

NOVATURAS AB

**COMPANY'S INTERIM REPORT AND
SEPARATE CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE SIX MONTH
PERIOD ENDED 30 JUNE 2018**

**Prepared according to International Accounting
Standard 34 "Interim financial reporting" as
adopted by the European Union, presented
together with the Independent Auditor's Report**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Novaturas AB

Opinion

In our opinion, the separate condensed interim financial information of Novaturas AB (the Company) has been prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim financial reporting” as adopted by the European Union. The Company’s separate condensed interim financial information (hereinafter – the financial information) comprises the separate condensed interim statement of financial position as at 30 June 2018, the separate condensed interim statement of profit or loss and other comprehensive income, the separate condensed interim statement of changes in equity, the separate condensed interim statement of cash flows for the six month period then ended and the notes to the separate condensed interim financial information.

Basic for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Information section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company’s interim report, but does not include the financial information and our auditor’s report thereon. Management is responsible for the other information.

Our opinion on the financial information does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate condensed interim financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company’s interim report, for the reporting period for which the separate condensed interim financial statements are prepared is consistent with the financial information and whether interim report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial information, in our opinion, in all material respects:

- The information given in the Company’s interim report for the six month period ended 30 June 2018 for which the information is prepared, is consistent with the financial information; and
- The Company’s interim report has been prepared in accordance with the requirements of the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Information

Management is responsible for the preparation of the financial information in accordance with the International Accounting Standard 34 “Interim financial reporting” as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of the financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

This report was prepared at the request of Company's directors in relation to the publication of the Company's separate condensed interim financial information for the six month period ended 30 June 2018 required by Article 60 of The Law on Companies related to approval of interim dividends.

Deloitte Lietuva UAB
Audit Company License No 001275



Saulius Bakas
Lithuanian Certified Auditor
License No 000604

Vilnius, the Republic of Lithuania
9 August 2018

INTERIM REPORT

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

Novaturas AB (hereinafter the Company) was registered on 16 December 1999.

Company's code: 135567698.

Company's address: A. Mickevičiaus Ave. 27, Kaunas, Lithuania.

The transformation of Novaturas UAB to Novaturas AB was registered in the register of legal entities on 25 November 2014. Novaturas AB took over all Novaturas UAB rights and obligations since the Company's restructuring and a new legal status of the date of registration.

The main activity of the Company is the organisation and sales of holiday tours.

On 21 March 2018, the Company started trading its shares on the Warsaw and Vilnius Stock Exchanges. The Company's debut on the Warsaw and Vilnius stock exchanges follows the initial public offering of the Company's shares with a total value of over EUR 22 million (approx. PLN 93 million). It was the first sizeable IPO in Lithuania since 2010 and it was also the first public offering carried out simultaneously in Poland and Lithuania. The offering ultimately covered 2,104,648 shares, i.e. 27% of the Company's existing shares. The Company's capitalisation according to the final share price in the IPO, i.e. EUR 10.5 per share (and its equivalent in Polish zloty of PLN 44.13), reached EUR 82 million (approx. PLN 344.5 million).

Until 15 February 2018 the authorised capital of the Company was EUR 226,090.72, divided into 7,807 ordinary shares with a nominal value of EUR 28.96 each.

During extraordinary general meeting of shareholders of the Company held on 16 January 2018 at Jasinskio St. 16, Vilnius were decided to increase the nominal value of the share up to EUR 28.96 and then changed to EUR 0.03 by replacing each ordinary registered shares of the Company with the nominal value of EUR 28.96 to 1,000 ordinary registered shares with the nominal value of EUR 0.03. As a result of that the authorized capital of the Company was increased by a sum EUR 8,119.28, i.e. from EUR 226,090.72 up to EUR 234,210 from Company's funds – retained earnings. All shares are fully paid.

The Board of Directors has 4 members.

According to the Articles of Association, the Company must have a Supervisory Board of 5 members elected for a period of three years. 2 independent members of the Supervisory Board were elected at the General Meeting of Shareholders held on 7 May 2018.

The Head of the Company is Managing Director Linas Aldonis, who is the Managing Director from October 2010.

As at 30 June 2018, the Company had 130 employees.

As at 30 June 2018, subsidiaries of the Company are stated below:

Subsidiary	Country	Registration address	Share of the stock owned, %
Novatours SIA	The Republic of Latvia	Kr. Valdemara St. 100, Riga, Latvia	100
Novatours OU	The Republic of Estonia	Ravala St. 6, Tallinn, Estonia	100
Aviaturas ir Partneriai UAB	The Republic of Lithuania	Konstitucijos Ave. 15/5, Vilnius, Lithuania	100
Novatours Holidays SRL	The Republic of Romania	M. Caramfil St. 53, Bucharest, Romania	100

The main activity of the Company's subsidiaries is organisation and distribution of holiday tours.

During six month period, the Company did not acquire its own shares and had no its own shares at the end of the period. The Company's subsidiaries do not own any shares of the Company as well.

The Company has a branch, established in Vilnius, the results of which are included into the financial statements of the Company.

In January – June 2018, the Company's activities remained tour organization and distribution of tours through the retail network of travel agencies and through own retail channels (own travel agencies, e-commerce sales, tickets only sales through Global Distribution System (GDS). The Company is selling own charters tickets from/to Vilnius, Riga, Tallinn via GDS and this means that charter tickets are available worldwide in GDS (Amadeus, Galileo, Sabre, Worldspan, etc.) for travel agents and directly for passengers via the internet portals for air tickets (such as greitai.lt, skrendu.lt, airtickets.com, eDreams.com, bravofly.com, skyscanner, lastminute.com, etc.).

RESULTS OF THE ACTIVITY:

- Sales increased from EUR 31,983 thousand for the six month period ended 30 June 2017 to EUR 46,957 thousand for the six month period ended 30 June 2018, i.e. by 47%;
- Profit before tax increased from EUR 2,265 thousand for the six month period ended 30 June 2017 to EUR 8,730 thousand (including EUR 6,300 thousand dividend income from the subsidiaries) for the six month period ended 30 June 2018;
- Net profit increased from EUR 1,922 thousand for the six month period ended 30 June 2017 to EUR 8,317 thousand (including EUR 6,300 thousand dividend income from the subsidiaries) for the six month period ended 30 June 2018.

In order to reduce EUR/USD foreign exchange risk in December 2010 the Company started to use derivative financial instruments which allow to manage the foreign exchange and fluctuations of jet fuel prices risk. These financial instruments were successfully used by the Company in the first half of 2018 and 2017.

Information about subsequent events in the Company is disclosed in the notes to the separate condensed interim of financial information.

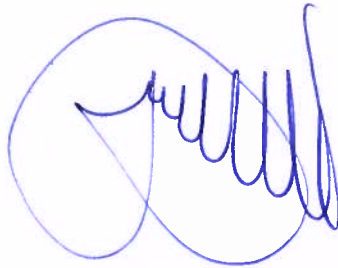
The Company was not engaged in any research and development activities.

The main goals for 2018 are:

- To preserve leading market position in Baltic States.
- Introduction of new products and services for profitable growth.
- Maintain well balanced distribution channel mix and develop it further.

Linas Aldonis
Managing Director

Kaunas, the Republic of Lithuania
9 August 2018



NOVATURAS AB, Company's code 135567698, A. Mickevičiaus Ave. 27, Kaunas, Lithuania
SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018
(all amounts are in thousand EUR unless otherwise stated)

	Notes	As at 30 June 2018	As at 31 December 2017
ASSETS			
Non-current assets			
Goodwill	4	30,327	30,327
Intangible assets	4	397	359
Property, plant and equipment	5	243	233
Investments into subsidiaries	6	3,220	3,220
Long term receivables		25	15
Total non-current assets		34,212	34,154
Current assets			
Inventories		1	1
Prepayments and deferred expenses	7	6,500	2,953
Trade accounts receivable	8	495	285
Accounts receivable from related parties	19	1,249	11,508
Prepaid income tax		-	100
Other receivables	8	2,024	1,474
Other current financial assets	9	1,244	569
Restricted cash	10	4,600	2,000
Cash and cash equivalents	11	2,792	3,871
Total current assets		18,905	22,761
Total assets		53,117	56,915

(Continued in the next page)

The accompanying notes are an integral part of this separate condensed interim financial information.

NOVATURAS AB, Company's code 135567698, A. Mickevičiaus Ave. 27, Kaunas, Lithuania
SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018
(all amounts are in thousand EUR unless otherwise stated)

	Notes	As at 30 June 2018	As at 31 December 2017
EQUITY AND LIABILITIES			
Equity			
Share capital	1	234	226
Cash flow hedge reserve	9, 12	1,057	484
Legal reserve	12	29	29
Retained earnings		13,436	5,127
Equity attributable to equity holders of the parent		14,756	5,866
Non-controlling interests		-	-
Total equity		14,756	5,866
Amounts payable and liabilities			
Amounts payable and liabilities after one year			
Grants and subsidies		-	-
Non-current borrowings	13	8,000	-
Other non-current liabilities	13, 19	12,000	12,000
Deferred income tax liabilities		3,046	2,621
Total amounts payable and liabilities after one year		23,046	14,621
Current amounts payable and liabilities			
Current portion of non-current borrowings	13	1,500	14,000
Current borrowings	13	104	6,826
Trade payables		1,884	2,876
Payables to related parties	19	572	5,735
Advances received		9,618	4,799
Income tax payable		150	161
Other current liabilities and accrued expenses	14	1,487	2,031
Other current financial liabilities		-	-
Total current amounts payable and liabilities		15,315	36,428
Total equity and liabilities		53,117	56,915

(Concluded)

The accompanying notes are an integral part of this separate condensed interim financial information.

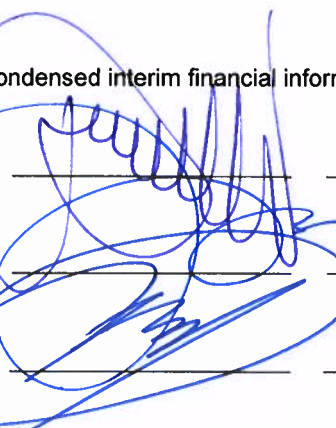
Managing Director	Linas Aldonis	9 August 2018
Finance Director	Tomas Staškūnas	9 August 2018
Chief Financier	Giedrius Ribakovas	9 August 2018

SEPARATE CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

	Notes	1 January 2018 – 30 June 2018	1 January 2017 – 30 June 2017
Sales	15	46,957	31,983
Cost of sales	16	(39,622)	(26,276)
Gross profit		7,335	5,707
Operating (expenses)	17	(4,440)	(3,123)
Other operating income		14	-
Other operating (expenses)		-	-
Profit from operations		2,909	2,584
Finance income	18	6,300	252
Finance (expenses)	18	(479)	(571)
Profit before tax		8,730	2,265
Income tax (expense)		(413)	(343)
Net profit		8,317	1,922
Other comprehensive income, to be reclassified to profit or loss in subsequent periods			
Result of changes in cash flow hedge reserve	9	674	(935)
Impact of income tax		(101)	140
Total comprehensive income		8,890	1,127
Net profit attributable to:			
The shareholders of the Company		8,317	1,922
Non-controlling interests		-	-
		8,317	1,922
Total comprehensive income attributable to:			
The shareholders of the Company		8,890	1,127
Non-controlling interests		-	-
		8,890	1,127
Earnings per share (EPS) for continuing operations:	20		
Basic, profit attributable to ordinary equity holders of the parent (in EUR per 1 share)		1.07	0.25

The accompanying notes are an integral part of this separate condensed interim financial information.

_____ Managing Director	_____ Linas Aldonis	_____ 	_____ 9 August 2018
_____ Finance Director	_____ Tomas Staškūnas	_____ 	_____ 9 August 2018
_____ Chief Financier	_____ Giedrius Ribakovas	_____ 	_____ 9 August 2018

NOVATURAS AB, Company's code 135567698, A. Mickevičiaus Ave. 27, Kaunas, Lithuania
**SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD
 ENDED 30 JUNE 2018**
 (all amounts are in thousand EUR unless otherwise stated)

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 31 December 2016	226	29	299	10,513	11,067
Net profit for the reporting period	-	-	-	4,114	4,114
Other comprehensive income	-	-	185	-	185
Comprehensive income for the reporting period	-	-	185	4,114	4,299
Dividends approved	-	-	-	(9,500)	(9,500)
Balance as at 31 December 2017	226	29	484	5,127	5,866
Increase of share capital	8	-	-	(8)	-
Net profit for the reporting period	-	-	-	8,317	8,317
Other comprehensive income	-	-	573	-	573
Comprehensive income for the reporting period	8	-	573	8,309	8,890
Dividends approved	-	-	-	-	-
Balance as at 30 June 2018	234	29	1,057	13,436	14,756

The accompanying notes are an integral part of this separate condensed interim financial information.

Managing Director	Linas Aldonis	9 August 2018
Finance Director	Tomas Staškūnas	9 August 2018
Chief Financier	Giedrius Ribakovas	9 August 2018

NOVATURAS AB, Company's code 135567698, A. Mickevičiaus Ave. 27, Kaunas, Lithuania
SEPARATE CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018
(all amounts are in thousand EUR unless otherwise stated)

	Notes	1 January 2018 – 30 June 2018	1 January 2017 – 30 June 2017
Cash flows from (to) operating activities			
Net profit		8,317	1,922
Adjustments for non-cash items:			
Depreciation and amortisation	4, 5	99	144
Allowance for doubtful receivables and prepayments made		-	-
Change in deferred income tax		426	285
Current income tax expenses		89	58
Elimination of financial, investment and other non-cash activity results		989	(515)
		9,920	1,894
Changes in working capital:			
Decrease in inventories		-	(1)
(Increase) decrease in trade receivables		10,049	(5,050)
(Increase) in other receivables and accrued revenue		(5,825)	465
Decrease in prepayments and deferred expenses		(3,557)	(5,139)
Increase (decrease) in trade payables		(6,155)	3,253
Increase in advances received		4,819	4,367
Income tax paid		(1)	(182)
Increase (decrease) in other accounts payable and accrued expenses		(544)	410
Net cash flows from operating activities		8,706	17
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	4, 5	(147)	(123)
Proceeds from sale of non-current assets (except investments)		-	-
Net cash flows (to) investing activities		(147)	(123)
Cash flows from financing activities			
Loans received	13	-	8,647
(Repayment) of loans	13	(11,222)	-
Interest (paid)		(416)	(280)
Dividends (paid)		-	(5,000)
Net cash flows (to) financing activities		(11,638)	3,367
Net increase (decrease) in cash flows		(3,079)	3,261
Cash and cash equivalents at the beginning of the reporting period		5,871	5,073
Cash and cash equivalents at the end of the reporting period		2,792	8,334

The accompanying notes are an integral part of this separate condensed interim financial information.

<u>Managing Director</u>	<u>Linus Aldonis</u>	<u>9 August 2018</u>
<u>Finance Director</u>	<u>Tomas Staškūnas</u>	<u>9 August 2018</u>
<u>Chief Financier</u>	<u>Giedrius Ribakovas</u>	<u>9 August 2018</u>

NOVATURAS AB, Company's code 135567698, A. Mickevičiaus Ave. 27, Kaunas, Lithuania
NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD
ENDED 30 JUNE 2018
(all amounts are in thousand EUR unless otherwise stated)

1 General information

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

A. Mickevičiaus Ave. 27, Kaunas,
Lithuania.

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

The shareholders of the Company were:

	As at 30 June 2018		As at December 2017	
	Number of shares held	Share of ownership, %	Number of shares held	Share of ownership, %
Central European Tour Operator S.R.A.L.	3,700,874	47.40	5,521	70.72
Ugnius Radvila	740,702	9.49	762	9.76
Rytis Šūmakaris	535,278	6.86	762	9.76
Vidas Paliūnas	535,278	6.86	762	9.76
Other shareholders	2,294,868	29.39	-	-
Total	7,807,000	100.00	7,807	100.00

The ultimate parent of the Central European Tour Operator S.R.A.L (Luxemburg) is L.P. Polish Enterprise Fund VI with residence in Ugland House, South Church street, KY – George Town, USA.

Until 15 January 2018 the authorised capital of the Company was EUR 226,090.72, divided into 7,807 Shares with a nominal value of EUR 28.96 each.

During the extraordinary general meeting of shareholders of the Company held on 16 January 2018 at Jasinskio St. 16, Vilnius were decided to increase the nominal value of the share up to EUR 28.96 and then changed to EUR 0.03 by replacing each ordinary registered shares of the Company with the nominal value of EUR 28.96 to 1,000 ordinary registered shares with the nominal value of EUR 0.03. As a result of that the authorized capital of the Company was increased by a sum EUR 8,119.28, i.e. from EUR 226,090.72 up to EUR 234,210 from Company's funds – retained earnings. All shares are fully paid.

Subsidiaries did not hold any shares of the Company as at 30 June 2018 and 31 December 2017. The Company also did not hold its own shares.

Subsidiaries of Novaturas AB:

Company	Registration address	Share of the stock held by the Group, %		Main activities
		As at 30 June 2018	As at 31 December 2017	
Novatours SIA	Kr. Valdemara St. 100, Riga, Latvia	100	100	Organisation and distribution of tours
Novatours OU	Ravala St. 6, Talinas, Estonia	100	100	Organisation and distribution of tours
Aviaturas ir Partneriai UAB	Konstitucijos Ave. 15/5, Vilnius, Lithuania	100	100	Organisation and distribution of tours
Novatours Holidays SRL	M. Caramfil St. 53, Bucharest, Romania	100	100	Organisation and distribution of tours

As at 30 June 2018 and 31 December 2017, the subsidiary of the Company Novatours Holidays SRL was not active.

As at 30 June 2018 and 31 December 2017, the Company had a branch with registered office at Jasinskio St. 16, Vilnius, Lithuania. The registration code of the branch is 125142371. Operating results of the branch are included in the separate condensed interim financial statements of the Company.

As at 30 June 2018, the number of employees of the Company was 130 (as at 31 December 2017 – 124 employees).

2 Accounting policies

2.1 Basis of preparation of the separate condensed interim financial information

The Company's separate condensed interim financial information for the six month period ended 30 June 2018 has been prepared according to International Financial Reporting Standards as adopted by the European Union (EU) and applicable to interim financial reporting (International Accounting Standard (IAS) 34, "Interim financial reporting").

The purpose of the preparation of these separate condensed interim financial statements is to comply with The Law on Companies Article 60 which requires the Company to prepare separate financial statements for the six months period ended 30 June 2018 in order for shareholders of the Company to approve payment of interim dividends.

This separate condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Group's consolidated financial information for the six month period ended 30 June 2018 published by the Company.

The Company's financial year coincides with the calendar year.

2.2 Accounting policies

Adoption of new and/or amended International Financial Reporting Standards (IFRSs) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

New standards, amendments to standards and interpretations effective for the annual periods beginning on or after 1 January 2018, applied in preparing these financial statements are as follows:

IFRS 9, Financial instruments: Classification and measurement (effective for annual periods beginning on or after 1 January 2018). Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.
- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

The Company has assessed that the impact of this new standard is not material to the Company's financial information for the six month period ended 30 June 2018. For a hedge accounting the Company's Management decided continuing to apply IAS 39.

IFRS 15, Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

Revenue from contracts with customers - Amendments to IFRS 15 (effective for annual periods beginning on or after 1 January 2018; not yet adopted by the EU). The amendments do not change the underlying principles of the standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new standard.

The Company has assessed that the impact of this new standards is not material to the Company's financial information for the six month period ended 30 June 2018.

3 Critical accounting estimates and judgements

The preparation of the separate condensed interim financial information in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. Future events may cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the separate condensed interim financial statements when determinable. The significant management judgements regarding the application of the accounting policies and the main sources for determining uncertainties used in the preparation of this separate condensed interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2017.

Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets and liabilities. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in a statement of comprehensive income.

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment of assets

Financial assets

Financial assets are reviewed for impairment at each reporting date.

For financial assets carried at amortised cost, whenever it is probable that the Company will not collect all amounts due according to the contractual terms of loans or receivables, an impairment or bad debt loss is recognised in the statement of comprehensive income. The reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be justified by an event occurring after the write-down. Such reversal is recorded in the statement of comprehensive income. However, the increased carrying amount is only recognised to the extent it does not exceed the amortised cost that would have been if the impairment had not been recognised.

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Other assets (excluding goodwill)

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is accounted in the same caption of the statement of comprehensive income as the impairment loss.

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4 Intangible assets

The Company's intangible assets as at 30 June 2018 and 31 December 2017 comprised as follows:

	Goodwill	Software	Total
Acquisition cost:			
Balance as at 31 December 2016	30,327	803	31,130
Additions	-	206	206
Write offs	-	(90)	(90)
Balance as at 31 December 2017	30,327	919	31,246
Additions	-	102	102
Write offs	-	-	-
Balance as at 30 June 2018	30,327	1,021	31,348
Accumulated amortisation/impairment of goodwill:			
Balance as at 31 December 2016	-	362	362
Charge for the year	-	198	198
Write offs	-	-	-
Balance as at 31 December 2017	-	560	560
Charge for the year	-	64	64
Write offs	-	-	-
Balance as at 30 June 2018	-	624	624
Net book value as at 30 June 2018	30,327	397	30,724
Net book value as at 31 December 2017	30,327	359	30,686
Net book value as at 31 December 2016	30,327	441	30,768

After merging of Central European Tour Operator UAB on 30 September 2008 into Novaturas UAB, goodwill, which arose on the acquisition of shares of Novaturas UAB, was recognized in the separate condensed interim financial statements of the Company. The goodwill is not amortized, but it is tested for impairment.

For the purposes of measurement of goodwill impairment, the goodwill as at 30 June 2018 and 31 December 2017 was allocated to one cash flow generating unit – Novaturas AB and all its subsidiaries owned at the moment of business combination.

Based on the estimated recoverable values of cash generating unit as at 30 June 2018 and 31 December 2017, no impairment of goodwill was recognised.

According to the management estimation, no reasonable change in the assumptions used in impairment testing of the recoverable amount of cash generating units as at 30 June 2018 and 31 December 2017 as described above would result in material impairment.

The Company has no internally generated intangible assets.

The amortisation expenses for the reporting periods 2018 and 2017 are included within operating expenses in the statement of comprehensive income.

Software with the acquisition cost of EUR 465 thousand as at 30 June 2018 (EUR 323 thousand as at 31 December 2017) was fully amortized, but was still in use by the Company.

5 Property, plant and equipment

The Company's property, plant and equipment as at 30 June 2018 and 31 December 2017 comprised as follows:

	Machinery and equipment	Vehicles	Other property, plant and equipment	Total
Acquisition cost:				
Balance as at 31 December 2016	88	251	68	407
Additions	23	45	1	69
Disposals	-	(5)	-	(5)
Balance as at 31 December 2017	111	291	69	471
Additions	11	13	21	45
Disposals	-	-	-	-
Balance as at 30 June 2018	122	304	90	516
Accumulated depreciation:				
Balance as at 31 December 2016	71	64	40	175
Charge for the year	14	45	8	67
Disposals	-	(4)	-	(4)
Balance as at 31 December 2017	85	105	48	238
Charge for the year	7	23	5	35
Disposals	-	-	-	-
Balance as at 30 June 2018	92	128	53	273
Net book value as at 30 June 2018	30	176	37	243
Net book value as at 31 December 2017	26	186	21	233
Net book value as at 31 December 2016	17	187	28	232

Property, plant and equipment of the Company is used only for the Company's purposes.

Depreciation expenses of the Group's and the Company's property, plant and equipment for 2018 and 2017 are included within operating expenses.

Property, plant and equipment of the Company with acquisition cost of EUR 108 thousand were fully depreciated as at 30 June 2018 (as at 31 December 2017 – EUR 98 thousand), but were still in use. Depreciated property, plant and equipment still in use consist of computer hardware and other equipment.

6 Investments into subsidiaries

The Company's investments into subsidiaries as at 30 June 2018 and 31 December 2017 comprised as follows:

Subsidiary	As at 30 June 2018				As at 31 December 2017			
	Acquisition cost	Controlled part, %	Net profit (loss) of subsidiary for 6 month period	Equity of subsidiary	Acquisition cost	Controlled part, %	Net profit (loss) of subsidiary for 6 month period	Equity of subsidiary
Novatours SIA	1,073	100	867	1,015	1,073	100	1,414	4,048
Novatours OU	1,786	100	1,625	7,027	1,786	100	2,601	7,802
Aviaturas ir Partneriai UAB	361	100	(19)	136	361	100	6	155
Novatours Holidays SRL	95	100	-	-	95	100	-	-
Less: impairment	(95)	-	-	-	(95)	-	-	-
Total carrying value	3,220				3,220			

In 2018 and 2017, the impairment of investment into subsidiary Novatours Holidays SRL was accounted for.

As at 30 June 2018 and 31 December 2017, the shares of Novatours SIA, Novatours OU and Aviaturas ir Partneriai UAB, owned by the Company, were pledged to the DNB bankas AB in accordance with the long-term loan agreement (Note 13).

7 Prepayments and deferred expenses

	As at 30 June 2018	As at 31 December 2017
Prepayments	6,277	2,640
Deferred expenses	223	313
Less: impairment	-	-
	6,500	2,953

As at 30 June 2018 and 31 December 2017 the main part of the Company's prepayments consisted of amounts paid to suppliers for flight tickets and hotels.

As at 30 June 2018 and 31 December 2017 deferred expenses of the Company consisted of cost related to airline tickets, hotel services, visas, ferry boat tickets and other services.

8 Trade and other receivables

The Company's trade and other receivables as at 30 June 2018 and 31 December 2017 comprised as follows:

	As at 30 June 2018	As at 31 December 2017
Accrued revenue from government subsidies	1,883	1,403
Trade receivables, gross	495	480
VAT receivable	121	54
Other receivables	20	17
Less: allowance for doubtful receivables	-	(195)
	2,519	1,759

NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

The Company accrued revenue is based on the inbound tourism promotion program approved by Turkish and Egyptian governments. According to this program, the Company assessed the size of accrual as at 30 June 2018 and 31 December 2017. Accrual was accounted for according to the approved methodology by assessing the number of flights, tourists, which arrived to resorts listed by Turkish and Egyptian governments during the period of promotion program, and of a fixed incentive amount, approved by local government. The accrued revenue amount is the best estimate of the Company's management of the amounts the Company is entitled to in accordance with these programs and are expected to be collected based on actual experience (including subsequent collections) and the information available.

Movement in the allowance for the Company's receivables is as follows:

	<u>Individually impaired</u>
Balance as at 31 December 2016	(195)
Reversal of impairment for the year	-
Written off amounts	-
Charge for the year	-
Balance as at 31 December 2017	(195)
Reversal of impairment for the year	-
Written off amounts	195
Charge for the year	-
Balance as at 30 June 2018	-

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

Prepayments paid to suppliers for plane rent and hotels are accounted under long term receivables caption in the separate condensed interim statement of financial position.

9 Other current financial assets

The Company's other current financial assets as at 30 June 2018 and 31 December 2017 comprised as follows:

	<u>As at 30 June 2018</u>	<u>As at 31 December 2017</u>
Financial asset at fair value through other comprehensive income		
Derivative financial instruments that are subject to hedge accounting (effective part)	1,244	569
Total financial assets at fair value through other comprehensive income	1,244	569
Financial asset at fair value through profit or loss		
Derivative financial instruments that are subject to hedge accounting (ineffective part)	-	-
Total financial asset at fair value through profit or loss	-	-
Total other current financial assets	1,244	569

Since 1 January 2014, the Company has applied the hedge accounting policy (cash flow hedge) for financial instruments (ICE Brent Futures, Foreign exchange forwards). On the basis of documentation of hedge transactions, derivative financial instruments, for the hedge of foreign currency exchange rate and aviation fuel price fluctuation risks, are recognized at fair value at the day of the contract and on an ongoing basis. Quoted market prices are used for fair value measurements (level 2 of fair value hierarchy). Positive fair values of the contracts are recognized in the statement of financial position as assets and negative fair values of contracts are recognised in the statement of financial position as liabilities. Resulting profit or loss from the changes of fair value of derivatives is recognized in the statement of comprehensive income (other comprehensive income), until the factual date when hedge transaction occurs. The transactions, which are hedged by the instruments outstanding are expected to occur within next financial year.

As at 30 June 2018, the Company accounted for current asset of EUR 1,244 thousand which was accounted for in the condensed interim financial statements under the caption of other current financial assets. Related gain of EUR 674 thousand was accounted for in the other comprehensive income.

As at 30 June 2018, the Company has accounted for the gain of EUR 423 thousand, by decreasing the main activity cost of aviation and hotel respectively by EUR 397 thousand and EUR 26 thousand, in profit or loss of the condensed interim statement of comprehensive income.

NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

10 Restricted cash

As at 30 June 2018 EUR 4,600 thousand and as at 31 December 2017 EUR 2,000 thousand from cash at bank was restricted for the issued bank guarantees according to law requirements of the country.

11 Cash and cash equivalents

The Company's cash and cash equivalents as at 30 June 2018 and 31 December 2017 comprised as follows:

	As at 30 June 2018	As at 31 December 2017
Cash at bank	2,753	3,856
Cash on hand	39	15
	2,792	3,871

12 Reserves

Legal reserve

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

Legal reserve of the Company amounted to EUR 29 thousand as at 30 June 2018 and 31 December 2017 and was fully formed

Cash flow hedge reserve

This reserve represents the effective part of the change in fair value of the derivative financial instruments, used by the Company to secure the cash flows from aviation fuel and foreign currency exchange (USD) change risk, at the reporting date. The reserve is accounted for according to the requirements of IAS 39.

13 Borrowings

The Company's borrowings grouped by maturity:

	As at 30 June 2018	As at 31 December 2017
Long term borrowings		
Luminor Bank, AB loan, annual interest rate – 3 months EURIBOR + 3.50%	9,500	14,000
Novatours OU loan, annual interest rate – 3 months EURIBOR + 2.68%	12,000	12,000
Total long term borrowings	21,500	26,000
Less: current portion of non-current borrowings	(1,500)	(14,000)
	20,000	12,000
Short term borrowings		
Luminor Bank, AB loan, annual interest rate – 3 months EURIBOR + 3.50%	1,500	14,000
Over-night loan granted by Novatours OU (EUR), interest free	-	-
Over-night loan granted by Novatours SIA (EUR), interest free	104	6,826
	1,604	20,826

Weighted average effective interest rates of borrowings outstanding at the end of the reporting period:

	As at 30 June 2018	As at 31 December 2017
Short term loans	-	-
Long term loans	3.5 proc.	3.5 proc.

As at 30 June 2018 and 31 December 2017, part of the Company's short-term loans were interest-free, since loans have very short maturities, interests would not be material.

NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

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

Years	As at 30 June 2018	As at 31 December 2017
2017	-	-
2018	1,500	14,000
2019	2,000	-
2020	6,000	-
Later	12,000	12,000
	21,500	26,000

As of 31 December, borrowings outstanding were denominated in national and foreign currencies as follows:

Currency of the borrowing:	As at 30 June 2018	As at 31 December 2017
EUR	21,604	32,826
	21,604	32,826

As at 30 June 2018 and 31 December 2017, shares of Novatours SIA, Novatours OU and Aviaturas ir Partneriai UAB owned by the Company were pledged to Luminor Bank, AB for non-current loan granted (Note 6).

As at 30 June 2018, the Company had no unused credit facility.

The Company has signed a loan agreement with AB Luminor bank and have agreed on new terms of the loan agreement on 7 February 2018. Moreover, the Company agreed to repay EUR 4,000 thousand of long term loan and change repayment schedule for the remaining part with EUR 2,000 thousand to be repaid during 2018 and EUR 2,000 thousand to be repaid during 2019 while the remaining EUR 6,000 thousand to be repaid in 2020. Additionally, the Company signed financial limit agreement with the maturity till the end of 2018 for total amount of EUR 12,000 thousand from which EUR 8,000 thousand will be used for bank guarantees and remaining EUR 4,000 as overdraft.

In November 2015, the Company signed agreement with Luminor Bank, AB regarding long-term loan. Principal amount of the loan amounts to EUR 15,000 thousand, which maturity is till 31 October 2020.

14 Other current liabilities and accrued expenses

The Company's other current liabilities and accrued expenses as at 30 June 2018 and 31 December 2017 comprised as follows:

	As at 30 June 2018	As at 31 December 2017
Payroll related liabilities	217	169
Taxes payable (except for income tax)	111	198
Other payables and accrued expenses	1,159	1,664
	1,487	2,031

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

15 Sales

For the six month ended 30 June, the Company's sales comprised as follows:

	1 January 2018 – 30 June 2018	1 January 2017 – 30 June 2017
Flight package tours	37,576	25,218
Sightseeing tours by coach	1,291	1,585
Sightseeing tours by plane	617	600
Other sales	7,473	4,580
	46,957	31,983

NOVATURAS AB, Company's code 135567698, A. Mickevičiaus Ave. 27, Kaunas, Lithuania
NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD
ENDED 30 JUNE 2018
(all amounts are in thousand EUR unless otherwise stated)

16 Cost of sales

For the six month ended 30 June, the Company's cost of sales comprised as follows:

	1 January 2018 – 30 June 2018	1 January 2017 – 30 June 2017
Cost of flight package tours	31,905	20,338
Cost of sightseeing tours by coach	1,170	1,443
Cost of sightseeing tours by plane	491	483
Cost of other sales	6,056	4,012
	39,622	26,276

17 Operating expenses

For the six month ended 30 June, the Company's operating expenses comprised as follows:

	1 January 2018 – 30 June 2018	1 January 2017 – 30 June 2017
Agency commissions	2,113	1,414
Salaries and related taxes	1,037	894
Advertising and marketing expenses	376	280
Consulting expenses	171	9
Depreciation and amortisation	100	144
Rent and maintenance expenses	71	65
Business trips expenses	58	42
Transportation expenses	40	47
Representation expenses	34	29
Communication expenses	25	22
Training expenses	9	5
Allowance for and write-off of receivables and prepayments made	-	-
Other	406	172
	4,440	3,123

18 Finance income (expenses), net

For the six month ended 30 June, the Company's finance income (expenses), net comprised as follows:

	1 January 2018 – 30 June 2018	1 January 2017 – 30 June 2017
Foreign currency exchange gain	-	252
Dividend income (Note 19)	6,300	-
Gain from derivative financial instruments	-	-
Other financial income (including fines)	-	-
Total financial income	6,300	252
Interest expenses	(416)	(280)
Loss from derivative financial instruments	-	(138)
Foreign currency exchange loss	(63)	(153)
Other financial expenses	-	-
Total financial expenses	(479)	(571)
	5,821	(319)

NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

19 Related party transactions

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions. The related parties of the Company and the transactions with them in 2018 and 2017 were as follows (also see the table below):

Subsidiaries:

- Novatours SIA;
- Novatours OU;
- Aviaturas ir Partneriai UAB;
- Novatours Holidays SRL.

The shareholders of the Company are disclosed in Note 1.

The Company's transactions with related parties between January and June of 2018 and the balances arising on these transactions as at 30 June 2018 are presented below:

	Purchases	Sales	Receivable amounts (including loans)	Payable amounts (including loans)
The shareholders of the Company	-	-	-	-
Subsidiaries	1,800	5,555	1,249	12,572
	1,800	5,555	1,249	12,572

In 2018, the company received dividend income from subsidiaries Novatours OU – EUR 2,400 thousand, Novatours SIA – EUR 3,900 thousand (Note 18). Dividends were paid in cash.

The Company's transactions with related parties between January and June of 2017 and the balances arising on these transactions as at 31 December 2017 are presented below:

	Purchases	Sales	Receivable amounts (including loans)	Payable amounts (including loans)
The shareholders of the Company	-	-	-	-
Subsidiaries	1,257	3,531	11,508	24,543
	1,257	3,531	11,508	24,543

There were no guaranties provided or assets pledged for any related party receivable or payable amounts. It is expected to cover receivable and payable amounts with related parties by cash payments or offsetting with payable or receivable amounts from these parties.

Transactions with related parties of the Company include purchases and sales of travel packages, commissions. The conditions of loans received from the subsidiaries are disclosed in Note 13.

The ageing analysis of the Company's receivables from related parties as at 30 June 2018 and 31 December 2017:

	Receivables neither past due nor impaired	Receivables past due but not impaired				Total
		less than 30 days	31 – 60 days	61 – 90 days	overdue for more than 91 day	
31 December 2017	11,508	-	-	-	-	11,508
30 June 2018	1,249	-	-	-	-	1,249

Management remuneration and other payments

In 2018, the remuneration for the management of the Company amounted to EUR 430 thousand (EUR 263 thousand in 2017).

The management of the Company comprised 4 persons as at 30 June 2018 (2 persons as at 30 June 2017).

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

NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

20 Earnings per share (EPS)

	1 January 2018 – 30 June 2018	1 January 2017 – 30 June 2017
Net profit attributable to ordinary equity holders of the Company	8,317	1,922
Weighted average number of ordinary shares (thousand)	7,807	7,807
Basic earnings per share (EUR per 1 share)	1.07	0.25

There are no dilutive instruments.

21 Segments

For the purpose of the segment information disclosures in accordance with IFRS 8, the management made a judgment to present the information on reportable segments identified by product category, which are as follows:

- Flight package tours
- Sightseeing tours by plane
- Sightseeing tours by coach
- Other.

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

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

Information on the Company's segments for the period between January and June 2018 is presented in the table below:

	Flight package tours	Sightseeing tours by coach	Sightseeing tours by plane	Other sales	Total
Sales	37,576	1,291	617	7,473	46,957
Cost of sales	(31,905)	(1,170)	(491)	(6,056)	(39,622)
Gross margin	5,671	121	126	1,417	7,335
Sales commission expenses	(2,040)	(57)	(16)	-	(2,113)
Sales profit by segment	3,631	64	110	1,417	5,222
Unallocated income (expenses)					
Other operating income					14
Operating expenses (other than sales commission)					(2,327)
Other operating (expenses)					-
Profit from operations					2,909
Finance income (expenses), net					5,821
Profit before tax					8,730
Income tax (expenses)					(413)
Net profit					8,317

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

NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

(all amounts are in thousand EUR unless otherwise stated)

Information on the Company's segments for the period between January and June 2017 is presented in the table below:

	Flight package tours	Sightseeing tours by coach	Sightseeing tours by plane	Other sales	Total
Sales	25,218	1,585	600	4,580	31,983
Cost of sales	(20,338)	(1,443)	(483)	(4,012)	(26,276)
Gross margin	4,880	142	117	568	5,707
Sales commission expenses	(1,327)	(75)	(12)	-	(1,414)
Sales profit by segment	3,553	67	105	568	4,293
Unallocated income (expenses)					
Other operating income					-
Operating expenses (other than sales commission)					(1,709)
Other operating (expenses)					-
Profit from operations					2,584
Finance income (expenses), net					(319)
Profit before tax					2,265
Income tax (expenses)					(343)
Net profit					1,922

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

22 Contingencies and commitments

As at 30 June 2018, the Company was not involved in any legal proceedings, which in the management opinion would have a material impact on the separate condensed interim financial information.

23 Subsequent events

There were no post-balance sheet events between 30 June 2018 and the date of approval of the separate condensed interim financial information, that could have influence on the separate condensed interim financial information or be additionally disclosed.
