

Presentation of 6M 2022 Financial results

18 August 2022

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Novaturas – No. 1 tour operator in the Baltics

20+ years
experience in
tourism

30+ destinations
worldwide

100+ roundtrips
in Europe

200 employees
in Lithuania,
Latvia and
Estonia

130 thousand
pax
in H1 2022

90 m EUR
turnover
in H1 2022



Key financials & significant events

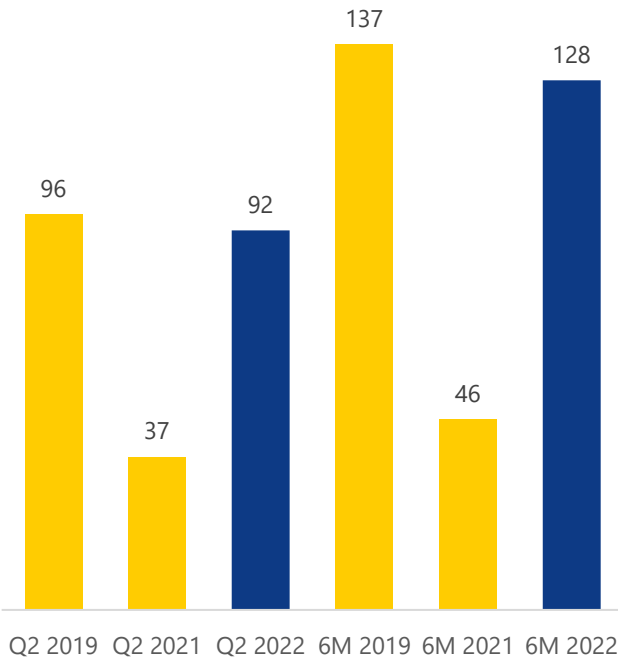
	Q2 2019	Q2 2021	Q2 2022	H1 2019	H1 2021	H1 2022
Sales, k EUR	54,454	23,543	62,393	83,260	29,114	91,647
Gross profit, k EUR	6,501	3,547	5,108	10,060	5,164	7,854
EBITDA, k EUR	1,645	1,175	-654	1,728	1,790	-750
Net profit, k EUR	585	929	-1,155	437	1,120	-1,660
Gross profit margin	11.9%	15.1%	8.2%	12.1%	5.9%	8.6%
EBITDA margin	3.0%	5.0%	-1.0%	2.1%	3.5%	-0.8%
Net profit margin	2.9%	4.8%	-1.1%	1.9%	3.8%	-1.8%
Pax, k	96	37	92	137	46	128
Load factor	97.5%	89.2%	94.9%	97.3%	90.2%	95.0%
Sales profit per PAX	37	59	14	41	77	22

- In 2022 Novaturas continues its gradual recovery. In Q2 sales has reached EUR 62.4 m and is 2,7x higher than in 2021 and exceeded 2019 results by 15%.
- The company has served more than 92 k travelers - 2.5x more than in 2021 and is in line with our guideline for Q2.
- However soaring jet fuel prices has complicated Novaturas recovery from the pandemic.
- The company has effectively applied fuel hedge strategy in Q2 using derivatives and this has resulted in EUR 103 k profit from hedging activity. Yet not all the volumes were hedged and according to the estimates of the management further jet fuel price spikes has resulted a loss of approx. EUR 2,2 m (average of 24 EUR/pax).
- Going forward the management expects to increase fuel hedge ratio and diversify hedging instruments having in mind high volatility in the market.
- The fact that booking window has shortened and some of the fuel price increase has been calculated into the price of the purchased trips allows to assume that jet fuel price impact on profitability is a short-term pain point.
- Nearly half of negative EBITDA in the 1H of 2022 was caused by one-off expenses of approx. EUR 300 k (related to legal expenses, layoff compensations and additional remuneration for the board members).
- Finance expenses in Q2 amounted to EUR 414 k (EUR 202 ths interest expenses and EUR 212 k negative currency exchange (non cash) result).

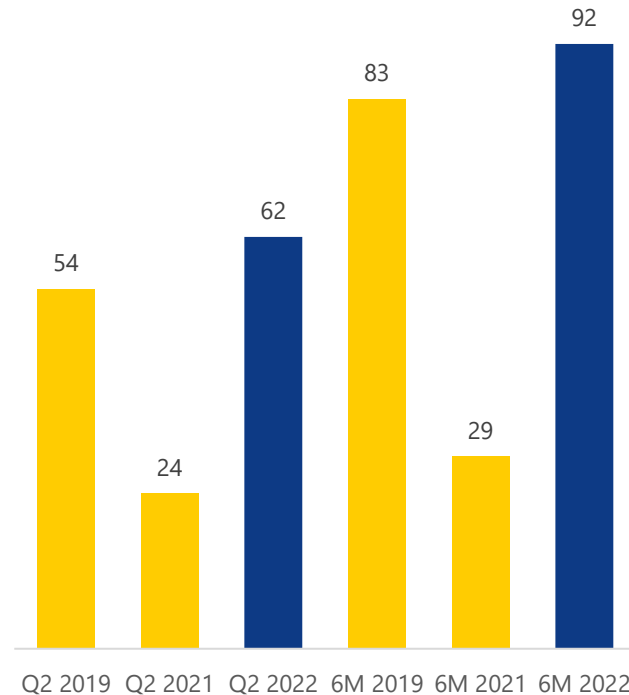
6M 2022 Revenues & seat supply

In terms of generated revenues, we have exceeded pre-pandemic 2019 results by 10.0% in H1 2022. The number of travelers served is less by 6.3% if compared with the same period in 2019. The results of revenues are influenced by gradually recovered tourism sector demand and increased sales price of organized holiday package due to higher fuel prices.

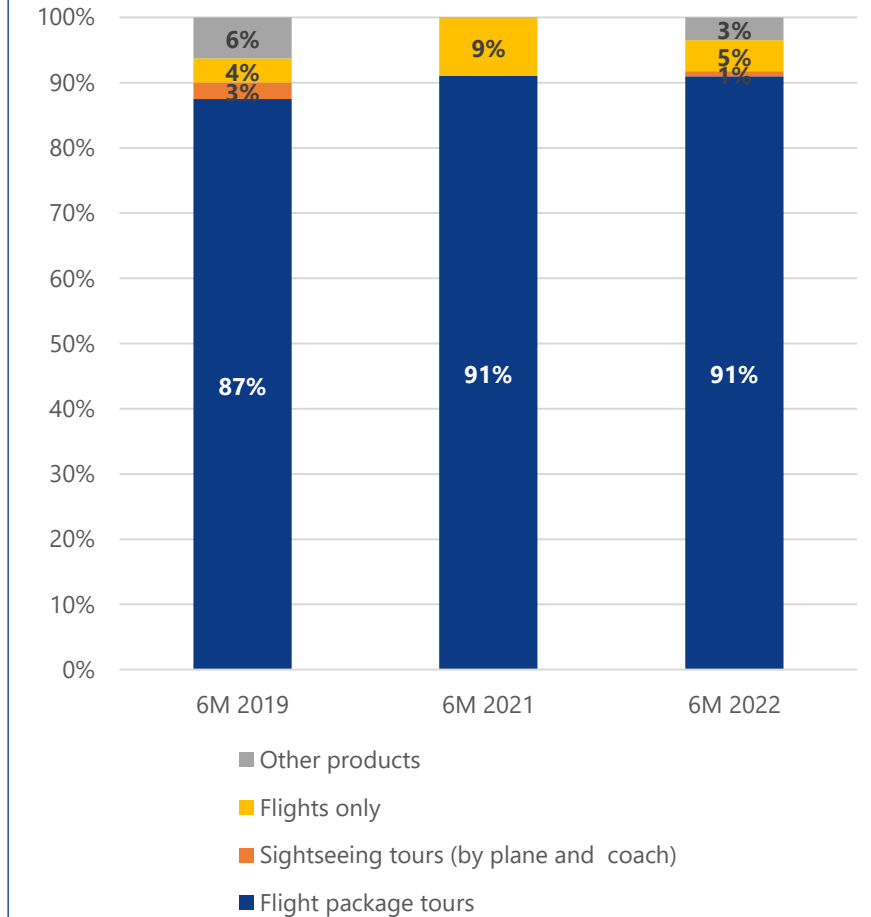
Number of PAX sold (k)



Revenue (EUR m)

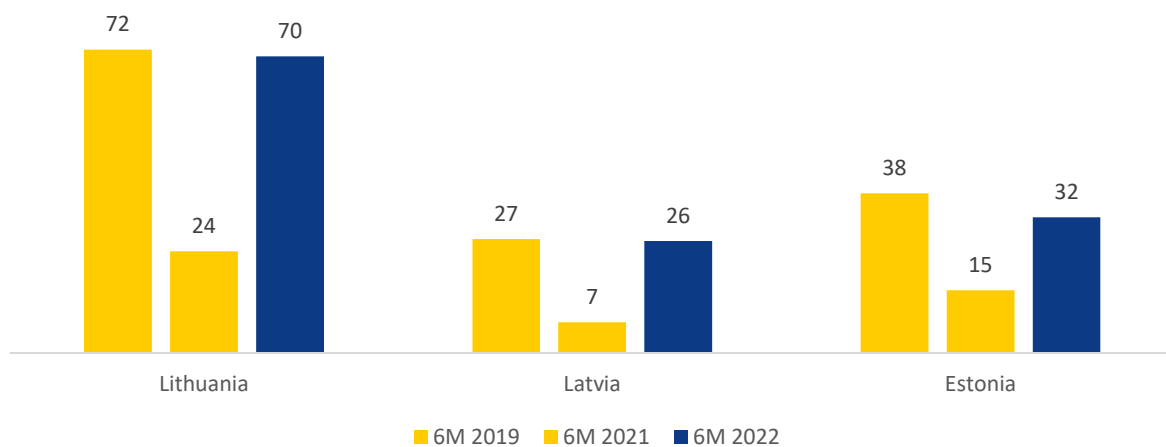
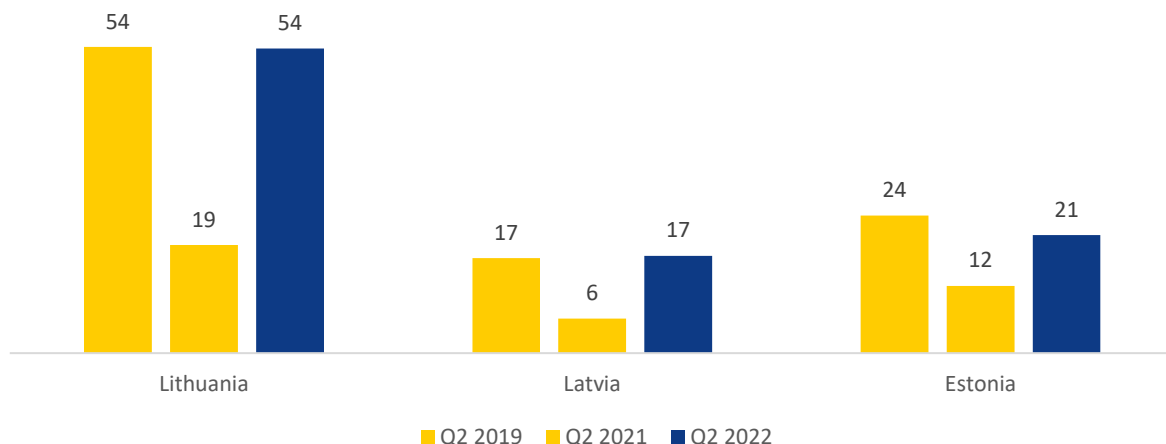


Sales by product category
(% share in revenue)



6M 2022 Number of travelers

Number of PAX sold by country (k)



In H1 2022, total number of travelers served by Novaturas grew by 178% y/y. Despite rapid annual growth, number of travelers served is still slightly lower if compared with the same period in 2019.

In 2022 two tour operators exited the Baltic market (TUI Baltic and Kidy Tour), however another tour operator from Ukraine Join UP! has entered the Baltic markets (in April 2022) and is still in market entrance mode. Based on public information Join UP! targets up to 50 k pax for 2022, it amounts to 7-10% of total tour operators' market share. Coral travel is operating in the market since 2021 offering holiday packages to Turkey, Egypt and Greece.

Lithuania and Latvia markets have generated a minor difference of -2% per each in H1 of 2022 vs H1 of 2019. In Latvia, the company is gradually strengthening its' market position. The company estimates that in H1 Novatours Latvia is likely to be the market leader in tour operator segment in terms of travelers served.

In Estonia, the company position has temporary weakened due to constant airline delays. The company is proactively solving the situation by introducing additional air carriers to certain destinations and improving the quality of services of existing carrier.

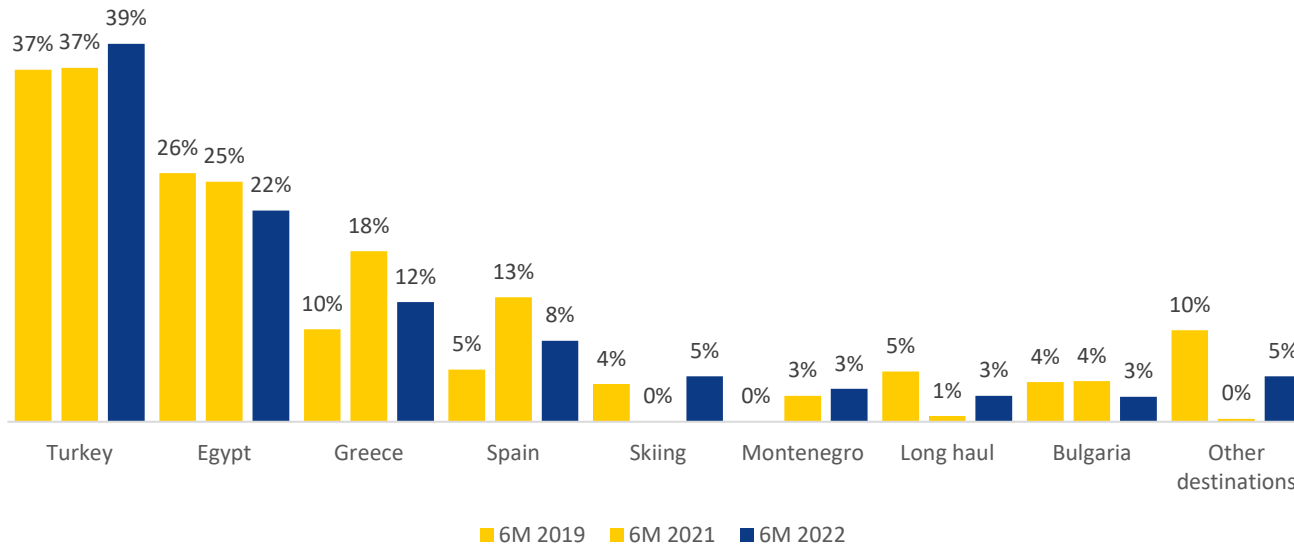


128 k

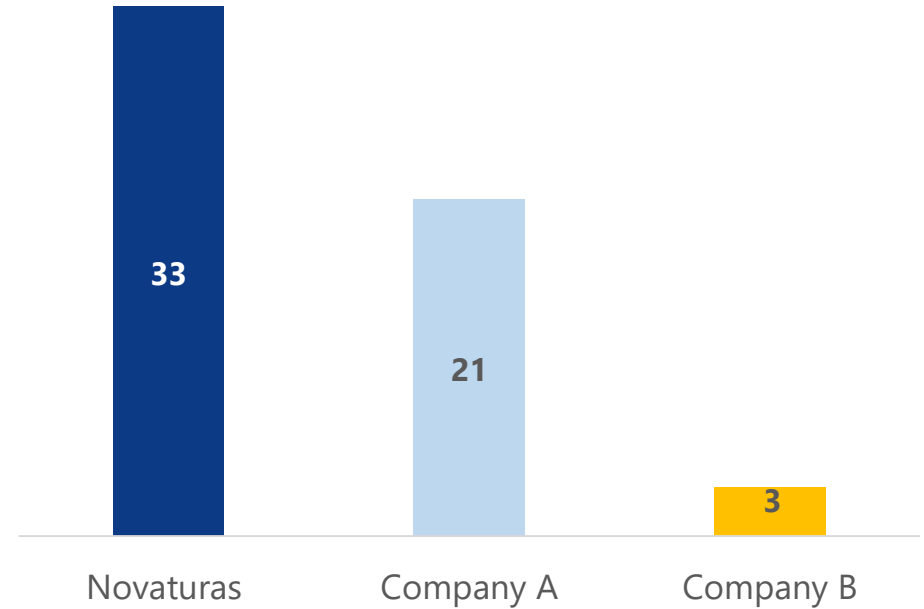
total PAX sold during 6M 2021 (178% vs y/2021)
total PAX sold during 6M 2022 (-6,3 % vs y/2019)

6M 2022 Top destinations

Sales of flight package tours by destinations
(% share in charter travel revenue)



Novaturas – tour operator with the widest destination portfolio
(number of destination countries)



Diversified product & destination portfolio allows the company to be well positioned to withstand any changes in demand for various destinations and other consumer preferences.

Turkey keeps its popularity as one of the best value for money destination. Greek islands continue to show increase in demand, which was partially influenced by dropping sales to Bulgaria due to more significant increase in prices in this destination.

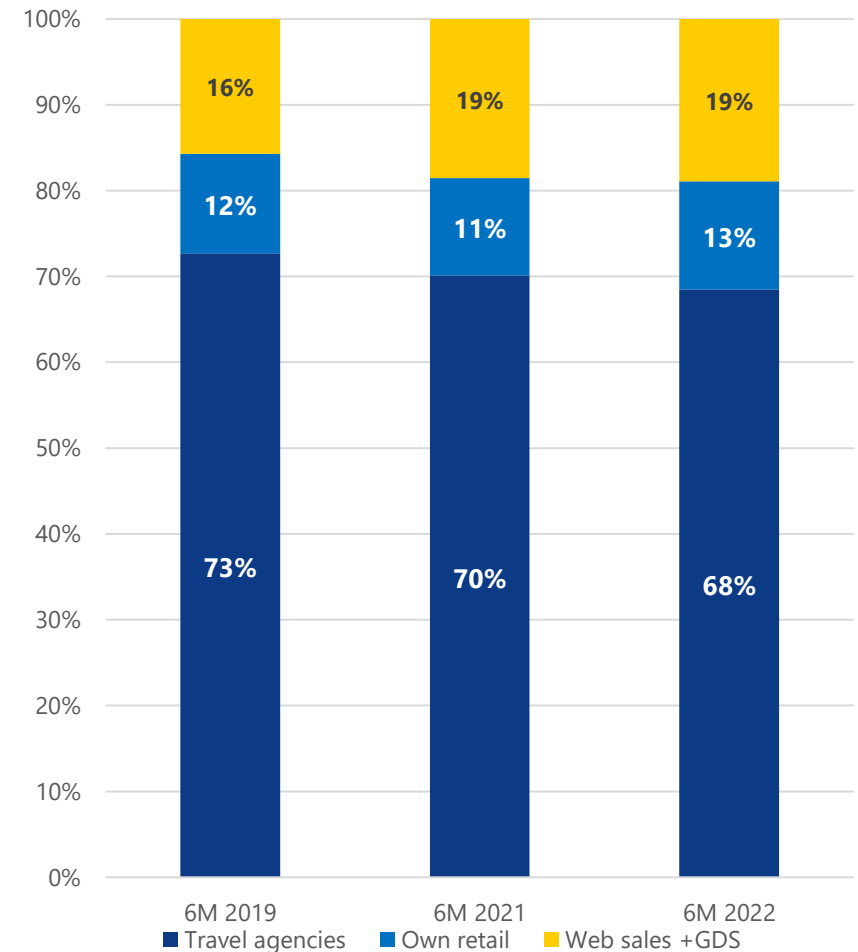
Demand for Montenegro is gradually increasing since the pandemic years, and it has always been an exclusive destination in Novaturas portfolio.

Wide customer base thanks to well-balanced distribution

Novaturas uses various channels to sell its products on different markets, making its distribution more efficient while reaching wider customer base and using market opportunities, following consumer preferences. The majority of the products are sold through travel agencies, with whom the company has long-term business relations, built on professionalism and mutual trust. The company has dedicated resources for maintaining relationships with agencies and develop IT systems by introducing new functionalities and improving existing ones for more convenient usage for travel agencies.

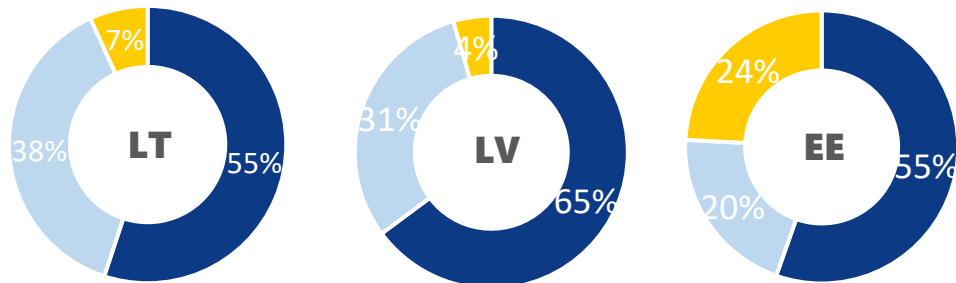
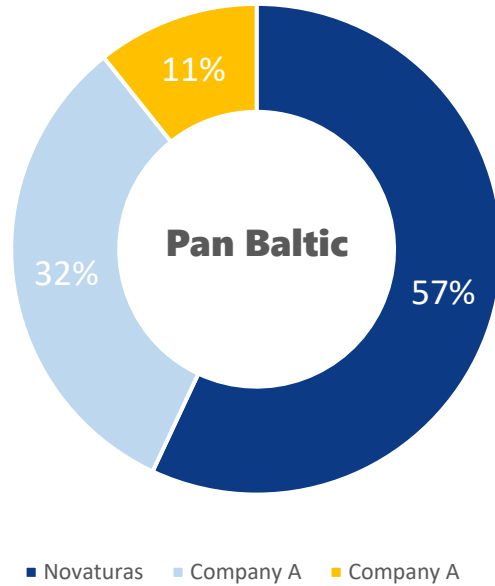
Own sales share has increased by 1,8 p.p in H1 2022 compared with the same period last year and by 4,2 p.p. in comparison with 2019.

Novaturas sales by distribution channels



E-commerce

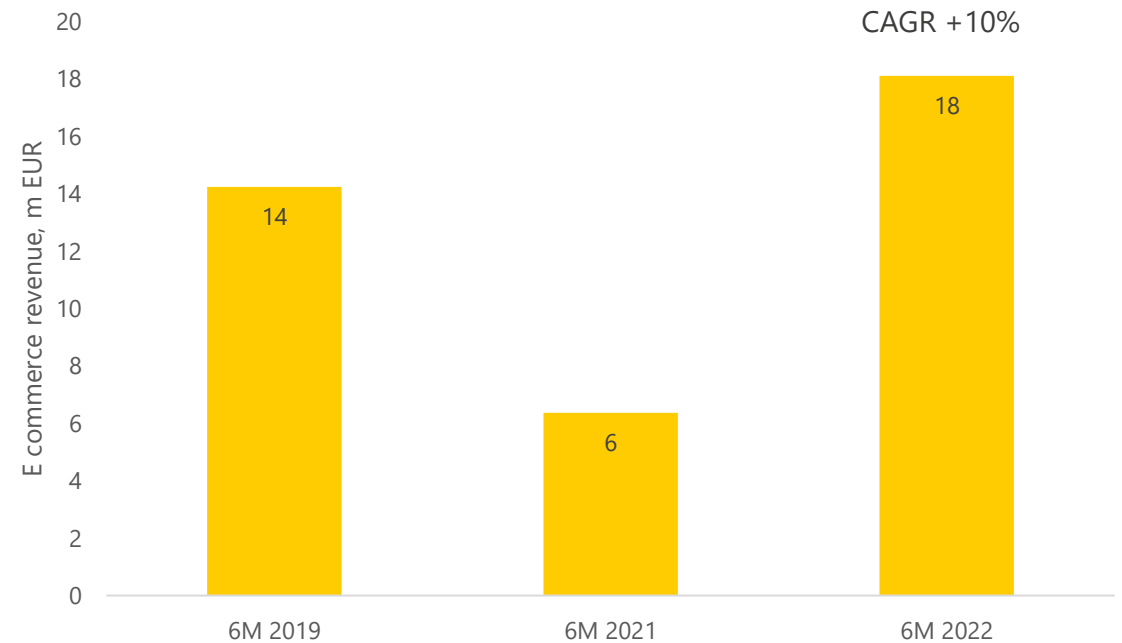
Web traffic share of the biggest tour operators' in the Baltics, Q2 2022



Novaturas is NO. 1 brand of choice based on the recent share of web traffic in all Baltic countries.

The group constantly develops its e-commerce channel and manages one of the biggest online shops in the Baltics.

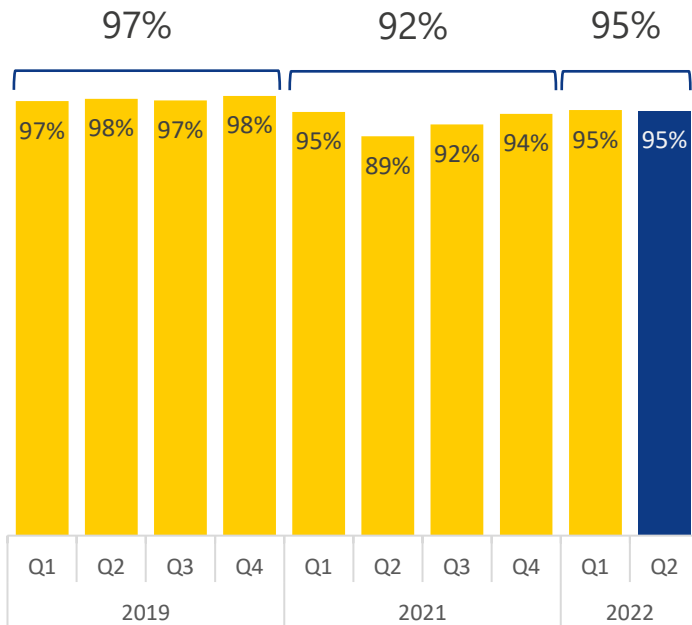
During first half of 2022, the company's websites have been visited by 2.1 m unique visitors - 80% more than in the first half of 2021 (1.1 m unique visitors).



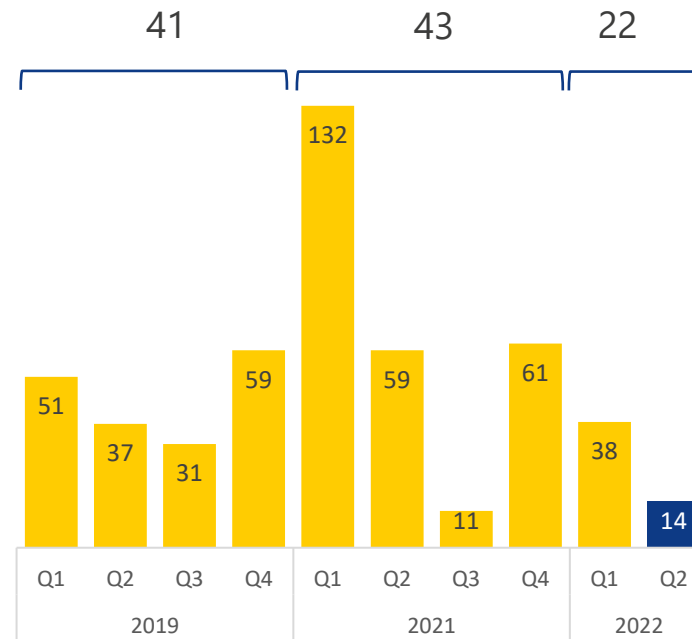
Efficiency and productivity ratios

Increased fuel prices have heavily affected both – sales profit per pax as well as average package price ratios. Global inflation, increased prices for the services and products have also influenced average package prices.

Load factor (%)

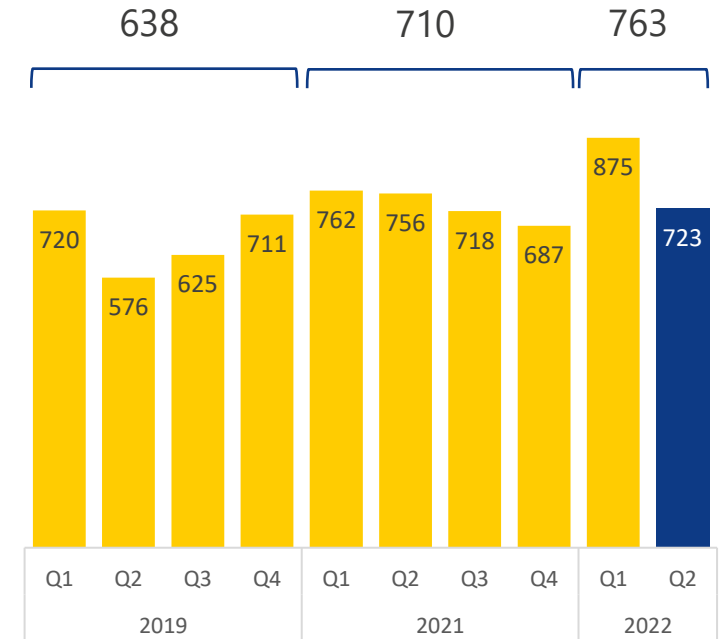


Sales profit per PAX* (EUR)



*Sales profit = gross profit less commission expenses

Average package tour price (EUR)



Operating expenses under control

Operating expenses (excl. commissions) totaled to EUR 3.6 m and were by 11% lower than the same period in 2019.

Despite the soaring inflation figures in all Baltic countries, operational efficiency enables Novaturas to serve higher number of clients, while maintaining or decreasing general and administrative expenses. Meanwhile sales and marketing activities are back on pre pandemic 2019 levels with of approx. EUR 2 m.

Operating expenses (EUR 000s)	Q2 2019	Q2 2021	Q2 2022	6M 2019	6M 2021	6M 2022
Total operating expenses	-1 992	-1 203	-1 974	-4 067	-1 969	-3 615
Sales and marketing (excl. commissions)	-972	-626	-1 107	-1 972	-999	-2 054
General and administrative	-1 020	-577	-867	-2 095	-970	-1 561
Operating expenses, %	-3,7%	-5,1%	-3,2%	-4,9%	-6,8%	-3,9%
Sales and marketing (excl. commissions)	-1,8%	-2,7%	-1,8%	-2,4%	-3,4%	-2,2%
General and administrative	-1,9%	-2,5%	-1,4%	-2,5%	-3,3%	-1,7%



EUR 3.6 m

6M 2022 Operating expenses
(-11% y/2019)

Forward looking statement for Q3, 2022



Volume

Targeting average monthly volumes exceeding 25k pax for Q3



Gross profit

Targeting significantly higher H2 gross profitability in comparison with H1



EBITDA

Targeting significantly positive EBITDA for H2 without further estimation due to high uncertainty in the market

Planned Q3 flight operation:

- The company has reviewed capacity levels for H2 considering competition with the intention to improve profitability.
- Also, reacting to high fuel prices the company would improve annual capacity planning and capacity discipline during the year.
- The group intends to maintain and secure market leader position, considering uncertainty in the market (risk of economic slowdown, potential travel limitations due to COVID-19 comeback and war in Ukraine) in 2023 the company does not expect significantly higher seat capacity than in 2022.
- Balanced supply program should stimulate profitability.
- Accelerated digital transformation program is underway.

Appendices

Main ratios

Financial ratios (EUR 000s)	Q2 2022	Q2 2021	Q2 2020	22/21 change %	21/20 change %	H1 2022	H1 2021	H1 2020	22/21 change %	21/20 change %
Revenue	62,393	23,543	126	+165.0	+18 854.9	91,647	29,114	23,476	+214.8	+24.0
Gross profit	5,108	3,547	126	+44.0	+2 715.1	7,854	5,164	2,661	+52.1	+94.1
EBITDA	(654)	1,175	(650)	-	-	(750)	1,790	(840)	-	-
Operating profit (EBIT)	(679)	1,135	(714)	-	-	(775)	1,707	(968)	-	-
Profit before tax	(1,050)	883	(2,067)	-	-	(1,660)	1,030	(2,476)	-	-
Net profit	(1,155)	929	(1,891)	-	-	(1,660)	1,120	(2,244)	-	-
Relative indicators	Q2 2022	Q2 2021	Q2 2020	22/21 change	21/20 change	H1 2022	H1 2021	H1 2020	22/21 change	21/20 change
Number of shares ¹⁾	7,807,000	7,807,000	7,807,000	-	-	7,807,000	7,807,000	7,807,000	-	-
Earnings per share (EUR) ¹⁾	-0.15	0.12	-0.24	-0.27	+0.36	-0.21	0.14	-0.29	-0.35	+0.43
Gross profit margin (%)	8.2	15.1	-	-6.9	-	8.6	17.7	11.3	-9.1	+6.4
EBITDA margin (%)	-1.0	5.0	-	-6.0	-	-0.8	6.1	-3.6	-6.9	+9.7
Operating profit (EBIT) margin (%)	-1.1	4.8	-	-4.9	-	-0.8	5.9	-4.1	-6.7	-10.0
Profit before taxes margin (%)	-1.7	3.8	-	-5.5	-	-1.8	3.5	-10.5	-5.3	-14.0
Net profit margin (%)	-1.9	3.9	-	-5.8	-	-1.8	3.8	-9.6	-5.6	+13.4
Return on assets (ROA) (%)	-2.2	1.6	-3.6	-3.8	+5.2	-3.4	2.2	-4.2	-5.6	6.3
Return on equity (ROE) (%)	-8.6	6.08	-11.46	-14.68	+17.54	-12.36	7.33	-13.60	-19.69	+20.93
Debt to equity ratio (%)	100.9	146.6	79.6	-45.7	+67.1	100.9	146.6	79.6	-45.7	67.1
Equity ratio (%)	26.1	26.4	31.3	-0.3	-4.9	26.1	26.4	31.3	-0.3	-4.9
Effective tax rate (%)	-10.0	-5.2	-	+4.8	-	-	-8.7	-	+8.7	-
Current ratio	0.75	1.23	0.77	-0.48	+0.46	0.75	1.23	0.77	-0.47	+0.5

Consolidated statements of comprehensive income

EUR 000s	Q2 2022	Q2 2021	Q2 2020	22/21 change %	21/20 change %	H1 2022	H1 2021	H1 2020	22/21 change %	21/20 change %
Sales	62,393	23,543	126	+165.0	-	91,647	29,114	23,476	+214.8	+24.0
Cost of sales	(57,285)	(19,996)	-	+186.5	-	(83,793)	(23,950)	(20,815)	+249.9	+15.1
Gross profit	5,108	3,547	126	+44.0	-	7,854	5,164	2,661	+52.1	+94.1
Operating (expenses)	(5,800)	(2,541)	(835)	+128.26	-	(8,661)	(3,586)	(3,624)	+141.52	-1.0
Other operating income	14	130	-	-89.2	-	33	130	-	-74.60	-
Other operating (expenses)	(1)	(1)	-	-	-	(1)	(1)	(5)	-	-
Profit from operations	(679)	(1,135)	(714)	-	-	(775)	1,707	(968)	-	-
Finance income	43	68	423	-36.8	-83.9	58	280	532	-79.3	-47.4
Finance (expenses)	(414)	(320)	(1,776)	-29.4	-82.0	(943)	(957)	(2,040)	-1.5	-53.1
Profit before tax	(1,050)	883	(2,067)	-	-	(1,660)	(1,030)	(2,476)	-	-
Income tax (expense)	(105)	46	176	-	-73.9	-	90	232	-100.0	61.2
Net profit	(1,155)	929	(1,891)	-	-	(1,660)	(1,120)	(2,244)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods										
Result of changes in cash flow hedge reserve	(1)	20	1,350	-	-	3	469	(1,655)	-99.4	-
Impact of income tax	1	(3)	(203)	-	-	-	(70)	248	-100.0	-
Total comprehensive income for the year	(1,155)	946	(744)	-	-	(1,657)	1,519	(3,651)	-	-
Earnings per share ¹⁾	-0.15	0.12	-0.24	-	-	-0.21	0.14	-0.29	-	-

Consolidated balance sheet

(EUR 000s)	30 June 2022	30 June 2021	30 June 2020
ASSETS			
Non-current assets			
Goodwill	30,327	30,327	30,327
Other intangible assets	292	102	172
Property, plant and equipment	73	93	157
Right of use assets	346	219	562
Long term receivables	106	211	218
Deferred income tax asset	860	980	461
Total non-current assets	32,004	31,932	31,897
Current assets			
Inventories	-	2	3
Prepayments and deferred expenses	7,994	5,002	12,610
Trade accounts receivable	600	362	497
Prepaid income tax	69	70	70
Other receivables	923	286	647
Other current financial assets	-	200	-
Restricted cash	1,800	2,000	3,200
Cash and cash equivalents	8,048	17,937	3,719
Total current assets	19,434	25,859	20,746
Total assets	51,438	57,791	52,643

(EUR 000s)	30 June 2022	30 June 2021	30 June 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	234	234	234
Cash flow hedge reserve	-	(22)	(1,185)
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	13,023	14,894	17,280
Equity attributable to equity holders of the parent	13,431	15,280	16,503
Liabilities			
Non-current borrowings	11,919	21,348	7,070
Deferred income tax liabilities	31	-	-
Other non-current liabilities	-	-	-
Lease liabilities	207	83	360
Total non-current liabilities	12,157	21,431	7,430
Current liabilities			
Current portion of non-current borrowings	1,634	1,057	500
Overdraft	-	-	5,561
Trade payables	5,887	2,956	2,278
Advances received	16,751	15,201	17,276
Income tax payable	1	6	976
Other current liabilities and accrued expenses	1,406	1,688	509
Lease liabilities	171	149	216
Other current financial liabilities	-	23	1,394
Total current liabilities	25,850	21,080	28,710
Total equity and liabilities	51,438	57,791	52,643

Consolidated cash flow statement

(EUR 000s)	6M 2021	6M 2021	6M 2020
Net profit	(1,660)	1,120	(2,244)
Adjustments for non-cash items	414	994	(888)
Changes in working capital	6,518	7,432	(3,542)
Net cash flows from / (to) operating activities	5,272	9,546	(6,674)
Net cash flows from / (to) investing activities	(193)	(43)	(1)
Loans received	-	10,948	9,570
(Repayment) of loans	(773)	(5,397)	(2,439)
Interest (paid)	(377)	(482)	(391)
Dividends (paid)	-	-	-
Net cash flows from / (to) financing activities	(1,150)	5,069	6,740
Net increase (decrease) in cash flows	3,929	14,572	65
Cash and cash equivalents at the beginning of the year	5,919	5,365	6,854
Cash and cash equivalents at the end of the period	9,848	19,937	6,919

Top executives

Novaturas TOP executives are the team of experienced professionals. They have extensive know-how, years of experience in their field of expertise and an in-depth knowledge of the Group's offering, which ensures effective implementation of our strategy.



Vitalij Rakovski, CEO

- Joined the Company in 2022.
- He has accumulated almost 15 years of experience in business development, M&A, investment management and as a C level executive in advisory, utility and retail sectors.



Ieva Galvydienė, CCO

- Joined the Company in 2006.
- Responsible for pricing and capacity management on the Group level with more than 15 years of experience.



Arūnas Žilys, CFO

- Joined the Company in 2022.
- Has accumulated many years of experience in attracting investment and financial management, developing strategic projects and organizations.



Albert Zinevič, CSO

- Joined the Company in 2021
- Has accumulated more than 10 years of experience in sales and marketing in hospitality industry.

The Board



Vidas Paliūnas

Member of the Board

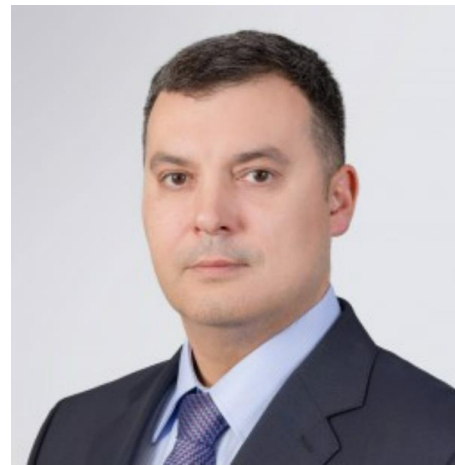
- Co-founder of Novaturas UAB in 1999.
- 1999-2009 General Manager of the Company.
- 2009-2018 member of Novaturas' management board (functioning like a supervisory body in the period).



Ugnius Radvila

Member of the Board

- Co-founder of Novaturas UAB in 1999.
- 1999-2011 supervisor of sightseeing product department of the Company.
- Since 2011 consultant to the Company.



Rytis Šumakaris

Member of the Board

- Co-founder of Novaturas UAB in 2001.
- During the 18 years within the company Rytis has contributed significantly to building "Novaturas" business, expansion in the Baltics, securing leading positions in all three markets



Andrius Jurkonis

Independent member of the Board

- Certified financial analyst. and manager of investment fund Axia Capital Fund
- He has accumulated many years of experience in management positions at Euroapothea, VST, Swedbank.

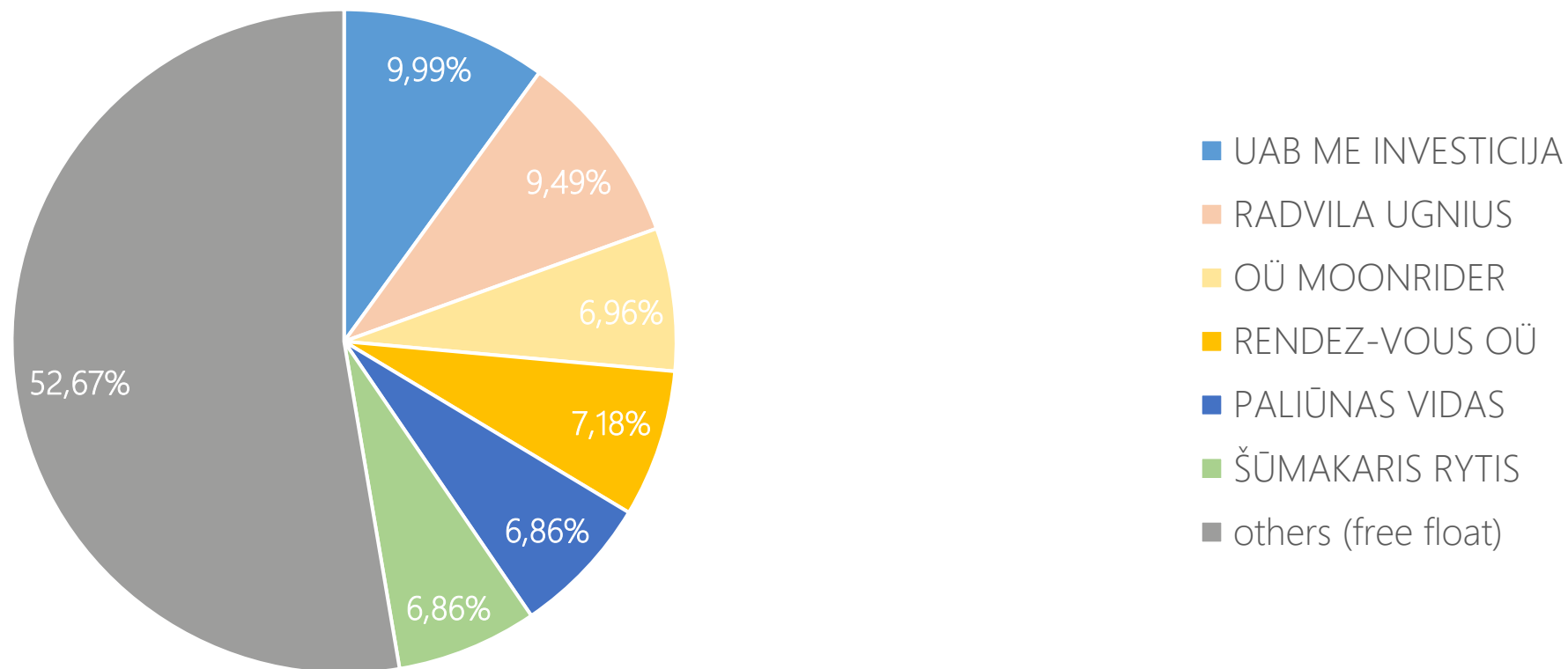


Virginijus Lepeška

Chairman of the Board
Independent member

- Chairman of the Board and Consultant of the management consulting and training company OVC Consulting.
- Has accumulated extensive experience in organizational consulting, corporate governance, strategic management.

Shareholder structure



- 1) ME Investicija is an investment company that manages one of the largest European transport services group Girteka
- 2) "Rendez Vous" OU, CEO Janek Pohla is the founder and member of the management board at „Tahe Outdoors". „Tahe Outdoors" has been a successful manufacturer and distributor of water sports equipment for more than 25 years and is one of the leaders in the field in Europe.
- 3) "Moonrider" OU related with Estonian investment company Go Group, which operates in the fields of tourism, transport, real estate and engineering.

Company information

Novaturas group PLC

Registered address:

Mickevičiaus str. 27, LT-44245 Kaunas, Lithuania

www.novaturasgroup.com

Registered under number 135567698 in Lithuania

Company established: 1999 12 16

Stock Listing:

Warsaw Stock Exchange

Nasdaq Vilnius Stock Exchange

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