

Novaturas is the largest tour operator in the Baltic region, with an 18-year presence in the market

The Company's diverse offering covers organised holiday tours to more than 30 destinations worldwide, which are sold through over 400 travel agencies as well as own sales offices and online. The Company's strategy is focused on strengthening its leading position in the attractive and growing tourism markets of Lithuania, Latvia and Estonia. Belarus, where Novaturas has begun selling its products, also offers strong potential for further growth.

Novaturas Group's effective business model ensures profitable and dynamic growth as well as regular dividend payouts. In 2017, the Group's revenue grew by nearly 40% y/y to over EUR 141 million. EBITDA in this period reached EUR 10.6 million, while net profit was almost EUR 8.2 million, a nearly two-fold increase from 2016 in both cases.

Novaturas Group is the leader of the tour operator market in Lithuania, Latvia and Estonia, in terms of both sales value and passenger volume. The Group's market share in the organised chartered flights segment exceeds 40% in the region.

Leading position in promising markets

The Baltic countries, with a total population of 6.2 million, offer solid growth potential for tour operators. The region's residents are increasingly spending on tourism services thanks to favourable macroeconomic conditions and growing consumer expenditure. More people are able to afford foreign holidays and they are spending greater amounts on this. At the same time, tourism market saturation is still low comparing to Western European markets.

Novaturas was established in 1999, became the market leader in the Baltics in 2004 and has maintained the top position ever since. The Company's competitive advantages include a strong and well-recognised brand, high customer loyalty and very good relations with tourism agencies and service providers, thanks to which Novaturas can provide its clients with a diverse and attractively priced offering. The tourism services industry in the Baltics is challenging for new players. It has been difficult for new entrants, including large international players, to gain meaningful market share because of dominant position of two local players, including Novaturas.

Aside from the Baltics, Novaturas has begun offering its products in Belarus, where they are retailed through local partners. The short distance from Minsk to the airport in Vilnius gives the Company an undeniable advantage in developing its business on this promising market with a population of 9.5 million.

EUR 140+ 

million revenues in 2017

No. 1 

in the Baltics since 2004

30+ 

destinations worldwide

18 

years in business

Product and destination diversification...

Novaturas has a diversified product offering that allows it to reach a wide range of customers and flexibly respond to their changing preferences. The Group offers both summer and winter package holidays as well as sightseeing tours by coach or plane to more than 30 destinations worldwide, including the most popular holiday resorts in Southern Europe as well as select locations in North Africa, the Middle East, Asia and Latin America.

With a highly diversified portfolio of destinations and a wide-ranging product offering, Novaturas has been systematically growing its sales for years, even during turmoil in some destinations. For example, when in 2016 demand for trips to Turkey temporarily

declined (due to the unstable political situation there), the Company successfully redirected its customers to Greece, Bulgaria and Spain, which served to validate its business model.

...available through an extensive distribution network, with growing significance of e-commerce

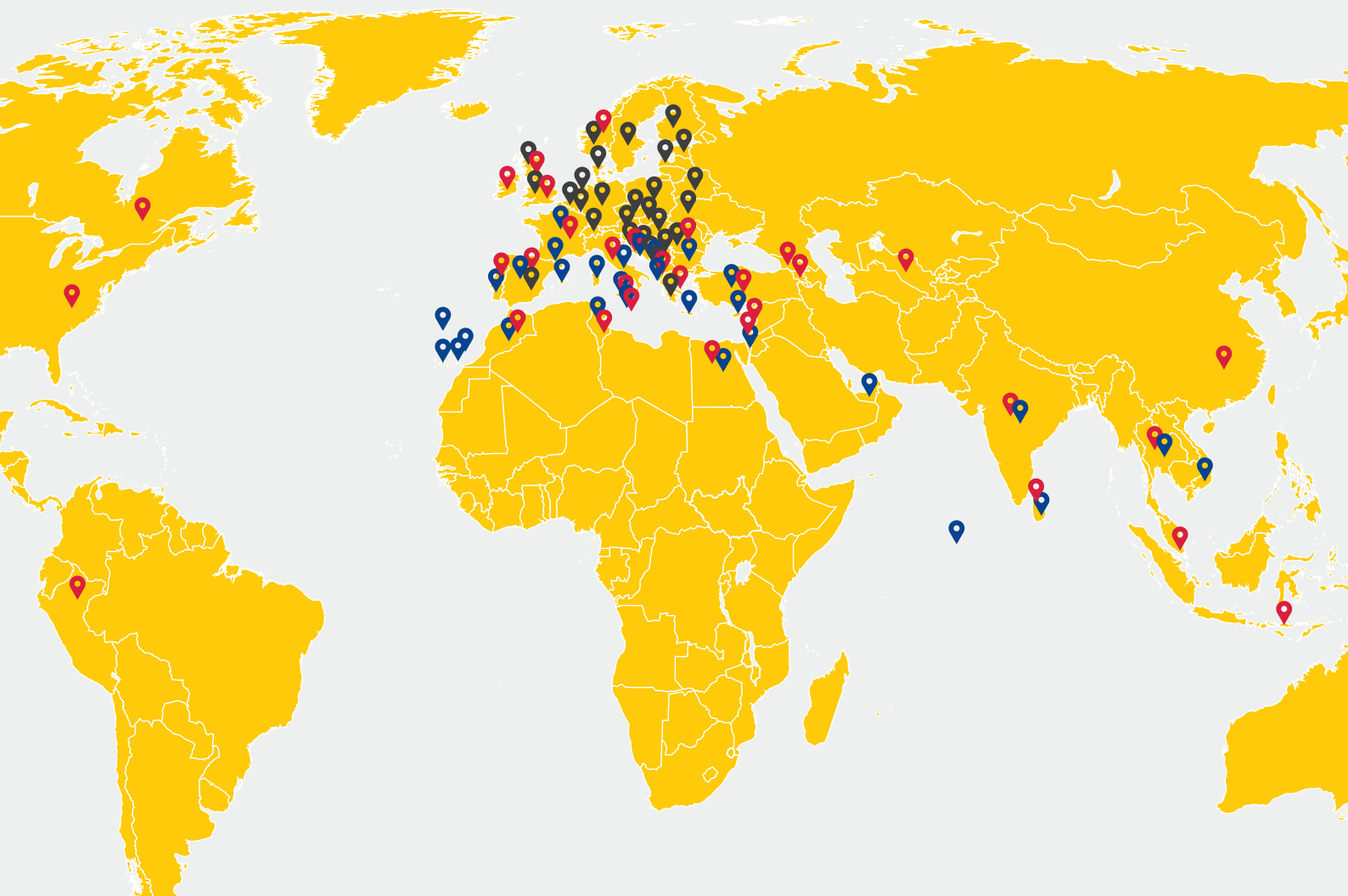
The Group's strategy also aims to retain diverse and complementary distribution channels. Novaturas works with over 400 travel agencies, including all of the major

agencies in the Baltics, and more than 60 in Belarus. It also operates retail offices of its own in main cities of Lithuania, Latvia and Estonia, and is investing in further development of its e-commerce channel. The Company offers online sales through its own websites and via the international platform GDS (Global Distribution Systems), where it sells airline tickets. E-commerce sales are systematically growing with its share in the Group's sales mix increasing each year. In 2017, it accounted for 16% of total sales while the Group's websites had approx. 3.2 million unique visits.

Novaturas also has a diversified portfolio of brands and product lines. Its key brands are Novaturas (in Lithuania) and Novatours (in Latvia and Estonia), which generate a vast majority of revenue. The Company also has, among others, the budget brand ECO Travel and a premium product line - Novaturas Gold. It also owns retail agency brand Sofa Travel. Thanks to this, it covers practically all market segments.

TOUR DESTINATIONS

📍 Leisure trips by plane 📍 Roundtrips by plane 📍 Roundtrips by bus



Dynamic growth combined with high margins

Novaturas continues to attract new clients thanks to its attractive and diverse offering and the high quality of its services. The rising demand for the Group's tours drives growth in operational scale and in market share, which translates into dynamic growth in financial results.

In 2017, the Group's revenue increased by nearly 40% y/y to EUR 141 million, while EBITDA and net profit were nearly twice higher than in the preceding year at EUR 10.6 million and EUR 8.2 million respectively. These results confirm that the Company's effective business model enables it to expand its scale while maintaining and even improving high profitability ratios.

The current year is also looking very promising for Novaturas Group, as confirmed by early bookings for the 2018 summer season. Demand for the Group's foreign tours is dynamically growing, even when compared to the very high client activity last year. Early bookings at the end of 2017 were up by 84% compared to the same period in the preceding year. Despite the fact that the Company significantly increased its 2018 summer pro-

gram to 199 thousand seats, i.e. by 27% comparing to 2017 summer program, the share of early bookings in the total summer season program already reached 31%.

Regular dividends

The effectiveness of the Company's asset-light business model, which is characterised by strong cash flows from operating activities (exceeding 100% of EBITDA) and low capital expenditures (EUR 0.3 million in 2017), allows it to pay out a large part of its earnings to shareholders. The Group does not intend to invest in any hotels, planes or buses, as the Management Board believes that higher returns may be generated from its core business rather than from investing in tangible assets, and prefers to share the profits with shareholders.

Paying regular dividends is one of the key elements of the Company's strategy. The Management Board expects that, based on the audited interim results of the Company for the first half of 2018, an interim dividend of about EUR 6 million will be offered for payment. In the long term, the Management Board expects to propose for distribution 70% - 80% of the Company's net profit.

KEY ELEMENTS OF THE GROUP'S STRATEGY



Retain leading position in the Baltics



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



Deliver further geographic expansion - Belarus



Maintain well-balanced distribution channels, with growing importance of e-commerce



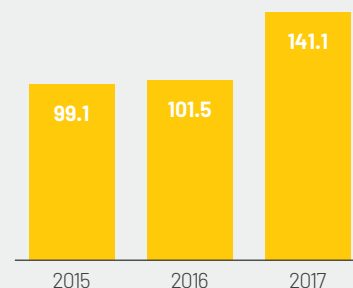
Secure further growth in operational scale combined with high profitability ratios and cash generation



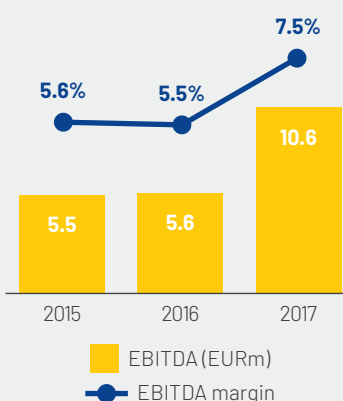
Provide regular dividend payments

NOVATURAS GROUP'S FINANCIAL RESULTS

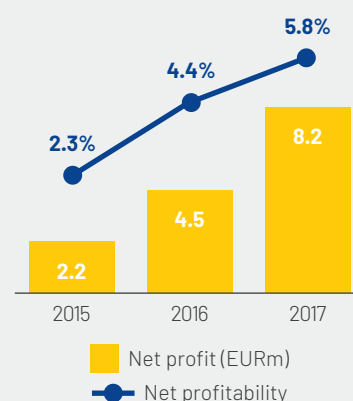
Revenue (EUR m)



EBITDA



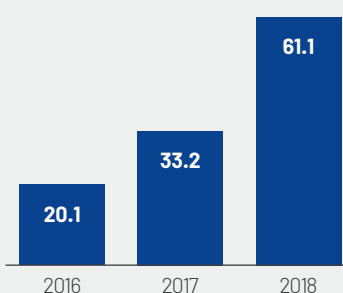
Net profit



EARLY BOOKINGS

Novaturas early bookings for summer season

(as of 31 Dec, by PAX, in thousand)



Experienced management team

Strategy implementation is ensured by highly experienced managers who have been with the Company for many years and have extensive know-how and years of experi-

ence in the tourism market and an in-depth knowledge of the Company's offering. Linas Aldonis, CEO of Novaturas, has been with the Company for 17 years. He began his career as a Novaturas representative and tour guide, following which he advanced through the Group's structure and gained experience on the way to eventually becoming its general manager in 2010. Tomas Staškūnas, CFO, has been with Novaturas for 8 years.

NOVATURAS MANAGEMENT BOARD



Linas Aldonis
Management board chairman, CEO



Tomas Staškūnas
Management board member, CFO



Birutė Čepanskienė
Management board member,
production director

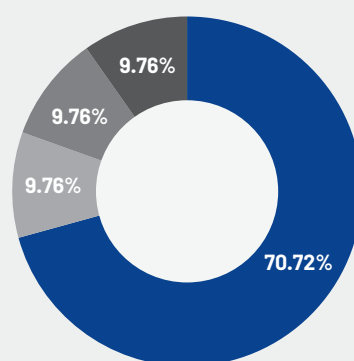


Audronė Keinytė
Management board member,
purchasing director

SHAREHOLDING STRUCTURE

Central European Tour Operator S.a.r.l., owned by Polish Enterprise Fund VI, a private equity fund managed by Enterprise Investors – one of the largest private equity firms in Central and Eastern Europe, has been the Company's majority shareholder since 2007. Currently, the fund indirectly holds a 70.72% stake in Novaturas. The other shares are held by three natural persons – each of whom owns a 9.76% stake.

Current shareholding structure



- Central European Tour Operator S.a.r.l.
- Ugnius Radvila
- Vidas Paliūnas
- Rytis Šumakaris

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A prospectus of the Company, when approved by the Bank of Lithuania – the Lithuanian capital markets authority together with the Polish, Lithuanian and Estonian translations of the summary and notified to the Polish Financial Supervision Authority and Estonian Financial Supervision Authority, will be the sole legally binding document containing information on the Company and the offering of the Company's securities in Poland, in Lithuania and in Estonia as well as on their admission and introduction to trading on regulated markets organized by the Warsaw Stock Exchange and by AB Nasdaq Vilnius and which, when published, will be obtained from the website of the Company (<https://www.novaturasgroup.com/>). Additionally, for information purposes only, the Prospectus will be published (i) in the English language together with its summary translated into Polish on the website of Powszechna Kasa Oszczędności Bank Polski S.A. Oddział – Dom Maklerski PKO Banku Polskiego (www.dm.pkobp.pl), (ii) in the English language together with its summary translated into Lithuanian on the Lithuanian website of Swedbank AB (www.swedbank.lt); and (iii) in the English language together with its summary translated into Estonian on the Estonian website of Swedbank AB (www.swedbank.ee).