



AVIATION LINKS

ALL THE WAY HOME WITH A SMILE

Presentation for the Capital Market

2019



Aviation Links Ltd – Forecasting Information

The information set forth in this presentation includes, inter alia, assessments, revenue forecasts, costs and profit, is future anticipating information, as defined in the Securities Act 5728 – 1968, which is not solely controlled by the company. The said information is based, among others, on data gathered and analyzed by the company and on the basis of published information and studies.

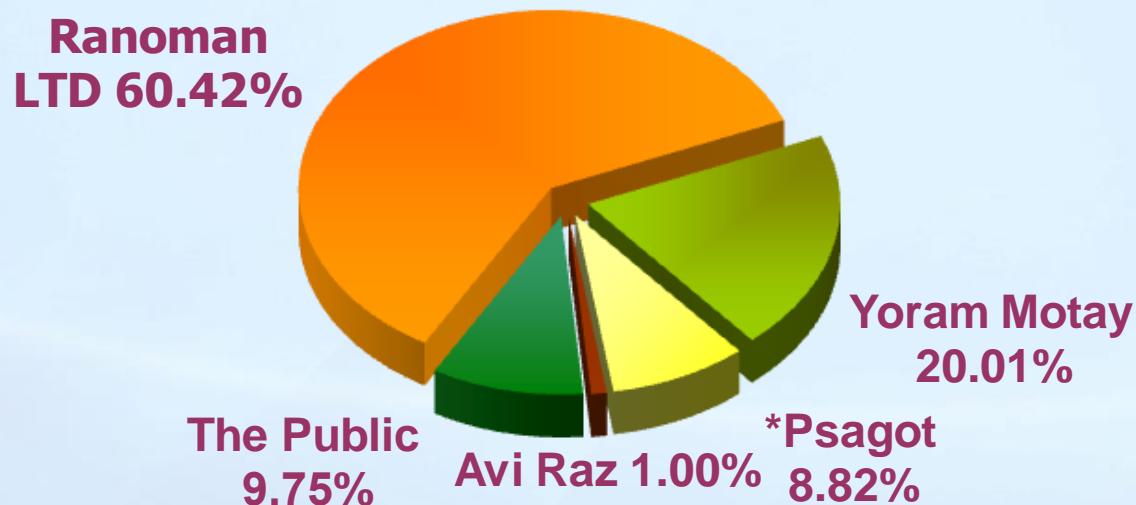
This information relates, inter alia, to future events, the realization or occurrence of which is based on assessments and therefore there is a certain degree of risk and uncertainty regarding their realization. The actual occurrence or realization of the events might be essentially different from the company's assessment as aforesaid and that is due to the existence of a variety of factors which do not depend on the company.

Aviation Links Ltd – Business Card

- The company engages **212 employees**

- Established in **1984**
- **Major activity areas:**
 - Organizing charter flights to and from Israel
 - Marketing touring and recreation packages
 - Organizing events and conventions
 - Providing ground handling services and related tourism services to tourists departing from Israel
 - Marketing sport, concerts & cultural events
 - Providing touring and recreation services across the country
 - Marketing packages & organized tours
 - Cruises
 - Incoming tourism & Domestic tourism
 - Business department

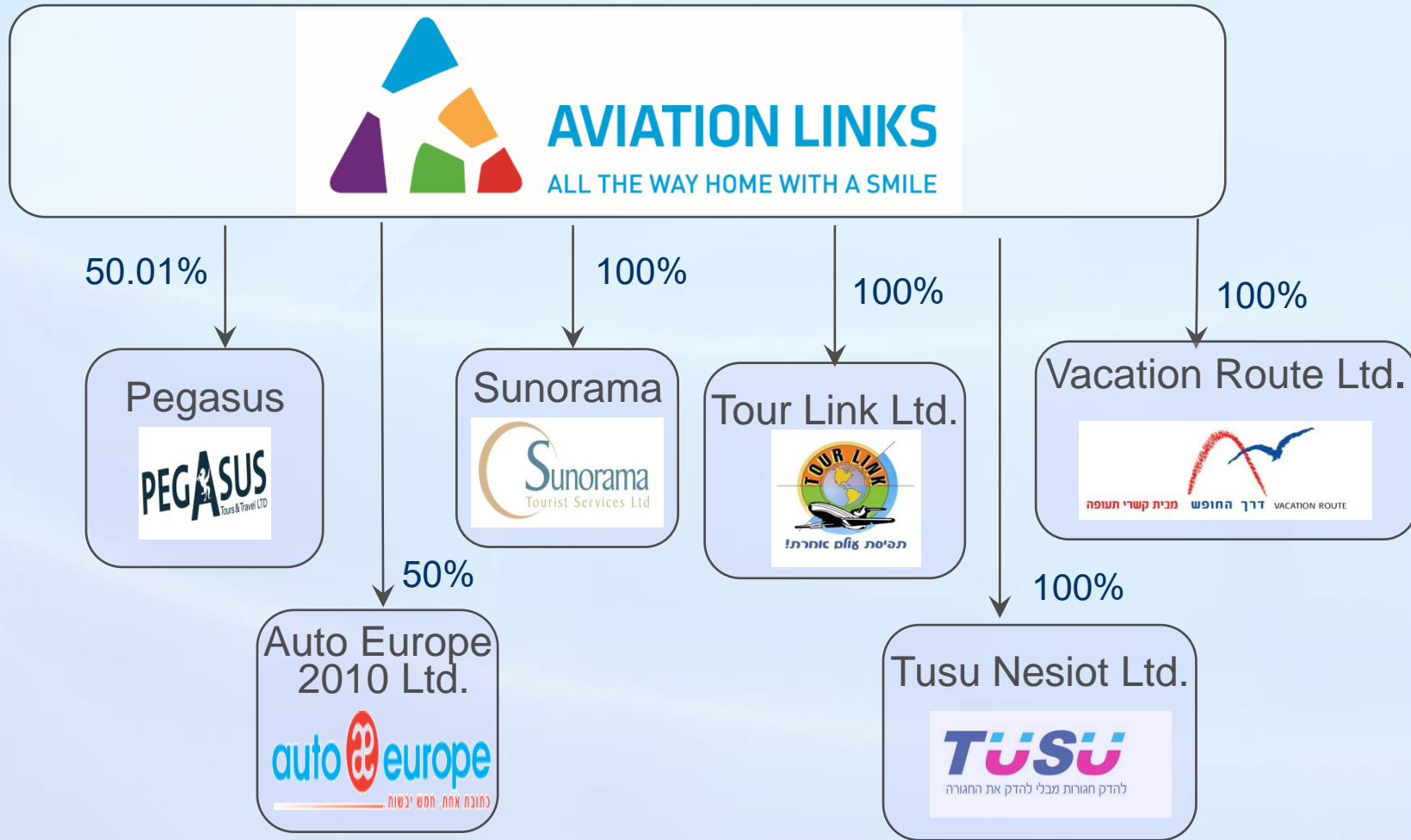
Aviation Links Ltd – Shareholders' Breakdown



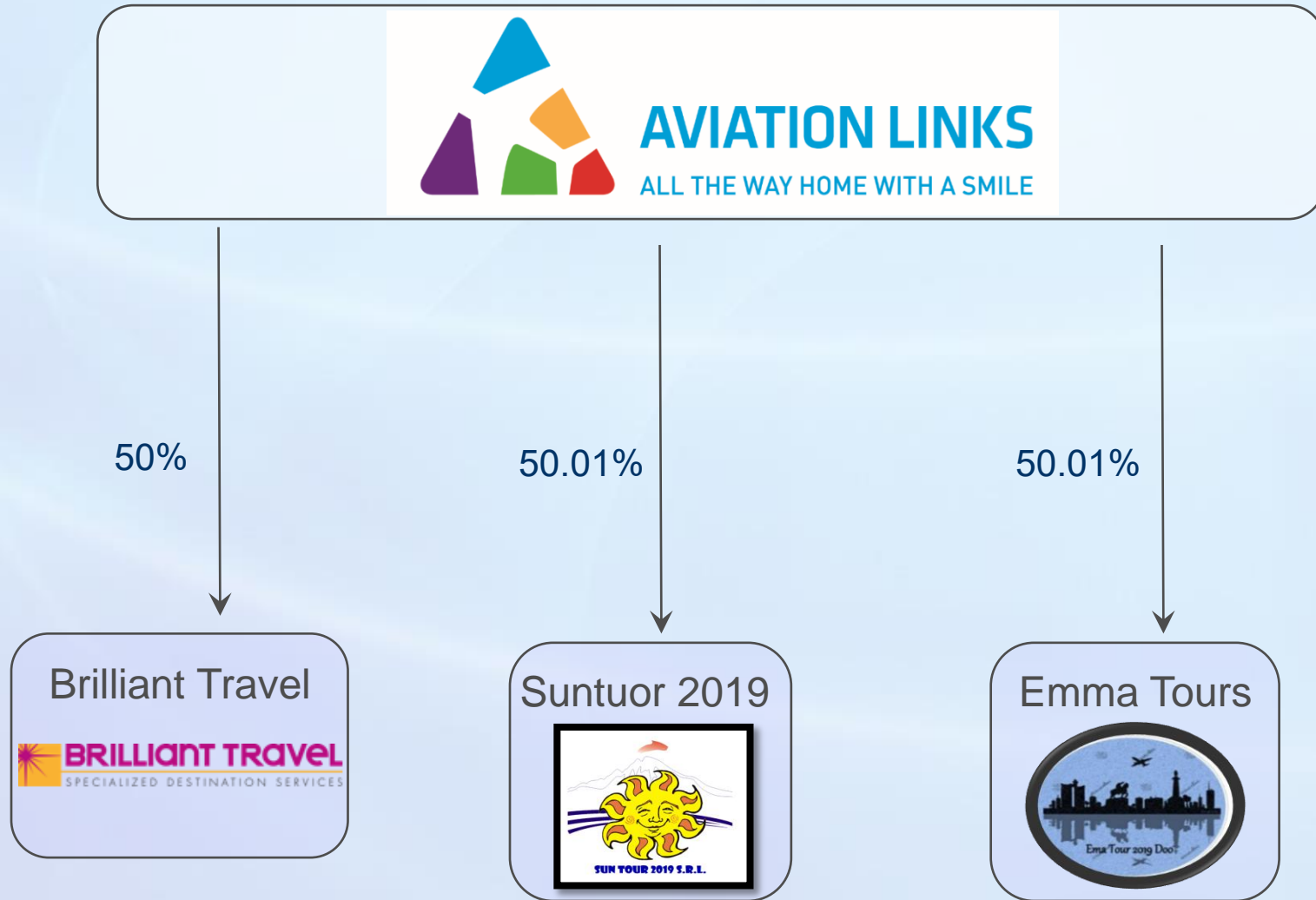
Holdings of parties having an interest	81.43%
Institutional holdings (*)	8.82%
Public holdings	9.75%

* Psagot Provident Funds 8.82%

Aviation Links Ltd – Group Structure, local holdings

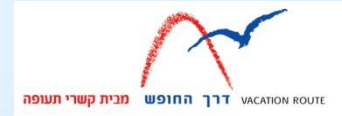


Aviation Links Ltd – Group Structure, foreign holdings



Aviation Links Ltd – Subsidiaries

■ **Vacation Route Ltd.** – Established in 1993



- Fully owned by Aviation Links Ltd.
- Holds IATA license, which enables selling scheduled flight tickets
- Engages in marketing organized tours and touring packages
- The company's business department markets flight tickets and ground services to the business passenger

■ **Sunorama Travel and Services Ltd.** – Established in 1981



- Fully owned by Aviation Links Ltd.
- Organizes and marketing Cruise package all over the world
- Owns sole agreement for marketing in Israel organized tours and cruises of “Royal Caribbean International” including Silver Sea & Celebrity Cruises & Azamra Cruises.
- Due to the exercise of a put option to purchase Uri Schnabel's share in the coming year, the holding rate will increase to 100%



Aviation Links Ltd – Subsidiaries

- **Auto Europe 2010 Ltd.** – Established in 2010 with Zuker Ami



- Owned by Aviation Links Ltd. 50% And Zuker family 50%.
- The acquired Auto Europe Israel activity.
- Marketing car rental all over the world.
- Owns sole agreement for marketing in Israel car rental of “Auto Europe International”.

- **Tour Link Ltd.** – Established in 1987.



- Fully Owned by Aviation Links Ltd.
- Organizes and marketing organized tours and touring packages in East europe.
- Selling scheduled flight tickets.

Aviation Links Ltd – Subsidiaries

- **TUSU nesiot Ltd.** – Established in 2016 by Aviation Links

- Fully owned by Aviation Links Ltd.
- Marketing retail & tourism services as a web Travel agency under the brand name TUSU.



- **Brilliant Travel Ltd.** – Established in 2017 with Stefanos Kormalis



- Owned by Aviation Links Ltd. 50% And Stefanos Kormalis 50%.
- Entering into acquisition of offices in Greece.
- Marketing retail & tourism services in Greece to all travel agents world wide.

- **Pegasus Tours and Travel Ltd.** – Established in 1996



- Owned by Aviation Links Ltd 50.01%. Reuven and Itamar Nir 49.99%.
- Organizes and marketing organized tours abroad
- The company offers organized tours in Europe, Asia, America, Africa and the Pacific (Australia and New Zealand).



Aviation Links Ltd – Subsidiaries



- **Suntuor 2019– An Italy based firm, purchased on december 2019.**
 - Owned by Aviation Links Ltd. 50.01% And Mr. Moti Mazoz and Mrs. Stefania Aloeisy 49.99%.
 - Marketing retail & tourism services in Italy to all travel agents world wide.



- **EMMA TOURS – An Italy based firm, purchased on december 2019.**
 - Owned by Aviation Links Ltd. 50.01% And Mr. Moti Mazoz and Mrs. Stefania Aloeisy 49.99%.
 - Marketing retail & tourism services in Serbia to all travel agents world wide.

Aviation Links Ltd – Milestones

- ◆ **1984** – Establishing Aviation Links Ltd. as a private company.
- ◆ **1993** – The company is issued to the public and becomes a public company
- ◆ **2004** – Establishing a subsidiary in England - Aviation Links U.K.
- ◆ **2007** – "365 Club" acquires the company founder's share, total of 73.77% of the company shares.
- ◆ **July 2009** – Investing 50% in "Sunorama Travel and Services Ltd." the company has exclusive agreement to distribute: Royal Caribbean International cruises, including Silver Sea & Celebrity Cruises & Azamra Cruises.
- ◆ **April 2010** – Establishing Auto Europe 2010 Ltd. Partnership with Ami Zuker. Acquiring 51% of Tour Link Ltd.
- ◆ **January 2013** – Investing additional 5% in "Sunorama Travel and Services Ltd."
- ◆ **December 2014** – Investing additional 49% in "Tour Link Ltd."
- ◆ **September 2016** – Ranoman acquires the company founder's share, total of 60% of the company shares from club 365 Holdings.
- ◆ **November 2017** – Acquiring 50% of "Brilliant Travel" in Greece.
- ◆ **June 2018** - Investing additional 45% in "Sunorama Travel and Services Ltd." Fully owned by Aviation Links Ltd
- ◆ **July 2018** - Investing additional 50.01% in "Pegasus Tours and Travel Ltd."
- ◆ **December 2019**- Acquiring 50.01% of suntour 2019 and 50.01% of Emma Tours.



Aviation Links Ltd – High ranking officials

❖ Eyal Segal, Chairman

Controlling shareholder in Ranoman Ltd.

❖ Yoram Mutay, CEO

BA in Accounting and Economics. Has been serving as the company CEO for two years. Served as Deputy Director General for Marketing and Business Development in Arkia Israeli Airlines Ltd.

❖ Amit Zeldman, Chief Financial Officer

BA in Accounting and Economics. CFO since 2004

❖ Ronen Artzi , Internal Auditor

BA in Accounting. MA in internal Audit, Partner at Shif Hezenfritz Accountant Office

❖ Raz Aviram, Chief Commerce Officer

Has served as manager of the recreation department in the last twelve years

Aviation Links Ltd – High ranking officials

❖ Erez Artzi, Chief Operations Officer

Has served as manager of the flight department in the last seven years

❖ Avihu oshri, Controller

BA in Accounting and Economics, Corporate controller.

Nir Mazor , Marketing Officer

Has served as Marketing officer in the last four years

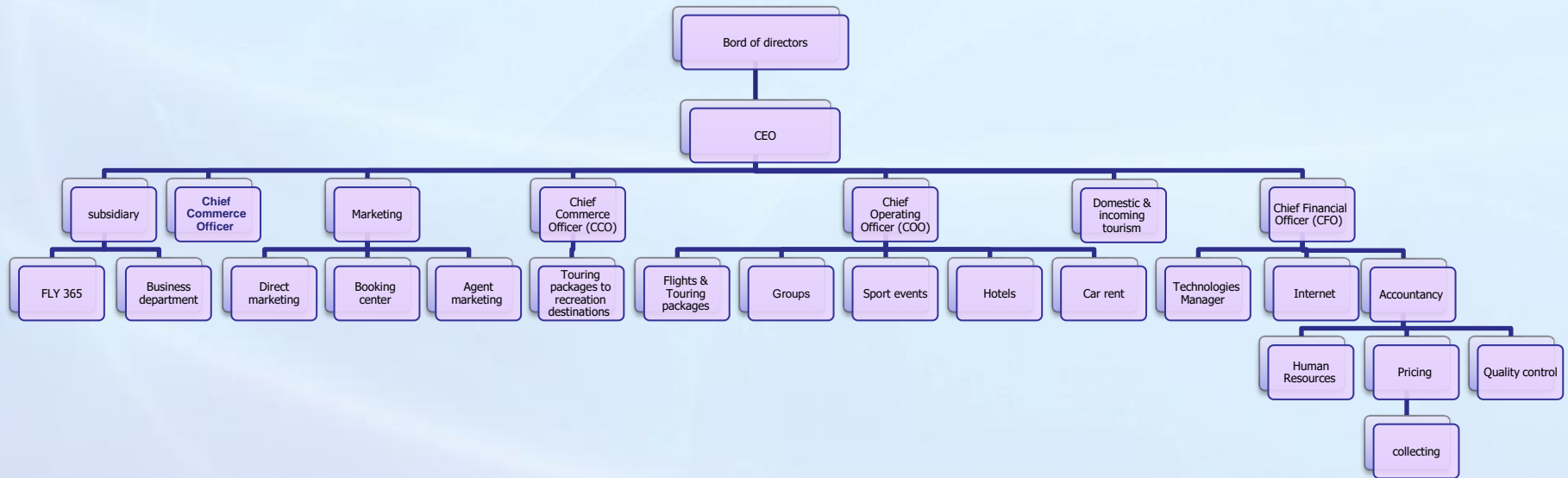
❖ Yonat Rubin , Chief Commerce Officer at Vacation Route

She has served as Flight director officer in the last ten years

❖ Dori Shushan , Chief Operations Domestic & Incoming tourism

He is served as manager of domestic and incoming tourism in the last three years

Aviation Links Ltd – Organization Structure



Aviation Links Ltd – Areas of Activity

❖ Marketing and wholesale trading of various tourism and recreation services, including among others:

- ❑ Operating incoming and outgoing charter flight to and from dozens of destinations abroad
- ❑ Selling and organizing combined tourism packages and unique packages
- ❑ Selling and arranging organized tours
- ❑ Selling flight tickets and tourism services to the business passenger
- ❑ Marketing recreation packages in Israel and abroad.
- ❑ Marketing incoming tourism
- ❑ conventions in Israel and abroad

❖ Target population is travelling agents and end customers

❖ Domestic tourism

❖ Cruises



Aviation Links Ltd – Incoming Tourism

We specialize in Marketing and wholesale trading of various tours for the Christian community and recreation services, including among others:

- ❖ We represent all the major hotel networks in Israel such as – Dan hotels, Fattal hotels (Leonardo), Tamares hotels, Holiday-Inn hotels, Rimonim hotels & Isrotel hotels.
- ❖ Selling and organizing combined tourism packages and unique optional tours to:
 - Jerusalem (Judaic, Christian & city of three religions, Underground Jerusalem & observation tour of Jerusalem)
 - Vifleem
 - Tel aviv-Jaffo, Netanya (Mini Israel, Latrun & Diamond Exchange)
 - Dead sea + Massada
 - North Israel (Judaic Galilee + Tzfath, Ceasarea, Nazereth, Akko & Hifa)
 - & Eilat.
- ❖ Transfers to major cities in Israel (Eilat Tel-aviv Netanya & the Dead sea)

Aviation Links Ltd – Conventions

We specialize in planning, producing and operating high level and multiplayer conventions in Israel and abroad.

- ❖ among our customers are banks, insurance companies, public companies etc.
- ❖ We combine our tourism knowledge and connections in Israel and abroad with our high skill production conventions' abilities.

Aviation Links Ltd – Direct sell & Website

In recent year the company has developed the most advanced website giving the Israeli costumer opportunity to build various travel services, including among others:

- ✓ Structured acquisition packages
- ✓ Acquisition Tours
- ✓ Purchase of scheduled flights
- ✓ Combination of several products together.
- ✓ Connection to domestic tourism and land acquisition services in the country.
- ✓ Building dynamic packages of all kinds and to all destinations including scheduled flights, cars and hotels.

Aviation Links Ltd – At the forefront of technology

In recent year the company has also developed advanced communication with all travel agents and customer clubs that has commercial agreement with company.

- ❖ Beyond the Odyssey software that allows the company to appear in dozens of Web sites, that travel agents and club members (such as good club members) can order and pay automatically for ticketing of all the company's products (major necessity of profitability to the group) and making a purchase at the last minute.
- ❖ Ground services – the software allows in real time to make reservations for hotels worldwide and get immediate approval The company will use the software on its new Web site, which will provide a new segment of tourism that is not characterized in any risk and can start growth engine.
- ❖ Incoming sites- that allows the end costumer to be able to make full reservation including flight, hotel, transfers etc. the site can be translated to various languages in order to be adjusted to each country.

Aviation Links Ltd – Exclusive Franchises

- ❖ The company has **exclusive franchises for marketing hotel and recreation sites in Europe and the Mediterranean Basin**
- ❖ The company has **exclusive franchises for marketing Royal Caribbean cruises in Israel**
- ❖ **The company currently holds exclusive franchises for marketing hotel-rooms, among them in:**

❑ **Bulgaria:** Meridian hotel, Iberostar Sunny-Beach Resort, Sol-Nessebar Palace , Vyand (Burgas).
Melia Grand Hermitage (Varna)

❑ **Greece:** Grand Hotel, Atrium Platinum, Atrium Prestige, Atrium Palace, Lindos Memories, Asterias Beach, Alila Resort & Spa, Atlantica Amilia Mare (Rhodes),
Serita Beach, Laguna Resort (Crete) Mediterranean Beach, Majestic SPA, Aphrodite, Dimis (Zakynthos)

Aviation Links Ltd – Exclusive Franchises

❖The company currently holds exclusive franchises for marketing hotel-rooms, among them in:

❑**Malta:** Intercontinental hotel, Radisson Blu, Exelsior malta, Hilton malta.

❑**Turkey:** Rixos hotels: Rixos World DLX, Rixos Premium Belek, Rixos Premium Trekirova, Rixos Downtown, Rixos Beldibi, Rixos Sungate. Delphin hotels: Delphin Imperial, Delphin Palace, Delphin Diva, Delphin Deluxe, Delphin Botanik Platinum, Delphin Exclusive Lara.

Kaya Belek, Kirman Hotels: Leodikya, Belazur Resort, Arycanda, Sidera, Side Marin. Crown hotels, Venezia palace, Wind of Lara, Aska Lara, Melas Lara, Trendy Lara, Adalya Elite, Bellis Deluxe, Ramada Resort Side (Antalya).

Green Nature hotels, Hillside Beach Club, Ideal Hotels(Marmaris).
Kefaluka, Rixos bodrum, Kaya Palazzo Resort & Residence (Bodrum).

Aviation Links Ltd – Deployment to about 80 destinations around the world



Organized tours: Thailand, Burma, India, Nepal, Vietnam, Cambodia, Japan, Morocco, South Africa, Brazil, Argentina, Chile, Austria, Slovakia, Zanzibar, Cuba & Lapland.

Europe: Belgium, Holland, Italy, Malta, Sicily Romania, Spain, Germany.

Turing Packages: Turkey, Greece, Cyprus, Italy, Malta, Ireland, England, Belgium, Germany, Holland, Hungary, Spain, Sicily, Slovenia, Croatia, Montenegro, Spain, Czech-Republic, France, Romania.

Europe: Netherlands, Belgium Spain, Italy & Germany.

Aviation Links Ltd – Strategic Agreements

- ❖ **Agreements for marketing hotel in the Middle east** and Europe – Renewed seasonal agreements with 50 hotels, Most of them has exclusivity in the Israeli market by the company.
- ❖ **Agreements for marketing hotels in Israel** – including the major networks operating in Israel
- ❖ **Cash 365 Agreement** – a combine credit card for the club's clients, which accumulates benefit amounts from purchasing from the Mashbir Latzarchan Group, by means of the VISA CAL Card Company, for re-exercise at any of the group's companies.
- ❖ **Fly 365 Agreement** – In October 2013 the company launched in cooperation with U-Travel (which is the entity unites 150 travel agencies) a new Brand name “FLY 365” which provides ticketing services of scheduled flights for travel agents.

Aviation Links Ltd – Licenses

- ❖ The company has a license for operating charter flights issued by the Ministry of Transport and a Travelling Agency license issued by the Ministry of Tourism.
- ❖ IATA (International Air Transport Association) license enabling the sale of flight tickets in scheduled airline companies – through the subsidiary “Vacation Route Ltd.”



Aviation Links Ltd – Major Competitors

The company's 10 major competitors:

❖ Charter Flights

- "Flying Carpet Ltd."
- "Israir Airlines & Tourism Ltd."
- "Arkia International (1981) Ltd."
- "Holiday Lines Ltd."

❖ Organized Tours

- "Natour"
- "Mega Tour Ltd."
- "Rimon Tours Ltd."
- "Eshet Ltd."
- **Scheduled Airlines** – operating flights to destinations where the group operates.

❖ **Ground and related services** - Dozens of suppliers, due to lower entrance blockages.



Aviation Links Ltd – Macro-Economic Data

Social and political effects on the tourism market

- ❖ **Seasonality** – Impact on the level of demand and choice of destination, peak demand in the third quarter of the year and the quarters of the Jewish Holidays.
- ❖ **Competition** - The trend of additional airline companies entering the Israel line activity and the increase in the flight volume capacity, which is likely to continue as a result of the open skies agreement between Israel and the European Union affect the competition in the industry
- ❖ **Substantive events** such as terror threats and natural disasters
- ❖ **Fluctuations** in the jet fuel prices
- ❖ **The security situation** - in Israel and the world
- ❖ **Poor economic situation and recession** in the world and the Israeli economy
 - ❖ **Changes in the exchange currency rate** with which the group operates, versus the dollar.
 - ❖ **Regulatory changes** affecting the competition scope in the industry and the profitability of the activity in the domain



Aviation Links Ltd – The Company Vision

❖ **ONE STOP SHOP** in the area of tourism, supplying all tourism services to all target population: charter flights, touring and recreation packages, scheduled flights, organized tours, domestic tourism, incoming tourism and challenging tourism, sports tourism, culture and others.

❖ **Extending the activity beyond the Israeli market**, by investing in hotels overseas while increasing the assets' value and the profitability of the hotel activity.

❖ **The passenger's service as a supreme value**

❖ **Uncompromising commitment to maximizing the passenger's touristic experience**

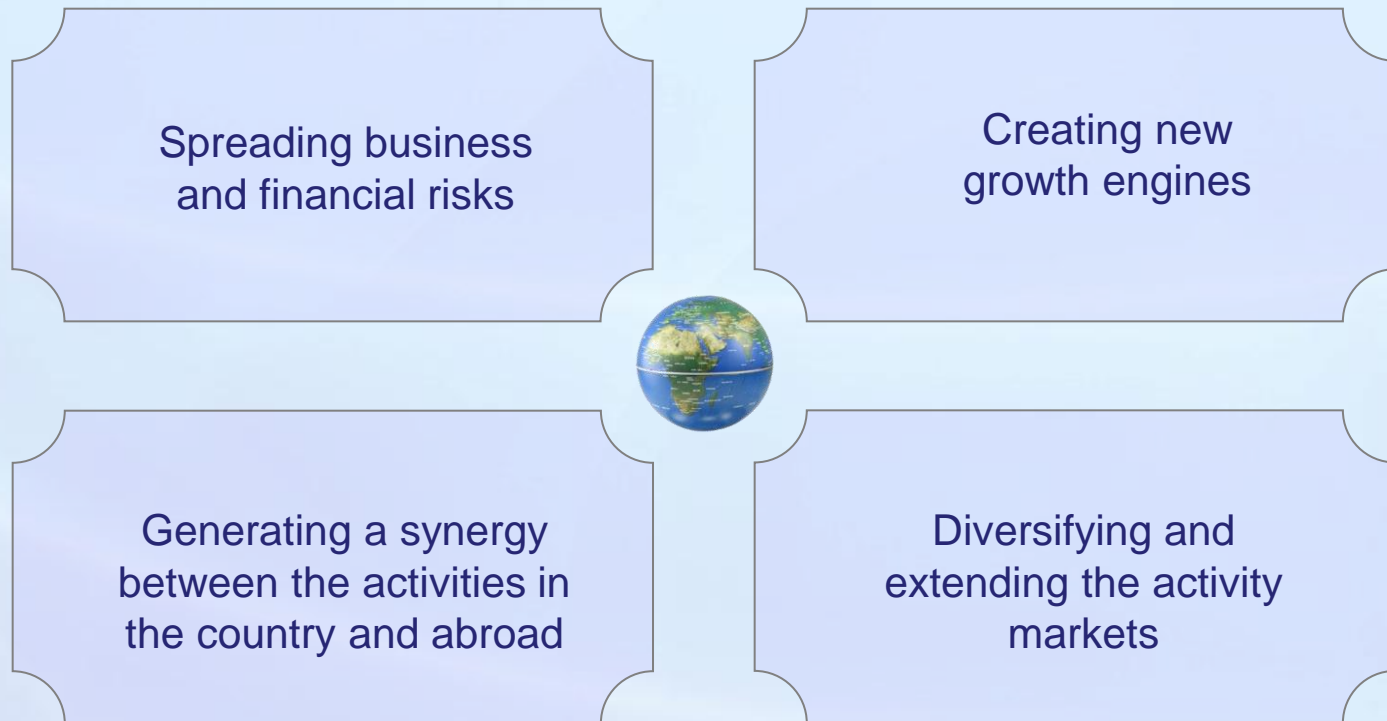


Aviation Links Ltd – Growth Engines

- ❖ The company's Web site and that combines the direct marketing and wholesale marketing.
- ❖ Software use of Odyssey Tour Operating system.
- ❖ The accessibility of BPRO ground services.
- ❖ Taking advantage of the great demand for rooms in hotels abroad by **purchasing hotels, while maximizing the synergy** with the company's activity and that by **exclusive marketing of the hotel projects** in the country and using the company's connections with tourism companies overseas for the purpose of marketing those same projects.
- ❖ Developing **business tourism abroad**
- ❖ Extending the activity of domestic tourism
- ❖ Events and conventions
- ❖ **Incoming tourism**



Aviation Links Ltd – Objectives of the International activity



Aviation Links Ltd – Major Balance sheet data

	2018	2019
Cash And Cash Equivalents	11,927	9,937
Securities	1,006	6,350
Account Receivable	22,479	28,423
Other Current Assets	18,606	21,676
	54,018	66,386
Assets due to employees' benefits, net	358	369
Deferred Taxes	*848	841
Investee companies	125	312
Long term deposit	73	73
Net Fixed assets	1,296	1,437
IFRS 16 assets	-	1,388
Goodwill	23,865	23,865
Other assets	2,416	1,764
	29,111	31,380
Total Assets	82,999	96,435

	2018	2019
Bank overdrafts	5,945	8,263
Current maturities of long - term loans from banks	1,825	1,825
Current Liabilities	12,439	15,014
Current Liabilities IFRS 16	-	771
Other Current Liabilities	28,879	32,519
	49,088	58,392
Financial liability due to acquisition of subsidiary	3,115	3,854
Long - term credit from banks	7,219	5,394
Long – term liabilities IFRS 16	-	640
Tax liability	498	341
	10,832	10,229
Pending liabilities Engagements and liens Euity	23,079*	27,814
Total Liabilities	82,999	96,435

Aviation Links Ltd – Financial Ratios

Cooperation Agreement with Africa-Israel Hotels Ltd. – Carrying out joint investments in hotel projects abroad, their management and marketing

YEAR	<u>2018</u>	<u>2019</u>
Current Ratio	1.1	1.2
Equity	27.9%	28.8%
Gross Profit	11.4%	12.6%
EBITDA(in thousand \$)	4,089	9,616

Aviation Links Ltd – Main Profit and Loss Data (in thousand \$)

	<u>2018</u>	<u>2019</u>
Revenues from sales and services	215,205	257,435
Gross profit	25,659*	32,407
Selling expenses	16,589*	17,803
General and administrative expenses	5,921	7,729
Profit (loss) before other expenses	3,149	6,875
Financial income (expenses)	1,321	1,170
Profit (loss) before tax	1,828	8,045
Profit (loss) for a period	<u>1,373</u>	<u>6,212</u>
Profit attributable to common shareholders	<u>607</u>	<u>2,919</u>



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