



AB NOVATURAS

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three-month period ended 31 March 2021

(unaudited)

Beginning of reporting period	1 January 2021
End of reporting period	31 March 2021
Business name	Novaturas, AB (further – “Novaturas” or “the Company”) (The Company’s financial statements and activity ratios are presented consolidated with the results of subsidiaries; separate reports of the parent company are not presented.)
Legal form	Public limited company
Registration date	16 December 1999
Registration number	135567698
LEI code	097900BGCW0000042109
Manager of register	State Enterprise Centre of Registers
Company address	A. Mickevičiaus str. 27, LT-44245 Kaunas
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Abbreviation “pp” used in the report means percentage points.

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Management report

2021 first-quarter highlights:

- Novaturas's turnover was EUR 5.6 mln or 76% lower than in the same period of 2020.
- Gross profit amounted to EUR 1.6 mln and was 36% lower than in the same period of 2020.
- Operating expenses totaled EUR 1.05 mln, 63% less than in the same period of 2020. Excluding the impact of commissions and one-off expenses, operating costs decreased by 52% from the same period a year earlier.
- EBITDA ratio was positive and amounted to EUR 615,000.
- Novaturas had a net profit of EUR 0.2 mln, compared to a net loss of EUR 0.4 mln in the same period of 2020.
- The company served 8,940 clients, 71% less than in the same period of 2020.

CEO's Forward

Dear All,

In the first quarter of 2021 our main focus was dedicated to the resumption of operations in all our markets to which we have been intensively preparing. In fact, 2021 holiday season this year has started not in January as usual, but since February, when the first planes took off to Tenerife resorts. In February, after a year's break, we were the first in the market to resume flights to the most popular winter holiday destination - Egypt. Holiday destinations portfolio was supplemented by United Arab Emirates and Maldives.

The last month of the first quarter had the most significant impact on the first quarter results. In March, we have served 6.4 thousand customers – 18% more than in the corresponding period last year. Group revenue in March amounted to 4.1 million euros and was lower only by 6% than the same time last year. The overall results for January-March this year are still lower than the same period last year due to the existing restrictions. Because of the pandemic, we have started the holiday season a month later, the ski season was canceled, the supply of exotic holiday destinations shrank to two countries.

Despite all the restrictions applied to the tourism sector, we have started 2021 holiday season with scheduled flight programs rather than separate flights, and in March even managed to increase our activity volumes. Accelerating vaccination processes around the world, quick tourism sector adaptation to the new safe travelling reality, re-opening holiday destinations, the possibility of having so-called digital green certificate in the nearest future that will be valid in all the ES countries give optimism for the whole 2021 holiday season.

Positive first quarter profitability ratios

Throughout the past year, we have consistently adhered to crisis program and took strict costs control measures. The first quarter of this year was no exception and it benefited in reduced operating expenses by 63% (1.05 million euros) if compared to the same period in 2020. After eliminating the impact of commissions and one-time expenses, we have reduced operating expenses by 52% compared to the same period in 2020. Costs control, continuous and active collaboration with our partners abroad in ensuring competitive service prices, timely made decisions on resuming operations, taken leadership in being the first in the market to open safe holidays, and, of course, people's strong desire to travel - all these factors had a positive effect on first-quarter profitability ratios. Net profit reached 0.2 million this quarter, while in the same period in 2020 and 2019 we suffered loss of 0.4 and 0.1 million euros, respectively. EBITDA ratio this quarter was also positive and amounted to 615 thousand euros, compared to a loss of 190 thousand euros in the same period last year. Even in 2019 reached EBITDA result was more modest and amounted to 83 thousand euros.

The first quarter of this year was also marked by two significant events. In February, we have agreed with the State Investment Management Agency on a 10 million euros investment in Company's bonds. Funding is provided for a period of 6 years, after which we are committed to redeem the bonds. 10 million euros worth investment will reach "Novaturas" group using mixed financial instruments. Another important event – being one of the firsts to have started refunding process for the trips that have been cancelled due to the pandemic – we have successfully completed it in the first days of March. Group-wide we have refunded over 9.3 million euros to our travelers.

2021 holiday season is in full swing

In April, after a gap year, we have resumed flights from all the Baltic countries to the most popular summer holiday destination - Turkey. From the middle of May, we will open flights to Greek islands of Crete, Rhodes and Corfu. Travelers are really looking

forward for this popular summer holiday destination to be opened. Last year, when the restrictions have been lifted, Greece was the first country re-opened to our travelers, so they already had the chance to experience and test all the safety measures Greece government has taken upon to ensure their safe holidays. We are also planning flight programs to Bulgaria, Montenegro and Tunisia for the upcoming summer holiday season. Long-haul destinations of Seychelles, Bali or Maldives will also be available for our travelers this summer.

Sincerely,
CEO
Audronė Keinytė



Main ratios

Financial indicators*				Change, %	Change, %
	Q1 2021	Q1 2020	Q1 2019	21/20	20/19
Sales	5,571	23,363	28,806	-76.2	-18.9
Gross profit	1,617	2,535	3,559	-36.2	-28.8
EBITDA	615	(190)	83	-	-
Operating profit (EBIT)	572	(254)	5	-	-
Profit before taxes	147	(409)	(162)	-	+152.5
Net profit for the period	191	(353)	(148)	-	+135.5

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

Relative indicators/ratios				Change	Change
	Q1 2021	Q1 2020	Q1 2019	21/20	20/19
Number of ordinary registered shares	7,807,000	7,807,000	7,807,000	-	-
Profit per share (EUR)	0.02	-0.05	-0.02	+0.07	-0.03
Gross profit margin (%)	29.0	10.9	12.4	+18.1 pp	-1.5 pp
EBITDA margin (%)	11.0	-0.8	0.3	+11.8 pp	-1.1 pp
EBIT margin (%)	10.3	-1.1	0.0	+11.4 pp	-1.1 pp
Profit before taxes margin (%)	2.6	-1.8	-0.6	+4.4 pp	-1.2 pp
Net profit margin for the period (%)	3.4	-1.5	-0.5	+4.9 pp	-1.0 pp
Return on assets (ROA) (%)	0.4	-0.6	-0.2	+1.1 pp	-0.4 pp
Debt / equity ratio (%)	121.4	83.7	90.8	+37.7 pp	-7.1 pp
Equity ratio (%)	31.4	27.5	25.1	+3.9 pp	+2.4 pp
Actual profit tax rate (%)	-29.9	13.7	8.6	-43.6 pp	+5.0 pp
Total liquidity ratio	0.73	0.72	0.81	0.01	-0.09

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 2021	Q1 2020	Q1 2019	Change 21/20	Change 20/19
Flight package tours					
Sales	4,154	19,838	24,401	-79.1%	-18.7%
Cost of sales	(2,976)	(17,541)	(20,798)	-83.0%	-15.7%
Gross profit	1,178	2,297	3,603	-48.7%	-36.2%
Gross profit margin (%)	28.4	11.6	14.8	16.8 pp	-3.2 pp
Sales commission expenses	(279)	(1,107)	(1,450)	-76.5%	-23.7%
Sales profit for segment	899	1,190	2,153	-19.0%	-44.7%
Sales profit margin (%)	21.6	6.0	8.8	-16.0 pp	-2.8 pp
Sightseeing tours by coach					
Sales	-	30	142	-	-78.9%
Cost of sales	-	(28)	(145)	-	-80.7%
Gross profit	-	2	(3)	-	-166.7%
Gross profit margin (%)	-	6.7	-2.1	-	-8.8 pp
Sales commission expenses	-	(1)	(5)	-	-80.0%
Sales profit for segment	-	1	(8)	-	-112.5%
Sales profit margin (%)	-	3.3	-5.6	-	9.0 pp
Sightseeing tours by plane					
Sales	-	216	376	-	-42.6%
Cost of sales	-	(186)	(289)	-	-35.6%
Gross profit	-	30	87	-	-65.5%
Gross profit margin (%)	-	13.9	23.1	-	-9.2 pp
Sales commission expenses	-	(12)	(23)	-	-47.8%
Sales profit for segment	-	18	64	-	-71.9%
Sales profit margin (%)	-	8.3	17.0	-	-8.7 pp
Other sales					
Sales	1,417	3,279	3,887	-56.8%	-15.6%
Cost of sales	(978)	(3,073)	(4,015)	-68.2%	-23.5%
Gross profit	439	206	(128)	113.1%	-260.9%
Gross profit margin (%)	31.0	6.3	-3.3	24.7 pp	-9.6 pp
Sales commission expenses	-	-	-	-	-
Sales profit for segment	439	206	(128)	113.1%	-260.9%
Sales profit margin (%)	31.0	6.3	-3.3	24.7%	9.6 pp

Sales of flight package tours accounted for the largest part of sales and profits. Sightseeing tours by coach and by plane remained small products, while sales of other activities have limited impact on the overall profit. Received subsidies are reflected in other products sales line. Amount in the first quarter – EUR 0.16 million.

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 2021, the company's websites were visited by 0.5 million unique visitors, which is 58% less than in the same period of 2020.

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

The breakdown of sales by distribution channels was as follows:

	Q1 2021, %	Q1 2020, %	Q1 2019, %	Change 21/20	Change 20/19
Travel agencies	67.9	70.5	71.5	-2.6 pp	1.0 pp
Own retail	10.1	12.8	12.8	-2.7 pp	-
Web sales	8.9	15.1	14.1	-6.2 pp	+1.0 pp
GDS	13.1	1.6	1.6	+11.5 pp	-
Total	100.0	100.0	100.0		

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

	Q1 2021	Q1 2020	Q1 2019	Change %, 21/20	Change %, 20/19
Lithuania	4.9	12.6	17.5	-60.6	-27.7
Latvia	1.2	7.2	10.1	-84.1	-28.3
Estonia	2.8	11.2	13.4	-74.9	-16.2
Other	-	0.2	0.1	-	-10.0
Total	8.9	31.2	41.1	-71.4	-24.1

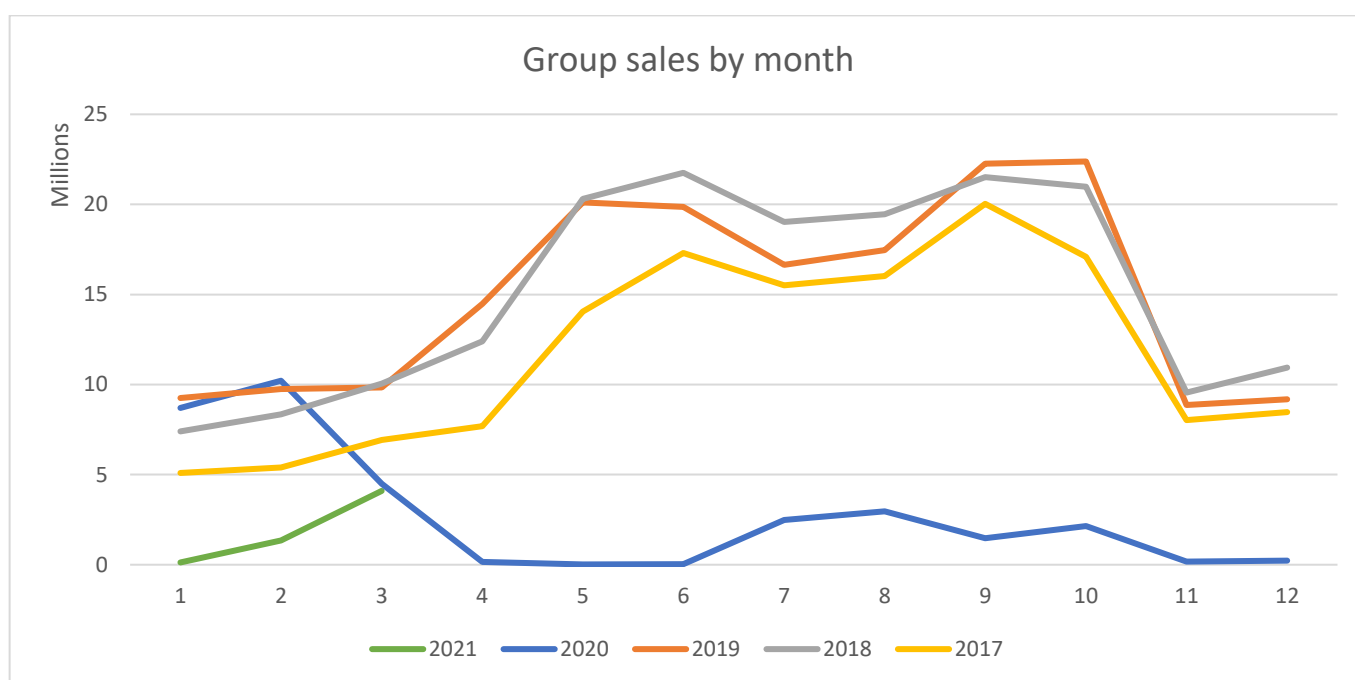
Number of clients served by product category (in thousands of clients):

	Q1 2021	Q1 2020	Q1 2019	Change %, 21/20	Change %, 20/19
Flight package tours	5.5	26.4	33.7	-79.3	-21.7
Sightseeing tours by coach	-	0.2	0.5	-	-66.2
Sightseeing tours by plane	-	0.2	0.4	-	-45.0
Other sales (separate flight and hotel services)	3.4	4.4	6.5	-21.6	-31.3
Total	8.9	31.2	41.1	-71.4	-24.1

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

	Q1 2021, %	Q1 2020, %	Q1 2019, %	Change 21/20	Change 20/19
Egypt	61.0	50.3	54.4	+10.7 pp	-4.1 pp
Spain (including Canary Islands)	35.8	14.1	10.8	+21.7 pp	+3.3 pp
Skiing	-	12.1	11.8	-	-0.3 pp
Long-haul	1.6	17.1	15.7	-15.5 pp	+1.4 pp
Other destinations	1.6	6.4	7.3	-4.8 pp	-0.9 pp
Total	100.0	100.0	100.0		

Group monthly sales seasonality was as follows:



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 30th of June 2020 has one collegial body - the Board, to which part of the supervisory functions were delegated. 2 members of increased and newly elected Board shall be independent. A team of the Company's top executives formed the previous members of the Board.

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

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

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

Information about the Board as of the 31st of March 2021:

Name	Position on the Board	Legal entity and position	Number of shares held in the Company	Start of term
Ugnius Radvila	Member of the Board	-	740,702	2020-06-30
Vidas Paliūnas	Member of the Board	Business Center 32, UAB; – Member of the Management Board	535,278	2020-06-30
Janek Pohla	Member of the Board	Member of the Board of the Estonian Chamber of Commerce and Industry; Tahe Outdoors, OU – member of Management Board; Rendez Vous, OU – member of Management Board and sole owner	800,000	2020-06-30
Andrius Jurkonis	Member of the Board (independent member)	Open type investment fund Axia Capital – fund manager; Farmacijas kapitālas, JSC – director; New Pharma, CEE – director; Privātais kapitālo investīcijas, JSC – director; New retail LV, JSC – director and 100% owner	-	2020-06-30
Virginijus Lepeška	Chairman of the Board (independent member)	Organizāciju 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 31th of March 2021:

Name	Position within the Company	Number of shares held in the Company
Audronė Keinytė	CEO	-
Tomas Staškūnas	CFO	58,192
Ieva Galvydienė	CCO	-

Share capital and shareholders

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

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

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

As of 31 March 2021, the company's market capitalization was EUR 27.48 million and increased by 19.7% in the first quarter.

Information about trading in AB Novaturas shares from 21 March 2018 to 31 March 2021 on the "GPW main market" at the Warsaw Stock Exchange in Poland:

	Currency	Opening price	Maximum price	Lowest price	Closing price	Average price	Volume (quantity)	Volume (PLN)
Q1 2018	PLN	43.90	45.95	43.60	43.95	45.49	24,951	1,134,971
Q2 2018	PLN	43.95	48.00	42.60	48.00	44.96	150,462	6,765,241
Q3 2018	PLN	48.00	56.00	44.20	47.30	48.71	48,202	2,348,140
Q4 2018	PLN	47.30	48.30	32.39	33.20	36.98	39,843	1,473,410
Q1 2019	PLN	33.20	38.48	33.15	37.80	34.23	19,337	661,820
Q2 2019	PLN	37,80	40,00	31,80	33,20	34,38	5,150	177,060
Q3 2019	PLN	31,80	31,80	27,20	28,40	28,71	2,824	81,070
Q4 2019	PLN	28,00	28,60	17,00	17,50	20,70	87,854	1,818,800
Q1 2020	PLN	17,20	21,00	12,00	12,00	17,66	1,685	29,760
Q2 2020	PLN	8,00	13,10	8,00	9,85	10,34	102,261	1,056,950
Q3 2020	PLN	9,80	10,90	7,60	8,50	9,15	16,461	150,650
Q4 2020	PLN	8,50	15,00	7,00	12,40	10,88	39,256	427,100
Q1 2021	PLN	12,40	17,00	11,80	16,30	14,41	22,350	321,980

As of 31 March 2021, the Company's market capitalization was PLN 127.25 million and, calculated in PLN, increased by 31.45% during the first quarter.

The following shareholders held at least 5% of share capital and votes as of 31 March 2021:

Name of the shareholder	Number of shares	Share of authorized capital and total number of votes
Central European Tour Operator S.a.r.l.	2,687,454	34.42
ME Ivesticija	779 900	9.99
Ugnius Radvila	740,702	9.49
Rytis Šūmakaris	535,278	6.86
Vidas Paliūnas	535,278	6.86
Others	2,528,388	32.39
Total	7,807,000	100.00

Consolidated statements of comprehensive income

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

	Q1 2021	Q1 2020	Q1 2019	Change %, 21/20	Change %, 20/19
Sales	5,571	23,363	28,806	-76.2	-18.9
Cost of sales	(3,954)	(20,828)	(25,247)	-81.0	-17.5
Gross profit	1,617	2,535	3,559	-36.2	-28.8
Sales and marketing expenses	(652)	(2,088)	(2,447)	-68.8	-21.5
General and administrative expenses	(393)	(701)	(1,106)	-43.9	-18.10
Other operating income	-	-	1	-	-
Other operating (expenses)	-	-	(2)	-	-
Profit from operations	572	(254)	5	-	-
Finance income	212	109	110	94.5	-0.9
Finance (expenses)	(637)	(264)	(277)	141.3	-4.7
Profit before tax	147	(409)	(162)	-	152.5
Income tax (expense)	44	56	14	-21.4	300.0
Net profit	191	(353)	(148)	-	138.5
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Result of changes in cash flow hedge reserve	449	(3,005)	1,126	-	-
Impact of income tax	(67)	451	(169)	-	-
Total comprehensive income for the year	573	(2,907)	809	-	-
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)	0,02	-0.05	-0.02	-	-

Consolidated statements of financial position

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

	31 March 2021	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Goodwill	30,327	30,327	30,327
Other intangible assets	114	210	380
Property, plant and equipment	103	183	252
Right of use assets	219	562	-
Long-term receivables	187	218	62
Deferred income tax asset	935	7	6
Total non-current assets	31,885	31,507	31,027
Current assets			
Inventories	2	3	4
Prepayments and deferred expenses	7,114	15,626	20,231
Trade accounts receivable	127	372	482
Prepaid income tax	70	175	231
Other receivables	221	929	2,579
Other current financial assets	-	-	-
Restricted cash	2,300	3,200	2,150
Cash and cash equivalents	4,241	3,159	3,686
Total current assets	14,075	23,464	29,363
Total assets	45,960	54,971	60,390
EQUITY AND LIABILITIES			
Equity			
Share capital	234	234	234
Cash flow hedge reserve	(39)	(2,332)	(394)
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	13,965	17,044	15,162
Total equity	14,334	15,120	15,176
Liabilities			
Non-current liabilities			
Non-current borrowings	8,767	4,000	6,000
Other non-current liabilities	3,321	-	-
Deferred income tax liabilities	-	2,823	2,936
Lease liabilities	83	360	-
Total non-current liabilities	12,171	7,183	8,936
Current liabilities			
Current portion of non-current borrowings	2,699	2,000	2,000
Current borrowings	2,737	6,655	5,784
Trade payables	1,784	2,946	4,077
Advances received	10,929	17,403	21,156
Income tax payable	8	-	29
Other current liabilities and accrued expenses	1,104	704	3,232
Lease liabilities	46	216	-
Other current financial liabilities	148	2,744	-
Total current liabilities	19,455	32,668	36,278
Total equity and liabilities	45,960	54,971	60,390

Consolidated statements of changes in equity

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

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Foreign currency translation reserve	Equity attributable to equity holders
Balance as at 31 December 2019	234	29	222	19,524	145	20,154
Net profit for the year	-	-	-	(5,750)	-	(5,750)
Other comprehensive income	-	-	(643)	-	-	(643)
Total comprehensive income			(643)	(5,750)	-	(6,393)
Balance as at 31 December 2020	234	29	(421)	13,774	145	13,761
Net profit for the year	-	-	-	191	-	191
Other comprehensive income	-	-	382	-	-	382
Total comprehensive income			382	191	-	573
Balance as at 31 March 2021	234	29	(39)	13,965	145	14,334

Consolidated statements of cash flow

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

	Q1 2021	Q1 2020	Q1 2019
Cash flows from (to) operating activities			
Net profit	191	(353)	(148)
Adjustments for non-cash items:			
Depreciation and amortization	42	64	78
Change in deferred income tax	-	(511)	-
Elimination of financial, investment and other non-cash activity results	641	(2,414)	1,116
Changes in working capital:	874	(3,214)	1,201
Decrease in inventories	-	1	(1)
(Increase) decrease in trade receivables	17	280	215
(Increase) decrease in other receivables	(37)	(2,996)	(2,501)
(Increase) decrease in prepayments and deferred expenses	559	(6,459)	(11,367)
Increase (decrease) in trade payables	(177)	(1,227)	(534)
Increase in advances received	53	2,406	6,897
Income tax paid	(18)	(95)	-
Increase (decrease) in other accounts payable and accrued expenses	(525)	1,095	(561)
Net cash flows from operating activities	746	(10,209)	(6,651)
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	(23)	(3)	(24)
Proceeds from sale of non-current assets (except investments)	-	-	-
Net cash flows (to) investing activities	(23)	(3)	(24)
Cash flows from financing activities			
Loans received	1,405	6,655	5,784
(Repayment) of loans	(732)	-	-
Interest (paid)	(220)	(138)	(126)
Net cash flows (to) financing activities	453	6,517	5,658
Net increase (decrease) in cash flows	1,176	(3,695)	(1,017)
Cash and cash equivalents at the beginning of the year	5,365	6,854	4,703
Cash and cash equivalents at the end of the period	6,541	3,159	3,686

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 % as of
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 2021	Q1 2020	Q1 2019	Change %, 21/20	Change %, 20/19
Commissions	279	1,200	1,478	-76.8	-18.8
Salaries and related taxes	252	535	590	-52.9	-9.3
Advertising and marketing expenses	64	242	264	-73.6	-8.3
Rent and maintenance expenses	33	59	60	-44.1	-1.7
Depreciation and amortization	8	10	5	-20.0	+100
Business trips expenses	-	8	9	-	-11.1
Communication expenses	9	8	13	+12.5	-38.5
Transportation expenses	3	8	9	-62.5	-11.1
Representation expenses	-	7	27	-	-74.1
Training expenses	-	1	1	-	-
Other	4	10	22	-60.0	-54.5
Total:	652	2,088	2,478	-68.8	-15.7

General and administrative expenses

	Q1 2021	Q1 2020	Q1 2019	Change %, 21/20	Change %, 20/19
Salaries and related taxes	168	341	529	-50.7	-35.5
Rent and maintenance expenses	17	28	32	-39.3	-12.5
Depreciation and amortization	34	56	71	-39.3	-21.1
Business trips expenses	-	7	17	-	-58.8
Communication expenses	5	6	9	-16.7	-33.3
Consulting expenses	54	35	73	+54.3	-52.1
Transportation expenses	4	8	9	-50.0	-11.1
Representation expenses	2	12	24	-83.3	-50.0
Training expenses	-	6	3	-	+100.0
Other	109	202	308	-46.0	-34.4
Total:	393	701	1,075	-43.9	-34.8

During the first quarter of 2021, the company incurred one-off expenses related to headcount decrease (EUR 21,000) and legal costs (EUR 19,000). These costs are reflected in the salaries and related taxes lines.

During the first quarter of 2020, the company incurred one-off expenses related to headcount decrease (EUR 12,000) and legal costs (EUR 19,000). Total one-off expenses amounted to EUR 31,000. These costs are reflected in the salaries and related taxes, consulting and other expenses lines

During the first quarter of 2019, the company incurred one-off expenses related to a change of CEO (EUR 57,000) and legal costs (EUR 23,000). Total one-off expenses amounted to EUR 80,000. These costs are reflected in the salaries and related taxes, consulting and other expenses lines

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 2021	Q1 2020	Q1 2019	Change 21/20	Change 20/19
Result of closed hedging contracts already reflected in the statement of comprehensive income for the period	(167)	(37)	77	(130)	(114)

	31 March 2021	31 March 2020	31 March 2019
Market value of existing hedges at the end of the period	(46)	(2,744)	(394)

Borrowings

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

	31 March 2021	31 March 2020	31 March 2019
Long-term borrowings			
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 3.8%	5,307	6,000	8,000
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 3.8%	5,000	-	-
UAB „Investicijų ir verslo garantijos“ loan, annual interest rate 1.69%	2,404	-	-
Altum loan, annual interest rate 2.9%	960	-	-
Tax loans	1,116	-	-
Total non-current borrowings	14,787	4,000	6,000
Current portion of non-current borrowings	(2,699)	(2,000)	(2,000)
	12,088	4,000	6,000
Current borrowings			
Current portion of non-current borrowings	2,699	2,000	2,000
AB Luminor Bank overdraft loan, annual interest rate of 3-month EURIBOR + 2.5%	2,737	6,655	5,784
Total current borrowings	5,436	8,655	7,784

Off-balance sheet commitments

	Total Limit at 31 March 2021	Used limit at 31 March 2021
Bank guarantees		
AB Luminor Bank, annual interest rate of 3-month EURIBOR + 2.7%	7,000	6,000

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 2021, total payments of EUR 24,150 were made to Supervisory Council members.

Management confirmation of the consolidated financial statements

In accordance with Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Audronė Keinytė, the CEO of AB Novaturas, and Tomas Staškūnas, the CFO of AB Novaturas, hereby confirm that, to the best of our knowledge, the unaudited interim consolidated financial statements for AB Novaturas for the three-month period ended 31 March 2021, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the consolidated group's assets, liabilities, financial position, profit or loss, and cash flows.

Audronė Kainytė
CEO

Tomas Staškūnas
CFO