NOVATURAS AB

Consolidated Management Report

The Consolidated and the Company’s Financial Statements for the year ended on

31 December 2024

Contents

CEO's Foreword

According to audited data, in 2024, Novaturas Group recorded revenues of EUR 201 mln. This represents a decrease of 3.6% compared to 2023, when revenues amounted to EUR 208 mln. In total, in Lithuania, Latvia and Estonia, Novaturas served 239 thsnd. travelers in 2024. This compares to 259 thsnd. travelers in 2023.

The Group initially forecasted an annual EBITDA (earnings before interest, tax, depreciation, and amortization) of EUR -4.1 million and a net loss of EUR 5.1 million for 2024. Unaudited results later indicated an EBITDA of EUR -863 thousand and a net loss of EUR 2.5 million.

The adjusted EBITDA (calculation of which is described in chapter *Financial information* of this Management report), calculated based on audited financial statements, of Novaturas Group for the year 2024 amounted to EUR -449 thousand (2023: EUR 5.2 million). The audited net loss totaled EUR 7.6 million (2023: profit EUR 3.4 million). This result includes a one-off, non-cash impairment of goodwill amounting to EUR 5.7 million, which was identified as a result of impairment test performed and is related to the Estonian cash generating unit. The Group's net loss, excluding goodwill impairment, amounted to EUR -1.9 million.

It should be noted that, following weaker performance in the first half of the year (January – June 2024 adjusted EBITDA -1.6 million EUR), the Group's operating results showed material improvement starting from September 2024 (September – December 2024 adjusted EBITDA 2.3 million EUR). The results of the last quarter of the year show that our optimization of the travel program has been effective. By assessing the market situation and customer preferences, we have adjusted our offering accordingly during the year and thus managed to work more efficiently. This has contributed to a higher load factor (a measure of seat capacity utilization) of 98.9% in the fourth quarter compared to 96.7% in 2023.

In addition, the share of last-minute trips in sales, which usually has a negative impact on financial results, has also decreased significantly (comparing October - December 2023 to October - December 2024). Decisive and measured decisions, with focus on delivering a good customer experience, allowed us to increase revenues and operate profitably in the fourth quarter.

The overall result for the year was driven by the previously announced reasons, i.e. the increased competitive environment and the oversupply of travel in the Baltic States, which triggered intense price competition. This was particularly felt in Turkey and the Greek islands. In response, Novaturas has started to optimize its travel program and to take advantage of the wide range of other travel destinations on offer. However, all changes to the trips have been made with a view to maintaining customer satisfaction and trust. In addition, optimization opportunities were limited by commitments to partners and airlines.

We see significant growth in the number of trips to Spain throughout 2024. Novaturas organised flights for 149% more passengers to the popular destinations of Malaga, Barcelona and Mallorca than in the year before last.

In addition, 8% more customers flew to long haul destinations last year. Among exotic destinations, the most popular were Vietnam (+367%), Phuket in Thailand (+23%), and Zanzibar in Tanzania (+21%). For long-haul trips, Novaturas also managed to achieve an extremely high load factor of 98.9%.

Other successful projects in 2024 included trips for groups and workation travel. In November, the Group together with partners organised flights and provided accommodation to a record 2.5 thsnd. Tesonet Accelerator companies' employees for a workation in Turkey. This massive group organised trip, the largest in Novaturas history, was organised using a fleet of 12 planes and 48 buses.

Overall, Turkey, Greece (Heraklion), Montenegro, Egypt, Cyprus and Portugal (Faro) were the most popular destinations for workation or other group trips, with sport and activity-oriented trips gaining popularity. The most popular destination for ski group trips was Italy (Bergamo).

Strategic investor

At the end of January, 2025, we announced that Novaturas had signed a contract with Superia, a financial advisory firm, for the analysis of strategic alternatives. We took this step to assess new growth paths and market potential that could help strengthen the position of Novaturas.

In the beginning of March, 2025 we announced that the group shareholders have concluded a contract with a new investor Neset Kockar, a well-known Turkish tourism businessman and investor, who owns businesses in international aviation, real estate, tourism and other industries. In the end of April, 2025 we also announced about the signing of an agreement under which the Group is implementing the first stage of a transaction with the strategic investor: 23.2% of the Group's shares is being acquired by Mr Kockar. The second and final stage of the planned transaction is expected to be completed by autumn. Upon completion of this stage, Neset Kockar will hold 33.19% of the company's shares.

The arrival of Mr Kockar as a strategic investor marks a new stage in the operations of Novaturas. We are confident that his world-class tourism and other business networks and many years of experience will provide new opportunities for growth, strengthen our competitive advantage, and benefit our customers, employees, partners and shareholders.

Our immediate plans include reviewing the strategy and development prospects of the company. In the short term, we will also seek to make use of synergies with the investor's businesses in destinations popular with travelers from the Baltic States. We hope to expand our range of hotels and travel offers in the near future, tailor them even more to the needs of different travelers, thus definitely improving customer experience

Sincerely,

CEO
Kristijonas Kaikaris

Consolidated Management Report

General information

Reporting period

This report covers the financial year ended on 31 December 2024.

Issuer and its contact details

Name of the issuer	Novaturas AB
Registration date	As at 16/12/1999
Register manager	State Enterprise Center of Registers
Company code	135567698
LEI code	097900BGCW0000042109
Registered office	A. Mickevičiaus st. 27, LT-44245 Kaunas
Telephone	+370 37 321 264
Fax	+370 37 321 130
Email address	info@novaturas.lt
Website	www.novaturasgroup.com

Core activities of the Company and its subsidiaries: tours organisation and distribution.

The authorised capital of the Company amounts to EUR 234,210 and has been divided into 7,807,000 ordinary registered shares, share par value EUR 0.03. All the shares have been fully paid.

As at 31 December 2024, there are 3 members of the Board of the Company.

Kristijonas Kaikaris, Chief Executive Officer, was the head of the Company as at 31 December 2024.

Subsidiaries

Novaturas Group consists of Parent Company Novaturas AB and its subsidiaries (hereinafter – the Group) through which the Company operates in various markets.

Name of subsidiary	Country	Registered office	Shareholding, % As at 31 December	
			2024	2023
Novatours SIA	Republic of Latvia	Kr. Valdemara St. 100, Riga, Latvia	100	100
Novatours OU	Republic of Estonia	Ravala g. 6, Tallinn, Estonia	100	100
Aviaturas ir Partneriai UAB	Republic of Lithuania	Konstitucijos ave. 15/5, Vilnius, Lithuania	100	100
Novatours Holidays SRL*	Republic of Romania	M. Caramfil st. 53, Bucharesht, Romania	100	100

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

The Company did acquire own shares and holds 55,997 shares as of the year end. The Company‘s subsidiaries do not hold Company‘s shares.

As at 31 December 2024, the Company had a branch with registered office at Jasinskio St. 16, Vilnius, Lithuania. The registration code of the branch is 125142371. Operating results of the branch are included in the financial statements of the Company.

Core activities

Place of operation

The Group is one of the largest tour operator in the Baltic States. The Company was established in 1999, became the market leader in the Baltics in 2004. The Group is proud of its strong position in the Baltic markets, well known trademark, high customer loyalty, and long-term relationships with travel agencies and service providers, which enables the Group to offer travellers a wide range of services for an attractive price.

Sales channels

Our products are accessible to people through various distribution channels. We work with over 400 travel agencies, including the largest agencies of the Baltic States. Our points of sale are in the largest cities of Lithuania, Latvia and Estonia. Investments are also made in the development of our e-commerce channel. Online trading is conducted through the Group's websites and the Global Distribution Systems (GDS), an international platform.

Product range

Our product assortment is very wide: it includes various types of tours, prices and travel destinations. We can offer products that are in line with the needs and expectations of different client groups. This enables us to maintain our positions in almost all market segments and to effectively adapt to changing needs of travellers. Our product range includes summer and winter holiday packages and sightseeing tours by coach and aircraft, with over 30 travel destinations all over the world including the most popular South European Resorts and selected locations in Northern Africa, Middle East, Asia and Latin America. We also sell flight tickets for the tours organised by the Group and offer hotel accommodation.

Tour packages. Offers consist principally of organisation of recreational tours by air. This includes recreational tours to popular European summer resorts (Mediterranean Sea region), Northern Africa, Asia and Central America, as well as popular winter destinations in Europe – Italy and France. An entire service package is offered: flights, transport from the airport to the hotel, accommodation, local guides who work round the clock and entertainment during the tour including all-day excursions in summer.

Sightseeing tours by air. Sightseeing tours by air are medium- and long-distance tours including travel to Asia and Central America. Chartered and regular flights from Vilnius are organised. We offer flights, accommodation, and tourism by coach and tour guides who accompany the tourists throughout the trip and inform them about the country, its attractions and entertainment.

Sightseeing tours by coach. Sightseeing tours by coach are organised to attractions in Europe (including Poland, Germany, France, Italy, Austria, Croatia and Greece). Tours by coach are organised from Lithuania. We offer travel by coach, accommodation, trips to attractions by coach and tour guides who accompany travellers throughout the trip.

Other products. Other products consist of flight tickets and ordering hotels online. We sell them to individual clients and tour operators who often need seats in the most popular chartered flights.

Trademarks. The diversity of our products also includes trademarks and product lines. The most important trademarks are Novaturas (in Lithuania) and Novatours (in Latvia and Estonia) that generate the majority of income. Apart other trademarks, we control ECO Travel, Sofa travel, and Novaturas Gold, a high-class product line.

Research and development. Last year we launched a new website, which we continue to develop.

Securities traded in regulated markets

Nasdaq Vilnius exchange is a domestic market for the Company's shares. Since 21 March 2018, shares of the Company are traded on two exchanges: Nasdaq Vilnius Stock Exchange and Warsaw Stock Exchange.

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

Share class	Number of shares	Share par value, EUR	Total par value, EUR	Issue code
Ordinary shares	7,807,000	0.03	234 210	LT0000131872

Material events

Material events in 2024 are listed below:

07/03/2024 Novaturas announces the outcome of the legal proceedings against UAB GetJet Airlines: No significant impact on operations.

30/04/2024 Novaturas Group announces audited results.

02/05/2024 Vaidrius Verikas becomes CFO of Novaturas Group.

22/05/2024 Novaturas Group announces results of the first quarter.

23/08/2024 Novaturas presented 2024 half-year results.

04/10/2024 Darius Undzėnas becomes Chief Financial Officer of Novaturas Group.

11/11/2024 Novaturas Group announces results of the third quarter.

28/11/2024 Concerning legal proceedings against UAB GetJet Airlines regarding a charter contract.

Material events in 2025 (from 01/01/2025 to 09/06/2025):

24/01/2025 Novaturas Group is granted a EUR 2.5 mln. credit line.

27/03/2025 Novaturas Group has entered into an agreement to receive a loan of up to EUR 1 million.

30/04/2025 Novaturas Group signs agreement to sell 23.2% shares to Turkish investor Neset Kockar.

06/05/2025 Novaturas Group announced that Ugnius Radvila and Rytis Šūmakaris, entered into transactions resulting in the sale of 5% of voting rights each.

07/05/2025 Novaturas Group announced that Vidas Paliūnas entered into transactions resulting in the sale of 5% of voting rights, while Neset Kockar acquired 20% of the shares.

26/05/2025 Novaturas Group Secures Additional EUR 1 Million Loan.

02/06/2025 Novaturas secured EUR 9M in surety insurance from the international Insurance company Euroins AD.

Financial information

The Group's result for 2024

- Sales amounted to EUR 200.9m and were 3.6% lower compared with the same figure in 2023.
- Gross profit was EUR 20.7m, which is 20.9% less compared with the ratio recorded in 2023.
- Operating expenses reached EUR 27.5m and 25% higher than in 2023. However, amount of operating expenses for 2024 includes 5.7m EUR losses of goodwill impairment. Excluding this one-off item, operating expenses for 2024 amounted 21.8m EUR and are 1% lower compared to 2023.
- EBITDA was negative and amounted to EUR 6.1m where in 2023 it amounted positive to EUR 5.2m.
- Adjusted EBITDA (EBITDA excluding one-off losses which is considered to be goodwill impairment) was negative 449k EUR, when in 2023 it amounted positive to EUR 5.2m.
- In 2024, the Group incurred net loss of EUR 7.6m while in 2023, the Group incurred net profit of EUR 3.4m.
- In 2024, Novaturas Group served 239k passengers. Comparing 2024 with 2023, the number of customers has slightly reduced by 8%.

Tour packages accounted for the largest share in both sales and earnings. Sightseeing tours by coach and air account for a small part. While sales for some categories increased, sightseeing tours by coach showed growth, whereas sales for flight package tours, sightseeing tours by plane, and other sales decreased during 2024.

Main indicators of the Group

Financial indicators	2024	2023 (restated)*	Change, %
Revenue from contracts with customers	200,878	208,331	(3.6%)
Gross profit	20,742	26,227	(20.9%)
EBITDA	(6,132)	5,241	(217.0%)
Adjusted EBITDA	(449)	5,241	(108.6%)
Operating profit (EBIT)	(6,708)	4,886	(237.3%)
Profit before taxes	(7,786)	3,853	(302.1%)
Net profit (loss)	(7,604)	3,372	(325.5%)
Earnings per share (EUR)	(0.97)	0.43	

*as disclosed in Note 2.4. in the accompanying financial statements.

Alternative performance measures

Alternative financial measures and the descriptions for the calculations of the alternative performance measures are provided as additional information to the users of the Consolidated Management Report.

Relative indicators/ratios	2024	2023 (restated)*	Change
Number of ordinary registered shares	7,751,003	7,807,000	-
Gross profit margin (%)	10.3%	12.6%	-2.3 pp
EBITDA margin (%)	(3.1%)	2.5%	-5.6 pp
Adjusted EBITDA margin (%)	(0.2%)	2.5%	-2.7 pp
EBIT margin (%)	(3.3%)	2.3%	-5.7 pp
Profit before taxes margin (%)	(3.9%)	1.8%	-5.7 pp
Net profit margin (%)	(3.8%)	1.6%	-5.4 pp
Return on assets (ROA) (%)	(19.3%)	7.1%	-26.4 pp
Debt / equity ratio (%)	121.1%	58.0%	63.1 pp
Equity / assets ratio (%)	20.3%	32.9%	-12.6 pp
Actual profit tax rate	2.3%	12.5%	-10.1 pp
Total liquidity ratio	80.0%	63.0%	26.98%

*as disclosed in Note 2.4. in the accompanying financial statements.

Alternative performance measure	Definition	Meaning and interpretation of indicator	Formula
Gross profit margin (%)	The ratio of gross profit to revenue.	This measures the portion of revenue that exceeds the cost of services provided. It reflects the margin on revenue.	((Revenue - Cost of sales) / Revenue)*100
EBITDA	Profit (loss) before interest, tax, depreciation, and amortization.	Provides an indication of the company's operational performance from core activities, excluding financing, tax considerations, depreciation, and amortization.	Net profit (loss)+Finance Costs+Tax Expense+Depreciation+ Amortization
EBITDA margin (%)	EBITDA as a percentage of revenue.	Reflects the efficiency of the company in generating earnings from core operations before financing, tax effects, depreciation, and amortization.	EBITDA / Revenue * 100
Adjusted EBITDA	Profit (loss) before interest, tax, depreciation, and amortization, adjusted for impairment loss on goodwill (and other items specifically defined as non-recurring).	Provides an indication of the company's operational performance from core activities, excluding financing, tax considerations, depreciation, and amortization and adjustments for impairment loss on goodwill (and other items specifically defined as non-recurring). Non-recurring items are defined as income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Group and are not expected to recur frequently or regularly.	Net profit (loss)+Finance Costs+Tax Expense+Depreciation+ Amortization+/- impairment loss on goodwill (and other items specifically defined as non-recurring)
Adjusted EBITDA margin (%)	Adjusted EBITDA as a percentage of revenue.	Reflects the efficiency of the company in generating earnings from core operations before financing, tax considerations, depreciation, and amortization and adjustments for impairment loss on goodwill (and other items specifically defined as non-recurring as defined above).	Adjusted EBITDA / Revenue * 100

(continued in the next page)

Alternative performance measure	Definition	Meaning and interpretation of indicator	Formula
EBIT	Profit (loss) before interest and tax.	Represents operating profit from core activities, showing the profitability before the impact of financial structure and taxation.	Revenue - Cost of Sales - Other Operating Expenses
EBIT margin (%)	EBIT as a percentage of revenue.	Indicates the profitability of the core operations in relation to total revenue, reflecting efficiency in managing operating costs.	EBIT / Revenue * 100
Profit (loss) before tax margin (%)	Profit (loss) before tax as a percentage of revenue.	Shows the company's profitability before considering tax expenses, useful in analyzing performance without tax-related distortions.	Profit (loss) before Tax / Revenue * 100
Net profit (loss) margin (%)	Net profit (loss) as a percentage of revenue.	Indicates the percentage of revenue that is retained as profit after all expenses have been deducted.	Net profit (loss) / Revenue * 100
Return on assets (ROA) (%)	Net profit (loss) generated as a percentage of total assets.	Measures how efficiently the company's assets are being used to generate profit.	Net profit (loss) /Total Assets * 100
Debt / equity ratio (%)	Ratio of total borrowings and lease liabilities to total equity.	Indicates the relative proportions of shareholders' equity and debt used to finance the company's assets.	(Non-current borrowings +current portion of non-current loans + Total lease liabilities) / Total Equity * 100
Equity / assets ratio (%)	Ratio of equity to total assets.	Shows the extent of a company's assets that are financed by owner's funds.	Total Equity / Total Assets * 100
Actual profit tax rate	The income tax expense as a percentage of profit (loss) before tax.	Reflects the actual tax rate affecting the company's profits, which may include adjustments for deferred taxes.	Income Tax Expense / Profit (loss) before Tax * 100
Total liquidity ratio	Current assets divided by current liabilities.	Indicates the company's ability to pay off its short-term liabilities with its short-term assets.	Current Assets / Current Liabilities
Load factor	A measure of seat capacity utilization.	Indicates how efficiently available seats are filled.	Full (occupied) seats / Total seats

Geographical information and other sales information

In 2024, the Groups's core activity was tour organisation and sale of tour packages through a retail travel agency network, internal sales channels (own retail sale offices, website, sale of flight tickets through GDS). Tours provided by Novaturas are sold by more than 400 travel agencies in the Baltic States. E-commerce sales take place through websites of the Group companies of Novaturas. There were 3.5m unique visitors to the Group's website in 2024, which is a 21% decrease compared with 2023 (4.4m of unique visitors).

The Group also sells tickets for its charter flights through GDS. This means that these tickets are available to agents worldwide, and people can acquire these tickets through most popular ticket distribution platforms.

Revenue from contracts with customers structure by sales channels:

Sales channel	2024, %	2023, %	Change
Travel agencies	72.4	68.7	3.7 pp
The Group's travel agencies	16.8	15.3	1.5 pp
Online sales	9	14.2	-5.2 pp
GDS	1.8	1.8	0 pp
Total	**100**	**100**	

Number of clients serviced by country of sale ('000 passengers):

Country of sale	2024, ('000 passengers)	2023, ('000 passengers)	Change, %
Lithuania	136.38	145.2	(6.1%)
Latvia	50.69	50.2	1.0%
Estonia	52.38	63.9	(18.0%)
Total	**239.5**	**259.3**	**(7.6%)**

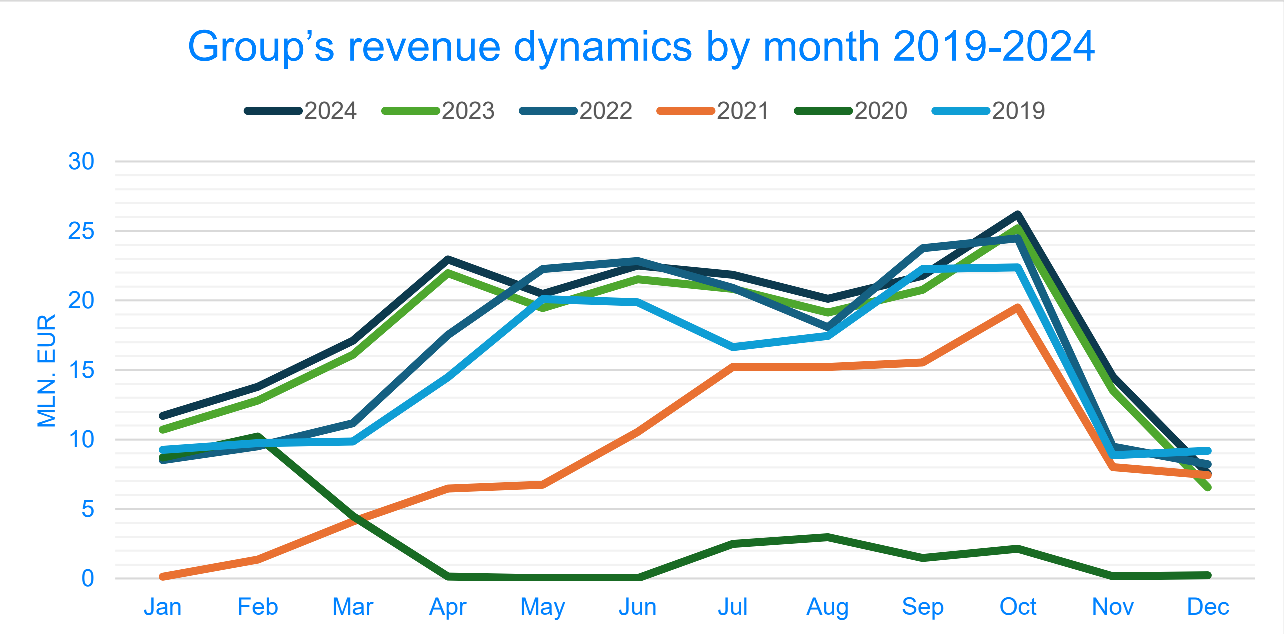
Flight packages was the main product of the Group, as was the case in previous years.

Product category	2024, ('000 passengers)	2023, ('000 passengers)	Change, %
Flight packages	183.3	208.9	(12.3%)
Sightseeing tours by bus	3.7	3.8	(1.8%)
Sightseeing tours by air	2.1	2.0	4.5%
Other (sale of flight tickets and hotel bookings)	50.3	44.6	12.8%
Total	**239.5**	**259.3**	**(7.6%)**

Turkey remained the main summer holiday destination, which was booked almost by 35% of all Novaturas customers. Compared to 2023, 2024 was also an active skiing holiday season, and we recorded a higher demand for long-haul destinations.

Destination	2024, %	2023, %	Change
Turkey	34.26	35.90	-1.6 pp
Egypt	12.63	14.74	-2.1 pp
Greece	10.81	10.90	-0.1 pp
Montenegro	6.62	8.04	-1.4 pp
Bulgaria	3.21	6.05	-2.8 pp
Canary Island	6.92	5.76	1.2 pp
Tunisia	3.69	5.54	-1.8 pp
Portugal	3.19	3.38	-0.2 pp
Long hauls	5.97	2.10	3.9 pp
Other destinations	12.70	7.60	5.1 pp
Total	**100.00**	**100.00**	

Seasonality of the revenue from contracts withs customers by months:



Information about related party transactions

Related party transactions are presented in the Explanatory Notes to the financial statements.

Risk management

The Group’s main business partners risk

Pursuant to contracts with the key business partners, the Group is obliged to make advance payments for services ordered (e.g. charter airlines, coach companies or hotel operators). Thus, potentially not fulfilling or not properly fulfilling contractual obligations toward the Group and/or insolvency of the Group’s key business partners, including primarily toward charter airlines, may have a material adverse effect on the Group's operations, its financial condition and results of operations. To mitigate the risk Group diversifies partners and works with several aviation partners simultaneously also in big volume destinations works with several hotel providing partners.

Credit risk

The Group’s credit risk is relatively low as payment is requested before the tour. In addition, credit limits have been granted to travel agencies through which the majority of sales takes place. The main purpose of these credit limits is to ensure timely payments. If they exceeded the credit limit, the Group’s reservation system automatically blocks the sales.

The Group does not provide guarantees for other parties’ liabilities. 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. Therefore, in the opinion of the Group’s management, maximum risk is equal to the sum trade accounts receivable and other current assets less impairment losses.

Interest rate risk

A larger part of the Group’s borrowings consists of loans subject to a fixed interest rate, whereas the Group’s credit line as well as the Company’s loan from Novatours OU are related to the variable interest rate, the future use of which depends on future financial circumstances. In view of this, the Group does not use interest rate swaps and includes the relevant interest rate risk in the sales price of products.

Foreign exchange risk

The vast majority of the Group's sales revenue is received in Euros, but part of the services that make up the cost, the most significant part of which related to flights, are acquired in US dollars.

To mitigate both aviation fuel volatility and aviation fuel related foreign exchange risk, in 2024, the Group used derivative financial instruments such as fuel futures (or options) and forward foreign exchange transactions, which ensure the margin hedge for travel products sold against fuel price and currency volatility. These derivatives are not subject to hedge accounting.

Liquidity management

The Group pursues a policy of maintaining a sufficient amount of cash and cash equivalents or to secure financing by means of credit lines in order to fulfil its obligations under strategic plans. Liquidity risk is managed by planning the Group's cash flows.

As at 31 December 2024, the Group did not comply with all financial and non-financial covenants, under the financing agreements of the Group companies with banks and other credit providers. The waivers were received from "Pagalbos verslui fondas" for ordinary bonds as of 31 December 2024 and from Luminor Bank AS long-term for credit line as of 18 March 2025.

Capital management

The main purpose of capital management is to ensure that the Group meets external capital requirements and maintains correct capital indicators so that the Group's activities are sound and shareholder value is maximised (under IAS 1, "capital" corresponds to equity disclosed in financial statements).

The Group manages the structure of its capital and changes it having regard to changes in the economic environment and operating risk. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares.

In accordance with the Law on Companies of the Republic of Lithuania, the Company's equity must account for at least 50% of its authorised capital, which consists of share capital. The Company also complies with requirements regarding equity to asset ratio from the credit providers. As at 31 December 2024, the Company complied with these requirements.

Plans and projections

The main objectives for 2025 are the following:

1) Offer broad destination and hotel choices for competitive edge ;
2) Expand product offering by implement dynamic and hybrid packaging;
3) Embrace AI tools for content generation, customer service and data analysis;
4) Seek growth in both B2B and B2C sales channels.

Governance Report

As from 30 June 2020, the Company's management bodies include the General Meeting of Shareholders, the Board and the head of the Company – the Chief Executive Officer.

Decisions of the general meeting of shareholders taken within its remit stated in the Articles of Association are binding upon the shareholders, the Board, the Managing Director and other employees of the Company. Shareholders who were recorded as such as of the end of the record date are entitled to attend the general meeting of shareholders. The record date for the purposes of the general meeting of shareholders is the 5th (fifth) working day prior to the general meeting of shareholders or the 5th (fifth) working day prior to any adjourned general meeting of shareholders. A person taking part in the general meeting of shareholders and entitled to vote must present a personal identity documents. A person who is not a shareholder must present, in addition to the personal identity document, a document authorising his/her right to vote at the general meeting of shareholders.

In accordance with previous the Articles of Association of the Company, valid until 6 June 2023, the Board constituted five members elected for the term of office of four years and acting jointly as a management body of the Company. Members of the Board were elected by the meeting of shareholders according to the Articles of Association. The Board elects the Chair of the Board from its members. As from 6 June 2023, the restructured Board was elected by the General Meeting of Shareholders under newly adopted version of the Articles of Association of the Company. The Board consists of three members elected for the term of office of two years and acting jointly as a management body of the Company. Two of three Board's members are independent, one represents the interests of the shareholders. The Board elects the Chair of the Board from its members. A newly elected Board of the Company performs supervisory, control and strategy development functions. The Board appoints and recalls the Chief Executive Officer, sets his/her remuneration and other terms of employment, provides incentives and imposes sanctions.

The Chief Executive Officer is a single - handed management body of the Company responsible for organizing routine activities of the Company.

The Company complies, in substance, with the corporate governance recommendations provided by Nasdaq Vilnius Stock Exchange and the best practice recommendations provided by the Warsaw Stock Exchange. A detailed list of the recommendations implemented in the Company's activities, together with explanations, is given below in the Governance Report. On its website www.novaturasgroup.com, the Company also publishes a list of recommendations that are not complied with in full or in part.

Issued capital

Issued capital of the Company amounts to EUR 234,210 and consists of 7,807,000 ordinary registered shares of EUR 0.03 par value each. The number of the shares entitling to vote at the general meeting of shareholders is 7,807,000.

Shareholders

	As at 31 December 2024		As at 31 December 2023	
	Number of shares held	Ownership interest, %	Number of shares held	Ownership interest, %
Willgrow (ex UAB „ME Investicija“)	779,900	9.99%	779,900	9.99%
Ugnius Radvila	740,702	9.49%	740,702	9.49%
Moonrider OU	543,346	6.96%	543,346	6.96%
Paliūnas Vidas	535,278	6.86%	535,278	6.86%
Šūmakaris Rytis	535,278	6.86%	535,278	6.86%
Other	4,616,499	59.13%	4,616,499	59.13%
Total	**7,751,003**	**99.28%**	**7,751,003**	**99.28%**
Novaturas AB	55,997	0.72%	55,997	0.72%
Total	**7,807,000**	**100.00%**	**7,807,000**	**100.00%**

As at 31 December 2024 there were 6 307 records of shareholders within the Company.

Shareholders rights

None of the shareholders of the Company has any special right of control. All the shareholders have equal rights. As at 31 December 2024, the number of the shares entitling to vote at the general meeting of shareholders is 7 751 003 (55 997 shares the vote of which can't be counted were held by the Company). An ordinary registered share grants one vote at the general meeting of shareholders of the Company.

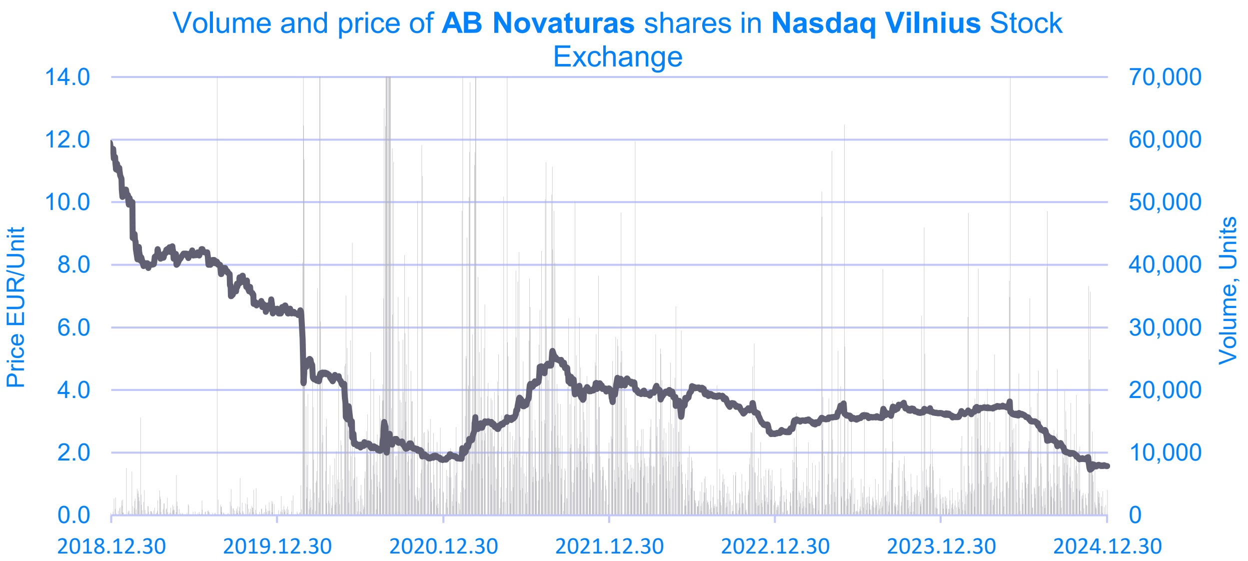
The Company has no information about any agreements between the shareholders that would restrict the voting rights attached to the shares.

Information about trading in the Company's securities

7,807,000 ordinary registered shares of Novaturas AB (ISIN code LT0000131872) are included in the Official Trading List of Nasdaq Vilnius Stock Exchange (symbol NTU1L) and the Warsaw Stock Exchange (symbol NTU, ISIN code LT0000131872).

Information about trading in the shares of Novaturas AB from 28 December 2018 until 31 December 2024 in Nasdaq Vilnius Stock Exchange (Lithuania):

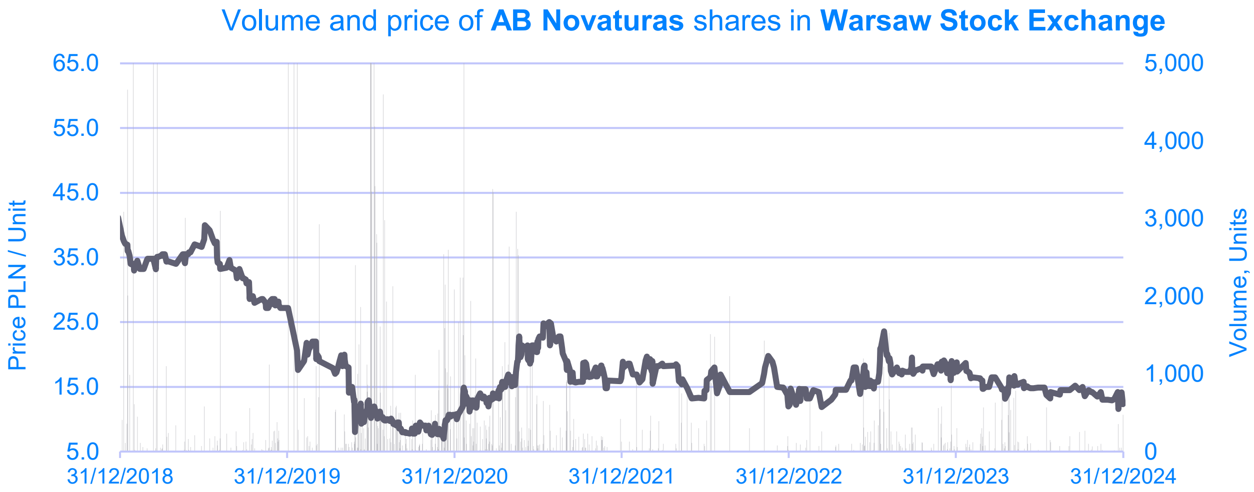
Year	Currency	Opening price	Maximum price	Minimum price	Closing price	Average price	Traded quantity, units	Trading volume, EUR
2023	EUR	2.90	3.62	2.89	3.43	3.27	1,628,829	5,319,690
2024	EUR	3.41	3.64	1.39	1.45	2.47	1,945,604	4,797,479



As at 31 December 2024, the Company's market capitalisation was EUR 11.28M.

Information about trading in the shares of Novaturas AB from 4 January 2019 until 31 December 2024 in GPW Main Market (Poland):

	Currency	Opening price	Maximum price	Minimum price	Closing price	Average price	Traded quantity, units	Trading volume, PLN
2023	PLN	14.00	24.00	13.90	16.45	18.51	19,260	356,583
2024	PLN	16.45	17.15	6.48	7.82	12.40	17,631	218,677



As at 31 December 2024, the Company's market capitalisation was PLN 61M.

Information about own shares held by the Company

The Company did acquire 75,997 own shares on 20th September 2023 for share-based payment plan fulfilment purposes for a total consideration of EUR 249 thousand (Note 12). On 14th December 2023, 20,000 shares were handed over in a form of share-based payments in exchange for payment of nominal value of shares amounting to EUR 600. All liabilities related to the transactions are fulfilled as at 31 December 2024.

The Company holds 55,997 own shares as at 31 December 2024 (same as at 31 December 2023).

Dividend

In 2018, the Board approved the dividend payment policy according to which dividend should account for 70–80% of the profit earned by the Company. Due to the impact of the COVID-19 pandemic that started in 2020 and the associated additional restrictions on the financing of the Company's activities, the appropriation of the Company's profit for 2021 - 2022, did not result to dividend payment.

Payment of dividends, according to current lending conditions, must be pre-approved by financial lenders. The Company continues to seek amendments to the lending conditions to ensure that future dividend payments are primarily based on the Group's balance sheet structure.

Procedure for amending the Articles of Association

The Articles of Association of the Company are amended according to a procedure established in the Law on Companies by decision of the general meeting of shareholders adopted by a 2/3 majority vote of shareholders attending the meeting. Upon adoption of such decision, the text of the amended Articles of Association is signed by a person authorised by the General Meeting of Shareholders.

Procedure for the election and replacement and Powers of the Board Members

Members of the Board are elected and replaced by decision of the General Meeting of Shareholders. Members of the Board analyse and evaluate the organization of Company's activities, financial position, financial statements, management reports, interim reports and exercise other powers granted to them under the law and the Articles of Association.

On 6 June 2023, the entire Members of the Board resigned and on the same day the General Meeting of Shareholders appointed a new Board composed of: Ugnius Radvila, Gediminas Almantas and Tomas Korganas.

The term of office of this Board is two years from its election, i.e. until June 6, 2025 or until a new Board is elected and begins its work, but no longer than until the annual General Meeting of Shareholders held in the year of the end of the Board's term.

Activities of the Company’s management bodies in 2024

Activities of the Board

In total in 2024 nineteen meetings of the Board were held, out of which seven decisions were taken in written without convening a Board meeting. All of them had the quorum required under legal acts.

Seventy-seven issues were discussed during the meetings (this number does not include issues regarding the approval of the agenda, setting meeting dates, current issues of the Company's activities, discussions among Board members and discussions between the Board and the Company's CEO, etc.). The key issues discussed, considered and/or approved at the meetings of the Board are the following: the organization of the Board’s activities, the Company’s performance, the Company’s activities and efficiency, organizational structure, financial position, budget and its control, formation of Audit and Risk Committee, considered financing alternatives, approved International Sanctions Implementation Policy and policies related to personal data protection and information security, etc. Also, during the reporting period, in addition to the above-mentioned Board meetings, seventeen meetings of Board members were held with management of the Company regarding the efficiency and optimization of the Company’s operations, attracting additional financing and other issues related to work organization, during which no decisions were made. In addition, the new Board had regular meetings with management of the Company outside the Board sessions, regarding current issues of the Company's activities,, etc.

The Board’s meetings (of new Board appointed on 6 June 2023) were chaired by Gediminas Almantas, chairperson of the Board.

Numbers of meetings (including decisions taken without convening the meetings) in which the current Members of the Board took part are shown in the table below:

Current Board Member*	Board meetings/decisions
Gediminas Almantas	19
Tomas Korganas	19
Ugnius Radvila	19
Total number of meetings/decisions	19

* The current Board Members were appointed on 6 June 2023.

Two of the Board’s Members are independent and the one, namely, Ugnius Radvila is one of the major shareholder within the Company.

The Board members as at 31 December 2024:

Name	Position on the Board	Legal entity and position	Number of shares held in the Company	Start of term
Gediminas Almantas	Chairman of the Board (independent member)	Chairs the board as independent member, has more than 17 years of experience in various companies, his areas of expertise include organisational governance, good governance, organisational development, crisis management, ethics and building trust in organisations. Mr. Almantas previously worked at Copenhagen Airport, held the position of Director General of Lietuvos oro uostai for 4 years, and currently is a member of the Board of Directors and chairs the Audit Committee of Lietuvos oro uostai. As an independent member and chairman, he has extensive experience on other boards as well – Mr. Almantas has been a board member of EPSO-G Group for 7 years and the chairman of the board for 4 years, the chairman of the Lithuanian Red Cross Society for 8 years, and is currently the chairman of the board of LTG Infra. He has been an independent member of the Board of Directors and a member of the Audit Committee of AB Oro Navigacija since 2018.	-	06/06/2023
Tomas Korganas	Member of the Board	has over 20 years of experience in international companies and boards, business development, management, mergers and acquisitions (M&A) as well as corporate strategy. Mr. Korganas has worked for international companies such as BCG, Goldman Sachs, General Electric. He is also a member of the professional mentoring programme "LT Big Brother", where he shares his experience with motivated young Lithuanians around the world.	-	06/06/2023
Ugnius Radvila	Member of the Board	has been working for the company since its foundation. With many years of management experience in the tourism market, Ugnius Radvila has been a consultant and a permanent member of the Board since 2011, ensuring continuity of work. His priority areas in the new Board are human resources management and attracting competences, as well as ensuring the focus on sustainability which is one of the company's strategic areas of activity.	740,702	06/06/2023

Mr. Ugnius Radvila is also a member of the Klaipėda City Municipality Council and the Chairman of the Klaipėda City Control Committee. Mr. Tomas Korganas also holds a position of director of MB Kopa Investments. Chairman of the board Mr. Gediminas Almantas additionally serves within the below listed other enterprises' governing bodies:

Title	Legal form, Name of entity	Code	Registered office
Chairman of the Board	AB "Lietuvos oro uostai"	120864074	Rodūnios kelias 10a, Vilnius
Chairman of the Board	AB "LTG Infra"	305202934	Geležinkelio g. 2, 02100 Vilnius

Group CEO Mr. Kristijonas Kaikaris additionally serves within the below listed Group companies' governing bodies:

Title	Legal form, Name of entity	Code	Registered office
Sole member of the Board	SIA Novatours	40003525782	Krasta iela 105A, Riga, Latvia LV-1019
Sole member of the Board	OU Novatours	110138798	Ravala pst.6-201A, 10143 Tallinn, Estonia

Activities of the Audit and Risk Committee

The Audit and Risk Committee has been elected on 7 June 2024 and had six meetings in 2024, during which eighteen issues were discussed (this number does not include issues regarding the approval of the agenda, setting meeting dates, election of the chairman, appointment of the vice-chairman and secretary). All of them had the quorum required under legal acts. During the reporting period, the Committee members also had four meetings with the Company's management in order to discuss the Company's budget control process, the financial reporting process, financial data control, and two meetings with the Company's auditors to discuss the audit principles of the Company's 2024 financial statements, audit preparation and other audit-related issues.

The key issues considered at the meetings of the Audit and Risk Committee are the following: a decision was taken to prepare and submit to the Company's Board for approval the Company’s internal documents ensuring the security of confidential information and protection of Personal Data (Personal Data Protection Policy; Information Security Policy; Information Security Risk Assessment Methodology, International Personal Data Transfer Policy), preparation and supervision of the audit process of the Company's financial statements of 2024, review of the process and of ensuring the Company's budget control and financial reporting, a decision was taken to submit the Company's International Sanctions Implementation Policy to the Board for approval, etc.

Numbers of meetings in which the members of the Committee took part are shown in the table below:

Member of Audit and Risk Committee	Committee meetings/decisions
Gediminas Almantas	6
Tomas Korganas	6
Ingrida Kuzmickienė	6
Total number of meetings	6

Two Members of the Committee (Gediminas Almantas and Tomas Korganas) meet the independence criteria set out in legal acts and the one (Ingrida Kuzmickienė) is also an employee of the Company (Head of Legal).

The members of Audit and Risk Committee as at 31 December 2024:

Name	Position on the Committee	Legal entity and position	Number of shares held in the Company	Start of term
Gediminas Almantas	Member of the Audit and Risk Committee	Chairs the board as independent member, has more than 17 years of experience in various companies, his areas of expertise include organisational governance, good governance, organisational development, crisis management, ethics and building trust in organisations. Mr. Almantas previously worked at Copenhagen Airport, held the position of Director General of Lietuvos oro uostai for 4 years, and currently is a member of the Board of Directors and chairs the Audit Committee of Lietuvos oro uostai. As an independent member and chairman, he has extensive experience on other boards as well – Mr. Almantas has been a board member of EPSO-G Group for 7 years and the chairman of the board for 4 years, the chairman of the Lithuanian Red Cross Society for 8 years, and is currently the chairman of the board of LTG Infra. He has been an independent member of the Board of Directors and a member of the Audit Committee of AB Oro Navigacija since 2018.	-	07/06/2024
Tomas Korganas	Chairman of the Audit and Risk Committee	Has over 20 years of experience in international companies and boards, business development, management, mergers and acquisitions (M&A) as well as corporate strategy. Mr. Korganas has worked for international companies such as BCG, Goldman Sachs, General Electric. He is also a member of the professional mentoring programme “LT Big Brother”, where he shares his experience with motivated young Lithuanians around the world.	-	07/06/2024
Ingrida Kuzmickienė	Member of the Audit and Risk Committee (vice-chairman)	Has over 18 years of legal experience in international companies out of which 10 years hold a position as head of legal and other departments. She has been a board member of holding company in international group “Apex Alliance” and worked with mergers and acquisitions (M&A), variuos transactions, corporate strategies and risks.	-	07/06/2024

Information about payments to members of management bodies

	Fixed part of remuneration paid, EUR'000 EUR	Variable part of remuneration paid, EUR'000 EUR	Dividends, EUR'000 EUR	Compensation via Share-Based payment	Other payments, EUR'000 EUR
CEO					
Kristijonas Kaikaris	164.10	-	-		-
Total CEO	**164.10**	**-**	**-**	**-**	**-**
Members of the Board					
Almantas Gediminas	30.00	27.50	-	-	-
Korganas Tomas	22.80	20.90	-	-	-
Ugnius Radvila	22.80	20.90	-	-	-
Total Members of the Board	**75.60**	**69.30**	**-**	**-**	**-**
Members of the Audit and Risk Committee					
Almantas Gediminas	8.50	-	-	-	-
Korganas Tomas	6.50	-	-	-	-
Ingrida Kuzmickienė	6.50	-	-	-	-
Total Members of the Audit and Risk Committee	**21.50**	**-**	**-**	**-**	**-**

All the payments to the members of the governing bodies of the Group have been executed by the Company. Other Group companies did not pay any kind of remuneration to none the members of Group governing bodies.

The compensation to the members of the Board is based on fixed monthly payments. Shareholders meeting retains the right for additional annual remuneration. CEO compensation is based on fixed monthly salary and profit driven components which are annual bonus and stock option allocation. The Group does not use instruments of deferred remuneration.

Auditor

Ernst & Young Baltic UAB, a member of EY network, carried out an audit of the Company's and the Group's annual financial statements which comprise of statements of financial position as at 31 December 2024, statements of comprehensive income for 2024, statements of changes in equity and cash flow statements for the 2024, together with the explanatory notes including material accounting policy information.

The ordinary general meeting of shareholders held on 6 June 2023 elected Ernst & Young Baltic UAB as the auditor of the Group for conducting an audit of the Group's annual consolidated and separate financial statements and evaluating the consolidated management report for 2024. The shareholders authorised the Managing Director of the Company to conclude agreements on audit services stipulating the auditor's fee not exceeding EUR 111k (one hundred eleven thousand) exclusive of VAT for the audit of 2023 accounts and same value adjusted August 2024 annual inflation level for the audit of 2024 accounts.

Global EY network covers member companies operating in 150 countries and territories and providing audit, tax consultancy and financial advice services to both public and private sectors in various areas of business.

Disclosure of Compliance with the Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius and Corporate Governance Rules for companies listed on GPW Warsaw.

The Company, in accordance with Article 12(3) of the Law on Securities of the Republic of Lithuania, Clause 25.4 of the AB Nasdaq Vilnius Listing Rules, and taking into account the corporate governance principles set out in the Best Practice for GPW Warsaw Listed Companies, discloses how it complies with the Corporate Governance Code for the companies listed on Nasdaq Vilnius and the Best Practice for GPW Warsaw Listed Companies. Where certain provisions or recommendations of these codes are not applied, the Company indicates which specific provisions or recommendations are not followed and explains the reasons for non-compliance. Additional explanatory information, as required by the applicable format, is also provided. The structured disclosure table is presented in Annex 1.

Remuneration report

Human resources policy

Human resources policy pursued by the Group's helps it to implement its strategic objectives through appropriate management and development of employees. We are always open and fair with both existing and potential employees: the policy provides for equal opportunities for employment, development and career irrespective of the employee's gender, race, ethnicity, religion, age, disability, sexual orientation, nationality, political convictions, membership of trade unions, social position and/or other factors in accordance with the law. The Group applies a fair remuneration system including salaries and bonuses. We do not tolerate discrimination and disrespect; collaboration with the employees is based on respect and trust and open and transparent communication.

Employees

Average number of employees by main types of operations:

	2024	2023	Change, %
Representatives and guides abroad	14	49	-71
Sales assistants in own sales channels	36	38	-5
Other employees	125	128	-2
Total	**175**	**215**	**-19**

The employee numbers do not include employees on maternity, paternity and parental leave.

Breakdown of employees (women/men) by country (number of employees, average age, number of years worked in the organisation). The statistics cover data on employees as at 31 December 2024 (excluding employees on maternity, paternity and parental leave as at 31 December 2024).

	Estonia	Lithuania	Latvia	Group
Women				
Number of employees	19	94	25	138
Average age	39,8	39	41,5	39,5
Average term of service (years)	4,5	5,2	5,8	5,2
Men				
Number of employees	4	30	3	37
Average age	40,7	38,7	47,6	39,6
Average term of service (years)	6	3.8	3.7	4
Total number of employees	**23**	**124**	**28**	**175**
Overall average age	**39,9**	**38,9**	**42,1**	**39,5**
Average term of service (years)	**4,8**	**4,9**	**5,5**	**5**

The predominant part of the Group's workforce is employed in Lithuania (124 employees of 175 in Lithuania), while the number of employees in the other two markets is very similar, i.e. 28 in Latvia and 23 in Estonia.

Gender breakdown: women dominate the group as a whole (138 workers out of 175).

The average age of the Group's employees is 39,5 years, and there is very little difference between the average age of women and men (the average age of women is 39,5 years, men – 39,6 years).

On average, the period of service in the Group companies is 3 years: men, on average, have a slightly shorter tenure than women (4 and 5,2 years, respectively).

Breakdown of employees (women/men) by main activity (average monthly salary, number of employees recalculated to full-moth equivalent). The statistics cover data on employees in 2024 (not limited to those who worked full year).

	Women	Men	Total
Employees waking in offices			
Average monthly salary	2,652	3,624	2,895
Number of employees	75	25	100
Direct sales unit			
Average monthly salary	1,432	1,352	1,427
Number of employees	15	1	16
Representatives abroad			
Average monthly salary	1,490	1,510	1,500
Number of employees	4	4	8
Total average monthly salary	**2,408**	**3,266**	**2,615**
Total number of employees	**94**	**30**	**124**

The average monthly salary gap between men and women slightly reduced during 2024: average monthly earnings of men was 36% (2023 – 40%) higher than women's.

Breakdown of employees by position (average salary, number of employees recalculated to full-moth equivalent). The statistics cover data on employees in 2022 (not limited to those who worked full year).

	Women	Men	Total
Top-level executives			
Average monthly salary	6,474	10,762	8,189
Number of employees	3	2	5
Middle-level managers			
Average monthly salary	4,035	5,382	4,403
Number of employees	8	3	11
Project managers, managers, experts			
Average monthly salary	2,104	2,413	4,517
Number of employees	83	25	108
Total average monthly salary	**2,408**	**3,266**	**2,615**
Total number of employees	**94**	**30**	**124**

In 2024 the Group's top-level management team was made up of 2 men and 3 women. 73% of middle level management sector is represented by women, what in general terms represents total gender proportion within Novaturas group.

Attention to employees

The Group values its employees and their contribution to the success of its activities. We promote and support development of competency and professional knowledge of our employees. In order to ensure opportunities for professional growth and development, and realisation of professional ambitions for our employees, we always offer vacancies to existing employees of Novaturas first, before looking external.

We foster a culture of shared success and cooperation in the Group, therefore, we set a budget for team building and strengthening activities, team events, we invite all our employees to the Group's celebrations or certain meaningful activities, and we uphold internal traditions that help to strengthen the desired corporate culture. Division managers ensure smooth introduction of new employees into the organization.

Encouraging feedback and employee engagement survey

Seeking to ensure the best possible dialogue with employees, we are open to their feedback, and we explore different ways for them to share their feedback. Sharing feedback is part of our performance management and appraisal process: at the end of each quarter of the year we encourage managers to run quarterly performance review meetings with employees to discuss quarterly achievements, to review the relevance of the goals, to agree on activities/actions that will help to achieve the goals set. We also encourage our employees to give open feedback to their managers.

During 2024 Novaturas group carried out employee survey which resulted in strong belief for the future of our organization, however also revealed certain development aspects such as timely communication, proactive co-operation as well as need for improvement in work / life balance. During 2024 we have continued respective improvement actions which will be continued during 2025.

Labour Council

Novaturas had Labour Council from the end of November 2019, to ensure the most transparent representation of employees' interests. Meetings of the Labour Council were held periodically to discuss the matters of concern to employees and submit them to the Group's Board.

The term of office of the elected Labour Council ended in November 2022. Upon the referral from the outgoing Labour Council, couple of election rounds to the new Labour Council taken place during 2023 (in March and November) in accordance with the procedure provided for in the Labour Code, but yet had not resulted to the renewal of the Labour Council activities due to not collecting a sufficient number of candidates.

Evaluation of performance

In order to ensure the achievement of the Group's objectives, managers hold regular quarterly performance review meetings with their employees. During one-to-one quarterly meetings, the manager and the employee discuss the achievement of the objectives agreed at the beginning of the year and actions aimed at achievement of objectives, assess the relevance of the objectives and, if necessary, review them. They also discuss and agree on the prerequisites or factors necessary for the successful achievement of goals: strengthening competency or certain skills, possible help from the manager or colleagues, etc., and they exchange feedback. We aim for the goals set for the employee to comply with the SMART model, that is, to be specific, measurable, achievable, relevant, and time-bound. During the annual performance review, the manager individually discusses with each employee of his/her team the performance throughout the year, summarises the achievements and agrees on a general assessment of the performance throughout the year.

Remuneration Policy of the Group

Reviewed, updated and approved at the General Meeting of Shareholders on 24 May 2022

The updated version of the Remuneration Policy introduced the following significant changes compared to the previous version: (i) the Group no longer has a Remuneration and Nomination Committee which performs the functions of supervision and control of the Remuneration Policy; (ii) considering that the Group no longer has a Supervisory Board, changes are made to the Remuneration Policy in this regard; (iii) the terms and forms of payment of the variable remuneration are specified.

Group's remuneration principles

Linking remuneration to performance and aligning with shareholders' interests: in making remuneration-related decisions, the Group focuses on long-term, risk-adjusted performance and rewards performance that generate sustained value for the Group.

"Shared success" culture encouragement: teamwork should be encouraged and rewarded to foster a "shared success" culture. Contributions are considered across the Group, within business units, and at individual level when evaluating an employee's performance.

Attracting and retaining top talents: competitive and reasonable remuneration should help attract and retain the best talent to grow and sustain the Group's business.

Integrating risk management and remuneration: management bodies of the Group should generate honest, fair and objective evaluations and identify individuals responsible for meaningful risk-related events and their accountability.

Good corporate governance: the Group's good corporate governance is fostered by oversight by Board of the executive remuneration scheme, including defining the Group's remuneration principles, reviewing and approving the Group's overall incentive remuneration pools.

Transparency with shareholders: to provide shareholders with enough information and context to assess the Group's schemes and practices, and their effectiveness, the Group discloses to the public the essential terms and results of the remuneration scheme applied.

Transparency with employees: the remuneration and the set of performance, competence and qualifications used to determine the remuneration of the employee is disclosed to each employee.

Flexibility: in the event of the need to hire or retain an employee who has a significant impact on the Group's operations or to manage the risks arising from the change of employees, decisions may be made by the Group companies applying exceptions to this Remuneration Policy, however, such exceptions and the reasons thereof must be disclosed to the Board without delay.

Measures to avoid conflicts of interest

Some members of the Board are independent and provide both independent oversight and control of the Group's Remuneration Policy and pay practices.

Decisions on individual remuneration of Employees are made by the head of the respective Group company. The remuneration of the CEO is determined by the Board of the Company. The Board of the Company also reviews the remuneration of the other managers directly subordinated to Chief Executive Officer and limits thereof, as necessary.

Remuneration structure

The Group companies ensure for their employees a competitive and fair remuneration for results achieved by the Group the employee individually. The purpose of the remuneration policy is to retain existing and attract new employees to ensure business success.

Main components of remuneration

Fixed part of remuneration (PAD) – is the monthly salary specified in the employment contract, i.e. basic part of wage. PAD and its amount is determined in the Employees' employment contracts and is paid in accordance with the procedures established by law. Members of the elected bodies who have not concluded employment contracts with the Group companies may receive remuneration in the form prescribed by legal acts and in accordance with service provision contracts.

Typically, PAD for Employees of Group companies are reviewed and determined once a year. PAD for the Employees of the Company is determined by the CEO. PAD for the Employees of other Group companies is determined by the head of the Group company.

PAD is determined in accordance with the law and the internal procedures of the Group companies.

PAD for the Company's CEO and CFO is established by the Company's Board. PAD for other managers directly subordinated to CEO are reviewed by the Company's Board.

PAD is determined considering the level of responsibility, professional experience, personal qualities required for the position, market conditions.

Variable part of remuneration (KAD) – annual, quarterly or monthly bonus or share options. KAD is an additional remuneration for the employee which is granted and paid at the initiative of the Group as a means of promoting and motivating employees. KAD can be short-term (bonuses, supplements for additional project) and long-term (share options). The purpose of KAD is to motivate employees for their good performance, for good performance or results of the Group or its department or all the Group. KAD may form significant part of the annual PAD and, in exceptional cases, may exceed the PAD for top management.

Short – term incentives. Annual bonuses are paid to top management based on the achievement of Group's net profit (or EBITDA) result (or other profitability indicator) and/or considering the change in the share price. The Boards of the Group companies determine the specific results to be achieved by top-management, award criteria and the procedures for calculating bonuses. Bonuses are paid to other Employees depending on the Group's net profit (or EBITDA) result (or other profitability indicator) and other objectively identifiable and measurable indicators. The specific results to be achieved and the procedure for calculating bonuses and award criteria is determined by CEO of the Company. Board members may be paid royalties in accordance with procedures established by law.

Long-term incentives. Share options are granted to top management of the Group Companies, employees and members of the Board of the Company in accordance with the Rules for Granting Shares approved by the Company's shareholders' meeting and published on the Group's website. The purpose of the rules for granting shares of the Company and granting the share options is to safeguard the business strategy, long term goals and interests of the Group by providing additional measures to motivate and retain professional, qualified and competent team with diverse knowledge and experience and to encourage employees of the Group, Board members to contribute to the success of the Group, to increase the financial and property interests of employees and to promote long-term work in the Group, thus increasing the value of the Group and aligning long term interests of themselves and the Group.

Other monetary remuneration (KPA) – supplements or other benefits; Employee may be paid a supplement for additional work, performance of additional functions not provided for in their employment contract and/or job description, or performance of additional tasks. Supplements is determined by the order of CEO of the Company or the head of the Subsidiary. The supplement is not included in the amount of PAD set for the employee.

Other benefits (KN) are benefits provided to the employee that have a financial value but do not involve monetary bonuses, i.e. non-monetary benefits. The package of indirect financial benefits is selected taking into account the financial position and strategy of the Group or its individual company, as well as the principles of fairness, equality and transparency and the situation in the labour market.

Severance payments and non-competition

In accordance with the national legal acts of the respective company of the Group, employees might be entitled to severance payments upon termination of their employment (except for certain termination grounds, such as on ones own will, due to the reasons attributable to the employees fault, etc.).

Group companies do not normally have prior arrangements for severance pay, supplementary pensions or early retirement arrangements, but in exceptional cases and subjects to the decisions of the relevant competent authority such arrangements are possible. The maximum possible severance pay for an employee is the amount of his/her average salary for 12 (twelve) months, unless the Board decides to grant a higher severance pay in a specific case. No termination benefits are paid upon resignation or removal of the respective member of the Board. Non-competition agreements may be entered with the top management on the initiative of the Group.

Disclosure

This Remuneration Policy is available on the website of the Group https://www.novaturasgroup.com and a paper version will be made available upon the request to the Company.

The Remuneration Policy is part of the Group companies' policies and procedures and as such the main principles are available to all employees. The employees are regularly informed about their remuneration, criteria used to measure performance and the link between performance and pay.

During 2023 the company granted 62,597 units of share options, out of which 20,130 lapsed during 2023, 20,000 units were executed, and 108,392 units survived as at 31 December 2023.

During 2024 the Company and the Group granted 60,311 units of share options, out of which 60,735 units lapsed during 2024 and 107,968 units survived as at 31 December 2024.

33,100 of granted share option units shall vest during the year 2025, 30,557 units during 2026 and 44,311 during 2027.

Vested option will entitle option holder to purchase one share in the Company at nominal value. This right will arise if the option holder retains the option until the vesting date and it can be exercised before the end of the exercise period. The share option vesting condition is subject to a number of restrictions, particularly the existence of an employment relationship between the option holder and the Group company on the vesting date.

Below are presented dynamics of annual group net profit and average monthly remuneration:

	2019	2020	2021	2022	2023	2024
Average monthly remuneration (EUR)	1,636	1,633	1,923	2,082	2,527	2,948
Group net profit (loss) (EUR'000)	4,214	(5,750)	1,026	(722)	3,372	(7,604)

Other benefits

We strive to ensure that the additional benefits we offer in our Group companies for employees reflect and represent the values we adhere, the culture we foster, and the employee experience we create.

Health insurance

We are concerned about the physical and emotional well-being of our employees: we provide them with supplementary health insurance (depending on individual needs) and we offer them the choice of one of the four health insurance plan types best suited to a particular stage of their life. In case of an insured event, the insurance companies cover 80–100% expenses incurred by the employee for health care services provided (outpatient, inpatient or rehabilitation treatment), preventive health checks, vaccination, prescription drugs, and partially or fully covers various other medical services. Health insurance covers employees for a period of one year.

Additional benefits

We also care for the important events in the lives of our employees: they are entitled to certain lump-sum payments for life events, such as a wedding, a child's birth, or a loss of a close family member, and we celebrate holidays together (we have birthday gifts for employees, and Christmas gifts for both employees and their children under 12 years old).

Flexible work schedule and hybrid working model

To ensure the best possible work-life balance, the Group offers employees the opportunity to work remotely, and to have *workations* once a year. The employees can also select working hours that suit them if a justifiable need exists.

Safe working environment

The Group maintains safe and reliable working environment in accordance with national standards.

Student practice

The Group collaborates with higher educational establishments by enabling students to have their practice periods at the Group and get acquainted with its activities. The most motivated students who achieve beat results receive offers to work with the Group.

Social responsibility initiatives of the Group: Support for animal shelters

The Group encourages its employees to contribute to supporting animal welfare organisations. Voluntary assistance weekends are organised, during which the employees help the shelter staff and animals.

Market abuse, anti-corruption

The Group has implemented and is following internal Rules for Use, Management and Ensuring Confidentiality of Inside Information where it is determined all reasonably necessary measures on order that the Group would prevent, within the limits of its control, dealing in securities of the Group by making use of inside information, unlawful disclosure of inside information and ensure confidentiality of inside information.

The Group has also implemented the Policy of Support, according to which the support may not be granted to finance politicians, political parties, or their representatives/candidates, election campaigns, foundations or other organizations established by politicians. The group may allocate support only based on the legal acts regulating the allocation of support and in accordance with internal rules provided for in the Policy of Support.

The Group is also going to implement anti-corruption policy, Group code of ethics and other policies in order to ensure the standards of ethics, honesty and transparency in activities

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Activity in sustainability area

On 9 November 2021, at the UN Climate Conference in Glasgow (COP26), United Nations launched an ambitious plan for the tourism industry to reach net zero by 2050. The new roadmap sets targets and benchmarks for the travel industry and offers practical recommendations for businesses on how they can achieve the set targets.

In response to the global challenge of achieving zero net emissions, Novaturas Group is continuously evolving its business practices to align with the industry's anticipated developments and sustainability goals. For the long-term strategy, we are committed to minimizing our environmental footprint.

When selecting air carriers, Novaturas carefully evaluates their impact on climate change and the environment. We are continuously strengthening our partnership with airBaltic, a leader in Europe with one of the youngest and most environmentally friendly fleets. airBaltic's focus on reducing carbon emissions through modern, fuel-efficient aircraft is a key factor in our choice.

Additionally, our partnership with Heston Airlines further demonstrates our dedication to both sustainability and traveler experience. Heston Airlines is known for its high standards in passenger comfort, safety, and service quality, all while maintaining a strong focus on sustainability.

Sustainability also guides our approach to hotel partnerships. We aim to select accommodations that prioritize responsible practices, from reducing energy consumption to managing waste and promoting sustainable resource use. We value hotel partners that are actively fostering a more sustainable tourism industry.

Moreover, our portfolio includes sightseeing trips that not only offer relaxation but also provide travellers with the opportunity to deepen their understanding of the environment and local heritage.

Looking ahead, our long-term vision is to empowering our customers to make more eco-conscious choices, whether they are selecting sustainable airlines, eco-friendly hotels, or environmentally aware experiences.

Approval by officers of the Company

In accordance with Article 22 of the Republic of Lithuania Law on Securities and the Information Disclosure Rules of the Bank of Lithuania, the undersigned Kristijonas Kaikaris, Chief Executive Officer of Novaturas AB, and Darius Undzėnas, Chief Financial Officer of Novaturas AB, confirm that, to the best of our knowledge, the consolidated management report of Novaturas AB for 2024 presents a true overview of business development and activities and an overall position of consolidated companies, together with a description of existing main risks and uncertainties.

Kristijonas Kaikaris	Chief Executive Officer
Darius Undzėnas	Chief Financial Officer

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The Consolidated and the Company's Financial Statements for the year ended 31 December 2024

Thousand EUR, unless stated otherwise

Statements of financial position

	Notes	Group			Company		
		As at 31 December 2024	As at 31 December 2023 (restated)*	As at 1 January 2023 (restated)*	As at 31 December 2024	As at 31 December 2023 (restated)*	As at 1 January 2023 (restated)*
ASSETS							
Non-current assets							
Goodwill	4	24,644	30,327	30,327	24,644	30,327	30,327
Other intangible assets	4	736	809	627	736	809	627
Property, plant and equipment		96	135	83	79	113	59
Right-of-use assets	5	426	358	338	289	201	239
Investments in subsidiaries	6	-	-	-	2,859	2,859	2,859
Non-current receivables		10	3	128	7	-	12
Deferred income tax asset		706	526	872	705	525	872
Total non-current assets		**26,618**	**32,158**	**32,375**	**29,319**	**34,834**	**34,995**
Current assets							
Prepayments	7	2,717	3,500	13,069	1,022	1,807	3,814
Capitalized contract costs	8	3,204	4,032	2,659	1,385	1,250	1,215
Trade and other receivables	9	2,828	3,977	2,113	2,247	1,960	746
Contract assets	9	124	223	233	66	120	170
Receivable from related parties	26	-	-	-	595	4,007	1,590
Prepaid income tax	24	53	4	4	53	4	4
Other current assets		202	326	296	147	233	205
Other current financial assets	11	3,310	-	-	1,500	-	-
Restricted cash	12	-	-	200	-	-	200
Cash and cash equivalents	12	394	3,347	2,570	165	1,434	448
Total current assets		**12,832**	**15,409**	**21,144**	**7,180**	**10,815**	**8,392**
TOTAL ASSETS		**39,450**	**47,567**	**53,519**	**36,499**	**45,649**	**43,387**

* Note 2.4

(Continued in the next page)

The accompanying notes are an integral part of these financial statements.

Statements of financial position (continued)

	Notes	Group As at 31 December 2024	Group As at 31 December 2023 (restated)*	Group As at 1 January 2023 (restated)*	Company As at 31 December 2024	Company As at 31 December 2023 (restated)*	Company As at 1 January 2023 (restated)*
EQUITY AND LIABILITIES							
Equity							
Share capital		234	234	234	234	234	234
Own shares acquired		(183)	(183)	-	(183)	(183)	-
Reserve for acquisition of own shares	13	183	1,250	1,250	183	1,250	1,250
Legal reserve	13	29	29	29	29	29	29
Foreign currency translation reserve	13	145	145	145	-	-	-
Retained earnings		7,612	14,178	10,726	3,502	8,077	6,466
Total equity		**8,020**	**15,653**	**12,384**	**3,765**	**9,407**	**7,979**
Non-current liabilities							
Non-current borrowings	14, 26	5,838	7,940	6,865	12,141	14,237	13,205
Lease liabilities	5	235	235	179	155	133	128
Total non-current liabilities		**6,073**	**8,175**	**7,044**	**12,296**	**14,370**	**13,333**
Current liabilities							
Current portion of non-current loans	14, 26	3,412	742	1,975	3,406	735	1,975
Trade payables		5,157	3,854	14,272	2,018	1,950	7,122
Payables to related parties	26	-	-	-	6,150	8,663	3,746
Contract liabilities	17	14,446	14,228	15,716	7,496	6,946	8,073
Income tax payable		6	132	6	-	117	-
Lease liabilities	5	232	166	188	152	88	123
Derivative financial instruments	10	-	229	-	-	229	-
Provisions	16	38	1,777	-	1	1,574	-
Other current liabilities and accrued expenses	16	2,066	2,611	1,934	1,215	1,570	1,036
Total current liabilities		**25,357**	**23,739**	**34,091**	**20,438**	**21,872**	**22,075**
TOTAL EQUITY AND LIABILITIES		**39,450**	**47,567**	**53,519**	**36,499**	**45,649**	**43,387**

* Note 2.4

(Concluded)

The accompanying notes are an integral part of these financial statements.

Chief Executive Officer	Kristijonas Kaikaris		As at 9 June 2025
Chief Financial Officer	Darius Undzėnas		As at 9 June 2025

Statements of comprehensive income

	Notes	Group 2024	Group 2023 (restated)*	Company 2024	Company 2023 (restated)*
Revenue from the contracts with customers	18	200,878	208,331	117,063	119,446
Cost of sales	19	(180,136)	(182,104)	(102,560)	(102,980)
Gross profit		**20,742**	**26,227**	**14,503**	**16,466**
Selling expenses	21	(17,102)	(17,259)	(8,844)	(9,197)
General and administrative expenses	22	(10,375)	(4,372)	(9,762)	(3,721)
Including impairment loss on goodwill	*4*	*(5,683)*	-	*(5,683)*	-
Other operating income		214	485	59	345
Other operating expenses		(34)	(740)	(18)	(699)
Operating profit (loss)		**(6,555)**	**4,341**	**(4,062)**	**3,194**
Finance income	23	1,412	1,210	713	587
Including interest income	*23*	*10*	*136*	*112*	*128*
Finance (expenses)	23	(2,643)	(1,698)	(2,453)	(1,787)
Including interest expenses	*23*	*(1,088)*	*(1,169)*	*(1,655)*	*(1,579)*
Profit (loss) before tax		**(7,786)**	**3,853**	**(5,802)**	**1,994**
Income tax (expense)	24	182	(481)	190	(463)
Net profit (loss)		**(7,604)**	**3,372**	**(5,612)**	**1,531**
Total other comprehensive income		-	-	-	-
Total comprehensive income		**(7,604)**	**3,372**	**(5,612)**	**1,531**
Net profit (loss) attributable to:					
To the equity holders of the Company		(7,604)	3,372	(5,612)	1,531
Non-controlling interests		-	-	-	-
		(7,604)	**3,372**	**(5,612)**	**1,531**
Total comprehensive income attributable to:					
To the equity holders of the Company		(7,604)	3,372	(5,612)	1,531
Non-controlling interests		-	-	-	-
		(7,604)	**3,372**	**(5,612)**	**1,531**
Earnings per share (EPS) for continuing operations:					
Basic and diluted, profit (loss) for the period attributable to ordinary equity holders of the parent (in EUR)	27	(0.97)	0.43		

* Note 2.4

The accompanying notes are an integral part of these financial statements.

Chief Executive Officer	Kristijonas Kaikaris		As at 9 June 2025
Chief Financial Officer	Darius Undzėnas		As at 9 June 2025

Statements of changes in equity

Group	Notes	Issued capital	Own shares acquired	Own shares acquisition reserve	Legal reserve	Foreign currency translation reserve	Retained earnings (restated*)	Equity attributable to the equity holders of the parent company
Balance as at 1 January 2023, as originally reported		**234**	**-**	**1,250**	**29**	**145**	**12,797**	**14,455**
Restatement due to correction of the error	2.4	-	-	-	-	-	(2,071)	(2,071)
Restated balance as at 1 January 2023		**234**	**-**	**1,250**	**29**	**145**	**10,726**	**12,384**
Net profit (loss)		-	-	-	-	-	3,372	3,372
Other comprehensive income (loss)		-	-	-	-	-	-	-
Total comprehensive income (loss)		-	-	-	-	-	3,372	3,372
Share based payments	28	-	-	-	-	-	80	80
Acquisition of own shares	1	-	(183)	-	-	-	-	(183)
Restated balance as at 31 December 2023		**234**	**(183)**	**1,250**	**29**	**145**	**14,178**	**15,653**
Net profit (loss)		-	-	-	-	-	(7,604)	(7,604)
Other comprehensive income (loss)		-	-	-	-	-	-	-
Total comprehensive income (loss)		-	-	-	-	-	(7,604)	(7,604)
Share based payments	28	-	-	-	-	-	(29)	(29)
Reversal of own shares acquisition reserve	13	-	-	(1,067)	-	-	1,067	-
Balance as at 31 December 2024		**234**	**(183)**	**183**	**29**	**145**	**7,612**	**8,020**

(Continued in the next page)

Statements of changes in equity (continued)

Company	Notes	Issued capital	Own shares acquired	Own shares acquisition reserve	Legal reserve	Foreign currency translation reserve	Retained earnings (restated*)	Equity attributable to the equity holders of the parent company
Balance reported as at 1 January 2023, as originally reported		**234**	**-**	**1,250**	**29**	**-**	**8,537**	**10,050**
Restatement due to correction of the error	2.4	-	-	-	-	-	(2,071)	(2,071)
Restated balance as at 1 January 2023		**234**	**-**	**1,250**	**29**	**-**	**6,466**	**7,979**
Net profit (loss) for period		-	-	-	-	-	1,531	1,531
Other comprehensive income (loss)		-	-	-	-	-	-	-
Total comprehensive income (loss)		-	-	-	-	-	1,531	1,531
Share based payments	28	-	-	-	-	-	80	80
Acquisition of own shares	1	-	(183)	-	-	-	-	(183)
Restated balance as at 31 December 2023		**234**	**(183)**	**1,250**	**29**	**-**	**8,077**	**9,407**
Net profit (loss) for period		-	-	-	-	-	(5,613)	(5,613)
Other comprehensive income (loss)		-	-	-	-	-	-	-
Total comprehensive income (loss)		-	-	-	-	-	(5,613)	(5,613)
Share based payments	28	-	-	-	-	-	(29)	(29)
Reversal of own shares acquisition reserve	13	-	-	(1,067)	-	-	1,067	-
Balance as at 31 December 2024		**234**	**(183)**	**183**	**29**	**-**	**3,502**	**3,765**

*Note 2.4

(Concluded)

The accompanying notes are an integral part of these financial statements.

Chief Executive Officer	Kristijonas Kaikaris		As at 9 June 2025
Chief Financial Officer	Darius Undzėnas		As at 9 June 2025

Statements of cash flows

	Notes	Group 2024	Group 2023 (restated)*	Company 2024	Company 2023 (restated)*
Cash flows from (to) operating activities					
Net profit		(7,604)	3,372	(5,612)	1,531
Adjustments for non-cash items:					
Depreciation and amortisation	21, 22	576	355	492	265
Income tax for the reporting period	24	(182)	481	(190)	463
Goodwill impairment	4	5,683	-	5,683	-
Change in derivative financial instruments		(229)	229	(229)	229
Elimination of financial, investment and other non-cash activity results		1,321	1,571	1,252	1,528
		(435)	**6,008**	**1,396**	**4,016**
Changes in working capital:					
(Increase)/decrease in prepayments		783	9,354	785	1,792
(Increase)/decrease contract costs		828	(1,373)	(135)	(35)
(Increase)/decrease in trade and other receivables		1,142	(1,739)	3,118	(3,619)
(Increase)/decrease in contract assets		99	10	54	50
(Increase)/decrease in other current assets		124	(30)	86	(28)
(Increase)/decrease in other current financial assets		(3,310)	-	(1,500)	-
Increase/(decrease) in trade accounts payable payables		1,303	(10,418)	(2,445)	(255)
Increase/(decrease) in contract liabilities		218	(1,488)	550	(1,127)
Income tax paid		(82)	-	(82)	-
Increase/(decrease) in provisions		(1,739)	1,777	(1,573)	1,574
Increase/(decrease) in other current liabilities and accrued expenses		(545)	892	(355)	749
Net cash flows from (to) operating activities		**(1,614)**	**2,993**	**(101)**	**3,117**
Cash flows from (to) investing activities					
(Acquisition) of non-current assets (excluding investments)		(532)	(609)	(473)	(463)
Proceeds from sale of non-current assets (except investments)		-	-	-	-
Net cash flows from (to) investing activities		**(532)**	**(609)**	**(473)**	**(463)**
Cash flows from (to) financing activities					
Loans received	14	4,800	6,000	4,800	6,000
(Repayment) of loans	14	(4,232)	(6,158)	(4,225)	(6,208)
Interest (paid)	14	(1,069)	(1,139)	(1,060)	(1,231)
Lease and related interests (paid)	5	(306)	(261)	(210)	(180)
Own shares purchase	1	-	(249)	-	(249)
Net cash flows from (to) financing activities		**(807)**	**(1,807)**	**(695)**	**(1,868)**
Net increase (decrease) in cash flows		**(2,953)**	**577**	**(1,269)**	**786**
Cash and cash equivalents at the beginning of the period		**3,347**	**2,770**	**1,434**	**648**
Cash and cash equivalents at the end of the period		**394**	**3,347**	**165**	**1,434**

* Note 2.4

The accompanying notes are an integral part of these financial statements.

Chief Executive Officer	Kristijonas Kaikaris		As at 9 June 2025
Chief Financial Officer	Darius Undzėnas		As at 9 June 2025

Notes to the financial statements

1 Corporate information

Novaturas AB (hereinafter – the Company) is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is as follows:

A. Mickevičiaus st. 27, Kaunas, LT-44245, Lithuania.

The Company's principal place of business is located the Baltic States.

Name of the Company and other methods of identification have not changed from the end of the previous reporting period.

Novaturas AB has no parent company.

The Group and the Company operate as tour operators and travel agencies. The Company was registered on 16 December 1999.

The shareholders of the Company were:

	As at 31 December 2024		As at 31 December 2023	
	Number of shares held	Ownership interest, %	Number of shares held	Ownership interest, %
Willgrow (ex UAB „ME Investicija")	779,900	9.99%	779,900	9.99%
Ugnius Radvila	740,702	9.49%	740,702	9.49%
Moonrider OU	543,346	6.96%	543,346	6.96%
Paliūnas Vidas	535,278	6.86%	535,278	6.86%
Šūmakaris Rytis	535,278	6.86%	535,278	6.86%
Other	4,616,499	59.13%	4,616,499	59.13%
Total	**7,751,003**	**99.28%**	**7,751,003**	**99.28%**
Novaturas AB	55,997	0.72%	55,997	0.72%
Total	**7,807,000**	**100.00%**	**7,807,000**	**100.00%**

Willgrow (former name ME Investicija) is investment company managing Girteka, one of the leading transport and logistics companies in Europe.

Moonrider OU is under control of Estonian investment company Go Group, which operates in the fields of tourism, transport, real estate and engineering.

All shares with a nominal value of EUR 0.03 each are ordinary and were fully paid as at 31 December 2024 and 2023.

The Company acquired 75,997 own shares on 20th September 2023 for share-based payment plan purposes (Note 28). On 14th December 2023, 20,000 shares were handed over via share-based payments. All liabilities related to the transactions are fulfilled as of 31 December 2024 and 2023.

The Company holds 55,997 own shares as at 31 December 2024. Company subsidiaries do not hold shares of the Company.

The Group consists of Novaturas AB and the following subsidiaries (hereinafter – the Group):

Company	Code	Registered at	Registered office	Part of shares held by the Group as at 31 December 2024, %	Part of shares held by the Group as at 31 December 2023, %	Core activities
Novatours SIA	40003525782	Latvian registry of enterprises	Kr. Valdemara St. 100, Riga, Latvia	100%	100%	Organization and distribution of tours.
Novatours OU	110138798	Estonian registry of enterprises	Ravala g. 6, Tallinn, Estonia	100%	100%	Organization and distribution of tours.
Aviaturas ir Partneriai UAB	124266117	Lithuanian registry of enterprises	Konstitucijos ave. 15/5, Vilnius, Lithuania	100%	100%	Organization and distribution of tours.
Novatours Holidays SRL	22801786	Romanian registry of enterprises	M. Caramfil st. 53, Bucharesht, Romania	100%	100%	Dormant

Since 2009, the subsidiary of the Company SRL Novatours Holidays was not active.

The Company has a branch registered at J. Jasinskio st. 16, Vilnius, Lithuania. The registration code of the branch is 125142371. Operating results of the branch are included in the financial statements of the Company.

2 Material accounting policy information

The material accounting policy, which have been applied in preparation of the Company's and the Group's financial statements for the year ended 31 December 2024, are as follows:

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU).

The financial statements of the Group and the Company have been prepared on a historical cost basis, except for derivatives that are carried at fair value.

The amounts shown in these financial statements are presented in the local currency, euro (EUR), which is also the functional currency of the Company and the Group companies located in Lithuania, Latvia and Estonia. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand, except when otherwise indicated and may not reconcile in notes due to rounding up.

The Group and the Company has prepared the financial statements on the basis that it will continue to operate as a going concern (Note 15).

The Company's management authorized these financial statements on 9 June 2025. The shareholders of the Company have a statutory right to either approve or refuse to approve these financial statements and request the management to prepare a new set of financial statements.

2.2 Summary of material accounting policies information

2.3.1 Investments in subsidiaries (the Company)

Investments in subsidiaries in the Company's separate financial statements are accounted at cost, less impairment.

2.3.2 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group applies amortised cost measurement for all financial assets as the current Group's business model requires to hold financial assets only for collecting contractual cash flows rather than selling the financial assets or both. Financial assets of the Group comprised trade and other receivables, cash and cash equivalents. The Group and the Company reclassifies debt instruments when and only when its business model for managing those assets changes.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, other receivables and cash and cash equivalents.

The Group does not have any financial assets which would be measured at fair value through OCI or fair value through profit or loss.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions - Note 3
- Trade accounts receivables, including contract assets and other current assets – Note 9

For financial assets held at amortised cost, a loss allowance for expected credit losses is recognised in accordance with IFRS 9.

For trade receivables the Group and the Company apply a simplified approach in calculating ECLs (Expected Credit Losses). Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In addition to the provision matrix, the Group and the Company also perform individual assessments for specific trade receivable balances where there are indications of increased credit risk or where the receivable is considered significant.

Impairments and reversals of impairments are recognized in the statement of comprehensive income general and administrative expenses.

Definition of default

The Group considers a financial asset to be in default when the counterparty is more than 120 days past due, unless there is reasonable and supportable information to indicate that a different default criterion is more appropriate. In addition, a financial asset is considered to be in default if there is evidence of significant financial difficulty of the debtor, a breach of contract such as default, or if it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

a) The rights to receive cash flows from the asset have expired;

or

b) The Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and trade payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (derivatives)
- Financial liabilities at amortised cost (loans, borrowings and other liabilities)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in profit or loss.

The Group has derivatives financial instruments such as foreign exchange forwards and jet fuel forwards. These instruments are measured at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings and other liabilities)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to trade and other payables and interest-bearing loans and borrowings including bonds. For more information, refer to Note 13.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.3.4 Impairment of prepayments

At the end of the reporting period, the Company and the Group review its non-financial assets which consist mainly of prepayments. Prepayments mainly relate to customary advance payments in respect of future tourism services, in particular advance payments made to tour operators and other service providers for future hotel and flight services. The purpose of the review is to determine whether there is any indication that the prepayments suffered an impairment loss. If any such indication exists, the recoverable amount of the prepayments is estimated in order to determine the extent of the impairment loss (if any).

At each reporting date, the Group and the Company assesses whether there are any indicators of impairment for the prepayment assets, such as changes in customer behaviour, economic conditions, or specific circumstances affecting the travel industry (such as natural disasters or geopolitical events), information about issues in business operations of suppliers to whom prepayments were made. In addition, the Group and the Company analyse collectability and usability of prepayments considering volumes of future travels booked, potential attractiveness of destinations for local markets and particular hotels as well as prepayment consumption levels within each particular travel season. If there are indicators of impairment, the Group and the Company estimates the recoverable amount of the prepayment asset, comparing it to its carrying amount. If the recoverable amount is less than carrying amount, the Group and the Company recognize an impairment loss in the statement of comprehensive income, general and administrative expenses. Subsequent reversals of impairment losses are recognized in the statement of comprehensive income if the circumstances leading to the impairment have improved and the recoverable amount exceeds the carrying amount, up to the amount that would have been determined had no impairment loss been recognized previously.

2.3.5 Cash and cash equivalents

Cash includes cash on hand and cash in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of 3 months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and in current bank accounts as well as deposits in bank with original term equal to or less than 3 months.

2.3.6 Revenue from the contracts with customers

Revenue is recognised upon transfer of control over distinct goods or services to the customer. Substantial part of the revenue generated by the Group and the Company is from the sale of travel packages. The Group and the Company provides three types of travel packages:

a) flight packages,
b) sightseeing tours by plane,
c) sightseeing tours by coach.

The revenue streams mentioned above in this note are further referred to as travel packages. The flights, hotel accommodation and other services included in a travel package are transformed into one product for the customer through a significant integration service provided by the Group and the Company as tour operator within the meaning of IFRS 15, so that the travel package constitutes one performance obligation for the Group and the Company. This revenue is recognised when the Group and the Company deliver the service for its customer, i. e. on a linear basis over the duration of the holiday tour, as customers consume their holiday on a pro rata basis.

The Group and the Company use the practical expedient offered under IFRS 15.121(a). For open performance obligations as at the balance sheet date, the Group and the Company disclose all remaining performance obligations for contracts with an original term of more than twelve months, i. e. at least twelve months lie between the start of the contract (in principle the booking date) and the end of the contract (in principle the end of the service).

Sales of travel packages are made on prepayment basis (customer pays in advance), therefore no relevant contract assets or trade receivables are recognised based these particular sales transactions.

Contract liabilities

Contract liability is an obligation of the Group and the Company to deliver goods or services for a customer. A contract liability is recognised when a payment is received or is due from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Cost to obtain a contract

The direct costs immediately resulting from obtaining a contract, e. g. sales commissions to travel agencies for sales of travel services, are capitalised as contractual costs in the statement of financial position upon obligation to pay of the commission. As a rule, the resulting expenses are recognised over the duration of the travel service in line with the associated revenue.

Cost to fulfil a contract

Cost to fulfil a contract stands for prepaid costs relating to services to be provided under an existing contract with customer for travel package sold to satisfy performance obligations in future. Cost to fulfil a contract is recognised in expenses over the duration of the travel service in line with the associated revenue.

2.3.7 Taxation

Income tax

The Group companies are taxed individually, irrespective of the overall results of the Group. Income tax charge is based on profit for the year and considers deferred taxation.

The Company's corporate income tax is calculated in accordance with provisions of tax legislation of the Republic of Lithuania. The income taxes of foreign subsidiaries are calculated in accordance with tax legislation applicable in those jurisdictions.

The standard income tax rate in Lithuania is 15%; from 2025, it will increase to 16%.Tax losses in Lithuania can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Group and the Company change its activities due to which these losses incurred except when the Group and the Company do not continue its activities due to reasons which do not depend on the Group or the Company itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for five consecutive years and only be used to reduce the taxable income earned from transactions of the same nature. Starting from 1 January 2014, tax losses carried forward can be used to reduce the taxable income earned during the reporting year by maximum 70%.

According to Estonian and Latvian legislation, profit of entities accordingly in Estonia and Latvia are not subject to income tax, if the profits are retained. Earnings are subject to tax when they are distributed in the form of dividends or other form. Applied tax rate for distributed earnings in Latvia is 20/80. In Estonia, 14/86 still applies in 2023 and in 2024 for regular distributions. This rate will no longer be applicable from 1 January 2025. Thereafter, a 22% tax rate will apply to all profit distributions.

Deferred tax

Deferred taxes are calculated using liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse based on tax rates enacted or substantially enacted at the date of the statement of financial position.

Deferred tax asset has been recognized in the statement of financial position to the extent the management believes it will be realized in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realized, this part of the deferred tax asset is not recognized in the financial statements.

While assessing deferred tax assets and liabilities for the Lithuanian entities, 16% tax rate was applied in 2024 (15% in 2023).

As the object of taxation in Estonia and Latvia is dividends, not profit, there are no differences between the carrying amounts and tax bases of assets and liabilities which could give rise to deferred tax assets or liabilities at subsidiary level.

The Group incurs deferred tax liabilities in connection with investments in subsidiaries, except to the extent that the Group is able to control the timing of the reversal of the taxable temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Examples of the reversal of taxable temporary differences are the distribution of a dividend, the sale or liquidation of an investment, and other transactions.

As the Group controls the dividend policy of its subsidiaries, it is able to control the timing of the reversal of the temporary differences associated with its investments in the subsidiaries. As the Company has decided not to distribute a subsidiaries' profit in the foreseeable future, it does not recognize a deferred tax liability due to the exception mentioned above.

Deferred tax asset and liabilities were offset in the consolidated statement of financial position by the amounts, which relate to tax levied by the same tax authority and to the same taxable entity.

2.3 Changes in accounting policies and disclosures

Application of new and/or changed IFRS and interpretations issued by International Accounting Standards Board (IASB)

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments).**
- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments).**
- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments).**

The adoption of these new standards, amendments to the existing standards and interpretation has not led to any material changes in the Group's and the Company's financial statements.

Standards and amendments to the existing standards issued by IASB and adopted by the EU but not yet effective and which the Group and the Company has not started applying ahead of time

At the date of authorisation of these financial statements, the following new standard, amendments to the existing standard and interpretation issued by IASB and adopted by the EU are not yet effective:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.

The management does not expect material impact of these amendments.

Standards, interpretations and amendments that are not yet adopted by the European Union and which the Group and the Company has not started applying ahead of time

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments).** In May 2024, the IASB issued amendments to the classification and measurement of financial instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments).** In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted
- **IFRS 18 Presentation and Disclosure in Financial Statements.** In April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures.** In May 2024, the IASB issued the IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

- **Annual Improvements to IFRS Accounting Standards – Volume 11.** In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

Management will analyze the requirements of the new standard and amendments and assess their impact upon becoming effective. The management have not yet evaluated impact of these amendments.

There are no other new or updated standards that are not yet effective but are expected to have a material impact on the Group's and the Company's financial statements.

2.4 Correction of an error

(1) Prepayments overstatement and expense understatement

During the reconciliation of balances with suppliers, the Management identified expenses related to travel services that were rendered in prior reporting periods, however, had not been recorded at the time and related expense accruals were not sufficient. As a result, the assets (prepayments) and equity (retained earnings) of the Group and the Company were overstated by these figures as of 31 December 2023 and 1 January 2023. Majority of errors relate to the periods prior to 2023 and some of the errors amounting to EUR 215 thousand relate to 2023, because of which cost of sales of the Group and the Company was understated by this amount.

(2) Impairment of prepayment

The Management identified that a prepayment made in 2021 to a supplier was no longer recoverable, as the supplier did not acknowledge the amount. No impairment was accounted for this prepayment in -prior year financial statements of the Group and the Company, however, as the relationship with this supplier has ended in 2021, the same facts and circumstances were present as of 31 December 2023 and 31 December 2022 and impairment should have been accounted. As a result, equity (retained earnings) and prepaid expenses (prepayments) of the Group and the Company were overstated as of 31 December 2023 and 2022. The impact of the non-recognised impairment was as follows: Group – thousand 541 EUR, Company – thousand 541 EUR.

Impact on the affected captions of the Group's previous period statement of financial position and statement of comprehensive income (correction of errors had no effect on cash flows reported from operating, financial or investing activities):

Group	As originally reported As at 31 December 2023	Error #1	Error #2	Restated As at 31 December 2023
Prepayments	5,786	(1,745)	(541)	3,500
Total current assets	**17,695**	**(1,745)**	**(541)**	**15,409**
TOTAL ASSETS	**49,853**	**(1,745)**	**(541)**	**47,567**
Retained earnings	16,464	(1,745)	(541)	14,178
Total equity	**17,939**	**(1,745)**	**(541)**	**15,653**
TOTAL EQUITY AND LIABILITIES	**49,853**	**(1,745)**	**(541)**	**47,567**

Group	As originally reported As at 1st January 2023	Error #1	Error #2	Restated As at 1st January 2023
Prepayments	15,140	(1,530)	(541)	13,069
Total current assets	**23,215**	**(1,530)**	**(541)**	**21,144**
TOTAL ASSETS	**55,590**	**(1,530)**	**(541)**	**53,519**
Retained earnings	12,797	(1,530)	(541)	10,726
Total equity	**14,455**	**(1,530)**	**(541)**	**12,384**
TOTAL EQUITY AND LIABILITIES	**55,590**	**(1,530)**	**(541)**	**53,519**

Group	As originally reported 2023	Error #1	Error #2	Restated 2023
Cost of sales	(181,889)	(215)	-	(182,104)
Gross profit	**26,442**	**(215)**	**-**	**26,227**
Operating profit	**4,556**	**(215)**	**-**	**4,341**
Profit before tax	**4,068**	**(215)**	**-**	**3,853**
Net profit (loss)	**3,587**	**(215)**	**-**	**3,372**
Total comprehensive income	**3,587**	**(215)**	**-**	**3,372**
Net profit attributable to: To the equity holders of the Company	3,587	(215)	-	3,372
Total comprehensive income attributable to: To the equity holders of the Company	3,587	(215)	-	3,372
Earnings per share (EPS) for continuing operations: Basic and diluted, profit for the period attributable to ordinary equity holders of the parent (in EUR)	0.46	(0.03)	-	0.43

Impact on the affected captions of the Company's previous period statement of financial position and statement of comprehensive income:

Company	As originally reported As at 31 December 2023	Error #1	Error #2	Restated As at 31 December 2023
Prepayments	4,093	(1,745)	(541)	1,807
Total current assets	**13,101**	**(1,745)**	**(541)**	**10,815**
TOTAL ASSETS	**47,935**	**(1,745)**	**(541)**	**45,649**
Retained earnings	10,363	(1,745)	(541)	8,077
Total equity	**11,693**	**(1,745)**	**(541)**	**9,407**
TOTAL EQUITY AND LIABILITIES	**47,935**	**(1,745)**	**(541)**	**45,649**

Company	As originally reported As at 1st January 2023	Error #1	Error #2	Restated As at 1st January 2023
Prepayments	5,885	(1,530)	(541)	3,814
Total current assets	**10,463**	**(1,530)**	**(541)**	**8,392**
TOTAL ASSETS	**45,458**	**(1,530)**	**(541)**	**43,387**
Retained earnings	8,537	(1,530)	(541)	6,466
Total equity	**10,050**	**(1,530)**	**(541)**	**7,979**
TOTAL EQUITY AND LIABILITIES	**45,458**	**(1,530)**	**(541)**	**43,387**

Company	As originally reported 2023	Error #1	Error #2	Restated 2023
Cost of sales	(102,765)	(215)	-	(102,980)
Gross profit	**16,681**	**(215)**	**-**	**16,466**
Operating profit	**3,409**	**(215)**	**-**	**3,194**
Profit before tax	**2,209**	**(215)**	**-**	**1,994**
Net profit (loss)	**1,746**	**(215)**	**-**	**1,531**
Total comprehensive income	**1,746**	**(215)**	**-**	**1,531**
Net profit attributable to: To the equity holders of the Company	1,746	(215)	-	1,531
			-	-
Total comprehensive income attributable to: To the equity holders of the Company	1,746	(215)	-	1,531
				-
Earnings per share (EPS) for continuing operations: Basic and diluted, profit for the period attributable to ordinary equity holders of the parent (in EUR)	0.22	(0.03)	-	0.20

3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards, as adopted by the EU, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies. The significant areas of estimation used in the preparation of the accompanying financial statements relate to impairment evaluation of goodwill (Note 4) and investments in subsidiaries (Note 6), recoverability assessment of prepayments made (Note 7), provision for legal case (Note 16) and deferred tax liability related to retained earnings of subsidiaries (Notes 2.3.7., 24). Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Going concern

Management's assessment of the Group's ability to continue as a going concern involved significant judgment, particularly with respect to the expected additional financing and performance of the Group. Further details are disclosed in Note 15.

Provision for legal case

The Company has been in a legal dispute with UAB Get Jet Airlines since 2020 regarding performance of contractual obligations arising from Contract No 2018-1203/1 of 03-12-2018 during the COVID-19 pandemic. The legal dispute includes a claim from the supplier amounting up to 16 mEur. On March 7th, 2024, the Court of Appeal ruled binding decision on the legal case in relation with UAB GetJet Airlines. According to the decision, the Company lost the right to recall the deposit kept at UAB GetJet Airlines (of about 0.5 mEur) and additionally, as a compensation of losses and interest had to pay to UAB GetJet Airlines an amount of 1.15 mEur and 8% annual interest, as well as had to pay to UAB GetJet Airlines of 46 tEur its litigation costs. At the same time the Group (and the Company) had an agreement for compensation of 1 mEur from one of its suppliers for these litigation losses.

The Group (and the Company) have accounted for provision as of 31 December 2023 for the fine imposed amounting to 1.5 mEur (Note 16) and compensation receivable in the amount of 1 mEur. (Note 9) in the statements of financial position. Provision expenses and compensation income were netted in the statements of comprehensive income of the Group and the Company (other operating expenses). 100 % allowance had already been accounted for in previous accounting periods for the deposit amounting to 0.5 mEur (Note 7). During 2024, the provision (Note 16) was reversed, because the fine was paid and related compensation (Note 9) was received.

On 28 November 2024 the Supreme Court of Lithuania ruled as follows: (1) Annulled the part of the Court of Appeal's ruling dated 07 March 2024, which upheld the Vilnius Regional Court's decision to terminate the Contract from 01 January 2021, and remanded this part of the case for re-examination by the Court of Appeal; (2) Annulled the part of the Court of Appeal's ruling that upheld the Vilnius Regional Court's decision to award UAB GetJet Airlines 1.15 mEur in penalties and 8% annual interest calculated from 01 January 2021 and remanded the counterclaim of UAB GetJet Airlines regarding the penalties for non-performance of the Contract throughout the entire period (for 2020 and from 01 January 2021 to 31 October 2022) for re-examination by the Court of Appeal. The Supreme Court also stated that when awarding penalties, the court must control their amount, checking whether they are excessive, therefore the Court of Appeal is given the right to assess whether the amount of damages requested by UAB GetJet Airlines is not excessive and unjustified, and, if there are grounds, reduce excessive damages; (3) Annulled the part of the Court of Appeal's ruling that upheld the Vilnius Regional Court's decision to award UAB GetJet Airlines 46 tEur in litigation costs, and remanded this part of the case for re-examination by the Court of Appeal. This means that the amount of litigation costs to be awarded to UAB GetJet Airlines will be re-examined by the Court of Appeal; (4) The remainder of the Court of Appeal's ruling dated 07 March 2024 was left unchanged.

The Company also hired independent experts who prepared an Independent Research Study, where the experts found that the damages reasonably incurred by UAB GetJet Airlines for the entire period (from 17 June 2020 till 31 October 2022) are lower than the amounts already awarded in favor of UAB GetJet Airlines (about 0.5mEur deposit kept at UAB GetJet Airlines and additionally damages on amount of 1.15 mEur). As it is stated above the damages incurred by UAB GetJet Airlines will be re-examined by the Court of Appeal. The Company's Management, when assessing the potential outcome of the case, relies on the independent expert opinion provided and other available arguments and evidence and expects that the potential outcome of the case will not exceed the amounts already awarded in favour of UAB GetJet Airlines. Therefore, no additional provision was made by the Group (and the Company) as of 31 December 2024 (Note 9, Note 16).

Impairment of goodwill and investments in subsidiaries

For the purpose of testing goodwill for impairment, the Group has identified cash-generating units (CGUs) based on geographical segmentation. Goodwill is allocated to the following CGUs: Lithuania, Latvia, and Estonia, which represent the smallest groups of assets that generate largely independent cash inflows and correspond to the Group's internal reporting structure.

Goodwill arose from the acquisition of Central European Tour Operator UAB (which operated in Lithuania, Latvia and Estonia), which was subsequently merged with Novaturas UAB. The total goodwill as at 31 December 2024 and 2023 allocated as follows (in millions EUR):

CGU	2024.12.31	2023.12.31
Lithuania CGU	18.4	18.4
Latvia CGU	4.4	4.4
Estonia CGU	1.8	7.5
Total:	**24.6**	**30.3**

The recoverable amounts of the CGUs as at 31 December 2024 were determined based on value-in-use calculations using five-year cash flow projections approved by management. These projections reflect key assumptions (which are the same for all CGU's) about the decline in the number of travellers (compound annual growth rate (CAGR) for 2025–2029 of -5.0%), occupancy rate in tourist destinations (95%), and expected benefits from the Group's strategic initiatives, including add-on sales.

Cash flows beyond the five-year period are extrapolated using a 2.0% perpetual growth rate, which reflects management's estimate of the long-term outlook for the industry. The pre-tax discount rate applied to the cash flow projections was 12.72% in 2024 (2023: 11.33%), which reflects the CGUs' weighted average cost of capital.

As a result of the impairment test, the Group recognised a goodwill impairment loss of €5.7 million as at 31 December 2024 (Note 4), allocated to the Estonia CGU. This impairment charge is presented in other operating expenses in the statement of comprehensive income.No impairment was recognised to other CGU's.

In 2023, the assessment of CGUs was based on assumptions relating to the growth of the number of travellers (compound annual growth rate (CAGR) in 2024–2028 is 1.3%), occupancy rate in tourist destinations (95%) and certain impacts of the approved strategic initiatives of the Group on profitability (add-on sales and others). Cash flows after five years horizon are extrapolated based on 2% constant annual growth assumption, which reflects the best management's estimate of the situation in this industry. Discount rate before tax was evaluated based on cash generating unit average weighted cost of capital and amounted to 11.33% (pre-tax) in 2023. Based on the recoverability assessment performed no impairment for goodwill was identified as at 31 December 2023.

The following are the impacts of change in main assumptions used for recoverability assessment for 2024:

Description of the change in assumption used	Estimated impairment on value of goodwill, EUR'000			
	Lithuania CGU	Latvia CGU	Estonia CGU	Group
WACC rate increase by 1 pp (12.72% to 13.72%)	-	42	6,016	6,058
Growth of sales through own channels reduces by 5pp (8% to 3% during 2026 - 2029)	-	835	7,240	8,075
Profitability per customer reduces by 10 % during 2026 - 2029	-	1,048	7,072	8,120

The Company uses same cash flow models, as described above for the testing of impairment of investments in subsidiaries. As at 31 December 2024 and 2023 investments into subsidiaries SRL Novatours Holidays and Aviaturas ir Partneriai UAB were fully impaired (Note 6.) Since there is no improvement in the financial performance of these subsidiaries, impairment is not reversed.

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters is impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2024 and 2023 test of goodwill, the Group considered expectations for increased costs related to flight fuel emissions as well as refurbishment of hotel equipment to that operating at required sustainability levels.

Recoverability of prepayments

Group (and Company's) prepayments are kept with counterparties that the Group (and the Company) has business with, or that are active in their home markets. The Group and the Company analysed collectability and usability of prepayments considering volumes of future travels booked, potential attractiveness of destinations of local markets and particular hotels as well as prepayment consumption levels within each particular travel season. Based on the analysis performed, an impairment loss was recognised as at 31 December 2023, while no additional impairment loss was recognised as at 31 December 2024 (Note 7).

4 Goodwill and other intangible assets

Group	Goodwill	Software	Total
Acquisition cost:			
Balance as of 31 December 2022	**30,327**	**1,322**	**31,649**
Additions	-	292	292
Write-offs	-	(33)	(33)
Balance as of 31 December 2023	**30,327**	**1,581**	**31,908**
Additions	-	233	233
Write-offs	-	(3)	(3)
Balance as of 31 December 2024	**30,327**	**1,811**	**32,138**
Accumulated amortisation/impairment:			
Balance as of 31 December 2022	**-**	**695**	**695**
Amortisation charge for the year	**-**	77	77
Impairment	**-**	-	-
Write-offs	-	-	-
Balance as of 31 December 2023	**-**	**772**	**772**
Amortisation charge for the year	**-**	306	306
Impairment	5,683	-	5,683
Write-offs	-	(3)	(3)
Balance as of 31 December 2024	**5,683**	**1,075**	**6,758**
Net book value as of 31 December 2024	**24,644**	**736**	**25,380**
Net book value as of 31 December 2023	**30,327**	**809**	**31,136**
Net book value as of 31 December 2022	**30,327**	**627**	**30,954**

Company	Goodwill	Software	Total
Acquisition cost:			-
Balance as of 31 December 2022	**30,327**	**1,229**	**31,556**
Additions	-	258	258
Write-offs	-	-	-
Balance as of 31 December 2023	**30,327**	**1,487**	**31,814**
Additions	-	233	233
Write-offs	-	(3)	(3)
Balance as of 31 December 2024	**30,327**	**1,717**	**32,044**
Accumulated amortisation/impairment:			
Balance as of 31 December 2022	**-**	**602**	**602**
Amortisation charge for the year	**-**	76	**76**
Impairment	**-**	-	**-**
Write-offs	-	-	-
Balance as of 31 December 2023	**-**	**678**	**678**
Amortisation charge for the year	**-**	306	**306**
Impairment	5,683	-	**5,683**
Write-offs	-	(3)	(3)
Balance as of 31 December 2024	**5,683**	**981**	**6,664**
Net book value as of 31 December 2024	**24,644**	**736**	**25,380**
Net book value as of 31 December 2023	**30,327**	**809**	**31,136**
Net book value as of 31 December 2022	**30,327**	**627**	**30,954**

After merging of Central European Tour Operator UAB on 30 September 2008 into Novaturas UAB, goodwill, which arose on the acquisition of shares of Novaturas UAB, was recognized in the consolidated financial statements of the Group and separate financial statements of the Company. For goodwill impairment assessment refer to Note 3.

5 Right-of-use assets and lease liabilities

These agreements stand for lease of premises.

	Group	Company
Right-of-use assets:		
Balance as of 31 December 2022	**338**	**239**
Additions	251	116
Depreciation for the year	(231)	(154)
Balance as of 31 December 2023	**358**	**201**
Additions	285	233
Depreciation for the year	(217)	(145)
Balance as of 31 December 2024	**426**	**289**

	Group	Company
Lease liabilities:		
Balance as of 31 December 2022	**367**	**251**
Additions	295	150
Payments made	(231)	(163)
Interest paid	(30)	(17)
Balance as of 31 December 2023	**401**	**221**
Additions	372	296
Payments made	(262)	(178)
Interest paid	(44)	(32)
Balance as of 31 December 2024	**467**	**307**

	2024		2023	
	Group	Company	Group	Company
Depreciation expense on right-of-use assets	217	145	231	154
Interest expense on lease liabilities	44	32	30	17
Expense relating to short-term leases	262	178	231	163
Total of expenses	**523**	**355**	**492**	**334**

	2024		2023	
	Group	Company	Group	Company
Non-current lease liabilities	235	155	235	133
Current lease liabilities	232	152	166	88
Total of liabilities	**467**	**307**	**401**	**221**

6 Investment in subsidiaries

Investments into subsidiaries of the Company as at 31 December are as follows:

	2024				2023			
Subsidiary	Acquisition cost	Controlled part, %	Net profit (loss) of subsidiary	Equity of subsidiary	Acquisition cost	Controlled part, %	Net profit (loss) of subsidiary	Equity of subsidiary
Novatours SIA	1,073	100%	(1,452)	(1,270)	1,073	100%	151	183
Novatours OU	1,786	100%	(545)	8,150	1,786	100%	1,825	8,695
Aviaturas ir Partneriai UAB	361	100%	6	234	361	100%	120	228
Novatours Holidays SRL	95	100%	-	-	95	100%	-	-
(Impairment)	(456)	100%	-	-	(456)	100%	-	-
Total	**2,859**				**2,859**			

As at 31 December 2024 and 2023, impairment of investment into subsidiary SRL Novatours Holidays was accounted for. Impairment of the investment in Aviaturas ir Partneriai UAB was accounted for as at 31 December 2024 and 2023.

As at 31 December 2024 and 2023 the shares of SIA Novatours, OU Novatours and UAB Aviaturas ir Partneriai, owned by the Company, were pledged to the Luminor Bank AS in accordance with the credit line agreement (Note 14).

The recoverable amount of every cash-generating unit as at 31 December 2024 was determined based on the expected future cash flows in accordance with five-year forecasts approved by the management as disclosed in Note 3. Based on the recoverability assessment performed no additional impairment for investment in subsidiaries was identified as well as resulted in no ground for reversal of previously booked impairment as at 31 December 2024 and 2023.

7 Prepayments

	Group			Company		
	As at 31 December 2024	As at 31 December 2023 (restated)*	As at 1 January 2023 (restated)*	As at 31 December 2024	As at 31 December 2023 (restated)*	As at 1 Jaguary 2023 (restated)*
Prepayments						
Prepayments to service suppliers	2,986	4,310	14,375	1,125	2,451	4,954
Impairment losses for doubtful balances	(269)	(810)	(1,306)	(103)	(644)	(1,140)
Total of prepayments	**2,717**	**3,500**	**13,069**	**1,022**	**1,807**	**3,814**

*Note 2.4

The main part of the Group's and the Company's prepayments as at 31 December 2024 and 2023 consisted of cost related to airline tickets, hotel services, visas, ferry boat tickets and other services. Change in allowance for doubtful prepayments for the years 2024 and 2023 has been included into cost of sales (Note 22).

As at 31 December 2024, the Group and the Company had a commitment to pay advances amounting to EUR 2.1 million for future travel services in respect of reservations already made by the customers. No such commitment existed as at 31 December 2023.

8 Capitalized contract costs

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Cost to obtain a contract	702	719	342	325
Cost to fulfil a contract	2,502	3,313	1,043	925
Total of capitalized contract costs	**3,204**	**4,032**	**1,385**	**1,250**

9 Trade accounts and other receivables and contract assets

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Trade accounts receivable				
Trade receivable, gross	1,237	1,257	778	655
Less: Impairment losses for doubtful receivable	(354)	(354)	(351)	(351)
Total of trade accounts receivables	**883**	**903**	**427**	**304**
Other receivables				
Compensation receivable for Get-Jet Airlines case	-	1,000	-	1,000
Deposits to the service suppliers	1,810	1,316	1,692	234
Subsidies receivable from government	72	40	72	40
VAT receivable	52	356	45	262
Other	11	362	11	120
Total of other receivables	**1,945**	**3,074**	**1,820**	**1,656**
Contract assets	124	223	66	120
Total of trade accounts receivables and other current assets	**2,952**	**4,200**	**2,313**	**2,080**

Deposits paid to suppliers are classified as current assets and are expected to be reimbursed in cash. The increase in deposits was driven by higher volumes of direct ticket purchases from airlines requiring deposits, whereas in the prior year charter flights with post-service settlements were more common.

Change in allowance for doubtful receivables for the years 2024 and 2023 has been included into general and administrative expenses.

Movement in the allowance for the Group's and the Company's receivables and contract assets is as follows:

	Individually assessed impairment	
	Group	Company
Balance as of 31 December 2022	**(408)**	**(399)**
Reversal of allowance for expected credit loss for the year	49	48
Written off amounts	-	-
Allowance for expected credit loss for the year	5	-
Balance as of 31 December 2023	**(354)**	**(351)**
Reversal of allowance for expected credit loss for the year	-	-
Written off amounts	-	-
Allowance for expected credit loss for the year	-	-
Balance as of 31 December 2024	**(354)**	**(351)**

The ageing analysis of the Group's trade receivables (including contract assets) as at 31 December is as follows:

Group	Receivables, neither past due nor allowed for expected credit loss	Receivables past due but not impaired					Total
		Less than 30 days	30-60 days	60-90 days	90-120 days	More than 120 days	
2024							
Trade accounts receivable (including contract assets)	187	172	92	220	260	430	**1,361**
Less: Impairment losses for doubtful receivables	-	-	-	-	-	(354)	**(354)**
Total trade accounts receivable (including contract assets)	187	172	92	220	260	76	**1,007**
2023							
Trade accounts receivable (including contract assets)	344	326	183	77	54	496	**1,480**
Less: Impairment losses for doubtful receivables	-	-	-	-	-	(354)	**(354)**
Total trade accounts receivable (including contract assets)	344	326	183	77	54	142	**1,126**

The ageing analysis of the Company's trade receivables (including contract assets) as at 31 December is as follows:

Company	Receivables, neither past due nor allowed for expected credit loss	Receivables past due but not impaired					
		Less than 30 days	30-60 days	60-90 days	90-120 days	More than 120 days	Total
2024							
Trade accounts receivables (including contract assets)	116	168	4	27	150	379	**844**
Less: Impairment losses for doubtful receivables	-	-	-	-	-	(351)	**(351)**
Total trade accounts receivables (including contract assets)	116	168	4	27	150	28	**493**
2023							
Trade accounts receivables (including contract assets)	189	6	75	11	35	459	**775**
Less: Impairment losses for doubtful receivables	-	-	-	-	-	(351)	**(351)**
Total trade accounts receivables (including contract assets)	189	6	75	11	35	108	**424**

For trade receivables, the Group and the Company apply the IFRS 9 impairment policy, as described in Note 2.3.2 - Financial instruments impairment. A loss rate is applied to assess expected credit losses (ECLs) collectively for receivables past due up to 120 days; however, due to the low credit risk profile, the resulting ECLs are not material. For receivables past due more than 120 days, the Group and the Company assess impairment on an individual basis, considering specific circumstances of each case.

Trade receivables more than 120 days past due are assessed individually, based on factors such as payment history and debtor financial condition. These individually assessed balances represent the significant portion of the total loss allowance. As of the reporting date, impairment losses related to this category amounted to EUR 354 thousand for the Group and EUR 351 thousand for the Company.

No interests are applied for trade receivables from clients. Generally, the Group and the Company require settlement of receivable for the tour before the commencement of the tour.

10 Derivative financial instruments

The Group and the Company have derivative financial instruments such as foreign exchange forwards and jet fuel forwards. Hedge accounting for these instruments is not applied. Derivative financial instruments are measured at fair value. Fair value is measured based on the information provided by the third party, which is based on the quoted market prices (level 2 of fair value hierarchy).

As at 31 December 2024, The Group and the Company did not have any existing open derivative financial instruments.

During 2024, the Group and the Company had:

- A gain from realized derivative financial instruments amounting to EUR 504 thousand and EUR 278 thousand, respectively, which was recognized in the finance income/expenses (Note 23).
- A loss from realized derivative financial instruments amounting to EUR 716 thousand and EUR 395 thousand, respectively, which was recognized in the finance income/expenses (Note 23).

The open derivative contracts as at 31 December 2023 had a carrying amount of EUR 229 thousand, which was recognized as a liability in the statement of financial position.

During 2023, the Group and the Company had:

- A gain from realized derivative financial instruments amounting to EUR 660 thousand and EUR 354 thousand, respectively, which was recognized in the finance income/expenses (Note 23).
- An unrealized loss from derivative financial instruments revaluation of EUR 209 thousand and EUR 119 thousand, respectively, which was accounted for in the finance income/expenses (Note 23).

11 Other current financial assets

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Deposited guarantees	3,310	-	1,500	-
Total other current financial assets	**3,310**	**-**	**1,500**	**-**

The deposited guarantees comprise cash pledged as security for guarantees mandated for the operation of the tour operator business.

Deposited guarantees are classified as current financial assets, as the cash is pledged for a period of 3 months for Novaturas AB (valid until 31 March 2025), 12 months for Novatours SIA (EUR 1.3 million, valid until 31 December 2025), and 6 months for Novatours OU (EUR 510 thousand, valid until 5 June 2025 for EUR 500 thousand and until 1 July 2025 for EUR 10 thousand).

12 Cash, cash equivalents

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Cash at bank	226	3,206	136	1,413
Cash on hand	104	109	27	19
Cash in transit	64	32	2	2
Total of cash and cash equivalents	**394**	**3,347**	**165**	**1,434**

13 Reserves

Legal reserve

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5% of net profit are compulsory until the reserve reaches 10% of the share capital. The legal reserve can only be used to cover accumulated losses.

Legal reserve of the Group and the Company amounted to EUR 29 thousand as at 31 December 2024 and 2023 and was fully formed.

Foreign currency translation reserve

The foreign currency translation reserve is made for translation differences arising on consolidation of financial statements of foreign subsidiaries.

Exchange differences are classified as share capital in the consolidated financial statements until disposal of the investment. Upon disposal of the corresponding investment, the exchange differences accumulated in the translation reserve are recognized as income or expenses in the same period, when the gain or loss on disposal by investment is recognized.

Reserve for acquisition of own shares

The reserve for acquisition of own shares represents the accumulated cost of shares of the Company acquired in accordance with the relevant regulatory requirements and the Company's Articles of Association. The purpose of the reserve is to provide flexibility in managing the Company's capital structure and to support various corporate objectives, including the issuance of shares under employee share-based payment plans and other strategic initiatives.

During the 2023, the Company acquired 75,997 shares of its own common stock for a total consideration of EUR 249k. In 2024, no additional shares were acquired.

In 2022, based on the decision of the Shareholders for the acquisition of own shares, an amount of EUR 1.25 M was transferred from retained earnings to the reserve for the acquisition of own shares, representing the limit of consideration to be payable for own share acquisition.

According to the decision of the General Meeting of Shareholders made on 7 June 2024 there was a reversal of own shares acquisition reserve in amount EUR 1.07 M.

Until its reversal, the reserve for the acquisition of own shares was subject to legal and regulatory restrictions, including limitations on the use of the acquired shares for purposes such as voting rights and distributions to shareholders. The reserve was not distributable as dividends or other forms of capital distributions.

The Company will continue to assess the need for the reserve for the acquisition of own shares in light of its capital management objectives and regulatory requirements, and any material changes to the reserve will be disclosed in future financial statements.

14 Borrowings

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Borrowings				
Luminor Bank AS long-term credit line, annual interest rate – 3 month EURIBOR + 3.8%	3,300	2,000	3,300	2,000
Limited partnership “Pagalbos verslui fondas” ordinary bonds of 5.60%	5,000	5,000	5,000	5,000
Novatours OU loan, annual interest rate – 6 month EURIBOR + 2.68%	-	-	6,300	6,300
Loan granted by Investicijų ir verslo garantijos UAB, annual interest rate – 1.69%.	789	1,262	789	1,262
Average weighted annual interest rate on a liquidity loan and loan from State Social Insurance Fund – 0%	161	420	158	410
Total borrowings	**9,250**	**8,682**	**15,547**	**14,972**
Less: current portion of non-current borrowings	(3,412)	(742)	(3,406)	(735)
Total non-current borrowings	**5,838**	**7,940**	**12,141**	**14,237**

Weighted average effective interest rates of borrowings outstanding at the year-end:

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Current borrowings (current portion of non-current borrowings)	5.5%	5.1%	7.1%	6.8%
Non-current borrowings	5.5%	5.1%	7.1%	6.8%

Terms of repayment of long-term borrowings are as follows:

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Up to 1 year	3,412	742	3,406	735
1-5 years	5,838	7,940	12,141	14,237
Total repayment of non-current borrowings	**9,250**	**8,682**	**15,547**	**14,972**

The movement of borrowings and interest liabilities for the year 2024 and 2023 are stated below:

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Borrowings				
Opening balance as at 1 January	**8,682**	**8,840**	**14,972**	**15,180**
Loans received	4,800	6,000	4,800	6,000
Loans repaid	(4,232)	(6,158)	(4,225)	(6,208)
Closing balance as at 31 December	**9,250**	**8,682**	**15,547**	**14,972**
Interest liabilities				
Opening balance as at 1 January	**-**	**-**	**255**	**377**
Accumulated interest for the year	1,088	1,139	1,655	1,562
Non-cash offsets	-	-	(707)	(453)
Interest paid	(1,069)	(1,139)	(1,060)	(1,231)
Closing balance as at 31 December	**19**	**-**	**143**	**255**

As at 31 December, borrowings outstanding were denominated only in national currency – EUR.

As at 31 December 2024 and 2023, shares of Novatours SIA, Novatours OU and Aviaturas ir Partneriai UAB owned by the Company, as well as all receivables of the Company, were pledged to Luminor Bank AS as collateral for the long-term loan granted (Note 6).

As at 31 December 2024, the Group and the Company had no unused credit facility (2023: EUR 3,043 thousand).

As at 31 December 2024, the Group did not meet the financial and non-financial covenants, in contrast to 31 December 2023, when the Group complied with these covenants. The waivers were received from “Pagalbos verslui fondas” for ordinary bonds as of 31 December 2024 (classified as non-current borrowings in statement of financial position) and from Luminor Bank AS for credit line as of 18 March 2025 (classified as current portion of non-current loans, repayment term of the credit line – June 2025).

15 Financial assets and liabilities and risk management

Credit risk

The Group’s and the Company’s credit risk is relatively low, since customers are requested to pay for the tour before the tour starts. In addition, credit limits have been granted to travel agencies through which the majority of sales take place. The main purpose of these credit limits is to ensure timely payments. If they exceed the credit limit, the Company’s reservation system automatically blocks the sales.

The Group and the Company do not guarantee 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 Group and the Company consider that their maximum exposure is reflected by the amount of trade and other receivables and contract assets, net of allowance for doubtful accounts recognized at the statement of financial position as well as cash and cash equivalents. Furthermore, based on the Group’s and the Company’s ageing analysis of trade receivables as at 31 December 2024 and 2023, there are no material balances overdue by more than 120 days for which the recoverability or the expected timing of collection is uncertain.

Cash and cash equivalents and other current financial assets (including deposited guarantees) are held with banks and financial institutions that have high credit ratings. The Group and the Company have assessed that the credit risk of these balances is low and, accordingly, the expected credit losses are immaterial. Therefore, no impairment loss has been recognised on these financial assets as at 31 December 2024 and 2023.

Interest rate risk

As 31 December 2024 and 2023, the Group and the Company had a credit line of EUR 3,000 thousand granted by AS Luminor (actual drawdown of the credit line amounted to EUR 3,300 thousand as of 31 December 2024 and to EUR 2,000 thousand as 31 December 2023), the cost of which depends on the value of 6-month EURIBOR. Additionally, the Company had obtained the loan of EUR 6,300 thousand from the subsidiary Novatours OU, the cost of which, also depends on the value of EURIBOR. There are no financial instruments designated to manage the exposure to fluctuation in interest rates outstanding as at 31 December 2024 and 2023.

The sensitivity analyses below have been determined based on the exposure to floating interest rates for loan agreements with Luminor Bank AS (for the Group and for the Company) and with Novatours OU (for the Company) at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

- Profit for the year ended 31 December 2024, would decrease/increase by EUR 2 thousand (2023: decrease/increase by EUR 25 thousand). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.
- Fluctuation of interest on the Company's loan from its subsidiary will not affect the Group's performance, however, would increase Company's cost by EUR 31 thousand (2023 – EUR 31 thousand).

Foreign exchange risk

The Group and the Company manage foreign exchange risk by contracting agreements in EUR. In addition, the Group and the Company enters to the contracts for foreign exchange forwards as disclosed in Note 10.

Monetary assets and liabilities stated in various currencies as at 31 December were as follows (EUR equivalent):

Group	As at 31 December 2024		As at 31 December 2023 (restated)	
	Assets	Liabilities	Assets	Liabilities
EUR	3,157	31,219	7,323	22,080
USD	-	172	-	7,792
THB	65	-	1	265
	3,222	**31,391**	**7,324**	**30,137**

Company	As at 31 December 2024		As at 31 December 2023 (restated)	
	Assets	Liabilities	Assets	Liabilities
EUR	2,955	30,781	7,400	33,648
USD	-	1,952	-	936
THB	52	-	1	84
	3,007	**32,733**	**7,401**	**34,668**

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant, of the Group and the Company's profit before tax (through the impact on monetary assets and liabilities) without the effect of hedge instruments owned:

	Group		Company	
	Fluctuations in exchange rate	Effect on the profit before tax	Fluctuations in exchange rate	Effect on the profit before tax
2024				
USD	-10%	(17)	-10%	(195)
USD	10%	17	10%	195
THB	-10%	6	-10%	5
THB	10%	(6)	10%	(5)
2023				
USD	-10%	(779)	-10%	(94)
USD	10%	779	10%	94
THB	-10%	(26)	-10%	(8)
THB	10%	26	10%	8

Fair value of financial assets and liabilities

The following methods and assumptions are used to estimate the fair values of each class of financial assets and liabilities:

a) The carrying amount of trade, related party and other accounts receivable, other current financial assets, current trade, related party and other accounts payable and current borrowings approximates fair value (level 3).
b) The fair value of non-current borrowings is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The fair value of non-current borrowings with variable interest rates approximates their carrying amounts. The fair value of borrowings with fixed interest rates has been calculated by discounting the expected future cash flows using market interest rates.
c) Fair value of the derivatives are defined as level 2 based on market observable inputs.

There were no movements of financial instruments between the levels during 2024 and 2023.

Set out is a comparison of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements.

Financial instruments measured at fair value:

Group	Carrying amount		Fair value	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Derivate financial instruments	-	229	-	229

Financial instruments measured at amortised cost, for which fair value is disclosed:

Group	Carrying amount		Fair value	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Other current financial assets	3,310	-	3,310	-
Cash and cash equivalents	394	3,347	394	3,347
Interest bearing borrowings	9,089	8,262	9,089	8,262
Interest free loans	161	420	161	420

Set out is a comparison of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements:

Financial instruments measured at fair value:

Company	Carrying amount		Fair value	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Derivate financial instruments	-	229	-	229

Financial instruments measured at amortised cost:

Company	Carrying amount		Fair value	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Other current financial assets	1,500	-	1,500	-
Cash and cash equivalents	165	1,434	165	1,434
Interest bearing borrowings	15,389	14,562	15,389	14,562
Interest free loans	158	410	158	410

The carrying amount of borrowings excludes approximately EUR 19 thousand of accrued interest as at 31 December 2024. This amount is presented separately under "Other current liabilities and accrued expenses" in the statement of financial position of both the Group and the Company. The accrued interest is considered immaterial for separate presentation in the table above.

The fair value of borrowings approximates their amortised cost, including accrued interest, as the impact of discounting is not material.

The management have evaluated that interest free loans for the assessment of fair value does not have material effect, because of considerably short term and monetary amount of loan, therefore carrying value considered to be closed to fair value.

Liquidity management

The Group's and 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 Group's and the Company's cash flows.

The Group's liquidity (total current assets/total current liabilities) and quick ratios ((total current assets – inventories) / total current liabilities) as at 31 December 2024 were 0.51 and 0.51, respectively (0.65 and 0.65 as at 31 December 2023, respectively). The Company's liquidity and quick ratios as at 31 December 2024 were 0.35 and 0.35, respectively (0.49 and 0.49 as at 31 December 2023).

As at 31 December 2024 the Group's current liabilities exceeded its current assets by EUR 12,524 thousand and the Group incurred net loss amounting to EUR 7,604 thousand for the year 2024. Management have prepared a plan for the going concern of the Group which is described below. The management focus is on Group going concern, since the Group is managed as one business unit and if needed, cash flows are transferred between Group companies.

1) Improve financial performance in response to the net loss incurred in 2024 and the highly competitive market environment. These include optimizing the destination portfolio, enhancing revenue management practices, reducing operational costs through supplier renegotiations, and expanding direct-to-customer digital sales. The reduction in operational costs will be achieved by leveraging synergies with the new investor's group companies, enabling the Group to conclude contracts with suppliers under the pricing terms available in the investor's existing operating area. Management believes that these actions, along with a gradual recovery in travel demand, will support the Group's return to profitability. Based on the current forecast, the Group expects to achieve earnings before interest, tax, amortization and depreciation (EBITDA) in the range of EUR 2 million to EUR 3.3 million in 2025. As disclosed in Note 14, the Group and the Company have borrowings with financial covenants and the management estimated that despite the improving results a potential breach of covenants will be present as of

31 December 2025, for which management intends to receive a waiver. This intend is supported by the track record of obtaining waivers in the past.

2) Engage in discussions with existing and new financing partners to secure current financing and receive new financing:
    a. secure a long-term loan facility of up to EUR 5 million, of which EUR 2.5 million has already been contracted subsequently to the reporting date and the remaining amount is subject to conditions, which also subsequently have been met, and the management sees no significant uncertainty in relation to signing this financing contract as planned. The Group has announced a cooperation agreement with SME Bank in this regard.
    b. Subsequently agreed extension of the maturity of the credit line from Luminor bank AS to December 2025.
    c. In April 2025, a new investor, Neset Kockar, acquired 23.2% shares of the Company, which has a world-wide expertise in the tourism industry. In 2025 the new investor granted loans to the Group and the Company amounting to EUR 2 million, with maturity of 30 June 2026. Management also believes that the new investor will improve optimization of operations, support further growth and strengthen the liquidity of the Group and the Company.
3) The second stage of the share acquisition, in which Mr. Kockar will acquire an additional 9.99% of shares from UAB Willgrow, is expected to be completed once the approval of the Competition Council of the Republic of Lithuania is received. The management is not aware about any facts and circumstances because of which this approval could not be obtained.
4) It is typical for the industry and the Group to have a negative net working capital position due to the business model, when the first advance payment from customers is lower than the prepayment required to be made to suppliers, however the second advance payment for the remaining price of the trip is being collected 3-6 weeks before the trip from customers while the remaining payment to suppliers is due for settlement after the trip. Accordingly, a significant portion of the Group’s and the Company’s current liabilities comprise contract liabilities (Group: EUR 14,446 thousand; Company: EUR 7,496 thousand) related to customer advances for trips, which will be recognized as revenue upon the delivery of the respective services and will not require future cash settlement. Correspondingly, on the asset side, prepayments and capitalized contract costs as of 31 December 2024 amount to EUR 5,921 thousand for the Group and EUR 2,407 thousand for the Company, which similarly will not generate future cash inflows. Consequently, after eliminating these non-cash items, the adjusted working capital will amount to EUR 8,525 thousand (negative) for the Group and EUR 5,089 thousand (negative) for the Company. Further on, the management forecasts negative working capital as of 31 December 2025, which is usual to the business model and does not imply any material negative events or conditions related to going concern.

Considering the aforementioned facts and circumstances, the Group’s and the Company’s management has concluded that going concern assumption is appropriate for the preparation of these financial statements.

Group and the Company plan to use both new loans received (as disclosed in Note 29) as well as operating cash flows generated by their activity and other measures. Company’s going concern assessment is made in the context of the Group as the Company can use free financial resources of its subsidiaries.

The table below summarizes the maturity profile of the Group's financial liabilities as at 31 December 2024 and 2023. based on undiscounted contractual payments.

Group	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Total	Discount effect	Total discounted
Interest bearing borrowings	-	432	3,766	5,374	**9,572**	(464)	**9,108**
Interest free loans	-	18	88	55	**161**	-	**161**
Trade accounts payable	-	5,156	-	-	**5,156**	-	**5,156**
Lease liabilities	-	41	206	239	**486**	(19)	**467**
Other current liabilities and accrued expenses	146	583	736	-	**1,465**	-	**1,465**
Balance as at 31 December 2024	**146**	**6,230**	**4,796**	**5,668**	**16,840**	**(483)**	**16,357**
Interest bearing borrowings	-	148	736	8,430	**9,314**	(1,052)	**8,262**
Interest free loans	-	91	178	151	**420**	-	**420**
Trade accounts payable	-	3,854	-	-	**3,854**	-	**3,854**
Lease liabilities	-	30	148	245	**423**	(22)	**401**
Derivate financial instruments	-	229	-	-	**229**	-	**229**
Other current liabilities and accrued expenses	107	795	517	-	**1,419**	-	**1,419**
Balance as at 31 December 2023	**107**	**5,147**	**1,579**	**8,826**	**15,659**	**(1,074)**	**14,585**

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 December 2024 and 2023 based on undiscounted contractual payments.

Company	On demand	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Total	Discount effect	Total discounted
Interest bearing borrowings	-	432	3,766	12,399	**16,597**	(1,189)	**15,408**
Interest free loans	-	18	88	52	**158**	-	**158**
Trade accounts payable	-	2,018	-	-	**2,018**	-	**2,018**
Payables to related parties	-	6,150	-	-	**6,150**	-	**6,150**
Lease liabilities	-	27	134	158	**319**	(12)	**307**
Other current liabilities and accrued expenses	101	328	394	-	**823**	-	**823**
Balance as at 31 December 2024	**101**	**8,973**	**4,382**	**12,609**	**26,065**	**(1,201)**	**24,864**
Interest bearing borrowings	-	233	1,163	15,967	**17,363**	(2,801)	**14,562**
Interest free loans	-	90	172	148	**410**	-	**410**
Trade accounts payable	-	1,950	-	-	**1,950**	-	**1,950**
Payables to related parties	-	8,663	-	-	**8,663**	-	**8,663**
Lease liabilities	-	16	78	139	**233**	(12)	**221**
Derivate financial instruments	-	229	-	-	**229**	-	**229**
Other current liabilities and accrued expenses	68	428	323	-	**819**	-	**819**
Balance as at 31 December 2023	**68**	**11,609**	**1,736**	**16,254**	**29,667**	**(2,813)**	**26,854**

As at 31 December 2024, the total discounted amounts in the liquidity risk table include EUR 19 thousand of accrued but unpaid interest on borrowings.

This accrued interest is presented separately in the statements of financial position of the Group and the Company under "Other current liabilities and accrued expenses", rather than within the "Borrowings" line item.

As a result, the carrying amount of borrowings in the statements of financial position of the Group and the Company does not equal the "Total discounted" column in the liquidity risk table.

The Group and the Company is not expecting that any cash flow will be significantly before or afterwards the periods listed above.

Capital management

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

The Group and the Company manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of their activities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares (to maintain the agreed loan maturities, distribution of equity in any form needs to be pre-approved by loan capital lenders). No changes were made in the objectives, policies or processes of capital management during the years ended 31 December 2024 and 2023.

The Group and the Company is obliged to upkeep the equity at not less than 50% of the share capital, as imposed by the Law on Companies of the Republic of Lithuania. As at 31 December 2024 and 2023, the Group and the Company also had external share capital requirements from the bank regarding equity and asset ratio. As at 31 December 2024, the Group and the Company were not in compliance with the above-mentioned requirements, whereas they were in compliance as at 31 December 2023 (Note 14).

The Group and the Company assess capital using a ratio of total liabilities and equity. The capital includes ordinary shares, reserves and retained earnings attributable to the equity shareholders of the parent company. The Group's and the Company's management has not identified a specific target of the liabilities-to-equity ratio, however, below stated ratios are regarded as rather good by the management:

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Non-current liabilities	6,073	8,175	12,296	14,370
Current liabilities	25,356	23,739	20,438	21,872
Total liabilities	**31,429**	**31,914**	**32,734**	**36,242**
Equity, attributable to the equity holders of the parent	**8,021**	**15,653**	**3,765**	**9,407**
Liabilities to equity ratio	**3.92**	**2.04**	**8.69**	**3.85**

16 Provisions and other current liabilities and accrued expenses

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Provisions				
Provision for Get-Jet Airlines legal case	-	1,497	-	1,497
Provision for onerous contracts	38	280	1	77
Total provisions	**38**	**1,777**	**1**	**1,574**
Accrued expenses				
Travel related accrued expenses	90	617	85	294
Accrual for management bonus	-	286	-	236
Employees vacation accrual	375	347	319	278
Accrual for agents' bonus	384	281	267	178
Audit related accrued expenses	112	111	78	78
Other accruals	24	10	19	10
Total of accrued expenses	**985**	**1,652**	**768**	**1,074**
Other current liabilities				
Deposits from agencies	538	372	256	231
Taxes payable, other than income tax	6	294	3	133
Payroll related liabilities	220	265	70	104
Other amounts payable	317	28	118	28
Total other liabilities	**1,081**	**959**	**447**	**496**
Total of other current liabilities and accrued expenses	**2,066**	**2,611**	**1,215**	**1,570**

Other current liabilities are interest free and are settled during 1–90 days.

The movement of provisions for the year 2024 and 2023 is stated below:

Group	Provision for Get-Jet Airlines legal case	Provision for onerous contracts	Total provisions
Balance as of 31 December 2022	**-**	**-**	**-**
Addition	1,497	280	1,777
Utilisation	-	-	-
Reversal	-	-	-
Balance as of 31 December 2023	**1,497**	**280**	**1,777**
Addition	-	38	38
Utilisation*	(1,497)	(280)	(1,777)
Reversal	-	-	-
Balance as of 31 December 2024	**-**	**38**	**38**

* Amount paid.

Company	Provision for Get-Jet Airlines legal case	Provision for onerous contracts	Total provisions
Balance as of 31 December 2022	**-**	**-**	**-**
Addition	1,497	77	1,574
Utilisation	-	-	-
Reversal	-	-	-
Balance as of 31 December 2023	**1,497**	**77**	**1,574**
Addition	-	1	1
Utilisation*	(1,497)	(77)	(1,574)
Reversal	-	-	-
Balance as of 31 December 2024	**-**	**1**	**1**

* Amount paid.

17 Contract liabilities

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Advance payments collected from customers for future travels	11,996	12,210	6,422	6,002
Contract liabilities for travels started, but not ended at the end of the reporting period	2,151	1,658	923	746
Travel coupons and vouchers	299	360	151	198
Total of contract liabilities	**14,446**	**14,228**	**7,496**	**6,946**

As of 31 December 2023 and 31 December 2022, contract liabilities amounted to 14,228 thousand EUR and 15,716 thousand EUR for the Group, and 6,946 thousand EUR and 8,073 thousand EUR for the Company, respectively, which were subsequently recognised as revenue from customers in 2024 and 2023 upon satisfaction of the related performance obligations.

18 Revenue from contracts with customer

Revenue from the contract with customers according to the revenue streams is stated below:

	Group		Company	
	2024	2023	2024	2023
Flight package tours	170,697	182,833	98,305	102,118
Sightseeing tours by coach	1,981	1,847	1,981	1,847
Sightseeing tours by plane	2,840	2,752	2,257	2,169
Other sales	25,360	20,899	14,520	13,312
Total of revenue form the contract with customers	**200,878**	**208,331**	**117,063**	**119,446**

Revenue from the contract with customers according to the timing of recognition of revenue is stated below:

	Group		Company	
	2024	2023	2024	2023
Revenue from the contract with customers recognised over time	175,518	187,432	102,543	106,134
Revenue from the customers with the customers recognised at the point in time	25,360	20,899	14,520	13,312
Total of revenue form the contract with customers	**200,878**	**208,331**	**117,063**	**119,446**

19 Cost of sales

	Group		Company	
	2024	2023	2024	2023
Flight package tours	148,761	156,959	87,275	88,739
Sightseeing tours by coach	1,870	1,872	1,870	1,871
Sightseeing tours by plane	1,908	1,777	1,987	1,856
Other sales	27,597	21,496	11,428	10,514
Total of cost of sales	**180,136**	**182,104**	**102,560**	**102,980**

20 Segment information

For management purposes, the Group is organized into business units based on its services (product category) and based on the source market. For the purpose of the segment information disclosures in accordance with IFRS 8, the management made a judgment to present the information on reportable segments identified by product category, which are as follows:

- Flight packages
- Sightseeing tours by plane
- Sightseeing tours by coach
- Other

No operating segments have been aggregated to form the above reportable operating segments.

The information reported to the Group's Chief Executive Officer in his capacity as chief operating decision maker does not include an analysis of assets and liabilities by reportable segment and accordingly IFRS 8 does not require this information to be presented. Segment performance is evaluated based on gross profit, which is measured consistently with the gross profit in the statement of comprehensive income in the financial statements, and segment sales profit, which is measured as gross profit minus related direct agency commission expenses, which is included in selling expenses in the statement of comprehensive income in the financial statements.

2024	Flight packages	Sightseeing tours by coach	Sightseeing tours by plane	Other sales	Group
Revenue from the contracts with customers	170,697	1,981	2,840	25,360	200,878
Cost of sales	(148,761)	(1,870)	(1,908)	(27,597)	(180,136)
Gross profit	**21,936**	**111**	**932**	**(2,237)**	**20,742**
Sales commission expenses	(11,714)	(70)	(69)	-	(11,853)
Sales profit by segment	**10,222**	**41**	**863**	**(2,237)**	**8,889**
Unallocated income (expenses)					
Other operating income					214
Operating expenses (other than sales commission)					(15,624)
Other operating (expenses)					(34)
Profit (loss) from operations					**(6,555)**
Finance income (expenses), net					(1,231)
Profit (loss) before tax					**(7,786)**
Income tax (expenses)					182
Net profit (loss)					**(7,604)**

Unallocated expenses represent costs managed at Group level, such as operating expenses (except for agency commissions), financing and taxes.

2023	Flight packages	Sightseeing tours by coach	Sightseeing tours by plane	Other sales	Group
Revenue from the contracts with customers	182,833	1,847	2,752	20,899	208,331
Cost of sales	(156,959)	(1,872)	(1,777)	(21,496)	(182,104)
Gross profit	**25,874**	**(25)**	**975**	**(597)**	**26,227**
Sales commission expenses	(11,684)	(66)	(28)	-	(11,778)
Sales profit by segment	**14,190**	**(91)**	**947**	**(597)**	**14,449**
Unallocated income (expenses)					
Other operating income					485
Operating expenses (other than sales commission)					(9,853)
Other operating (expenses)					(740)
Profit from operations					**4,341**
Finance income (expenses), net					(488)
Profit before tax					**3,853**
Income tax (expenses)					(481)
Net profit (loss)					**3,372**

Unallocated expenses represent costs managed at Group level, such as operating expenses (except agency commissions), financing and taxes.

Geographic information

Geographic information presented by source market according to the revenue is as follows:

As at 31 December 2024	Lithuania	Latvia	Estonia	Group
Sales	110,692	42,803	47,383	200,878
Non-current assets	19,190	4,447	1,839	25,476

As at 31 December 2023	Lithuania	Latvia	Estonia	Group
Sales	114,302	40,539	53,490	208,331
Non-current assets	19,299	4,448	7,524	31,271

Non-current assets for this purpose consists of property, plant and equipment and intangible assets, except for goodwill, (goodwill is allocated to cash generating units as disclosed in Note 4).

There was no single external customer generating revenues amounting to 10% or more of the Group's revenues.

21 Selling expenses

	Group		Company	
	2024	2023	2024	2023
Agency commissions	11,853	11,778	5,898	5,964
Salaries and related taxes	3,509	3,601	2,062	2,153
Advertising and marketing expenses	1,347	1,392	666	816
Depreciation and amortisation	157	159	91	91
Rent and maintenance expenses	60	88	41	51
Other	176	241	86	122
Total of selling expenses	**17,102**	**17,259**	**8,844**	**9,197**

22 General and administrative expenses

	Group		Company	
	2024	2023	2024	2023
Goodwill impairment*	5,683	-	5,683	-
Salaries and related taxes	2,421	2,449	2,227	2,259
Depreciation and amortisation	419	196	401	174
IT systems expenses	390	284	383	279
Tour operator insurance	221	149	120	65
Remuneration for Board members	166	85	166	85
Consulting expenses	126	156	93	110
Bank commissions	146	72	114	39
Audit expenses	141	284	102	162
Representation expenses	94	100	14	54
Rent and maintenance expenses	79	57	59	48
Change in allowance for doubtful accounts	-	(54)	-	(48)
Other	489	594	400	494
Total of general and administrative	**10,375**	**4,372**	**9,762**	**3,721**

* Note 3

UAB Ernst & Young Baltic provided audit services amounting to EUR 137 thousand for the Group and EUR 105 thousand for the Company in 2024, compared to EUR 191 thousand for the Group and EUR 96 thousand for the Company in 2023.

23 Finance income (expenses), net

	Group		Company	
	2024	2023	2024	2023
Interest income	10	136	112	128
Foreign exchange gain	881	228	324	99
Gain from derivative financial instruments (realised)	504	660	277	354
Gain from derivative financial instruments (not realised)	-	-	-	-
Other financial income (including fines and penalties)	17	186	-	6
Total finance income	**1,412**	**1,210**	**713**	**587**
Interest expense	1,088	1,169	1,655	1,579
Foreign currency exchange loss	839	319	403	89
Loss from derivative financial instruments (realised)	716	-	395	-
Loss from derivative financial instruments (not realised)	-	209	-	119
Other finance expenses	-	1	-	-
Total finance expenses	**2,643**	**1,698**	**2,453**	**1,787**
Net finance income (expenses)	**(1,231)**	**(488)**	**(1,740)**	**(1,200)**

24 Income tax

	Group		Company	
	2024	2023	2024	2023
Components of the income tax expenses (income)				
Current income tax for the reporting year	8	134	-	116
Adjustments in respect of current income tax of previous year	(10)	-	(10)	-
Deferred tax expenses	(180)	347	(180)	347
Income tax (income) expenses recorded in the statement of comprehensive income	**(182)**	**481**	**(190)**	**463**

	Group		Company	
	2024	2023	2024	2023
Deferred income tax asset				
Tax loss carry forward	650	398	649	398
Impairment of investments and loans granted	-	-	239	224
Impairment of receivables	56	53	56	53
Derivative financial instruments	-	18	-	18
Other	-	57	-	56
Deferred tax asset, net of fair value allowance	**706**	**526**	**944**	**749**
Less: allowance	-	-	(239)	(224)
Deferred income tax asset	**706**	**526**	**705**	**525**
Deferred tax, net	**706**	**526**	**705**	**525**

The Group and the Company can carry forward tax losses for an unlimited period.

As at 31 December 2024, the retained earnings of Novatours OU amounted to EUR 8,037 thousand (31 December 2023: EUR 8,583 thousand). The estimated income tax liability that would arise upon full distribution of these earnings to the shareholder amounts to EUR 1,607 thousand as at 31 December 2024 (31 December 2023: EUR 1,717 thousand).

As at 31 December 2024, the Novaturas SIA had retained losses, amounting to EUR 1,446 thousand (31 December 2023: positive EUR 6 thousand).

As the Group controls the distribution of earnings of its subsidiaries and no distribution is currently planned, no deferred tax liability has been recognised in respect of potential future distributions of the subsidiaries' retained earnings.

The changes of temporary differences before and after tax effect in the Group were as follows:

Group	Balance as at 31 December 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 31 December 2024
Deferred income tax asset				
Tax loss carry forward	2,653	1,406	-	4,059
Impairment of investments and loans granted	-	-	-	-
Impairment of receivables	351	-	-	351
Derivative financial instruments	119	(119)	-	-
Other	384	(381)	-	3
Total temporary differences before valuation allowance	**3,507**	**906**	**-**	**4,413**
Less: allowance	-	-	-	-
Total temporary differences	**3,507**	**906**	**-**	**4,413**
Deferred tax, net	**526**	**145**	**-**	**706**

Group	Balance as at 31 December 2022	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 31 December 2023
Deferred income tax asset				
Tax loss carry forward	4,467	(1,814)	-	2,653
Impairment of investments and loans granted	-	-	-	-
Impairment of receivables	927	(576)	-	351
Derivative financial instruments	-	119	-	119
Other	424	(40)	-	384
Total temporary differences before valuation allowance	**5,818**	**(2,311)**	**-**	**3,507**
Less: allowance	-	-	-	-
Total temporary differences	**5,818**	**(2,311)**	**-**	**3,507**
Deferred tax, net	**872**	**(347)**	**-**	**526**

The changes of temporary differences before and after tax effect in the Company were as follows:

Company	Balance as at 31 December 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 31 December 2024
Deferred income tax asset				
Tax loss carry forward	2,653	1,406	-	4,059
Impairment of investments and loans granted	1,495	-	-	1,495
Impairment of receivables	351	-	-	351
Derivative financial instruments	119	(119)	-	-
Other	380	(381)	-	(1)
Total temporary differences before valuation allowance	**4,998**	**906**	**-**	**5,904**
Less: allowance	(1,495)	-	-	(1,495)
Total temporary differences	**3,503**	**906**	**-**	**4,409**
				-
Deferred tax, net	**525**	**145**	**-**	**705**

Company	Balance as at 31 December 2022	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 31 December 2023
Deferred income tax asset				
Tax loss carry forward	4,467	(1,814)	-	2,653
Impairment of investments and loans granted	1,495	-	-	1,495
Allowance for doubtful accounts receivable	927	(576)	-	351
Unrealised loss of derivatives	-	119	-	119
Other	420	(40)	-	380
Total temporary differences before valuation allowance	**7,309**	**(2,311)**	**-**	**4,998**
Less: allowance	(1,495)	-	-	(1,495)
Total temporary differences	**5,448**	**(2,311)**	**-**	**3,503**
Deferred tax, net	**872**	**(347)**	**-**	**525**

The reported amount of income tax expenses attributable to the year can be reconciled to the amount of income tax expenses that would result from applying statutory income tax rate to the Group's and the Company's pre-tax income as follows:

	Group		Company	
	2024	2023	2024	2023
Income tax expenses (income) computed at statutory rate 15%	(1,168)	578	(870)	299
Effect of different tax rate applicable to foreign subsidiaries	297	(366)	-	(95)
Non-deductible expenses for tax purposes (not taxable income)	689	269	680	259
Income tax expenses reported in the statement of comprehensive income	**(182)**	**481**	**(190)**	**463**

25 Commitments and contingencies

The Group and the Company had the following material commitments or contingencies as of 31 December 2024 and 2023:

- The legal dispute with a former supplier UAB Get Jet Airlines, as disclosed in Note 3.
- As required by law the Group and the Company is required to have bank guarantees and insurance policies to be issued on their behalf, which amounts EUR 17,810 thousand and EUR 9,000 thousand as at 31 December 2024 for the Group and the Company (EUR 15,500 thousand and EUR 8 000 thousand as at 31 December 2023 respectively.). As at 31 December 2024 EUR 3,310 thousand for the Group and in EUR 1,500 thousand for the Company stands for guarantees deposited in cash and classified as other current financial assets in statement of financial position (Note 11). Deposited guarantees are classified as current financial assets, as the cash is pledged for a period of 3 months for Novaturas AB (valid until 31 March 2025), 12 months for Novatours SIA (EUR 1.3 million, valid until 31 December 2025), and 6 months for Novatours OU (EUR 510 thousand, valid until 5 June 2025 for EUR 500 thousand and until 1 July 2025 for EUR 10 thousand). The Group and the Company is considered to comply with all the requirements implied by the law, therefore no provision is recognized in respect on these guarantees as at 31 December 2024 and 2023.
- As at 31 December 2024, the Group and the Company had a commitment to pay prepayments amounting to EUR 2.1 million for future travel services in respect of reservations already made by the customers. No such commitment existed as at 31 December 2023 (Note 7.).

26 Related party transactions

The related parties of the Group and the Company and the transactions with them in 2024 and 2023 were as follows (also see the table below):

- Subsidiaries:
  - Novatours SIA
  - Novatours OU
  - Aviaturas ir Partneriai UAB
  - Novatours Holidays SRL

The shareholders of the Company are disclosed in Note 1.

2024	Acquisitions	Sales	Receivables	Payables (including loans received)
The shareholders of the Company	-	-	-	-
Subsidiaries	5,670	6,534	595	12,450
Total:	**5,670**	**6,534**	**595**	**12,450**

2023	Acquisitions	Sales	Receivables	Payables (including loans received)
The shareholders of the Company	-	-	-	-
Subsidiaries	4,346	5,427	4,007	14,963
Total	**4,346**	**5,427**	**4,007**	**14,963**

For the years 2024 and 2023, the Company recognised interest expenses on a loan received from the related party, Novatours OU, amounting to EUR 595 thousand and EUR 626 thousand, respectively.

As at 31 December 2024 and 2023, there were no guaranties provided or assets pledged for any related party receivable or payable amounts. It is expected to cover receivable and payable amounts with related parties by cash payments or offsetting with payables/receivables from these parties.

Transactions with related parties of the Company include purchases and sales of travel packages. The conditions of loans received from the Group companies are disclosed in Note 14.

The ageing analysis of the Company's receivables from related parties as at 31 December 2024 and 2023:

Company	Receivables, neither past due nor allowed for expected credit loss	Receivables past due but not impaired					Total
		Less than 30 days	30-60 days	60-90 days	90-120 days	More than 120 days	
2023	4,007	-	-	-	-	-	**4,007**
2024	595	-	-	-	-	-	**595**

There were no guarantees provided, other payments made, expenses recognized or assets transferred to the management of the Group and of the Company.

27 Earnings per share (EPS)

Group	2024	2023
Net profit (loss) attributable to ordinary equity holders of the parent company	(7,604)	3,372
Weighted average number of ordinary shares	7,751,003	7,807,000
Basic earnings (loss) per share (EUR)	(0.98)	0.43

The Company and the Group had no dilutive potential ordinary shares issued.

28 Share-Based payments

Equity-Settled Share-Based Payments

The Group, including the parent company AB Novaturas, operates equity-settled share-based compensation plans, under which the Group and its subsidiaries receive services from employees as consideration for equity instruments (options). The fair value of the employee services received is measured by reference to the fair value of the options granted. The fair value determined at the grant date of the options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of options that will eventually vest.

Summary of Equity-Settled Share-Based Payment Plans of the Group

The following table summarizes the movements in the Group's equity-settled share-based payment plans during the year:

Group	Number of Options	Weighted Average Exercise Price (EUR)	Weighted Average Fair Value (EUR)
Balance as of 31 December 2022	33,400	1,002	-
Granted during year	62,597	1,878	125,054
Earned to be granted	52,525	1,576	42,349
Forfeited during year	(20,130)	(604)	(22,474)
Exercised during year	(20,000)	(600)	(65,331)
Balance as of 31 December 2023	**108,392**	**3,252**	**79,598**
Granted during year	44,311	1,329	8,515
Earned to be granted	16,000	480	2,630
Forfeited during year	(60,735)	(1,822)	(40,271)
Exercised during year	-	-	
Balance as of 31 December 2024	**107,968**	**3,239**	**50,471**

Share-Based Payment Expense of the Group

In 2024, a total net income of EUR 29 thousand was recognised in relation to equity-settled share-based payment transactions in the consolidated statement of comprehensive income. This amount reflects a negative net effect arising from changes in estimates, including updates to assumptions used in the valuation of outstanding options (e.g., expected forfeiture rates, service period, and other inputs).

In comparison, an expense of EUR 145 thousand was recognised in 2023, of which EUR 79 thousand related to the current year's service cost, and EUR 65 thousand related to options exercised during the year.

Equity-Settled Share-Based Payments of the Company

The Company separately operates equity-settled share-based compensation plans, under which it receives services from employees as consideration for equity instruments (options). The fair value of the employee services received is measured in the same manner as described for the Group.

The fair value of the options granted by the Company is measured using the same methodology as described for the Group).

Equity settled share-based payments (Company)

The following table summarizes the movements in the Company's equity-settled share-based payment plans during the year:

Company	Number of Options	Weighted Average Exercise Price (EUR)	Weighted Average Fair Value (EUR)
Balance as of 31 December 2022	**29,090**	**873**	**-**
Granted during year	53,906	1,617	116,424
Earned to be granted	52,525	1,576	42,349
Forfeited during year	(19,350)	(581)	(21,603)
Exercised during year	(20,000)	(600)	(65,331)
Balance as of 31 December 2023	**96,171**	**2,885**	**71,838**
Granted during year	31,509	945	5,996
Earned to be granted	16,000	480	2,630
Forfeited during year	(59,965)	(1,799)	(40,814)
Exercised during year	-	-	
Balance as of 31 December 2024	**83,715**	**2,511**	**39,650**

Share-Based Payment Expense of the Company

The total expense recognised in the Company's separate statement of comprehensive income for equity-settled share-based payment transactions amounted to EUR 32 thousand in 2024 (representing a net change in share-based payments), compared to EUR 137 thousand in 2023 (comprising a EUR 72 thousand net change in share-based payments and EUR 65 thousand related to options exercised).

29 Events after the reporting period

On 29 January, 2025 the Credit Line Agreements has been signed with UAB SME Banks, based on which the Company received the loan in amount of 2.5 mEUR applying interest of 6 month EURIBOR + 6,25 % per annum. The loan matures in January 2027.

On 7 March, 2025 a binding agreement was signed, which is intended for the conclusion of the main contract, based the Company's shares from four existing shareholders of Novaturas (Ugnius Radvila, Rytis Šumakaris, Vidas Paliūnas and UAB Willgrow) awe planned to be acquired by Mr. Neset Kockar, a well-known Turkish tourism businessman and investor, who owns businesses in international aviation, real estate, tourism, and other industries. On 27 March, 2025 the Loan Agreement has been signed with Mr. Neşet Koçkar, based on which the Company in amount of 1.0m EUR was concluded with Neset Kockar, applying 8,5 % yearly interest. On 27 May, the additional agreement to increase the loan by 1.0m EUR signed. The loan matures in June 2026.

On 30 April 2025 the Agreements for the sale and purchase of the Company's shares were signed between Mr. Neset Kockar and three shareholders of Novaturas (Ugnius Radvila, Rytis Šumakaris and Vidas Paliūnas), based on which 23,2% of Novaturas shares were acquired by Mr. Neset Kockar.

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Appendix 1

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights **The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.**		
All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	YES	
It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	YES	
It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	YES	
Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company that in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	YES	
Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	YES	
With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	YES	
Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	YES	

With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.	NO	**The Company does not provide the opportunity to attend and vote in the general meeting of shareholders by using electronic communication means, because in the opinion of the Company this is related to the threat to the fairness and efficiency of the general meeting of shareholders. In the opinion of the Company, there is a high risk of threat to such type of communication security and technical malfunctions. In addition, the Company does not have the appropriate technical and organizational measures to implement the above principle and the Company would incur significant additional costs as a result of implementation of this principle.** **However, the Company grants its shareholders the right to vote at the general meeting of shareholders either in person or through an authorized representative. In the light of the above, the Company will not follow the above recommendation.**
It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	YES	
Members of the company's collegial management body, heads of the administration[1] or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	YES	

[1] For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 2: Supervisory board **Functions and liability of the supervisory board** **The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.** **The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.**		
Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	NOT APPLICABLE	**On 30 June 2020, the Ordinary General Meeting of Shareholders of Novaturas AB adopted a decision to revoke the Supervisory Council and elect a new Board by vesting in: (i) supervisory functions provided in Article 34 part 11 of the Law on Companies; (ii) functions of approval annual budget and business plan, risk management policies, settlement of the goals of the general director as well as other functions related to the management and supervision of the activities of the company; In accordance with the current Articles of Association of the Company, the Board consist of 3 members, of whom at least 1/3 shall be independent.**
Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	NOT APPLICABLE	
The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	NOT APPLICABLE	
Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent[2] members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	NOT APPLICABLE	
The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	NOT APPLICABLE	
The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	NOT APPLICABLE	
Formation of the supervisory board **The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.**		
The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	NOT APPLICABLE	
Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	NOT APPLICABLE	

[2] For the purposes of this Code, the criteria of independence of members of the supervisory council are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

Chair of the supervisory board should be a person, whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	NOT APPLICABLE	
Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.	NOT APPLICABLE	
When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.	NOT APPLICABLE	
The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.	NOT APPLICABLE	
Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.	NOT APPLICABLE	

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 3: Management Board **Functions and liability of the management board** **The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.**		
The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	YES	
As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs inter alia the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	YES	
The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	YES	
Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance on Internal Controls[3], Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	YES/NO	The management board takes all reasonable measures to ensure that the Company complies with applicable laws, binding rules**, and standards. The Company is already implementing some tools recommended in the OECD Good Practice Guidance** in the future to ensure adherence to all recommendations of the OECD Good Practice Guidance.
When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	YES	
Formation of the management board		
The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	YES	The members of the management board have been elected on the basis of their qualification, professional experience, and diversity of competencies. The principle of gender balance has not been maintained on the board from 30 June 2020 onwards, as the Board is composed exclusively of men.
Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect	YES	

[3] Reference to OECD Good Practice Guidance on Internal Control, Ethics and Compliance: https://www.oecd.org/daf/anti-bribery/44884389.pdf

data provided in this paragraph on its members and disclose it in the company's management report.		
All new members of the management board should be familiarized with their duties and the structure and operations of the company.	YES	
Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	YES	
Chair of the management board should be a person, whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	YES	
Each member should give sufficient time and attention to perform the duties of a member of the management board. If a member of the management board has attended less than half of the board meetings during the financial year of the Company, the Company's supervisory board should be informed of the same, if the supervisory board is not formed in the Company - the general meeting of shareholders.	YES	
In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent[4], it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	YES	
The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	YES	
The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	YES	
Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	YES	

[4] For the purposes of this Code, the criteria of independence of members of the board are interpreted as the criteria of unrelated parties defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 4: Rules of procedure of the supervisory board and the management board of the company **The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.**		
The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	NOT APPLICABLE	As from 30 June 2020, the Supervisory Council is not formed.
It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterruptable resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	YES	
Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	YES	
In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	NOT APPLICABLE	As from 30 June 2020, the Supervisory Council is not formed.

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 5: Nomination, remuneration and audit committees **Purpose and formation of committees** **The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.** **Committees should exercise independent judgement and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.**		
Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees[5].	YES	**Following the election of a previous five-member Board on 30 June 2020, the functions previously performed by the Remuneration and Appointment Committee and the Audit Committee were vested in the Board because the Company felt outside the legal obligation to set up an appropriate committee. However, on 7 June, 2024 the Audit and Risk Committee was formed to carry out the functions assigned to it.**
Companies may decide to set up less than three committees. In such case, companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.	YES	
In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case, the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.	YES	
Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.	YES	**\. On 7 June, 2024 the Audit and Risk Committee was formed to carry out the functions assigned to it.**
The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their management reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.	YES	
With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.	YES	

[5] The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions)

Nomination committee		
The key functions of the nomination committee should be the following: (1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; (2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; (3) devote the attention necessary to ensure succession planning.	YES	Since 30 June 2020, no individual committees have been set up on the Board, these functions are assigned to the Board of the Company.
When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.	YES	Since 30 June 2020, no individual committees have been set up on the Board, these functions are assigned to the Board of the Company.
Remuneration committee		
The main functions of the remuneration committee should be as follows: submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; review, on a regular basis, the remuneration policy and its implementation.	YES	**Since 30 June 2020, no individual committees have been set up on the Board, these functions are assigned to the Board of the Company.**
Audit committee.		
The key functions of the audit committee are defined in the legal acts regulating the activities of the Audit Committee[6].	YES	**On 7 June, 2024 the Audit and Risk Committee was formed to carry out the functions assigned to it.**
All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	YES	
The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	YES	
The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed	YES	

[6] Issues related to the activities of audit committees are regulated by Regulation No 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.		
The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	YES/NO	**YES – the Company provides the possibility of lodging complaints directly or by email by addressing the Company's bodies, administration, or heads of units.** **NO – the Company has not yet formally approved the system for lodging complaints, but is going to implement necessary procedures in the second quarter of 2025 .**
The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	YES	

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 6: Prevention and disclosure of conflicts of interest **The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.** **The corporate governance framework should recognize the rights of stakeholders as established by law and to promote active cooperation between the company and its stakeholders in creating the company's well-being, jobs and financial stability. In the context of this principle, the term *interest holders* includes investors, employees, creditors, suppliers, customers, the local community and others with interests in a particular company.**		
Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	YES	

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 7: Remuneration Policy of the Company **The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition, it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.**		
The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	YES	
The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases	YES	

where the company can recover the disbursed amounts or suspend the payments.		
With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	YES	
The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	YES	
In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	YES	
The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	YES	The Remuneration Policy was approved in the Ordinary General Meeting of Shareholders on 24 May 2022. The information on the implementation of the Remuneration Policy is provided together with the Management Report on an annual basis.
It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	YES	

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 8: Role of stakeholders in corporate governance **The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle, the term *interest holders* includes investors, employees, creditors, suppliers, customers, the local community and others with interests in a particular company.**		
The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	YES	
The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	YES	The corporate governance framework creates conditions for stakeholders (investors) to participate in corporate governance in the manner prescribed by law. It is common practice (when making decisions that are important for employees) to arrange informal consultations and employee surveys.
Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	
Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	YES	The Company provides a possibility of reporting any illegal or unethical practices to the collegial body performing the supervisory function by addressing its member directly or sending information by email. **Currently, the Company Intends to implement necessary procedures in the second quarter of 2025.**

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 9: Disclosure of information **The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.**		
In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following:		
operating and financial results of the company;	YES	
objectives and non-financial information of the company;	YES	
persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	YES	

members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	YES	
reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	YES	
potential key risk factors, the company's risk management and supervision policy;	YES/NO	The Company's risk management and supervision policy i sgoing to be approved in the second quarter of 2025.
the company's transactions with related parties;	YES	
main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	YES	
structure and strategy of corporate governance;	YES	
initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects. This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.	YES/NO	The Company is a socially responsible undertaking guided by the principle of good faith, but no formal anti-corruption policy is yet in place.
When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	YES	
When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.	YES	
Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	YES	

PRINCIPLES/RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENT
Principle 10: Selection of the company's audit firm **The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.**		
With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its report should be audited by an independent audit firm.	YES	
It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	YES	
In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	YES	