A scenic photograph of a bay with several white sailboats anchored. The water is a vibrant turquoise blue, and the background features a lush green hillside with white limestone cliffs. The sky is clear and blue with a few wispy clouds.

Financial results of Q1 2022: Strong start of 2022 despite facing new uncertainties

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Key financials of Q1 2022

 **36.4 ths**

PAX sold during Q1 2022
3x increase vs Q1 2021

 **EUR -96 ths**

Q1 2022 EBITDA
EBITDA margin of -0,3%

 **EUR 2.7 m**

Q1 2022 Gross profit
Gross profit margin of 9,4%

 **EUR 29.3 m**

Q1 2022 Revenue
4,2x increase vs Q1 2021)
(+1.5% Q1 2019)

 **505 ths**

Q1 2022 Net loss

- After the unprecedented drop of 2020 and 2021, Novaturas continues its gradual recovery in 2022 when sales in Q1 reached EUR 29 million and were more than 4x higher than 2021 and by 1,5% higher than 2019.
- Also, we have served more than 36 thousand tourists - it is 3x more than in 2021.
- EBITDA profitability was almost at break even. Negative profitability was significantly affected by increased fuel prices in Q1 for tour packages which were sold in 2021 (approx. impact of EUR 200k) and by intense competition in certain winter destinations.
- Q1 is generally considered as low period in tourism, sales in Q1 typically account for 15-20% of total annual sales.
- At the beginning of April Novaturas has introduced fuel surcharge for all-existing bookings in order to manage fuel price increase risk. Additionally, we have introduced fuel price change protection service for all future sales in 2022.
- 2022 Q1 profitability result is also positively affected by accounting impact from implementation of IFRS 15. More detailed information would be provided with audited financial statements of 2021.

Russia's aggression against Ukraine influence on Q1 operations & results

- The shutdown of the Ukrainian and Russian airspace, as well as ban on the Russian carriers by many European countries is affecting tour operator activities.
- Flight time and aviation costs for certain destinations were affected by shutdown of the Ukrainian airspace. Meanwhile ban on the Russian carriers increased hotels availability in our destinations, which had a positive effect.
- Due to the breakout of Russia's war against Ukraine the number of new reservations has temporarily dropped by almost half in the first few weeks after the war, however, afterwards we have experienced gradual recovery of the bookings and currently our weekly bookings are back to normal levels.
- EU imposed sanctions on the Russian individual (Alexey Mordashov) who was the majority owner of TUI Baltics tour operator. As a result of such sanctions TUI Baltics stopped their operations in the Baltics.
- The company cooperated with the embassies and consulates to help repatriate the Ukrainian citizens trapped abroad to the Baltic states by offering free seats on planes – almost two full planes of Ukrainians came to the Baltics states from holiday destinations free of charge.

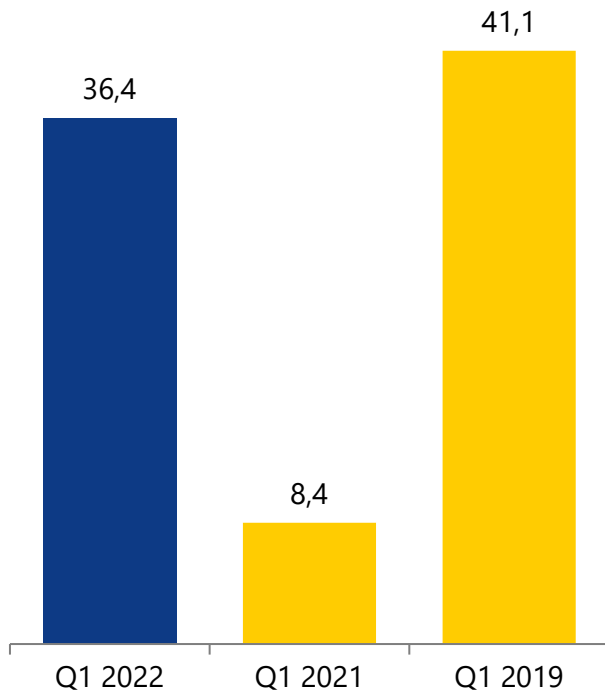
Forward looking statements for Q2 of 2022

- The company is expecting to be close to pre-pandemic levels in terms of pax sold and revenue.
- In April company has launched early booking sales to key destinations for the 2022-2023 winter season.
- Also, the company has signed the memorandum of understanding with UAB "Kidy Tour" with the intentions to fulfill the obligations to the travelers from Lithuania and Estonia who have booked trips from "Kidy Tour" tour operator with the departure period of May-October 2022. The company expects to overtake up to 5 thousand travelers.
- In May the company will introduce the market with full program of 2022-2023 winter holiday season, as well as new holiday destinations.
- Competitive landscape has substantially changed in the beginning of 2022 - we expect that TUI Baltics and Kidy Tour would not operate in at least year 2022, however, new competitor has entered the market – the Ukrainian tour operator Join Up. Currently it is too early to assess the impact of new competitors' entrance as flights should start only in the end of April.

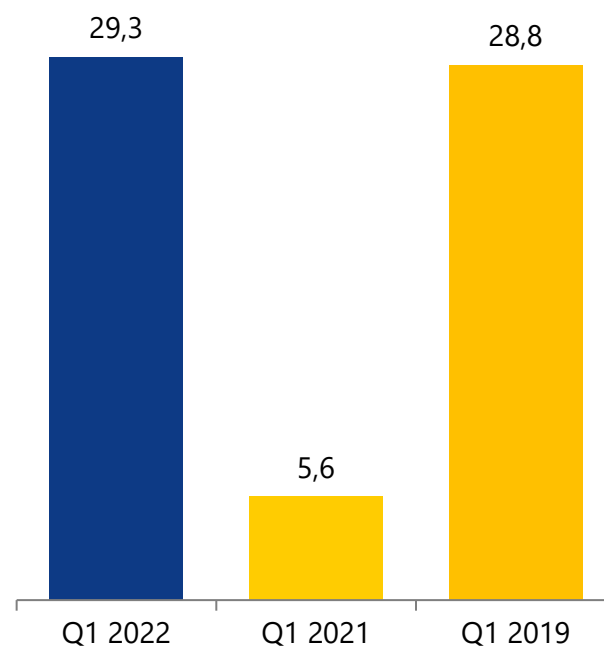
Q1 2022 Revenue & customers served

In terms of revenue generated we have exceeded pre-pandemic 2019 results by 1.5%. The difference of number of clients served is 11.4% if compared with the same period in 2019. The results of revenues are influenced by increased organized holiday package sales price due to higher fuel prices.

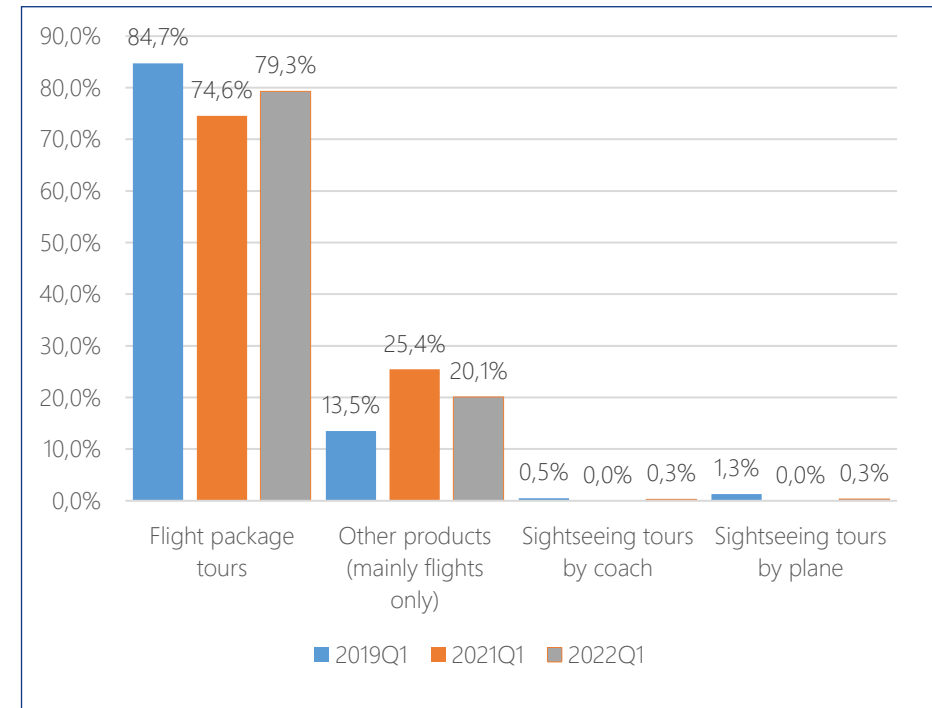
Number of PAX sold (ths)



Revenue (EUR m)

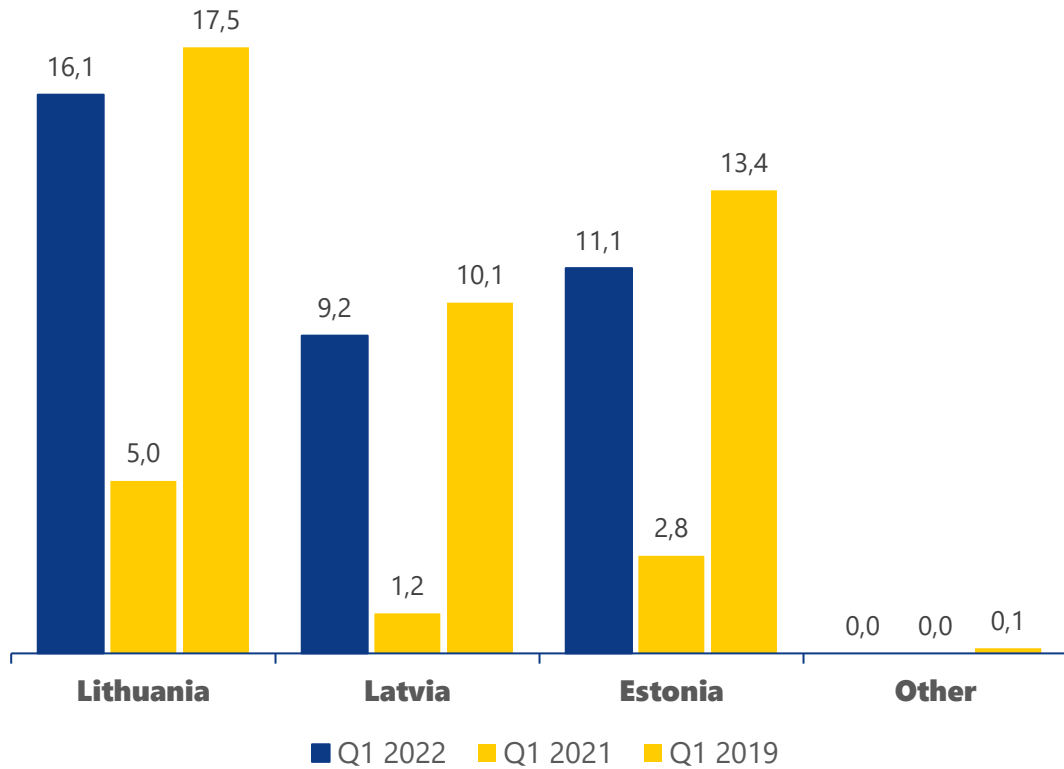


Sales by product category



Q1 2022 Number of travellers

Number of PAX sold by country (ths)



March month marked the breaking point when for the first time since the pandemic the number of customers served exceed the same month of 2019 by 5%.



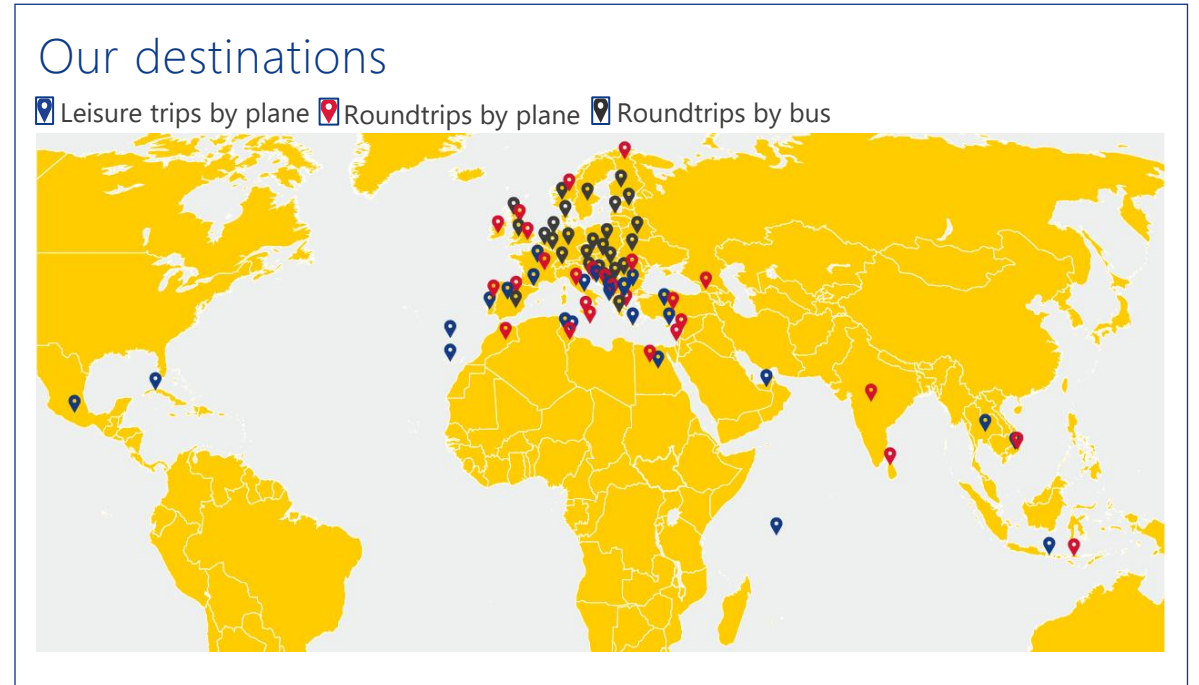
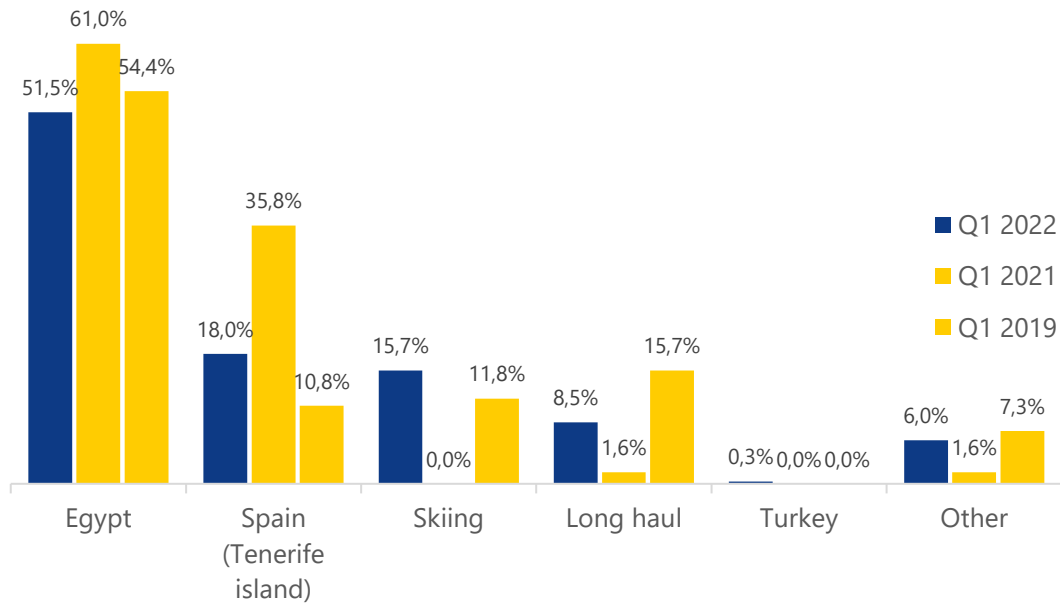
36.404 ths

total PAX sold during Q1 2021 (+307% vs y/2021)
total PAX sold during Q1 2021 (-11.4% vs y/2019)

Q1 2022 Top destinations

Sales of flight package tours by destinations

(% share in charter travel revenue)



Egypt and Tenerife traditionally hold main positions in 1Q 2022. Returned skiing destinations take the third place and exceed the volumes of pre-pandemic 2019. Long-haul product have also returned to the holiday destinations portfolio, but still with limitations. This year we have offered our clients to meet New Year in Turkish resorts.

We reach wide customer base thanks to well-balanced distribution

Majority of our products are sold through travel agencies, with whom we have long-term business relations, built on professionalism and mutual trust.

E-commerce channel is gaining importance after pandemic period which is reflected in the growing e-commerce revenue share which was 22% in 2022 Q1.

E-commerce revenue in 2022 Q1 in absolute amounts increased more than 20% if to compare with pre-pandemic period in 2019 Q1.

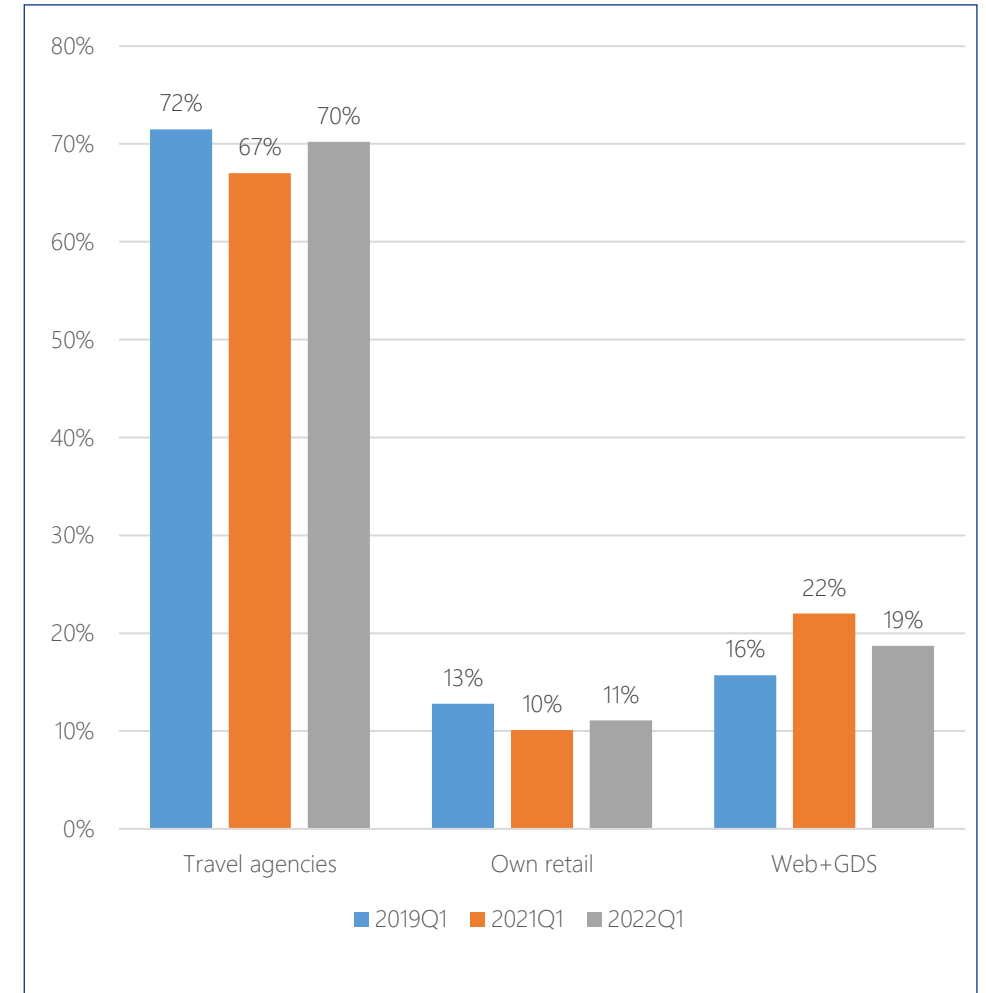
 **19%**

share in Q1 2022 revenue from e-commerce

 **0.9 m**

unique visitors on our websites during Q1 2022

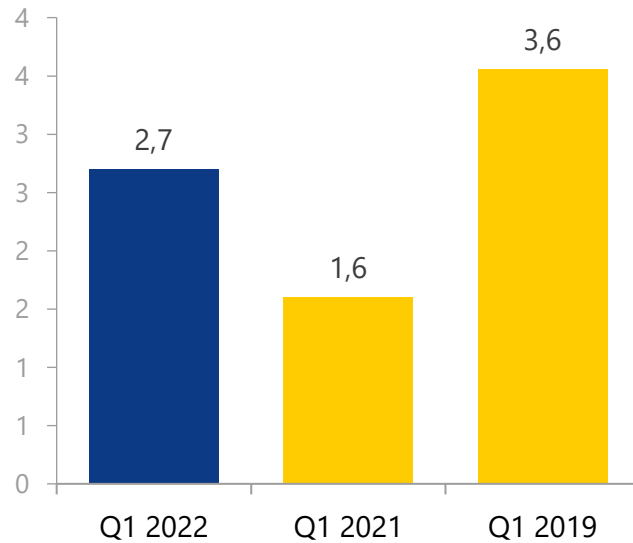
Novaturas sales by distribution channels



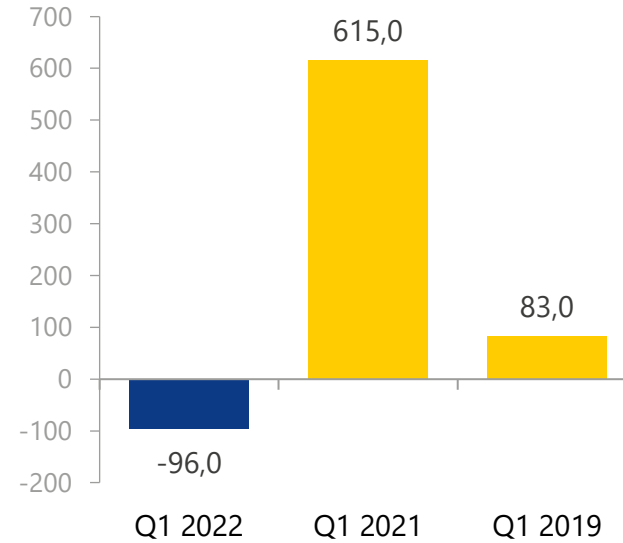
Q1 2022 negative profitability ratios

Profitability ratios of Q1 2022 were mainly affected by drastically increased fuel prices. Another factor that had influence on negative profitability – very active competition environment. In 2021 EBITDA and Net profit ratios were exceptionally positive – we have taken the leadership to re-open flights to Egypt resorts in February 2021. Also received subsidies in the 1Q of 2021 have made an impact on the positive results.

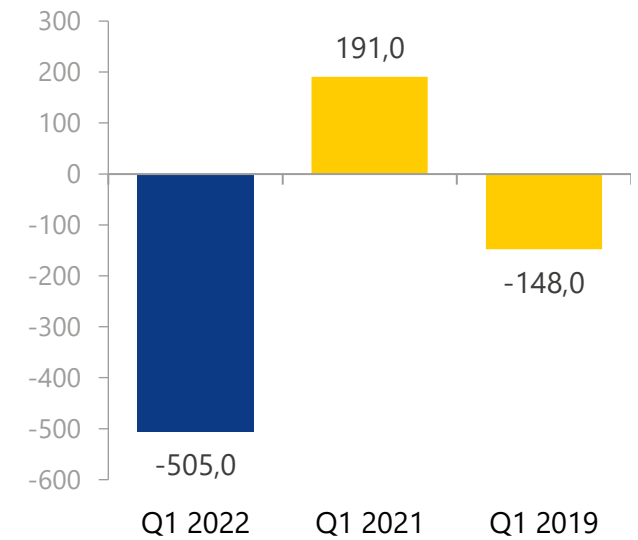
Gross profit (EUR m)



EBITDA (EUR ths)



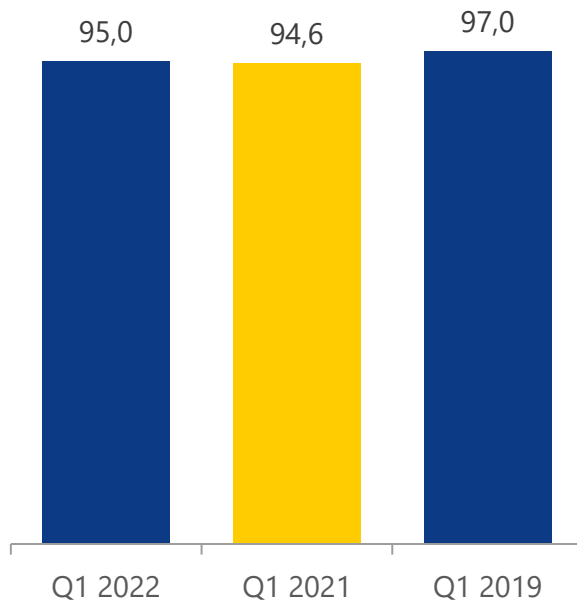
Net profit (EUR ths)



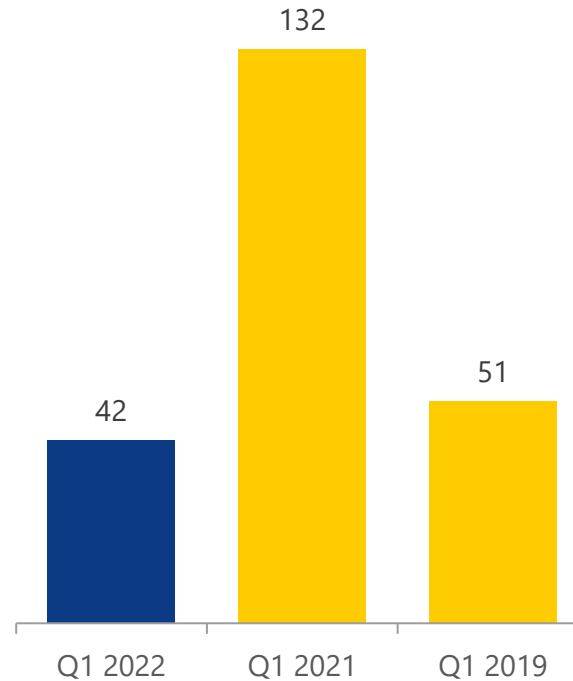
Efficiency and productivity ratios

Increased fuel prices have heavily affected both – profit per pax as well as average package price ratios. Global inflation, increased prices for the services and product also have influenced average package prices.

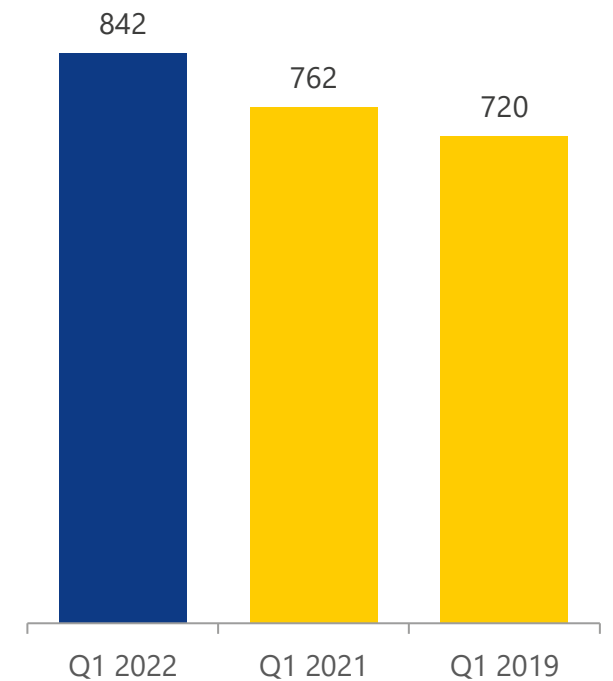
Load factor
(%)



Sales profit per PAX
(EUR/pax)



Average package tour price
(EUR)



Sales profit = gross profit less commission expenses
2021q1 excl subsidy from LV government for pandemic impact

Operating expenses under control

Operating expenses totaled EUR 1,6m. Our sales and marketing expenses as % from sales were 3,2%, and it is slightly lower than pre-pandemic level when it was 3,5%.

Despite high inflation environment our general and administrative costs are below pre-pandemic levels, they amount to EUR 0,7m (2019 Q1 it was 1,1m), as percentage to sales it is by 1,4% lower.

Key performance indicators	2019 Q1	2020 Q1	2021 Q1	2022 Q1
Total operating expenses	-2 106	-1 589	-766	-1 641
Sales and marketing (excl comm)	-1 000	- 888	-373	-947
General and administrative expenses	-1 106	-701	-393	-649
Operating expenses, %	-7,3%	-6,8%	-13,7%	-5,6%
Sales and marketing (excl comm), %	-3,5%	-3,8%	-6,7%	-3,2%
G&A, %	-3,8%	-3,0%	-7,1%	-2,4%



EUR 1.6 m

Q1 2022 Operating expenses

Appendices

Main ratios

Financial ratios (EUR 000s)	Q1 2022	Q1 2021	Q1 2020	2022/2021 change	2021/2020 change
Revenue	29,254	5,571	23,363	+425,1%	-76.2%
Gross profit	2,746	1,617	2,535	+69,8%	-36.2%
EBITDA	(96)	615	(190)	NA	NA
Operating profit (EBIT)	(96)	572	(254)	NA	NA
Profit before tax	(610)	147	(409)	NA	NA
Net profit	(505)	191	(353)	NA	NA
Relative indicators	Q1 2022	Q1 2021	Q1 2020	2022/2021 change	2021/2020 change
Number of shares	7,807,000	7,807,000	7,807,000	-	-
Earnings per share (EUR)	-0.06	0.02	(0.05)	-0.08	+0.07
Gross profit margin (%)	9.4%	29.0%	10.9%	-19.6pp	+18.1pp
EBITDA margin (%)	-0.3%	11.0%	-0.8%	-11.3pp	+11.8pp
Operating profit (EBIT) margin (%)	-0.3%	10.3%	-1.1%	-10.6pp	+11.4pp
Profit before taxes margin (%)	-2.1%	2.6%	-1.8%	-4.7pp	+4.4pp
Net profit margin (%)	-1.7%	3.4%	-1.5%	-5.1pp	+4.9pp
Return on assets (ROA) (%)	-1.1%	0.4%	-0.6%	-1.5pp	+1.1pp
Debt to equity ratio (%)	94.9%	121.4%	83.7%	-8.4pp	+37.7pp
Equity ratio (%)	31.0%	31.4%	27.5%	-0.4pp	+3.9pp
Effective tax rate (%)	17.2%	-29.9%	13.7%	+47.1pp	-43.6pp
Current ratio	0.74	0.73	0.72	0.01	0.01

Consolidated statements of comprehensive income

EUR 000s	Q1 2022	Q1 2021	Q1 2020	2022/2021 change	2021/2020 change
Sales	29,254	5,571	23,363	425.1%	-76.2%
Cost of sales	(26,508)	(3,954)	(20,828)	570.4%	-81.0%
Gross profit	2,746	1,617	2,535	69.8%	-36.2%
Operating (expenses)	(2 861)	(1 045)	(2,789)	-173.8%	-62.5%
Other operating income	-	-	-	-	-
Other operating (expenses)	-	-	-	-	-
Profit from operations	(96)	572	(254)	NA	NA
Finance income	15	212	109	-92.9%	94.5%
Finance (expenses)	(529)	(637)	(264)	-17.0%	141.3%
Profit before tax	(610)	147	(409)	NA	NA
Income tax (expense)	105	44	56	138.6%	-21.4%
Net profit	(505)	191	(353)	NA	NA
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Result of changes in cash flow hedge reserve	4	449	(3,005)	-99.1%	NA
Impact of income tax	(1)	(67)	451	NA	NA
Total comprehensive income for the year	502	573	(2,907)	NA	NA
Earnings per share ¹⁾	-0.06	0.02	(0.05)	-	-

Consolidated balance sheet

(EUR 000s)	31Mar 2022	31Mar 2021	31Mar 2020	(EUR 000s)	31Mar 2022	31Mar 2021	31Mar 2020
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Goodwill	30,289	30,327	30,327	Share capital	234	234	234
Other intangible assets	210	114	210	Cash flow hedge reserve	-	(39)	(2,332)
Property, plant and equipment	69	103	183	Legal reserve	29	29	29
Right of use assets	227	219	562	Foreign currency translation reserve	145	145	145
Long term receivables	107	187	218	Retained earnings	14,178	13,965	17,044
Deferred income tax asset	893	935	7	Equity attributable to equity holders of the parent	14,586	14,334	15,120
Total non-current assets	31,795	31,885	31,507	Liabilities			
Current assets				Non-current borrowings	11,252	8,767	4,000
Inventories	1	2	3	Deferred income tax liabilities	-	-	2,823
Prepayments and deferred expenses	8,514	7,114	15,626	Other non-current liabilities	382	3,321	-
Trade accounts receivable	282	127	372	Lease liabilities	91	83	360
Prepaid income tax	70	70	175	Total non-current liabilities	11,725	12,171	7,183
Other receivables	608	221	929	Current liabilities			
Other current financial assets	-	-	-	Current portion of non-current borrowings	2,271	2,699	2,000
Restricted cash	200	2,300	3,200	Overdraft	2,593	2,737	6,655
Cash and cash equivalents	5,547	4,241	3,159	Trade payables	3,189	1,784	2,946
Total current assets	15,222	14,075	23,464	Advances received	11,720	10,929	17,403
Total assets	47,017	45,960	54,971	Income tax payable	6	8	-
				Other current liabilities and accrued expenses	778	1,104	704
				Lease liabilities	149	46	216
				Other current financial liabilities	-	148	2,744
				Total current liabilities	20,706	19,455	32,668
				Total equity and liabilities	47,017	45,960	54,971

Consolidated cash flow statement

(EUR 000s)	Q1 2022	Q1 2021	Q1 2020
Net profit	(505)	191	(353)
Adjustments for non-cash items	192	683	(2,861)
Changes in working capital	(1,799)	(128)	(6,995)
Net cash flows from / (to) operating activities	(2,112)	746	(10,209)
Net cash flows from / (to) investing activities	(55)	(23)	(3)
Loans received	2,593	1,405	6,655
(Repayment) of loans	(422)	(732)	-
Interest (paid)	(176)	(220)	(138)
Dividends (paid)	-	-	-
Net cash flows from / (to) financing activities	1,995	453	6,517
Net increase (decrease) in cash flows	(172)	1,176	(3,695)
Cash and cash equivalents at the beginning of the year	5,919	5,365	6,854
Cash and cash equivalents at the end of the period	5,747	6,541	3,159

Top executives

Novaturas TOP executives are the team of experienced professionals. They have extensive know-how, years of experience in their field of expertise and an in-depth knowledge of the Group's offering, which ensures effective implementation of our strategy.



Vitalij Rakovski, CEO

- Joined the Company in 2022.
- He has accumulated almost 15 years of experience in business development, M&A, investment management and as a C level executive in advisory, utility and retail sectors.



Ieva Galvydienė, CCO

- Joined the Company in 2006.
- Responsible for pricing and capacity management on the Group level with more than 15 years of experience.



Albert Zinevič, CSO

- Joined the Company in 2021
- Has accumulated more than 10 years of experience in sales and marketing in hospitality industry.

The Board



Vidas Paliūnas

Member of the Board

- Co-founder of Novaturas UAB in 1999.
- 1999-2009 General Manager of the Company.
- 2009-2018 member of Novaturas' management board (functioning like a supervisory body in the period).



Ugnius Radvila

Member of the Board

- Co-founder of Novaturas UAB in 1999.
- 1999-2011 supervisor of sightseeing product department of the Company.
- Since 2011 consultant to the Company.



Andrius Jurkonis

Independent member of the Board

- Certified financial analyst. and manager of investment fund Axia Capital Fund
- He has accumulated many years of experience in management positions at Euroapotheica, VST, Swedbank.

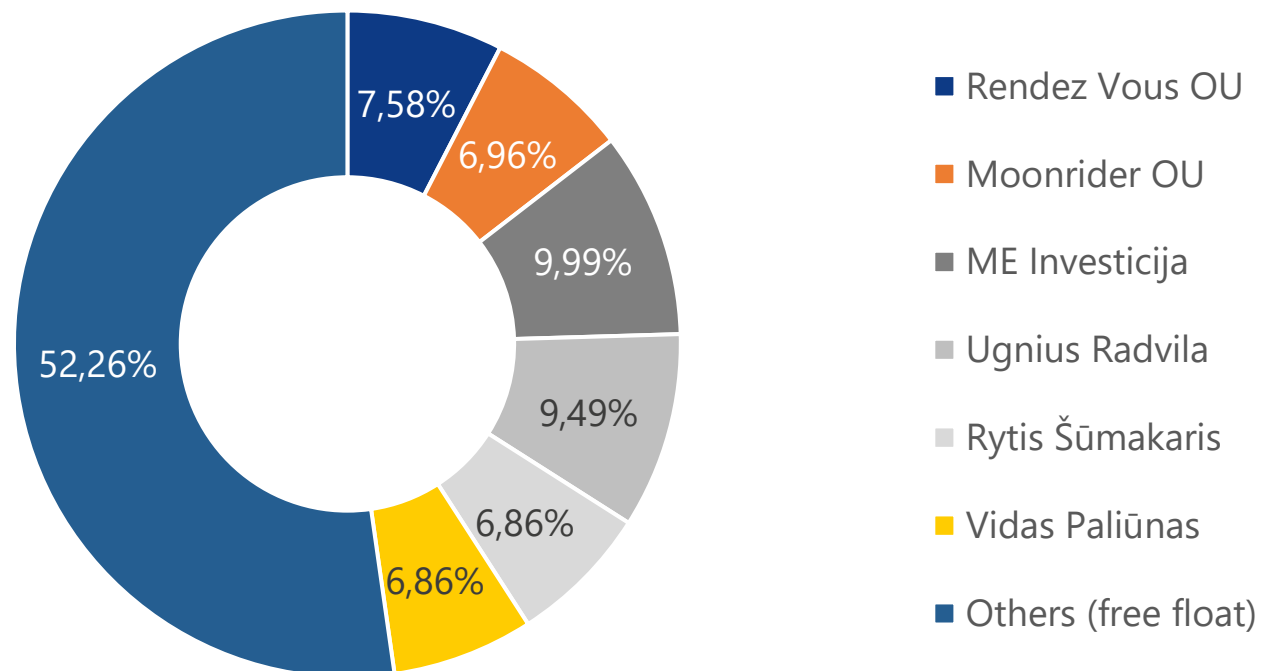


Virginijus Lepeška

Chairman of the Board
Independent member

- Chairman of the Board and Consultant of the management consulting and training company OVC Consulting.
- Has accumulated extensive experience in organizational consulting, corporate governance, strategic management.

Shareholder structure



- 1) ME Investicija is an investment company that manages one of the largest European transport services group Girtėka
- 2) "Rendez Vous" OU, CEO Janek Pohla is the founder and member of the management board at „Tahe Outdoors". „Tahe Outdoors" has been a successful manufacturer and distributor of water sports equipment for more than 25 years and is one of the leaders in the field in Europe.
- 3) „Moonrider" OU related with Estonian investment company Go Group, which operates in the fields of tourism, transport, real estate and engineering.
- 4) „Rondam" AS group of companies operate the largest hotel in Tartu „Dorpat" with the spa center as well as one of the best-rated hotels in Tallinn „Lydia".

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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