



PRESENTATION FOR INVESTORS

13 May
2021



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TODAY'S PRESENTING TEAM



Audronė Keinytė, CEO

With the Company for 15 years
(since 2006)

CEO since January 2019, earlier in charge of product development and purchasing on the Group level

Has strong commercial background as well as deep knowledge of tourism products and the industry itself



Tomas Staškūnas, CFO

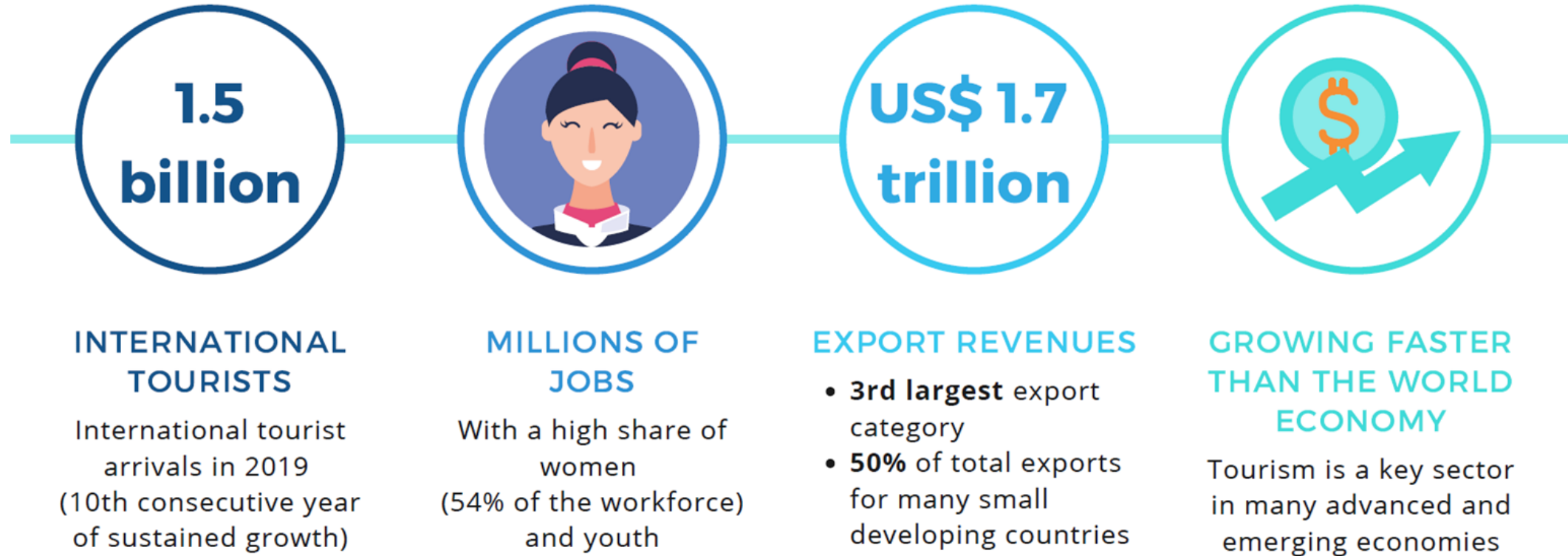
With the Company for 12 years
(since 2009)

Has experience as CFO and CEO in companies specialized in services and consumer goods

BUSINESS ENVIRONMENT PRE / POST PANDEMIC TOURISM SECTOR



TOURISM IN PRE-PANDEMIC TIMES



INTERNATIONAL TOURISTS

International tourist arrivals in 2019 (10th consecutive year of sustained growth)



MILLIONS OF JOBS

With a high share of women (54% of the workforce) and youth



EXPORT REVENUES

- **3rd largest** export category
- **50%** of total exports for many small developing countries

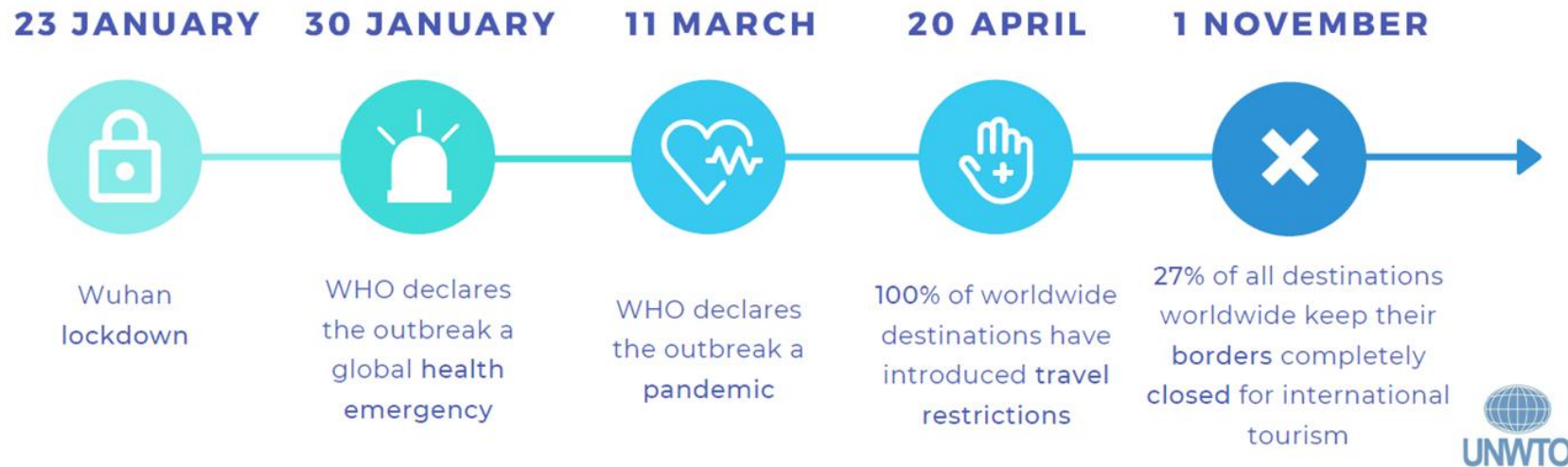


GROWING FASTER THAN THE WORLD ECONOMY

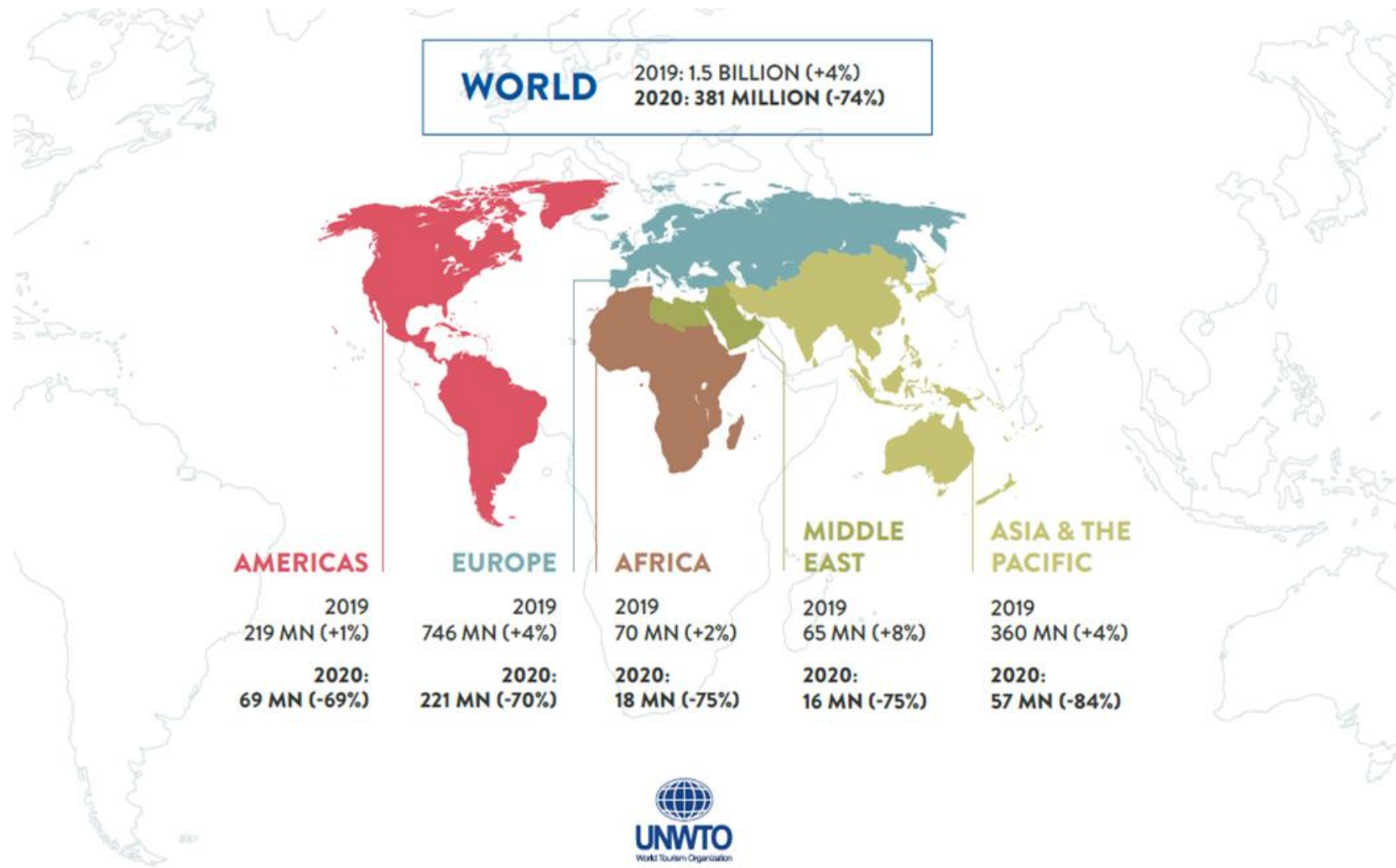
Tourism is a key sector in many advanced and emerging economies

THE IMPACT OF COVID-19 ON INTERNATIONAL TOURISM

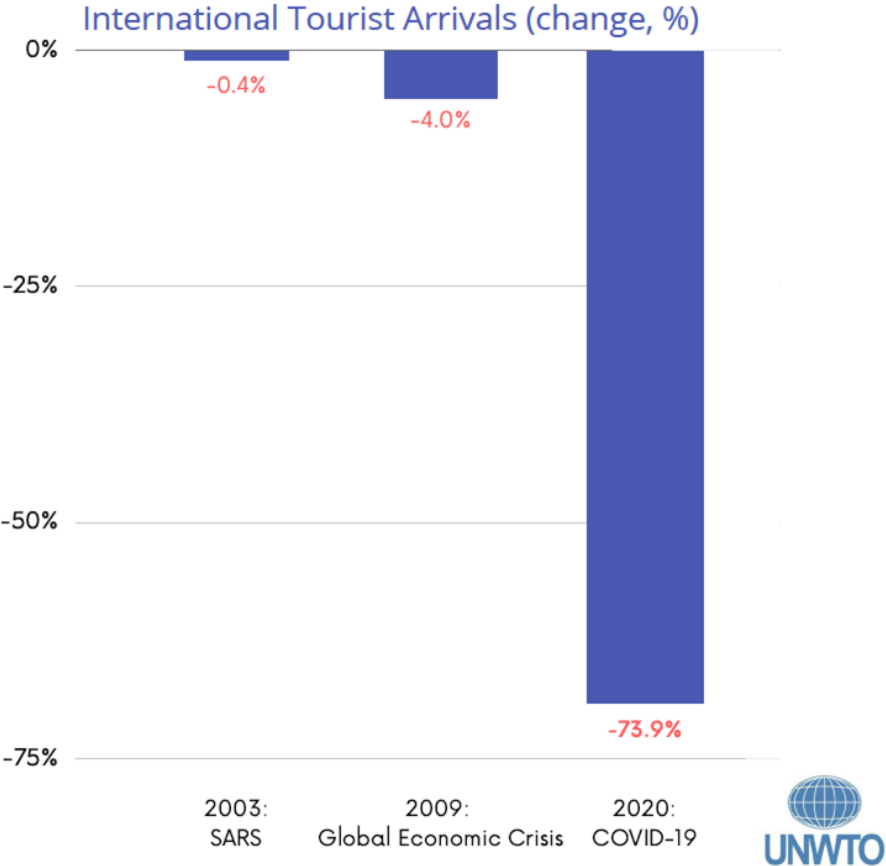
2020 a timeline marked by closures



CHANGE IN INTERNATIONAL TOURIST ARRIVAL NUMBERS

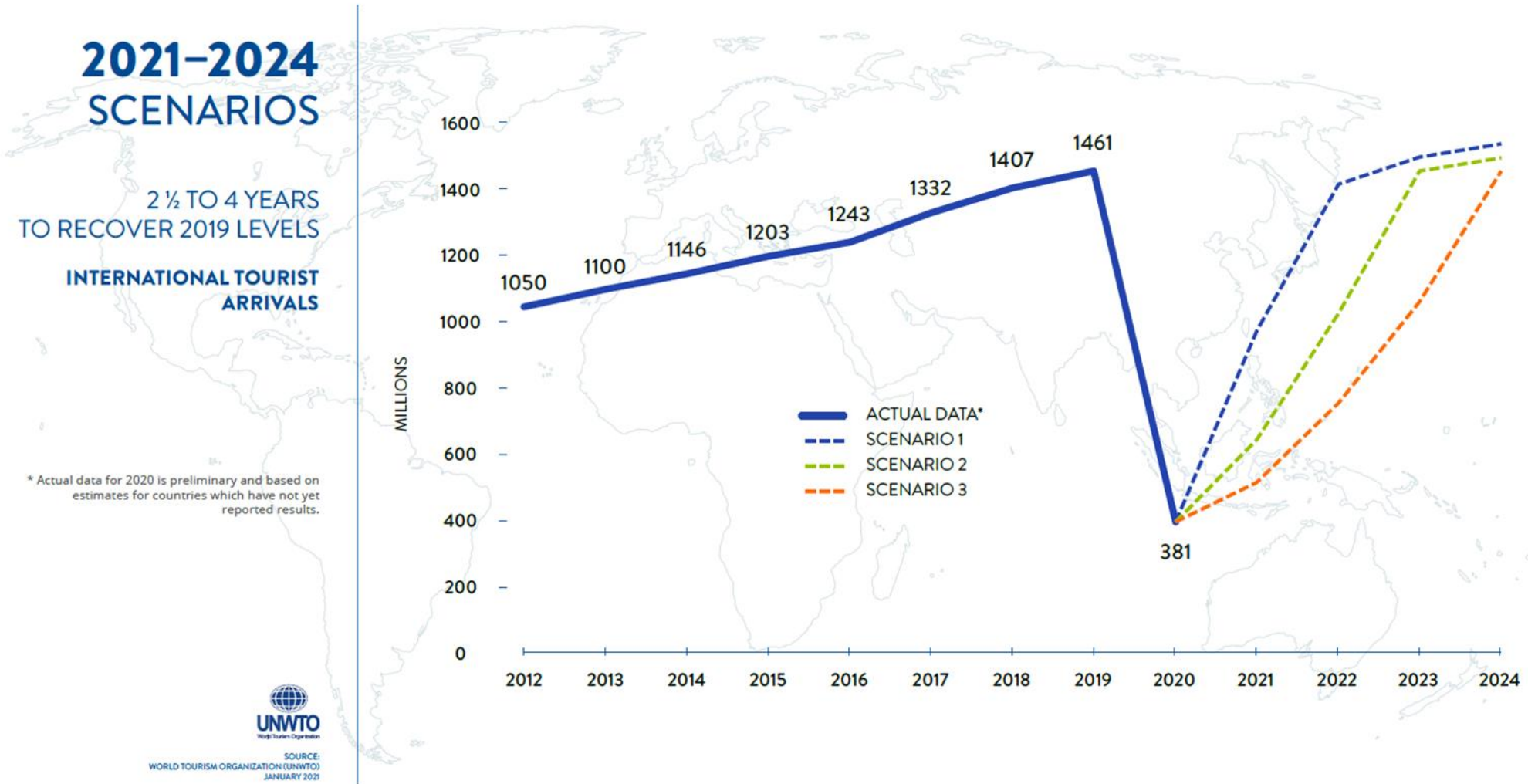


UNPRECEDANTAL FALL OF INTERNATIONAL TOURISM

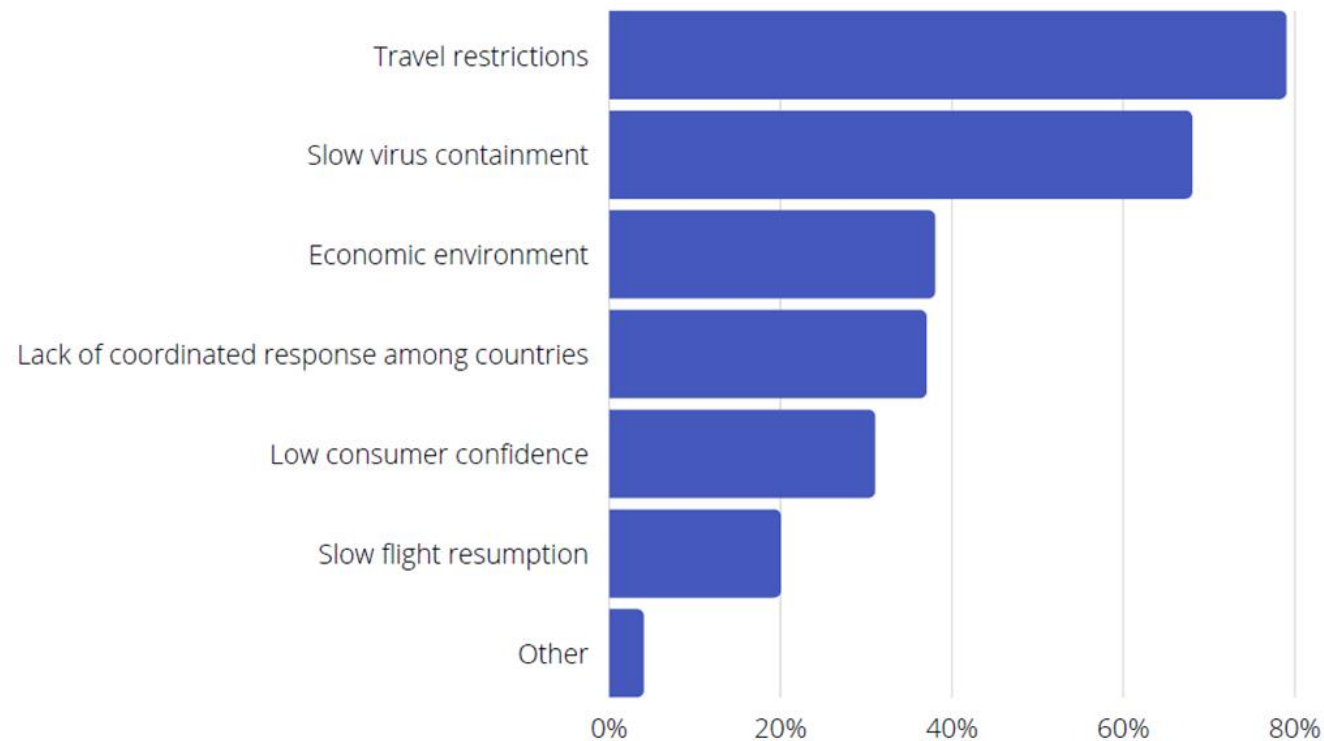


Information source: World Tourism organization presentation "COVID-19 and tourism"

LOOKING AHEAD



MAIN FACTORS WEIGHING ON THE RECOVERY OF TOURISM



Travel restrictions, slow virus containment and the economic environment: main barriers to the recovery of international tourism



NOVATURAS GROUP



MANAGEMENT STRUCTURE

MANAGEMENT BODIES OF THE COMPANY

General
meeting of
shareholders

The Board

CEO

THE BOARD



Vidas Paliūnas
Member of the Board

Co-founder of
Novaturas UAB in
1999.



Ugnius Radvila
Member of the Board

Co-founder of
Novaturas UAB in
1999.



Janek Pohla
Member of the Board

Founder and board
member of Tahe
Outdoors. Member of the
board of the Estonian
Chamber of Commerce
and Industry.



Andrius Jurkonis
Independent member
of the Board

Certified financial
analyst. and manager
of investment fund
Axia Capital Fund

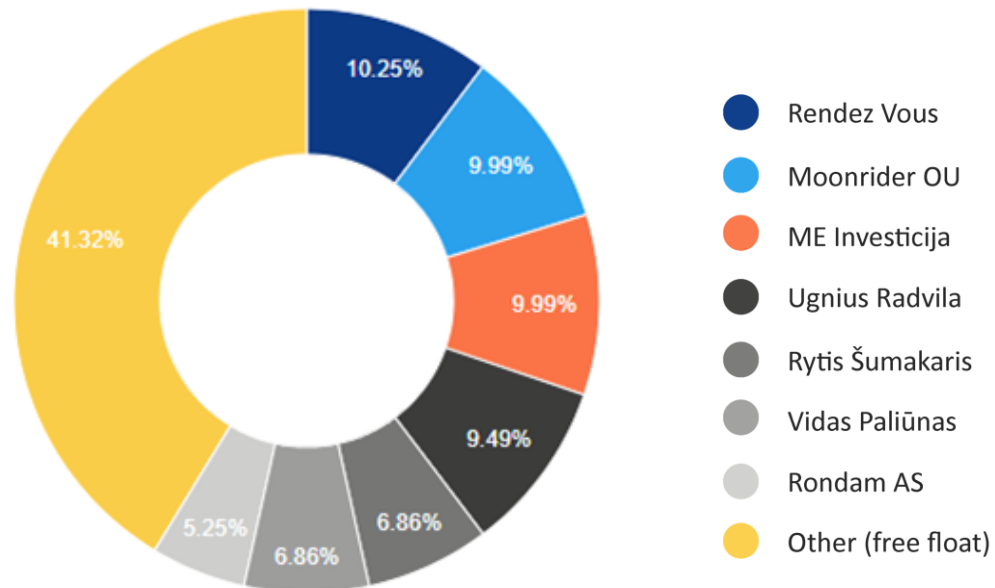


Virginijus Lepska
Chairman of the Board
Independent member

Chairman of the Board
and Consultant of the
management consulting
and training company
OVC Consulting.

NOVATURAS GROUP SHAREHOLDERS STRUCTURE

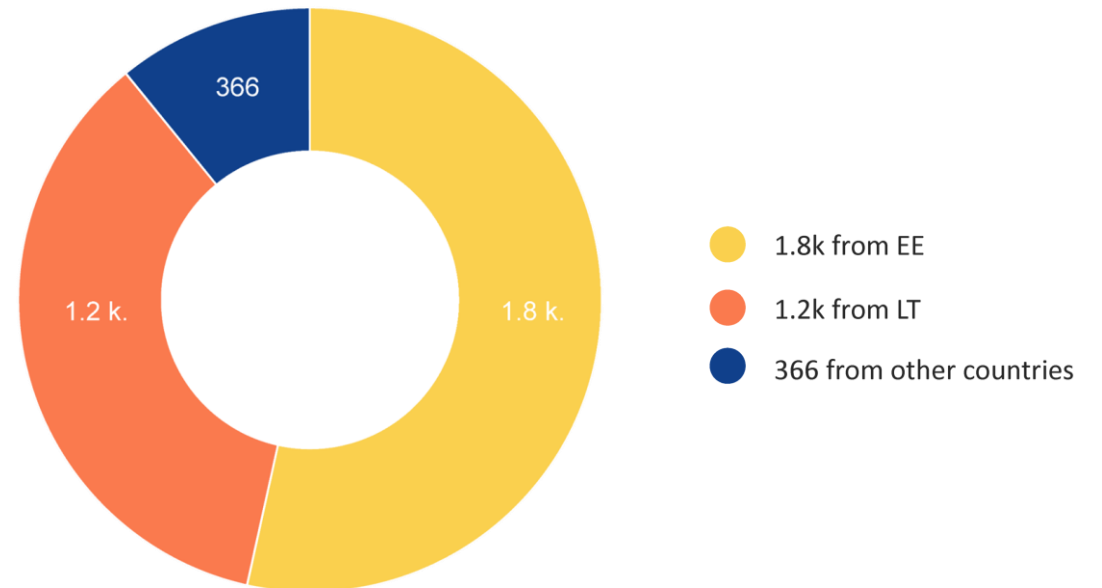
Shareholders holding over 5%



From the start of 2021 **1.3m** shares were traded on the market which represents **17%** turnover from total company shares

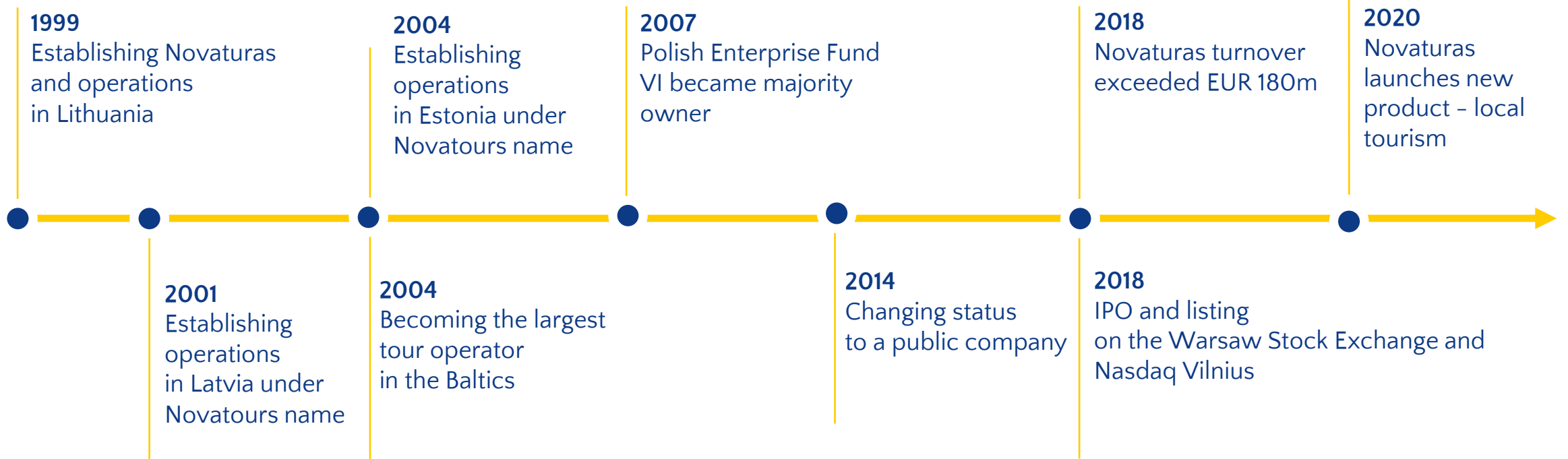
After IPO we had **268** shareholders

Up to now the number of shareholders increased to **3528**:



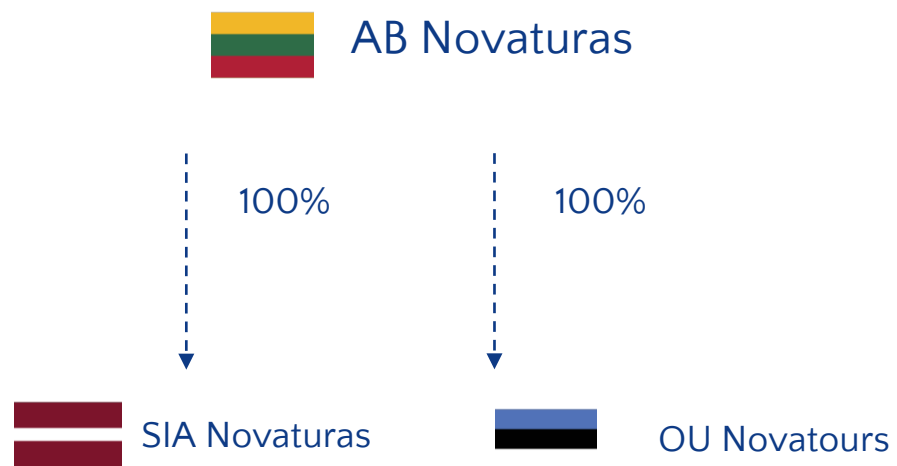
Shareholdings by countries: LT - **51%**, EE - **42%**, LV - **3%**
Other countries remaining - **4%**

20+ YEARS OF CONTINUED GROWTH



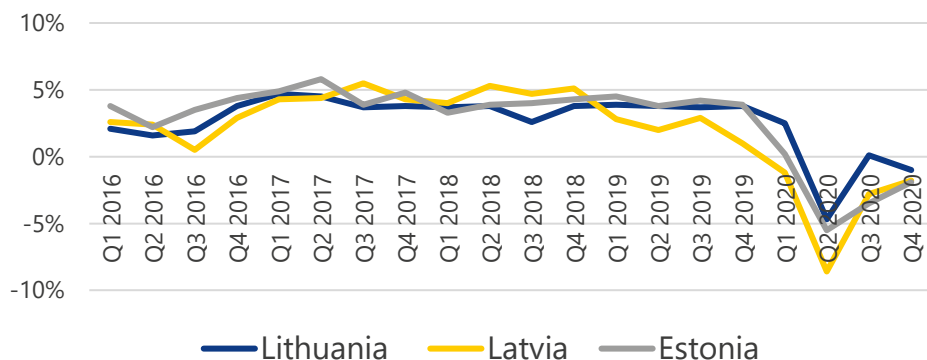
NOVATURAS GROUP STRUCTURE

- Novaturas Group is a **holding structure**.
- **Lithuania, Latvia and Estonia** are core markets.
- **AB Novaturas is the parent company**, which conducts operations directly and through subsidiaries in their respective markets – Lithuania, Latvia and Estonia.
- In each market Novaturas group operates through their **local offices**.

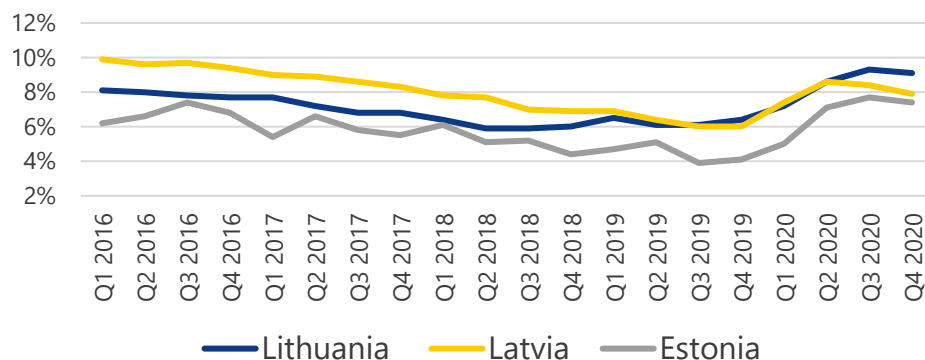


MACROECONOMIC CONDITIONS IN THE BALTICS

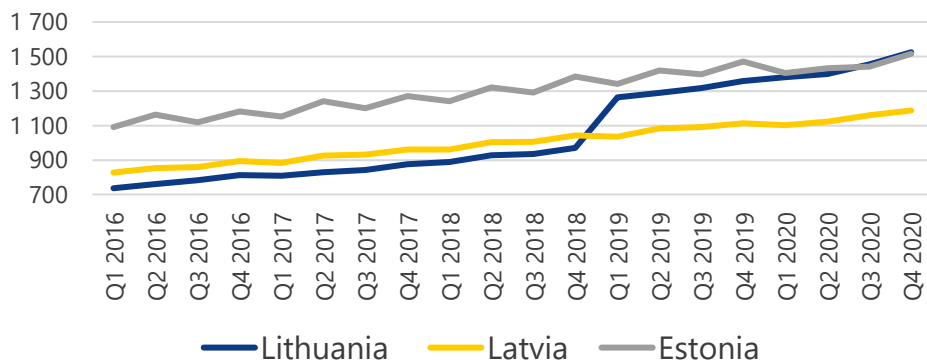
GDP growth rate (%)



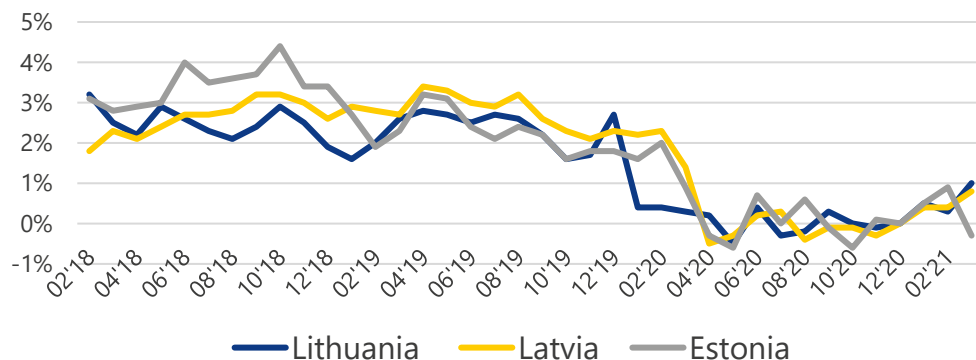
Unemployment rate (%)



Average monthly gross salary (EUR)



Inflation (%)



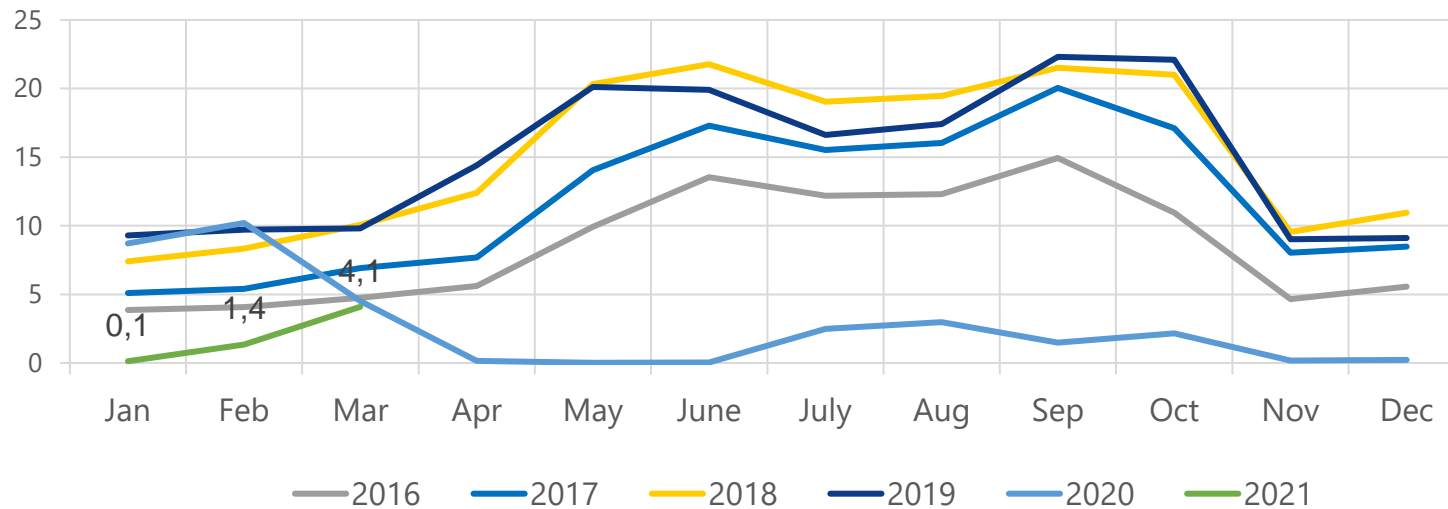
The hike in the average gross salary in Lithuania, visible between Q4 2018 and Q1 2019, is the result of new tax regulations that took effect with the beginning of 2019 and introduced a new accounting method that mainly affected gross salaries, while having negligible effect on net salaries. Under the new system, the due social security contributions are counted as part of the gross salary, increasing it significantly.

SEASONALITY OF NOVATURAS BUSINESS WITH STRONG SHOULDER SEASON

Novaturas operates in a sector which is subject to seasonality. It is characterized by higher demand for the Group's products and services during the summer season, i.e. in the second and third quarters of the year, and lower demand in the remaining periods.

In case of Novaturas the high season is very long (May to October). We also have a strong shoulder season, therefore our monthly and quarterly revenues distribution is better balanced throughout the year.

Monthly revenue (EUR m)



DIVERSIFIED, WIDE-RANGE PRODUCTS PORTFOLIO



Flight package tours

- Main part of our offering, covering holiday trips to popular resorts in Europe, North Africa, Latin America and Asia.
- Clients receive a full range of services, including flights, transfer from/to airport/hotel, accommodation, representative assistance and optional tours during the stay.



Sightseeing tours by coach

- Sightseeing trips to European destinations (including Poland, France, Italy, Austria, Croatia and Greece), departing from Lithuania.
- We provide transport by coach, accommodations, sightseeing tours by coach and a full-time tour guide.



Sightseeing tours by plane

- Sightseeing trips by flight to Europe, North Africa, Latin America and Asia. Chartered and regular flights from Vilnius, Riga and Tallinn are used.
- We provide flights, accommodations, sightseeing tours by coach and a full-time tour guide.



Local tourism

- Accommodation service in all major resorts and cities in the Baltic States and sightseeing trips in Lithuania.
- We provide accommodations, sightseeing tours by coach and a full-time tour guide.



Other products

- Our other products include airline tickets and hotel bookings online.
- We sell these to retail clients as well as to other tour operators.

NOVATURAS GROUP FLEXIBILITY SUPPLIERS WISE

TRANSPORTATION

Aviation:

- No long-term obligations, contracting on seasonal basis.
- Novaturas uses mainly the services of local based aviation carriers.
- For long haul destinations Novaturas buys block seats in regular flights operated by other airlines.
- Choice of flight destinations is flexible.

Buses:

- Company rents coaches on a seasonal basis.

ACCOMODATION

Hotels:

- Allotment basis – the Group has flexibility to adjust the number of rooms it actually uses.
- Prices are agreed and fixed before the season – there is no risk of prices increase during the season.
- Active daily yield for better prices and special offers during the season.

DMCs:

- DMCs are partners providing ordinary destination services.
- Novaturas does not have long-term contracts with DMCs, only annual or seasonal agreements, however most of the partners are long-lasting.
- Usually one DMC partner covers one destination.

WELL-BALANCED DISTRIBUTION

Majority of our products are sold through travel agencies, with whom we have long-term business relations, built on professionalism and mutual trust.

 **-400**

External travel agencies

We are also investing in developing our e-commerce channel. Online sales go through our customized websites and via the international platform GDS (Global Distribution Systems). We manage one of the biggest online shops in the Baltics.

 **22%** (Q1, 2021)

16.2% share in 2020 revenue from e-commerce

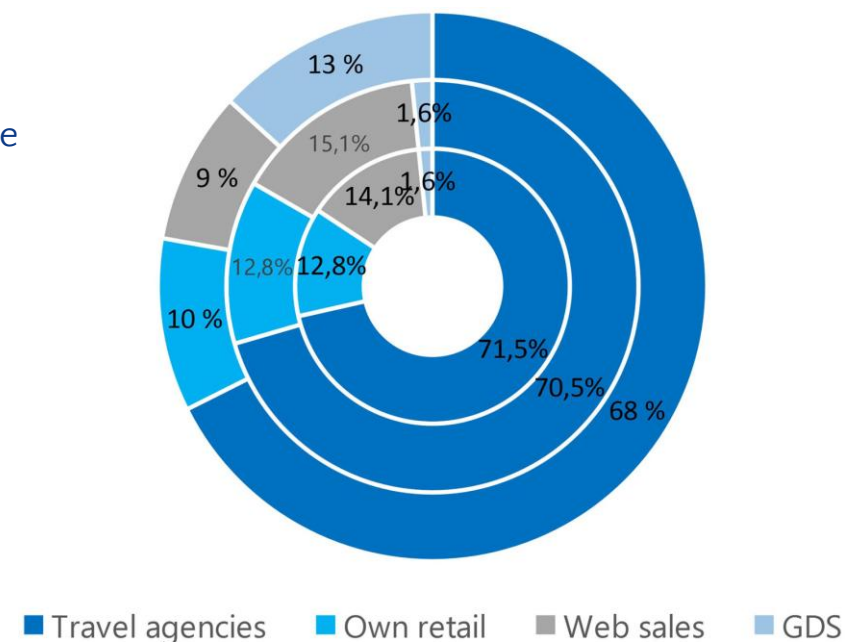
16.4% share in 2019 revenue from e-commerce

 **0.5m** (Q1, 2021)

2.2 unique visitors on our websites during during 2020

3.8 m unique visitors on our websites during 2019

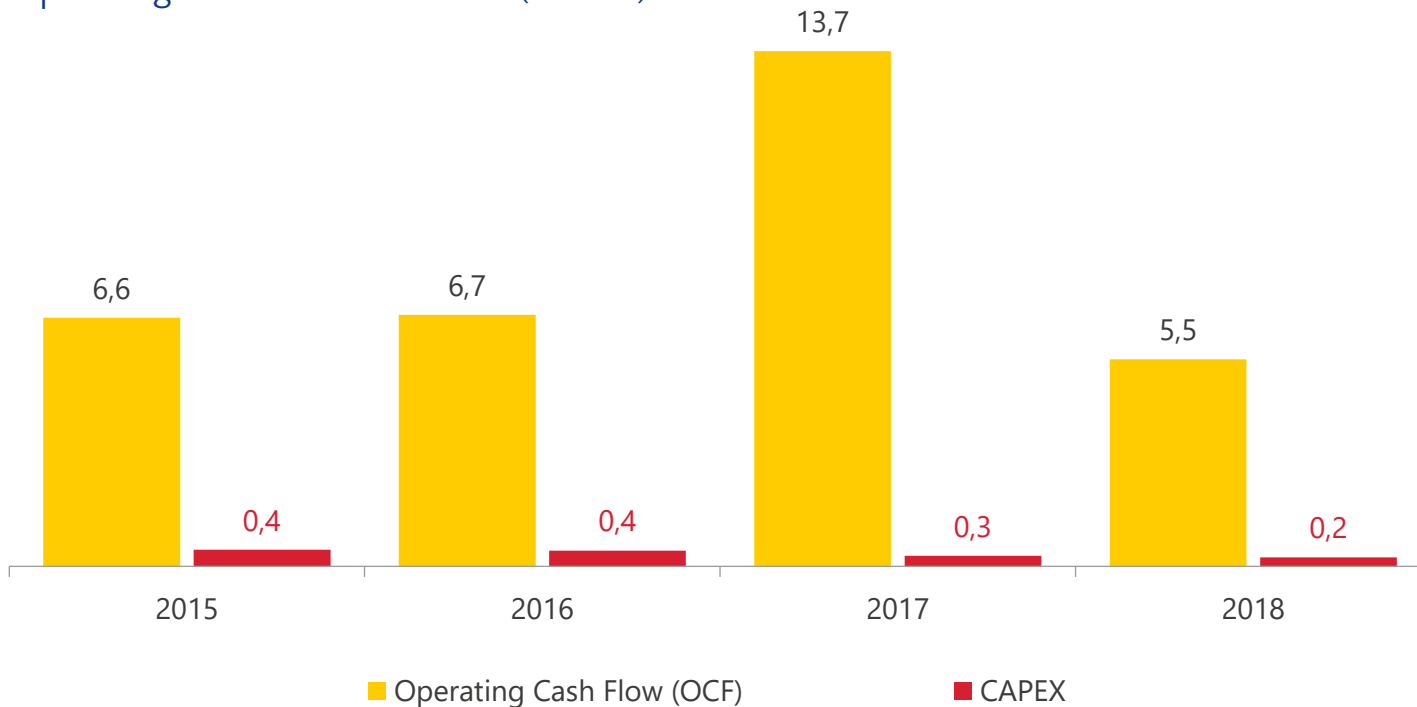
Novaturas sales by distribution channels
Q1 2021 (outer circle) vs Q1 2020 (middle circle)
vs. Q1 2019 (inner circle)



ASSET-LIGHT BUSINESS MODEL

The Company's asset-light business model is characterized by strong cash generation and low capex needs. Novaturas does not intend to invest in any hotels, planes or buses, which allows it to pay out a large part of its profits to shareholders. Regular payment of dividends is one of the main components of the corporate strategy.

Operating cash flow vs. CAPEX (EUR m)



70% – 80%

expected dividend payout ratio
once the Company overcomes the
consequences of COVID-19

OPERATING EXPENSES UNDER CONTROL

To manage pandemic inflicted situation, we took strict cost management actions and focused on operational efficiency. Compared to pre-pandemic years, in 2020 we have significantly reduced our operating expenses. It shows the flexibility of the Company to adapt to changing operational volumes and given circumstances of tourism sector.

Operating expenses (EUR 000s)	2016	2017	2018	2019	2020	Q1 2021
Sales and marketing (excl. commissions)	3,320	3,654	4,140	3,960	2,320	373
General and administrative (excl. one-offs)	3,905	4,416	4,099	4,310	2,119	372
Total operating expenses (excl. commissions and one-offs)	7,225	8,070	8,239	8,270	4,439	745
Commissions	4,973	7,363	9,652	9,791	1,750	279
One-off expenses	9	862	757	191	568	21
Total operating expenses	12,207	16,295	18,648	18,252	6,757	1,045

NOVATURAS GROUP AT GLANCE



No. 1

in the Baltics since 2004



20+

years in business



30+

destinations worldwide by plane



8.9ths (Q1, 2021)

PAX sold in 2020 – 48.5ths
PAX sold in 2019 – 293.5ths



EUR 5.6m (Q1, 2021)

2020 Revenue – 32.9m
2019 Revenue – 179.7m



EUR 1.6m (Q1, 2021)

2020 Gross profit – 3.6m
2019 Gross profit – 21.8m



EUR 615ths (Q1, 2021)

2020 EBITDA – (3.3)m
2019 EBITDA – 4.3 m



EUR 0.2m (Q1, 2021)

2020 Net profit – (5.8)m
2019 Net profit – 4.2m



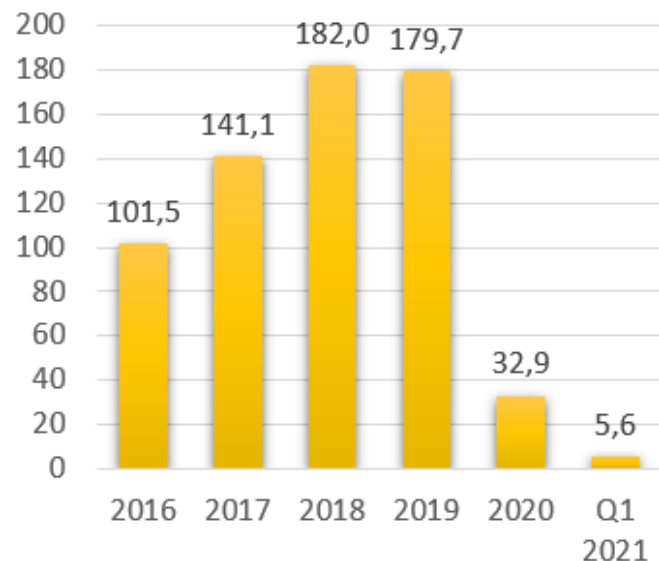
19.5m

Arranged additional loans
and investment to secure
Company's liquidity

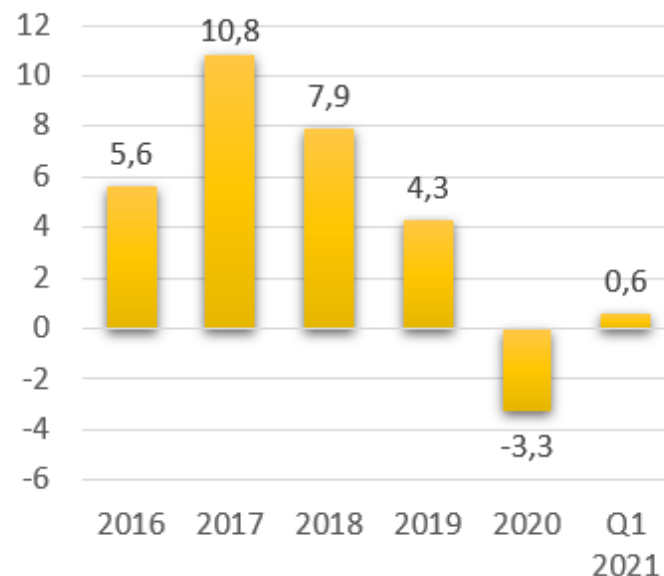
FINANCIAL & PERFORMANCE INDICATORS

Due to the restrictions caused by the pandemic, in 2020 we have been forced to suspend our operations more than once and only in July we have partially renewed operations from all Baltic markets. The first quarter of 2021 was marked by positive profitability ratios. Increased EBITDA and net profit is the outcome of effective crises management, leadership in business decisions and strict expenses control.

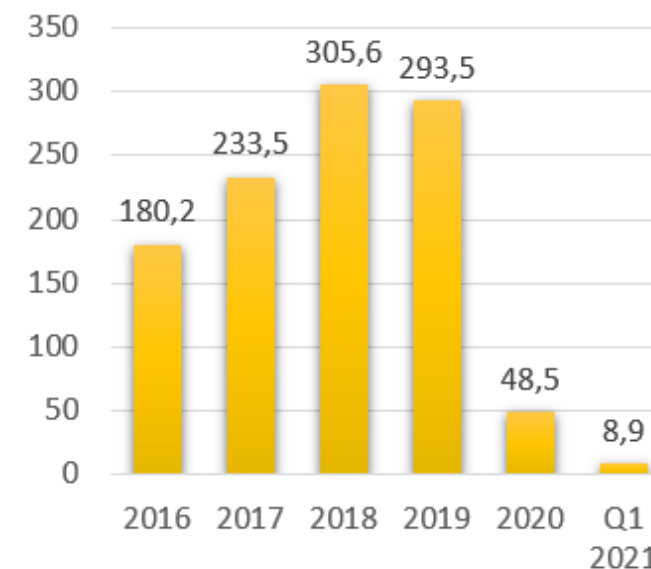
Revenues (EUR m)



EBITDA (EUR m)



PAX (ths)



THE GROUP'S STRATEGY



Retain leading position in the Baltics and benefit from the travel market growth



Maintain well-balanced distribution channels



Increase share of e-commerce



Continue expansion of offering in order to retain existing clients and attract new ones, translating this into sales growth



Secure further growth in operational scale combined with high profitability ratios and cash generation



Provide regular dividend payments

2021 RESTART OF BUSINESS



RESTART OF OPERATIONS. Q1, 2021

Restart of operations Q1:

“Novaturas” Group resumes flights to **Egypt**:
on the 13th of February from Estonia
on the 20th of February from Lithuania
on the 27th of March from Latvia

“Novaturas” Group resumes flights to **Tenerife**:
on the 5th of February from Lithuania
on the 13th of February from Estonia
on the 5th of March from Latvia

- **Novaturas group** agreed on **EUR 10 million investment** with the State Investment Management Agency.
- EUR 10 million will reach “Novaturas” group using mixed financial instruments: convertible bonds worth EUR 5 million & ordinary bonds worth EUR 5 million.
- The financing is granted for 6 years period, after which the Company undertakes to redeem the bonds. The Company also has the possibility to redeem all or part of issued bonds before the term of the agreement.

FORWARD LOOKING STATEMENT. Q2, 2021



Volume

Still difficult to plan more than 1 month ahead.
Targeting monthly volumes exceeding 10k pax for Q2



Profitability

Still difficult to plan Q2 sales profitability. Demand can be strongly affected by constantly changing restrictions applied to tourism sector



EBITDA

Targeting positive EBITDA for Q2

Restart of operations Q2:

April 2021 – “Novaturas” Group resumes flights to **Turkey** from all the Baltic states.

May 2021 – “Novaturas” Group resumes flights to **Greece** from all the Baltic states.

June 2021 – “Novaturas” Group plans to resume flights to **Bulgaria and other destinations** from all the Baltic states.

June 2021 – “Novaturas” Group plans to resume flights to long-haul destinations: **Bali, Seychelles, Maldives.**

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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