

Novaturas is the largest tour operator in the Baltic region, with a 20-year presence in the market.

The Company's diverse offering covers organised holiday tours by plane 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 the long term, the Management Board expects to propose the distribution of 70% - 80% of the Company's net profit.

Since March 2018, Novaturas has been listed on the Warsaw Stock Exchange and Nasdaq Vilnius.

Novaturas Group is the leader of the tour operator market in Lithuania, Latvia and Estonia, in terms of both sales value and passenger volume.

Leading position in promising markets

The Baltic countries, with a total population of over 6.0 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 advantage in developing its business on this promising market with a population of 9.5 million.

EUR 182m 

revenues in 2018

No. 1 

in the Baltics since 2004

30+ 

destinations worldwide

20 

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

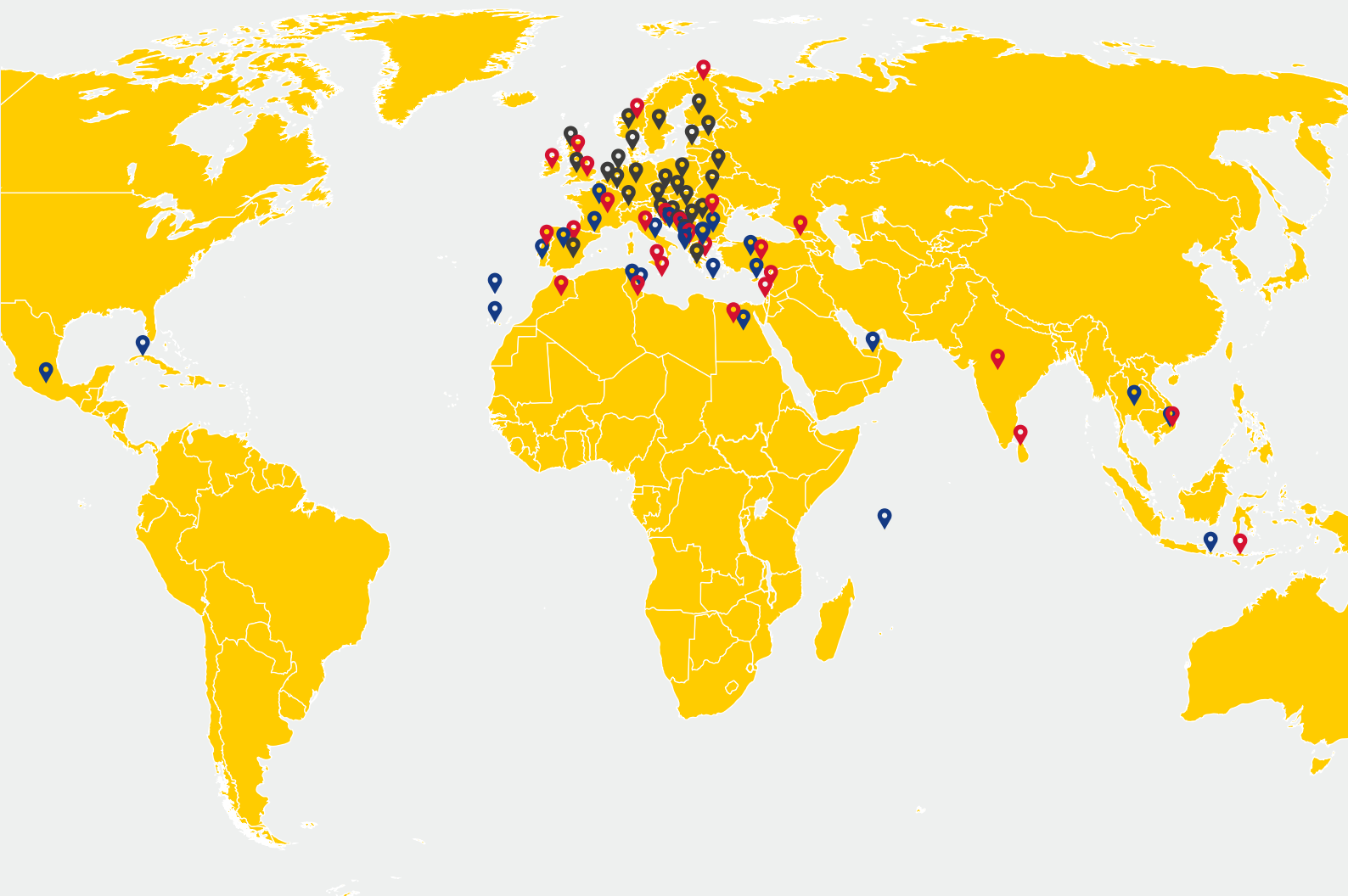
The Group's strategy also aims to retain diverse and complementary distribution channels. Novaturas works with over 400 travel agencies, including all of the major

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. In 2018, it accounted for 16% of total sales while the Group's websites had approx. 3.9 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, which translates into dynamic growth in revenue. In 2018, the Group's total sales increased by nearly 31% y/y to EUR 182 million, while EBITDA and net profit amounted to EUR 7.9 million and EUR 5.4 million respectively.

In 2018, Novaturas experienced abnormally hot weather in all Baltic countries during the summer season which translated into lower interest in outbound trips affecting last minute prices and the Group's profitability. Moreover, in Q4 2018, the Group incurred one off costs related to the problems of its main aviation partner, i.e. Small Planet Airlines (replaced by GetJet Airlines) which additionally affected the Group's EBITDA and net profit.

The attractive and growing tourism market in the Baltic countries attracts international competitors. In 2019, due to increased com-

petition, the Management Board of Novaturas expects lower growth in the Group's revenue than in the preceding years or even flat sales y/y. Early bookings for the 2019 summer season at the end of March 2019 were up by 2.4% compared to the same period in 2018.

Regular dividends

The effectiveness of the Company's asset-light business model, which is characterised by strong cash flows from operating activities and low capital expenditures (EUR 0.2 million in 2018), 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. 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 and benefit from travel market growth



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



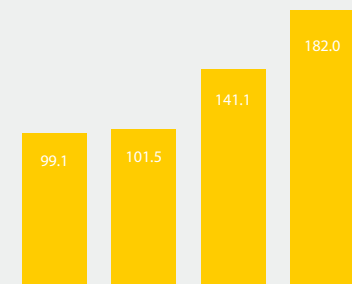
Secure further growth in operational scale combined with high profitability ratios and cash generation



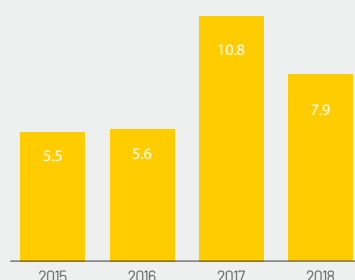
Provide regular dividend payments

NOVATURAS GROUP'S FINANCIAL RESULTS

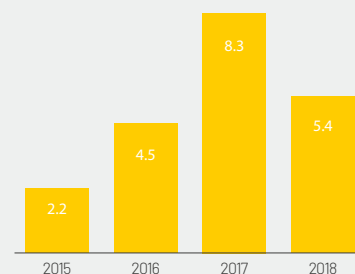
Revenue (EUR m)



EBITDA (EUR m)



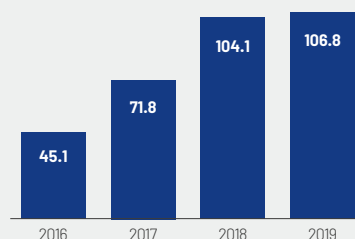
Net profit (EUR m)



EARLY BOOKINGS

Novaturas early bookings for summer season

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



NOVATURAS MANAGEMENT BOARD



Audronė Keinytė
Management board chairwoman, CEO



Tomas Staškūnas
Management board member, CFO



Birutė Čepanskienė
Management board member, CCO

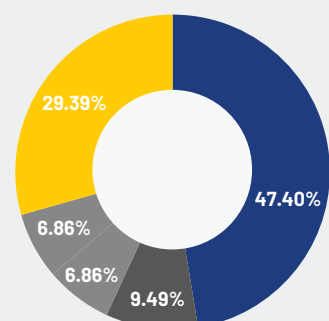
Experienced management team

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 experience in the tourism market and an in-depth knowledge of the Company's offering. Audronė Keinytė, CEO of Novaturas, has been with the Company for 13 years (since 2006). Prior to being appointed the general manager, she was in charge of product development and purchasing. She has strong commercial background as well as deep knowledge of tourism products and the industry itself. Tomas Staškūnas, CFO, has been with Novaturas for 10 years (since 2009), while Birutė Čepanskienė, CCO, has been with the Company for 18 years (since 2001).

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 (as of 31 March 2019), the fund indirectly holds a 47.4% stake in Novaturas. Three natural persons own 23.21% in total and the remaining shares are held by investors with less than 5% of the votes at the general meeting (free float).

Current shareholding structure



- Central European Tour Operator S.a.r.l.
- Ugnius Radvila
- Vidas Paliūnas
- Rytis Šūmakaris
- Other (free float)