	10.9	7.5	-	+44.7	-
<b>Total</b>	<b>92.0</b>	<b>37.1</b>	<b>-</b>	<b>+147.7</b>	<b>-</b>

	6M 2022	6M 2021	6M 2020	Change, % 22/21	Change, % 21/20
Flight package tours	108.8	35.1	26.4	+210.5	+32.9
Sightseeing tours by coach	1.0	-	0.2	+100.0	-100.0
Sightseeing tours by plane	0.4	-	0.2	+100.0	-100.0
Other sales	18.2	11.0	4.4	+65.2	+148.2
<b>Total</b>	<b>128.4</b>	<b>46.1</b>	<b>31.2</b>	<b>+178.6</b>	<b>+47.7</b>

Turkey, Greece, Egypt, Spain, and Montenegro hold main positions in 6M of 2022. During the Q1 months the company have offered organized holiday packages to Egypt, Tenerife, UAE, Madeira, skiing resorts and long-haul destinations. In Q2 post popular summer holiday destinations Turkey, Greece, Montenegro, and Bulgaria have returned to the available holiday destinations portfolio.

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

	Q2 2022, %	Q2 2021, %	Q2 2020, %	Change 22/21	Change 21/20
Turkey	55.6	45.6	-	10.0pp	+45.6pp
Greece	17.6	22.0	-	-4.4pp	+22.0pp
Egypt	9.4	16.1	-	-6.7pp	+16.1pp
Montenegro	4.8	2.7	-	+2.1pp	+2.7pp
Spain (including Canary Islands)	4.4	7.3	-	-2.9pp	+7.3pp
Bulgaria	3.6	5.2	-	-1.6pp	+5.2pp
Long haul	0.2	0.3	-	-0.1pp	+0.3pp
Other destinations	4.4	0.8	-	+3.6pp	+0.8pp
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>-</b>		

	6M 2022, %	6M 2021, %	6M 2020, %	Change 22/21	Change 21/20
Turkey	39.2	36.7	-	+2.5pp	+36.7pp
Greece	12.4	17.7	-	-5.3pp	+17.7pp
Egypt	21.9	24.9	50.3	-3.0pp	-25.4pp
Spain (including Canary Islands)	8.4	12.9	14.1	-4.5pp	-1.2pp
Skiing	4.7	-	12.1	+4.7pp	-12.1pp
Montenegro	3.4	2.7	-	+0.7pp	+2.7pp
Long haul	2.7	0.6	17.1	+2.1pp	-4.6pp
Bulgaria	2.6	4.2	-	-1.6pp	+4.2pp
Other destinations	4.7	0.3	6.4	+4.4pp	-6.1pp
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

## 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 2022 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 2022:

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
Rytis Šūmakaris	Member of the Board	JSC “UAB Mariu Namai” – Managing Director	535,278	2022-05-25
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 30<sup>th</sup> of June 2022

Name	Position within the Company	Number of shares held in the Company
Vitalij Rakovski	CEO	-
Ieva Galvydienė	CCO	-
Albert Žinevič	CSO	-
Arūnas Žilys	CFO	-

## Share capital and shareholders

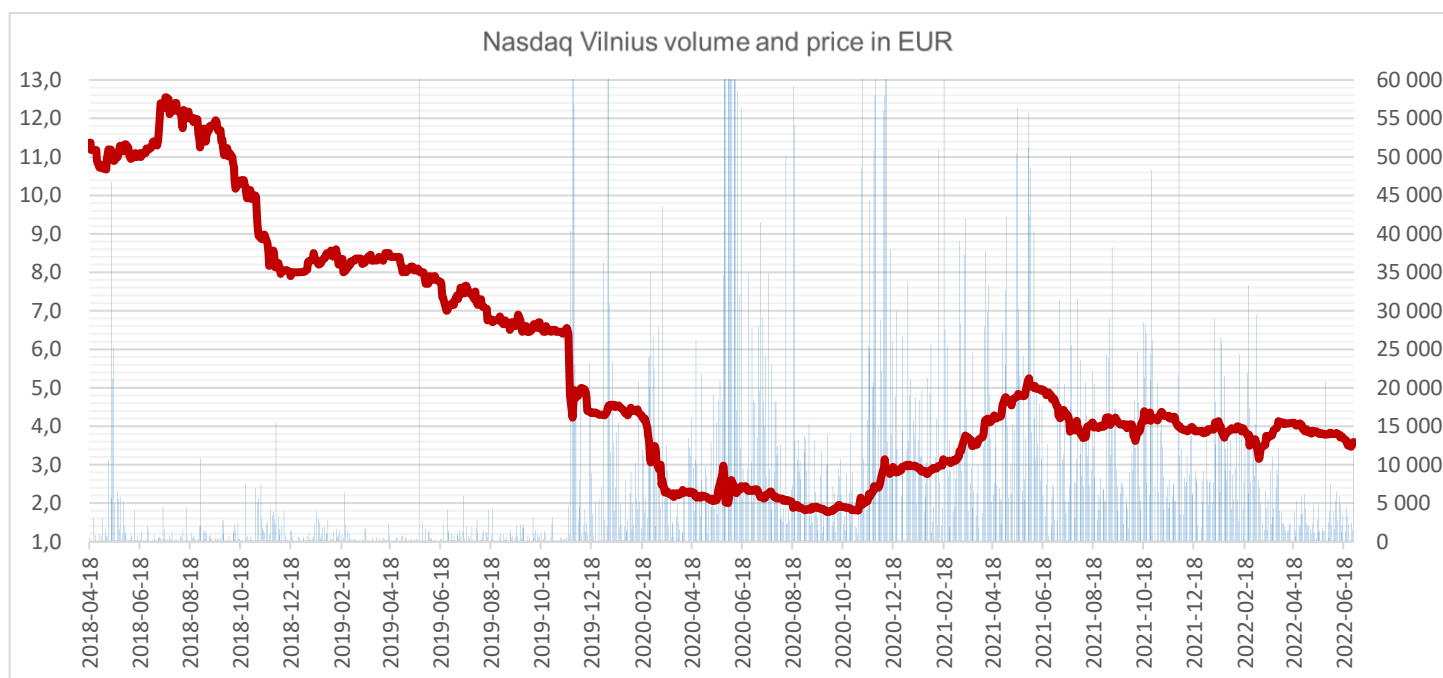
The Company's share capital is EUR 234,210. It consists of 7,807,000 ordinary registered shares with a nominal value of EUR 0.03. The number of shares of the Company that grant votes in the General Meeting of Shareholders is 7,807,000.

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 2022 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
Q3 2021	EUR	4.75	4.75	3.65	4.00	4.08	805,595	3,287,458
Q4 2021	EUR	4.04	4.45	3.51	3.84	4.07	772,922	3,142,907
Q1 2022	EUR	3.82	4.17	3.05	3.82	3.80	685,940	2,606,084
Q2 2022	EUR	3.58	4.14	3.46	3.57	3.86	193,783	747,641

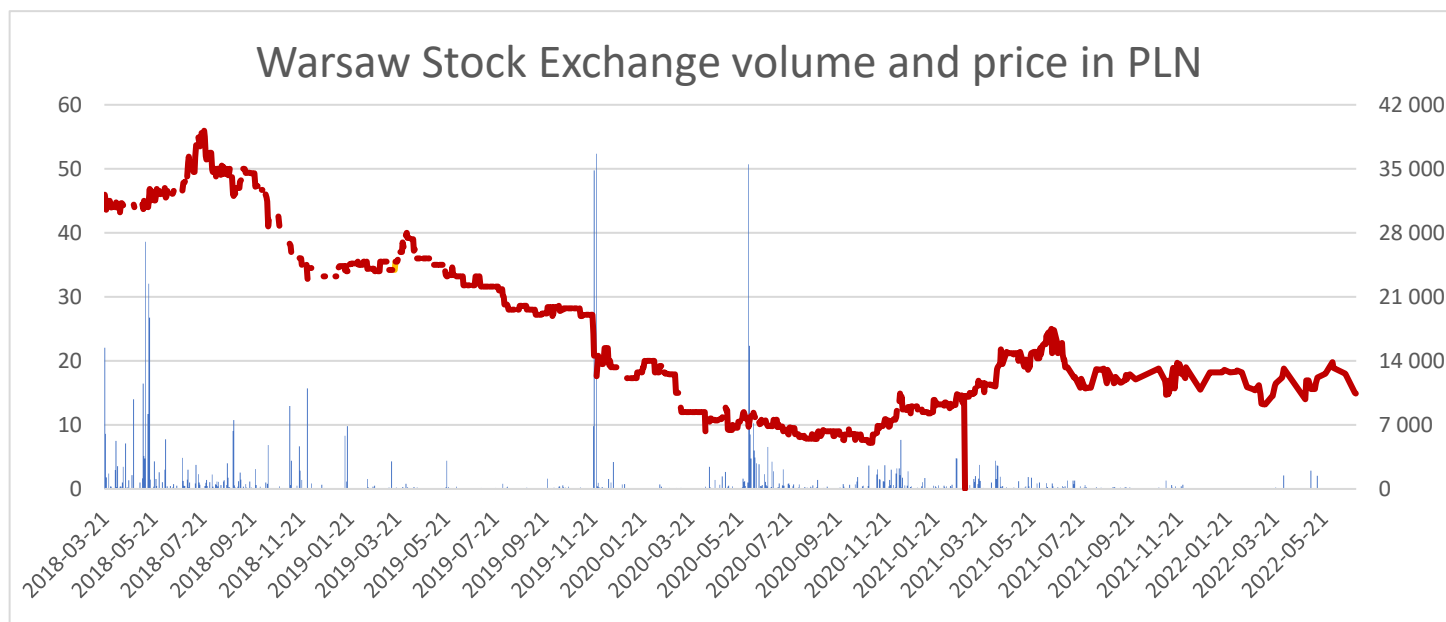
As of 30 June 2022, the company's market capitalization was EUR 27.9 million and decreased by 7.5 % in the second quarter.



Information about trading in AB Novaturas shares from 21 March 2018 to 30 June 2022 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
Q3 2021	PLN	20.20	20.20	15.70	17.10	17.81	6,920	123,250
Q4 2021	PLN	17.10	19.70	14.70	18.20	17.10	2,910	49,766
Q1 2022	PLN	18.20	18.60	13.20	17.40	15.84	718	11,371
Q2 2022	PLN	18.00	19.80	14.00	14.90	16.13	5,040	81,272

As of 30 June 2022, the company's market capitalization was PLN 116.3 million calculated in PLN and decreased by 14,37 % during second quarter.



Shareholders holding at least 5% of share capital and votes as of 30 June 2022:

<b>Name of the shareholder</b>	<b>Number of shares</b>	<b>Share of authorized capital and total number of votes, %</b>
ME Investicija	779,900	9.99
Ugnius Radvila	740,702	9.49
Rendez Vous OU	560,398	7.18
Moonrider OU	543,346	6.96
Rytis Šūmakaris	535,278	6.86
Vidas Paliūnas	535,278	6.86
Others (free float)	4,112,098	52.66
<b>Total</b>	<b>7,807,000</b>	<b>100.00</b>

Information regarding shareholders according to country as of 30 June 2022:

<b>Country</b>	<b>Number of shaholders</b>	<b>Share of authorized capital and total number of votes, %</b>
Lithuania	1,581	48.51
Estonia	3,952	41.96
Latvia	330	3.85
Other countries	1,459	5.68
<b>Iš viso:</b>	<b>6,202</b>	<b>100.00</b>



## Consolidated statements of comprehensive income

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

	Q2 2022	Q2 2021	Q2 2020	Change, % 22/21	Change, % 21/20
Sales	62,393	23,543	126	+165.0	-
Cost of sales	(57,285)	(19,996)	-	+186.5	-
<b>Gross profit</b>	<b>5,108</b>	<b>3,547</b>	<b>126</b>	<b>+44.0</b>	-
Selling (expenses)	(4,933)	(1,964)	(366)	+151.2	-
General and administrative (expenses)	(867)	(577)	(469)	+50.3	-
Other operating income	14	130	-	-89.2	-
Other operating (expenses)	(1)	(1)	-	-	-
<b>Operating profit</b>	<b>(679)</b>	<b>1,135</b>	<b>(714)</b>	-	-
Finance income	43	68	423	-36.8	-83,9
Finance (expenses)	(414)	(320)	(1,776)	-29.4	-82,0
<b>Profit before tax</b>	<b>(1,050)</b>	<b>883</b>	<b>(2,067)</b>	-	-
Income tax (expense)	(105)	46	176	-	-73,9
<b>Net profit</b>	<b>(1,155)</b>	<b>929</b>	<b>(1,891)</b>	-	-
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>					
Result of changes in cash flow hedge reserve	(1)	20	1,350	-	-
Impact of income tax	1	(3)	(203)	-	-
Total other comprehensive income	-	(17)	1,147	-	-
<b>Total comprehensive income</b>	<b>(1,155)</b>	<b>946</b>	<b>(744)</b>	-	-
<b>Net profit attributable to:</b>					
The shareholders of the Company	(1,155)	929	(1,891)	-	-
Non-controlling interests	-	-	-	-	-
	<b>(1,155)</b>	<b>929</b>	<b>(1,891)</b>	-	-
<b>Total comprehensive income attributable to:</b>					
The shareholders of the Company	(1,155)	946	(744)	-	-
Non-controlling interests	-	-	-	-	-
	<b>(1,155)</b>	<b>946</b>	<b>(744)</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)	(0.15)	0.12	(0.24)	-	-

	6M 2022	6M 2021	6M 2020	Change, % 22/21	Change, % 21/20
Sales	91,647	29,114	23,476	+214.8	+24.0
Cost of sales	(83,793)	(23,950)	(20,815)	+249.9	+15.1
<b>Gross profit</b>	<b>7,854</b>	<b>5,164</b>	<b>2,661</b>	<b>+52.1</b>	<b>+94.1</b>
Selling (expenses)	(7,100)	(2,616)	(2,454)	+171.4	+6.6
General and administrative (expenses)	(1,561)	(970)	(1,170)	+60.9	-17.1
Other operating income	33	130	-	-74.6	-
Other operating (expenses)	(1)	(1)	(5)	-	-
<b>Operating profit</b>	<b>(775)</b>	<b>1,707</b>	<b>(968)</b>	-	-
Finance income	58	280	532	-79.3	-47.4
Finance (expenses)	(943)	(957)	(2,040)	-1.5	-53.1
<b>Profit before tax</b>	<b>(1,660)</b>	<b>1,030</b>	<b>(2,476)</b>	-	-
Income tax (expense)	-	90	232	-100.0	-61.2
<b>Net profit</b>	<b>(1,660)</b>	<b>1,120</b>	<b>(2,244)</b>	-	-
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>					
Result of changes in cash flow hedge reserve	3	469	(1,655)	-99.4	-
Impact of income tax	-	(70)	248	-100.0	-
Total other comprehensive income	3	399	(1,407)	-	-
<b>Total comprehensive income for the year</b>	<b>(1,657)</b>	<b>1,519</b>	<b>(3,651)</b>	-	-
<b>Net profit attributable to:</b>					
The shareholders of the Company	(1,660)	1,120	(2,244)	-	-
Non-controlling interests	-	-	-	-	-
	<b>(1,660)</b>	<b>1,120</b>	<b>(2,244)</b>	-	-
<b>Total comprehensive income attributable to:</b>					
The shareholders of the Company	(1,657)	1,519	(3,651)	-	-
Non-controlling interests	-	-	-	-	-
	<b>(1,657)</b>	<b>1,519</b>	<b>(3,651)</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)	(0.21)	0.14	(0.29)	-	-

## Consolidated statements of financial position

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

	30 June 2022	30 June 2021	30 June 2020
<b>ASSETS</b>			
Non-current assets			
Goodwill	30,327	30,327	30,327
Other intangible assets	292	102	172
Property, plant and equipment	73	93	157
Assets held	346	219	562
Non-current receivables	106	211	218
Deferred income tax asset	860	980	461
<b>Total non-current assets</b>	<b>32,004</b>	<b>31,932</b>	<b>31,897</b>
Current assets			
Inventories	-	2	3
Prepayments and deferred expenses	7,994	5,002	12,610
Trade receivables	600	362	497
Prepaid income tax	69	70	70
Other receivables	923	286	647
Other current financial assets	-	200	-
Restricted cash	1,800	2,000	3,200
Cash and cash equivalents	8,048	17,937	3,719
<b>Total current assets</b>	<b>19,434</b>	<b>25,859</b>	<b>20,746</b>
<b>Total assets</b>	<b>51,438</b>	<b>57,791</b>	<b>52,643</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	234	234	234
Cash flow hedge reserve	-	(22)	(1,185)
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	13,023	14,894	17,280
<b>Total equity</b>	<b>13,431</b>	<b>15,280</b>	<b>16,503</b>
<b>Liabilities</b>			
<b>Non-current payables and liabilities</b>			
Long-term borrowings	11,919	21,348	7,070
Deferred income tax liabilities	31	-	-
Lease liabilities	207	83	360
<b>Total non-current payables and liabilities</b>	<b>12,157</b>	<b>21,431</b>	<b>7,430</b>
<b>Current payables and liabilities</b>			
Current portion of long-term borrowings	1,634	1,057	500
Current borrowings	-	-	5,561
Trade payables	5,887	2,956	2,278
Advances received	16,751	15,201	17,276
Income tax payable	1	6	976
Other current liabilities and accrued expenses	1,406	1,688	509
Lease liabilities	171	149	216
Other current financial liabilities	-	23	1,394
<b>Total current payables and liabilities</b>	<b>25,850</b>	<b>21,080</b>	<b>28,710</b>
<b>Total equity and liabilities</b>	<b>51,438</b>	<b>57,791</b>	<b>52,643</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 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	-	-	-	909	-	909
Other comprehensive income	-	-	418	-	-	418
Total comprehensive income			418	909	-	1,327
<b>Balance as at 31 December 2021</b>	<b>234</b>	<b>29</b>	<b>(3)</b>	<b>14,683</b>	<b>145</b>	<b>15,088</b>
Net profit for the year	-	-	-	(1,660)	-	(1,660)
Other comprehensive income	-	-	3	-	-	3
Total comprehensive income			3	(1,660)	-	1,657
<b>Balance as at 30 June 2022</b>	<b>234</b>	<b>29</b>	<b>-</b>	<b>13,023</b>	<b>145</b>	<b>13,431</b>

## Consolidated statements of cash flow

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

	6M 2022	6M 2021	6M 2020
<b>Cash flows from (to) operating activities</b>			
Net profit	(1,660)	1,120	(2,244)
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization	25	83	128
Change in deferred income tax	9	26	-
Current income tax expenses	-	-	-
Elimination of financial, investment and other non-cash activity results	380	885	(1,016)
	<b>(1,246)</b>	<b>2,114</b>	<b>(3,132)</b>
<b>Changes in working capital:</b>			
(Increase) decrease in inventories	-	-	1
(Increase) decrease in trade receivables	(433)	(218)	155
(Increase) decrease in other receivables	(441)	(302)	488
(Increase) decrease in prepayments and deferred expenses	(1,809)	2,647	(3,635)
Increase (decrease) in trade payables	991	995	(1,895)
Increase in advances received	8,136	4,325	2,279
Income tax paid	-	(53)	(603)
Increase (decrease) in other accounts payable and accrued expenses	74	38	(332)
<b>Net cash flows from operating activities</b>	<b>5,272</b>	<b>9,546</b>	<b>(6,674)</b>
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of non-current assets (except investments)	(193)	(43)	(3)
Proceeds from sale of non-current assets (except investments)	-	-	2
<b>Net cash flows (to) investing activities</b>	<b>(193)</b>	<b>(43)</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>			
Loans received	-	10,948	9,570
(Repayment) of loans	(773)	(5,397)	(2,439)
Interest (paid)	(377)	(482)	(391)
<b>Net cash flows (to) financing activities</b>	<b>(1,150)</b>	<b>5,069</b>	<b>6,740</b>
<b>Net increase (decrease) in cash flows</b>	<b>3,929</b>	<b>14,572</b>	<b>65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,919</b>	<b>5,365</b>	<b>6,854</b>
<b>Cash and cash equivalents at the end of period</b>	<b>9,848</b>	<b>19,937</b>	<b>6,919</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 2022
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.

### Selling expenses

	Q2 2022	Q2 2021	Q2 2020	Change, % 22/21	Change, % 21/20
Commissions	3,826	1,338	13	+185.9	-
Salaries and related taxes	690	448	221	+54.0	+102.7
Advertising and marketing expenses	328	109	70	+200.9	+55.7
Rent and maintenance expenses	51	42	42	+21.4	-
Depreciation and amortization	4	8	9	-50.0	-11.1
Business trips expenses	10	2	-	+400.0	-
Communication expenses	11	9	6	+22.2	+50.0
Transportation expenses	4	5	3	-20.0	+66.7
Representation expenses	1	-	1	-	-
Training expenses	-	-	-	-	-
Other	8	3	1	+166.7	-
<b>Total:</b>	<b>4,933</b>	<b>1,964</b>	<b>366</b>	<b>+151.2</b>	<b>+436.6</b>

	6M 2022	6M 2021	6M 2020	Change, % 22/21	Change, % 21/20
Commissions	5,046	1,617	1,213	+212.1	+33.3
Salaries and related taxes	1,273	700	756	+81.9	-7.4
Advertising and marketing expenses	594	173	312	+243.4	-44.6
Rent and maintenance expenses	105	75	101	+40.0	-25.7
Depreciation and amortization	7	16	19	-56.3	-15.8
Business trips expenses	13	2	8	+550.0	-75.0
Communication expenses	21	18	14	+16.7	+28.6
Transportation expenses	13	8	11	+62.5	-27.3
Representation expenses	12	-	8	-	-
Training expenses	-	-	1	-	-
Other	16	7	11	+128.6	-36.4
<b>Total:</b>	<b>7,100</b>	<b>2,616</b>	<b>2,454</b>	<b>+171.4</b>	<b>+6.6</b>

## General and administrative expenses

	Q2 2022	Q2 2021	Q2 2020	Change, % 22/21	Change, % 21/20
Salaries and related taxes	426	219	205	+94.5	+6.8
Rent and maintenance expenses	20	18	13	+11.1	+38.5
Depreciation and amortization	10	34	54	-70.6	-37.0
Business trips expenses	2	1	1	+100.0	-
Communication expenses	6	5	5	+20.0	-
Consulting expenses	51	30	58	+70.0	-48.3
Transportation expenses	11	10	8	+10.0	+25.0
Representation expenses	10	3	2	+233.3	+50.0
Bad debt expenses	-	-	-	-	-
Training expenses	18	6	-	+200.0	-
Other	313	251	123	+24.7	+104.1
<b>Total:</b>	<b>867</b>	<b>577</b>	<b>469</b>	<b>+50.3</b>	<b>+23.0</b>

	6M 2022	6M 2021	6M 2020	Change, % 22/21	Change, % 21/20
Salaries and related taxes	798	387	546	+106.2	-29.1
Rent and maintenance expenses	41	35	41	+17.1	-14.6
Depreciation and amortization	19	68	110	-72.1	-38.2
Business trips expenses	4	1	8	+300.0	-87.5
Communication expenses	12	10	11	+20.0	-9.1
Consulting expenses	107	84	93	+27.4	-9.7
Transportation expenses	20	14	16	+42.9	-12.5
Representation expenses	16	5	14	+220.0	-64.3
Bad debt expenses	-	-	-	-	-
Training expenses	18	6	6	+200.0	-
Other	526	360	325	+46.1	+10.8
<b>Total:</b>	<b>1,561</b>	<b>970</b>	<b>1,170</b>	<b>+60.9</b>	<b>-17.1</b>

In the first half of 2022, the Company incurred one-off expenses related to legal cases (EUR 63,000) layoff compensations (EUR 128,000). 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).

Additionally, considering the increased volume of work related to the activities of the Board members of the Company in 2021, an additional remuneration of 120 000 EUR (one-time) was set for the performing the functions of a members of the Board in 2021

## 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 2022	Q2 2021	Q2 2020	Change 21/20	Change 20/19
Result of closed hedging contracts already reflected in the period statement of comprehensive income	-	(12)	(1,123)	12	1,111
	6M 2022	6M 2021	6M 2020	Change 22/21	Change 21/20
Result of closed hedging contracts already reflected in the period statement of comprehensive income	103	(172)	(1,160)	275	988
	30 June 2022	30 June 2021	30 June 2020		
Market value of existing hedges at the end of the period	90	(26)	(1,394)		

## Borrowings and off-balance sheet commitments

The average interest rate of bank loans drawn down at 30 June 2022 was 3.80 % (30 June 2021 5.90 %)

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

	30 June 2022	30 June 2021	30 June 2020
<b>Long term borrowings</b>			
AB Luminor Bank loan	-	3,045	6,000
AB Luminor Bank loan	5,000	5,000	1,320
Loan granted by Investicijų ir verslo garantijos UAB	1,971	2,404	-
Altum loan	360	840	250
Limited partnership "Pagalbos verslui fondas" ordinary bonds	5,000	5,000	-
Limited partnership "Pagalbos verslui fondas" convertible bonds	-	5,000	-
Tax loans	1,222	1,116	-
<b>Total non-current borrowings</b>	<b>13,553</b>	<b>22,405</b>	<b>7,570</b>
Less: Current portion of long-term borrowings	(1,634)	(1,057)	(500)
	<b>11,919</b>	<b>21,348</b>	<b>7,070</b>
<b>Current borrowings</b>			
Current portion of non-current borrowings	1,634	1,057	500
AB Luminor Bank loan	-	-	5,561
<b>Total current borrowings</b>	<b>1,634</b>	<b>1,057</b>	<b>6,061</b>

Off-balance sheet commitments:

<b>Bank guarantees</b>	<b>Total Limit at 30 June 2022</b>	<b>Used limit at 30 June 2022</b>
AB Luminor Bank	7,000	7,000

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

As of June 30, 2022, additional guarantees were issued for EUR 1,800 thousand by depositing funds with a bank.

## Related party transactions

During the six-month period ended 30 June 2022, total payments of EUR 74,000 (of which EUR 25,000 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, Vitalij Rakovski, the CEO of AB Novaturas, and Arūnas Žilys, 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 2022, 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.

Vitalij Rakovski  
CEO

Arūnas Žilys  
CFO

## Interim Consolidated Report

### Reporting period

January-June 2022.

### 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

### 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. 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 2022
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 2022, 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 2022**

**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.

**Rytis Šūmakaris** is one of the co-founders of AB "Novaturas" and supporting partner since 2001. During the 18 years within the company Rytis has contributed significantly to building "Novaturas" business, expansion in the Baltics, securing leading positions in all three markets. Rytis also owns accommodation service company "Nidos namai".

He has graduated from the Kaunas University of Technology with bachelor's degree in Radio electronics.

**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 Euroapothea, 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 2022**

**Vitalij Rakovski** has joined Novaturas in 2022. He has accumulated many years of experience in business development, mergers and acquisitions, investment attraction and financial management. Vitalij has previously held managing positions in the leading local and international capital business groups such as "Ignitis group", "Ernst & Young", "Maxima Group" and others, where he has also been appointed as a member of the Board.

He has obtained a bachelor's degree in business administration and management at Vilnius University.

**Arūnas Žilyš** has joined Novaturas in 2022. He has accumulated many years of experience in attracting investment and financial management, developing strategic projects and organizations. For the last 5 years A. Žilyš he has held the position of chief financial officer at "Ignitis" group subsidiary "Vilniaus kogeneracinė jėgainė" and UAB "Vilniaus vystymo kompanija".

He has obtained a bachelor's degree in financial economic at Mykolas Romeris university.

**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.

**Albert Zinevič** has joined Novaturas in 2021. He has accumulated many years of experience in sales and marketing and has strong background in hospitality industry. Prior to joining the company, Albert held the position of Sales and Marketing Director at UAB "Villon" for the last 6 years. He obtained a bachelor's degree in business administration and management at Vilnius University. Albert also gives lectures on hospitality business at Kazimieras Simonavičius University.

## Personnel

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

	6M 2022	6M 2021	6M 2020	Change, % 22/21	Change, % 21/20
Representatives abroad and guides	59	33	21	+78.8	+56.9
Retail personnel	35	20	31	+75.0	-36.2
Office personnel	104	100	83	+4.0	-18.9
<b>Total:</b>	<b>198</b>	<b>120</b>	<b>135</b>	<b>+65.0</b>	<b>-11.1</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, Vitalij Rakovski, CEO of AB Novaturas, and Arūnas Žilys, 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 2022 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.

Vitalij Rakovski  
CEO

Arūnas Žilys  
CFO