



**AB NOVATURAS**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND  
CONSOLIDATED INTERIM REPORT

**for the six-month period ended 30 June 2018**  
**(unaudited)**

Beginning of reporting period	1 January 2018
End of reporting period	30 June 2018
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

### 2018 first-half highlights:

- Novaturas's turnover in the first half of 2018 was EUR 80.2 mln, or 43% more than in the same period of 2017.
- Gross profit amounted to EUR 14.1 mln and was 36% higher than in the same period of 2017.
- Operating expenses amounted to EUR 8.4 mln, or 35% more than in the same period of 2017. Excluding the impact of commissions and one-time expenses, operating costs increased by 15% from the same period a year earlier.
- EBITDA amounted to EUR 5.9 mln and was 36% larger than in the same period of 2017.
- The effective tax rate in the first half of 2018 was 18.7%, compared to 9% in the same period of 2017. The main reason was dividends the Estonian subsidiary paid to the parent company which resulted in a tax payment of roughly EUR 600,000 in Estonia.
- Novaturas had a net profit of EUR 4.4 mln, which is 24% more than in the same period of 2017.
- In the first half of 2018, the Company served 134,463 clients, 42% more than in the same period of 2017.

### 2018 second-quarter highlights:

- Novaturas's turnover in the second quarter of the year was EUR 54.4 mln, or 40% more than in the same period of 2017.
- Gross profit amounted to EUR 9.3 mln and was 23% higher than in the same period of 2017.
- Operating expenses totaled EUR 4.8 mln, 30% more than in the same period of 2017. Excluding the impact of commissions and one-time expenses, operating costs increased by 11% from the same period a year earlier.
- EBITDA amounted to EUR 4.6 mln and was 15% larger than in the same period of 2017.
- The effective tax rate in the period was 20.5%, compared to 7.4% in the same period of 2017. The main reason was dividends the Estonian subsidiary paid to the parent company, which resulted in a tax payment of roughly EUR 600,000 in Estonia.
- Novaturas had a net profit of EUR 3.5 mln, which is 2% more than in the same period of 2017.
- In the second quarter of 2018, the Company served 96,825 clients, 39% more than in the same period of 2017.

### Management Comment:

Both the half- year and second- quarter results surpassed the last year same period results for the same periods last year.

Our main product remains flight package tours. The most popular destinations remain Turkey and Greece for the summer season and Egypt for the winter season. For each season we introduce new destinations on the market or reintroduce some old ones. For the summer of 2018 we added Tunisia, and for the upcoming winter season we have added Jordan and Cuba. The wide variety of destinations in our portfolio lets us satisfy our clients' diverse needs. Strong growth in demand for Turkey as a destination increased Turkey's share in our portfolio to 34% in the first half of the year. Other destinations also grew during the reporting period.

The number of clients served grew in all source markets where Novaturas operates. The strongest growth was recorded in the Belarusian market, where the number of clients rose 86%. We do not fly from Belarus but rather sell our Lithuanian products through Belarusian agencies. The Lithuanian source market grew 43% while the Latvian market grew by 43% and the Estonian market was up 38% compared to last year.

Passenger growth was strongest for flight package tours, at 49%, with a growth rate of 26% for other products. The other products passengers bought were mainly flight tickets for charter flights we operate. Our flight tickets are sold through travel agencies and also via the GDS channel, reaching very diverse types of travelers. Sightseeing tours by plane grew by 5%. We are currently offering this type of product mainly in the Lithuanian market.

Travel agencies' share in our sales increased by 1.3 percentage points to 72.1%. Instead of our own retail share (decreased by 2 percentage points to 11.8%), we have mainly focused on growing web sales. Web sales' share rose by 0.6 percentage points in the first half of the year to 14.5% and GDS sales increased by 0.1 percentage points to 1.6%. Just as planned, in June we introduced a new version of the Company's webpage in all three countries where we operate. The responsive design of the webpage is much better suited to mobile devices, which are being used more and more not only to search for information but also to make purchases on the internet.

We kept our operating expenses under control during the first half of the year. They grew at a much slower pace than sales growth, increasing the efficiency of the Company. Direct marketing expenditures were 0.8% of sales, similar to last year's level. Salaries and related items increased by 12% over the same period last year. Excluding the impact of commissions and one-off spending, operating expenses increased by 15% compared with the first half of last year. One-time expenses, incurred mainly in the IPO, amounted to EUR 391,000. Including one-time costs, operating costs less commissions paid rose by 27%. Total costs, including commissions, grew by 35%. Commission expenses remained stable at 5.2% of sales.

Profit tax expenses include EUR 600,000 paid in Estonia on dividends paid by the subsidiary there to the parent company. Legislation in Estonia allows companies that regularly pay dividends to their parents to gradually reduce their dividend tax rate from 20% to 14%. As this was the first year we paid a dividend, the tax rate was 20%.

Other current financial assets mainly consist of restricted cash (EUR 4.6 mln), which is used to issue guarantees covering prepayments received from customers as required by the law in each country of operations. The remaining amount of other financial assets is the market value of open hedge contracts. The cash level was lower mainly because restricted cash was reported under a different line.

Company by 30 June 2018 had paid back in full the overdraft which it partly used during the first half of the year. Long-term loan amortization is in accord with the agreement and EUR 0.5 mln of loans have already been repaid. The high level of advances received from customers was due to a strong increase in passenger volumes and very good advanced sales at the end of the period.

## Main ratios

Financial ratios	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
Revenue	54,394	38,886	+39.9%	80,239	56,194	+42.8%
Gross profit	9,312	7,508	+22.5%	14,113	10,392	+35.8%
EBITDA	4,588	4,144	+14.7%	5,875	4,478	+35.6%
Operating profit (EBIT)	4,526	3,920	+15.5%	5,741	4,168	+37.7%
Profit before taxes	4,347	3,672	+18.4%	5,417	3,886	+39.4%
Net profit	3,457	3,402	+1.6%	4,402	3,538	+24.4%

Relative indicators	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
Number of shares	7,807,000	7,807,000	-	7,807,000	7,807,000	-
Profit per share (EUR)	0.44	0.44	-	0.56	0.45	+0.11
Gross profit margin (%)	17.1%	19.6%	-2.5pp	17.6%	18.5%	-0.9pp
EBITDA margin (%)	8.4%	10.3%	-1.9pp	7.3%	7.7%	-0.4pp
Operating profit (EBIT) margin (%)	8.3%	10.1%	-1.8pp	7.2%	7.4%	-0.2pp
Profit before taxes margin (%)	8.0%	9.4%	-1.4pp	6.8%	6.9%	-0.1pp
Net profit margin (%)	6.4%	8.7%	-2.3pp	5.5%	6.3%	-0.8pp
Return on assets (ROA) (%)	5.9%	6.0%	-0.1pp	7.5%	6.2%	+1.3pp
Debt to equity ratio (%)	48.4%	103.2%	-54.9pp	48.4%	103.2%	-54.9pp
Equity ratio (%)	33.6%	23.9%	+9.7pp	33.6%	23.9%	+9.7pp
Effective tax rate (%)	20.5%	7.4%	+13.1pp	18.7%	9.0%	+9.8pp
Current ratio	0.98	0.81	+0.17	0.98	0.81	+0.17

## 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 (flight tickets, hotels, block seats sale to other operators, own agencies commissions)

	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
<b>Flight package tours</b>						
Sales	48,113	33,200	44.9%	69,638	48,042	45.0%
Cost of sales	(39,194)	(26,045)	50.5%	(56,128)	(38,195)	47.0%
<b>Gross profit</b>	<b>8,919</b>	<b>7,155</b>	<b>24.7%</b>	<b>13,510</b>	<b>9,847</b>	<b>37.2%</b>
Gross profit margin%	18.5%	21.6%	-3.1%	19.4%	20.5%	-1.1%
Sales commission expenses	(2,825)	(1,926)	46.7%	(4,107)	(2,811)	46.1%
<b>Sales profit by segment</b>	<b>6,094</b>	<b>5,229</b>	<b>16.5%</b>	<b>9,403</b>	<b>7,036</b>	<b>33.6%</b>
Sales profit margin %	12.7%	15.8%	-3.1%	13.5%	14.6%	-1.1%
<b>Sightseeing tours by coach</b>						
Sales	1,089	1,467	-25.8%	1,291	1,585	-18.5%
Cost of sales	(984)	(1,294)	-24.0%	(1,170)	(1,443)	-18.9%
<b>Gross profit</b>	<b>105</b>	<b>173</b>	<b>-39.3%</b>	<b>121</b>	<b>142</b>	<b>-14.8%</b>
Gross profit margin%	9.6%	11.8%	-2.2%	9.4%	9.0%	0.4%
Sales commission expenses	(46)	(69)	-33.3%	(51)	(75)	-32.0%
<b>Sales profit by segment</b>	<b>59</b>	<b>104</b>	<b>-43.3%</b>	<b>70</b>	<b>67</b>	<b>4.5%</b>
Sales profit margin %	5.4%	7.1%	-1.7%	5.4%	4.2%	1.2%
<b>Sightseeing tours by plane</b>						
Sales	500	505	-1.0%	751	692	8.5%
Cost of sales	(405)	(418)	-3.1%	(600)	(572)	4.9%
<b>Gross profit</b>	<b>95</b>	<b>87</b>	<b>9.2%</b>	<b>151</b>	<b>120</b>	<b>25.8%</b>
Gross profit margin%	19.0%	17.2%	1.8%	20.1%	17.3%	2.8%
Sales commission expenses	(24)	(22)	9.1%	(41)	(34)	20.6%
<b>Sales profit by segment</b>	<b>71</b>	<b>65</b>	<b>9.2%</b>	<b>110</b>	<b>86</b>	<b>27.9%</b>
Sales profit margin %	14.2%	12.9%	1.3%	14.6%	12.4%	2.2%
<b>Other products</b>						
Sales	4,692	3,714	26.3%	8,559	5,875	45.7%
Cost of sales	(4,499)	(3,525)	27.6%	(8,228)	(5,592)	47.1%
<b>Gross profit</b>	<b>193</b>	<b>189</b>	<b>2.1%</b>	<b>331</b>	<b>283</b>	<b>17.0%</b>
Gross profit margin%	4.1%	5.1%	-1.0%	3.9%	4.8%	-0.9%
Sales commission expenses	-	-	-	-	-	-
<b>Sales profit by segment</b>	<b>193</b>	<b>189</b>	<b>2.1%</b>	<b>331</b>	<b>283</b>	<b>17.0%</b>
Sales profit margin %	4.1%	5.1%	-1.0%	3.9%	4.8%	-0.9%

In the first half of 2018, sales of flight package tours accounted for the largest part of sales and profits. Sightseeing tours by coach and by planes remained small products, while other activities sales increased significantly but with limited impact on the overall profit earned.

## Geographic and other sales split information

As previously, in the first half of 2018 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 working with over 400 travel agencies, including all of the major agencies in the Baltics and more than 60 in Belarus. E-commerce sales are via Company websites. During first half of 2018, the Company's Company websites were visited by 2.06 million unique visitors, which is 27% more than the 1.62 million unique visitors in the first half of 2017.

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 airlineair tickets.

The table below shows a breakdown of revenue by distribution channels. Web sales' share increased by 0.6 percentage points due to easier access and our customers' changing habits.

The breakdown of revenue by distribution channels was as follows:

	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>Change</b>	<b>6M 2018</b>	<b>6M 2017</b>	<b>Change</b>
Travel agencies	72.5%	71.2%	+1.3 pp	72.1%	70.8%	+1.3 pp
Own retail	11.5%	12.9%	-1.4 pp	11.8%	13.8%	-2.0 pp
Web sales	14.5%	14.3%	+0.2 pp	14.5%	13.9%	+0.6 pp
GDS	1.5%	1.6%	-0.1 pp	1.6%	1.5%	+0.1 pp
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	

The strongest growth so far this year was on the Belarussian market (shown under 'Other'). Passenger growth for all major source markets remained very strong in the second quarter and for the full half-year period. Market strength was mainly influenced by people's increasing disposable income. The Company's rate of passenger growth is similar to that in the overall market.

Passenger sales of the group by source market were as follows (in thousands of passengers):

	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>Change</b>	<b>6M 2018</b>	<b>6M 2017</b>	<b>Change</b>
Lithuania	56.7	41.3	+37.3%	74.2	51.8	+43.0%
Latvia	16.3	11.4	+43.6%	24.7	17.3	+43.3%
Estonia	23.1	16.7	+37.7%	34.8	25.2	+38.1%
Other	0.7	0.4	+93.9%	0.8	0.4	+85.6%
<b>Total</b>	<b>96.8</b>	<b>69.8</b>	<b>+38.7%</b>	<b>134.5</b>	<b>94.7</b>	<b>+41.9%</b>

The Company's main product is flight package tours, which was also the fastest growing segment. The group's passenger sales by product category were as follows (in thousands of passengers):

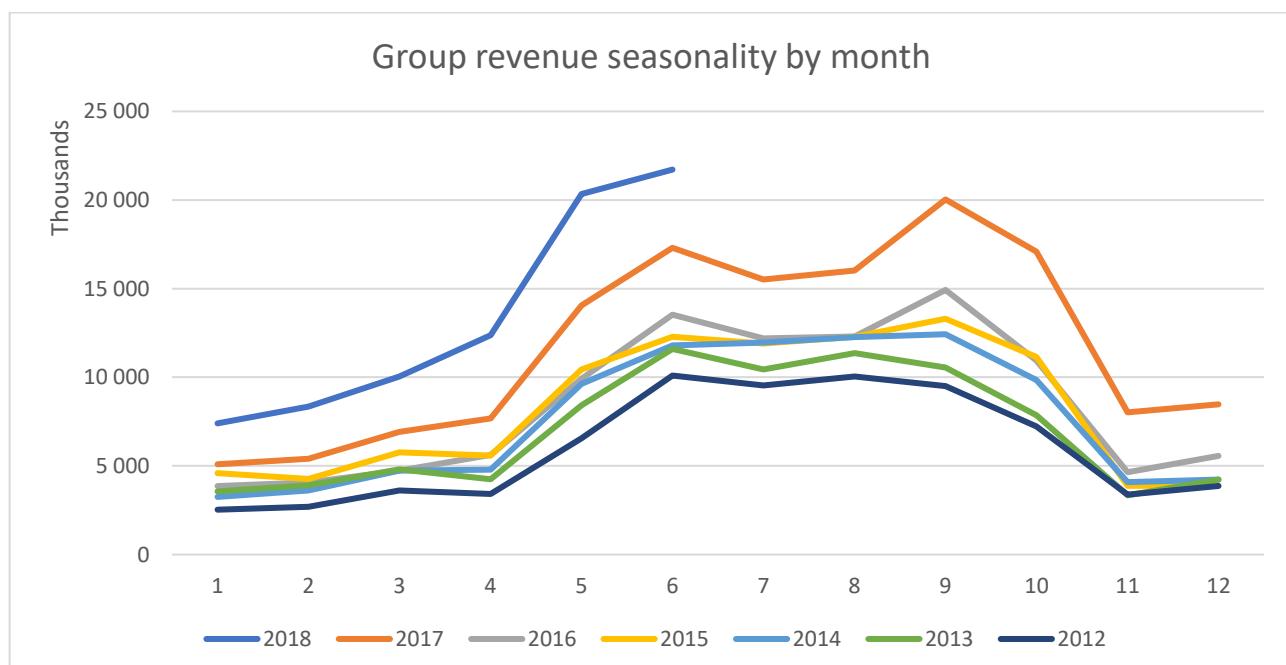
	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>Change</b>	<b>6M 2018</b>	<b>6M 2017</b>	<b>Change</b>
Flight package tours	83.0	56.2	+48.0%	113.6	76.0	+49.2%
Sightseeing tours by coach	3.2	4.5	-30.4%	3.9	5.0	-21.9%
Sightseeing tours by plane	0.4	0.5	-19.7%	0.7	0.7	+5.0%
Other products (separate flight and hotel services)	10.2	8.6	+18.0%	16.3	13.0	+25.6%
<b>Total</b>	<b>96.8</b>	<b>69.8</b>	<b>+38.7%</b>	<b>134.5</b>	<b>94.7</b>	<b>+41.9%</b>

The shares of Turkey and Egypt in the destination mix increased as political uncertainty in those countries decreased. Turkey remains the most popular destination during summer in Company source markets, as does Egypt during winter. The other destinations with the highest demand are Greece, Bulgaria and Spain. Long-haul destinations are becoming more important each year as the number of destinations offered by Company increases and demand growth remains strong. Other Destinations, with a significant part of the Company's portfolio, meet the demand of frequent travelers for new destinations each season.

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

	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>6M 2018</b>	<b>6M 2017</b>
Turkey	49.4%	39.3%	34.0%	27.2%
Greece	18.0%	25.7%	12.4%	17.8%
Egypt	8.0%	7.0%	20.7%	15.8%
Bulgaria	7.2%	10.0%	4.9%	6.9%
Spain (including Canary Islands)	6.4%	7.9%	9.7%	13.0%
Skiing	-	-	4.1%	5.5%
Long haul	-	0.1%	4.7%	4.0%
Other destinations	11.0%	10.0%	9.5%	9.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Group monthly revenue seasonality was as follows:



## Information about the Supervisory Council and the Board

According to the Company's Articles of Association, the Supervisory Council is comprised of five members elected for a term of three years. Two independent members were elected to the Supervisory Council at the General Shareholders Meeting held on 7 May 2018.

The Company's Board is comprised of four members elected for a term of three years. The Chairman of the Board is elected by the Board from among its members. The Board also appoints the CEO after receiving prior approval from the Supervisory Council. Currently, the positions of Chairman of the Board and CEO are held by the same person – Linas Aldonis.

Information about the Supervisory Council as of 30 June 2018:

Name	Position in the Council	Legal person and position	Number of shares held in the Company	The beginning of the term
Sebastian Janusz Król	Chairman of the Supervisory Council	Danwood S.A.; Danwood Holdings sp. z o.o.; Janton S.A. – Chairman of the Supervisory Council; Zevin Investments Sp. z o.o.; Daphnee Investments Sp. z o.o. – member of the management Board; Enterprise Investors Sp zo.o. – Vice president; Stowarzyszenie Lipków –Eko – president; Warszawsko-Mazowiecki Związek Jeździecki – member of the Supervisory Council	No direct ownership, represents shareholder owing 3,700,874 shares	2018-02-09
Ugnius Radvila	Member of the Supervisory Council, member of the Remuneration Committee	-	740,702	2018-02-09
Vidas Paliūnas	Member of the Supervisory Council, Chairman of the Remuneration Committee, Chairman of the Audit Committee	Business center 32, UAB; – member of the management Board	535,278	2018-02-09
Franz Leitner	Member of the Supervisory Council, member of the Audit Committee (independent member)	Leitner-Consulting – Managing director; Sportscon Ltd. – Managing partner	-	2018-05-07
Piotr Nowjalis	Member of the Supervisory Council, member of the Remuneration Committee, member of the Audit Committee (independent member)	CCC S.A. – member of the Supervisory Board; Dino Polska S.A. – member of the Supervisory Board; Syneklik S.A. – member of the Supervisory Board	-	2018-05-07

Information about the Board as of 30 June 2018:

Name	Position within the Company	Number of shares held in the Company	The beginning of the term
Linas Aldonis	Chairman of the Board, CEO	117,480	2018-02-09
Tomas Staškūnas	Member of the Board, CFO	58,192	2018-02-09
Birutė Čepanskienė	Member of the Board, Production Director	-	2018-02-09
Audronė Keinytė	Member of the Board, Purchasing Director	-	2018-02-09

## Share capital and shareholders

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

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

Information about trading in AB Novaturas shares from 21 March 2018 to 30 June 2018 on the Nasdaq Vilnius exchange in Lithuania:

	Currency	Opening price	Max 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

As of 30 June 2018, the Company's market capitalization was EUR 87.44 million and increased by 3.22% in the second quarter.

Information about trading in AB Novaturas shares from 21 March 2018 to 30 June 2018 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	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

As of 30 June 2018, the Company's market capitalization was PLN 374.74 million and, calculated in PLN, increased by 9.22% during second quarter.

Shareholders holding at least 5% of share capital and votes as of 30 June 2018:

Name of the shareholder	Number of shares	Share of the share capital
Central European Tour Operator S.a.r.l.	3,700,874	47.40%
Ugnius Radvila	740,702	9.49%
Rytis Šumakaris	535,278	6.86%
Vidas Paliūnas	535,278	6.86%
Others	2,294,868	29.39%
<b>Total</b>	<b>7,807,000</b>	<b>100.00%</b>

## Consolidated statements of comprehensive income

	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>Change</b>	<b>6M 2018</b>	<b>6M 2017</b>	<b>Change</b>
Sales	54,394	38,886	+39.9%	80,239	56,194	+42.8%
Cost of sales	(45,082)	(31,282)	+44.1%	(66,126)	(45,802)	+44.4%
<b>Gross profit</b>	<b>9,312</b>	<b>7,604</b>	<b>+22.5%</b>	<b>14,113</b>	<b>10,392</b>	<b>+35.8%</b>
Operating (expenses)	(4,800)	(3,681)	+30.4%	(8,384)	(6,219)	+34.8%
Other operating income	14	-	N/A	14	-	N/A
Other operating (expenses)	-	(3)	-100.0%	(2)	(5)	-60.0%
<b>Profit from operations</b>	<b>4,526</b>	<b>3,920</b>	<b>+15.5%</b>	<b>5,741</b>	<b>4,168</b>	<b>+37.7%</b>
Finance income	72	230	-68.7%	316	352	-10.2%
Finance (expenses)	(251)	(478)	-47.5%	(640)	(634)	+0.9%
<b>Profit before tax</b>	<b>4,347</b>	<b>3,672</b>	<b>+18.4%</b>	<b>5,417</b>	<b>3,886</b>	<b>+39.4%</b>
Income tax (expense)	(890)	(270)	+229.6%	(1,015)	(348)	+191.7%
<b>Net profit</b>	<b>3,457</b>	<b>3,402</b>	<b>+1.6%</b>	<b>4,402</b>	<b>3,538</b>	<b>+24.4%</b>
Other comprehensive income, to be reclassified to profit or loss in subsequent periods						
Result of changes in cash flow hedge reserve	548	(935)		674	(935)	
Impact of income tax	(82)	140		(101)	140	
<b>Total comprehensive income for the year</b>	<b>3,923</b>	<b>2,607</b>		<b>4,975</b>	<b>2,743</b>	
Earnings per share	0.44	0.44	+0.00	0.56	0.45	+0.11

## Consolidated statements of financial position

	30 June 2018	31 December 2017	30 June 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	30,327	30,327	30,327
Other intangible assets	483	448	398
Property, plant and equipment	300	297	332
Long term receivables	62	56	60
Deferred income tax asset	6	6	5
<b>Total non-current assets</b>	<b>31,178</b>	<b>31,134</b>	<b>31,122</b>
<b>Current assets</b>			
Inventories	1	1	2
Prepayments and deferred expenses	9,831	5,940	11,874
Trade accounts receivable	757	522	1,193
Prepaid income tax	1	101	179
Other receivables	3,362	2,202	2,222
Other current financial assets	5,844	569	-
Cash and cash equivalents	7,451	9,984	10,152
<b>Total current assets</b>	<b>27,247</b>	<b>19,319</b>	<b>25,622</b>
<b>Total assets</b>	<b>58,425</b>	<b>50,453</b>	<b>56,744</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	234	226	226
Cash flow hedge reserve	1,057	484	(795)
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	18,179	13,785	13,957
<b>Equity attributable to equity holders of the parent</b>	<b>19,644</b>	<b>14,669</b>	<b>13,562</b>
<b>Liabilities</b>			
Non-current borrowings	8,000	-	9,263
Deferred income tax liabilities	3,040	2,606	2,180
<b>Total non-current liabilities</b>	<b>11,040</b>	<b>2,606</b>	<b>11,443</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	1,500	14,000	4,737
Trade payables	3,387	3,882	8,140
Advances received	20,400	12,102	17,127
Income tax payable	200	296	63
Other current liabilities and accrued expenses	2,254	2,898	1,672
<b>Total current liabilities</b>	<b>27,741</b>	<b>33,178</b>	<b>31,739</b>
<b>Total equity and liabilities</b>	<b>58,425</b>	<b>50,453</b>	<b>56,744</b>

## Consolidated statements of changes in equity

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Foreign currency translation reserve	Equity attributable to equity holders
<b>Balance as of 31 December 2016</b>	<b>226</b>	<b>29</b>	<b>299</b>	<b>15,134</b>	<b>145</b>	<b>15,833</b>
Net profit for the year	-	-	-	8,151	-	8,151
Other comprehensive income	-	-	185	-	-	185
Dividends approved	-	-	-	(9,500)	-	(9,500)
<b>Balance as of 31 December 2017</b>	<b>226</b>	<b>29</b>	<b>484</b>	<b>13,785</b>	<b>145</b>	<b>14,669</b>
Increase of share capital from own funds	8	-	-	(8)	-	-
Net profit for the year	-	-	-	4,402	-	4,402
Other comprehensive income	-	-	573	-	-	573
Dividends approved	-	-	-	-	-	-
<b>Balance as of 30 June 2018</b>	<b>234</b>	<b>29</b>	<b>1,057</b>	<b>18,179</b>	<b>145</b>	<b>19,644</b>

## Consolidated statements of cash flow

	6M 2018	6M 2017
Cash flows from (to) operating activities		
Net profit	4,402	3,538
Depreciation and amortization	134	166
Allowance for doubtful receivables and prepayments made	-	-
Change in deferred income tax	420	145
Current income tax expenses	696	63
Elimination of financial, investment and other non-cash activity results	1,040	(703)
 Changes in working capital:	 6,692	 3,209
Decrease in inventories	-	-
(Increase) decrease in trade receivables	(235)	(760)
(Increase) decrease in other receivables	(6,435)	685
(Increase) decrease in prepayments and deferred expenses	(3,897)	(8,844)
Increase (decrease) in trade payables	(495)	5,010
Increase in advances received	8,298	9,139
Income tax paid	(878)	90
Increase (decrease) in other accounts payable and accrued expenses	(644)	390
<b>Net cash flows from operating activities</b>	<b>2,406</b>	<b>8,919</b>
 Cash flows from (to) investing activities	 	 
(Acquisition) of non-current assets (except investments)	(171)	(133)
Proceeds from sale of non-current assets (except investments)	-	-
Interest received	-	-
Collected loans	-	-
<b>Net cash flows (to) investing activities</b>	<b>(171)</b>	<b>(133)</b>
 Cash flows from financing activities	 	 
Loans received	-	-
(Repayment) of loans	(4,500)	-
Interest (paid)	(268)	(280)
Dividends (paid)	-	(5,000)
Acquisition of non-controlling interest	-	-
<b>Net cash flows (to) financing activities</b>	<b>( 4,768)</b>	<b>(5,280)</b>
 <b>Net increase (decrease) in cash flows</b>	<b>(2,533)</b>	<b>3,506</b>
 <b>Cash and cash equivalents at the beginning of the year</b>	<b>9,984</b>	<b>6,646</b>
 <b>Cash and cash equivalents at the end of 30 June</b>	<b>7,451</b>	<b>10,152</b>

## Notes to the financial statements

### Information about subsidiaries

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

Company	Country of operations	Share of the capital held as of 30 June 2018
Novatours SIA	Latvia	100 %
Novatours OÜ	Estonia	100 %
Aviaturas ir Partneriai UAB	Lithuania	100 %
SRL Novatours Holidays*	Romania	100 %

\* The activities of the subsidiary in Romania were suspended in 2009 and have not been renewed since that time.

### Operating expenses

	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
Commissions	2,895	2,017	+43.5%	4,199	2,920	+43.8%
Salaries and related taxes	1,043	937	+11.3%	2,098	1,873	+12.0%
Advertising and marketing expenses	302	159	+89.9%	645	474	+36.1%
Rent and maintenance expenses	76	76	-	162	157	+3.2%
Depreciation and amortization	63	79	-20.3%	134	166	-19.3%
Business trips expenses	38	30	+26.7%	74	58	+27.6%
Communication expenses	24	23	+4.3%	46	45	+2.2%
Consulting expenses	93	32	+190.6%	334	45	+642.2%
Transportation expenses	29	41	-29.3%	53	69	-23.2%
Representation expenses	25	26	-3.8%	55	49	+12.2%
Bad debt expenses	9	-	N/A	9	-	N/A
Training expenses	6	3	+100.0%	11	9	+22.2%
Other	197	258	-23.6%	564	354	+59.3%
<b>Total:</b>	<b>4,800</b>	<b>3,681</b>	<b>+30.4%</b>	<b>8,384</b>	<b>6,219</b>	<b>+34.8%</b>

In the first half of 2018, the Company incurred one-off expenses related to the IPO (EUR 286,000) and legal costs (EUR 105,000, of which EUR 52,000 during the second quarter). Total one-off expenses amounted to EUR 391,000. These costs are reflected in the consulting and other expenses lines.

Changes were made to first quarter 2017 numbers, decreasing 'Salaries and related taxes' by EUR 41,000 and decreasing 'Business trip expenses' by EUR 55,000, while increasing 'Cost of sales' by EUR 96,000. Both changes are already reflected in the six-month numbers for 2017 and were related to improper presentation of some expenses for representatives abroad (for both 2018 and 2017 these expenses are presented under 'Cost of sales').

### 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 (all numbers are in thousands of EUR):

	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>Change</b>	<b>6M 2018</b>	<b>6M 2017</b>	<b>Change</b>
Result of closed hedging contracts already reflected in the period statement of comprehensive income	708	(128)	+836	713	(40)	+753
	<b>30 June 2018</b>	<b>31 December 2017</b>		<b>30 June 2017</b>		
Market value of existing hedges at the end of the period	1,244	569		(935)		

## Borrowings

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

<b>Long term borrowings</b>	<b>30 June 2018</b>	<b>31 December 2017</b>	<b>30 June 2017</b>
AB Luminor Bank loan, annual interest rate of 3-month EURIBOR + 3.5%	9,500	14,000	14,000
Current portion of non-current borrowings	(1,500)	(14,000)	-
Total non-current borrowings	8,000	-	14,000

As of 30 June 2018 the Company had no current borrowings.

Off-balance sheet commitments:

<b>Bank guarantee</b>	<b>Total Limit at 30 June 2018</b>	<b>Used limit at 30 June 2018</b>
AB Luminor Bank guarantee agreement, annual interest rate of 3-month EURIBOR + 1.7%	8,000	8,000

Bank guarantees are used to ensure the travel organizer's obligations in Lithuania, Latvia and Estonia. In addition to the guarantees issued under the guarantee agreement, as of 30 June 2018 the Company had outstanding guarantees in the amount of EUR 2.5 million in the form of 100% deposits.

## Related party transactions

During the six-month period ended 30 June 2018, total payments of EUR 16,000 (of which EUR 11,000 during the second quarter) were made to Supervisory Council members. No related party payments were made in the six-month period ended 30 June 2017.

## 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, Linas Aldonis, the CEO of AB Novaturas, and Tomas Staškūnas, the CFO of AB Novaturas, hereby confirm that, to the best of our knowledge, the unaudited AB Novaturas Interim Consolidated Financial Statements for the six-month period ended 30 June 2018, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, gives a true and fair view of the consolidated group's assets, liabilities, financial position, profit or loss, and cash flows.

Linas Aldonis  
CEO

Tomas Staškūnas  
CFO

## Interim Consolidated Report

### Reporting period

January-June 2018.

### Issuer and its contact details

Name of the Issuer	AB Novaturas (hereinafter – ‘the Company’)
Legal form	Public company
Date of registration	16 December 1999
Name of the Register of Legal Entities	State Enterprise Centre of Registers
Company code	135567698
LEI code	097900BGCW0000042109
Registered office	A. Mickevičiaus str. 27, LT-44245 Kaunas
Telephone number	+370 37 321 264
Fax number	+370 37 321 130
E-mail address	info@novaturas.lt
Internet address	www.novaturasgroup.com

### Main activities of the Company

We are the largest tour operator in the Baltic region, with a strong market position that we have built up over time since 1999. Our advantages include a strong position in a developing market, a well-recognized brand, high customer loyalty and very good relations with tourism agencies and service providers, thanks to which Novaturas can provide its customers with a diverse and attractively priced offering.

Our product portfolio includes fully organized summer and winter package holidays as well as sightseeing tours by coach and plane to more than 30 destinations worldwide, including the most popular holiday resorts in Southern Europe as well as selected locations in North Africa, the Middle East, Asia and Latin America. We also sell flight tickets and hotel accommodations, thanks to which we are able to reach an extensive group of customers with diverse preferences.

We operate in Lithuania, Latvia and Estonia, where we are the undisputed leader in the organized chartered flights market. We also sell our products via external partners on the promising Belarussian market, which offers opportunities for future expansion. Overall, we have a reach of more than 15 million potential customers (some 6.2 million people in Baltic countries and about 9.5 million in Belarus).

Our products are available through diversified and complementary distribution channels. We work with over 400 travel agencies, including all of the major agencies in the Baltics and more than 60 in Belarus. We have our own sales offices in the main cities of Lithuania, Latvia and Estonia. We are also investing in developing our e-commerce channel. Online sales go through our customized websites and via the international platform GDS (Global Distribution Systems).

Our product portfolio is diversified in terms of types of tours, prices and destinations. This diversification allows us to offer products that are adapted to the needs and expectations of diverse customer groups. This lets us maintain a presence in nearly all market segments and effectively respond to changing customer preferences.

**Flight package tours.** Flight package tours are the main part of our offering. They include holiday trips to popular summer resorts in Europe (in the Mediterranean Sea region), North Africa and Asia, as well as to the most popular European winter destinations in Italy, France and Andorra. Customers receive a full range of services, including flights, transfer from airport to hotel, accommodation, a round-the-clock resident tour guide, and attractions during the stay, including full-day excursions during the summer.

**Sightseeing trips by plane.** These are long-distance round trips by plane, including to Asia and South America, using both chartered and regular flights from Vilnius. We provide the flights, accommodations, sightseeing tours by coach and a full-time tour guide who stays with the tourists during the entire trip, providing them with information on the country and the available attractions.

**Sightseeing trips by coach.** These are sightseeing trips to European destinations, including Poland, Germany, France, Italy, Austria, Croatia and Greece. The round trips by coach are organized from Lithuania. We provide transport by coach, accommodations, sightseeing by coach and a tour guide who stays with the tourists during the entire trip.

**Other products.** Our other products include flight tickets and hotel bookings online. We sell these to retail clients as well as to other tour operators who are often interested in booking seats on the most popular chartered flight routes.

## 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	Share of the stock held by the Group
		30 June 2018
Novatours SIA	Latvia	100%
Novatours OÜ	Estonia	100%
Aviaturas ir Partneriai UAB	Lithuania	100%
SRL Novatours Holidays*	Romania	100%

\* The activities of the subsidiary in Romania were suspended in 2009 and have not been renewed since that time.

## Data about securities traded on a regulated market

The Nasdaq Vilnius stock exchange is the home market for the Company's shares. Since 21 March 2018, the Company's ordinary shares have been dual-listed on the Nasdaq Vilnius exchange and the Warsaw Stock Exchange.

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

Type of shares	Number of shares	Nominal value (in EUR)	Total nominal value (in EUR)	Issue code
Ordinary registered shares	7,807,000	0.03	234,210	LT0000131872

## Information about related party transactions

The Company's transactions with related parties are disclosed in the Notes to the Financial Statements.

## Risk management

### Credit risk

The Company's credit risk is relatively low as customers are required to pay for tours before the tours start. Besides that, credit limits are granted to the travel agencies that carry out the majority of sales. The main purpose of the credit limits is to ensure timely payments. If a credit limit is exceeded, the Company's reservation system automatically blocks sales.

The Company does not guarantee the obligations of other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the statement of financial position. Consequently, the Company considers that its maximum exposure is reflected by the amount of trade and other receivables, net of allowance for doubtful accounts recognized at the statement of financial position.

### Interest rate risk

A major portion of the Company's borrowings is subject to variable rates, tied to EURIBOR, which creates an interest rate risk. No financial instruments have been designated to manage the outstanding exposure to fluctuation in interest rates.

### Foreign exchange risk

The Company manages foreign exchange risk by contracting agreements in EUR, and functional currency of the subsidiaries in Latvia and Estonia is the EUR.

In December 2010, the Company began to use derivative financial instruments to reduce EUR/USD foreign exchange risk and fuel price variance risk. These risks are managed through the purchase of foreign exchange forward contracts and ICE Brent futures contracts. As of 1 January 2014, the Group and the Company started to use derivatives for which hedge accounting applies.

#### Liquidity management

The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans. Liquidity risk is managed by planning of the Company's cash flows.

#### Capital management

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

The Company manage its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of activities. In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the dividend payment to shareholders and/or return capital to shareholders.

The Company is obliged to maintain equity at no less than 50% of its share capital, as required by the Law on Companies of the Republic of Lithuania. External share capital requirements regarding the equity-to-asset ratio may also be imposed on the Company by banks.

The Company assesses capital using a ratio of total liabilities and equity. The Company's capital includes ordinary shares, reserves and retained earnings attributable to the equity shareholders of the parent company.

#### **Corporate governance**

According to the Company's Articles of Association, the governing bodies of the Company are the General Shareholder's Meeting, the Supervisory Council, the Board and the CEO.

The decisions of the General Meeting made regarding matters for which the General Meeting has competence are binding on the shareholders, the Supervisory Council, the Board, the CEO and other officials of the Company. Shareholders of the Company who at the end of the date of record of the General Meeting are shareholders of the Company have the right to participate in the General Meeting. The date of record of the General Meeting of Shareholders of the Company is the fifth business day prior to the General Meeting or the repeated General Meeting. A person who participates in a General Meeting and has the right to vote must present documents that establish his/her identity. If the person is not a shareholder, then he/she must present a document establishing his/her right to vote at the General Meeting.

Under the Articles of Association, the Supervisory Council of the Company consists of five members who are elected for a term of three years and jointly act as a supervising body of the Company. The Council represents the shareholders, and performs supervision and control functions. The members of the Council are elected by the General Meeting in keeping with the procedure established by the Law on Companies of the Republic of Lithuania. The Chairperson of the Council is elected by the Council from among its members for a three-year term. The Council institutes two Committees – Audit and Remuneration – each composed of three members of the Council.

According to the Articles of Association, the Board of the Company consists of four members who are elected for a term of three years and jointly act as the managing body of the Company. The members of the Board are elected by the Supervisory Council in keeping with the procedure established by the Law on Companies of the Republic of Lithuania. The Chairperson of the Board is elected by the Board from its members for a three-year term.

The Board, with the prior consent of the Supervisory Council, elects and recalls the CEO of the Company, sets his/her remuneration and other terms of employment, approves his/her office regulations, and encourages and penalizes him/her. The CEO is a one-man management body reporting directly to the Board of the Company who, within his/her scope of authority, organizes the day-to-day operations of the Company. Transactions of the Company shall be signed jointly by the CEO and any member of the Board. The Work Regulations that are approved by the CEO define the duties and authority of CEO and other officers of the Company in more detail.

The Company essentially follows the recommended Corporate Governance Code for Companies Listed on the Nasdaq Vilnius stock exchange (hereinafter “the Governance Code”). The Company also abides by the WSE Best Practices for companies listed on the Warsaw Stock Exchange.

In accordance with the Governance Code, all members of the current Supervisory Council are considered non-executive directors and two of the five members of the Council are independent. Both the members of the Audit Committee and members of the Remuneration Committee are elected for three-year terms by the Council. All three members of the current Audit Committee have a financial or economics background, and two of them are independent members of the Council.

The Company publishes a detailed list of the practices and recommendations it does not comply with on its website [www.novaturasgroup.com](http://www.novaturasgroup.com).

### **Shareholders rights**

None of the shareholders of the Company have any special controlling rights. The rights of all shareholders are equal. As of 30 June 2018, the number of the Company’s shares that grant voting rights during the General Meeting of Shareholders amounted to 7,807,000. One ordinary registered share of the Company gives one vote in the General Meeting of Shareholders.

The Company is not aware of any agreements between shareholders that would limit their ability to exercise their voting rights. Lock-up periods for transferring shares were set during the Company’s IPO: a 180-day lock-up period for Central European Tour Operator S.a.r.l., a 540-day lock-up for Ugnius Radvila, Vidas Paliūnas and Rytis Šumakaris, and a 720-day lock-up for Linas Aldonis and Tomas Staškūnas. The lock-up periods started on 21 March 2018 which was the first listing day of the Company’s shares on the Nasdaq Vilnius exchange.

### **Treasury stock**

The Company has no treasury stocks. The Company has never acquired any shares from the management of the Company.

### **Dividends**

In 2018 the Board of the Company approved a dividend policy to pay out 70-80% of earned net profits as dividends. The Company neither announced nor paid dividends during the period January-June 2018.

### **Activities of the Supervisory Council**

During January-June of 2018, two extraordinary meetings of the Supervisory Council were held, having been convened as per the procedure set out in the Regulations of the Company’s Supervisory Council for the convocation of extraordinary meetings. At all Supervisory Council meetings the legally required quorum was present.

During its meetings the Supervisory Council elected Sebastian Król as Chairman of Supervisory Council, Vidas Paliūnas as both Chairman of the Audit Committee and Chairman of the Remuneration Committee, Franz Leitner and Piotr Nowjalis as members of the Audit Committee, and Ugnius Radvila and Piotr Nowjalis as members of the Remuneration Committee.

Two open seats on the Supervisory Council were filled by independent members. Franz Leitner and Piotr Nowjalis – both independent – were elected to the Supervisory Council at the General Shareholders Meeting held on 7 May 2018.

No meetings of the Audit Committee or the Remuneration Committee were held in the period through 30 June 2018.

Information about Supervisory Council members’ attendance of meetings through 30 June 2018 (number of attended meetings):

	<b>General shareholders meeting</b>	<b>Supervisory Council meeting</b>	<b>Meeting of the Audit Committee</b>	<b>Meeting of the Remuneration Committee</b>
Total number of meetings	3 (1 after IPO)	2	-	-
Sebastian Król	3	2		
Ugnius Radvila	3	2		

Vidas Pliūnas	3	2
Franz Leitner	-	1
Piotr Nowjalis	-	-

In keeping with the Governance Code for Companies Listed on the Nasdaq Vilnius stock exchange, all current members of the Supervisory Council are non-executive directors. Three members of the Supervisory Council represent shareholders of AB Novaturas and two members of the Supervisory Council – Franz Leitner and Piotr Nowjalis – are regarded as independent members of the Council.

### **Members of the Supervisory Council as of 30 June 2018**

**Sebastian Król** has been working with Enterprise Investors since 2001, currently as partner. He sits on the supervisory boards of the fund's portfolio companies. He also serves as director for funds managed by Enterprise Investors. In 2009-2015, he was director at Enterprise Investors Corporation. He graduated from the University of Łódź with a master's degree in economics. Directly holding no shares, he represents a shareholder owning 47.4% of the Company's shares.

**Ugnius Radvila** has been working with the Company since its establishment. From 1999 to 2011 he was the manager of its Vilnius branch and since 2011 he has been a consultant to the Company. In 1995-2004 he was also tourism director at Interservis Kelionių Agentūra. He graduated from the Vilnius University Faculty of Communication with a master's degree in Communication and Information (International Communication Programme). He holds 9.49% of the Company's shares.

**Vidas Paliūnas** participated in the establishment of Novaturas UAB on the basis of a merger of three travel agencies, one of which was DELTA Travel Agency where he was the managing director. From 2009 to 2018 he was a member of Novaturas' Board and as of February 2018 he has been a member of the Supervisory Council. He obtained an IT degree from Chemnitz University of Technology in Germany. He holds 6.86% of the Company's shares.

**Piotr Nowjalis** has been involved in financial management for 20 years. He has held managerial and supervisory positions at many Warsaw Stock Exchange-listed companies, including CCC (the largest shoe retailer in CEE), AB (the largest IT distributor in CEE) and Dino Polska (a food retailer). He holds an Executive MBA degree from Kozminski University in Warsaw and is also a graduate of the University of Gdańsk's Faculty of Economics and Faculty of Law and Administration.

**Franz Leitner** has profound knowledge of European travel markets, in particular DACH, CEE and Russia. From 1994 to 2007 he gained extensive experience serving in executive positions at Thomas Cook/Neckermann and TUI as CEO Austria/CEE/Russia. Since 2007 he has been providing consulting and transaction advisory services and has held supervisory positions for international clients in the travel industry.

### **Members of the Board as of 30 June 2018**

**Linas Aldonis** has been with Novaturas since 2001. He began his career as a representative abroad in various countries, later advancing through the group's structure to serve in a variety of leading positions and eventually becoming CEO of Novaturas Group in 2010. He has a bachelor's degree in tourism and sports management from the Lithuanian Sports University. He holds 1.50% of the Company's shares.

**Tomas Staškūnas** has been with Novaturas since 2009, during which time he has been responsible mainly for financial reporting, budgeting, relations with financial institutions and organizing the book-keeping process. He has a master's degree in finance and banking from the Vytautas Magnum University. He holds 0.75% of the Company's shares.

**Birutė Čepanskienė** has been with Novaturas since 2001. She has been responsible for sales and bookings reservations, coordinating and centralizing these functions on a group level and taking on the role of production director at the end of 2011. She graduated from Vytautas Magnum University with a master's degree in marketing and sales. Prior to that, she obtained a bachelor's degree in tourism and hotel management at Kauno Kolegija and completed English language and literature courses at Nottingham Trent University.

**Audronė Keinytė** joined Novaturas in 2006. Initially she was the firm's representative abroad in foreign destinations. In 2009-2010, she worked as Head of Foreign Services, and for the past 8 years (since 2010) she has primarily been in charge of the development and purchasing of products. She graduated from the Philosophy Faculty at Vilnius University with a master's and a bachelor's degree in sociology. She also gained professional experience working at hotels in Lithuania and the USA between 1999 and 2003.

## Personnel

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

	<b>6M 2018</b>	<b>6M 2017</b>	<b>Change</b>
Representatives abroad and guides	72	54	+33.3%
Retail personnel	42	42	+0.0%
Office personnel	129	124	+4.0%
<b>Total:</b>	<b>243</b>	<b>215</b>	<b>+10.5%</b>

Figures do not include employees who are on maternity/paternity leave.

### **Confirmation of responsible persons**

In accordance with Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Linas Aldonis, CEO of AB Novaturas, and Tomas Staškūnas, CFO of AB Novaturas, hereby confirm that, to the best of our knowledge, the AB Novaturas Consolidated Interim Report for the Six-Month Period Ended 30 June 2018 provides a fair review of the development and performance of the business and the position of the Company's undertakings in relation to the description of the main risks and contingencies faced therein.

Linas Aldonis  
CEO

Tomas Staškūnas  
CFO