



**AB NOVATURAS**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**for the three-month period ended 31 March 2022**

**(unaudited)**

Beginning of reporting period	1 January 2022
End of reporting period	31 March 2022
Business name	Novaturas, AB (further – “Novaturas” or “the Company”) (The Company’s financial statements and activity ratios are presented consolidated with the results of subsidiaries; separate reports of the parent company are not presented.)
Legal form	Public limited company
Registration date	16 December 1999
Registration number	135567698
LEI code	097900BGCW0000042109
Manager of register	State Enterprise Centre of Registers
Company address	A. Mickevičiaus str. 27, LT-44245 Kaunas
Telephone	+370 37 321 264
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Website	<a href="http://www.novaturasgroup.com">www.novaturasgroup.com</a>

Abbreviation “pp” used in the report means percentage points.

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## Management report

### 2022 first-quarter highlights:

- Novaturas's turnover was EUR 29.2 mln or 425% higher than in the same period of 2021.
- Gross profit amounted to EUR 2.7 mln and was 70% higher than in the same period of 2021.
- Operating expenses totaled EUR 2.9 mln, 174% higher than in the same period of 2021. Excluding the impact of commissions and one-off expenses, operating costs increased by 116% from the same period a year earlier.
- EBITDA ratio was negative and amounted to EUR 96,000.
- Novaturas had a net loss of EUR 0.5 mln, compared to a net profit of EUR 0.2 mln in the same period of 2021.
- The company served 36,404 clients, 307% more than in the same period of 2021.

### CEO's Forward

Dear All,

"Novaturas" has started 2022 with solid sales results. In the last month of the first quarter, for the first time since the beginning of the pandemic, we have exceeded the results of the same month of 2019 in terms of number of travelers served and the revenues generated. However, globally rising aviation fuel prices have adjusted the company's profitability ratios.

During the first quarter of 2022, we have generated EUR 29.2 million revenues. In three months, the group has served 36.4 thousand travelers. EBITDA was negative and amounted to EUR 96 thousand. Traditionally, the first quarter of the year is the low period in the tourism industry.

We are continuing with gradual recovery that has already begun at the end of last year. In the first quarter of 2022, we have generated 4 times more revenues than in the first quarter of last year and have even exceeded the results of the corresponding period of the pre-pandemic 2019. If compared to the first quarter of last year, this year we have served 3 times more travelers' group wide. The portfolio of winter holiday destinations has also returned to the usual pre-pandemic times. We are planning that the volumes of second quarter of this year will also be close to 2019.

### New challenges: Russia's war against Ukraine and increasing aviation fuel prices

After the successful start of 2022, we had to face new challenges: the breakout of Russia's war against Ukraine at the end of February and globally rising oil prices have affected the entire tourism sector.

The closure of the Ukrainian airspace for civilian flights has corrected the group's flights routes and durations. The war has affected not only the routes of the flights, but also the behavior of travelers. During the first days of the war, the number of new bookings has temporarily dropped by almost half, people made new purchases for trips that were 2 to 3 weeks prior the departure. Since the end of March, the number of new bookings has gradually recovered, and now we are back to the usual numbers of new bookings just as it has been before the war. In March we have also actively cooperated with the embassies and consulates to help repatriate the Ukrainian citizens trapped abroad to the Baltic states.

Russia's aggression against Ukraine has also directly affected tourism companies operating in the Baltics. With sanctions imposed on the tour operator "TUI Baltics", the company has been forced to close its operations in the Baltics.

Another challenge the tourism sector had to face in the first quarter - drastically rising oil prices. Rising oil prices have led to significant increases in aviation fuel prices. This has been one of the main factors that have affected the group's profitability. The group has sold most of the first quarter trips already in 2021. This means that the cost of these purchased trips has increased significantly in 2022 due to the increasing fuel prices, and it has caused negative impact on the profitability indicators of the first quarter. Negative profitability was also influenced by the intense competitive environment in some of the winter holiday destinations.

Sincerely,

CEO  
Vitalij Rakovski



## Main ratios

Financial indicators*				Change, %	Change, %
	Q1 2022	Q1 2021	Q1 2020	22/21	21/20
Sales	29,254	5,571	23,363	+425,1	-76,2
Gross profit	2,746	1,617	2,535	+69,8	-36,2
EBITDA	(96)	615	(190)	-	-
Operating profit (EBIT)	(96)	572	(254)	-	-
Profit before taxes	(610)	147	(409)	-	-
Net profit for the period	(505)	191	(353)	-	-

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

Relative indicators/ratios				Change	Change
	Q1 2022	Q1 2021	Q1 2020	22/21	21/20
Number of ordinary registered shares	7,807,000	7,807,000	7,807,000	-	-
Profit per share (EUR)	-0.06	0.02	-0.05	-0.08	+0.07
Gross profit margin (%)	9.4	29.0	10.9	-19.6 pp	+18.1 pp
EBITDA margin (%)	-0.3	11.0	-0.8	-11.3 pp	+11.8 pp
EBIT margin (%)	-0.3	10.3	-1.1	-10.6 pp	+11.4 pp
Profit before taxes margin (%)	-2.1	2.6	-1.8	-4.7 pp	+4.4 pp
Net profit margin for the period (%)	-1.7	3.4	-1.5	-5.1 pp	+4.9 pp
Return on assets (ROA) (%)	-1.1	0.4	-0.6	-1.5 pp	+1.1 pp
Debt / equity ratio (%)	94.9	121.4	83.7	-8.4 pp	+37.7 pp
Equity ratio (%)	31.0	31.4	27.5	-0.4 pp	+3.9 pp
Actual profit tax rate (%)	17.2	-29.9	13.7	+47.1 pp	-43.6 pp
Total liquidity ratio	0.74	0.73	0.72	0.01	0.01

## Segment information

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

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

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

	Q1 2022	Q1 2021	Q1 2020	Change 22/21	Change 21/20
<b>Flight package tours</b>					
Sales	25,287	4,154	19,838	508.7%	-79.1%
Cost of sales	(24,078)	(2,976)	(17,541)	709.1%	-83.0%
<b>Gross profit</b>	<b>1,209</b>	<b>1,178</b>	<b>2,297</b>	<b>2.6%</b>	<b>-48.7%</b>
Gross profit margin (%)	4.8	28.4	11.6	-23.6 pp	16.8 pp
Sales commission expenses	(1,214)	(279)	(1,107)	335.1%	-76.5%
<b>Sales profit for segment</b>	<b>(5)</b>	<b>899</b>	<b>1,190</b>	<b>-100.6%</b>	<b>-19.0%</b>
Sales profit margin (%)	-	21.6	6.0	-21.7pp	-16.0 pp
<b>Sightseeing tours by coach</b>					
Sales	21	-	30	-	-
Cost of sales	(13)	-	(28)	-	-
<b>Gross profit</b>	<b>8</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>
Gross profit margin (%)	38.1	-	6.7	-	-
Sales commission expenses	(1)	-	(1)	-	-
<b>Sales profit for segment</b>	<b>7</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
Sales profit margin (%)	33.3	-	3.3	-	-
<b>Sightseeing tours by plane</b>					
Sales	121	-	216	-	-
Cost of sales	(117)	-	(186)	-	-
<b>Gross profit</b>	<b>4</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>
Gross profit margin (%)	3.3	-	13.9	-	-
Sales commission expenses	5	-	(12)	-	-
<b>Sales profit for segment</b>	<b>(1)</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>
Sales profit margin (%)	-0.8	-	8.3	-	-
<b>Other sales</b>					
Sales	3,825	1,417	3,279	169.9%	-56.8%
Cost of sales	(2,300)	(978)	(3,073)	135.2%	-68.2%
<b>Gross profit</b>	<b>1,525</b>	<b>439</b>	<b>206</b>	<b>247.4%</b>	<b>113.1%</b>
Gross profit margin (%)	39.9	31.0	6.3	8.9pp	24.7 pp
Sales commission expenses	-	-	-	-	-
<b>Sales profit for segment</b>	<b>1,525</b>	<b>439</b>	<b>206</b>	<b>247.4%</b>	<b>113.1%</b>
Sales profit margin (%)	39.9	31.0	6.3	8.9pp	24.7%

## Geographic and other sales split information

The company's activities included tour organization and the distribution of tours through diversified and complementary distribution channels: a retail network of travel agencies and the company's own retail channels (own travel agencies, e-commerce sales, tickets only sales through the Global Distribution System (GDS)). The company works with over 400 travel agencies, including all of the major agencies in the Baltics. E-commerce sales are via company websites. In three-month of 2022, the company's websites were visited by 0.9 million unique visitors, which is 98% less than in the same period of 2021.

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

The breakdown of sales by distribution channels was as follows:

	Q1 2022, %	Q1 2021, %	Q1 2020, %	Change 22/21	Change 21/20
Travel agencies	70.2	67.9	70.5	+2.3 pp	-2.6 pp
Own retail	11.1	10.1	12.8	+1.0 pp	-2.7 pp
Web sales	16.2	8.9	15.1	+7.3 pp	-6.2 pp
GDS	2.5	13.1	1.6	-10.5 pp	+11.5 pp
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

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

	Q1 2022	Q1 2021	Q1 2020	Change %, 22/21	Change %, 21/20
Lithuania	16.1	4.9	12.6	+224.0	-60.6
Latvia	9.2	1.2	7.2	+696.6	-84.1
Estonia	11.1	2.8	11.2	+295.1	-74.9
Other	-	-	0.2	-	-
<b>Total</b>	<b>36.4</b>	<b>8.9</b>	<b>31.2</b>	<b>+307.2</b>	<b>-71.4</b>

Number of clients served by product category (in thousands of clients):

	Q1 2022	Q1 2021	Q1 2020	Change %, 22/21	Change %, 21/20
Flight package tours	28.9	5.5	26.4	+429.1	-79.3
Sightseeing tours by coach	0.1	-	0.2	-	-
Sightseeing tours by plane	0.1	-	0.2	-	-
Other sales (separate flight and hotel services)	7.3	3.4	4.4	+110.4	-21.6
<b>Total</b>	<b>36.4</b>	<b>8.9</b>	<b>31.2</b>	<b>+307.2</b>	<b>-71.4</b>



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

	Q1 2022, %	Q1 2021, %	Q1 2020, %	Change 22/21	Change 21/20
Egypt	51.5	61.0	50.3	-9.5	+10.7 pp
Spain (including Canary Islands)	18.0	35.8	14.1	+15.7	+21.7 pp
Skiing	15.7	-	12.1	-	-
Long-haul	8.5	1.6	17.1	+6.9	-15.5 pp
Other destinations	6.3	1.6	6.4	+4.7	-4.8 pp
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

## Information about the Supervisory Council and the Board

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

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

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

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

Information about the Board as of the 31<sup>st</sup> of March 2022:

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

Company's top executives as of the 31<sup>th</sup> of March 2022:

<b>Name</b>	<b>Position within the Company</b>	<b>Number of shares held in the Company</b>
Vitalij Rakovski	CEO	-
Ieva Galvydienė	CCO	-
Albert Zinevič	CSO	-
Olga Belova	CMO	-

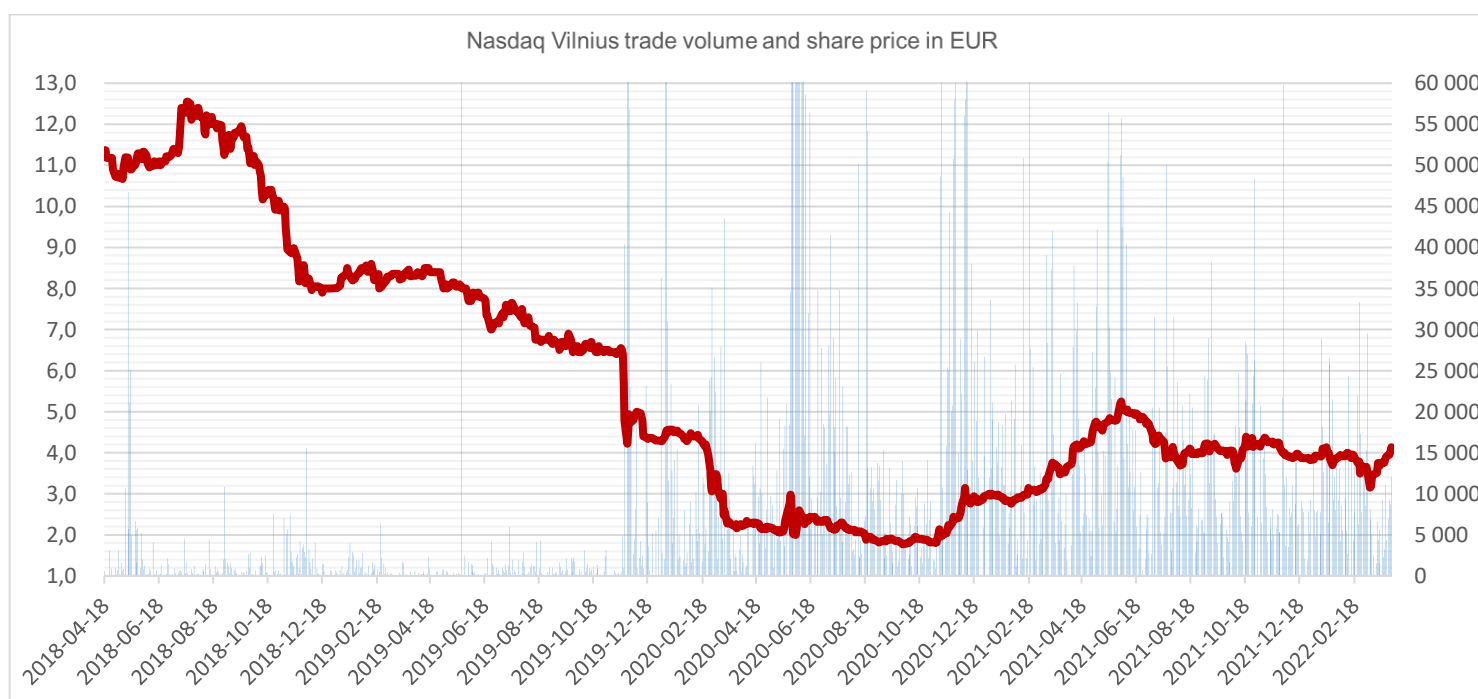
## Share capital and shareholders

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

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

Information about trading in AB Novaturas shares from 21 March 2018 to 31 March 2021 on the Nasdaq Vilnius exchange in Lithuania:

	Currency	Opening price	Maximum price	Lowest price	Closing price	Average price	Volume (quantity)	Volume (EUR)
Q1 2018	EUR	11.00	12.40	10.56	10.85	11.38	17,830	202,845
Q2 2018	EUR	10.85	11.37	10.67	11.20	11.01	183,160	2,016,183
Q3 2018	EUR	11.25	12.78	11.05	11.05	11.76	57,065	671,148
Q4 2018	EUR	11.20	11.23	7.90	8.00	8.94	111,267	994,816
Q1 2019	EUR	7.90	8.60	7.90	8.31	8.28	53,408	442,387
Q2 2019	EUR	8.31	8,50	6.80	7.05	8.02	276 376	2,216,747
Q3 2019	EUR	7.15	7.80	6.40	6.55	7.03	61 452	431,871
Q4 2019	EUR	6.55	6.80	4.20	4.30	4.27	1 380 166	5,906,141
Q1 2020	EUR	4.30	4.68	2.12	2.22	3.89	821 795	3,200,535
Q2 2020	EUR	2.20	3.02	1.93	2.32	2.05	4,359,777	8,931,213
Q3 2020	EUR	2.32	2.36	1.76	1.77	2.06	833,520	1,719,428
Q4 2020	EUR	1.79	3.20	1.76	2.94	2.47	1,222,888	3,021,562
Q1 2021	EUR	2.94	3.90	2.70	3.52	3.14	897,418	2,821,109
Q2 2021	EUR	3.58	4.90	3.58	4.70	4.45	627,522	2,793,640
Q3 2021	EUR	4.75	4.75	3.65	4.00	4.08	805,595	3,287,458
Q4 2021	EUR	4.04	4.45	3.51	3.84	4.07	772,922	3,142,907
Q1 2022	EUR	3.82	4.17	3.05	3.82	3.80	685,940	2,606,084

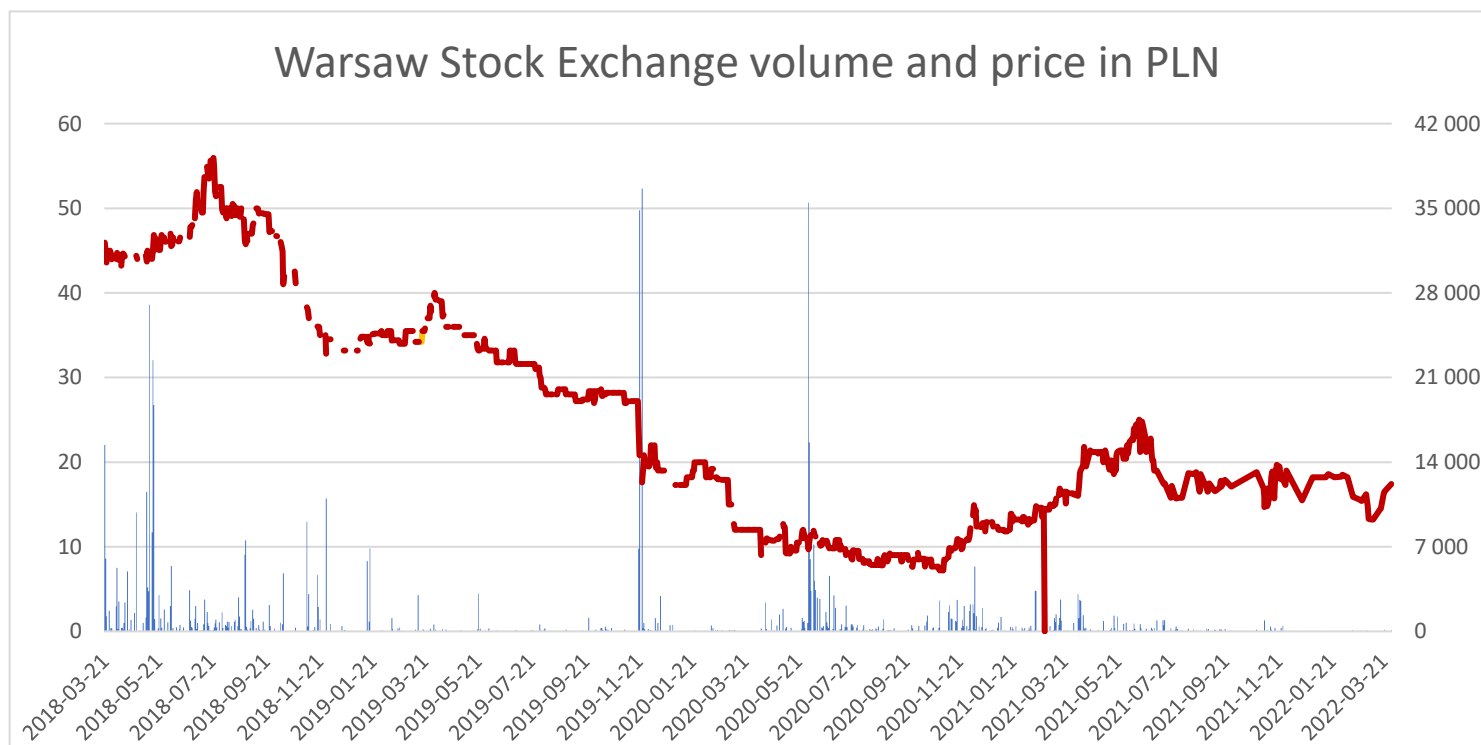


As of 31 March 2022, the company's market capitalization was EUR 29,8 million and decreased by 0.52% in the first quarter.

Information about trading in AB Novaturas shares from 21 March 2018 to 31 March 2022 on the “GPW main market” at the Warsaw Stock Exchange in Poland:

	Currency	Opening price	Maximum price	Lowest price	Closing price	Average price	Volume (quantity)	Volume (PLN)
Q1 2018	PLN	43.90	45.95	43.60	43.95	45.49	24,951	1,134,971
Q2 2018	PLN	43.95	48.00	42.60	48.00	44.96	150,462	6,765,241
Q3 2018	PLN	48.00	56.00	44.20	47.30	48.71	48,202	2,348,140
Q4 2018	PLN	47.30	48.30	32.39	33.20	36.98	39,843	1,473,410
Q1 2019	PLN	33.20	38.48	33.15	37.80	34.23	19,337	661,820
Q2 2019	PLN	37.80	40.00	31.80	33.20	34.38	5,150	177,060
Q3 2019	PLN	31.80	31.80	27.20	28.40	28.71	2,824	81,070
Q4 2019	PLN	28.00	28.60	17.00	17.50	20.70	87,854	1,818,800
Q1 2020	PLN	17.20	21.00	12.00	12.00	17.66	1,685	29,760
Q2 2020	PLN	8.00	13.10	8.00	9.85	10.34	102,261	1,056,950
Q3 2020	PLN	9.80	10.90	7.60	8.50	9.15	16,461	150,650
Q4 2020	PLN	8.50	15.00	7.00	12.40	10.88	39,256	427,100
Q1 2021	PLN	12.40	17.00	11.80	16.30	14.41	22,350	321,980
Q2 2021	PLN	16.20	25.00	16.00	20.20	20.38	21,718	442,613
Q3 2021	PLN	20.20	20.20	15.70	17.10	17.81	6,920	123,250
Q4 2021	PLN	17.10	19.70	14.70	18.20	17.10	2,910	49,766
Q1 2022	PLN	18.20	18.60	13.20	17.40	15.84	718	11,371

As of 31 March 2022, the Company's market capitalization was PLN 135.8 million and, calculated in PLN, decreased by 4.6% during the first quarter.



The following shareholders held at least 5% of share capital and votes as of 31 March 2022:

<b>Name of the shareholder</b>	<b>Number of shares</b>	<b>Share of authorized capital and total number of votes</b>
UAB „ME Investicija“	779,900	9.99
Ugnius Radvila	740,702	9.49
Rendez Vous OU	592,000	7.58
Moonrider OU	543,346	6.96
Rytis Šūmakaris	535,278	6.86
Vidas Paliūnas	535,278	6.86
Others (free float)	4,080,496	52.56
<b>Total</b>	<b>7,807,000</b>	<b>100.00</b>

## Consolidated statements of comprehensive income

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

	Q1 2022	Q1 2021	Q1 2020	Change %, 22/21	Change %, 21/20
Sales	29,254	5,571	23,363	425.1	-76.2
Cost of sales	(26,508)	(3,954)	(20,828)	570.4	-81.0
<b>Gross profit</b>	<b>2,746</b>	<b>1,617</b>	<b>2,535</b>	<b>69.8</b>	<b>-36.2</b>
Sales and marketing expenses	(2,167)	(652)	(2,088)	232.2	-68.8
General and administrative expenses	(694)	(393)	(701)	76.8	-43.9
Other operating income	19	-	-	-	-
Other operating (expenses)	-	-	-	-	-
<b>Profit from operations</b>	<b>(96)</b>	<b>572</b>	<b>(254)</b>	-	-
Finance income	15	212	109	-92.9	94.5
Finance (expenses)	(529)	(637)	(264)	-17.0	141.3
<b>Profit before tax</b>	<b>(610)</b>	<b>147</b>	<b>(409)</b>	-	-
Income tax (expense)	105	44	56	138.6	-21.4
<b>Net profit</b>	<b>(505)</b>	<b>191</b>	<b>(353)</b>	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Result of changes in cash flow hedge reserve	4	449	(3,005)	-	-
Impact of income tax	(1)	(67)	451	-	-
<b>Total comprehensive income for the year</b>	<b>502</b>	<b>573</b>	<b>(2,907)</b>	-	-
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)					
	-0.06	0.02	-0.05	-	-

## Consolidated statements of financial position

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

	31 March 2022	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	30,289	30,327	30,327
Other intangible assets	210	114	210
Property, plant and equipment	69	103	183
Right of use assets	227	219	562
Long-term receivables	107	187	218
Deferred income tax asset	893	935	7
<b>Total non-current assets</b>	<b>31,795</b>	<b>31,885</b>	<b>31,507</b>
<b>Current assets</b>			
Inventories	1	2	3
Prepayments and deferred expenses	8,514	7,114	15,626
Trade accounts receivable	282	127	372
Prepaid income tax	70	70	175
Other receivables	608	221	929
Other current financial assets	-	-	-
Restricted cash	200	2,300	3,200
Cash and cash equivalents	5,547	4,241	3,159
<b>Total current assets</b>	<b>15,222</b>	<b>14,075</b>	<b>23,464</b>
<b>Total assets</b>	<b>47,017</b>	<b>45,960</b>	<b>54,971</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	234	234	234
Cash flow hedge reserve	-	(39)	(2,332)
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	14,178	13,965	17,044
<b>Total equity</b>	<b>14,586</b>	<b>14,334</b>	<b>15,120</b>
<b>Liabilities</b>			
Non-current borrowings	11,252	8,767	4,000
Other non-current liabilities	382	3,321	-
Deferred income tax liabilities	-	-	2,823
Lease liabilities	91	83	360
<b>Total non-current liabilities</b>	<b>11,725</b>	<b>12,171</b>	<b>7,183</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	2,271	2,699	2,000
Current borrowings	2,593	2,737	6,655
Trade payables	3,189	1,784	2,946
Advances received	11,720	10,929	17,403
Income tax payable	6	8	-
Other current liabilities and accrued expenses	778	1,104	704
Lease liabilities	149	46	216
Other current financial liabilities	-	148	2,744
<b>Total current liabilities</b>	<b>20,706</b>	<b>19,455</b>	<b>32,668</b>
<b>Total equity and liabilities</b>	<b>47,017</b>	<b>45,960</b>	<b>54,971</b>



## Consolidated statements of changes in equity

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

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Foreign currency translation reserve	Equity attributable to equity holders
<b>Balance as at 31 December 2020</b>	<b>234</b>	<b>29</b>	<b>(421)</b>	<b>13,774</b>	<b>145</b>	<b>13,761</b>
Net profit for the year	-	-	-	909	-	909
Other comprehensive income	-	-	418	-	-	418
Total comprehensive income			418	909	-	1,327
<b>Balance as at 31 December 2021</b>	<b>234</b>	<b>29</b>	<b>(3)</b>	<b>14,683</b>	<b>145</b>	<b>15,088</b>
Net profit for the year	-	-	-	(505)	-	(505)
Other comprehensive income	-	-	3	-	-	3
Total comprehensive income			3	(505)	-	(502)
<b>Balance as at 31 March 2022</b>	<b>234</b>	<b>29</b>	<b>-</b>	<b>14,178</b>	<b>145</b>	<b>14,586</b>

## Consolidated statements of cash flow

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

	Q1 2022	Q1 2021	Q1 2020
<b>Cash flows from (to) operating activities</b>			
Net profit	(505)	191	(353)
Adjustments for non-cash items:			
Depreciation and amortization	13	42	64
Change in deferred income tax	-	-	(511)
Elimination of financial, investment and other non-cash activity results	179	641	(2,414)
<b>Changes in working capital:</b>	<b>(313)</b>	<b>874</b>	<b>(3,214)</b>
Decrease in inventories	(1)	-	1
(Increase) decrease in trade receivables	(115)	17	280
(Increase) decrease in other receivables	(137)	(37)	(2,996)
(Increase) decrease in prepayments and deferred expenses	(2,330)	559	(6,459)
Increase (decrease) in trade payables	(1,707)	(177)	(1,227)
Increase in advances received	3,105	53	2,406
Income tax paid	42	(18)	(95)
Increase (decrease) in other accounts payable and accrued expenses	(656)	(525)	1,095
<b>Net cash flows from operating activities</b>	<b>(2,112)</b>	<b>746</b>	<b>(10,209)</b>
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of non-current assets (except investments)	(55)	(23)	(3)
Proceeds from sale of non-current assets (except investments)	-	-	-
<b>Net cash flows (to) investing activities</b>	<b>(55)</b>	<b>(23)</b>	<b>(3)</b>
<b>Cash flows from financing activities</b>			
Loans received	2,593	1,405	6,655
(Repayment) of loans	(422)	(732)	-
Interest (paid)	(176)	(220)	(138)
<b>Net cash flows (to) financing activities</b>	<b>1,995</b>	<b>453</b>	<b>6,517</b>
<b>Net increase (decrease) in cash flows</b>	<b>(172)</b>	<b>1,176</b>	<b>(3,695)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,919</b>	<b>5,365</b>	<b>6,854</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,747</b>	<b>6,541</b>	<b>3,159</b>

## Notes to the financial statements

### Information about subsidiaries

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

Company	Country of operations	Shareholding %
Novatours SIA	Latvia	100
Novatours OÜ	Estonia	100
Aviaturas ir Partneriai UAB	Lithuania	100
SRL Novatours Holidays*	Romania	100

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

### Sales and marketing expenses

	Q1 2022	Q1 2021	Q1 2020	Change %, 22/21	Change %, 21/20
Commissions	1,220	279	1,200	+337.3	-76.8
Salaries and related taxes	582	252	535	+131.0	-52.9
Advertising and marketing expenses	266	64	242	+315.6	-73.6
Rent and maintenance expenses	54	33	59	+63.6	-44.1
Depreciation and amortization	4	8	10	-50.0	-20.0
Business trips expenses	3	-	8	-	-
Communication expenses	10	9	8	+11.1	+12.5
Transportation expenses	9	3	8	+200.0	-62.5
Representation expenses	11	-	7	-	-
Training expenses	-	-	1	-	-
Other	7	4	10	+75.0	-60.0
<b>Total:</b>	<b>2,166</b>	<b>652</b>	<b>2,088</b>	<b>+232.2</b>	<b>-68.8</b>

### General and administrative expenses

	Q1 2022	Q1 2021	Q1 2020	Change %, 21/20	Change %, 20/19
Salaries and related taxes	372	168	341	+121.4	-50.7
Rent and maintenance expenses	21	17	28	+23.5	-39.3
Depreciation and amortization	9	34	56	-73.5	-39.3
Business trips expenses	2	-	7	-	-
Communication expenses	6	5	6	+20.0	-16.7
Consulting expenses	56	54	35	+3.7	+54.3
Transportation expenses	9	4	8	+125.0	-50.0
Representation expenses	6	2	12	+200.0	-83.3
Training expenses	-	-	6	-	-
Other	214	109	202	+96.3	-46.0
<b>Total:</b>	<b>695</b>	<b>393</b>	<b>701</b>	<b>+76.8</b>	<b>-43.9</b>

## Hedging

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

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

	Q1 2022	Q1 2021	Q1 2020	Change 22/21	Change 21/20
Result of closed hedging contracts already reflected in the statement of comprehensive income for the period	-	(167)	(37)	167	(130)

	31 March 2022	31 March 2021	31 March 2020
Market value of existing hedges at the end of the period	-	(46)	(2,744)

## Borrowings

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

	31 March 2022	31 March 2021	31 March 2020
Long term borrowings			
AB Luminor bank loan	-	5,307	6,000
AB Luminor bank loan	5,000	5,000	-
Limited partnership "Pagalbos verslui fondas" ordinary bonds	5,000	-	-
Loan granted by Investicijų ir verslo garantijos UAB	2,090	2,404	-
Altum loan	480	960	-
Tax credits	1,335	1,116	-
<b>Total non-current borrowings</b>	<b>13,905</b>	<b>14,787</b>	<b>4,000</b>
Less: current portion of long-term borrowings	(2,271)	(2,699)	(2,000)
	<b>11,634</b>	<b>12,088</b>	<b>4,000</b>
Current borrowings			
Current portion of long-term loans	2,593	2,699	2,000
AB Luminor bank overdraft	2,271	2,737	6,655
<b>Total current borrowings</b>	<b>4,864</b>	<b>5,436</b>	<b>8,655</b>

Off-balance sheet commitments

	Total Limit at 31 March 2022	Used limit at 31 March 2021
<b>Bank guarantees</b>		
AB Luminor Bank	6,000	5,000

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

## Related party transactions

During the three-month period ended 31 March 2022, total payments of EUR 49 thousand were made to Board members.

## Management confirmation of the consolidated financial statements

In accordance with Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Vitalij Rakovski, the CEO of AB Novaturas, and Giedrius Ribakovas, the Head of Finance of AB Novaturas, hereby confirm that, to the best of our knowledge, the unaudited interim consolidated financial statements for AB Novaturas for the three-month period ended 31 March 2022, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the consolidated group's assets, liabilities, financial position, profit or loss, and cash flows.

Vitalij Rakovski  
CEO

Giedrius Ribakovas  
Head of Finance