

Presentation of **Q1 2024**

22 May 2024

Disclaimer



This presentation has been prepared by the management of AB Novaturas, with its registered office at A. Mickevičiaus g. 27, LT-44245, Kaunas, Lithuania (the “Company” or “Novaturas”).

This presentation does not constitute or form any part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Novaturas, nor shall it or any part thereof or the fact of its distribution form the basis of, or be relied on in connection with, any contract, therefore.

The information and opinions contained herein are provided as at the date of this presentation and are subject to change without notice. Neither the Company nor its affiliates or advisers, representatives are under an obligation to correct, update or keep current the information contained in this presentation or to publicly announce the result of any revision to the information and opinions made herein. Furthermore, neither the delivery of this presentation nor any further discussions of the Company and/or its group with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

Neither this presentation nor any copy of it nor the information contained in it may be taken or transmitted into the United States, the United Kingdom, Canada, Australia or Japan or distributed, directly or indirectly, in the United States, the United Kingdom, Canada, Australia or Japan or to any resident thereof.

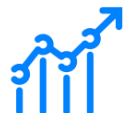
Forward looking statement

disclaimer



This presentation contains forward looking statements. These statements are based both on assumptions and estimates. Although the Company believes that these future-related statements are realistic, however these also assumes degree of uncertainties, which are inherent to the events of future. Therefore the Company can not and does not guarantee them and hereby also states that actual results could differ from the expected. The Company does not intend or assume any obligation to update any forward looking statement to reflect events or circumstances after the date of these materials.

Executive summary



Income less by 10% compared to Q1 2023



EBITDA at 317 kEUR – less by 83.3% compared to Q1 2023



Number of flights delayed over 3 hours down by 4 times compared to the same period last year
– below 1 % from total flights



Steady growth of customer NPS at 53% compared to 37% Q1 2023 and 51% last quarter



Deimantė Blagnienė joined the role of CHRO

Key financials



	Q1 2022	Q1 2023	Q1 2024
Sales, k Eur	28,287	38,172	34,518
Gross profit, kEur	2,524	5,958	4,453
EBITDA *, kEUR	- 522	1,896	317
Net profit, kEUR	- 931	1,576	8
Gross profit margin (%)	8.9	15.6	12.9
EBITDA margin (%)	- 1.8	5.0	0.9
Net profit margin (%)	- 3.3	4.1	0.0
Pax (k)	36	38	36
Load factor (%)	96	96	97
Sales profit**/Pax, (Eur)	30	103	66

* EBITDA = profit before tax + amortisation / depreciation
 + interest expenses - interest income
 **Sales profit = gross profit - commission expenses

Quarterly Sales

- 10% decrease in revenue compared to the first quarter last year
- Slight decrease in passenger numbers (2k less) compared to Q1 2023

Quarterly EBITDA performance

- EBITDA 317 kEUR - 83.3% less compared to 1.9 mEUR first quarter of the last year.

Gross Profit and Margins

- Gross profit decreased to 4,453 kEUR (Q1 2023 - 5,958 Keur)
- Gross profit margin at 12.9% (Q1 2023 - 15.6%)

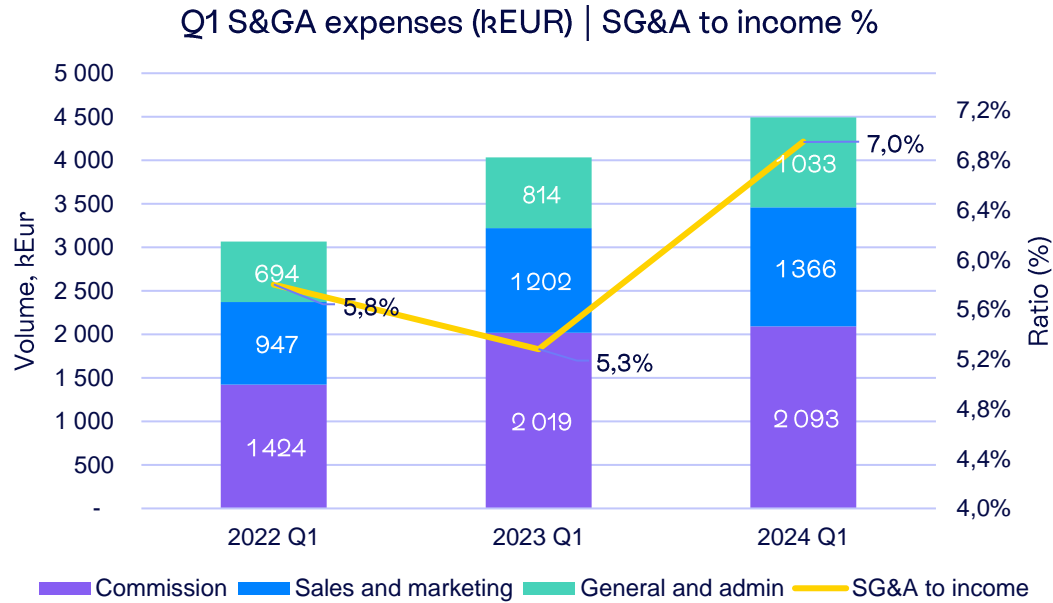
Load Factors

- Steady high level load factor of 97%
- High load factor due to flight optimization

Sales Profit Per Passenger

- Maintained profitability per customer despite Q1 challenges

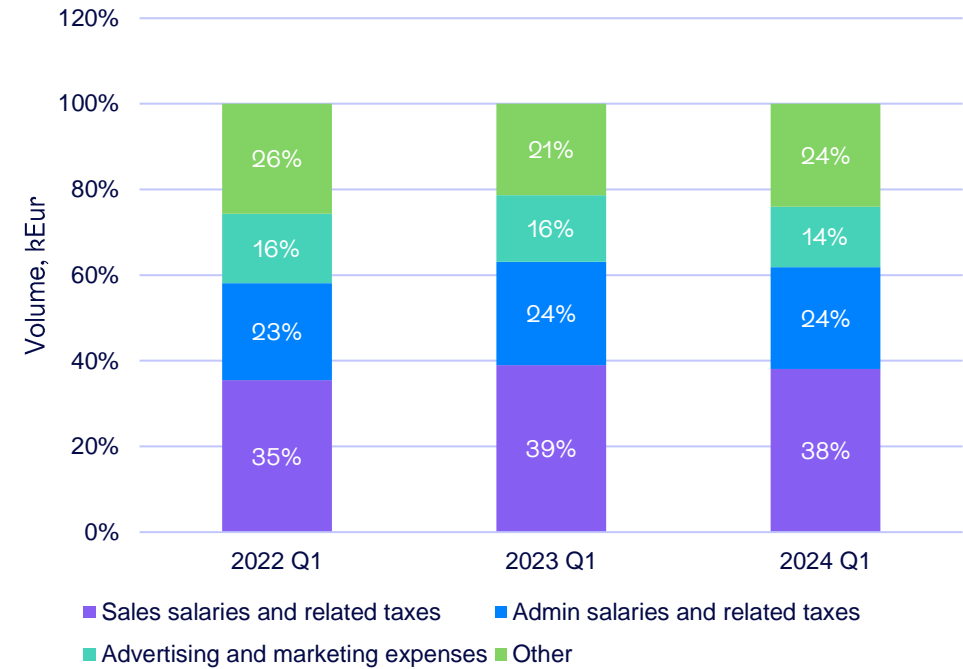
Expenses



Q1 Expense Overview

- S&GA to income % increased to lower sales compared to last year, however SG&A structure remains similar

Q1: S&GA expense (excl. commission) structure



Marketing Dynamics

- General and admin increase by 27% YOY mainly caused by salary increase

Marketing Dynamics

- Enhanced focus on own channels and market diversity ups advertising and marketing expenses

Markets

Eur'000	Q1 2024					
	Consolidated	Intra elim.	AIP	LT	LV	EE
Sales	34,518	(1,629)	8	15,722	10,333	10,084
Cost of sales	(30,065)	1,630	(2)	(13,834)	(9,104)	(8,755)
Gross profit	4,453	1	6	1,888	1,229	1,329
Sales and marketing expenses	(3,459)	(1)	(1)	(1,622)	(910)	(925)
General and admin expenses	(1,032)	-	(3)	(854)	(69)	(106)
Other operating income	(18)	-	-	(81)	13	50
Other operating expenses	102	-	-	102	-	-
Profit from operations	46	-	2	(567)	263	348
Finance income	86	(0)	-	61	11	14
Finance (expenses)	(123)	0	-	(86)	(19)	(18)
Profit before tax	9	(0)	2	(592)	255	344
Income tax	(1)	0	-	-	(1)	-
Net profit	8	0	2	(592)	254	344

Income distribution

- 44% LT, 28% EE and 28 % LV

Gross profits

- LT - 12 %, LV close to 12%, EE - 13.2%

Expenses

- Before supporting functions relocation, LT at 16%, and LV at 9%, EE - at 10%.

Results before branding charge

- Operating profit rate resulted as negative in LT (-3.7%) while positive in LV and EE markets (2.4% and 3.0%)



Pax served

Q1 Passenger Trends

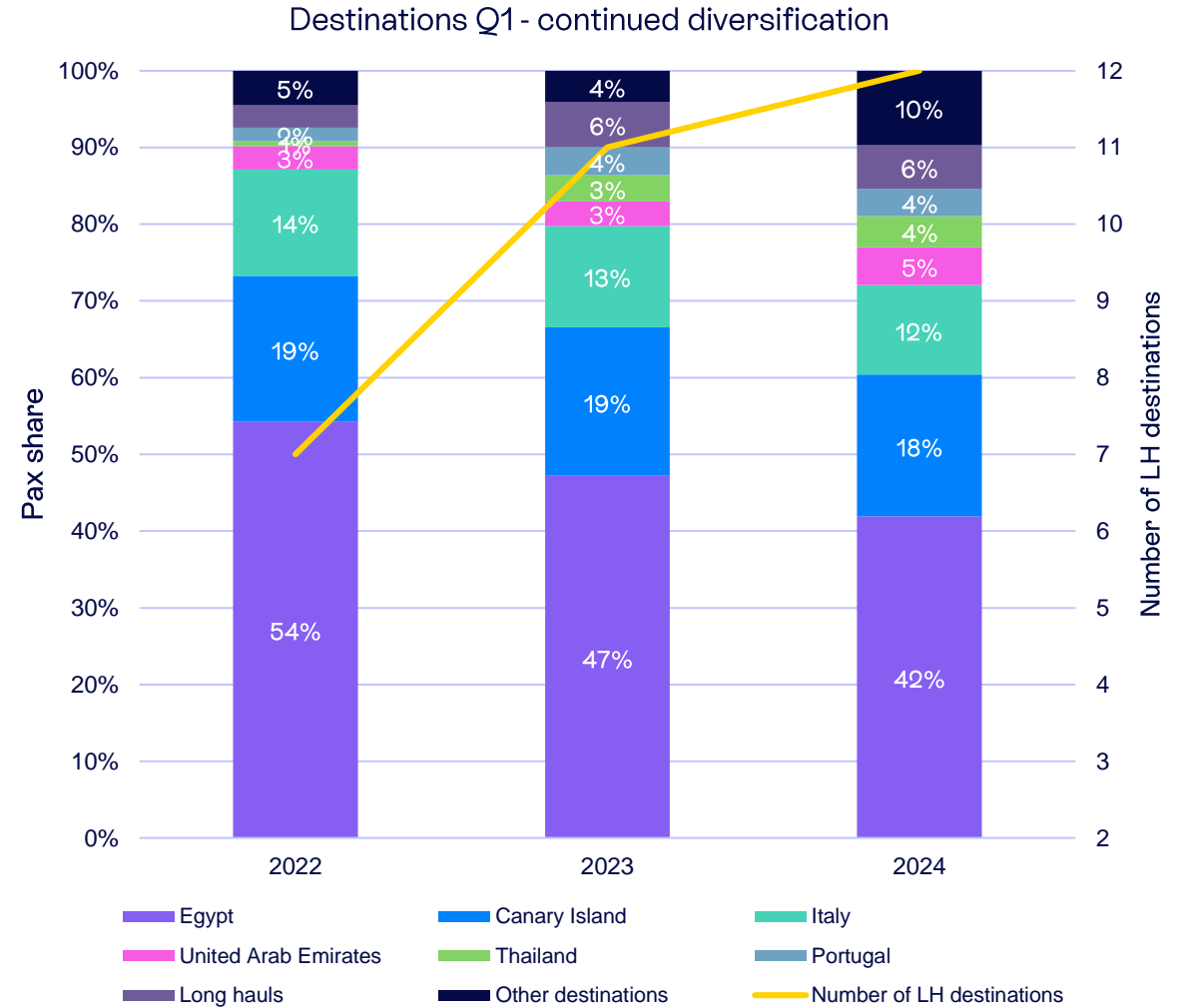
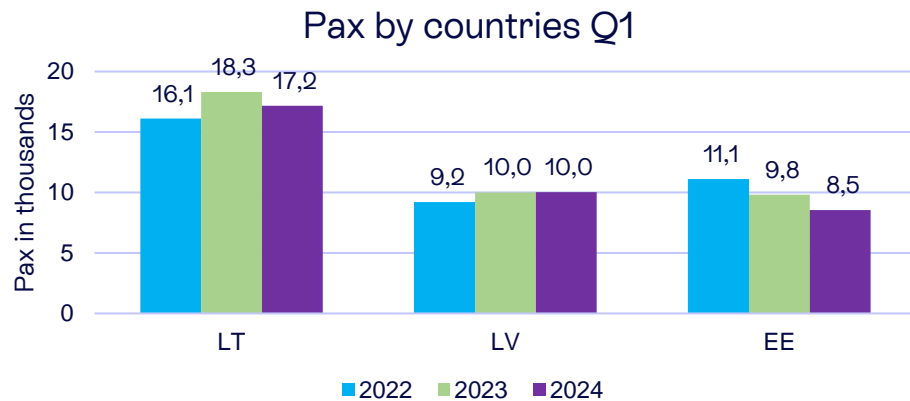
- Stable trend in Latvia (10.0k) , slight decline in Lithuania (10.8k) and Estonia (8.5k)

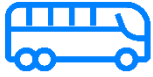
Market Dynamics

- Reduced dependency on Egypt from 47% to 42%, expanding into new destinations

Growth in Emerging Markets

- Passenger share for UAE grew from 3% in 2023 to 5% in 2024 and we are expecting significant potential for next winter season in this destination.





Customer perspective

Sales Timing

- Average 2024 Q1 booking window increased to 55 days, compared to 46 days last year. This was driven by proactive sales actions and campaigns

NPS Growth

- Increase from 37% in 2023 Q1 to 54% in 2024

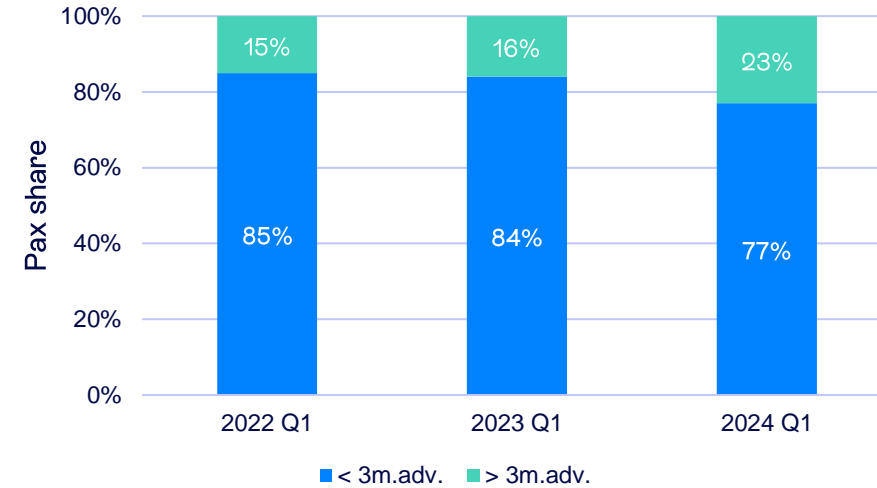
Market NPS

- Q1 2024: Lithuania - 57%, Latvia - 65%, Estonia - 44%
- Estonia's Q1 2023 to Q1 2024 growth: 11% to 44%

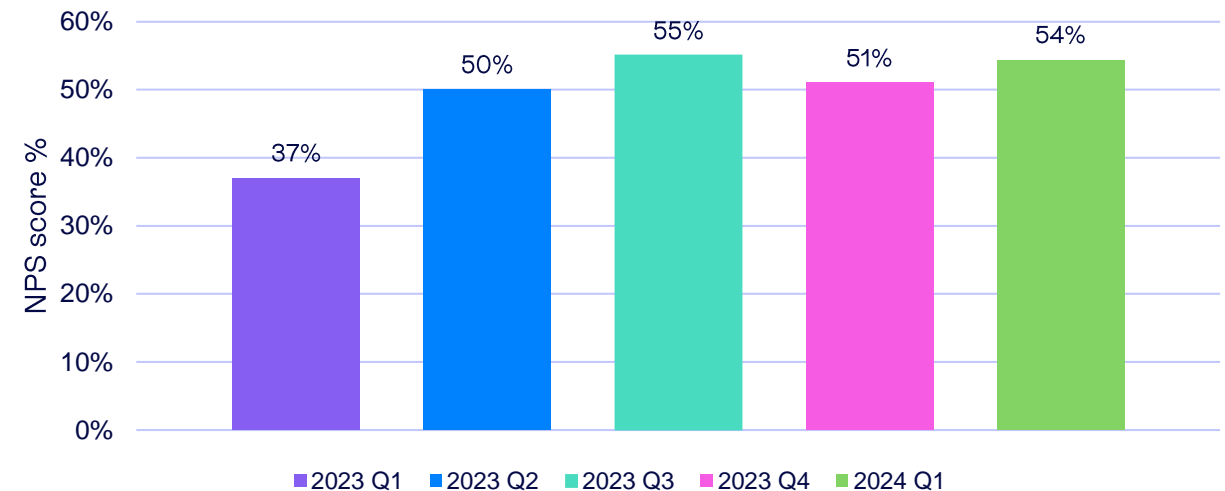
Top Rated Destinations

- Sharm el-Sheikh, Hurgada, Tenerife, United Arab Emirates
- Egypt slightly above average

Q1: travel purchase habits



Novaturas net promoter score 3M 2024



Customer perspective

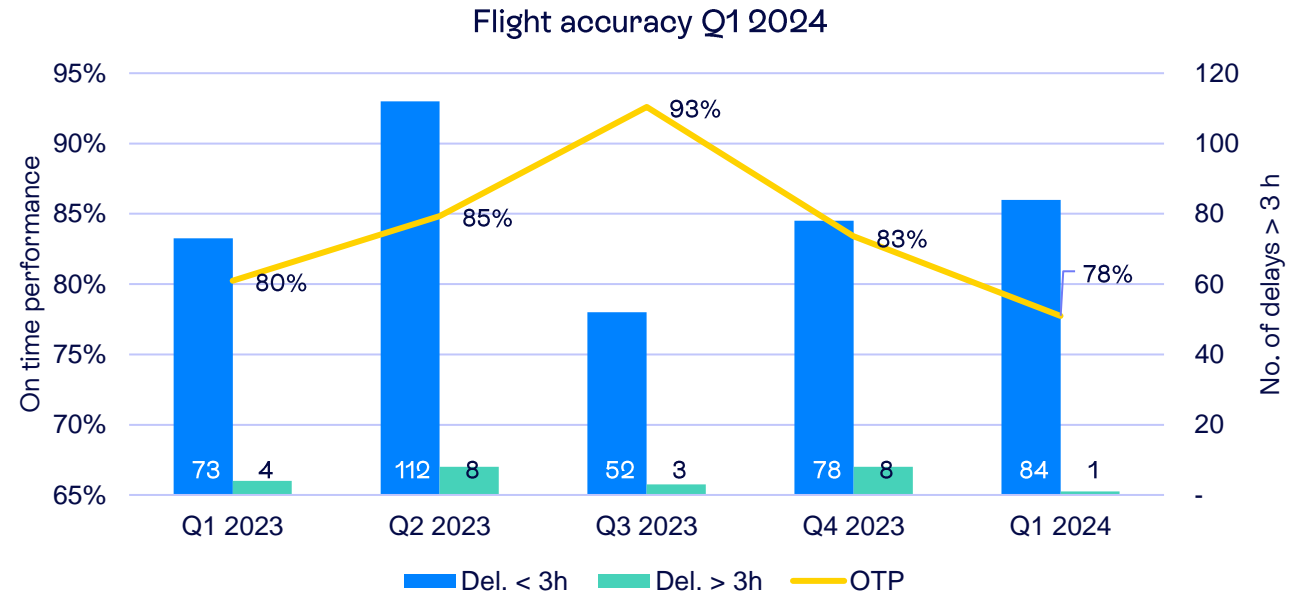


On-Time Flight Performance

- Q1 2024 OTP 78% similar compared to last year Q1

Flight Delays Reduction

- Delays over 3 hours reduced from 4 to 1 during first quarter of the year



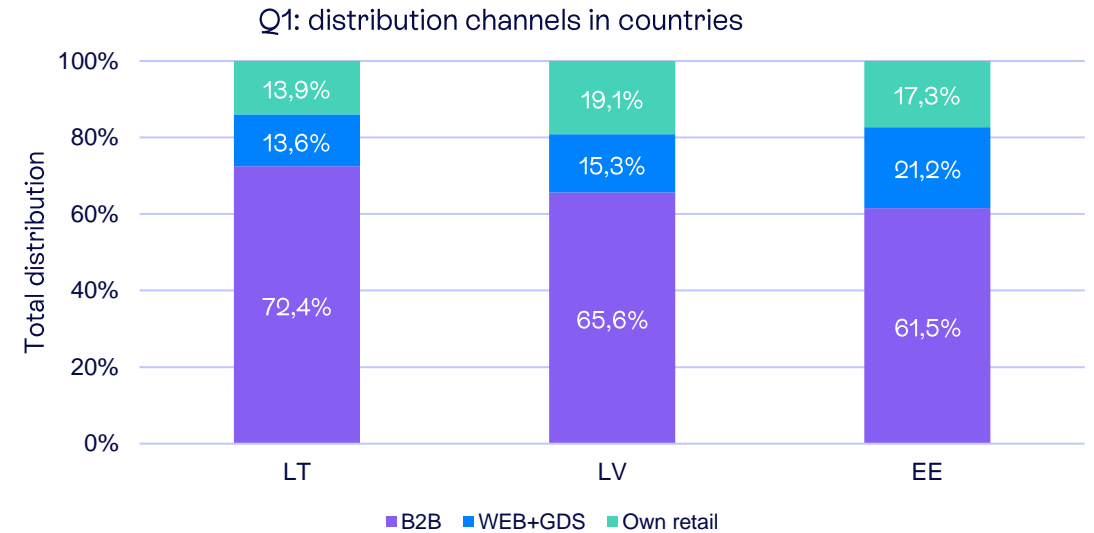
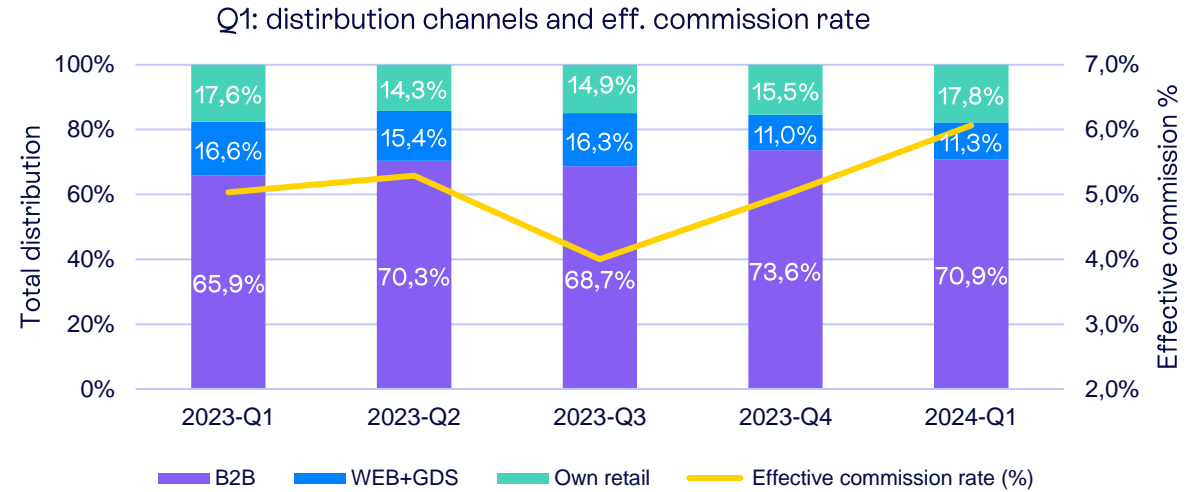
Distribution

Sales Recovery Challenges

- Web sales drop stabilized in Q1 – up by 0,3% from Q4 2023.

Channel Performance

- Own **retail** revenue share up to 17,8%
- Partner (Travel Agencies) share down to 70,9%



Distribution

Retail Channel Growth

- Retail share has grown by approximately 2 percentage points annually

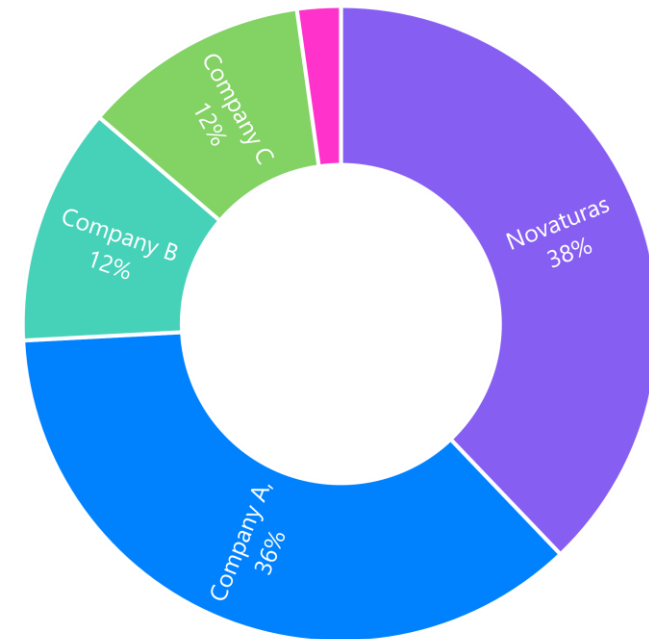
Web Traffic Leadership

- Novaturas maintains a strong position in web traffic with a 38% share of total traffic

Q1 Developments

- Website stabilization
- Search function upgrade
- Labelling of hotel sustainability and exclusivity
- Checkout optimization
- Improvement of the payment system

Q1: Web traffic data (similarweb)



Forward looking statement



220 – 240 k passengers in 2024



180 – 200 mEUR revenue



Expected EBITDA 2–3 mEUR

Net Profit 0.5–1.5 mEUR

Tactical objectives

1. Enhance sales channels
2. Upgrade website
3. Broad destination choices
4. Streamline operations
5. Value-added services
6. Digital enhancements



Q&A



Appendices



Quarterly effects of IFRS 15 accounting (I)

Since introduction of IFRS 15 (recognition of travel income and costs based on actual travel days) Novaturas accounted for annual corrective entry in respect of IFRS15. Note below summarizes and reconciles quarterly results of IFRS 15 accounting.

Year	Quarter	Income				Cost of sales			
		Reported numbers	Annual record, incl. in reported numbers	Results of quarterly IFRS 15 application	Adjusted numbers	Reported numbers	Annual record, incl. in reported numbers	Results of quarterly IFRS 15 application	Adjusted numbers
2021Q1		5,571	-	601	4,970	- 3,954		481	- 3,473
2021Q2		23,543	-	1,037	22,506	- 19,996		830	- 19,166
2021Q3		46,300	-	481	45,819	- 42,274		385	- 41,889
2021Q4		33,581	- 1,217	902	35,700	- 29,282	972	- 723	- 30,977
2021Q1- Q4		108,995	- 1,217	- 1,217	108,995	- 95,506	972	972	- 95,506
2022Q1		29,254	-	967	28,287	- 26,508		745	- 25,763
2022Q2		62,393	-	1,872	60,521	- 57,285		1,441	- 55,844
2022Q3		63,660	-	700	62,960	- 56,239		539	- 55,700
2022Q4		41,369	- 1,673	1,866	44,908	- 37,556	1,294	- 1,431	- 40,281
2022Q1- Q4		196,676	- 1,673	- 1,673	196,676	- 177,588	1,294	1,294	- 177,588
2023Q1		39,602	-	1,430	38,172	- 33,358		1,144	- 32,214
2023Q2		62,934	-	1,185	61,749	- 53,515		948	- 52,567
2023Q3		64,287	-	901	63,386	- 56,660		721	- 55,939
2023Q4		- 132,305	- 1,658	1,858	-128,789	113,468	1,320	- 1,493	110,655
2023Q1- Q4		34,518	- 1,658	- 1,658	34,518	- 30,065	1,320	1,320	- 30,065

Impact of change in accounting policies (II)

During 2023 Novaturas changed accounting policy in respect of IFRS 15 applicable for commission expenses. Before accounting policy change all commission liability in respect of commission payable were expensed (practical expedient treatment) while since 2023 expensed only that commission part which relates to revenue earned. Change in accounting policy has been applied retrospectively therefore prior year profit increased with 480 kEur (267 kEur'21 and 213 kEur'22) on the cost of current year result reduction (371 kEur) difference being accounted as deferred cost as at December 31'23.

EBITDA section summarizes both effects of quarterly IFRS 15 application (instead of annual) and impact of changes in accounting policy.

Year	Quarter	Commission				Impact on EBITDA			
		Reported numbers	Deferral of commission liability	IFRS 15 q-ly impacts	Adjusted numbers	Reported	Gross profit component	Commission component	Adjusted numbers
2021Q1	-	279		33	246	615	120	33	528
2021Q2	-	1 338		76	1 262	1 175	207	76	1 044
2021Q3	-	2 520		25	2 495	447	96	25	376
2021Q4	-	2 091	195	62	1 958	316	424	133	873
2021Q1 - Q4	-	6 228	195	72	5 961	2 553	0	267	2 820
2022Q1	-	1 220	195	9	1 424	96	222	204	522
2022Q2	-	3 826		107	3 719	654	431	107	978
2022Q3	-	3 545		44	3 501	2 092	161	44	1 975
2022Q4	-	2 848	377	111	2 582	861	814	266	219
2022Q1 - Q4	-	11 439	182	31	11 226	481	0	213	694
2023Q1	-	1 621	377	21	2 019	2 580	286	398	1 896
2023Q2	-	3 660		75	3 585	3 006	237	75	2 844
2023Q3	-	3 675		70	3 605	2 322	180	70	2 212
2023Q4	-	2 782		118	2 900	2 019	703	118	1 434
2023Q4 (A/P)	-					371	-	-	-
2023Q1 - Q4	-	11 738	377	6	12 109	5 518	-	371	5 518

Main ratios



Financial ratios (Eur'000)	First quarter			Δ	
	2024	2023	2022	24/23	23/22
Sales	34,518	38,172	28,287	-9.6	+34.9
Gross profit	4,453	5,958	2,524	-25.3	+136.1
Operating profit	46	1,930	(522)	-97.6	-469.4
EBITDA*	317	1,896	(522)	-83.3	-462.9
Profit before taxes	9	1,640	(1,036)	-99.5	-258.2
Net profit for the period	8	1,576	(931)	-99.5	-269.2
Relative indicators					
Number of ordinary registered shares	7,807,000	7,807,000	7,807,000	-	-
Earnings per share (EUR)	0.00	0.20	(0.12)	-0.20	+0.32
Gross profit margin (%)	12.90	15.61	8.92	-2.7 pp	+6.7 pp
Operating margin (%)	0.13	5.06	(1.85)	-4.9 pp	+6.9 pp
EBITDA margin (%)	0.92	4.97	(1.85)	-4.0 pp	+6.8 pp
Profit before taxes margin (%)	0.03	4.30	(3.66)	-4.3 pp	+8.0 pp
Net profit margin for the period (%)	0.02	4.13	(3.29)	-4.1 pp	+7.4 pp
Return on assets (ROA) (%)	0.01	2.18	(1.96)	-2.2 pp	+4.1 pp
Return on equity (ROE) (%)	0.05	9.94	(6.58)	-9.9 pp	+16.5 pp
Debt / equity ratio (%)	65.72	80.95	99.90	-15.2 pp	-18.9 pp
Equity ratio (%)	31.91	21.93	29.77	+10.0 pp	-7.8 pp
Actual profit tax rate (%)	6.71	3.90	10.13	+2.8 pp	-6.2 pp
Total liquidity ratio	82.31	88.69	72.73	-6.38	+15.96

* EBITDA recalculated to include all non interest related financial items (i.e. forex, derivative results etc.)

Consolidated statements of comprehensive income

Eur'000	First quarter, 2024		
	2024	2023	2022
Sales	34,518	38,172	28,287
Cost of sales	(30,065)	(32,214)	(25,763)
Gross profit	4,453	5,958	2,524
Sales and marketing expenses	(3,459)	(3,221)	(2,371)
General and admin expenses	(1,032)	(814)	(694)
Other operating income	(18)	20	19
Other operating expenses	102	(13)	-
Profit from operations	46	1,930	(522)
Finance income	86	96	15
Finance (expenses)	(123)	(386)	(529)
Profit before tax	9	1,640	(1,036)
Income tax	(1)	(64)	105
Net profit	8	1,576	(931)
Other comprehensive income			
Change in cash flow hedge	-	-	-
Impact of income tax	-	-	-
Total comprehensive income for the year	8	1,576	(931)
Net profit attributable to:			
The shareholders of the Company	8	1,576	(931)
Non-controlling interests	-	-	-
	8	1,576	(931)
Total comprehensive income attributable to:			
The shareholders of the Company	8	1,576	(931)
Non-controlling interests	-	-	-
	8	1,576	(931)
Earnings per share (EPS) for continuing operations:			
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)	0.00	0.20	(0.12)





Consolidated balance sheet

Eur'000	As at 31 March		
	2024	2023	2022
ASSETS			
Non-current assets			
Goodwill	30,327	30,440	30,327
Intangible assets	778	627	172
Property, plant and equipment	125	89	69
Right-of-use assets	358	338	227
Long term receivables	11	244	107
Deferred income tax asset	526	808	893
Total non-current assets	32,125	32,546	31,795
Current assets			
Inventories	-	-	1
Prepayments and deferred expenses	17,634	31,043	9,055
Trade accounts receivable	772	2,085	282
Prepaid income tax	5	7	70
Other receivables	516	1,635	608
Other current financial assets	4	-	-
Restricted cash	-	200	200
Cash and cash equivalents	5,335	4,762	5,547
Total current assets	24,266	39,732	15,763
Total assets	56,391	72,278	47,558

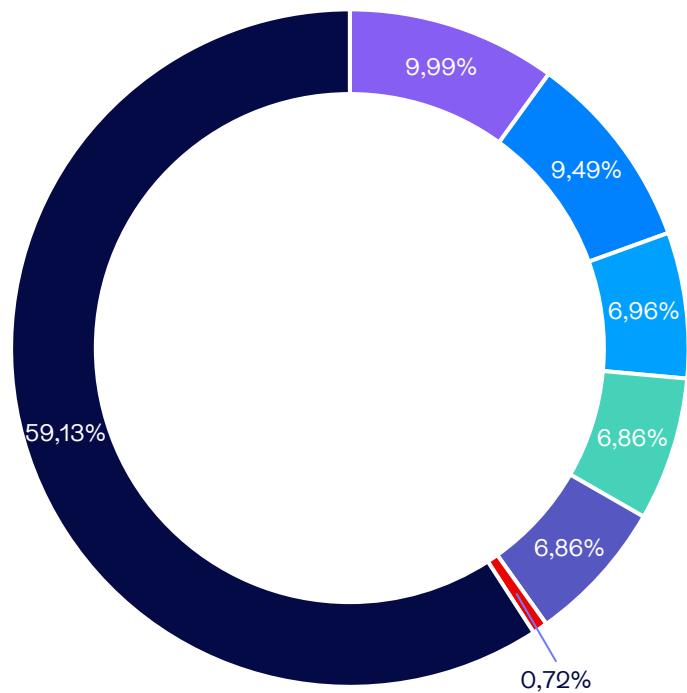
Eur'000	As at 31 March		
	2024	2023	2021
EQUITY AND LIABILITIES			
Share capital	234	234	234
Cash flow hedge reserve	-	-	-
Own shares acquired	(183)	-	-
Own shares acquisition reserve	1,250	-	-
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	16,519	15,441	13,752
Equity attributable to parent	17,994	15,849	14,160
Non-controlling interests	-	-	-
Total equity	17,994	15,849	14,160
Non-current liabilities			
Non-current borrowings	8,682	11,452	11,634
Deferred tax liability	-	-	-
Non-current lease liabilities	235	163	91
Other non current liabilities	-	15	-
Total non-current liabilities	8,917	11,630	11,725
Current liabilities			
Current part of non - current borrowings	2,742	1,012	2,271
Current borrowings	-	-	2,593
Trade payables	4,095	15,963	3,189
Advances received	16,862	23,704	11,720
Income tax payable	123	6	6
Other current liabilities and accrued ex	5,492	3,926	1,745
Current lease liabilities	166	188	149
Other current financial liabilities	-	-	-
Total current liabilities	29,480	44,799	21,673
Total equity and liabilities	56,391	72,278	47,558

Consolidated cash flow statement

Eur'000	First quarter, 2024		
	2024	2023	2022
Net profit	8	2,260	(505)
Adjustments for non-cash items	347	295	192
Changes in working capital	(840)	(3,639)	(1,799)
Net cash flows from operating activities	(485)	(1,084)	(2,112)
Net cash flows from investing activities	(44)	(142)	(55)
Loans received	4,800	4,000	2,593
Loans repaid	(2,057)	(337)	(422)
Interest paid	(226)	(245)	(176)
Lease paid	-	-	-
Shares buyback	-	-	-
Dividends paid	-	-	-
Net cash flows from financing activities	2,517	3,418	1,995
Net change in cash flows	1,988	2,192	(172)
Cash & equivalents at beginning of period	3,347	2,770	5,919
Cash & equivalents at close of period	5,335	4,962	5,747



Shareholder structure



- Willgrow, UAB
- Mr. Ugnius Radvila
- Moonrider, OÜ
- Mr. Vidas Paliūnas
- Mr. Rytis Šūmakaris
- AB Novaturas
- Others (free float)



Company information

Name	Position	Voting rights owned (%)
Mr. Gediminas Almantas	Independent member, chairs the board	-
Mr. Tomas Korganas	Member of the board	-
Mr. Ugnius Radvila	Member of the board	9,49%
Mr. Kristijonas Kaikaris	CEO	-
Mrs. Ieva Galvydienė	CCO	-
Mrs. Rasa Barysienė	CSO	-
Mr. Vaidrius Verikas	CFO	-

Novaturas group PLC

Registered address:

Mickevičiaus str. 27, LT-44245 Kaunas, Lithuania

www.novaturasgroup.com

Registered under number 135567698 in Lithuania
Company established: 16/12/1999

Stock Listing:

Warsaw Stock Exchange
Nasdaq Vilnius Stock Exchange

Contact information:

Vaidrius Verikas
CFO
mob. +370 646 43758
vaidrius.verikas@novaturas.lt



