



AB NOVATURAS

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the 12-months period ended 31 December 2020

(unaudited)

Beginning of reporting period	1 January 2020
End of reporting period	31 December 2020
Business name	Novaturas, AB (further – “Novaturas” or “the Company”) (The Company’s financial statements and activity ratios are presented consolidated with the results of subsidiaries; separate reports of the parent company are not presented.)
Legal form	Public limited company
Registration date	16 December 1999
Registration number	135567698
LEI code	097900BGCW0000042109
Manager of register	State Enterprise Centre of Registers
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Management report

2020 fourth-quarter key indicators:

- Novaturas's turnover in the fourth quarter of the year was EUR 2.6 mln, or 94% lower than in the same period of 2019.
- Gross profit amounted to EUR 0.5 mln and was 91% lower than in the same period of 2019.
- Operating expenses totaled EUR 1.6 mln, 68% less than in the same period of 2019. Excluding the impact of commissions and one-time expenses, operating costs decreased by 62% from the same period a year earlier.
- EBITDA ratio was negative and amounted to EUR 1 mln. In the same period of 2019, it was positive EUR 1.2 mln.
- The actual profit tax rate in the period was 19.9%, compared to -269% in the same period of 2019.
- Novaturas had a negative net profit of EUR 1.3 mln. In the same period of 2019, it was positive EUR 2.9 mln.
- In the fourth quarter of 2020, the Company served 4.2 thousand clients, 92% less than in the same period of 2019.

2020 twelve-months key indicators:

- Novaturas's turnover in the twelve months of 2019 was EUR 33.1 mln, or 82% lower than in the same period of 2019.
- Gross profit amounted to EUR 3.9 mln and was 82% lower than in the same period of 2019.
- Operating expenses amounted to EUR 6.8 mln or 63% less than in the same period of 2019. Excluding the impact of commissions and one-off expenses, operating costs decreased by 46% from the same period a year earlier.
- EBITDA ratio was negative and amounted to EUR 2.6 mln. In the same period of 2019, it was positive EUR 4.3 mln.
- The actual profit tax rate in the twelve months of 2019 was 13%, compared to -36% in the same period of 2019.
- Novaturas had a negative net profit of EUR 5 mln. In the same period of 2019, it was positive EUR 4.2 mln.
- In the twelve months of 2020, the Company served 48.5 thousand clients, 84% less than in the same period of 2019.

CEO's foreword

Dear All,

At the beginning of 2020, coronavirus caused crises led tourism sector to the suspension and forced to fight for survival. All implemented measures and active co-operation with the governments and responsible institutions of the Baltic States, allowed us to overcome these challenges. Although last year has been financially unprofitable, "Novaturas" group starts 2021 on a positive note – due to received necessary loans we intend to settle with all travelers whose trips were cancelled because of pandemic till the end of February. Also, from February, we resume flights to the most popular winter holidays destinations, and, if the epidemiological situation is favorable, we will offer Lithuanian travelers usual holiday packages in Mediterranean and other southern European resorts. Having in mind that the vaccination processes have started all over the world, the tests are becoming more accessible, tourism infrastructure is adapting rapidly to new health and safety requirements, more holiday destinations become available, in 2021 we are ready to fulfill the expectations of our travelers.

Introduced safeguard to protect the interests of travelers

Due to different state regulations regarding the movement, after the first wave of coronavirus, "Novaturas" group was able to resume its operations only in July 2020 and only to a few directions - Greece, Tunisia and Cyprus. Following the announcement of the second quarantine in the Baltic States in November, we had to suspend operations once again. This had a strong impact on annual financial and operating results - in 2020, "Novaturas" group served 84% less customers if compared to 2019. The Company's turnover in 2020 reached EUR 33.1 million and was 82% lower compared to the same period in 2019. EBITDA ratio in 2020 was also negative and amounted to EUR 2.6 mln., while in 2019 it reached EUR 4.3 mln. The overall results of 2020 were worse than the ones we have reached in 2019, but successfully completed financial liquidity guaranteeing transactions and secured EUR 11 million worth guarantee insurance, which ensures the fulfillment of Company's obligations to travelers, clearly shows that we are ready to return to a sustainable recovery phase.

"Tourism business is a particularly regulated business sector, so based on our plans for 2021, we have agreed on EUR 11 million guarantee and insurance limit. It means that money received from the travelers for their future trips are secured. Given the current planning of 2021 operations, we have decided to use EUR 9 million since the very start of 2021. If the volumes of currently planned operations increase during the 2021, we will use the remaining EUR 2 million from the agreed guarantee insurance limit. This mandatory insurance for tour operators is one of the most important safeguards to protect the interests of travelers", - says Audronė Keinytė, Head of "Novaturas" Group.

The crisis period program brought positive results

We have also managed to reach an agreement with AB "Luminor" bank to delay payments of EUR 5 million long-term loan received under the investment and business guarantee fund "Invega". The repayment term of this loan was extended for 2 years until the middle of 2025. Also, we have agreed on a EUR 1 million long-term loan received under the Ministry of the Economy and Innovation of the Republic of Lithuania and state investment and business guarantee fund "Invega" to refund cancelled trips due to pandemic.

We have actively worked with the governments and responsible institutions of all the Baltic States. "Novaturas" group has acquired a loan of EUR 1 million in Latvia. The Estonian and Latvian governments have supported us with EUR 60 thousand and EUR 81 thousand subsidies. Repatriation compensation of EUR 167 thousand has also been received in Latvia. In all markets we have used a salary compensation of EUR 348 thousand. These state aid measures were crucial for balancing cash flows and we used it both for ensuring the Company's liquidity and refunding the travelers. To ensure our liquidity and improve future performance ratios, we have continued to adhere to the crisis period program throughout the year. The main aspects of this program were strict cost-saving policy, absorption of states support and cash flow regulation. As a result, operating expenses reached EUR 6.8 million and was 63% lower than in 2019.

Travelers shown solidarity

The confidence expressed by travelers to the tourism sector and their solidarity in accepting to postpone trips cancelled by the COVID-19 restrictions was undoubted support during difficult period. A significant number of our travelers also chose travel vouchers alternative worth of EUR 1.5 million. Having started refunding process already in June 2020, up to date group-wide we have already returned EUR 8.3 million, and until the end of February 2021 all our travelers will be refunded. In order to settle with travelers as soon as possible, in January 2021 we have reached an agreement with "Invega" on an additional EUR 1 million 18 thousand loans.

To strengthen the relationship with our travelers and to ensure their good experience, we took over the core business of the subsidiary “Sofa Travel”. Centralization of customer service processes is one of the planned steps to make our own sales channels more effective. This will help to adapt to the newly forming traveling habits, improve the experience of the travelers, maintain high standards of services provided.

Launch of a new product

In June 2020, we have introduced new product to the market – domestic traveling. “Novaturas” group offered accommodation services and sightseeing trips in Lithuania and since the end of July – holiday options in all the Baltics. Interest in local tourism is gradually growing and we will continue to develop it.

People who could not travel in 2020 are willingly planning their holidays next year. It influenced us to open sales of 2021 summer and 2021 - 2022 winter holiday seasons unusually early. In the beginning of February, we have resumed flights to Tenerife. From the middle of February flights are also scheduled to Egypt and the United Arab Emirates and from March – to Maldives. Tourism infrastructure is adapting rapidly to new health and safety requirements, accelerating vaccination processes of high-risk groups and the debates on COVID-19 passports in all over the world provides optimistic perspective of returning to normal and usual holiday planning already in 2021. Safe travel facilities such as quick coronavirus tests are available at almost every airport and it enables people also to plan their vacations in distant exotic holiday destinations without additional difficulties. “Novaturas” group boldly welcomes 2021 - as soon as more holiday destinations are available to travelers from all the Baltic countries, it will be possible to return to more usual holiday planning.

Sincerely,

CEO

Audronė Keinytė



Main ratios

Financial indicators*	Q4 2020	Q4 2019	Change, %	12M 2020	12M 2019	Change, %
Sales	2,552	40,152	-93.6	33,106	179,723	-81.6
Gross profit	503	5,726	-91.2	3,932	21,884	-82.0
EBITDA	-976	1,248	-	-2,557	4,263	-
Operating profit (EBIT)	-1,029	952	-	-2,799	3,741	-
Profit before taxes	-1,618	779	-	-5,733	3,090	-
Net profit for the period	-1,296	2,873	-	-4,990	4,214	-

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

Relative indicators/ratios	Q4 2020	Q4 2019	Change	12M 2020	12M 2019	Change
Number of ordinary registered share	7,807,000	7,807,000	-	7,807,000	7,807,000	-
Profit per share (EUR)	-0.17	0.37	-0.54	-0.64	0.54	-1.18
Gross profit margin (%)	19.7	14.3	+5.4 pp	11.9	12.2 pp	-0.3 pp
EBITDA margin (%)	-38.2	3.1	-41.3 pp	-7.7	2.4 pp	-10.1 pp
EBIT margin (%)	-40.3	2.4	-42.7 pp	-8.5	2.1 pp	-10.6 pp
Profit before taxes margin (%)	-63.4	1.9	-65.3 pp	-17.3	1.7 pp	-19.0 pp
Net profit margin for the period (%)	-50.8	7.2	-58.0 pp	-15.1	2.3 pp	-17.4 pp
Return on assets (ROA) (%)	-2.5	5.4	-7.9 pp	-10.1	8.0 pp	-18.1 pp
Debt / equity ratio (%)	119.6	32.9	+86.7 pp	119.6	29.8 pp	+89.8 pp
Equity ratio (%)	31.2	36.6	-5.4 pp	30.9	40.8 pp	-9.9 pp
Actual profit tax rate (%)	19.9	-268.8	+288.7 pp	13.0	-36.4 pp	+39.4 pp
Total liquidity ratio	0.69	0.78	-0.09	0.69	0.72	-0.03

Segment information

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

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

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

	Q4 2020	Q4 2019	Change	12M 2020	12M 2019	Change
Flight package tours						
Sales	1,608	34,321	-95.3%	27,488	155,738	-82.3%
Cost of sales	(1,396)	(29,029)	-95.2%	(24,528)	(134,932)	-81.8%
Gross profit	212	5,292	-96.0%	2,960	20,806	-85.8%
Gross profit margin (%)	13.2%	15.4%	-2.2%	10.8%	13.4%	-2.6%
Sales commission expenses	(131)	(2,378)	-94.5%	(1,733)	(9,542)	-81.8%
Sales profit by segment	81	2,914	-97.2%	1,227	11,264	-89.1%
Sales profit margin (%)	5.0%	8.5%	-3.5%	4.5%	7.2%	-2.8%
Sightseeing tours by coach						
Sales	0	312	-	88	3,266	-97.3%
Cost of sales	-	(324)	-	(72)	(2,743)	-97.4%
Gross profit	0	-12	-	16	523	-96.9%
Gross profit margin (%)	-	-3.8%	-	18.2%	16.0%	2.2%
Sales commission expenses	-	(19)	-	(4)	(149)	-97.3%
Sales profit by segment	0	-31	-	12	374	-96.8%
Sales profit margin (%)	-	-9.9%	-	13.6%	11.5%	2.2%
Sightseeing tours by plane						
Sales	0	492	-	251	1,811	-86.1%
Cost of sales	-	(491)	-	(224)	(1,548)	-85.5%
Gross profit	0	1	-	27	263	-89.7%
Gross profit margin (%)	-	0.2%	-	10.8%	14.5%	-3.8%
Sales commission expenses	-	(30)	-	(13)	(100)	-87.0%
Sales profit by segment	0	-29	-	14	163	-91.4%
Sales profit margin (%)	-	-5.9%	-	5.6%	9.0%	-3.4%
Other products						
Sales	944	5,027	-81.2%	5,279	18,908	-72.1%
Cost of sales	(653)	(4,582)	-85.7%	(4,350)	(18,616)	-76.6%
Gross profit	291	445	-34.6%	929	292	218.2%
Gross profit margin (%)	30.8%	8.9%	22.0%	17.6%	1.5%	16.1%
Sales commission expenses	-	-	-	-	-	-
Sales profit by segment	291	445	-34.6%	929	292	218.2%
Sales profit margin (%)	30.8%	8.9%	22.0%	17.6%	1.5%	16.1%

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 fourth quarter – EUR 0.23 mln., in the twelve-month amount reached EUR 0.37 mln.

Geographic and other sales split information

The company's activities included tour organization and the distribution of tours through diversified and complementary distribution channels: a retail network of travel agencies and own retail channels (own travel agencies, e-commerce sales, tickets only sales through the Global Distribution System (GDS)). The Company works with over 400 travel agencies, including all of the major agencies in the Baltics. E-commerce sales are via Company websites. During twelve-months of 2019, the Company's websites were visited by 2.2 million unique visitors, which is 42% less than the 3,8 million unique visitors in the twelve months of 2019.

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

The table below shows a breakdown of revenue by distribution channels:

	Q4 2020, %	Q4 2019, %	Change	12M 2020, %	12M 2019, %	Change
Travel agencies	78.1	75.9	+2.2 pp	71.9	72.7	-0.8 pp
Own retail	6.9	10.4	-3.5 pp	11.7	11.1	+0.6 pp
Web sales	13.7	12.4	+1.3 pp	14.6	14.3	+0.3 pp
GDS	1.3	1.3	-	1.8	1.9	-0.1 pp
Total	100.0	100.0		100.0	100.0	

Due to the restrictions caused by the COVID-19 pandemic, Novaturas Group has suspended its operation in the second quarter of 2020. Following the announcement of the second quarantine s in November, the Company had to suspend operations once again. Restrictions imposed have influenced 12 months 2020 financial results significantly.

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

	Q4 2020	Q4 2019	Change, %	12M 2020	12M 2019	Change, %
Lithuania	1.7	29.1	-94.0	20.4	150.6	-86.5
Latvia	0.9	10.6	-91.9	9.7	61.3	-84.2
Estonia	1.6	15.8	-89.8	18.3	79.7	-77.1
Other	-	0.1	-	0.1	2.0	-93.8
Total	4.2	55.7	-92.4	48.5	293.6	-83.5

The Company's main product is flight package tours, which was also the fastest growing segment. Number of clients served by product category (in thousands of clients):

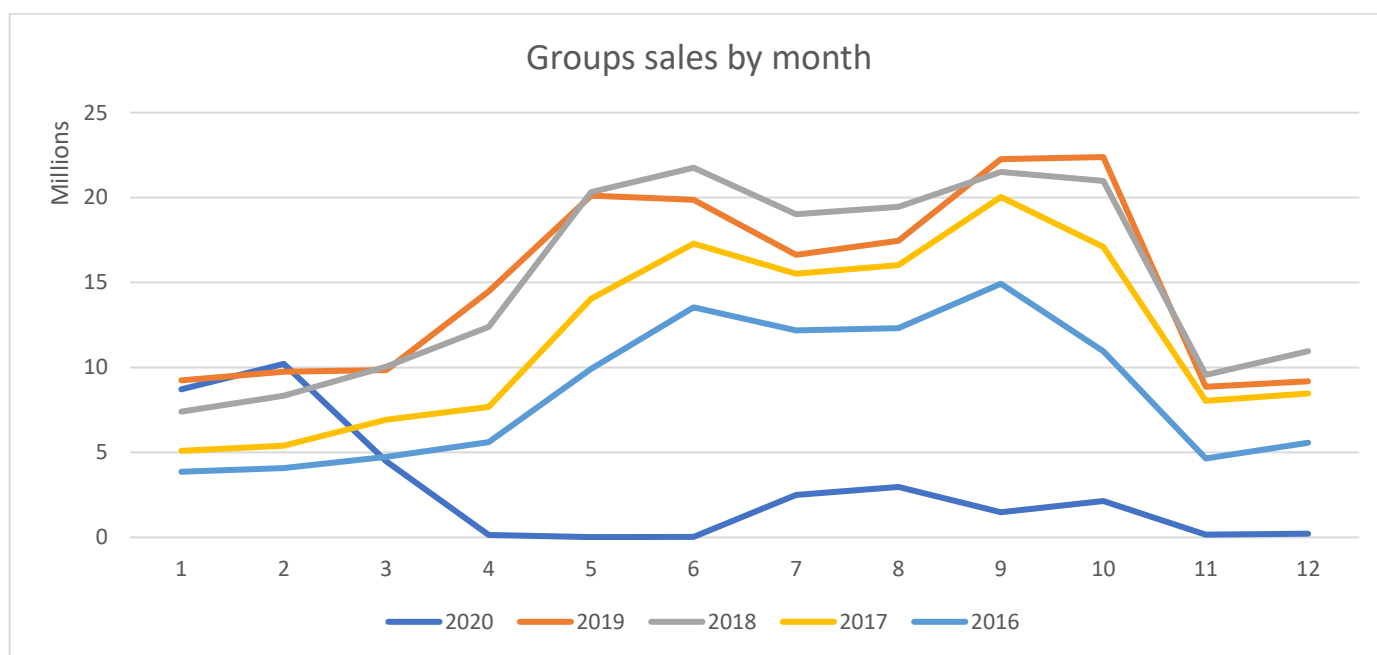
	Q4 2020	Q4 2019	Change, %	12M 2020	12M 2019	Change, %
Flight package tours	2.4	47.8	-94.9	37.5	240.4	-84.4
Sightseeing tours by coach	-	1.1	-	0.5	9.8	-95.3
Sightseeing tours by plane	-	0.6	-	0.2	2.0	-89.7
Other sales (separate flight and hotel services)	1.8	6.2	-70.7	10.3	41.4	-75.2
Total	4.2	55.7	-92.4	48.5	293.6	-83.5

Due to COVID-19 restrictions, flights to such popular summer holiday destinations as Turkey or Bulgaria were not available in 2020. The holiday season in the Greek islands also started later than usual. The most popular winter holiday destinations were Egypt and Tenerife. Winter holiday destinations generated slight increase in demand if compared to 2019 because the first months of 2020 operations were not affected by COVID-19 restrictions.

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

	Q4 2020, %	Q4 2019, %	Change	12M 2020, %	12M 2019, %	Change
Turkey	-	28.8	-	-	38.0	-
Greece	44.2	6.2	+38.0 pp	16.7	11.6	+5.1 pp
Egypt	-	42.5	-42.5 pp	34.2	22.0	+12.2 pp
Bulgaria	-	-	- pp	0.2	7.5	-7.3 pp
Spain (including Canary Islands)	23.5	8.8	+14.7 pp	11.7	5.9	+5.8 pp
Skiing	-	-	-	9.0	2.0	+7.0 pp
Long haul	1.0	5.6	-4.6 pp	12.9	3.7	+9.2 pp
Other destinations	31.3	8.1	+23.2 pp	15.3	9.3	+6.0 pp
Total	100.0	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 December 2020:

Name	Position on the Board	Legal entity and position	Number of shares held in the Company	Start of term
Ugnius Radvila	Member of the Board	-	740,702	2020-06-30
Vidas Paliūnas	Member of the Board	Business Center 32, UAB; – Member of the Management Board	535,278	2020-06-30
Janek Pohla	Member of the Board	Member of the Board of the Estonian Chamber of Commerce and Industry; Tahe Outdoors, OU – member of Management Board; Rendez Vous, OU – member of Management Board and sole owner	800,000	2020-06-30
Andrius Jurkonis	Member of the Board (independent member)	Open type investment fund Axia Capital – fund manager; 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 December 2020:

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

Share capital and shareholders

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

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

Information about trading in AB Novaturas shares from 21 March 2018 to 31 December 2020 on the Nasdaq Vilnius exchange in Lithuania:

	Currency	Opening price	Maximum price	Lowest price	Closing price	Average price	Volume (quantity)	Volume (EUR)
Q1 2018	EUR	11.00	12.40	10.56	10.85	11.38	17,830	202,845
Q2 2018	EUR	10.85	11.37	10.67	11.20	11.01	183,160	2,016,183
Q3 2018	EUR	11.25	12.78	11.05	11.05	11.76	57,065	671,148
Q4 2018	EUR	11.20	11.23	7.90	8.00	8.94	111,267	994,816
Q1 2019	EUR	7.90	8.60	7.90	8.31	8.28	53,408	442,387
Q2 2019	EUR	8.31	8.50	6.80	7.05	8.02	276,376	2,216,747
Q3 2019	EUR	7.15	7.80	6.40	6.55	7.03	61,452	431,871
Q4 2019	EUR	6.55	6.80	4.20	4.30	4.27	1,380,166	5,906,141
Q1 2020	EUR	4.30	4.68	2.12	2.22	3.89	821,795	3,200,535
Q2 2020	EUR	2.20	3.02	1.93	2.32	2.05	4,359,777	8,931,213
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

As of 31 December 2020, the company's market capitalization was EUR 22.95 million and increased by 66.10% in the fourth quarter.

Information about trading in AB Novaturas shares from 21 March 2018 to 31 December 2020 on the "GPW main market" at the Warsaw Stock Exchange in Poland:

	Currency	Opening price	Max price	Lowest price	Closing price	Average price	Volume (quantity)	Volume (PLN)
Q1 2018	PLN	44.13	47.24	41.15	43.95	45.49	24,951	1,125,190
Q2 2018	PLN	43.90	48.00	42.60	48.00	44.70	150,462	6,726,570
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

As of 31 December 2020, the company's market capitalization was PLN 96.80 million and increased by 45.88% during fourth quarter.

Shareholders holding at least 5% of share capital and votes as of 31 December 2020:

Name of the shareholder	Number of shares	Share of authorized capital and total number of votes
Rendez Vous OU	800,000	10.25
Moonrider OU	780,000	9.99
ME Investicija	779,900	9.99
Ugnius Radvila	740,702	9.49
Rytis Šūmakaris	535,278	6.86
Vidas Paliūnas	535,278	6.86
Rondam AS	410,000	5.25
Others (free float)	3,225,842	41.32
Total	7,807,000	100.00

Consolidated statements of comprehensive income

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

	Q4 2020	Q4 2019	Change, %	12 M 2020	12M 2019	Change, %
Sales	2,552	40,152	-93.6	33,106	179,723	-81.6
Cost of sales	(2,049)	(34,426)	-94.0	(29,174)	(157,839)	-81.5
Gross profit	503	5,726	-91.2	3,932	21,884	-82.0
Sales and marketing expenses	(618)	(3,371)	-68.1	(4,070)	(13,751)	-70.4
General and administrative expenses	(940)	(1,512)	-76.4	(2,687)	(4,501)	-40.3
Other operating income	26	110	-76.4	27	112	-75.9
Other operating (expenses)	-	(1)	-	(1)	(3)	-66.7
Profit from operations	(1,029)	952	-	(2,799)	3,741	-
Finance income	145	111	30.6	725	481	50.7
Finance (expenses)	(774)	(284)	172.5	(3,699)	(1,132)	226.8
Profit before tax	(1,658)	779	-	(5,773)	3,090	-
Income tax (expense)	362	2,094	-82.7	783	1,124	-30.3
Net profit	(1,296)	2,873	-	(4,990)	4,214	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Result of changes in cash flow hedge reserve	432	556	-22.3	(756)	1,851	-
Impact of income tax	(66)	(84)	-21.4	113	(278)	-
Total comprehensive income for the year	(930)	3,345	-	(5,633)	5,787	-
Earnings per share (EPS) for continuing operations:						
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)	(0.17)	0.37	-	(0.64)	0.54	-

Consolidated statements of financial position

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

	31 December 2020	31 December 2019
ASSETS		
Non-current assets		
Goodwill	30,327	30,327
Other intangible assets	115	248
Property, plant and equipment	122	208
Right-of-use assets	421	562
Long term receivables	188	220
Deferred income tax asset	935	30
Total non-current assets	32,108	31,595
Current assets		
Inventories	2	4
Prepayments and deferred expenses	7,594	8,973
Trade accounts receivable	117	652
Prepaid income tax	70	175
Other receivables	483	874
Other current financial assets	-	261
Restricted cash	2,300	2,300
Cash and cash equivalents	3,063	4,554
Total current assets	13,629	17,793
Total assets	45,737	49,388
EQUITY AND LIABILITIES		
Equity		
Share capital	234	234
Cash flow hedge reserve	(421)	222
Legal reserve	29	29
Foreign currency translation reserve	145	145
Retained earnings	14,533	19,524
Total equity	14,520	20,154
Liabilities		
Non-current liabilities		
Non-current borrowings	10,057	4,000
Other non-current liabilities	1,066	-
Non-current lease liabilities	257	360
Total non-current liabilities	11,380	4,360
Current liabilities		
Current portion of non-current borrowings	3,059	2,000
Current borrowings	2,737	-
Trade payables	1,422	4,173
Advances received	10,898	14,997
Income tax payable	7	1,253
Other current liabilities and accrued expenses	1,042	2,235
Lease liabilities	176	216
Other current financial liabilities	496	-
Total current liabilities	19,837	24,874
Total equity and liabilities	45,737	49,388

Consolidated statements of changes in equity

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

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Foreign currency translation reserve	Equity attributable to equity holders
Balance as at 31 December 2018	234	29	(1,351)	15,310	145	14,367
Net profit for the year	-	-	-	4,214	-	4,214
Other comprehensive income	-	-	1,573	-	-	1,573
Total comprehensive income			1,573	4,214	-	5,787
Increase in share capital	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Balance as at 31 December 2019	234	29	222	19,524	145	20,154
Net profit for the year	-	-	-	(4,990)	-	(4,990)
Other comprehensive income	-	-	(643)	-	-	(643)
Total comprehensive income			(643)	(4,990)	-	(5,634)
Increase in share capital	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Balance as at 31 December 2020	234	29	(421)	14,534	145	14,520

Consolidated statements of cash flow

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

	12M 2020	12M 2019
Cash flows from (to) operating activities		
Net profit	(4,990)	4,214
Adjustments for non-cash items:		
Depreciation and amortization	243	522
Change in deferred income tax	(905)	(2,805)
Current income tax expenses	10	1,959
Elimination of financial, investment and other non-cash activity results	194	2,087
	(5,448)	5,977
Changes in working capital:		
Decrease in inventories	2	(1)
(Increase) decrease in trade receivables	535	45
(Increase) decrease in other receivables	652	1,093
(Increase) decrease in prepayments and deferred expenses	1,411	(267)
Increase (decrease) in trade payables	(2,751)	(438)
Increase in advances received	(4,099)	738
Increase (decrease) in other accounts payable and accrued expenses	(1,851)	(1,558)
Cash generated from operations	(11,549)	5,589
Income tax paid	-	(679)
Interest (paid)	(837)	(487)
Net cash flows from operating activities	(12,386)	4,423
Cash flows from (to) investing activities		
(Acquisition) of non-current assets (except investments)	(55)	(71)
Proceeds from sale of non-current assets (except investments)	31	36
Net cash flows (to) investing activities	(24)	(35)
Cash flows from financing activities		
Loans received	16,182	-
(Repayment) of loans	(5,263)	(2,000)
Dividends (paid)	-	-
Payments of principal on leases		(237)
Net cash flows (to) financing activities	10,919	(2,237)
Net increase (decrease) in cash flows	(1,491)	2,151
Cash and cash equivalents at the beginning of the year	6,854	4,703
Cash and cash equivalents at the end of period	5,363	6,854

Notes to the financial statements

Information about subsidiaries

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

Company	Country of operations	Shareholding % as of 31 December 2020
Novatours SIA	Latvia	100
Novatours OÜ	Estonia	100
Aviaturas ir Partneriai UAB	Lithuania	100
SRL Novatours Holidays*	Romania	100

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

Sales and marketing expenses

	Q4 2020	Q4 2019	Change, %	12M 2020	12M 2019	Change, %
Commissions	131	2,318	-94.3	1,750	9,791	-82.1
Salaries and related taxes	351	617	-43.1	1,516	2,499	-39.3
Advertising and marketing expenses	62	294	-78.9	472	990	-52.3
Rent and maintenance expenses	45	62	-27.4	*200	67	-
Depreciation and amortization	7	25	-72.0	*34	203	-
Business trips expenses	0	32	-	9	57	-84.2
Communication expenses	8	10	-20.0	29	42	-31.0
Transportation expenses	8	12	-33.3	24	34	-29.4
Representation expenses	0	0	-	8	32	-75.0
Training expenses	0	1	-	1	3	-66.7
Other	6	0	-	27	33	-18.2
Total:	618	3,371	-81.7	4,070	13,751	-70.4

General and administrative expenses

	Q4 2020	Q4 2019	Change, %	12M 2020	12M 2019	Change, %
Salaries and related taxes	151	631	-76.1	994	2,214	-55.1
Rent and maintenance expenses	24	25	-4.0	*89	57	-23.9
Depreciation and amortization	46	48	-4.2	*209	319	-19.3
Business trips expenses	2	11	-81.8	10	77	-87.0
Communication expenses	6	7	-14.3	23	36	-36.1
Consulting expenses	138	105	+31.4	275	267	+3.0
Transportation expenses	12	15	-20.0	36	43	-16.3
Representation expenses	12	49	-75.5	32	276	-88.4
Bad debt expenses	299	-	-	299	-	-
Training expenses	(1)	3	-	5	19	-73.7
Other	251	618	-59.4	715	1,193	-38.6
Total:	940	1,512	-37.8	2,687	4,501	-40.3

In twelve-months of 2020, the Company incurred one-off expenses related to headcount decrease (EUR 76,000) and related to legal cases (EUR 44,000). Additionally, the Company incurred bad debt expenses (EUR 299,000) related to bankruptcy of travel agency "Megaturas". The Company incurred expenses (EUR 30,000) related to termination of the contract by mutual agreement with coach carrier and formed accrual (EUR 120,000) related to takeover and planned closure of daughter company „Aviaturas ir Partneriai“ (both amounts reflected in Other line). Doubtful accrual of subsidy receivable from Egypt (EUR

123,000), was written off by reducing Sales. In the twelve-month of 2020, the total one-offs increased expenses by EUR 569,000 and reduced sales by EUR 123,000.

*At the moment of reporting the Company has not yet reflected impact of IAS 16.

In the twelve-months of 2019, the Company incurred one-off expenses related to legal cases (EUR 82,000) and headcount decrease (EUR 109,000).

Hedging

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

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

	Q4 2020	Q4 2019	Change	12M 2020	12M 2019	Change
Result of closed hedging contracts already reflected in the period statement of comprehensive income	(499)	(30)	(469)	(2,283)	(493)	(1,790)
				31 December 2020	31 December 2019	
Market value of existing hedges at the end of the period				(495)		261

Borrowings and Off-balance sheet commitments

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

	31 December 2020	31 December 2019
Long term borrowings		
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 3.8%	6,000	6,000
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 4.0%	5,000	-
UAB „Investicijų ir verslo garantijos“ loan, annual interest rate 1.69%	1,000	-
Altum loan, annual interest rate 2.9%	1,000	-
Current portion of non-current borrowings	(2,943)	(2,000)
Total non-current borrowings	10,057	4,000
	31 December 2020	31 December 2019
Current borrowings		
AS Luminor Bank overdraft, annual interest rate of 3-month EURIBOR + 4.0 %	2,737	-
Total current borrowings	2,737	-

Off-balance sheet commitments:

Bank guarantee	Total Limit at 31 December 2020	Used limit at 31 December 2020
AB Luminor Bank annual interest rate of 3-month EURIBOR + 2.5%	7,000	5,000

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

Related party transactions

During the twelve-month period ended 31 December 2020, total payments of EUR 28,000 were made to Supervisory Council members.

During the twelve-month period ended 31 December 2020, total payments of EUR 47,000 (of which EUR 23,000 during the fourth quarter) 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, 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 twelve month period ended 31 December 2020, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the consolidated group's assets, liabilities, financial position, profit or loss, and cash flows.

Audronė Keinytė
CEO

Tomas Staškūnas
CFO