

Presentation of **Q2 and H1 2024**

23 August 2024

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Executive summary



Income less by 10% compared to H1 2023



EBITDA at -1.6 mEUR – less by 128% compared to H1 2023



Number of flights delayed over 3 hours down from 8 to 3 compared to the same period last year
– below 1 % from total flights



Steady growth of customer NPS at 56% compared to 37% Q1 2023 and 54% last quarter



New CFO to be announced

Key financials



Quarterly Sales

- 8% decrease in revenue compared to the second quarter last year
- 11% decrease in passenger numbers (9k less) compared to Q2 2023

Quarterly EBITDA performance

- EBITDA - 1.9 mEUR 161% less compared to 3.1 mEUR second quarter of the last year.

Gross Profit and Margins

- Gross profit decreased to 4,055 kEUR (Q2 2023 – 9,182 Keur)
- Gross profit margin at 7.1% (Q2 2023 – 14.9%)

Load Factors

- Steady high level load factor of 95%
- High load factor due to flight optimization

Sales Profit Per Passenger

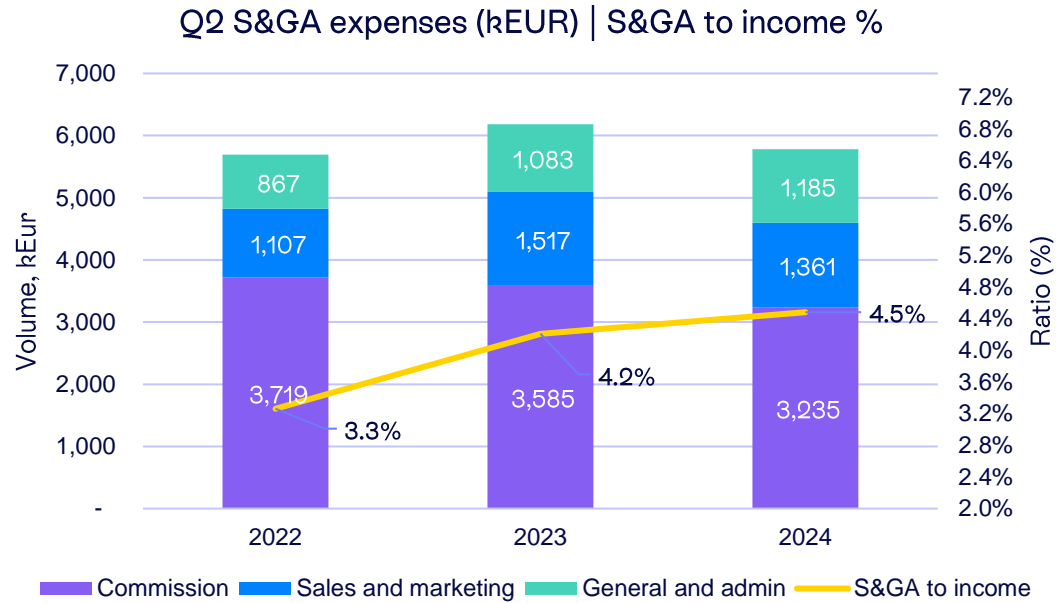
- Maintained profitability per customer despite Q2 challenges however not enough to cover operation expenses

	Q2 2022	Q2 2023	Q2 2024	H1 2022	H1 2023	H1 2024
Sales, k Eur	60,521	61,749	56,803	89,775	101,351	91,320
Gross profit, kEur	4,677	9,182	4,055	7,423	15,426	8,507
EBITDA *, kEUR	- 978	3,087	-1,882	- 1,074	5,667	- 1,565
EBITDA* w/o one offs	- 978	3,087	-1,882	- 1,074	5,667	- 1,565
Net profit, kEUR	-1,479	2,322	- 2,285	- 1,984	4,582	- 2,277
Gross profit margin (%)	7.7	14.9	7.1	8.3	15.2	9.3
EBITDA margin (%)	- 1.6	5.0	- 3.3	- 1.2	5.6	- 1.7
Net profit margin (%)	- 2.4	3.8	- 4.0	- 2.2	4.5	- 2.5
Pax (k)	92	86	77	92	86	77
Load factor (%)	95	94	94	95	95	95
Sales profit**/Pax, (Eur)	10	65	11	27	118	41

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

**Sales profit = gross profit - commission expenses

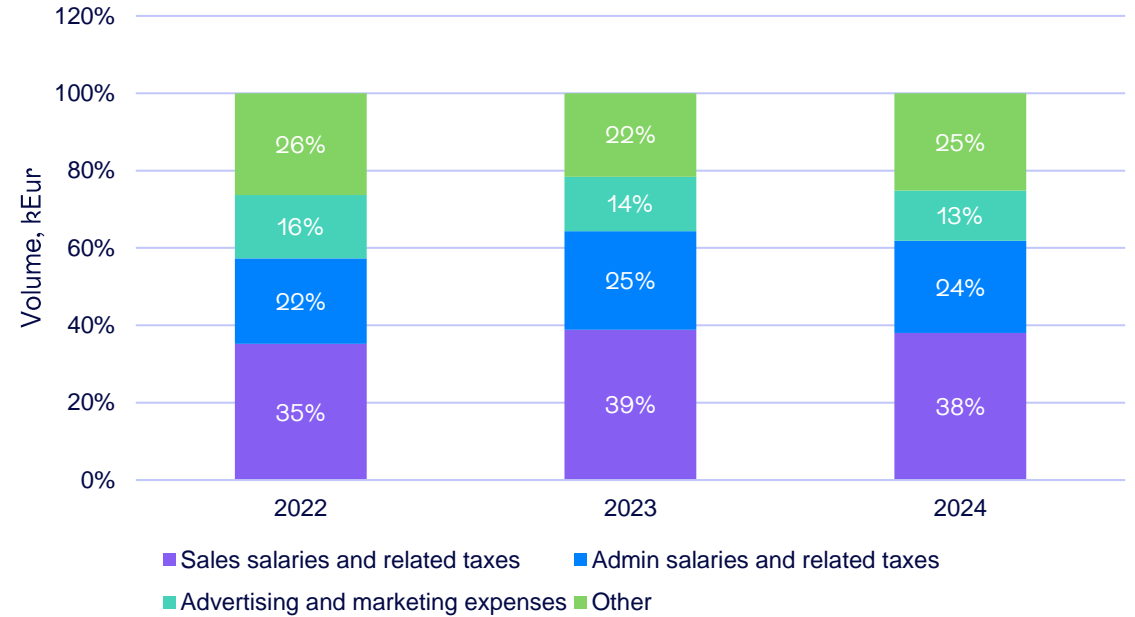
Expenses



Q2 Expense Overview

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

H1: S&GA expense (excl. commission) structure



Marketing Dynamics

- General and admin increase by 17% YOY mainly caused by amortisation for intangible assets increase

Marketing Dynamics

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

Markets

Eur'000	H1 2024					
	Consolidated	Intra elim.	AIP	LT	LV	EE
Sales	91,320	(5,210)	16	51,230	22,176	23,108
Cost of sales	(82,813)	3,420	-	(44,882)	(20,117)	(21,234)
Gross profit	8,507	(1,790)	16	6,348	2,059	1,874
Sales and marketing expenses	(8,053)	995	(2)	(4,203)	(2,381)	(2,462)
General and admin expenses	(2,217)	796	(8)	(1,874)	(519)	(612)
Other operating income	54	-	-	(77)	30	101
Other operating expenses	75	-	-	88	-	(13)
Profit from operations	(1,634)	1	6	282	(811)	(1,112)
Finance income	404	(322)	-	329	39	358
Finance (expenses)	(1,061)	322	-	(1,231)	(50)	(102)
Profit before tax	(2,291)	1	6	(620)	(822)	(856)
Income tax	14	-	-	14	(1)	-
Net profit	(2,277)	2	6	(606)	(823)	(856)

Income distribution

- 53% LT, 23% LV and 24% EE

Gross profits

- LT 12%, LV 9% and EE 8%

Operating profits

- Operating profit rate resulted as negative: LT -1%, LV -4%, EE -4%

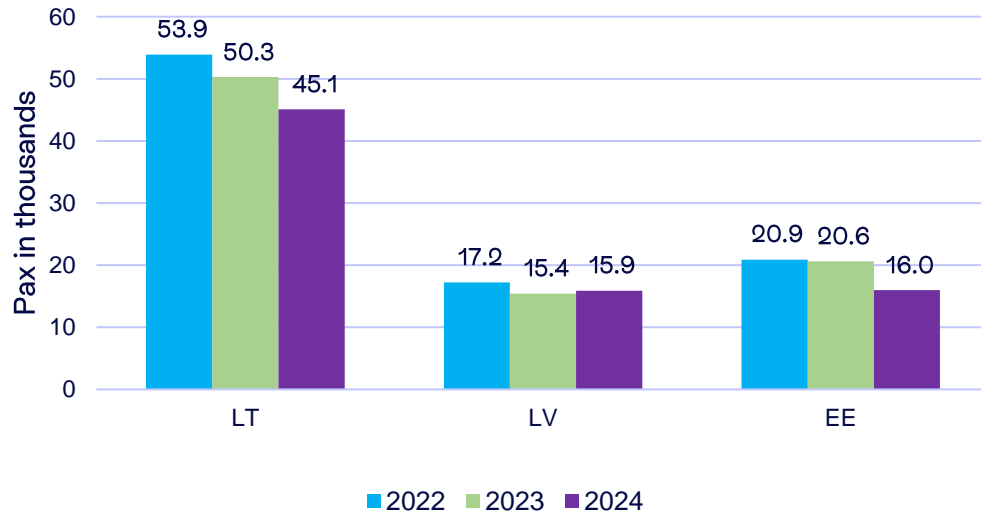
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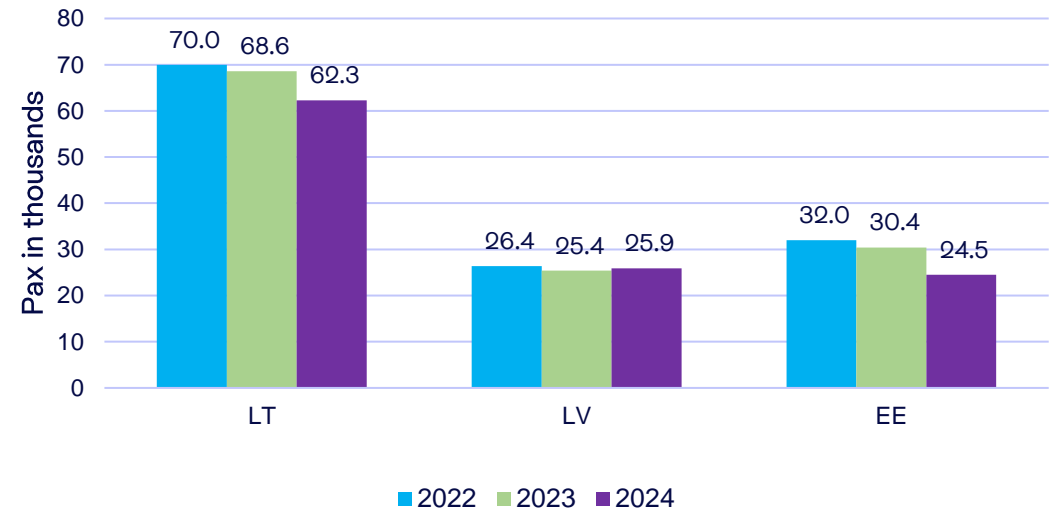
Passenger Trends

- Q2 – Decline in Lithuania (45.1k) and Estonia (16k), while slight increase in Latvia (15.9k)
- H1 – Decline in Lithuania (62.3k) and Estonia (24.5k), while slight increase in Latvia (25.9k)

Pax by countries Q2



Pax by countries H1





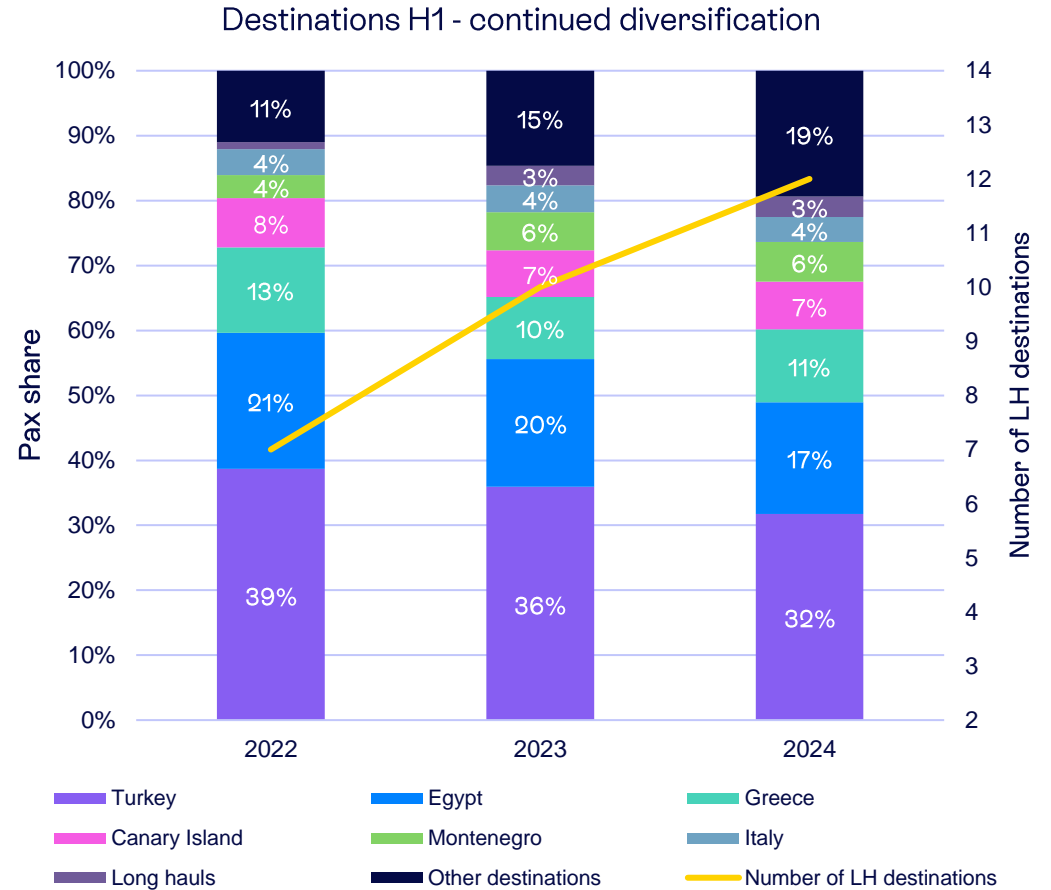
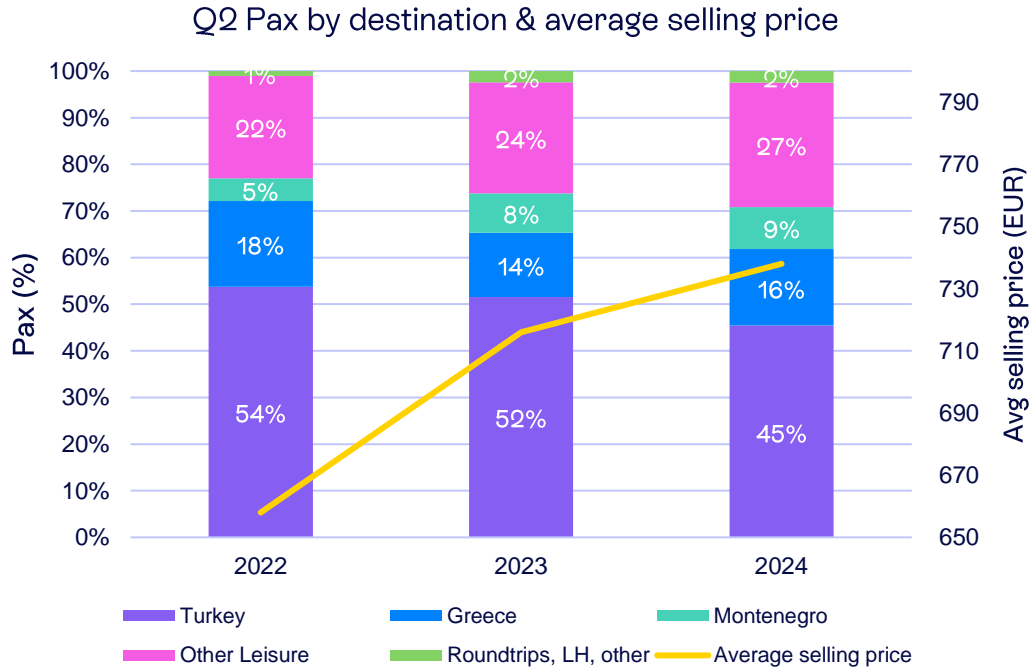
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Growth in Emerging Markets

- Passenger share for other destinations excluding top 3 the most demanded for summer (Turkey, Greece, Montenegro) including long hauls is increased from 23% in Q2 2022 to 29% in Q2 2024.

Market Dynamics

- Reduced dependency on Egypt from 21% in 2022 to 17% in 2024, as well as on Turkey from 21% in 2022 to 17 in 2024 and form expanding into new destinations.





Customer

perspective

Sales Timing

- Average 2024 H1 booking window increased to 65 days, compared to 63 days last year. This was driven by proactive sales actions and campaigns

NPS Growth

- Increase from 37% in 2023 Q1 to 56% in 2024 Q2

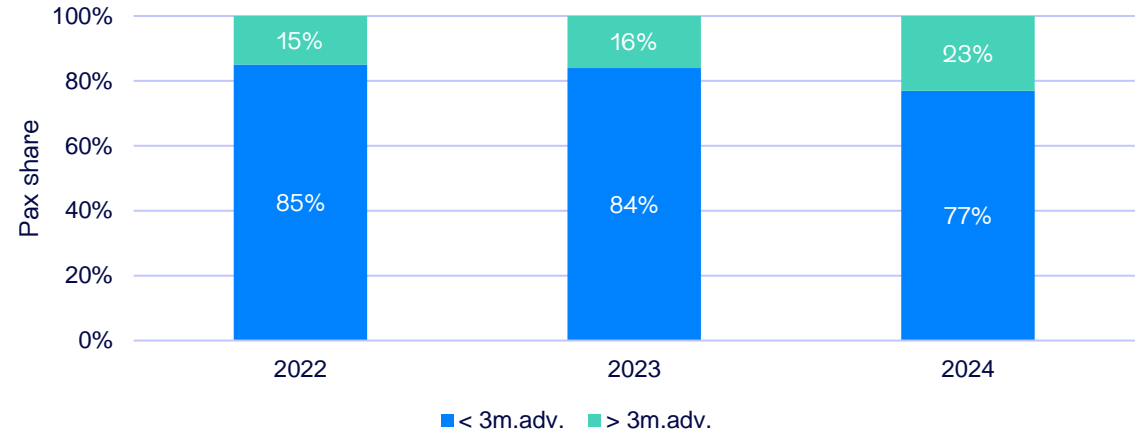
Market NPS

- Q2 2024: Lithuania - 60%, Latvia - 66%, Estonia - 45%
- Estonia's Q1 2023 to Q2 2024 growth: 11% to 45%

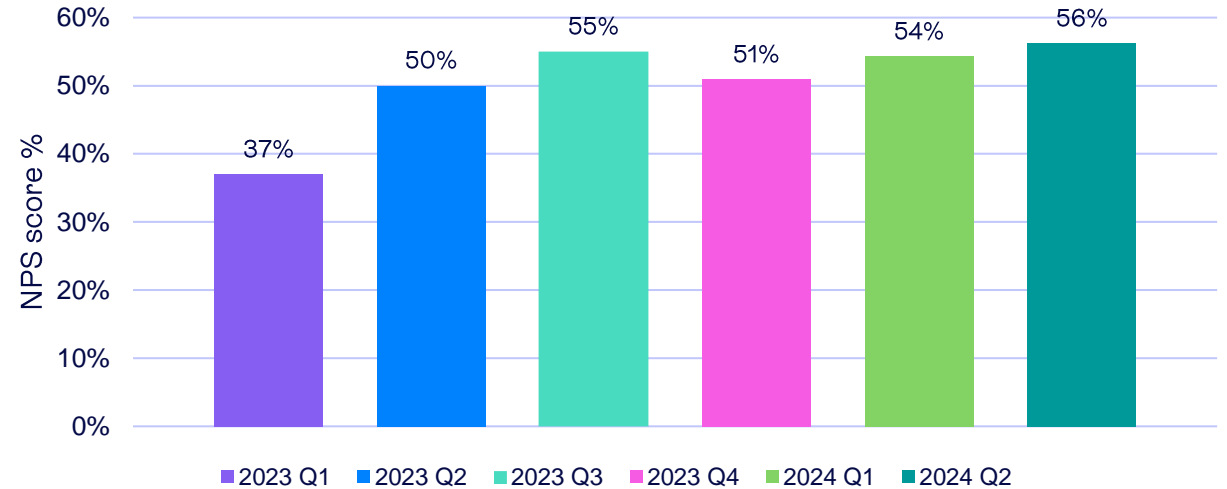
Top Rated Destinations

- Alanya, Antalya, Sharm el-Sheikh, Crete, Rhodes, Tenerife

H1: travel purchase habits



Novaturas net promoter score Q2 2024



Customer perspective

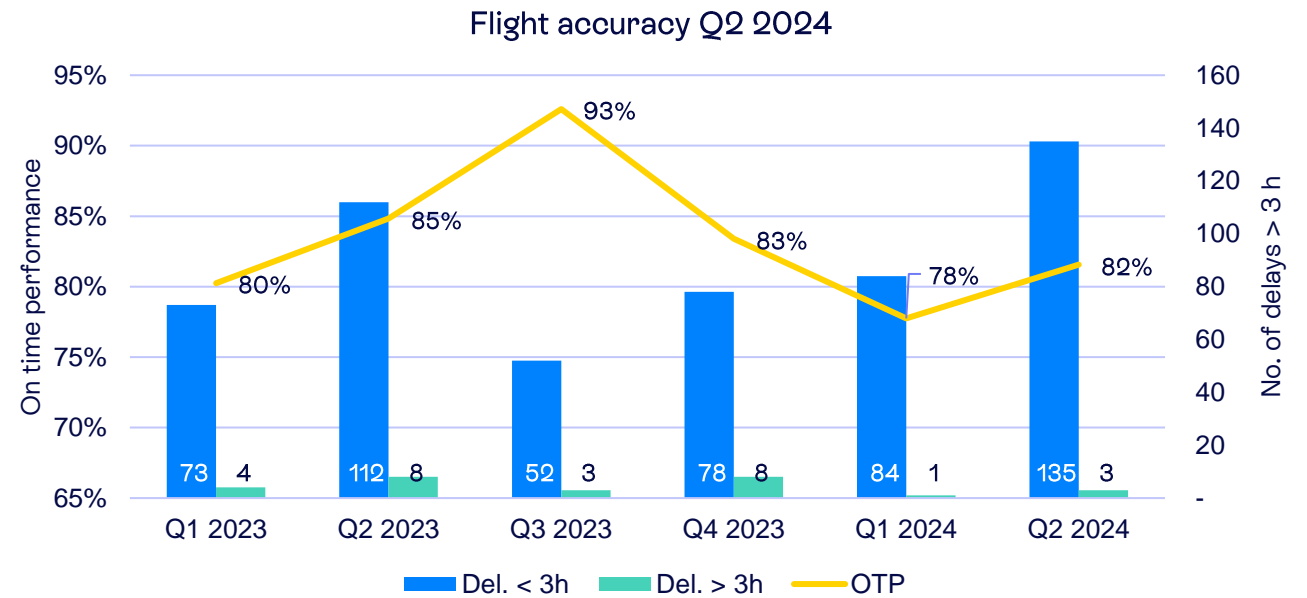


On-Time Flight Performance

- Q2 2024 OTP 82% similar compared to last year Q2

Flight Delays Reduction

- Delays over 3 hours reduced from 8 to 3 during second quarter of the year



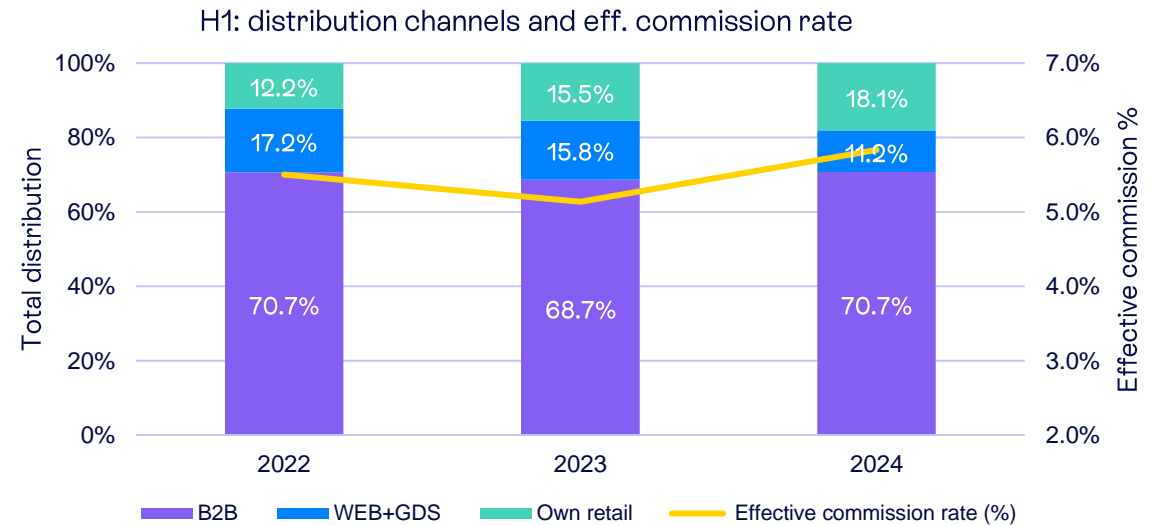
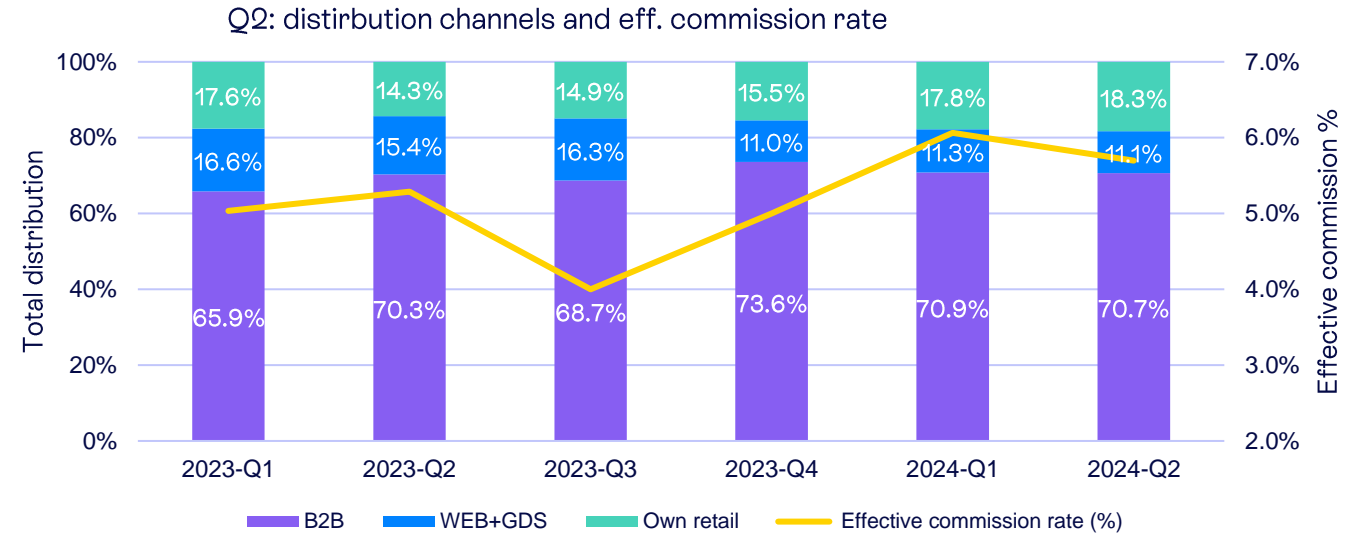
Distribution

Sales Recovery Challenges

- Web sales drop in Q2 by 0,2% from Q1 2024

Channel Performance

- Own **retail** revenue share up to 18,3%
- Partner (Travel Agencies) share down to 70,7%



Distribution

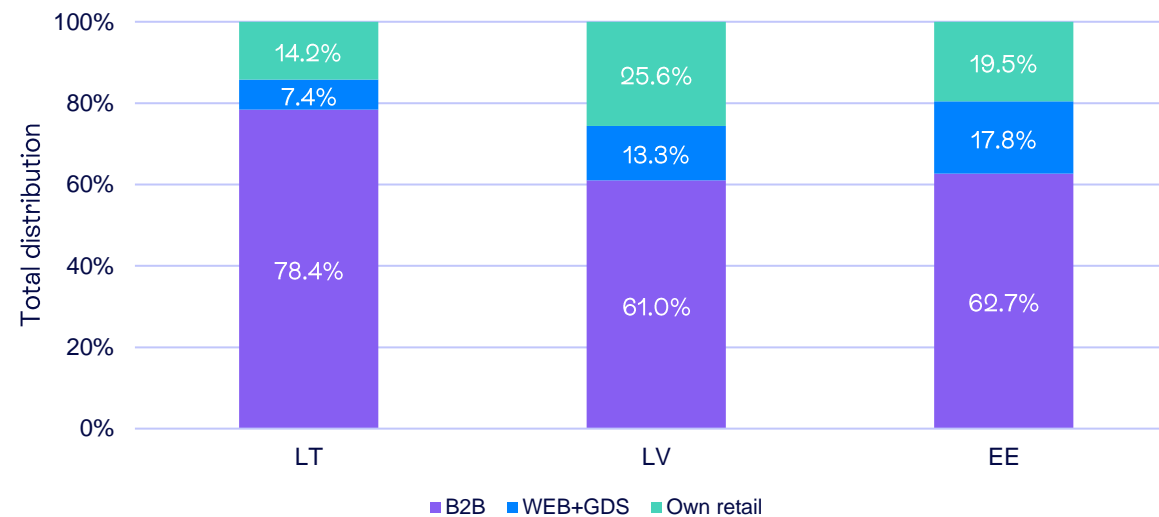
Distribution Channels in Countries

- Revenue from **partners (travel agencies)** constitutes the largest share, with LT having the highest percentage at 78.4%, compared to EE at 62.7% and LV at 61.0%

Retail Channel Growth

- Up by 2% in Lithuania
- 35% growth in Latvia
- 13% share increase in Estonia

H1: distribution channels in countries



Distribution

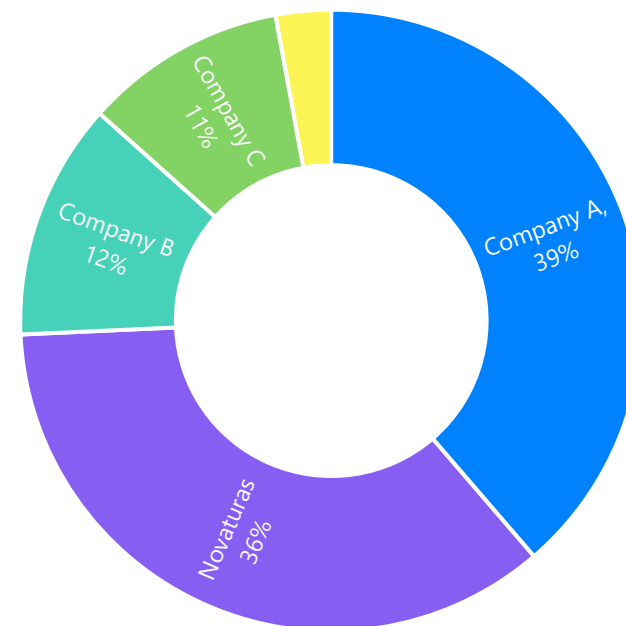
Web Traffic Leadership

- Novaturas lost the strongest position in web traffic with a 36% share of total traffic during Q2 2024

Q2 Developments

- Search function upgrade
- Hotel descriptions with AI
- Customer reviews

Q1: Web traffic data (similarweb)



Forward looking statement



220 – 240 k passengers in 2024



180 – 200 mEUR revenue



Expected 2024 EBITDA -2 – 0 mEUR

Net Profit from -3.5 to -1.5 mEUR

Tactical objectives

1. Enhance sales channels
2. Complete website update
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	-	96	-	222	-	522	
2022Q2		-	3 826			107	-	3 719	-	654	-	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	-	2 580	-	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	-	5 518	-	-	371	5 518	

Main ratios



Financial ratios (Eur'000)	6 months			Δ		Second quarter			Δ	
	2024	2023	2022	24/23	23/22	2024	2023	2022	24/23	23/22
Sales	91,320	101,351	89,775	-9.9	+12.9	56,803	61,749	60,521	-8.0	+2.0
Gross profit	8,507	15,426	7,423	-44.9	+107.8	4,055	9,182	4,677	-55.8	+96.3
Operating profit	(1,634)	5,622	(1,099)	-129.1	-611.8	(1,679)	3,008	(1,003)	-155.8	-400.0
EBITDA*	(1,565)	5,667	(1,074)	-127.6	-627.9	(1,882)	3,087	(978)	-161.0	-415.8
Profit before taxes	(2,291)	4,853	(1,984)	-147.2	-344.7	(2,299)	2,529	(1,374)	-190.9	-284.1
Net profit for the period	(2,277)	4,582	(1,984)	-149.7	-331.0	(2,285)	2,322	(1,479)	-198.4	-257.0
Relative indicators										
Number of ordinary registered shares	7,807,000	7,807,000	7,807,000	-	-	7,807,000	7,807,000	7,807,000	-	-
Earnings per share (EUR)	(0.29)	0.59	(0.25)	-0.88	+0.84	(0.29)	0.30	(0.19)	-0.59	+0.49
Gross profit margin (%)	9.32	15.22	8.27	-5.9 pp	+7.0 pp	7.14	14.87	7.73	-7.7 pp	+7.1 pp
Operating margin (%)	(1.79)	5.55	(1.22)	-7.3 pp	+6.8 pp	(2.96)	4.87	(1.66)	-7.8 pp	+6.5 pp
EBITDA margin (%)	(1.71)	5.59	(1.20)	-7.3 pp	+6.8 pp	(3.31)	5.00	(1.62)	-8.3 pp	+6.6 pp
Profit before taxes margin (%)	(2.51)	4.79	(2.21)	-7.3 pp	+7.0 pp	(4.05)	4.10	(2.27)	-8.1 pp	+6.4 pp
Net profit margin for the period (%)	(2.49)	4.52	(2.21)	-7.0 pp	+6.7 pp	(4.02)	3.76	(2.44)	-7.8 pp	+6.2 pp
Return on assets (ROA) (%)	(4.07)	6.88	(3.74)	-11.0 pp	+10.6 pp	(4.09)	3.49	(2.79)	-7.6 pp	+6.3 pp
Return on equity (ROE) (%)	(14.45)	24.30	(15.13)	-38.8 pp	+39.4 pp	(14.50)	12.32	(11.28)	-26.8 pp	+23.6 pp
Debt / equity ratio (%)	74.11	64.57	104.52	+9.5 pp	-39.9 pp	74.11	64.57	104.52	+9.5 pp	-39.9 pp
Equity ratio (%)	28.19	28.31	24.74	-0.1 pp	+3.6 pp	28.19	28.31	24.74	-0.1 pp	+3.6 pp
Actual profit tax rate (%)	0.61	5.58	-	-5.0 pp	+5.6 pp	4.59	8.19	(7.64)	-3.6 pp	+15.8 pp
Total liquidity ratio	69.36	94.01	75.69	-24.65	+18.32	69.36	94.01	75.69	-24.65	+18.32

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

Consolidated statements of comprehensive income

Eur'000	H1			Second quarter		
	2024	2023	2022	2024	2023	2022
Sales	91,320	101,351	89,775	56,803	61,749	60,521
Cost of sales	(82,813)	(85,925)	(82,352)	(52,748)	(52,567)	(55,844)
Gross profit	8,507	15,426	7,423	4,055	9,182	4,677
Sales and marketing expenses	(8,053)	(7,925)	(6,993)	(4,596)	(5,102)	(4,826)
General and admin expenses	(2,217)	(1,897)	(1,561)	(1,185)	(1,083)	(867)
Other operating income	54	18	33	72	(2)	14
Other operating expenses	75	-	(1)	(26)	13	(1)
Profit from operations	(1,634)	5,622	(1,099)	(1,679)	3,008	(1,003)
Finance income	404	129	58	319	33	43
Finance (expenses)	(1,061)	(898)	(943)	(938)	(512)	(414)
Profit before tax	(2,291)	4,853	(1,984)	(2,299)	2,529	(1,374)
Income tax	14	(271)	-	14	(207)	(105)
Net profit	(2,277)	4,582	(1,984)	(2,285)	2,322	(1,479)
Other comprehensive income	-	-	-	-	-	-
Change in cash flow hedge	-	-	3	-	-	(1)
Impact of income tax	-	-	-	-	-	1
Total comprehensive income for the year	(2,277)	4,582	(1,981)	(2,285)	2,322	(1,479)
Net profit attributable to:						
The shareholders of the Company	(2,276)	4,582	(1,984)	(2,285)	2,322	(1,479)
Non-controlling interests	-	-	-	-	-	-
	(2,276)	4,582	(1,984)	(2,285)	2,322	(1,479)
Total comprehensive income attributable to:						
The shareholders of the Company	(2,276)	4,582	(1,981)	(2,285)	2,322	(1,479)
Non-controlling interests	-	-	-	-	-	-
	(2,276)	4,582	(1,981)	(2,285)	2,322	(1,479)
Earnings per share (EPS) for continuing operations:						
Basic and diluted, profit for the year attributable to ordinary equity holders of the parent (in EUR)	(0.29)	0.59	(0.25)	(0.29)	0.02	(0.19)





Consolidated balance sheet

Eur'000	As at 30 June		
	2024	2023	2022
ASSETS			
Non-current assets			
Goodwill	30,327	30,327	30,327
Intangible assets	791	820	292
Property, plant and equipment	125	114	73
Right-of-use assets	358	337	346
Long term receivables	11	244	106
Deferred income tax asset	526	601	860
Total non-current assets	32,138	32,443	32,004
Current assets			
Inventories	-	-	-
Prepayments and deferred expenses	17,357	22,265	9,542
Trade accounts receivable	1,742	942	600
Prepaid income tax	4	8	69
Other receivables	442	1,823	833
Other current financial assets	-	-	90
Restricted cash	1,500	6,447	1,800
Cash and cash equivalents	2,719	2,673	8,048
Total current assets	23,764	34,158	20,982
Total assets	55,902	66,601	52,986

Eur'000

EQUITY AND LIABILITIES

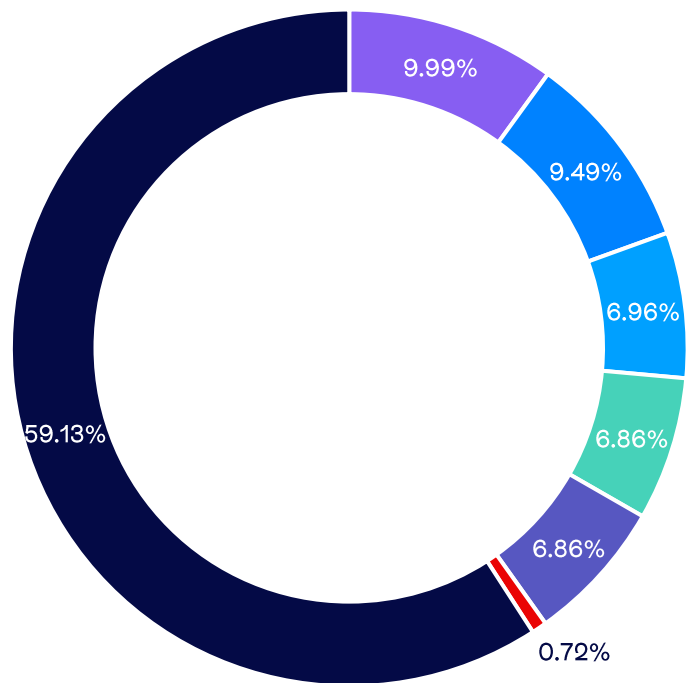
	As at 30 June		
	2024	2023	2021
Share capital	234	234	234
Cash flow hedge reserve	-	-	-
Own shares acquired	(183)	-	-
Own shares acquisition reserve	1,250	1,250	1,250
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	14,282	17,197	11,449
Equity attributable to parent	15,757	18,855	13,107
Non-controlling interests	-	-	-
Total equity	15,757	18,855	13,107
Non-current liabilities			
Non-current borrowings	5,647	11,236	11,919
Deferred tax liability	-	-	31
Non-current lease liabilities	235	163	207
Other non current liabilities	-	13	-
Total non-current liabilities	5,882	11,412	12,157
Current part of non - current borrowings	5,629	952	1,634
Current borrowings	-	-	-
Trade payables	4,047	11,119	5,887
Advances received	18,877	19,143	16,751
Income tax payable	-	-	1
Other current liabilities and accrued ex	5,495	4,780	3,278
Current lease liabilities	166	188	171
Other current financial liabilities	49	152	-
Total current liabilities	34,263	36,334	27,722
Total equity and liabilities	55,902	66,601	52,986

Consolidated cash flow statement

Eur'000	H1			Second quarter		
	2024	2023	2022	2024	2023	2022
Net profit	(2,277)	4,582	(1,984)	(2,285)	2,322	(1,479)
Adjustments for non-cash items	840	871	414	493	576	222
Changes in working capital	482	(1,625)	6,842	1,322	2,014	8,641
Net cash flows from operating activities	(955)	3,828	5,272	(470)	4,912	7,384
Net cash flows from investing activities	(121)	(301)	(193)	(77)	(159)	(138)
Loans received	4,800	4,000	-	-	-	(2,593)
Loans repaid	(2,206)	(655)	(773)	(149)	(318)	(351)
Interest paid	(646)	(522)	(377)	(420)	(277)	(201)
Lease paid	-	-	-	-	-	-
Shares buyback	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Net cash flows from financing activities	1,948	2,823	(1,150)	(569)	(595)	(3,145)
Net change in cash flows	872	6,350	3,929	(1,116)	4,158	4,101
Cash & equivalents at beginning of period	3,347	2,770	5,919	5,335	4,962	5,747
Cash & equivalents at close of period	4,219	9,120	9,848	4,219	9,120	9,848



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	-
Ms. Auksė Kriaučiūnaitė	Interim 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

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