

eDreams ODIGEO

RESULTS PRESENTATION

1H FY25

19th November 2024

Disclaimer

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The financial information included in this presentation includes, in addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from the Group financial statements, alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5th October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"), including "Bookings", "Gross Bookings", "EBITDA", "Adjusted EBITDA", "Cash EBITDA", "Revenue Margin", "Cash Revenue Margin", "Cash Marginal Profit", "Prime ARPU" and "Variable Costs", which are not accounting measures as defined by IFRS. These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from the Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by the Group auditors.

We have presented these measures because we believe that they are useful indicators of our financial performance and our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate our business. However, these measures should not be used instead of, or considered as alternatives to, the unaudited condensed consolidated interim statements for the Group based on IFRS. Further, these measures may not be comparable to similarly titled measures disclosed by other companies.

For further details on the definition, explanation on the use of and calculation between APMs and Non-IFRS Measures please see the section 5 on "Alternative performance measures" of the Group's unaudited condensed consolidated interim financial statements and notes for the six months ended on 30th September 2024, published on 19th November 2024. The documents are available on the Company's website (https://www.edreamsodigeo.com).



1. Results Highlights

2. Prime model continues to drive very strong growth
3. Appendix
   a) eDO investment highlights
   b) Breakdown by segment and disaggregated Revenue Margin

1. eDO continues to show strong growth - Prime Cash Marginal Profit Margin(*) LTM up 9pp to 44%

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In 1H FY25 the strength of the Prime model drove significant growth and, as guided, improvements in profitability

- **Prime members(*)** grew 28% (in line with guidance) year-on-year reaching 6.5 million, with net adds(**) at 303k. We are on track to reach our 3.5 year self-imposed FY25 target. As a reminder we expect volatility on quarterly net adds(**).
- **Cash Marginal Profit(*)** stood at €131 million, up 20% year-on-year, and the margin had a 6pp improvement reaching 36.2% (in line with guidance).
- **Cash EBITDA(*)** stood at €81 million, up 28% year-on-year. **Cash EBITDA Margin(*)** had a 5pp improvement as well.
- **(Free) Cash Flow ex Non-Prime Working Capital(*)** stood at €42 million from €26 million in 1H FY24, a €16 million improvement year-on-year, up 61%.

Prime proven model continues to drive very strong growth, which more than offsets the anticipated declines in the Non-Prime side of business, and results in significant improvements in profitability

- **Prime Cash Revenue Margin(*)** grew by 18%, due to strong growth in members and, as guided, partially offset by a lower ARPU.
- **Prime Cash Marginal Profit(*)** grew 45%, and **Prime Cash Marginal Profit Margin(*)** had a 9pp improvement.
- **Prime Cash EBITDA(*)** grew even more as we start to leverage a more stable fixed costs base with strong top line growth, up 53% and the **Prime Cash EBITDA Margin(*)** expanded 8pp.

Outlook

- On track to meet our €180 million **Cash EBITDA(*) target; Prime members(*)** – in excess of 7.25 million; and generation of **(Free) Cash Flow ex Non-Prime Working Capital(*)** to over 90 million euros, more than doubling vs FY24. As guided in 1Q FY25, we expect to see better year-on-year comparatives in the second half of the fiscal year as we increase our member base and the maturity of our Prime members increases. Year-on year comparatives expected to be as follows:

	1H FY25	2H FY25	FY25
Prime Members(*) YoY Growth	**c. 28%**	**24%**	**24%**
Cash Marginal Profit Margin(*)	**c.36-37%**	**c.42-43%**	**c. 40%**

- **Share buy-back:** After the successful completion on the 13th September of the share buy-back eDO has enough treasury shares to fund its LTIP deliveries until FY27. The Board has approved a new daily repurchase program with a maximum monetary amount of up to €50 million. The maximum number of shares to be acquired is 7.8 million, of which 3.4 million shares will be used to fulfil the Company's obligations under the FY28 LTIP and the remaining shares will be redeemed.
- **Longer term** – eDO has strong fundamental growth potential beyond FY25, being significantly under-penetrated in main markets.
- **Save the Date** - eDO Capital Markets Day - On Friday, 31st January 2025, in Barcelona (Spain). **RSVP** at investors@edreamsodigeo.com

(*) Definitions of Non-GAAP measures on page 25-27
(**) Net adds: Gross adds - churn



2.

Prime model continues to drive very strong growth

3. Appendix

a) eDO investment highlights

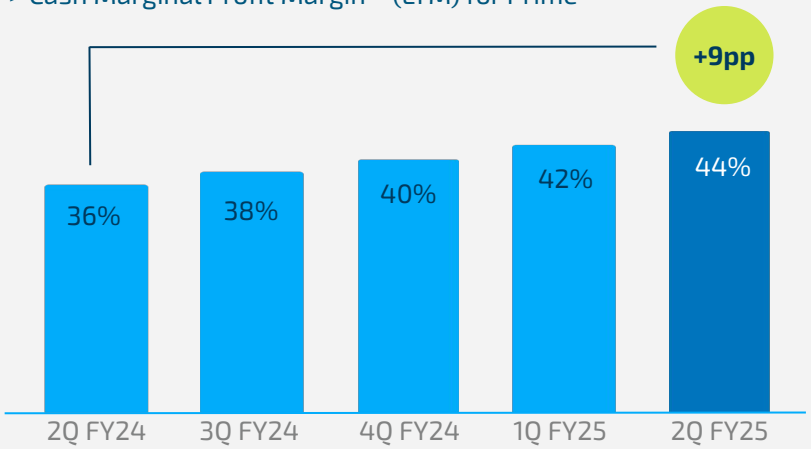
b) Breakdown by segment and disaggregated Revenue Margin

2. Prime delivers significant uplift in profit margins as the Prime members(*) base matures

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PRIME CASH MARGINAL PROFIT MARGIN(*) CONTINUES TO IMPROVE AS MATURITY OF PRIME MEMBERS(*) INCREASES

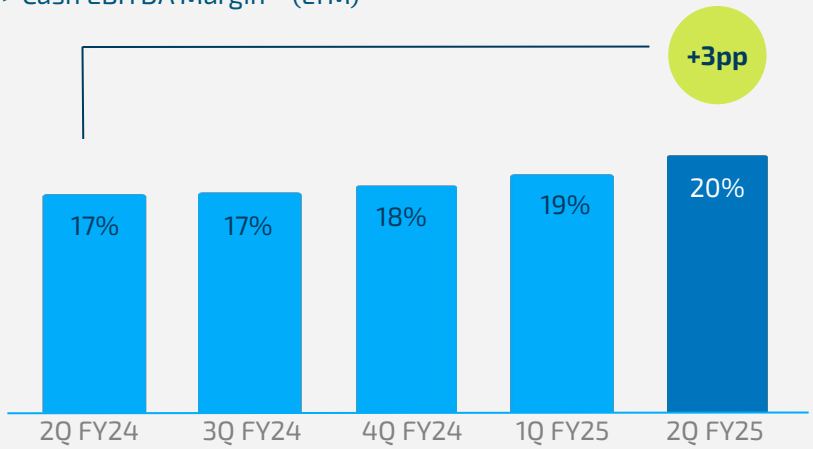
> Cash Marginal Profit Margin(*) (LTM) for Prime



Source: Company data.

CASH EBITDA MARGIN(*) IMPROVED AS A RESULT OF THIS MATURITY

> Cash EBITDA Margin(*) (LTM)



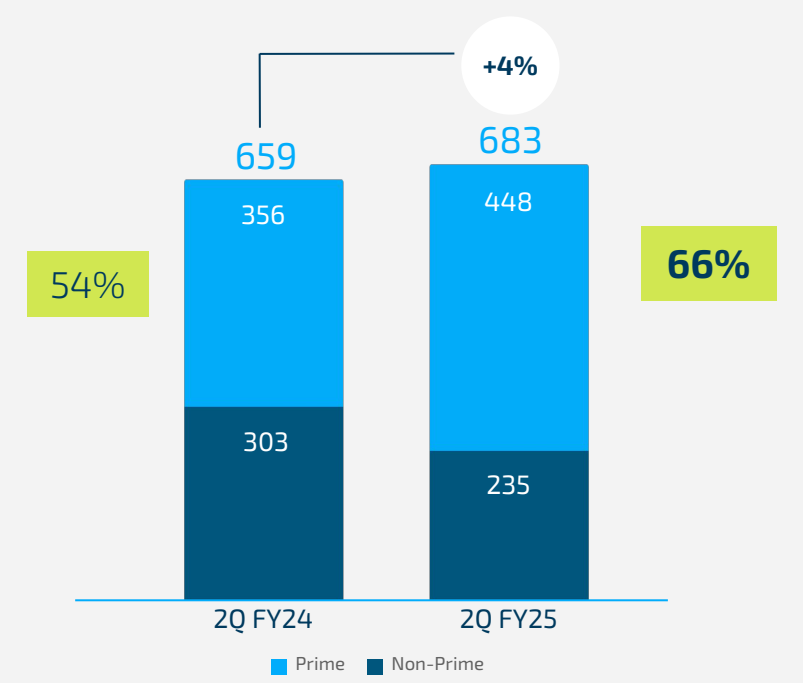
Source: Company data.

(*) Definitions of Non-GAAP measures on page 25-27

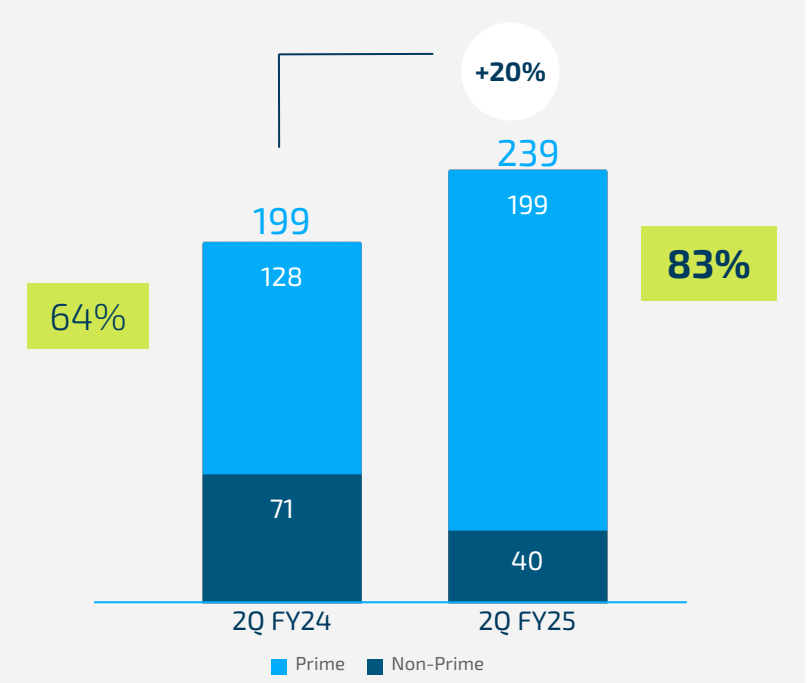
2. eDO is a subscription business focused on travel. Prime strong growth more than offsets the anticipated declines in the Non-Prime side of the business.

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> Cash Revenue Margin(*) (LTM) (€M)



> Cash Marginal Profit(*) (LTM) (€M)



Prime weight of total

(*) Definitions of Non-GAAP measures on page 25-27

2. Strong growth in Cash EBITDA(*) and substantial improvement in margins as the maturity of Prime members(*) increases

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> P&L with increase in Prime deferred revenue

(In euro million)	2Q FY25	Var. FY25 vs. FY24	2Q FY24	1H FY25	Var. FY25 vs. FY24	1H FY24
Revenue Margin(*) (excl. Adj. Revenue Items)(**)	167.8	*(1%)*	169.5	327.9	*-%*	327.0
Incr. Prime deferred revenue(*)	19.9	*11%*	18.0	33.3	*22%*	27.4
Cash Revenue Margin(*)	187.7	*-%*	187.5	361.2	*2%*	354.4
Variable costs(*)	(116.9)	*(10%)*	(130.5)	(230.3)	*(6%)*	(245.5)
Cash Marginal Profit(*)	70.8	*24%*	56.9	130.8	*20%*	108.9
Fixed costs(*)	(25.7)	*13%*	(22.9)	(49.7)	*10%*	(45.4)
Cash EBITDA(*)	45.1	*32%*	34.1	81.1	*28%*	63.5
Incr. Prime deferred revenue(*)	(19.9)	*11%*	(18.0)	(33.3)	*22%*	(27.4)
Adjusted EBITDA(*)	25.2	*56%*	16.1	47.8	*32%*	36.1
Adjusted items(*)	(5.2)	*22%*	(4.2)	(9.0)	*N.A.*	0.8
EBITDA(*)	20.0	*69%*	11.9	38.8	*5%*	36.9

(*) Definitions of Non-GAAP measures on page 25-27
(**) Excluding in 1H FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 6 and section 5. Alternative Performance Measures of the unaudited condensed consolidated interim financial statements).

Highlights 1H FY25

1. Cash Revenue Margin(*) is 2% above 1H FY24. Cash Marginal Profit(*) and Cash EBITDA(*) improved 20% and 28% respectively between 1H FY24 and 1H FY25. As a greater percentage of Prime members(*) move from year 1 to year 2+, our Cash Marginal Profit(*) and Cash EBITDA(*) improve.
2. As guided, the maturity of Prime members (*) is the most important driver for profitability. This has resulted in strong improvements in profit as we have more and more Prime members (*) renewing their membership.
3. Cash Marginal Profit Margin(*) increased to 36.2% in 1H FY25 from 30.7% in 1H FY24, a 6pp improvement. Cash EBITDA Margin(*) in 1H FY25, also achieved very substantial improvements and stood at 22.5% vs. 17.9% in 1H FY24.
4. Cash EBITDA(*) stood at €81.1 million in 1H FY25, up 28% year-on-year.

2. Income Statement

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(In euro million)	2Q FY25	Var. FY25 vs. FY24	2Q FY24	1H FY25	Var. FY25 vs. FY24	1H FY24
Revenue Margin(*) (excl. Adj. Revenue Items)(**)	167.8	(1%)	169.5	327.9	-%	327.0
Variable costs(*)	(116.9)	(11%)	(130.5)	(230.3)	(6%)	(245.5)
Fixed costs(*)	(25.7)	13%	(22.9)	(49.7)	10%	(45.4)
Adjusted EBITDA(*)	25.2	56%	16.1	47.8	32%	36.1
Adjusted items(*)	(5.2)	22%	(4.2)	(9.0)	N.A.	0.8
EBITDA(*)	20.0	69%	11.9	38.8	5%	36.9
D&A incl. impairment	(10.7)	14%	(9.4)	(21.2)	13%	(18.6)
EBIT(*)	9.4	276%	2.5	17.6	(3%)	18.3
Financial result	(6.2)	(9%)	(6.8)	(13.1)	(9%)	(14.4)
Income tax	(0.7)	(52%)	(1.4)	(3.2)	(42%)	(5.4)
Net income	2.5	N.A.	(5.7)	1.3	N.A.	(1.6)
Adjusted net income(*), (***)	5.5	N.A.	(3.1)	8.1	N.A.	(2.0)

(*) Definitions of Non-GAAP measures on page 25-27
(**) Excluding in 1H FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 6 and section 5. Alternative Performance Measures of the unaudited condensed consolidated interim financial statements).
(***) Difference between net income and adjusted net income includes adjusted items (see section 1.6. of 5. Alternative Performance Measures of the unaudited condensed consolidated interim financial statements).

Highlights 1H FY25

1. **Revenue Margin(*)** excluding adjusted revenue items(**) reached €327.9 million in line with last year. The strong growth of Prime Revenue Margin(*), which grew by 17% due to growth in Prime members(*), was partially offset, as guided, by a lower ARPU. This growth in Prime Revenue Margin(*) as anticipated was partly offset by the Non-Prime Revenue Margin(*), which decreased 21% vs. 1H FY24, due to the switch of our customers from Non-Prime to Prime and more generally to the focus on the Prime side of the business.
2. **Variable costs(*)** decreased by 6%, despite Revenue Margin(*) is in line with 1H FY24 , as the increase in maturity of Prime members(*) reduces acquisition costs.
3. **Fixed costs(*)** increased by €4.3 million, mainly driven by higher personnel costs and to a lower extent higher IT costs.
4. **Adjusted items(*)** changed by €9.8 million primarily due to the €7.9 million of Prime Revenue registered by the Group as a result of a change in estimation during 1H FY24.
5. **D&A and impairment** increased by €2.5 million mainly due to the amortisation of the newly capitalised items, partially offset by lower amortisation due to higher fully amortised items.
6. **Financial loss** decreased by €1.3 million, mainly due to the less negative impact of FX.
7. **Income tax** decreased from an expense of €5.4 million in 1H FY24 to an expense of €3.2 million in 1H FY25 due to (a) a higher provision for Italian tax contingency, (b) recognition higher DTA for prior year tax losses, (c) higher UK tax expenses due to higher taxable profits of the UK company and (d) other differences.

2. Cash Flow Statements

(In euro million)	2Q FY25	2Q FY24	1H FY25	1H FY24
Adjusted EBITDA(*)	**25.2**	**16.1**	**47.8**	**36.1**
Adjusted items(*)	(5.2)	(4.2)	(9.0)	0.8
Non-cash items	4.3	2.7	7.8	7.8
Change in working capital	(26.2)	41.0	(19.4)	31.7
Income tax (paid)/collected	(0.4)	(0.2)	(0.5)	(2.8)
Cash flow from operating activities	**(2.3)**	**55.4**	**26.6**	**73.7**
Cash flow from investing activities	**(12.7)**	**(12.2)**	**(27.5)**	**(23.0)**
Cash flow before financing	**(15.1)**	**43.1**	**(0.8)**	**50.7**
Acquisition of treasury shares	(31.4)	-	(36.2)	-
Cost associated to acquisition of treasury shares	(0.3)	-	(0.3)	-
Other debt issuance/(repayment)	(0.7)	(0.5)	(1.4)	(4.9)
Financial expenses (net)	(10.6)	(10.9)	(11.4)	(11.8)
Cash flow from financing	**(43.1)**	**(11.5)**	**(49.3)**	**(16.7)**
Net increase/(decrease) in cash before bank overdraft	**(58.1)**	**31.7**	**(50.1)**	**34.0**
Bank overdrafts usage/ (repayment)	-	-	-	(3.9)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	**(58.1)**	**31.7**	**(50.1)**	**30.1**

Highlights 1H FY25

1. **Net cash from operating activities decreased by €47.0 million, mainly reflecting:**
   - Working capital outflow of €19.4 million compared to an inflow of €31.7 million in 1H FY24 driven by a meaningful reduction in the average basket value between June and September 2024 and a seasonal reduction in payables due to hoteliers, partially compensated by an increase in volumes between June and September 2024.
   - Income tax paid decreased by €2.3 million from €2.8 million income tax paid in 1H FY24 to €0.5 million income tax paid in 1H FY25 due to (a) lower prepayment Italian income tax, (b) refund of US overpaid tax and (c) other differences.
   - Adjusted EBITDA(*) increased to €47.8 million from €36.1 million in 1H FY24.
   - Non-cash items: items accrued but not yet paid were in line with 1H FY24.
2. **We have used cash for investments** of €27.5 million in 1H FY25, an increase of €4.5 million, mainly due to an increase in software that was capitalised.
3. **Cash used in financing** amounted to €49.3 million, compared to €16.7 million from financing activities in 1H FY24. The variation of €32.6 million in financing activities mainly relates to the acquisition of treasury shares for €36.2 million during 1H FY25 offset by the payment done in 1H FY24 of the Government sponsored loan for €3.8 million.

Source: Unaudited condensed consolidated interim financial statements
(*) Definitions of Non-GAAP measures on page 25-27

2. On track to meet FY25 targets

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eDO FY25 TARGETS

> We expect to see better year-on-year comparatives in the second half of the fiscal year as we increase our member base and the maturity of our Prime members increases



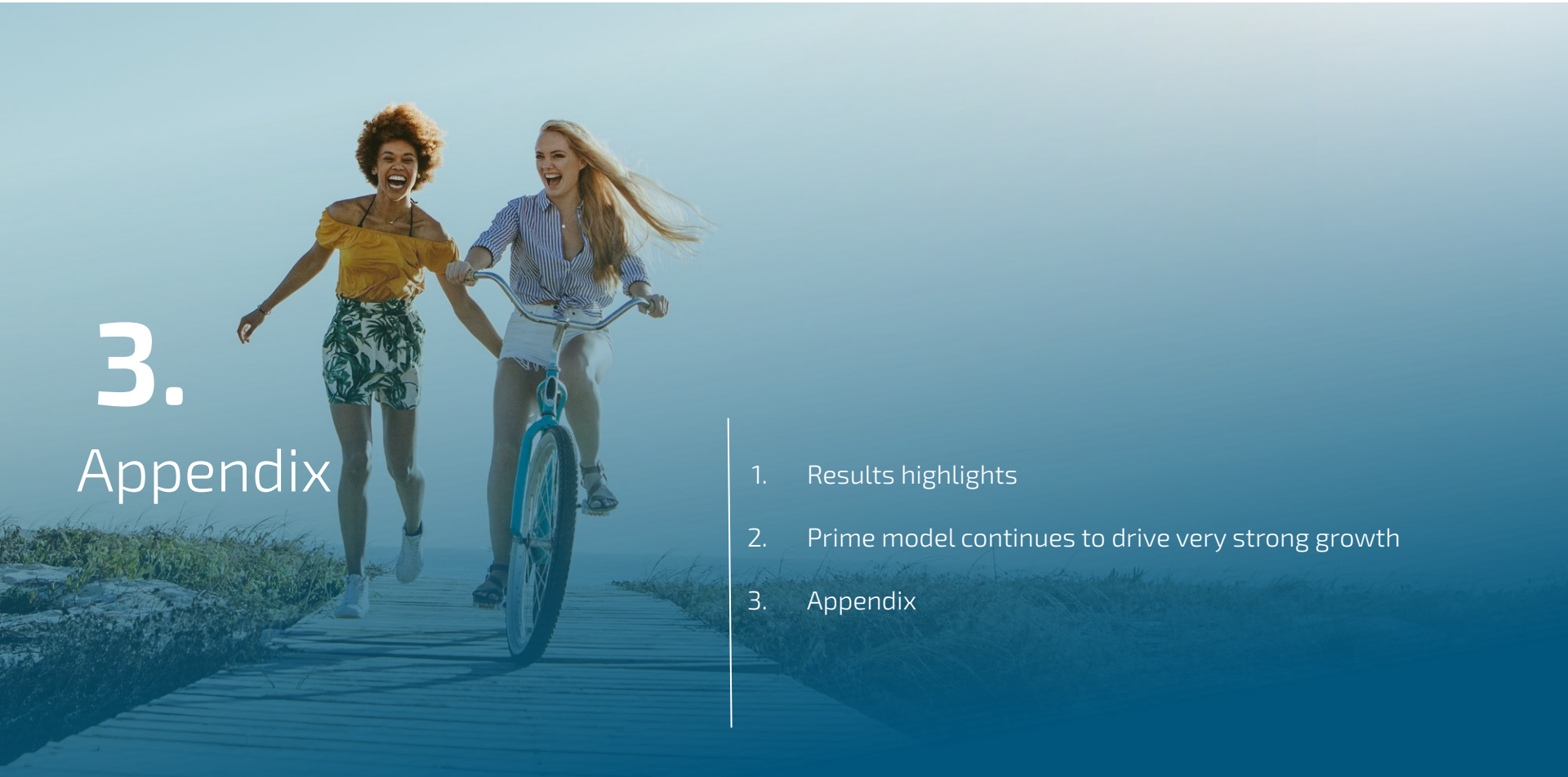
Prime Members(*)

>7.25M

Cash EBITDA(*)

>180M

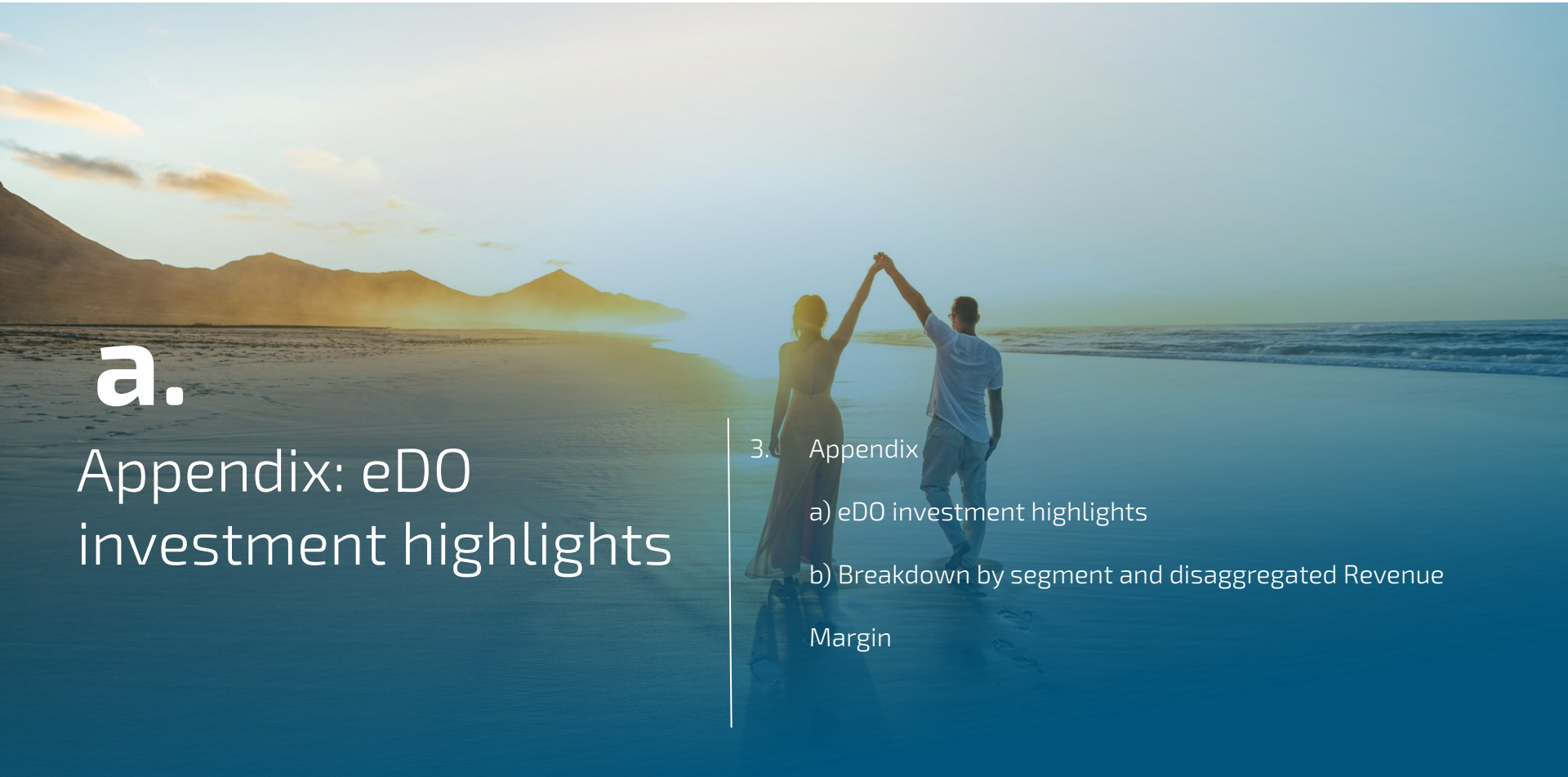
(*) Definitions of Non-GAAP measures on page 25-27



3.

Appendix

1. Results highlights
2. Prime model continues to drive very strong growth
3. Appendix



a.

Appendix: eDO investment highlights

3. Appendix

   a) eDO investment highlights

   b) Breakdown by segment and disaggregated Revenue Margin

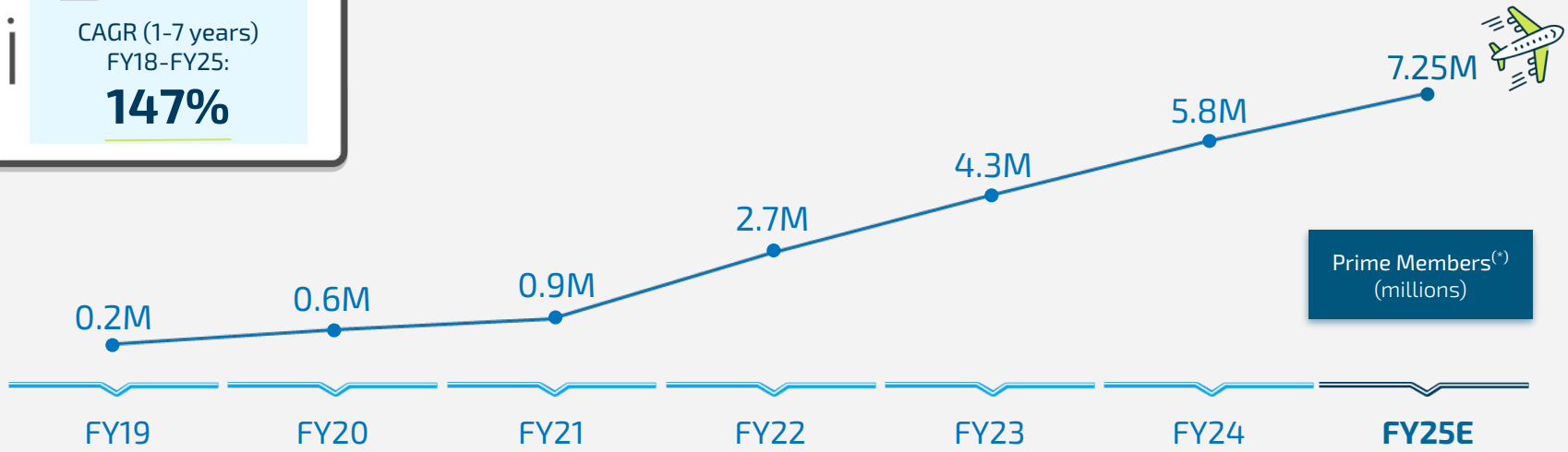
2. eDO has one of the fastest paid-members growth among subscription companies across all industries

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SUBSCRIPTION eDreamsPrime

CAGR (1-7 years) FY18-FY25:

147%



> CAGR of paid members in the first 7 years of operation

COSTCO WHOLESALE **10%** CAGR (1-7 Years)

NETFLIX **52%** CAGR (1-7 Years)

Spotify **106%** CAGR (1-7 Years)

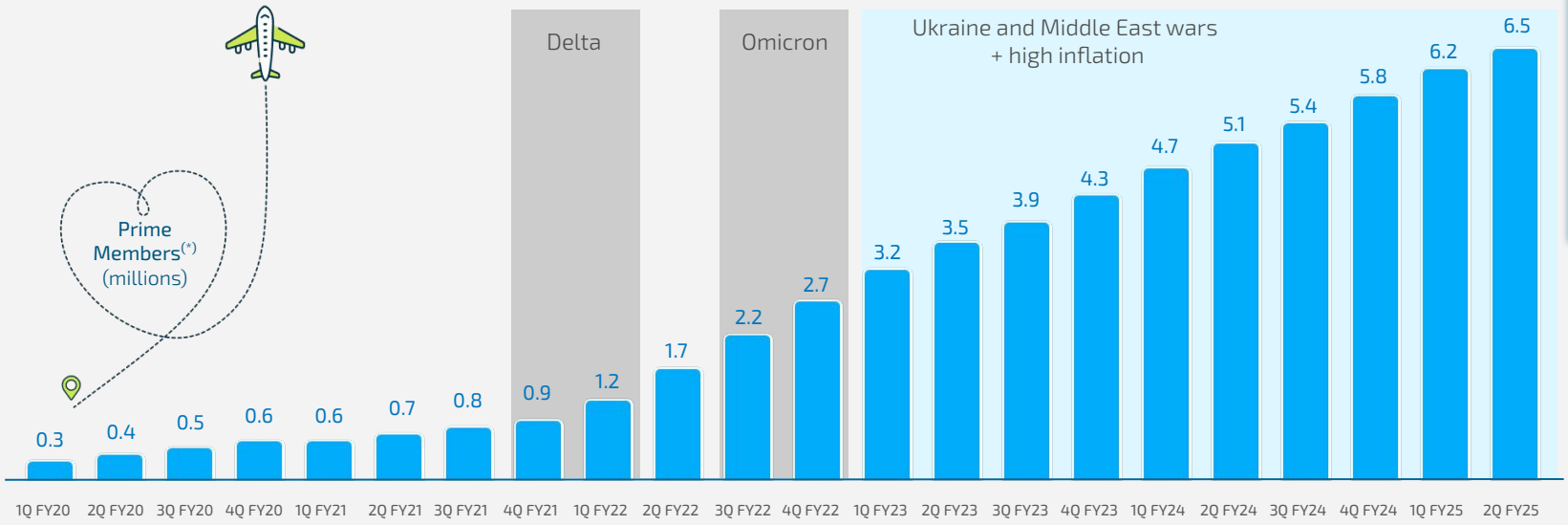
Source: Company data and Costco, Netflix and Spotify corporate websites
(*) Definitions of Non-GAAP measures on page 25-27.

a. eDO has demonstrated its ability to capture new customers

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> More than 3 million new members over the last 2 year

> Growth in Prime Members(*)



Share of new Customers(*) within Prime members (**)

71%

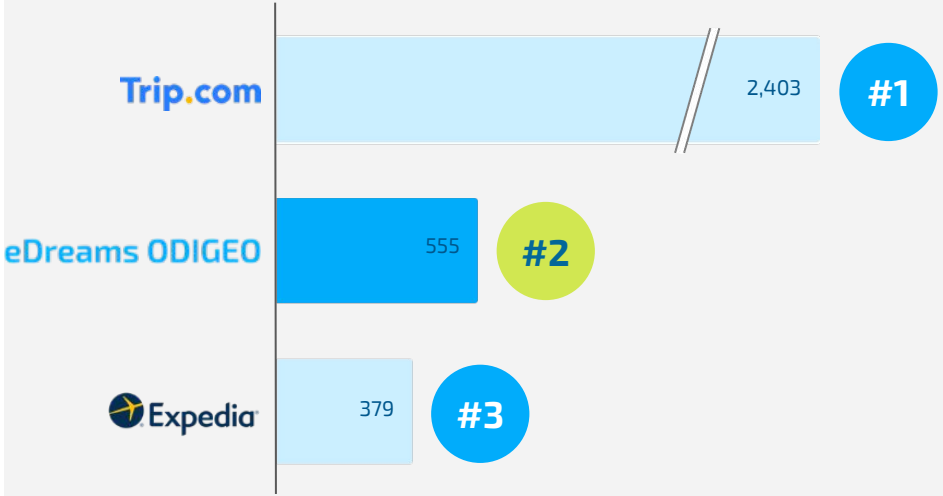
Source: Company data
(*) Definitions of Non-GAAP measures on page 25-27.
(**) New customers who have not booked on eDreams in the last 36 months to March 2024.

a. Within travel, eDO is the global flight leader, ex China

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#2 PLAYER IN FLIGHT GLOBALLY

> Global flight revenue CY2023 (€M)





Source: Company data, Cash Revenue Margin for eDO. Financial Releases published by Trip.com and Expedia

a. In pole position in the fast-growing leisure market

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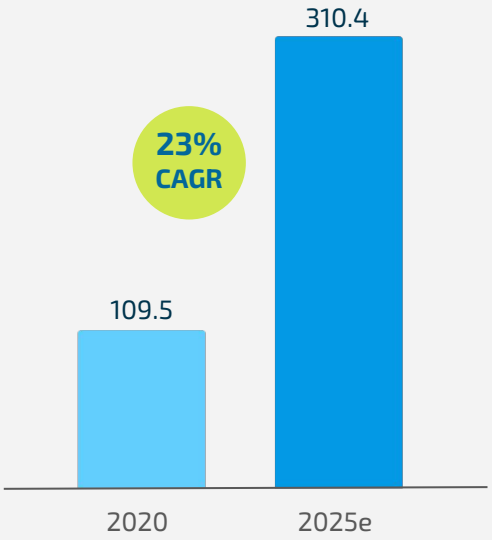
> Sizeable market and one of the largest e-commerce verticals

€1.8Tn

Worldwide travel market, 2024e

ATTRACTIVE GROWTH PROSPECTS AFTER THE PANDEMIC

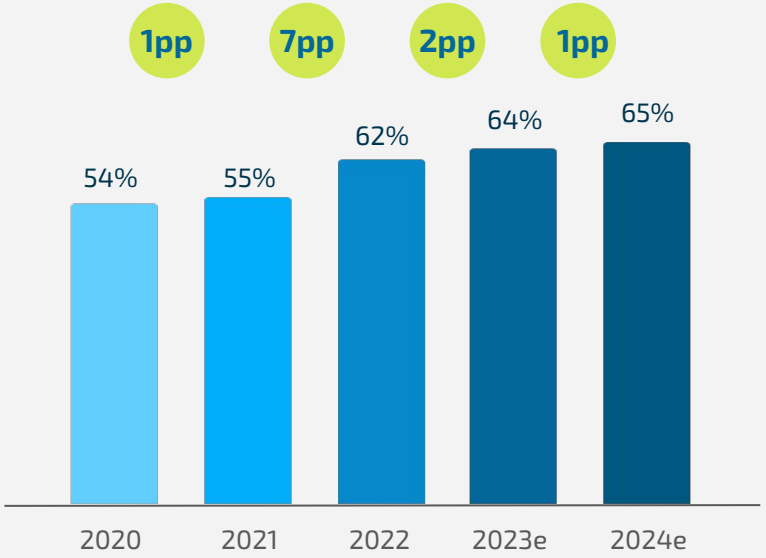
> European Leisure Travel Market Size (€Bn)



Source: Phocuswright

eDO IS POSITIONED IN THE RIGHT SEGMENTS (ONLINE AND LEISURE)

> European Leisure Travel Market Online penetration (% over total gross Bookings(*))



Source: Phocuswright

Source: Statista. Worldwide; IBISWorld; 2013 to 2022
(*) Definitions of Non-GAAP measures on page 25-27.

a. eDO is unique in terms of profitability and growth

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> Rule of 40 - Ranking leading subscription and OTA companies

		Satisfy Rule of 40
eDO	46%	✓
Booking Holding	45%	✓
Netflix	42%	✓
Amazon	34%	X
Tripadvisor	33%	X
Expedia	31%	X
Spotify	24%	X
Hello Fresh	11%	X
Avg. OTAs[1]	38%	X
Avg. B2C Subscription[2]	36%	X



(1) Companies included: Booking Holding, Trip.com, Despegar, Expedia, lastminute.com and On the Beach.
(2) Companies included: Amazon, Netflix, Spotify, Bumble, Duolingo, Hello Fresh, Peloton, Dropbox and Wix.

Source: Bloomberg consensus estimates for peers and Company data and FY25 targets for eDO (Cash metrics).

a. eDreams ODIGEO, a recognised leader in AI in Europe: Always being a step ahead

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We have a proven track record of leadership in AI in travel since 2014…

2014
Establishing one of the first in-house AI teams in the travel industry - pioneering one of the first truly AI driven fraud prevention systems.

2015
Adopting an AI first strategy, setting up our own in-house research and development team to build out our bespoke AI platform and making AI available to all teams.

2016
Adopting AI driven personalisation at individual customer level at scale.

2017
At-scale deployment of a proprietary reinforcement learning algorithm in combination with generic algorithms and multi-objective optimisations to power pricing.

2019
Early adopter of a proprietary Generative AI platform to generate unique itineraries for our customers. Today Generative AI is an integral part of our AI toolbox and is being leveraged in additional use cases.

2020 2022
Deployed Natural Language capabilities in Customer Service to drive the best experience for our customers.

Leveraging proprietary AI frameworks to design, measure, and optimise performance marketing campaigns.

2023
Recognised leader among AI-led companies globally.

AI deployed across the entire company, including even in HR.

Working with Google Cloud to pioneer new developments in generative AI.

2024
Developing in-house AI Agents and Copilot tools powered by Generative AI, leveraging both own open source LLMs and state of the art available LLMs.
Strengthening our technical collaboration with Google in the areas of distributed training capabilities of large AI models and distributed data architectures

… and this is being recognised in the industry



> We are thrilled to have eDreams ODIGEO innovate with our generative AI tools. eDreams ODIGEO is a global reference in e-commerce, beyond travel, and knows how to best grow its customers' experience with technology. Google Cloud

2. On track to meet FY25 targets

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eDO FY25 TARGETS

Prime Members(*)

>7.25M

Cash EBITDA(*)

>180M



(*) Definitions of Non-GAAP measures on page 25-27

a. eDO has from FY25 onwards strong fundamental growth potential

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b.

Appendix: Breakdown by segment and disaggregated Revenue Margin

3. Appendix

a) eDO investment highlights

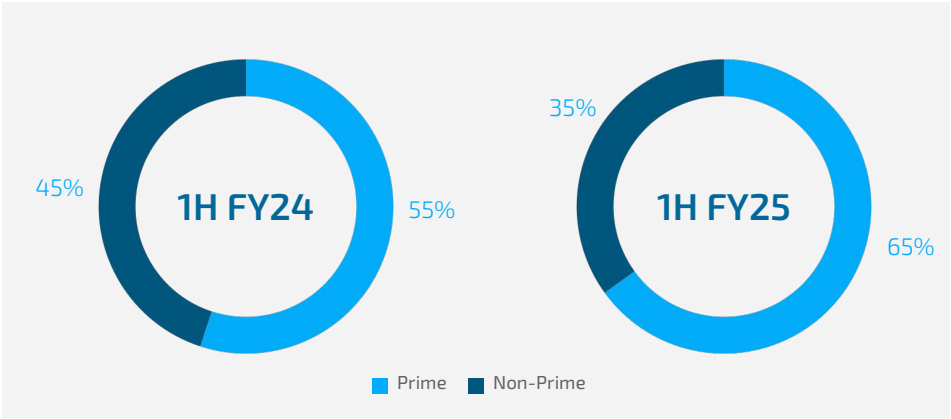
b) Breakdown by segment and disaggregated Revenue Margin

b. Prime strong growth more than offsets the anticipated declines in the Non-Prime side of the business

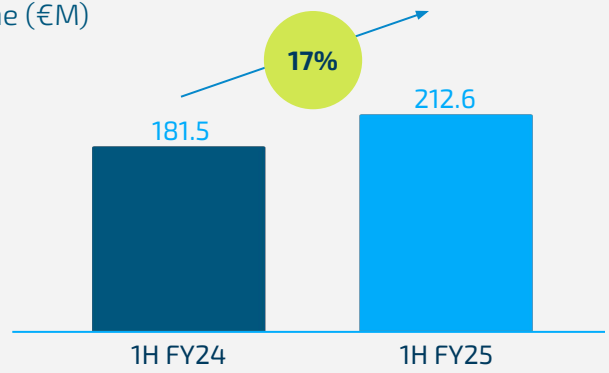
eDreams ODIGEO

> Revenue Margin(*) (excl. Adjusted Revenue Items)(**)

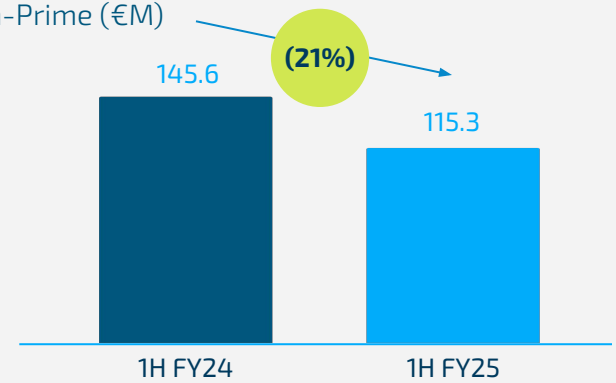
(In euro million)	1H FY25	Var. FY25 vs. FY24	1H FY24
Prime	212.6	17%	181.5
Non- Prime	115.3	(21%)	145.6
Total	**327.9**	**-%**	**327.0**



> Prime (€M)



> Non-Prime (€M)



(*) Definitions of Non-GAAP measures on page 25-27.

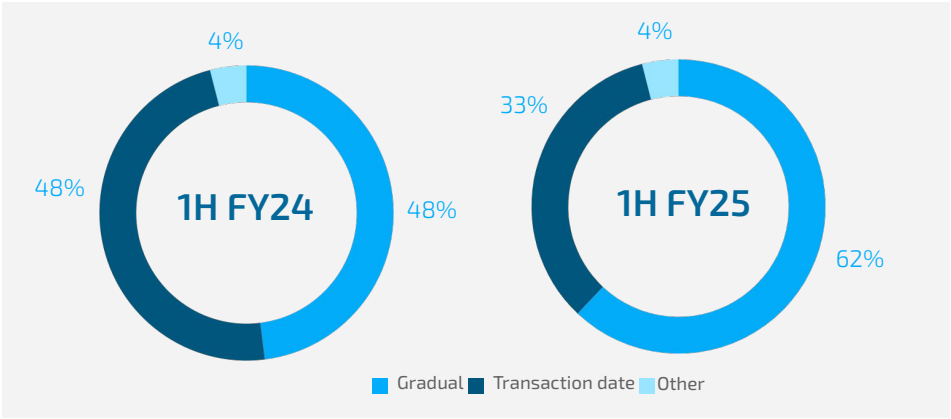
(**) Excluding in 1H FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 6 and section 5. Alternative Performance Measures of the unaudited condensed consolidated interim financial statements).

b. Prime strong Gradual Revenue, driven by Prime, main driver for growth

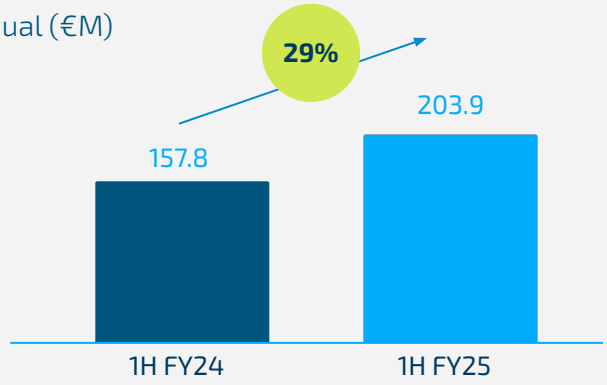
eDreams ODIGEO

> Revenue Margin(*) (excl. Adjusted Revenue Items)(**)

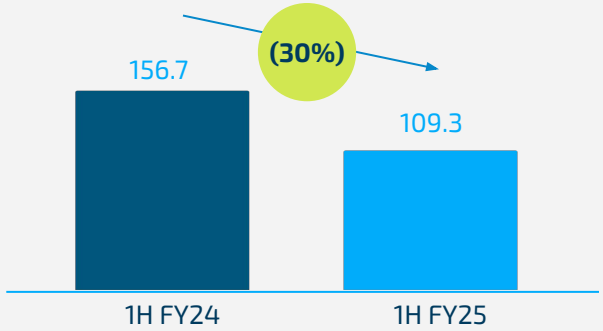
(In euro million)	1H FY25	Var. FY25 vs. FY24	1H FY24
Gradual	203.9	*29%*	157.8
Transaction date	109.3	*(30%)*	156.7
Other	14.7	*17%*	12.5
Total	**327.9**	**-%**	**327.0**



> Gradual (€M)



> Transaction date (€M)



(*) Definitions of Non-GAAP measures on page 25-27.

(**) Excluding in 1H FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 6 and section 5. Alternative Performance Measures of the unaudited condensed consolidated interim financial statements).

Glossary of definitions

Non-reconcilable to GAAP measures

1. Gross Bookings refers to the total amount paid by customers for travel products and services booked through or with the Group (including the part that is passed on to, or transacted by, the travel supplier), including taxes, service fees and other charges and excluding VAT. Gross Bookings include the gross value of transactions. It also includes transactions made under white label arrangements and transactions where the Group acts as a "pure" intermediary, whereby the Group serves as a click-through and passes the reservations made by the customer to the relevant travel supplier. Gross Bookings provide to the reader a view about the economic value of the services that the Group mediates.

Reconcilable to GAAP measure:

2. Adjusted EBITDA means operating profit / loss before depreciation and amortisation, impairment and profit / loss on disposals of non-current assets, as well as adjusted items corresponding to certain share-based compensation, restructuring expenses and other income and expense items which are considered by Management to not be reflective of the Group's ongoing operations. Adjusted EBITDA provides to the reader a better view about the ongoing EBITDA generated by the Group.
3. Adjusted EBITDA Margin means Adjusted EBITDA divided by Revenue Margin.
4. Adjusted EBITDA per Booking (Non-Prime) means Adjusted EBITDA of the Non-Prime segment divided by the number of Non-Prime Bookings. See definitions of "Adjusted EBITDA" and "Non- Prime Bookings".
5. Adjusted Items refers to share-based compensation, restructuring expenses and other income and expense items as well as exceptional revenue items which are considered by Management to not be reflective of the Group's ongoing operations. It corresponds to the sum of adjusted personnel expenses, adjusted operating (expenses) / income and Adjusted Revenue items. Adjusted personnel expenses refers to adjusted items that are included inside personnel expenses
    a. Adjusted operating (expenses) / income refers to adjusted items that are included inside other operating expenses.
    b. Adjusted Revenue items refers to adjusted items that are included inside revenue.
6. Adjusted Net Income means the IFRS net income less certain share-based compensation, restructuring expenses and other income and expense items which are considered by Management to not be reflective of the Group's ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.
7. Capital Expenditure ("CAPEX") represents the cash outflows incurred during the period to acquire non-current assets such as property, plant and equipment, certain intangible assets and capitalisation of certain development IT costs, excluding the impact of any business combination. It provides a measure of the cash impact of the investments in non-current assets linked to the ongoing operations of the Group.
8. Cash EBITDA means "Adjusted EBITDA" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on a gradual method. Cash EBITDA provides to the reader a view of the sum of the ongoing EBITDA and the full Prime fees generated in the period. The Group's main sources of financing (the 2027 Notes and the SSRCF) consider Cash EBITDA as the main measure of results and the source to meet the Group's financial obligations. Additionally, under the SSRCF, the Group is subject to the Adjusted Gross Leverage Financial Covenant, that is a Financial Covenant based on Gross Financial Debt divided by Cash EBITDA, further adjusted by certain corrections. Cash EBITDA for Prime refers to the Cash EBITDA of the Prime segment.
9. Cash EBITDA Margin means Cash EBITDA divided by Cash Revenue Margin. Cash EBITDA Margin is shown both for Prime / Non-Prime segments.
10. Cash Marginal Profit means "Marginal Profit" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on a gradual method. Cash Marginal Profit provides a measure of the sum of the Marginal Profit and the full Prime fees generated in the period. Cash Marginal Profit for Prime refers to the Cash Marginal Profit of the Prime segment.
11. Cash Marginal Profit Margin means Cash Marginal Profit divided by Cash Revenue Margin. See definitions of "Cash Marginal Profit" and "Cash Revenue Margin". Cash Marginal Profit Margin is shown both for Prime / Non-Prime segments.

Glossary of definitions

12. Cash Revenue Margin means "Revenue Margin" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on a gradual method. Cash Revenue Margin provides a measure of the sum of the Revenue Margin and the full Prime fees generated in the period. Cash Revenue Margin for Prime refers to the Cash Revenue Margin of the Prime segment.
13. EBIT means operating profit / loss. This measure, although it is not specifically defined in IFRS, is generally used in the financial markets and is intended to facilitate analysis and comparability.
14. EBITDA means operating profit / loss before depreciation and amortisation, impairment and profit / loss on disposals of non-current assets. This measure, although it is not specifically defined in IFRS, is generally used in the financial markets and is intended to facilitate analysis and comparability.
15. Fixed Costs includes IT expenses net of capitalisation write-off, personnel expenses which are not Variable Costs, external fees, building rentals and other expenses of fixed nature. The Group's Management believes the presentation of Fixed Costs may be useful to readers to help understand its cost structure and the magnitude of certain costs that it has the ability to reduce in response to changes affecting the number of transactions processed.
16. (Free) Cash Flow before financing means cash flows from operating activities plus cash flows from investing activities. The Group believes that this measure is useful as it provides a measure of the underlying cash generated by the Group before considering the impact of debt instruments.
17. (Free) Cash Flow ex Non-Prime Working Capital means Cash EBITDA and adjusted for cash flows from investing activities, tax payments and interest payments (normalised interest payments, excluding one-offs linked to refinancing). The Group believes this measure is useful as it provides a simplified overview of the cash generated by the Group from activities needed to conduct business and mainly before equity / debt issuance and repayments. This measure does not include changes in working capital other than the variation of the Prime deferred liability as management believes it may reflect cash that is temporary and not necessarily associated with core operations
18. Gross Financial Debt or Gross Debt means total financial liabilities including financing cost capitalised (regardless of whether these costs are classified as liabilities or assets) plus accrued interests pending to be paid and bank facilities and bank overdrafts. It includes both non-current and current financial liabilities. This measure offers to the reader a global view of the Financial Debt without considering the payment terms. See section "Reconciliation of APMs", subsection "3.1. Gross Financial Debt and Net Financial Debt".
19. Gross Leverage Ratio means the total amount of outstanding Gross Financial Debt on a consolidated basis divided by "Cash EBITDA". This measure offers to the reader a view about the capacity of the Group to generate enough resources to repay the Gross Financial Debt. Management considers that Gross Leverage Ratio calculated based on Cash EBITDA provides a more accurate view of the capacity to generate resources to repay its debt. The Group's main sources of financing (the 2027 Notes and the SSRCF) consider Cash EBITDA as the main measure of results and the source to meet the Group's financial obligations. Additionally, under the SSRCF the Group is subject to the Adjusted Gross Leverage Financial Covenant, that is a Financial Covenant based on Gross Financial Debt divided by Cash EBITDA, further adjusted by certain corrections.
20. Liquidity position means the total amount of cash and cash equivalents, and remaining cash available under the SSRCF. This measure provides to the reader a view of the cash that is available to the Group.
21. Marginal Profit means "Revenue Margin" less "Variable Costs". It is the measure of profit that Management uses to analyse the results by segments. Marginal profit excludes Adjusted Revenue items for APM purposes.
22. Marginal Profit per Booking (Non-Prime) means Marginal Profit of the Non-Prime segment divided by the number of Non-Prime Bookings. See definitions of "Marginal Profit" and "Non-Prime Bookings".
23. Net Financial Debt or Net Debt means "Gross Financial Debt" less "cash and cash equivalents". This measure offers to the reader a global view of the Financial Debt without considering the payment terms and reduced by the effects of the available cash and cash equivalents to face these future payments.

Glossary of definitions

24. Net Leverage Ratio means the total amount of outstanding Net Financial Debt on a consolidated basis divided by "Cash EBITDA". This measure offers to the reader a view about the capacity of the Group to generate enough resources to repay the Net Financial Debt, also considering the available cash in the Group. Management considers that Net Leverage Ratio calculated based on Cash EBITDA provides a more accurate view of the capacity to generate resources to repay its debt. The Group's main sources of financing (the 2027 Notes and the SSRCF) consider Cash EBITDA as the main measure of results and the source to meet the Group's financial obligations
25. Prime ARPU means the Cash Revenue Margin generated from Prime users on a last twelve months basis. It is calculated considering all the Cash Revenue Margin elements linked to the bookings done by Prime members (such as, but not limited to, the Prime fees collected, GDS incentives, commissions, ancillary services, etc.) divided by the average number of Prime members during the same period. Management considers this is a relevant measure to follow the Prime performance. As Prime is a yearly programme, this measure is calculated on a last twelve months basis.
26. Revenue Margin means the IFRS revenue less cost of supplies. The Group's Management uses Revenue Margin to provide a measure of its revenue after reflecting the deduction of amounts payable to suppliers in connection with the revenue recognition criteria used for products sold under the principal model (gross value basis). Accordingly, Revenue Margin provides a comparable revenue measure for products, whether sold under the agency or principal model. The Group used to act under the principal model in regards to the supply of hotel accommodation. Currently, the Group only offers hotel intermediation services, therefore no cost of supply is registered and Revenue and Revenue Margin are of equal amounts. Prime Revenue Margin refers to the Revenue Margin of the Prime segment.

    Revenue Margin is split into the following categories:

    a. Gradual - represents revenue which is recognised gradually over the period of the service agreement and mostly relates to recognised subscription fees, the service of Cancellation for any reason and Flexiticket and airlines overcommissions.
    b. Transaction Date - represents revenue which is recognised at booking date and mostly relates to service fees, ancillaries, insurance, incentives (other than airlines overcommissions) and other fees.
    c. Other- is a residual category and mainly relates to advertising and metasearch revenue, tax refunds and other fees.
27. Revenue Margin per Booking (Non-Prime) means Revenue Margin of the Non-Prime segment divided by the number of Non-Prime Bookings. See definitions of "Revenue Margin" and "Non-Prime Bookings".
28. Variable Costs includes all expenses which depend on the number of transactions processed. These include acquisition costs, merchant costs and other costs of a variable nature, as well as personnel costs related to call centres and corporate sales personnel. The Group's Management believes the presentation of Variable Costs may be useful to readers to help understand its cost structure and the magnitude of certain costs that it has the ability to reduce in response to changes affecting the number of transactions processed.

Other definitions

29. Bookings refers to the number of transactions under the agency model and the principal model as well as transactions made under white label arrangements. One Booking can encompass one or more products and one or more passengers. The Group used to act under the principal model in regards to the supply of hotel accommodation. Currently, the Group only offers hotel intermediation services, so no cost of sales is recorded and Revenue and Revenue Margin are the same.
30. Non-Prime Bookings as the Group is aiming towards a subscription-oriented strategy and focusing on achieving its Prime member targets, Non-Prime Bookings references solely to the bookings done by Non-Prime members.
31. Mobile bookings (as share of flight bookings) means the number of flight Bookings done on a mobile device over the total number of flight Bookings, on a last twelve months basis.
32. Prime members means the total number of customers that benefit from a paid Prime subscription in a given period.
33. Prime / Non-Prime. The Group presents certain profit and loss measures split by Prime and Non-Prime. In this context, Prime means the profit and loss measure generated from Prime users. Non-Prime means the profit and loss measure generated from Non-Prime users. For instance, in the case of Prime Cash Revenue Margin, it includes elements such as, but not limited to, the Prime fees collected, GDS incentives, commissions, ancillary services, etc. consumed by Prime clients. As Prime is a yearly programme, Prime / Non-Prime profit and loss measures are presented on a last twelve months basis. Prime / Non-Prime mean the segments within the new segment structure.
34. Top 6 Markets refers to the Group's operations in France, Spain, Italy, Germany, United Kingdom and Nordics.