Presentation of Q2 and H1 2023

Significant increase in earnings
Solid EBITDA growth
Increased financial forecast
Board priorities

29 August 2023

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Key financials

Q2 :

- Sales flat against PY, however average package sales price up by 8 % and sales profit per pax up by almost 5 times.
- Customer base down by 6k Pax (6,5%) mainly coming from Turkey – destination of competition on the cost of red profitability numbers. Seat supply for Turkey during this year increase by 30 % compared to pre-pandemic year (2019).
- Another successful quarter from profitability point of view – quarterly EBITDA at 3,2mEur, net profit at 2,5mEur (margins of 5,1% and 3,9% respectively), led by strong travel demand and supported by high early booking sales, well diversified destination mix and managed fuel price fluctuation risk.

H1 :

- Half year EBITDA at 5,8 mEur, net profit at 4,7mEUR while both were in negative territory a year ago.
- Sales up by 12 %, average package sales price up by 15% and sales profit per pax is up by almost 4 times.
- Load factor at no less 95 % throughout year 2023.

	Q2 2021	Q2 2022	Q2 2023	H1 2021	H1 2022	H1 2023
Sales, k Eur	23 543	62 393	62 934	29 114	91 647	102 536
Gross profit, kEur	3 547	5 108	9 419	5 164	7 854	15 663
EBITDA, kEUR	1 175	-654	3 188	1 790	-750	5 829
Net profit, kEUR	929	-1 155	2 484	1 120	-1 660	4 744
Gross profit margin (%)	15,1%	8,2%	15,0%	17,7%	8,6%	15,3%
EBITDA margin (%)	5,0%	-1,0%	5,1%	6,1%	-0,8%	5,7%
Net profit margin (%)	3,9%	-1,9%	3,9%	3,8%	-1,8%	4,6%
Pax (k)	37	92	86	46	128	124
Load factor (%)	89,2%	94,9%	95,0%	90,2%	95,0%	95,3%
Sales profit/Pax, (Eur)	60	14	67	77	22	83

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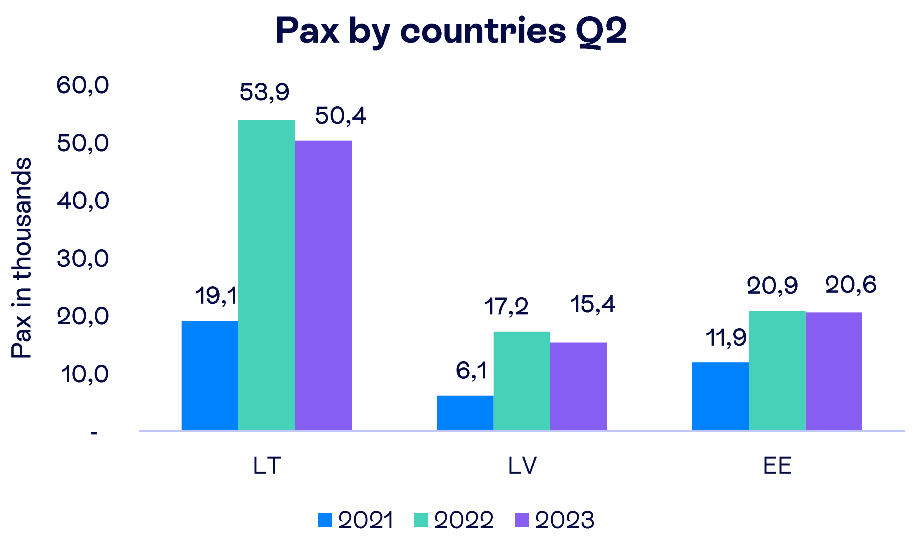
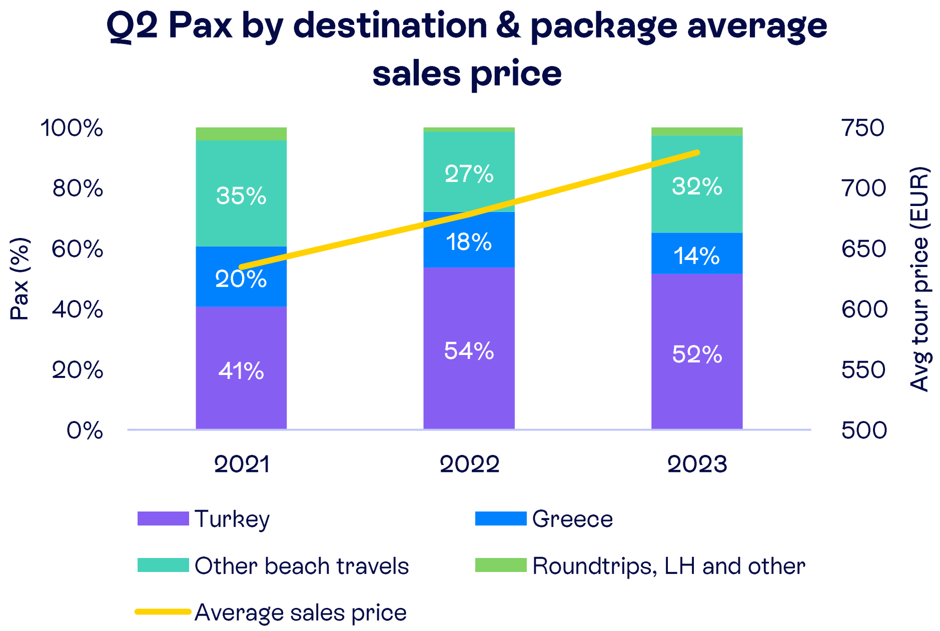
Pax served

- Decline by 5,7k Pax comes mainly from Lithuanian 3,5k Pax and Latvian market 1,8k Pax. Pax served in Turkey and Greece each decreased by 5k Pax, meanwhile in our destinations which we launched 1st in the market (Montenegro and Tunisia) volumes up by 6,5k Pax. Average sales price per pax grows up from 678 Eur Q2'22 to 729 Eur Q2'23 (+7,5%p).

- The introduction of new destinations pays off as it currently allows to offset decreasing volumes in mainstream destinations, where the excess competition and new market entrances provokes extremely low prices and respectively low profitability. New tour operator Anex entered the market in June offering charter flights to Turkey only. On the other hand, combined flight seats for Q2 and Q3 had already been down by 14% from initial plans, some of tour operators cancelled almost 50% of their initial seat supply to Turkish destination for Q3.

- Recent market entrances disrupt the market, meanwhile Novaturas managed to keep market leader position in Baltic states.





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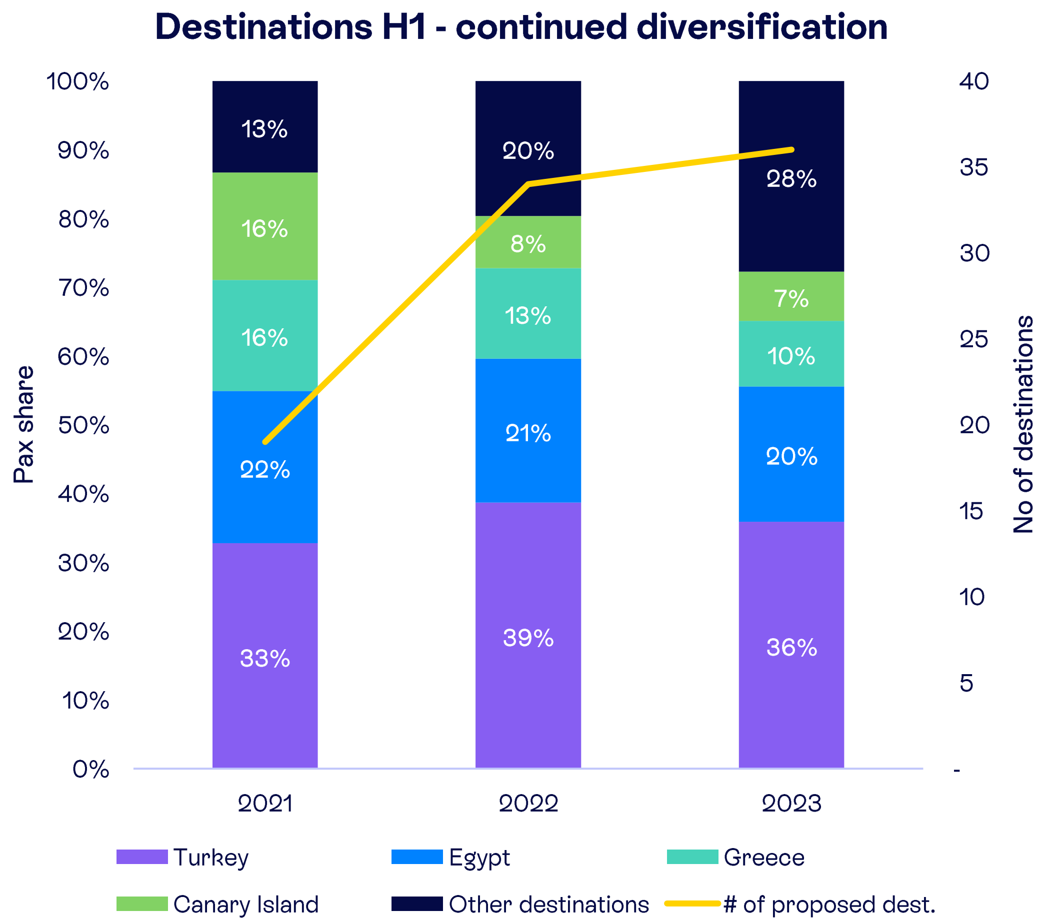
Pax served

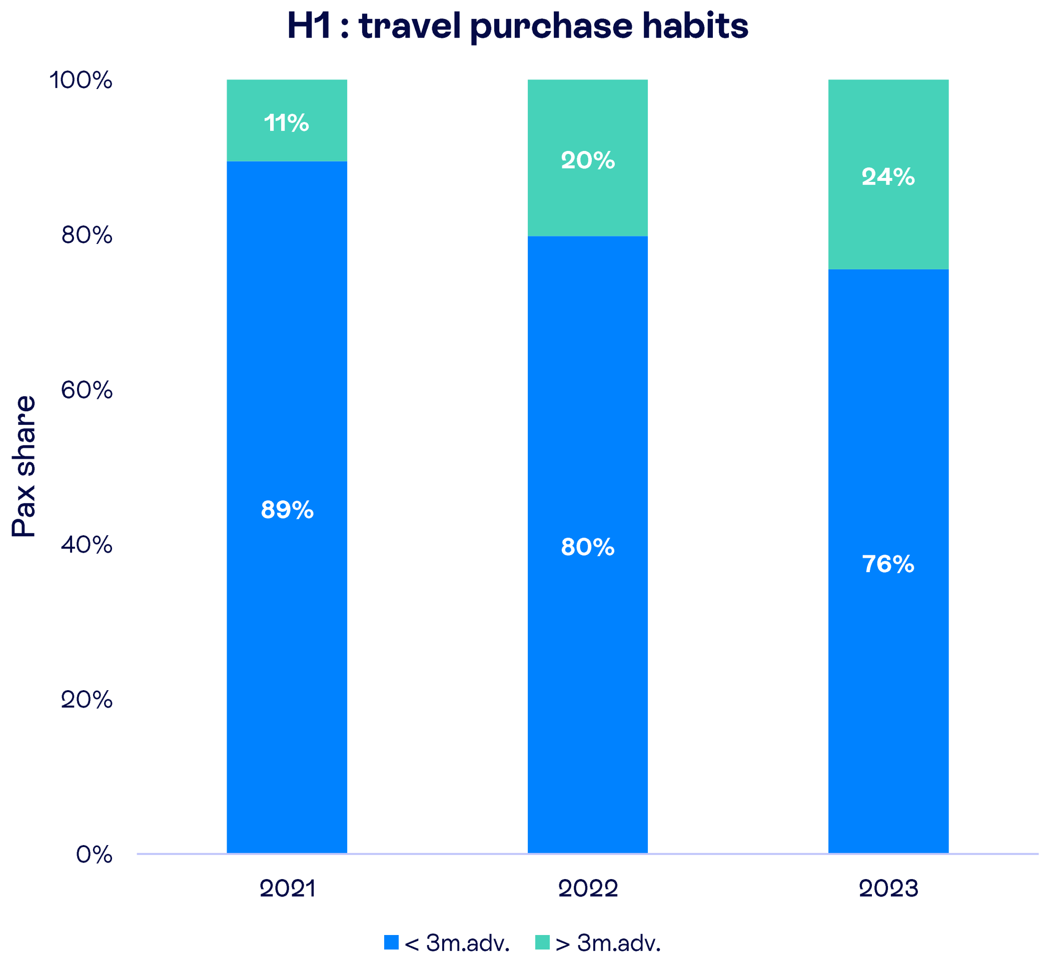
- Share of main destinations of H1 which are winter (Egypt and Canaries) and summer (Turkey and Greece) had during 2021 – 2023 gradually reduced from 87 % to 72 %.

- At the same time Novaturas continues to propose new destinations, total number of which is gradually growing to 36 (2023 H1).



Pax served

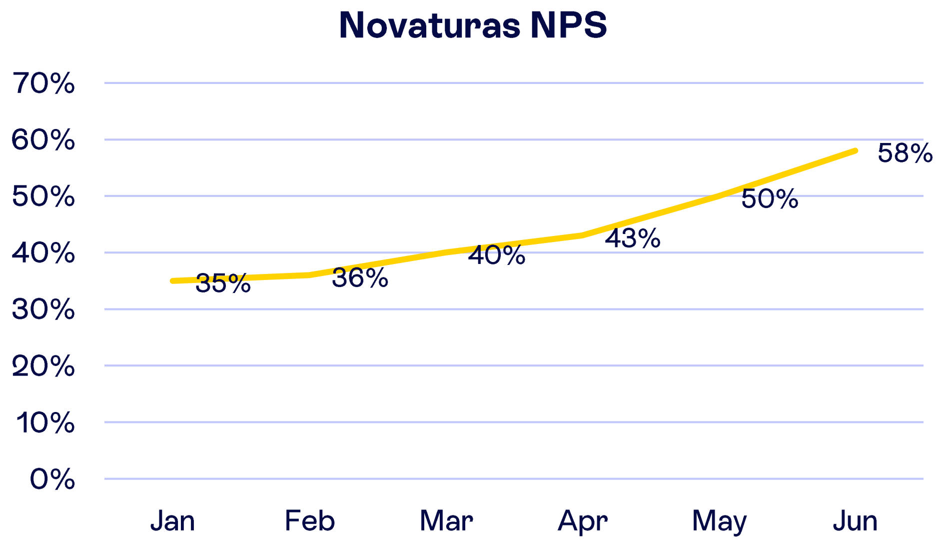
- The Group is among the first to early introduce coming season's travel packages for the market in order to avoid last minute sales which usually are less profitable due to higher seat fulfillment competition.
- Share of sales booked more than 3 months ahead since 2021 had constantly been increasing on the cost of last minute sales.
- At the moment Novaturas already sold > 80 % of its current whole year seat supplies and stepped in winter 2024 with twice as high early bookings compared to same period of 2023.



Customer perspective

- Since January 2023 Group collects and measures Customer qualitative responses on services provided. Based on opinions of 3th. Customers, Novaturas NPS had during the period increased from 35 % to 58 %.

- In all our key destinations (Montenegro, Turkey, Crete, Madeira and Tunisia) NPS currently well above 50 %.

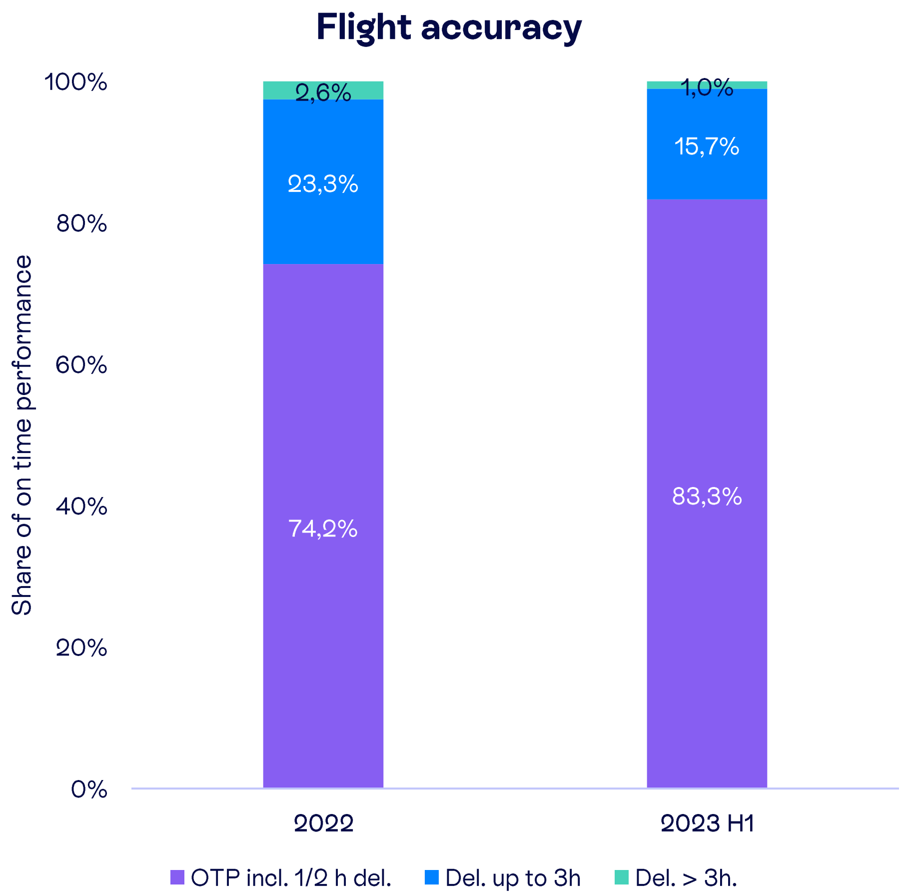


Customer perspective

- Last year Group experienced challenges with flight punctuality in Latvia and Estonia. Proactive actions with aviation suppliers allow to improve on time performance and > 3 h delays.

- On the level of operated charter flights Novaturas' on time departures (incl. minor delay) had increased from 74,2% to 83,3%.

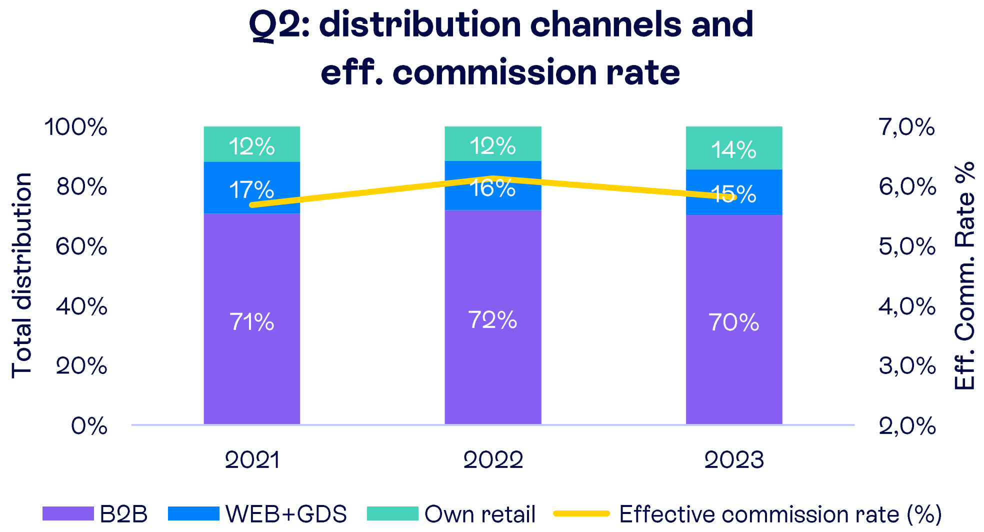
- On the contrary – number of flights where departure delay was above 3h had reduced from 2,6% to 1 % (38 H1'22 Vs. 12 during H1'23).

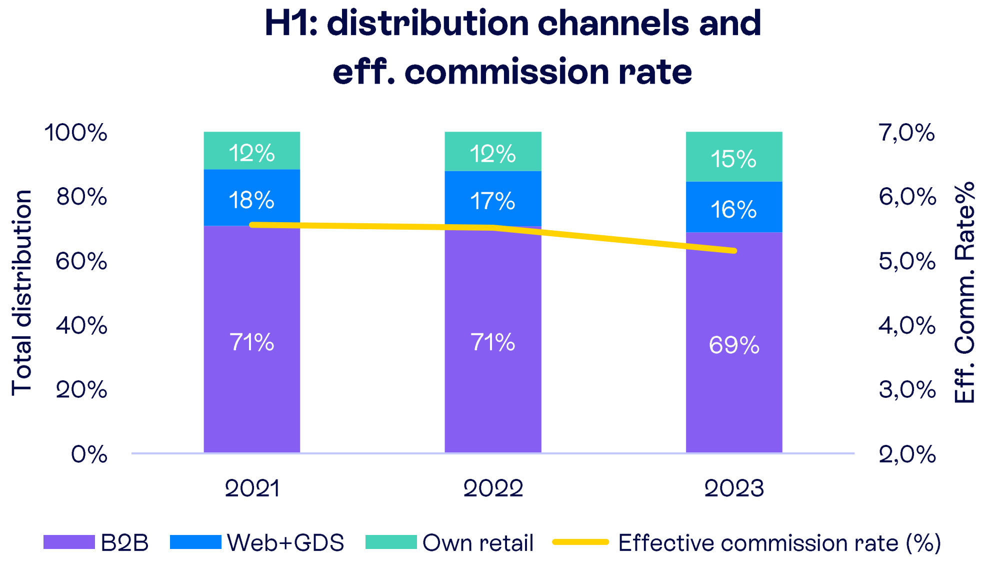


Distribution

- During Q2 share of Group own sales within total sales had further increased by 1%p. On half year perspective company's own sales channels (web and own retail) had been growing by 18% (against 12% overall sales growth) and increased its share within total sales by 2 %p.

- Following growth of own sales channels Group's average effective commission rate was further declining during 2023 (against 2022) and reached 5,8% (against 6,1%'22). Average commission ratio from half year perspective amounts to 5,2 % (against 5,5%'22).





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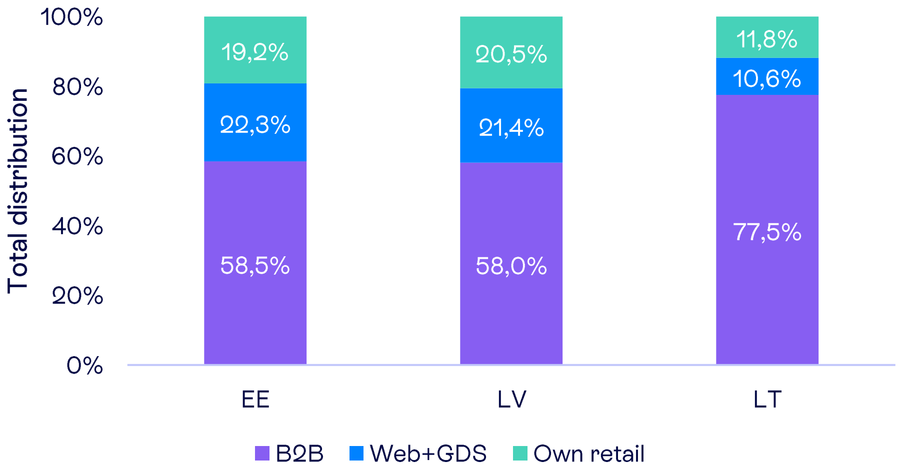
Distribution

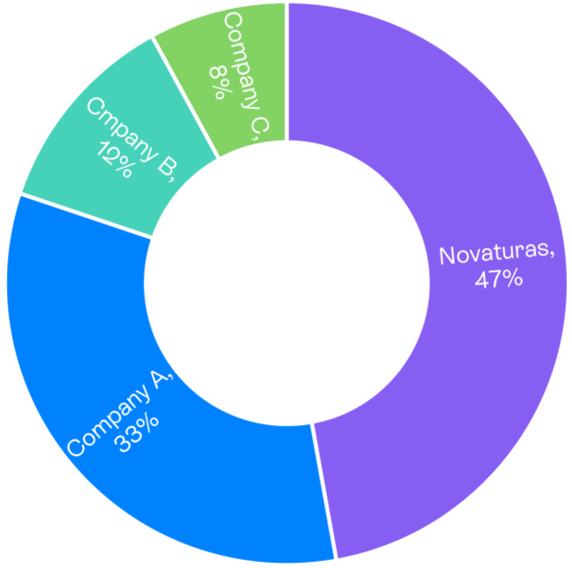
H1 : distribution channels in countries



- LV and EE markets are somewhat similar in terms of distribution structure however in Lithuanian market sales through agencies holds c.20%p higher sales share compared to LV/EE.

- Such structure opens opportunities for more intense growth of own sales channels that already is captured by the Group : in Lithuania own retail was growing by 63 % (23 vs. 22) – more then twice compared to LV/EE market's own retail growth of c. 28 %.

H1: Web traffic data (similarweb)



- Novaturas remains firm leader on web traffic share in Baltics holding 47 % of share as at end of H1'2023.

- In August Novaturas launched new web page that enables our customers to plan, compare, choose and buy travel in quick and convenient way.

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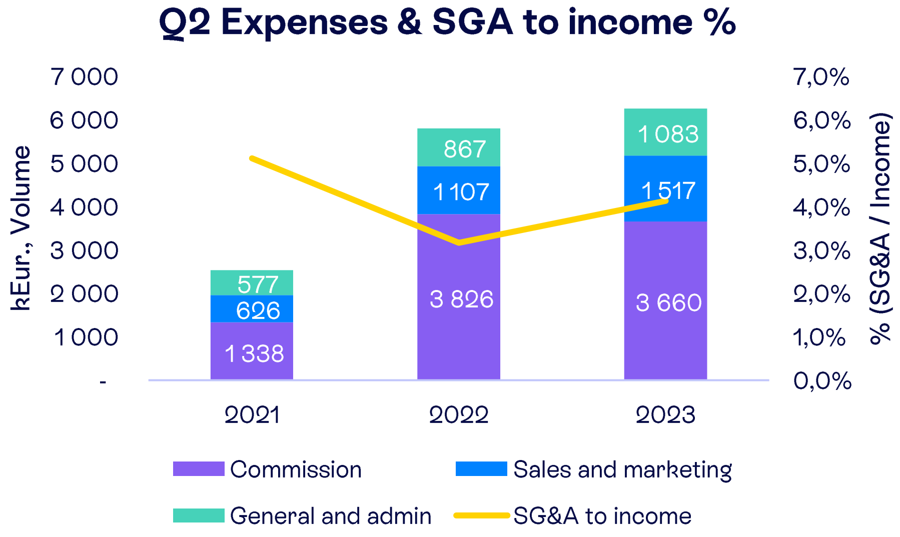
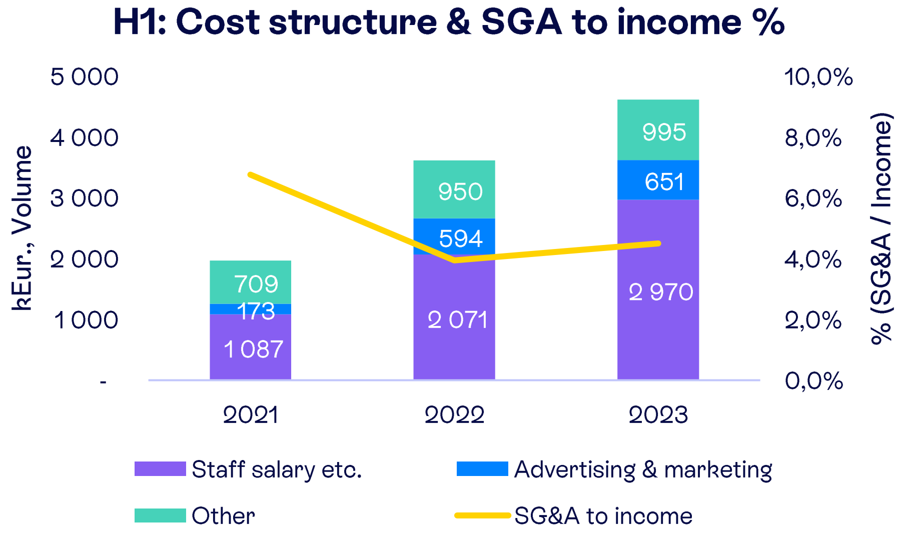
Expenses





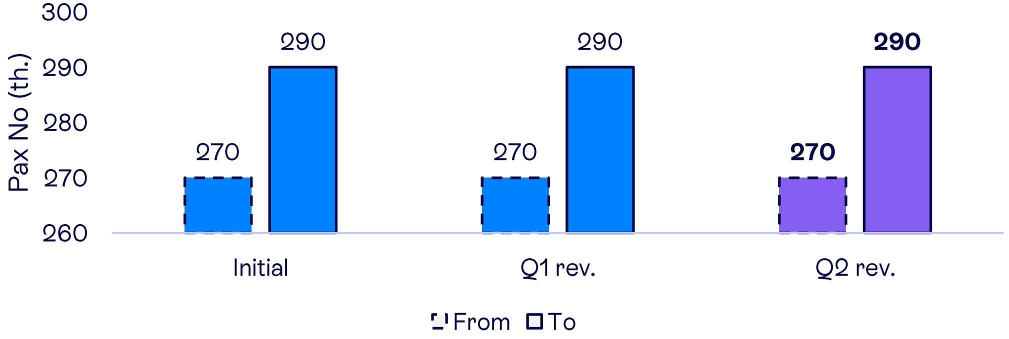
- Group's quarterly costs up by 8%, or 31% (626 kEur.), if commissions are excluded. Majority of increase is due to staff cost related accruals (355 kEur) which previously used to be accounted at end of fiscal year. Spread of costs of these accruals throughout the year causes 18%p of quarterly costs growth.
- Non-staff related expenses had during the quarter increased by 5% (44kEur) mainly due to higher volume of various market initiatives.

- Staff related costs accounts for 64% of total expenses (w/o commission) and was growing by 43 % (26 %, if impact of accruals previously booked at year end are eliminated). Advertising & marketing is up by 10% and other costs are up by 5%. On overall level Group's H1 SG&A costs growth is above income thus cost to income ratio had been up from 3,9% to 4,5% and in line with pre-pandemic levels (2019).
- Growth of staff expenses related to recent Baltics salary inflation which realizes through regular staff salary review and staff turnover processes, and was planned by the Group. In terms of headcount group is up by 2,5%.

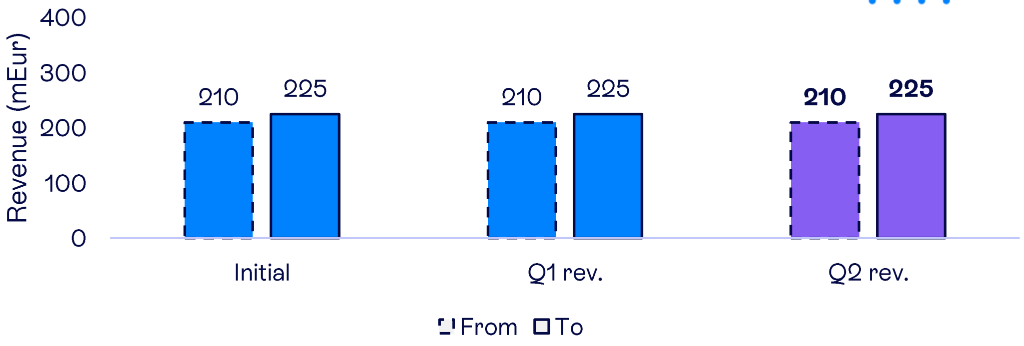
Forward looking statement

Maintain leading position through diversified destinations
Focus on digitalization of services and own channel growth opportunities
Further improve customer experience, shift towards early bookings and supplementary sales

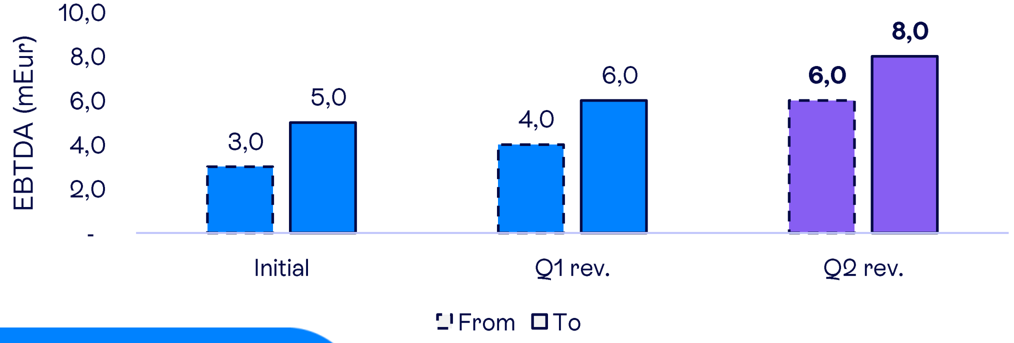
Annual volume 2023



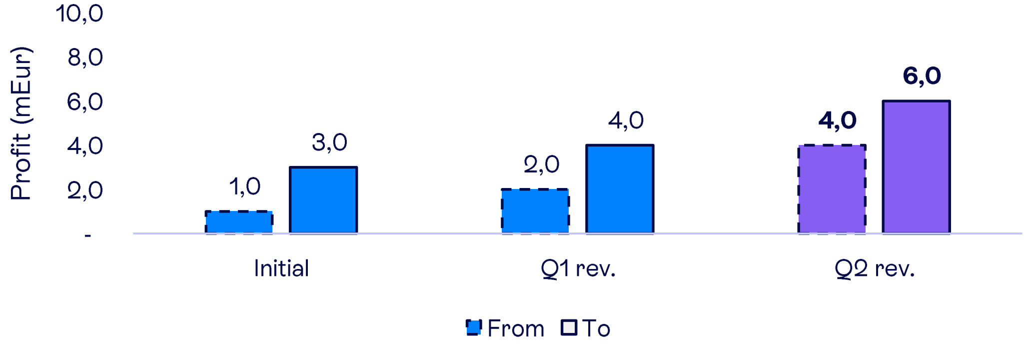
Annual revenue 2023



Annual EBITDA 2023



Net profit 2023



Board priorities

a. Digitalization

b. Sales distribution strategy review

c. Diversification of destinations selections

d. Additional products and services

e. Customer satisfaction

f. Sustainability strategy

g. Governance excellence: attention to people quality, review of organization structure.

Q&A

Appendices

Main ratios

Financial ratios (Eur'000)	Q2 2023	Q2 2022	Q2 2021	Change, 23/22	Change, 22/21	6M 2023	6M 2022	6M 2021	Change, 23/22	Change, 22/21
Sales	62 934	62 393	23 543	+0,9	+165,0	102 536	91 647	29 114	+11,9	+214,8
Gross profit	9 419	5 108	3 547	+84,4	+44,0	15 663	7 854	5 164	+99,4	+52,1
EBITDA	3 188	(654)	1 175			5 829	(750)	1 790		
Operating profit (EBIT)	3 170	(679)	1 135			5 784	(775)	1 707		
Profit before taxes	2 691	(1 050)	883			5 015	(1 660)	1 030		
Net profit for the period	2 484	(1 155)	929			4 744	(1 660)	1 120		

Relative indicators	Q2 2023	Q2 2022	Q2 2021	Change, 23/22	Change, 22/21	6M 2023	6M 2022	6M 2021	Change, 23/22	Change, 22/21
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)	0,32	-0,15	0,12	+0,47	-0,27	0,61	-0,21	0,14	+0,82	-0,35
Gross profit margin (%)	15,0	8,2	15,1	+6,8 pp	-6,9 pp	15,3	8,6	17,7	+6,7 pp	-9,1 pp
EBITDA margin (%)	5,1	-1,0	5,0	+6,1 pp	-6,0 pp	5,7	-0,8	6,1	+6,5 pp	-6,9 pp
EBIT margin (%)	5,0	-1,1	4,8	+6,1 pp	-5,9 pp	5,6	-0,8	5,9	+6,4 pp	-6,7 pp
Profit before taxes margin (%)	4,3	-1,7	3,8	+6,0 pp	-5,5 pp	4,9	-1,8	3,5	+6,7 pp	-5,3 pp
Net profit margin for the period (%)	3,9	-1,9	3,9	+5,8 pp	-5,8 pp	4,6	-1,8	3,8	+6,4 pp	-5,6 pp
Return on assets (ROA) (%)	3,8	-2,2	1,6	+6,0 pp	-3,8 pp	6,9	-3,4	2,2	+10,3 pp	-5,6 pp
Return on equity (ROE) (%)	13,1	-8,6	6,1	+21,7 pp	-14,7 pp	26,7	-12,4	7,3	+39,1 pp	-19,7 pp
Debt / equity ratio (%)	65,0	100,9	146,6	-35,9 pp	-45,7 pp	65,0	100,9	146,6	-35,9 pp	-45,7 pp
Equity ratio (%)	29,0	26,1	26,4	+2,9 pp	-0,3 pp	29,0	26,1	26,4	+2,9 pp	-0,3 pp
Actual profit tax rate (%)	7,7	-10,0	-5,2	+17,7 pp	-4,8 pp	5,4	0,0	-8,7	+5,4 pp	+8,7 pp
Total liquidity ratio	0,94	0,75	1,23	+0,19	-0,48	0,94	0,75	1,23	+0,19	-0,48

Consolidated statements of comprehensive income

	Q2					H1				
Eur'000	**2023 Q2**	**2022 Q2**	**2021 Q2**	**23/22 change**	**22/21 change**	**2023H1**	**2022H1**	**2022H1**	**23/22 change**	**22/21 change**
Sales	62 934	62 393	23 543	1%	165%	102 536	91 647	29 114	12%	215%
Cost of sales	-53 515	-57 285	-19 996	-7%	186%	-86 873	-83 793	-23 950	4%	250%
Gross profit	**9 419**	**5 108**	**3 547**	84%	44%	**15 663**	**7 854**	**5 164**	99%	52%
Sales and marketing expenses	-5 177	-4 933	-1 964	5%	151%	-8 000	-7 100	-2 616	13%	171%
General and admin expenses	-1 083	-867	-577	25%	50%	-1 897	-1 561	-970	22%	61%
Other operating income	-2	14	130			18	33	130		
Other operating expenses	13	-1	-1			-	-1	-1		
Profit from operations	**3 170**	**-679**	**1 135**			**5 784**	**-775**	**1 707**		
Finance income	33	43	68			129	58	280		
Finance (expenses)	-512	-414	-320			-898	-943	-957		
Profit before tax	**2 691**	**-1 050**	**883**			**5 015**	**-1 660**	**1 030**		
Income tax	-207	-105	46			-271	-	90		
Net profit	**2 484**	**-1 155**	**929**			**4 744**	**-1 660**	**1 120**		
Other comprehensive income										
Change in cash flow hedge	-	-1	20			-	3	469		
Impact of income tax	-	1	-3			-	-	-70		
Total comprehensive income for the year	**2 484**	**-1 155**	**946**			**4 744**	**-1 657**	**1 519**		

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Consolidated balance sheet

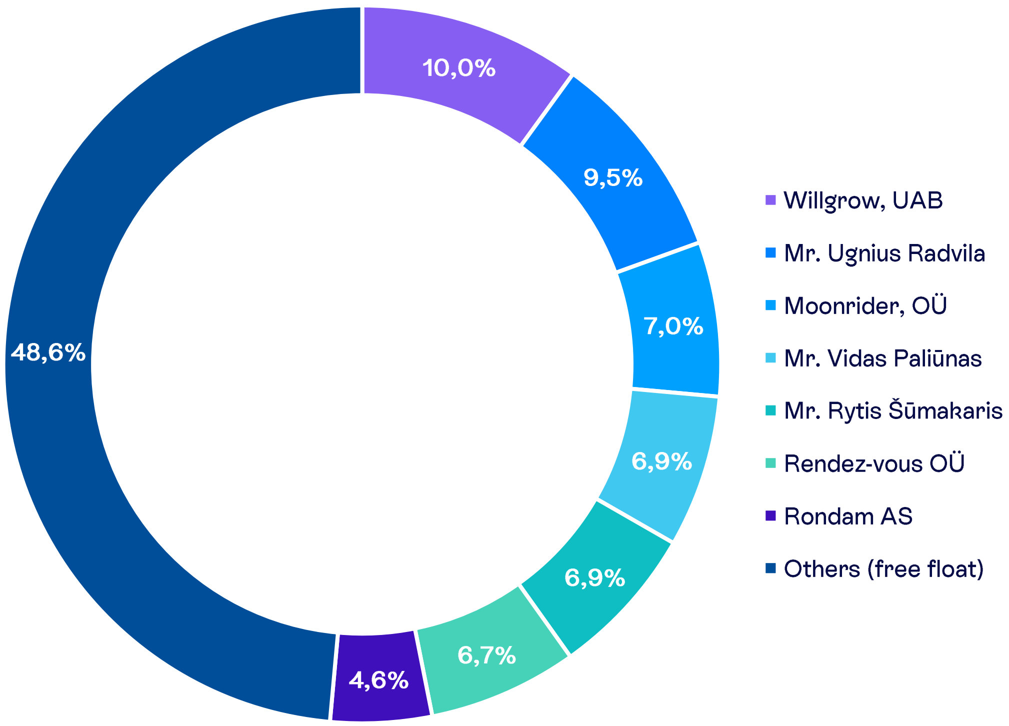
Eur'000	As at 30 June 2023	2022	2021
ASSETS			
Non-current assets			
Goodwill	30 327	30 327	30 327
Intangible assets	820	292	102
Property, plant and equipment	114	73	93
Right-of-use assets	337	346	219
Investments into subsidiaries	-	-	-
Long term receivables	244	106	211
Deferred income tax asset	601	860	980
Total non-current assets	**32 443**	**32 004**	**31 932**
Current assets			
Inventories	-	-	2
Prepayments and deferred expenses	21 242	7 994	5 002
Trade accounts receivable	942	600	362
Accounts receivable from related parties	-	-	-
Prepaid income tax	8	69	70
Other receivables	1 823	923	286
Other current financial assets	-	-	200
Restricted cash	6 447	1 800	2 000
Cash and cash equivalents	2 673	8 048	17 937
Total current assets	**33 135**	**19 434**	**25 859**
Total assets	**65 578**	**51 438**	**57 791**

Eur'000	As at 30 June 2 023	2 022	2 021
EQUITY AND LIABILITIES			
Share capital	234	234	234
Cash flow hedge reserve	-	-	(22)
Own shares acquisition reserve	1 250	1 250	-
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	17 359	11 773	14 894
Equity attributable to parent	**19 017**	**13 431**	**15 280**
Non-controlling interests	-		
Total equity	**19 017**	**13 431**	**15 280**
Non-current liabilities			
Non-current borrowings	11 236	11 919	21 348
Other non-current liabilities	-	31	-
Non-current lease liabilities	163	207	83
NON-CURRENT LIABILITIES	13	-	-
Total non-current liabilities	**11 412**	**12 157**	**21 431**
Current part of non - current borrowings	952	1 634	1 057
Trade payables	11 119	5 887	2 956
Advances received	19 143	16 751	15 201
Income tax payable	-	1	6
Other current liabilities and accrued ex	3 747	1 406	1 688
Current lease liabilities	188	171	149
Other current financial liabilities	-	-	23
Total current liabilities	**35 149**	**25 850**	**21 080**
Total equity and liabilities	**65 578**	**51 438**	**57 791**

Consolidated cash flow statement

	Q2			H1		
Eur'000	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Net profit	2 484	-1 155	929	4 744	-1 660	1 120
Adjustments for non-cash items	576	222	311	871	414	994
Changes in working capital	1 852	8 317	7 557	- 1 787	6 518	7 432
Net cash flows from operating activities	4 912	7 384	8 797	3 828	5 272	9 546
Net cash flows from investing activities	- 159	-138	-20	-301	-193	-43
Loans received	-	-	9 543	4 000	2 593	10 948
Loans repaid	- 318	-2 944	-4 665	655	-3 366	-5 397
Interest paid	- 277	-201	-262	-522	- 377	-482
Dividends paid	-	-	-	-	-	-
Net cash flows from financing activities	-595	-3 145	4 616	2 823	-1 150	5 069
Net change in cash flows	4 158	4 101	13 393	6 350	3 929	14 572
Cash & equivalents at beginning of period	4 962	5 747	6 544	2 770	5 919	5 365
Cash & equivalents at close of period	9 120	9 848	19 937	9 120	9 848	19 937

Shareholder structure



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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	9,5%
Mr. Vitalij Rakovski	CEO	-
Mrs. Ieva Galvydienė	CCO	-
Mrs. Rasa Barysienė	CSO	-
Mr. Vygantas Reifonas	CFO	-

Novaturas group PLC

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

Stock Listing:
Warsaw Stock Exchange
Nasdaq Vilnius Stock Exchange

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