

A yellow balloon with the NOVATURAS logo and "20 ATOSTOGU SEZONAS" printed on it. The background is a blurred scene of yellow and green checkered flags.

Presentation of Q1 2020:
financials affected by COVID-19

30 April 2020

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Key financials and response to COVID-19



EUR 23.4 m

Q1 2020 Revenue
(-19% y/y)



EUR -190 ths

Q1 2020 EBITDA
(EUR 83 ths in Q1 2019)



EUR -353 ths

Q1 2020 Net profit
(EUR -148 ths in Q1 2019)

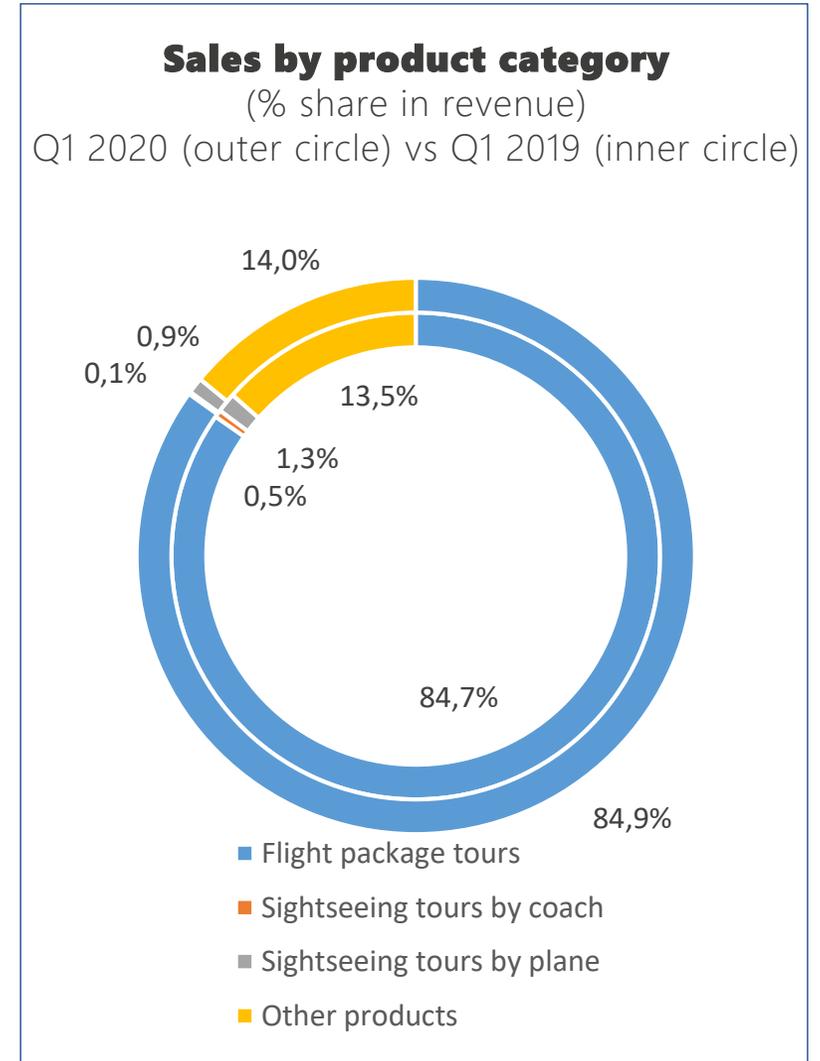
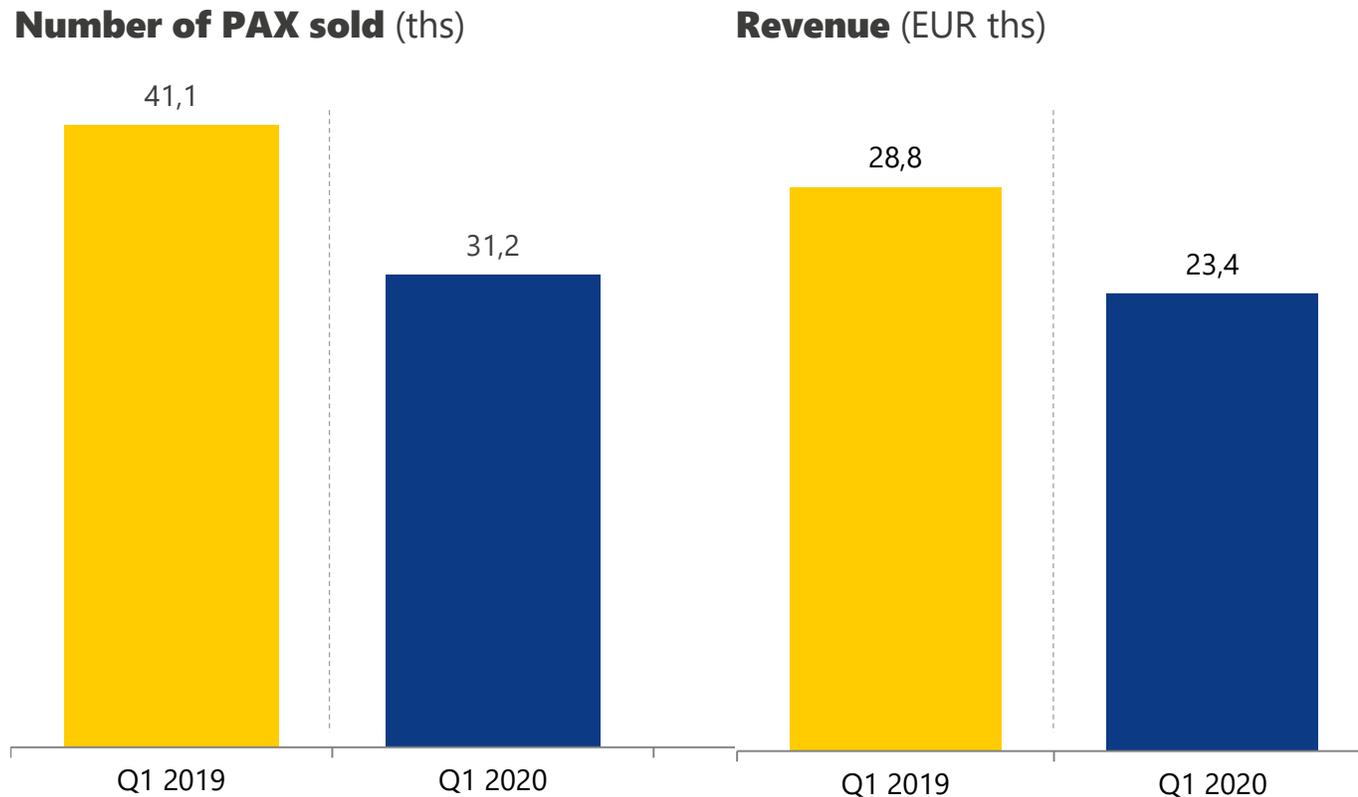
Response to COVID-19

To manage the situation, we have already taken many actions and are still working on others.

- ✓ Strict cost control;
- ✓ Suspended investment projects;
- ✓ Focused on operational efficiency;
- ✓ Negotiating with foreign partners and suppliers for more flexible pricing and review of existing commitments;
- ✓ Intend to use state aid measures;
- ✓ Expecting more effective and fast state decisions soon. They are critical for us as well as all tourism companies globally.

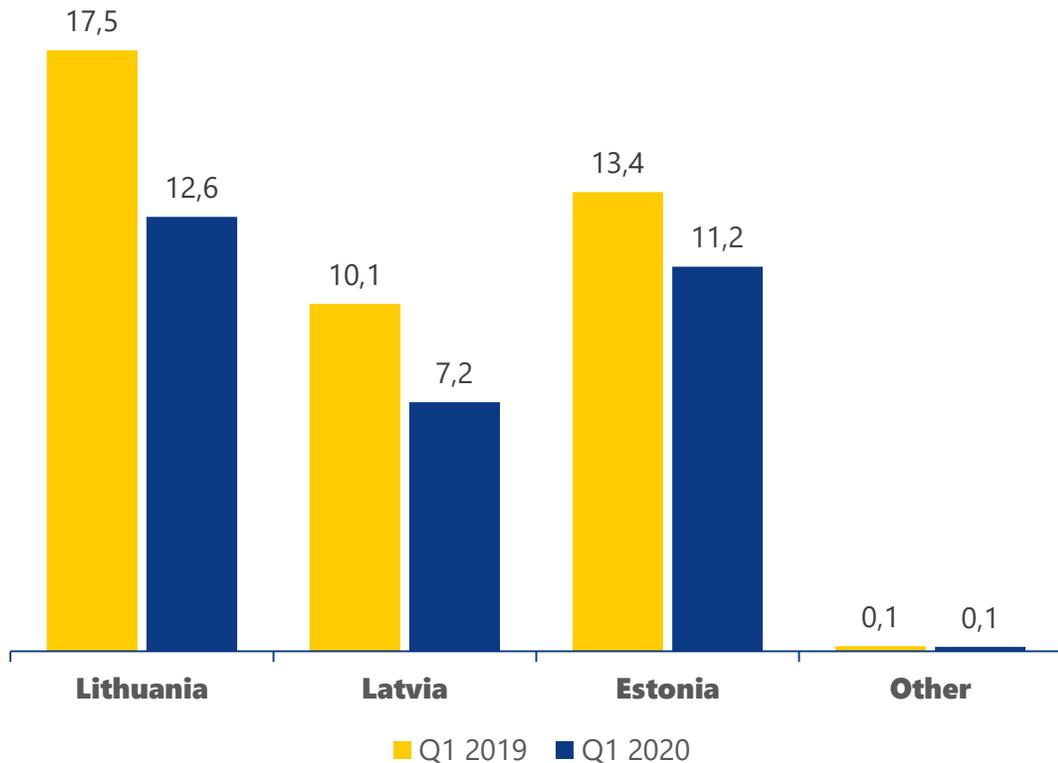
Q1 2020 Revenues & seat supply

In February together with the global tourism business we faced the spread of the COVID-19 virus which affected our revenue and seat supply.



Q1 2020 Number of travellers

Number of PAX sold by country (ths)



During Q1 2020, total number of customers served by Novaturas decreased by 24% y/y, mainly due to the decrease in Lithuania and Latvia by 27.7% and 28.3%. Estonia decreased by 16.2 %.



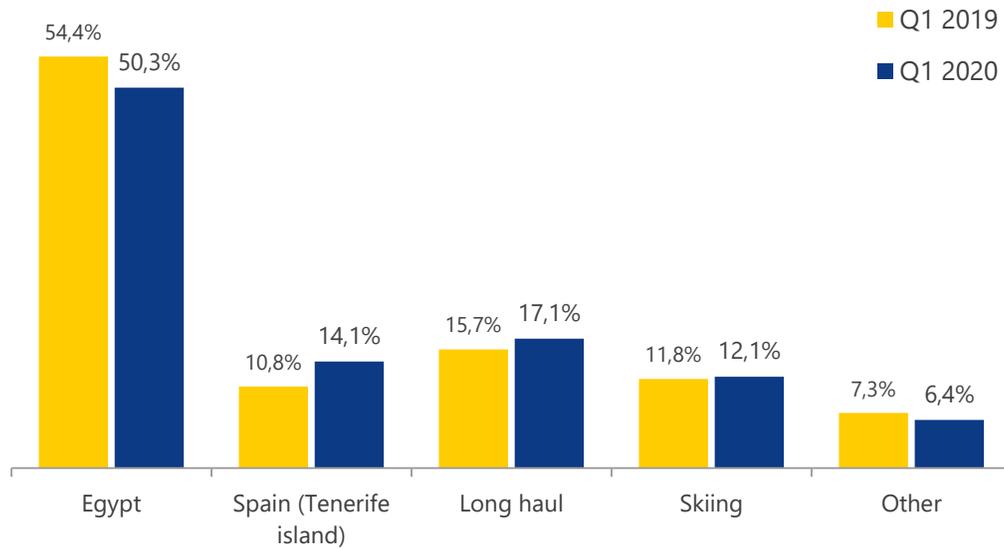
31.205 ths

total PAX sold during Q1 2020 (-24,1% y/y)

Q1 2020 Top destinations

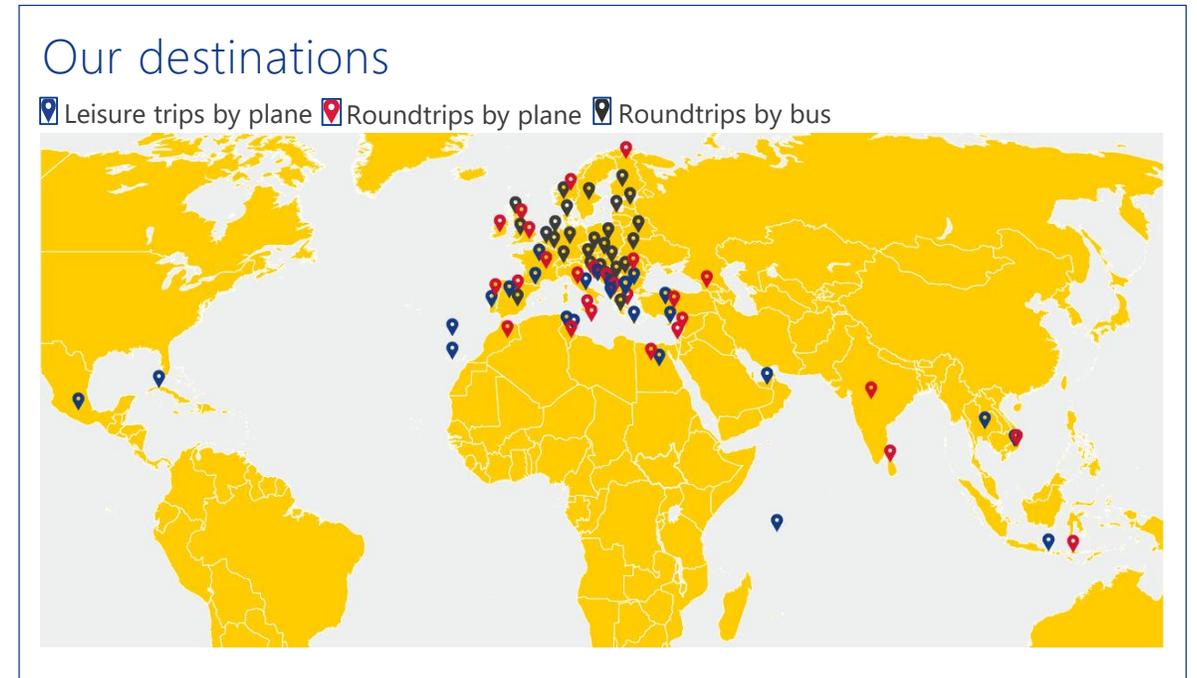
Sales of flight package tours by destinations

(% share in charter travel revenue)



Egypt remains the most popular destination among the Baltic citizens in the winter season. Spain (mainly Tenerife island) holds the second place with 3.3% increase in demand.

Despite Covid-19 impact long haul and skiing destinations slightly increased during Q1 by 1.4% and 0.3%.



We reach wide customer base thanks to well-balanced distribution

The 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

 **16.7%**

share in Q1 2020 revenue from e-commerce

 **1.15 m**

unique visitors on our websites during Q1 2020

 **3**

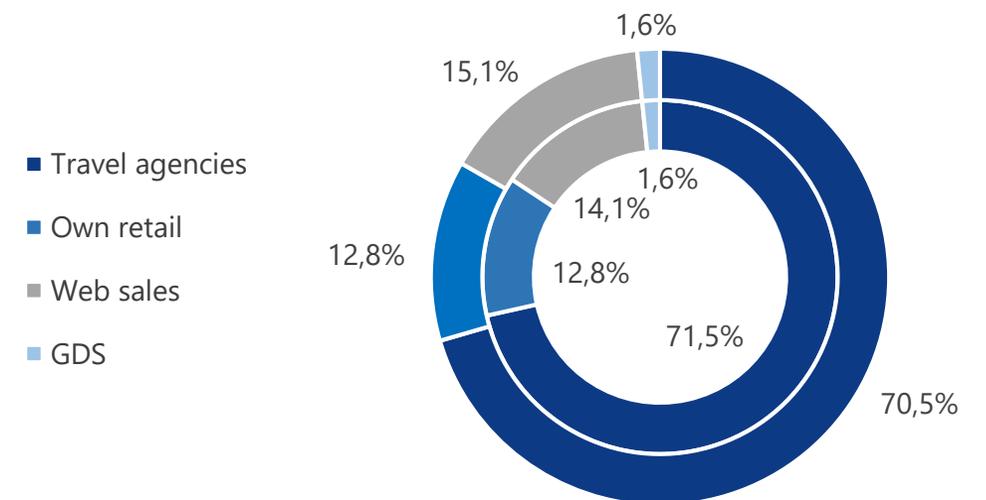
toursim exhibitions in Baltics

Diversification of sales channels allows Novaturas to offer its products to broader customer base, not only searching for package tours, but also for tickets and to exploit the most of market opportunities.

Novaturas constantly develops its e-commerce channel and manages one of the biggest online shops in the Baltics. We attend 3 largest tourism exhibitions in Baltics every year as an extra sales channel.

Novaturas sales by distribution channels

Q1 2020 (outer circle) vs. Q1 2019 (inner circle)

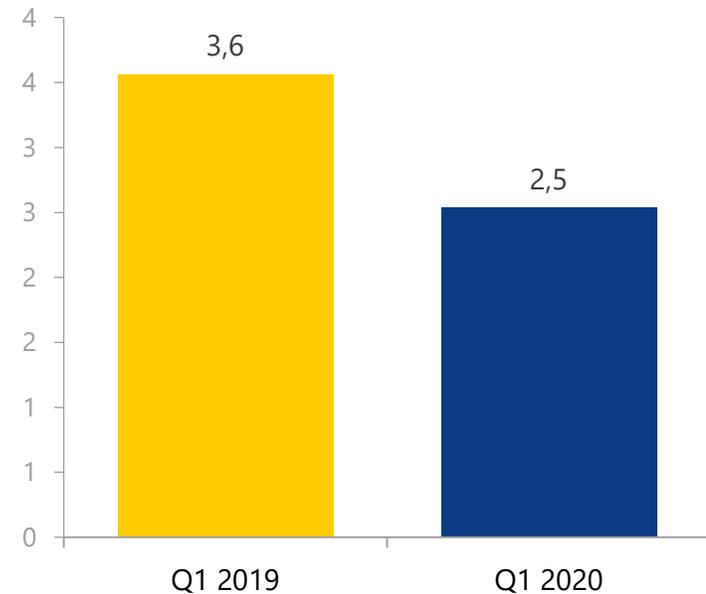


Q1 2020 profitability affected by spread of COVID-19

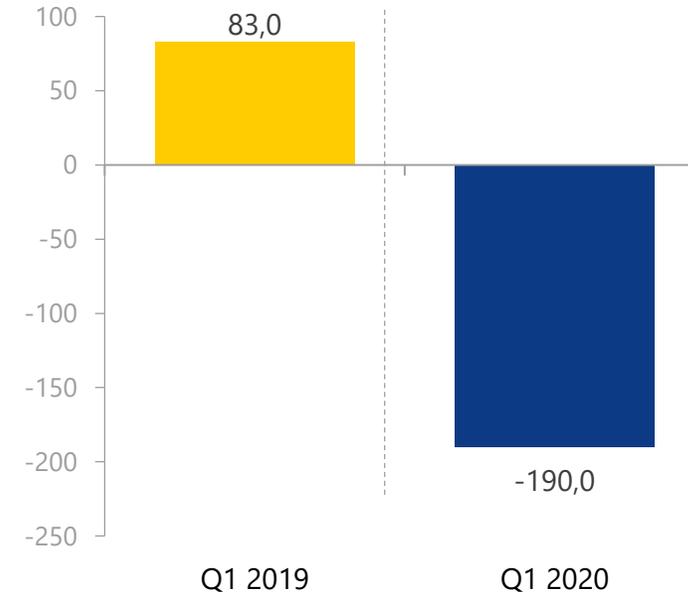
The first quarter of 2020 was marked by extraordinary circumstances for the entire global tourism industry. After a successful start of the year both financially and in terms of sales, in February together with the global tourism business we faced the spread of the COVID-19 virus.

At the end of February, we suspended flights to Italian ski resorts, and in March, when the governments and authorities of the Baltic States introduced isolation measures, we had to temporarily suspend all our organized trips. This surely affected our financial results.

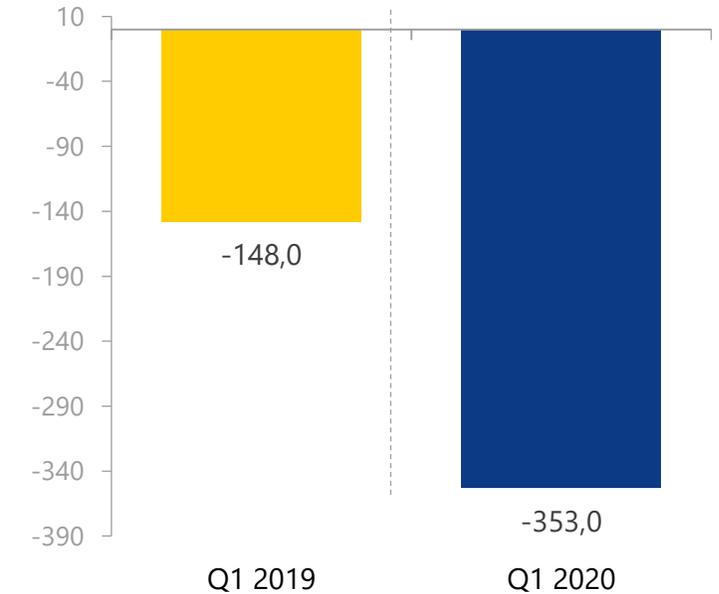
Gross profit (EUR ths)



EBITDA (EUR ths)



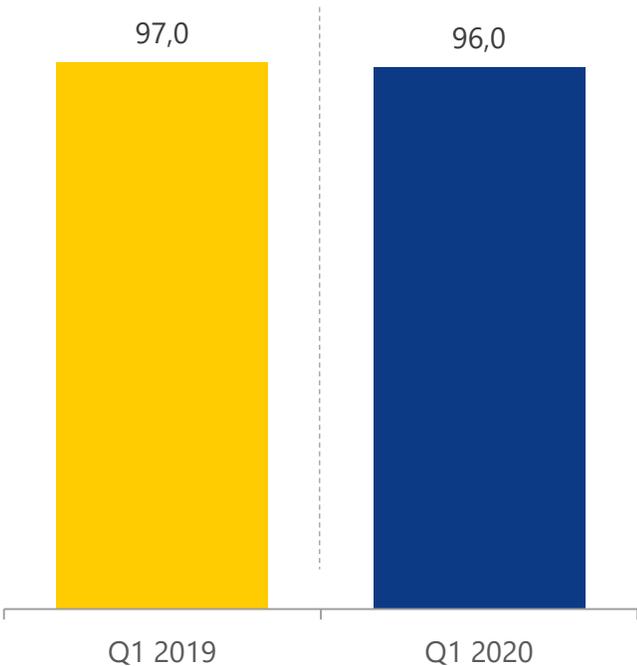
Net profit (EUR ths)



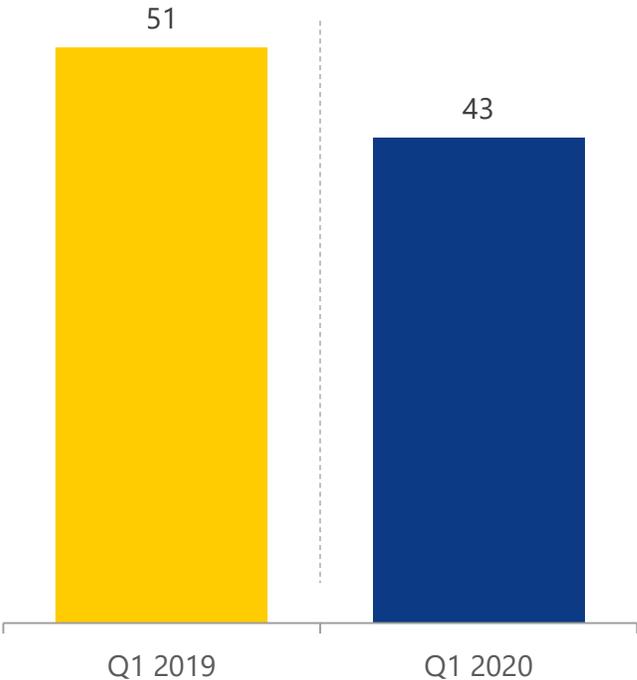
Efficiency and productivity ratios

The beginning of the year was very successful both financially and in terms of sales indicators for the rest of 2020. However, that got affected by the spreading virus on March.

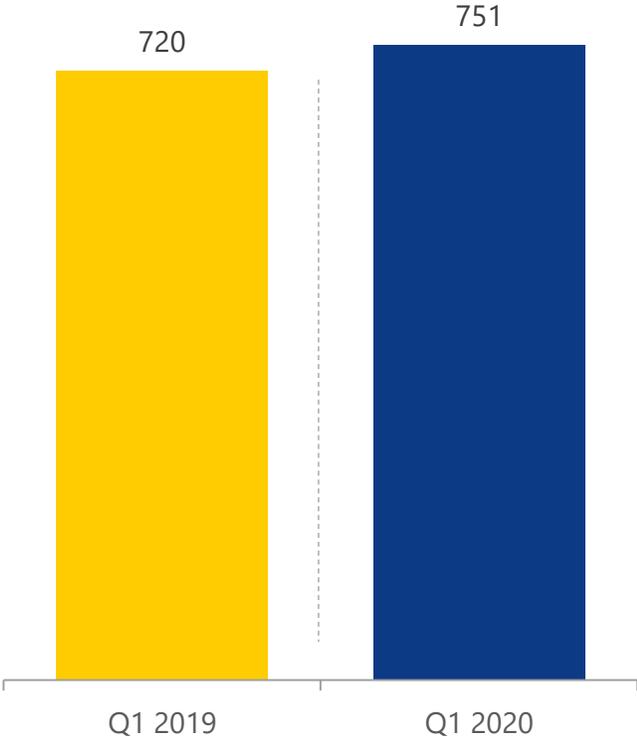
Load factor
(%)



Profit per PAX
(EUR)



Average package tour price
(EUR)



Operating expenses under control

As a result of the pandemic, we experienced an additional EUR 1.164 million during the first quarter, mainly due to unearned profit and the additional costs of repatriation flights. These costs were partially balanced by a decline in operating expenses.

To manage pandemic inflicted situation, we immediately took strict cost management actions, suspended investment projects, focused more on operational efficiency.

Operating expenses (EUR 000s)	Q1 2020	Q1 2019	y/y change
Sales and marketing (excl. commissions)	888	1,000	-11.2%
General and administrative (excl. one-offs)	670	995	-32.7%
Total operating expenses (excl. commissions and one-offs)	1,558	1,995	-21.9%
Commissions	1,200	1,478	-18.8%
One-off expenses	31	80	-61.3%
Total operating expenses	2,789	3,553	21.5%



EUR 2.8 m

Q1 2020 Operating expenses
(-22% y/y)

Appendices

Main ratios

Financial ratios (EUR 000s)	Q1 2020	Q1 2019	y/y change
Revenue	23,363	28,806	-18.9%
Gross profit	2,535	3,559	-28.8%
EBITDA	(190)	83	NA
Operating profit (EBIT)	(254)	5	NA
Profit before tax	(409)	(162)	152.5%
Net profit	(353)	(148)	135.5%
Relative indicators	Q1 2020	Q1 2019	y/y change
Number of shares	7,807,000	7,807,000	-
Earnings per share (EUR)	(0.05)	(0.02)	-0.03
Gross profit margin (%)	10.9%	12.4%	-1.5pp
EBITDA margin (%)	-0.8%	0.3%	-1.1pp
Operating profit (EBIT) margin (%)	-1.1%	0.0%	-1.1pp
Profit before taxes margin (%)	-1.8%	-0.6%	-1.2pp
Net profit margin (%)	-1.5%	-0.5%	-1.0pp
Return on assets (ROA) (%)	-0.6%	-0.2%	-0.4pp
Debt to equity ratio (%)	83.7%	90.8%	-7.1pp
Equity ratio (%)	27.5%	25.1%	+2.4pp
Effective tax rate (%)	13.7%	8.6%	+5.1pp
Current ratio	0.72	0.81	-0.09

Consolidated statements of comprehensive income

EUR 000s	Q1 2020	Q1 2019	y/y change
Sales	23,363	28,806	-18.9%
Cost of sales	(20,828)	(25,247)	-17.5%
Gross profit	2,535	3,559	-28.8%
Operating (expenses)	(2,789)	(3,553)	-18.1%
Other operating income	0	1	-
Other operating (expenses)	0	(2)	-
Profit from operations	(254)	5	NA
Finance income	109	110	-0.9%
Finance (expenses)	(264)	(277)	-4.7%
Profit before tax	(409)	(162)	152.5%
Income tax (expense)	56	14	300.0%
Net profit	(353)	(148)	138.5%
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Result of changes in cash flow hedge reserve	(3,005)	1,126	NA
Impact of income tax	451	(169)	NA
Total comprehensive income for the year	(2,907)	809	NA
Earnings per share ¹⁾	(0.05)	(0.02)	

Consolidated balance sheet

(EUR 000s)	31Mar 2020	31 Dec 2019	31 Mar 2019	(EUR 000s)	31Mar 2020	31 Dec 2019	31 Mar 2019
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Goodwill	30,327	30,327	30,327	Share capital	234	234	234
Other intangible assets	210	248	380	Cash flow hedge reserve	(2,332)	222	(394)
Property, plant and equipment	183	208	252	Legal reserve	29	29	29
Right of use assets	562	562	-	Foreign currency translation reserve	145	145	145
Long term receivables	218	220	62	Retained earnings	17,044	17,397	15,162
Deferred income tax asset	7	7	6	Equity attributable to equity holders of the parent	15,120	18,027	15,176
Total non-current assets	31,507	31,572	31,027	Liabilities			
Current assets				Non-current borrowings	4,000	4,000	6,000
Inventories	3	4	4	Deferred income tax liabilities	2,823	3,334	2,936
Prepayments and deferred expenses	15,626	9,165	20,231	Lease liabilities	360	360	-
Trade accounts receivable	372	652	482	Total non-current liabilities	7,183	7,694	8,936
Prepaid income tax	175	175	231	Current liabilities			
Other receivables	929	872	2,579	Current portion of non-current borrowings	2,000	2,000	2,000
Other current financial assets	-	261	-	Overdraft	6,655	-	5,784
Restricted cash	3,200	2,300	2,150	Trade payables	2,946	4,173	4,077
Cash and cash equivalents	3,159	4,554	3,686	Advances received	17,403	14,997	21,156
Total current assets	23,464	17,983	29,363	Income tax payable	-	95	29
Total assets	54,971	49,555	60,390	Other current liabilities and accrued expenses	704	2,353	3,232
				Lease liabilities	216	216	-
				Other current financial liabilities	2,744	-	-
				Total current liabilities	32,668	23,834	36,278
				Total equity and liabilities	54,971	49,555	60,390

Consolidated cash flow statement

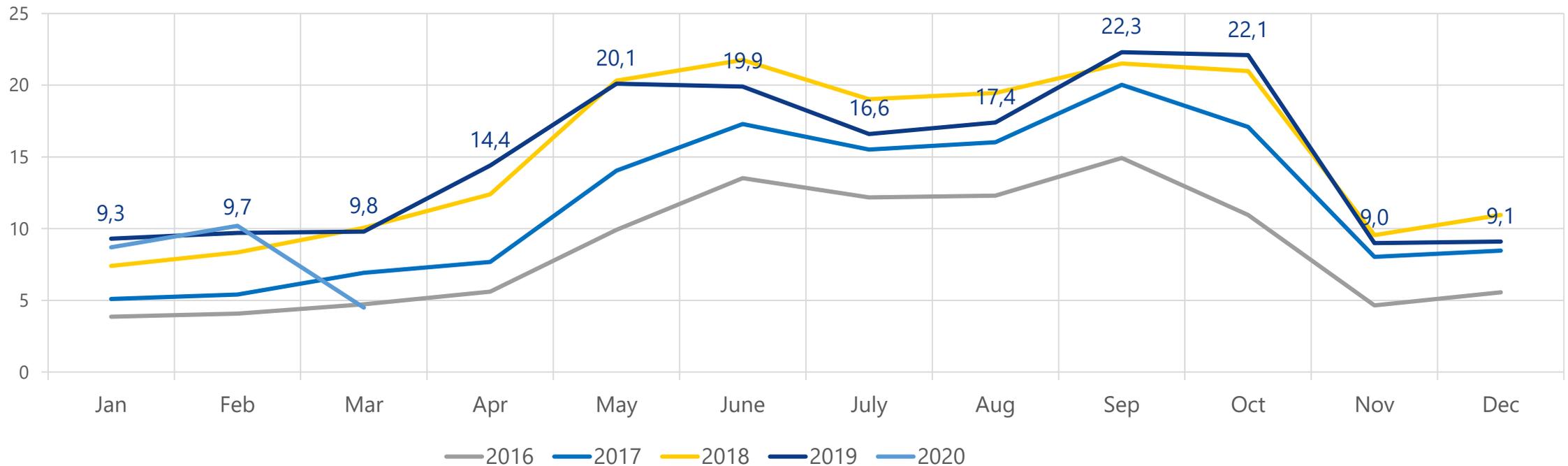
(EUR 000s)	Q1 2020	Q1 2019
Net profit	(353)	(148)
Adjustments for non-cash items	(2,861)	1,349
Changes in working capital	(6,995)	(7,852)
Net cash flows from / (to) operating activities	(10,209)	(6,651)
Net cash flows from / (to) investing activities	(3)	(24)
Loans received	6,655	5,784
(Repayment) of loans	-	-
Interest (paid)	(138)	(126)
Dividends (paid)	-	-
Net cash flows from / (to) financing activities	6,517	5,658
Net increase (decrease) in cash flows	(3,695)	(1,017)
Cash and cash equivalents at the beginning of the year	6,854	4,703
Cash and cash equivalents at the end of the period	3,159	3,686

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)



Novaturas management team

Novaturas managers have been with the Company for many years. They have extensive know-how, years of experience in the tourism market and an in-depth knowledge of the Group's offering, which ensures effective implementation of the Group's strategy.



Audronė Keinytė, CEO

- With the Company for 13 years (since 2006)
- CEO since January 2019, earlier in charge of product development and purchasing
- Has strong commercial background as well as deep knowledge of tourism products and the industry itself



Tomas Staškūnas, CFO

- With the Company for 10 years (since 2009)
- Has experience as CFO and CEO in companies specialized in consumer goods



Ieva Galvydienė, CCO

- With the Company for 14 years (since 2006)
- Responsible for sales and distribution on the Group level with special focus on Lithuania operations

Novaturas Supervisory Council



Vidas Paliūnas

Chairman of the Supervisory Council

- Participated in the creation of Novaturas UAB in 1999.
- In 1999-2009 he was General Manager of the Company.
- In 2009-2018, he was a member of Novaturas' management board (functioning like a supervisory body in the period).



Ugnius Radvila

Member of the Supervisory Council

- Participated in the creation of Novaturas UAB in 1999.
- In 1999-2011, he was in charge of sightseeing product department of the Company.
- Since 2011, he has been acting as consultant to the Company.



Piotr Nowjalis

Member of the Supervisory Council

- Has been involved in financial management for 20 years.
- Held managerial and supervisory positions at many Warsaw Stock Exchange listed companies, including CCC (largest shoe retailer in CEE), AB (largest IT distributor in CEE) and Dino Polska (food retailer).

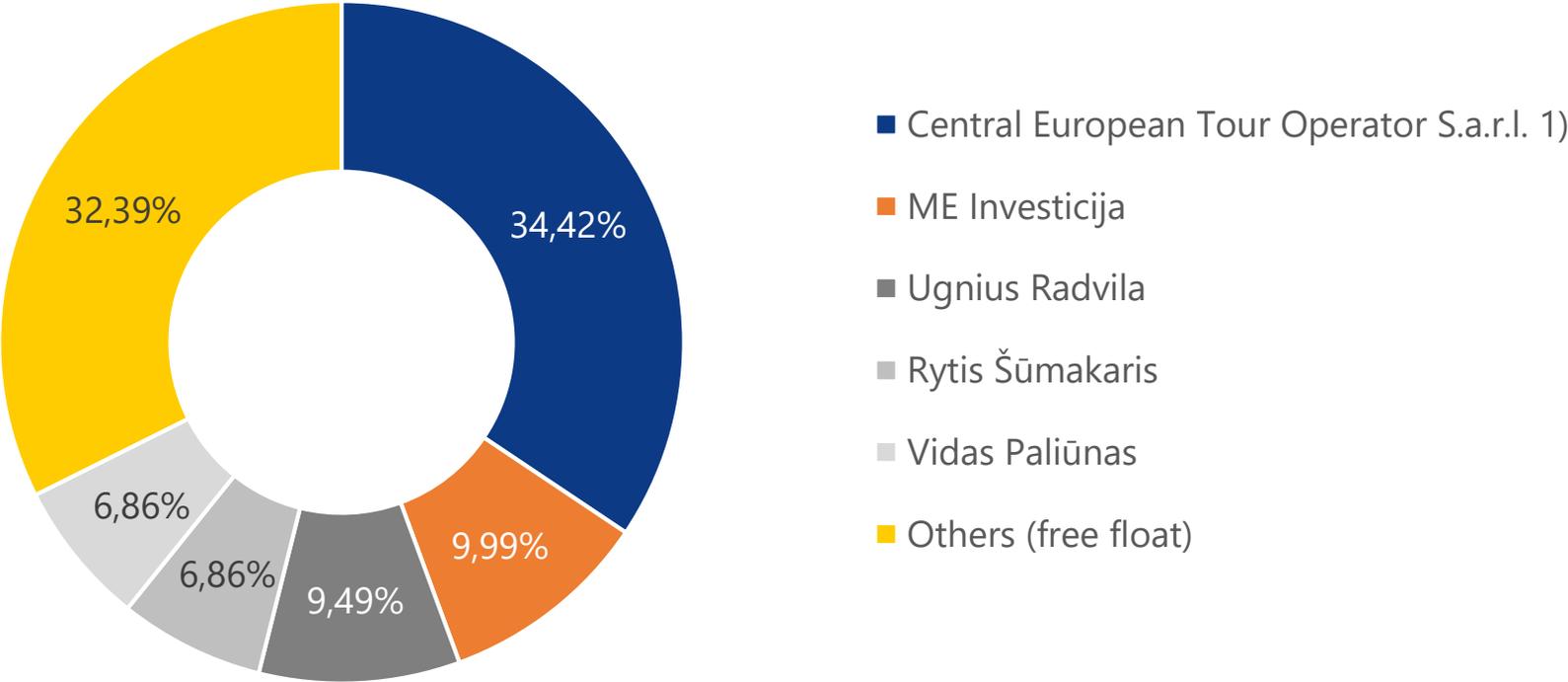


Franz Leitner

Member of the Supervisory Council

- Has profound knowledge of the European travel markets, in particular DACH, CEE and Russia.
- In 1994-2007 he gained extensive experience in executive positions at Thomas Cook/Neckermann and TUI as CEO Austria/CEE/Russia.

Shareholder structure

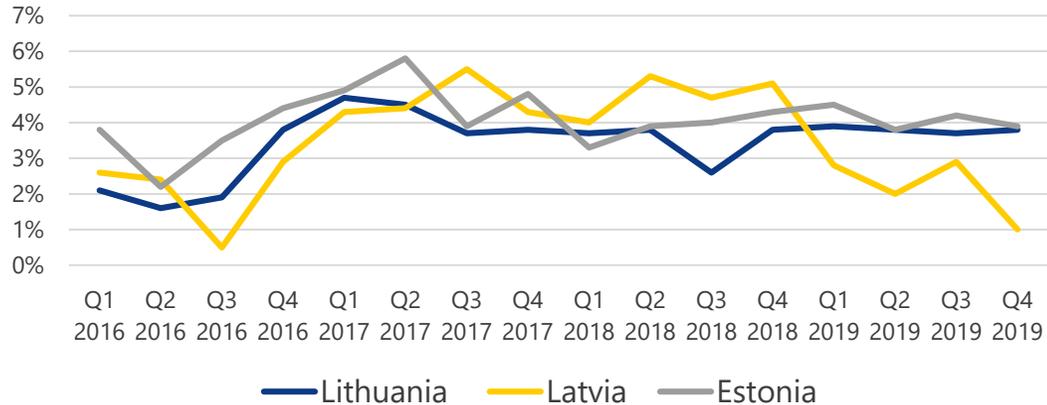


1) Central European Tour Operator S.a.r.l. is an entity owned by Polish Enterprise Fund VI, managed by Enterprise Investors

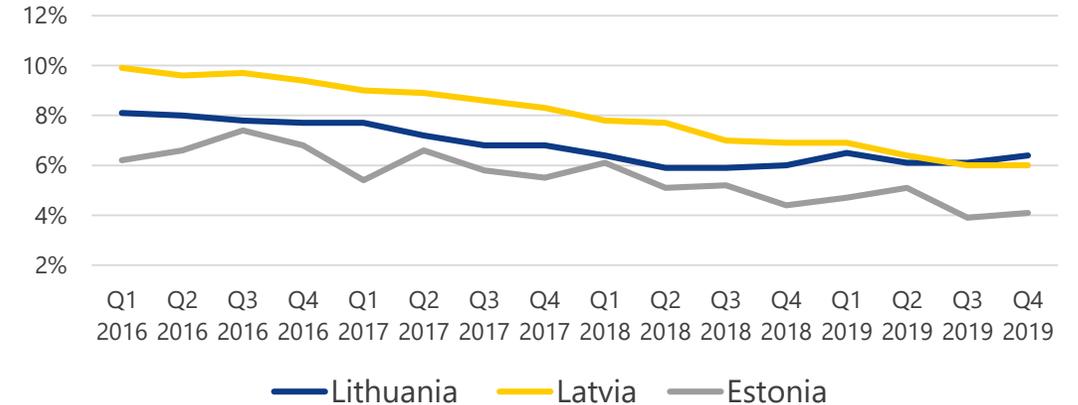
2) ME Investicija is an investment company that manages one of the largest European transport services group Girteka

Macroeconomic conditions in the Baltics

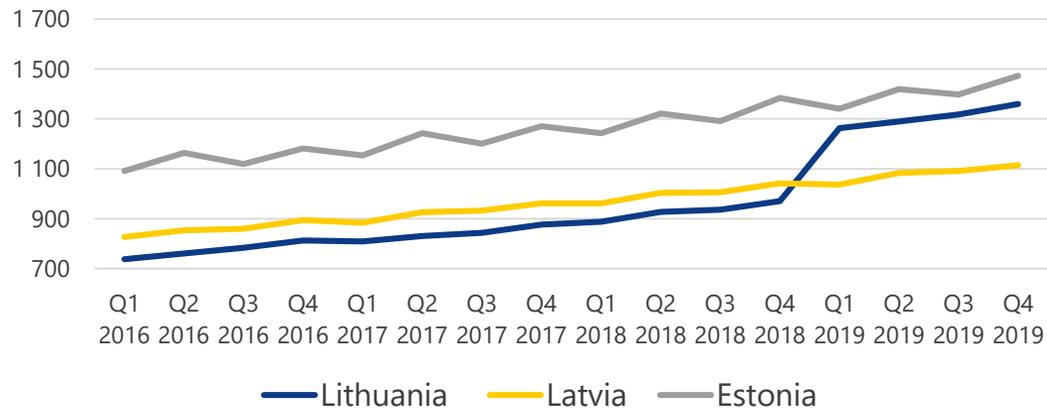
GDP growth rate (%)



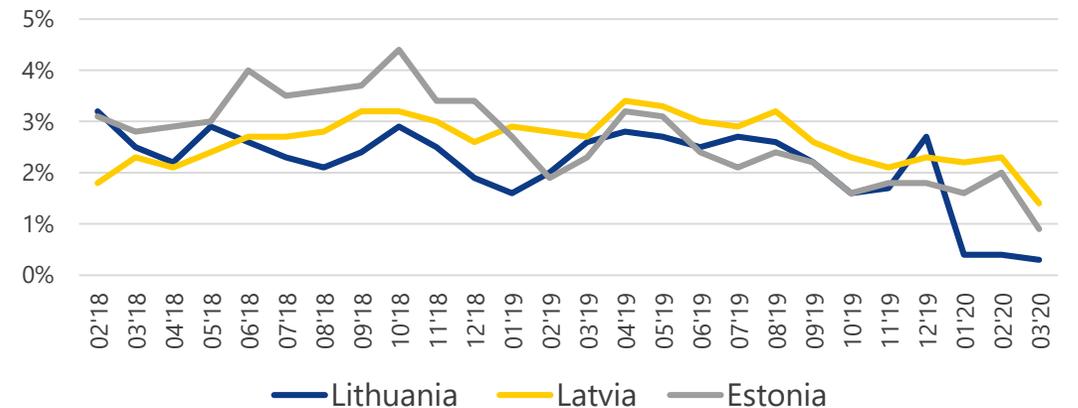
Unemployment rate (%)



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.

Company information

Novaturas group PLC

Registered address:

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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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