

# Presentation of **Q4 and 12M 2023**

28 February 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 up by 6 % reaching 209 mEur



Annual EBITDA at 5,5 mEur - up by 7 times against prior year. EBITDA adjusted for one offs included in 2023 amounts to 6,5 mEur



Number of flights delayed over 3 hours down by 3 times and is below 1 % from total flights. Steady growth of customer NPS throughout 2023 landing at 50 % by year end



Rolled out share option program for employees supported with tangible acquisition of Novaturas shares

# Key financials



## Quarterly Sales

- Maintained prior year's sales level despite unrest in Gaza
- Slight decrease in passenger numbers (2k less)
- Optimized Egypt seats by over 9k to maintain profitability

## Quarterly EBITDA Adjustments

- Downward adjustments for one-time items totaling 1 mEUR
- Adjusted EBITDA without one-offs: -1.4 mEUR

## Annual Sales Growth

- Sales grew by 6.0%, reaching 208.5 mEUR in 2023
- Small decrease in passenger numbers (-3%), higher revenue per passenger

## Gross Profit and Margins

- Gross profit increased to 26,853 kEUR
- Gross profit margin at 12.9%

## EBITDA Performance

- EBITDA at 5.5 mEUR, 6.5 mEUR without one-offs
- Highest since 2019, third-best in company history

## Load Factors

- Annual load factor increased by 1%p to 95%
- Indicates strong demand and effective capacity management

## Sales Profit Per Passenger

- Significant improvement in sales profit per passenger
- Maintained profitability per customer despite Q4 challenges

	Q4	Q4	Q4	12M	12M	12M
	2021	2022	2023	2021	2022	2023
Sales, k Eur	33 581	41 369	41 729	108 995	196 676	208 553
Gross profit, kEur	4 299	3 813	3 564	13 489	19 088	26 853
EBITDA *, kEUR	598 -	429 -	2 390	2 820	694	5 518
EBITDA* w/o one offs	598 -	429 -	1 399	2 820	694	6 509
Net profit, kEUR	80 -	881 -	2 682	1 176 -	605	3 685
Gross profit margin (%)	12,8	9,2	8,5	12,4	9,7	12,9
EBITDA margin (%)	1,8 -	1,0 -	3,4	2,6	0,4	3,1
Net profit margin (%)	0,2 -	2,1 -	6,4	1,1 -	0,3	1,8
Pax (k)	48	51	49	172	267	259
Load factor (%)	95	96	96	93	94	95
Sales profit**/Pax, (Eur)	50	23	16	43	29	57

# Pax served



## Q4 Passenger Trends

- Growth in Lithuania (26.7k), Decline in Latvia (10.8k) and Estonia (11.6k)

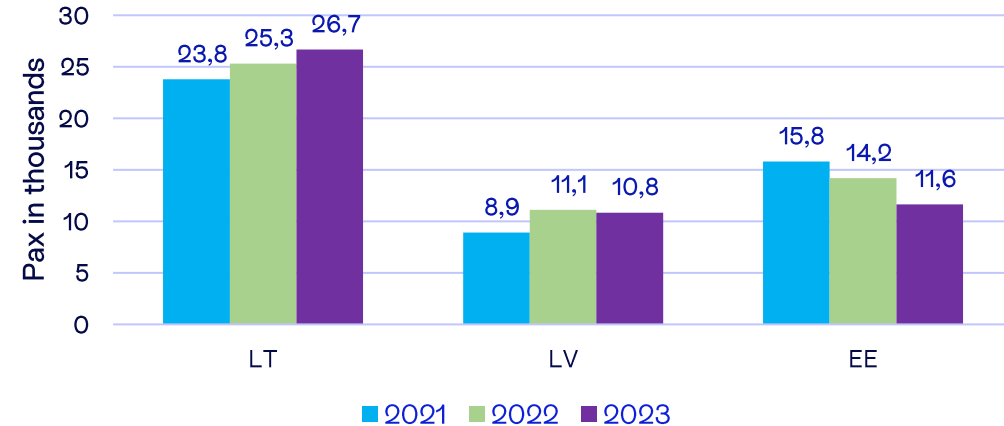
## Revenue Trend

- Increase in average selling price of trips from 2021 to 2023

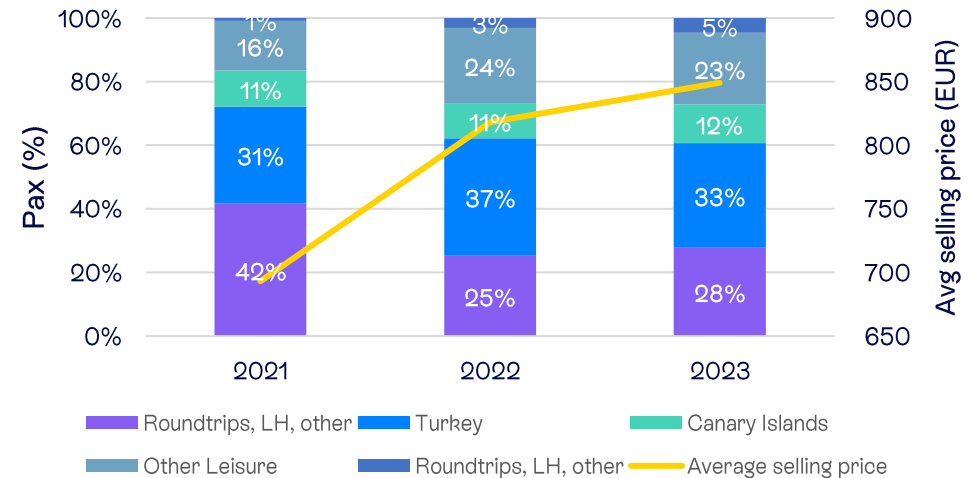
## Diversification Success

- Reduced dependency on Turkey and Egypt from 73% to 61%, expanding into new markets

Pax by countries Q4



Q4 Pax by destination & average selling price





# Pax served

## Market Dynamics

- Turkey and Egypt lead with ~50% total passengers, yet face increasing competition

## Growth in Emerging Markets

- Passenger share for Tunisia and Montenegro grew from 6% in 2021 to 14% in 2023

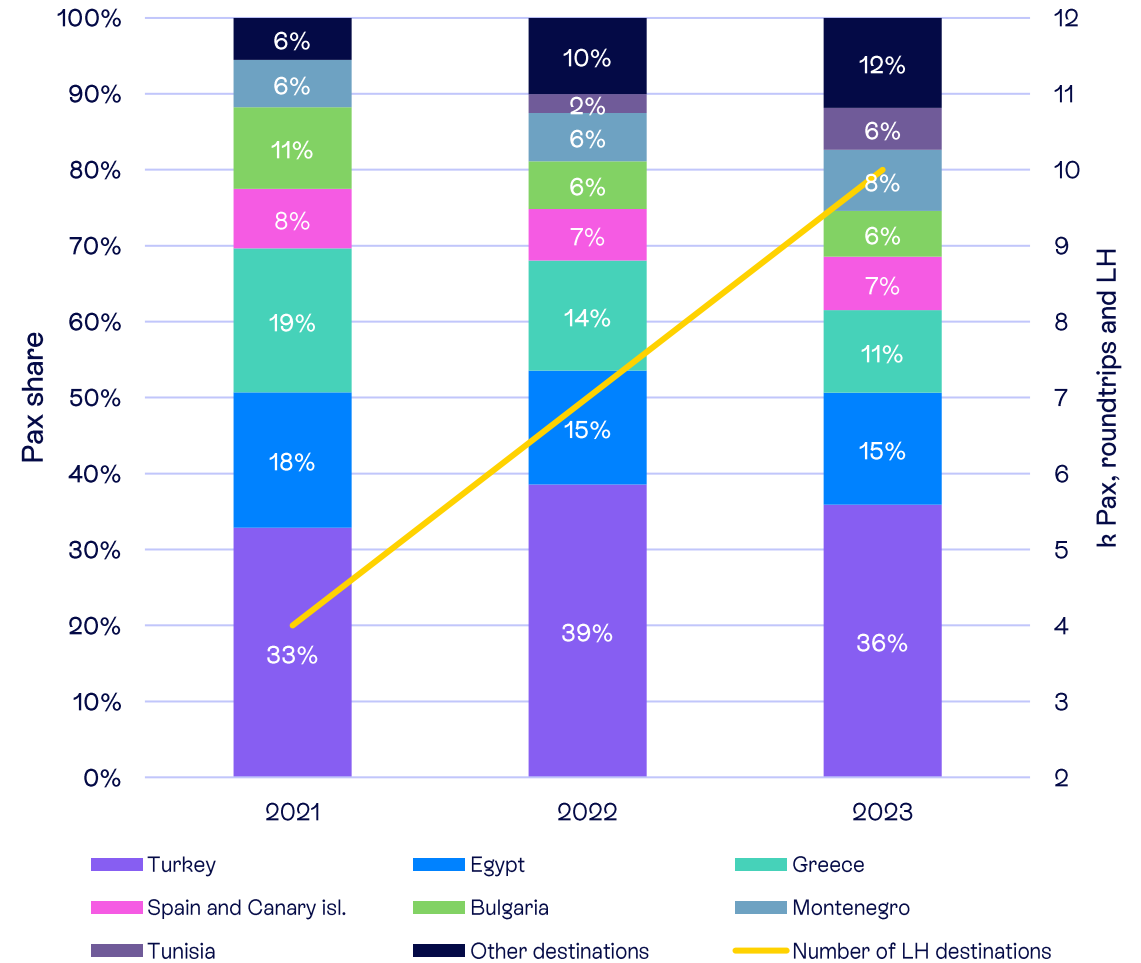
## Stability and Decline

- Stable demand for Bulgaria, Spain & Canary Islands; Greece Islands dropped from 14% to 11% due to wildfires in Heraklion and Rhodes

## Expanding Markets

- Italy and Madeira grew by 0.5%; long-haul destinations added 1.2% to passenger share, with an expanding destination portfolio

Destinations 12M - continued diversification



# Pax served



## Sales Timing

- Winter and summer trip sales open about six months before the season

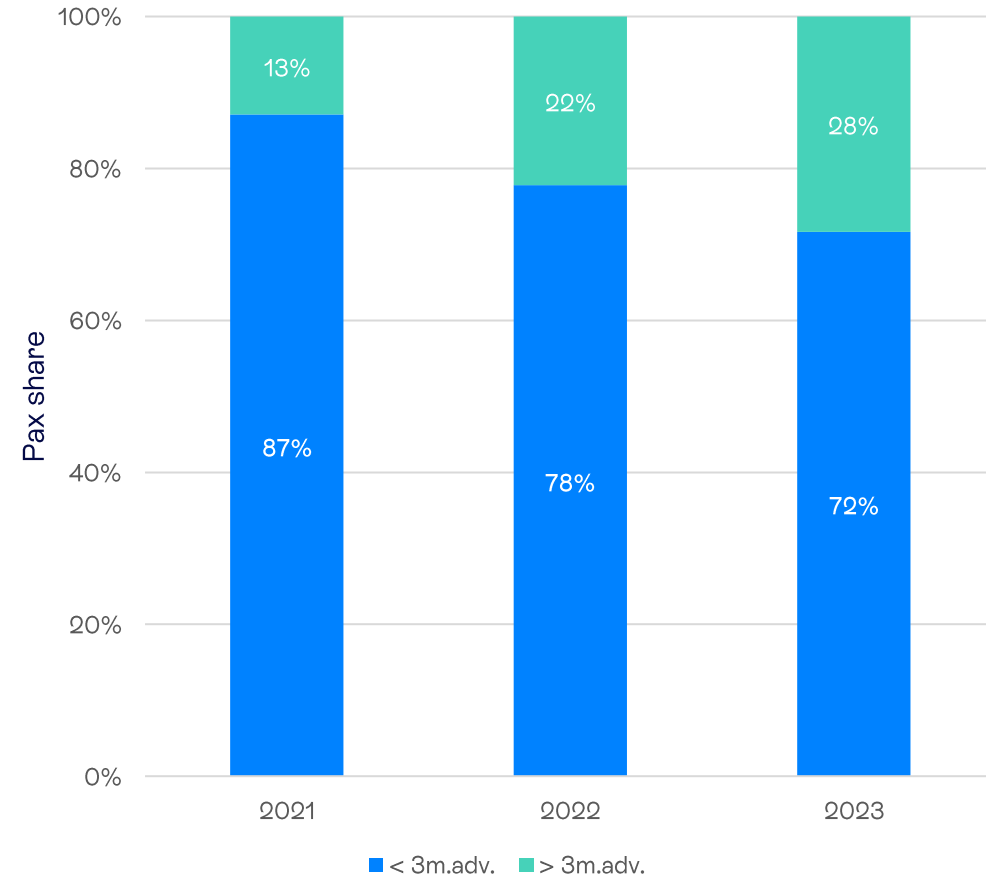
## S24 Program Sales

- S24 program announced on September 13th; 56k passengers sold, down 2.6k from PY

## Market Diversification

- Reduction in Turkey and Egypt bookings from 46% to 38% of April-December '24 total. Increase in Greece, Italy, and Spain tours

12M : travel purchase habits





# Customer perspective

## NPS Growth

- Yearly increase from 37% to 55%, ending at 51%

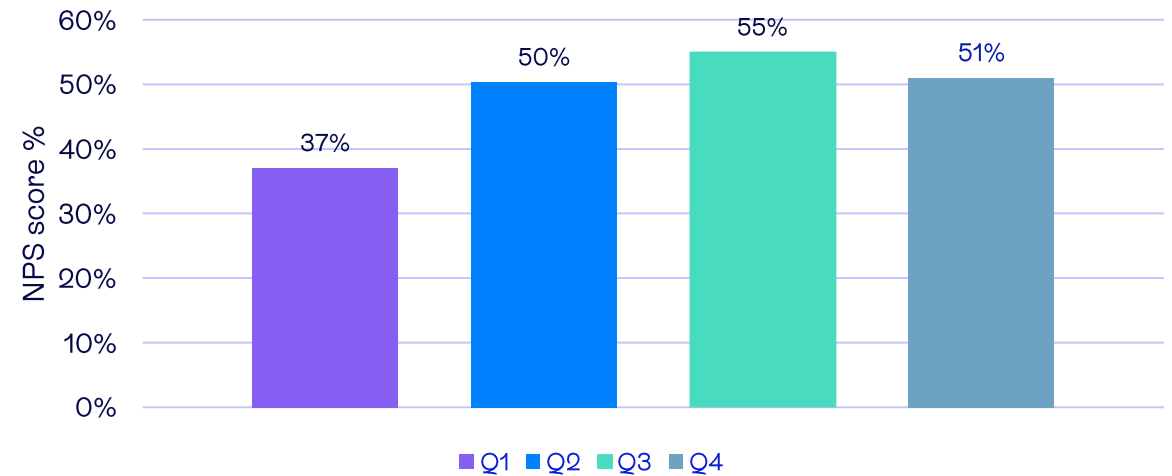
## Market NPS

- Overall NPS: 50%
- Lithuania: 60%, Latvia: 58%, Estonia: 30%
- Estonia's Q1 to Q4 growth: 11% to 41%

## Top Rated Destinations

- Greece, Bulgaria, Turkey, Tunisia, Montenegro
- Egypt slightly below average

Novaturas net promoter score 12 M 2023



# Customer perspective



## On-Time Flight Performance

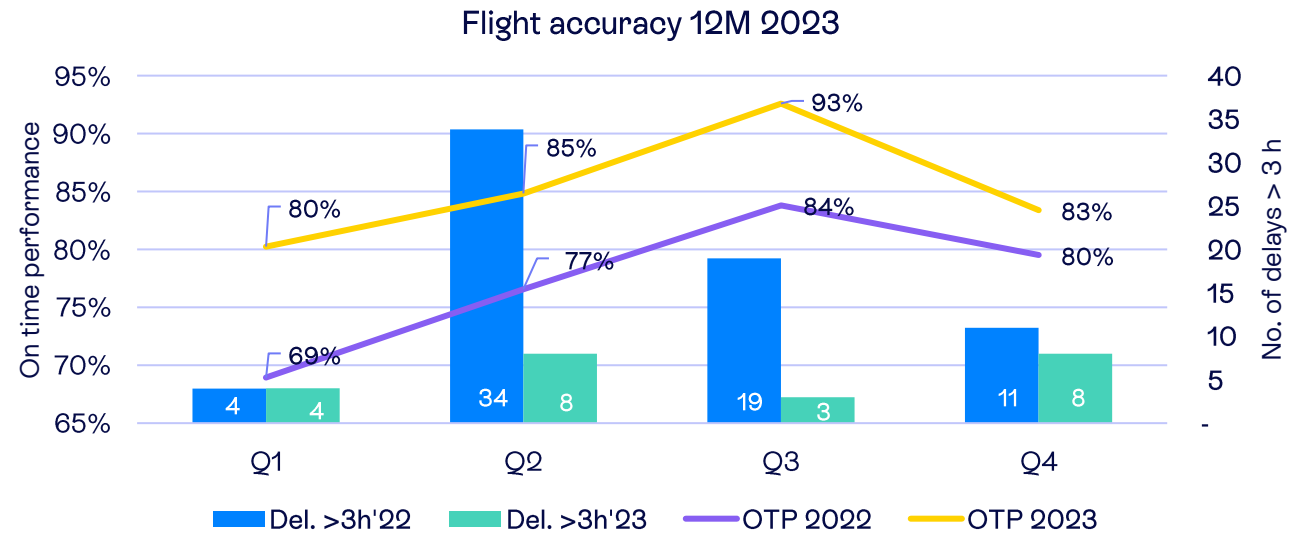
- Peak OTP at 93% in Q3 2023
- Q4 OTP affected by winter conditions

## Flight Delays Reduction

- Delays over 3 hours reduced from 68 to 23 annually

## Market-Specific Delays

- 2023: Single-digit delays over 3 hours (LT and LV: 7, EE: 9)
- 2022: Double-digit delays (LT: 10, LV: 23, EE: 35)



# Distribution

## Sales Recovery Challenges

- New website launch led to a 32% drop in Q4 web sales year-over-year

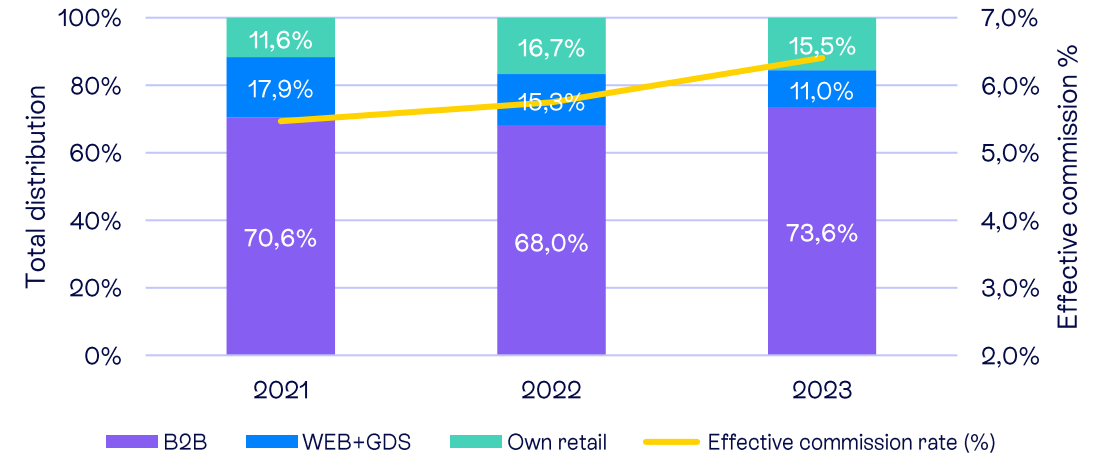
## Channel Performance

- Own retail resilient, slight share reduction in Q4
- Agency share up by 5 percentage points, raising effective commission from 5.7% to 6.4%

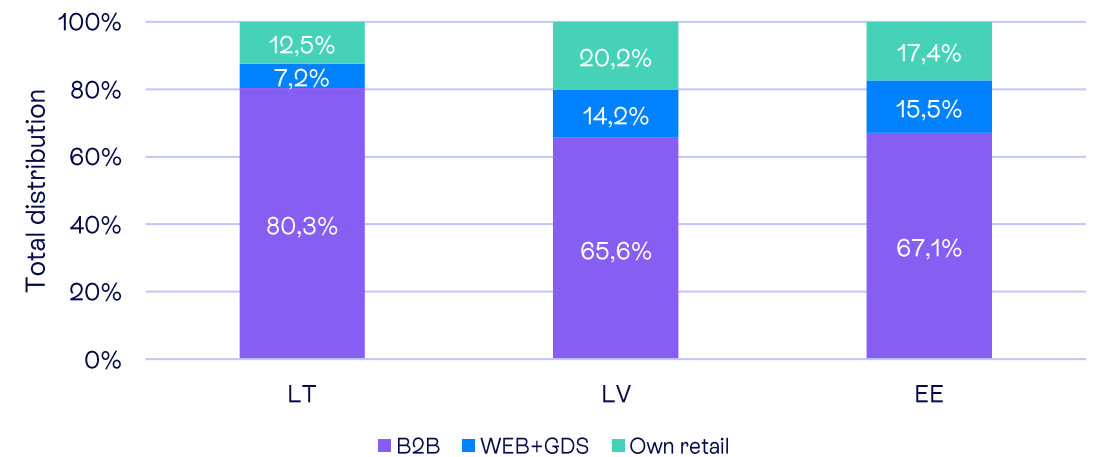
## Strategic Focus

- Prioritizing development of own sales channels (retail and web)
- Goal: Enhanced control over customer experience and profit margins

Q4: distribution channels and eff. commission rate



Q4 : distribution channels in countries



# Distribution

## Retail Channel Growth

- Retail share has grown by approximately 2 percentage points annually

## Web Channel Challenges

- Web sales negatively impacted by post-launch issues
- Resolving these issues and increasing web sales is a top priority

## Own Channel and Commission Rate

- Own channel share remains above 30%
- Effective annual commission rate is stable at 5.8%

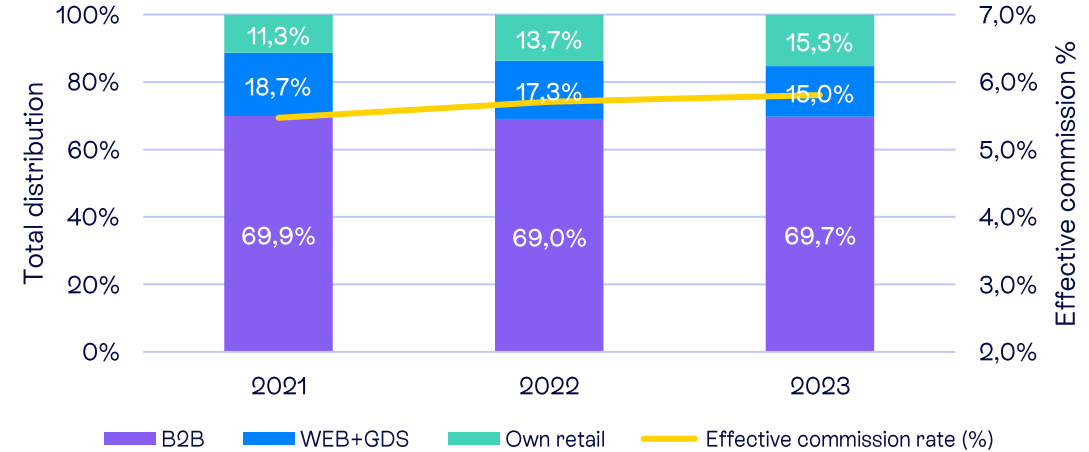
## Web Traffic Leadership

- Novaturas maintains a strong position in web traffic with a 46% share of total traffic.

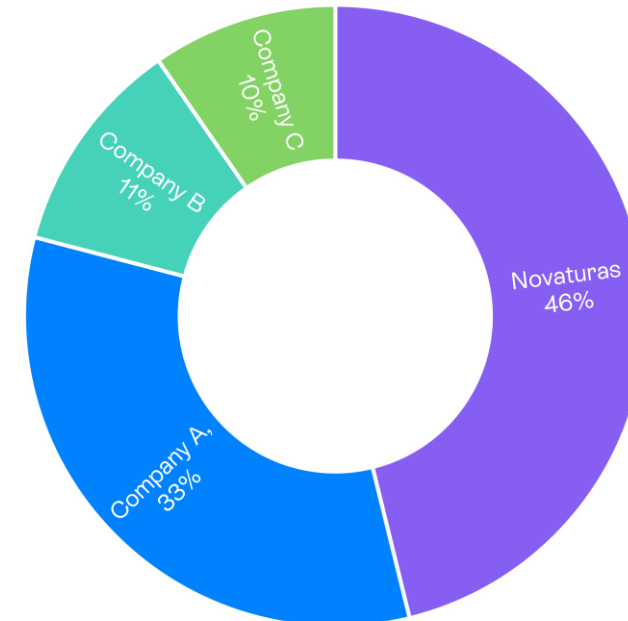
## Q4 Developments

- Enhancement of search functionality to the hotel level.
- Launch of a flexible travel planner calendar.
- Implementation of labels for hotel sustainability or exclusivity.

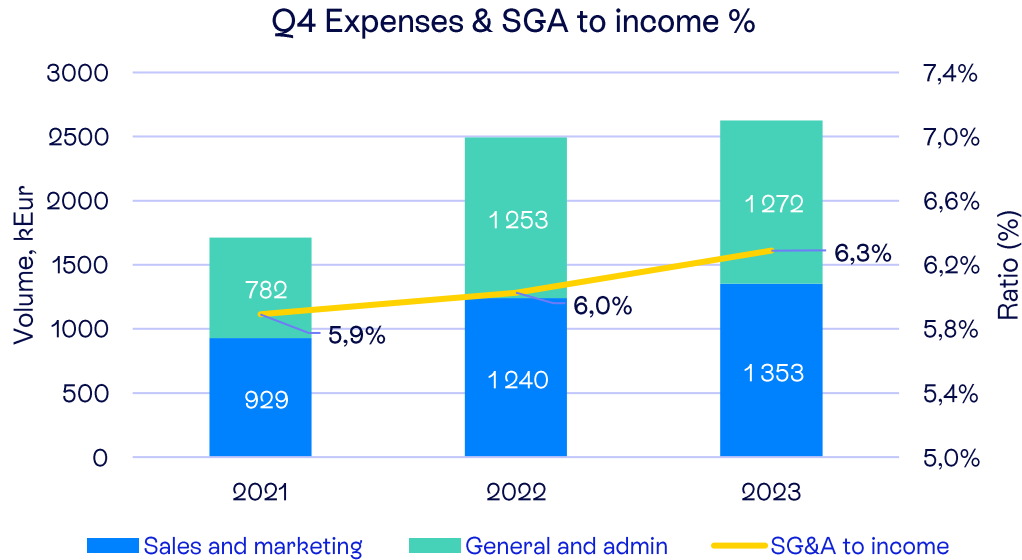
12M: distribution channels and eff. commission rate



12M: Web traffic data (similarweb)



# Expenses



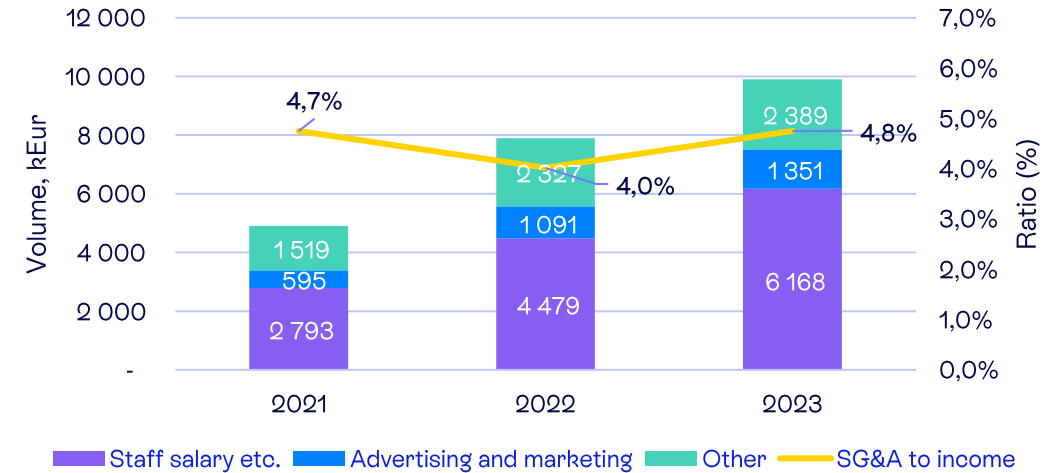
## Q4 Expense Overview

- Growth capped at 5%, with notable staff-related one-offs

## Financial Ratios

- SGA/income ratio: Minor rise from 6% to 6.3% in 2023; controlled growth

## 12M : Expense (w/o commission) structure & SG&A to income



## Staff Costs

- Increase by €1.6M (38% YOY); attributed to acquisition and retention strategies, headcount growth, and wage inflation.

## Marketing Dynamics

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

## SG&A Stability

- Ratio to income consistently near 5.2%-5.5%, aligning with historical pre - covid norms

# Forward looking statement



240 – 280 k passengers in 2024



200 – 220 m Eur revenue



In a broad sense, the aim is to match the previous year's results. However, due to current market dynamics, an exact forecast is not available.

## Tactical objectives

- Enhance sales channels for better efficiency and service
- Upgrade website for easier customer/partner use
- Offer broad destination choices for competitive edge
- Streamline operations for customer-focused, data-driven efficiency





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
2021	Q1	5 571	-	601	4 970	-	3 954	481 -	3 473
2021	Q2	23 543	-	1 037	22 506	-	19 996	830 -	19 166
2021	Q3	46 300	-	481	45 819	-	42 274	385 -	41 889
2021	Q4	33 581	-	1 217	35 700	-	29 282	972 -	30 977
<b>2021</b>	<b>Q1 - Q4</b>	<b>108 995</b>	<b>-</b>	<b>1 217</b>	<b>108 995</b>	<b>-</b>	<b>95 506</b>	<b>972</b>	<b>95 506</b>
2022	Q1	29 254	-	967	28 287	-	26 508	745 -	25 763
2022	Q2	62 393	-	1 872	60 521	-	57 285	1 441 -	55 844
2022	Q3	63 660	-	700	62 960	-	56 239	539 -	55 700
2022	Q4	41 369	-	1 673	44 908	-	37 556	1 294 -	40 281
<b>2022</b>	<b>Q1 - Q4</b>	<b>196 676</b>	<b>-</b>	<b>1 673</b>	<b>196 676</b>	<b>-</b>	<b>177 588</b>	<b>1 294</b>	<b>177 588</b>
2023	Q1	39 602	-	1 430	38 172	-	33 358	1 144 -	32 214
2023	Q2	62 934	-	1 185	61 749	-	53 515	948 -	52 567
2023	Q3	64 287	-	901	63 386	-	56 660	721 -	55 939
2023	Q4	41 730	-	1 658	45 246	-	38 167	1 320 -	40 979
<b>2023</b>	<b>Q1 - Q4</b>	<b>208 553</b>	<b>-</b>	<b>1 658</b>	<b>208 553</b>	<b>-</b>	<b>181 700</b>	<b>1 320</b>	<b>181 700</b>

# 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
<b>2021Q1- Q4</b>	-	<b>6 228</b>	<b>195</b>	<b>72</b>	<b>5 961</b>	<b>2 553</b>	<b>0</b>	<b>267</b>	<b>2 820</b>
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
<b>2022Q1- Q4</b>	-	<b>11 439</b>	<b>182</b>	<b>31</b>	<b>11 226</b>	<b>481</b>	<b>0</b>	<b>213</b>	<b>694</b>
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	-	-	-
<b>2023Q1- Q4</b>	-	<b>11 738</b>	<b>377</b>	<b>6</b>	<b>12 109</b>	<b>5 518</b>	<b>-</b>	<b>371</b>	<b>5 518</b>

# Main ratios



Financial ratios (Eur'000)	12 months			Δ		Fourth quarter			Δ	
	2023	2022	2021	23/22	22/21	2023	2022	2021	23/22	22/21
Sales	208 553	196 676	108 995	+6,0	+80,4	41 729	41 369	33 581	+0,9	+23,2
Gross profit	26 853	19 088	13 489	+40,7	+41,5	3 564	3 813	4 299	-6,5	-11,3
Operating profit	5 032	435	2 670	+1055,6	-83,7	(2 130)	(882)	814	+141,6	-208,3
EBITDA*	5 518	694	2 820	+694,6	-75,4	(2 390)	(429)	598	+457,1	-171,7
Profit before taxes	4 128	(542)	1 205	-862,1	-144,9	(2 807)	(832)	94	+237,6	-983,2
Net profit for the period	3 685	(605)	1 176	-709,6	-151,4	(2 682)	(881)	88	+204,6	-1 098,9
<b>Relative indicators</b>										
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)	0,47	(0,08)	0,15	+0,55	-0,23	(0,34)	(0,11)	0,01	-0,23	-0,12
Gross profit margin (%)	12,88	9,71	12,38	+3,2 pp	-2,7 pp	8,54	9,22	12,80	-0,7 pp	-3,6 pp
Operating margin (%)	2,41	0,22	2,45	+2,2 pp	-2,2 pp	(5,11)	(2,13)	2,42	-3,0 pp	-4,6 pp
EBITDA margin (%)	2,65	0,35	2,59	+2,3 pp	-2,2 pp	(5,73)	(1,04)	1,78	-4,7 pp	-2,8 pp
Profit before taxes margin (%)	1,98	(0,28)	1,11	+2,3 pp	-1,4 pp	(6,73)	(2,01)	0,28	-4,7 pp	-2,3 pp
Net profit margin for the period (%)	1,77	(0,31)	1,08	+2,1 pp	-1,4 pp	(6,43)	(2,13)	0,26	-4,3 pp	-2,4 pp
Return on assets (ROA) (%)	7,57	(1,08)	2,61	+8,7 pp	-3,7 pp	(5,51)	(1,58)	0,20	-3,9 pp	-1,8 pp
Return on equity (ROE) (%)	20,09	(4,24)	7,66	+24,3 pp	-11,9 pp	(14,62)	(6,17)	0,57	-8,4 pp	-6,7 pp
Debt / equity ratio (%)	49,50	60,99	95,76	-11,5 pp	-34,8 pp	49,50	60,99	95,76	-11,5 pp	-34,8 pp
Equity ratio (%)	37,71	25,54	34,10	+12,2 pp	-8,6 pp	37,71	25,54	34,10	+12,2 pp	-8,6 pp
Actual profit tax rate (%)	10,71	(11,63)	2,41	+22,3 pp	-14,0 pp	4,47	(5,89)	6,37	+10,4 pp	-12,3 pp
Total liquidity ratio	68,14	68,02	76,93	+0,12	-8,91	68,14	68,02	76,93	+0,12	-8,91

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

# Consolidated

## statements of comprehensive income

Eur'000	12 Months			Fourth quarter		
	2023	2022	2021	2023	2022	2021
Sales	208 553	196 676	108 995	41 729	41 369	33 581
Cost of sales	(181 700)	(177 588)	(95 506)	(38 166)	(37 556)	(29 282)
<b>Gross profit</b>	<b>26 853</b>	<b>19 088</b>	<b>13 489</b>	<b>3 564</b>	<b>3 813</b>	<b>4 299</b>
Sales and marketing expenses	(17 621)	(15 591)	(8 700)	(4 506)	(3 875)	(2 813)
General and admin expenses	(4 396)	(3 532)	(2 228)	(1 272)	(1 253)	(782)
Other operating income	287	469	111	176	430	111
Other operating expenses	(92)	1	(2)	(92)	3	(1)
<b>Profit from operations</b>	<b>5 032</b>	<b>435</b>	<b>2 670</b>	<b>(2 130)</b>	<b>(882)</b>	<b>814</b>
Finance income	1 457	1 193	70	408	920	(19)
Finance (expenses)	(2 361)	(2 170)	(1 535)	(1 084)	(870)	(701)
<b>Profit before tax</b>	<b>4 128</b>	<b>(542)</b>	<b>1 205</b>	<b>(2 807)</b>	<b>(832)</b>	<b>94</b>
Income tax	(442)	(63)	(29)	125	(49)	(14)
<b>Net profit</b>	<b>3 685</b>	<b>(605)</b>	<b>1 176</b>	<b>(2 682)</b>	<b>(881)</b>	<b>80</b>
<b>Other comprehensive income</b>						
Change in cash flow hedge	-	3	492	-	-	10
Impact of income tax	-	-	(74)	-	-	(2)
<b>Total comprehensive income for the year</b>	<b>3 685</b>	<b>(602)</b>	<b>1 594</b>	<b>(2 682)</b>	<b>(881)</b>	<b>88</b>



# Consolidated

## balance sheet



Eur'000	As at 31 December		
	2023	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	30 327	30 327	30 327
Intangible assets	843	627	127
Property, plant and equipment	133	83	72
Right-of-use assets	358	338	346
Long term receivables	3	128	47
Deferred income tax asset	548	872	851
<b>Total non-current assets</b>	<b>32 213</b>	<b>32 375</b>	<b>31 770</b>
<b>Current assets</b>			
Inventories			
Prepayments and deferred expenses	11 293	18 534	6 632
Trade accounts receivable	798	518	167
Prepaid income tax	6	4	70
Other receivables	1 001	1 694	471
Other current financial assets	1 057	-	-
Restricted cash	200	200	200
Cash and cash equivalents	2 089	2 570	5 719
<b>Total current assets</b>	<b>16 444</b>	<b>23 520</b>	<b>13 259</b>
<b>Total assets</b>	<b>48 656</b>	<b>55 895</b>	<b>45 029</b>

Eur'000	As at 31 December		
	2 023	2 022	2 021
<b>EQUITY AND LIABILITIES</b>			
Share capital	234	234	234
Cash flow hedge reserve	0	-	(3)
Own shares acquired	(183)	-	-
Own shares acquisition reserve	1 250	-	-
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	16 873	13 865	14 950
<b>Equity attributable to parent</b>	<b>18 347</b>	<b>14 273</b>	<b>15 355</b>
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>18 347</b>	<b>14 273</b>	<b>15 355</b>
<b>Non-current liabilities</b>			
Non-current borrowings	5 940	6 865	12 232
Deferred tax liability	-	-	-
Non-current lease liabilities	235	179	207
Other non current liabilities	-	-	-
<b>Total non-current liabilities</b>	<b>6 175</b>	<b>7 044</b>	<b>12 439</b>
Current part of non - current borrowings	2 742	1 473	2 094
Current borrowings	-	502	-
Trade payables	3 516	14 272	4 896
Advances received	12 886	14 392	8 615
Income tax payable	117	6	6
Other current liabilities and accrued ex	4 707	3 745	1 448
Current lease liabilities	166	188	171
Other current financial liabilities	-	-	4
<b>Total current liabilities</b>	<b>24 134</b>	<b>34 578</b>	<b>17 234</b>
<b>Total equity and liabilities</b>	<b>48 656</b>	<b>55 895</b>	<b>45 029</b>

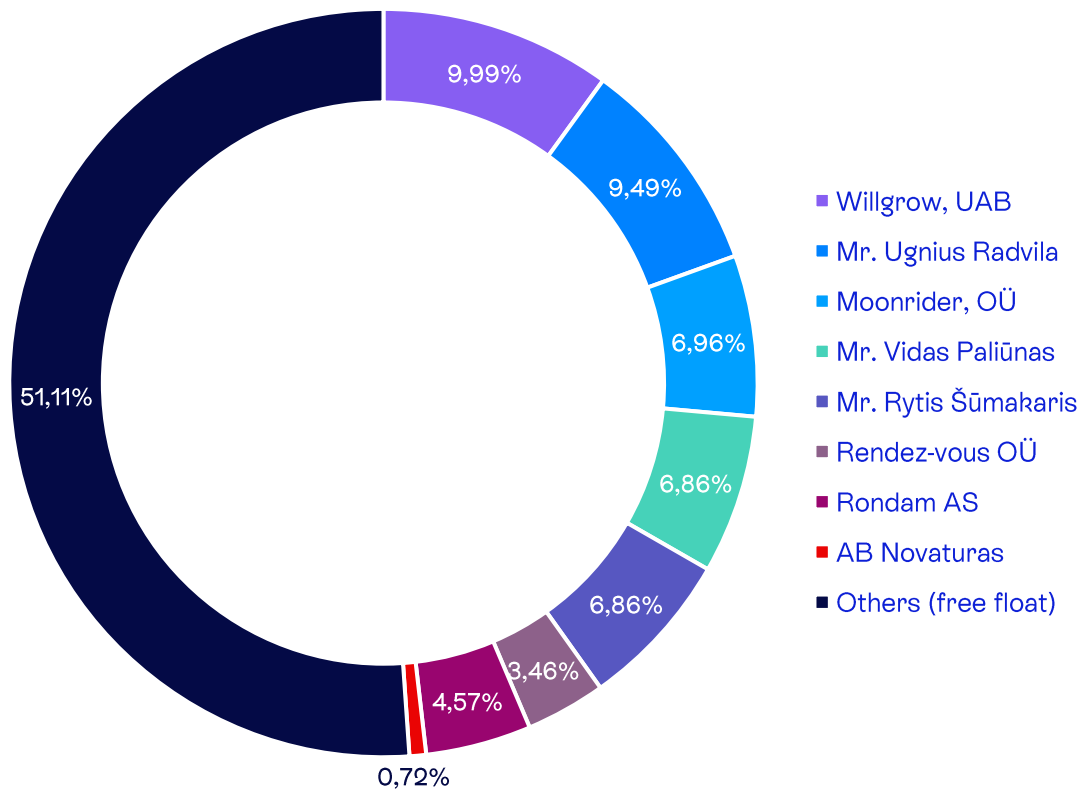
# Consolidated

# cash flow statement

Eur'000	12 months		
	2023	2022	2021
Net profit	3 685	(818)	909
Adjustments for non-cash items	1 831	1 015	1 942
Changes in working capital	(3 048)	3 621	1 592
Net cash flows from operating activities	2 468	3 818	4 443
Net cash flows from investing activities	(1 699)	(500)	(112)
Loans received	4 000	-	11 988
Loans repaid	(4 158)	(5 486)	(14 515)
Interest paid	(941)	(773)	(1 093)
Lease paid	34	(208)	(157)
Shares buyback	(183)	-	-
Dividends paid	-	-	-
Net cash flows from financing activities	(1 249)	(6 467)	(3 777)
Net change in cash flows	(481)	(3 149)	554
Cash & equivalents at beginning of period	2 770	5 919	5 365
Cash & equivalents at close of period	2 289	2 770	5 919



# Shareholder structure



# 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. Vygantas Reifonas	CFO	-

## 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

### Contact information:

Vygantas Reifonas  
CFO  
Mickevicius str. 27, LT-44245 Kaunas, Lithuania  
mob. +370 615 88259  
fax. +370 37 321130  
e-mail: vygantas.reifonas@novaturas.lt





