

RESULTS PRESENTATION 3Q FY 2021

25th February 2021

eDreams ODIGEO

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1. Results highlights

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1

RESULTS HIGHLIGHTS

Strong liquidity and improved strategic positioning despite challenging trading driven by COVID-19 travel restrictions

SHORT TERM TRADING CONTINUES TO BE AFFECTED BY TRAVEL RESTRICTIONS

- Revenue Margin (decrease of 77% vs. 3Q FY20), in line with 2Q FY21, driven by COVID-19 impact
- Marginal Profit (Revenue Margin minus Variable Cost), was €6 million positive for 3Q FY21 despite us investing in higher short term call centre costs to help our customers

MAINTAINED STRONG LIQUIDITY DESPITE SHORT TERM TRADING

- Strong Cash performance, net increase in cash of €11.5 million in 3Q FY21
- Solid Liquidity position of €125/122 million in December /January, has remained stable since September 2020 despite short term softening of trading
- Net cash from operating activities improved by €31.4 million and we ended the quarter in Cash Flow before Financing positive of €13 million, for the first time since 4Q FY19

IMPROVED STRATEGIC POSITIONING

- Prime subscriptions and share of total Bookings continue to grow
  - Prime members 3Q FY21 reached 758k (+55% vs 3Q FY20). Prime is proving to be a successful proposition to customers even in current market with 94k new subscribers in 3Q FY21 vs 2Q FY21
  - Prime share of total Bookings reached 37% in 3Q FY21 vs 9% in 3Q FY20
  - Prime Deferred Revenue reached €20 million (increase of 126% vs 3Q FY20), which is Prime subscription fees not yet recognized into Revenue till Booking or the renewal date takes place
  - On track to exceed 2 million subscribers by 2023
- Our Bookings performance at -65% in 3Q FY21 continues to outperform the overall European (*) market at -79%

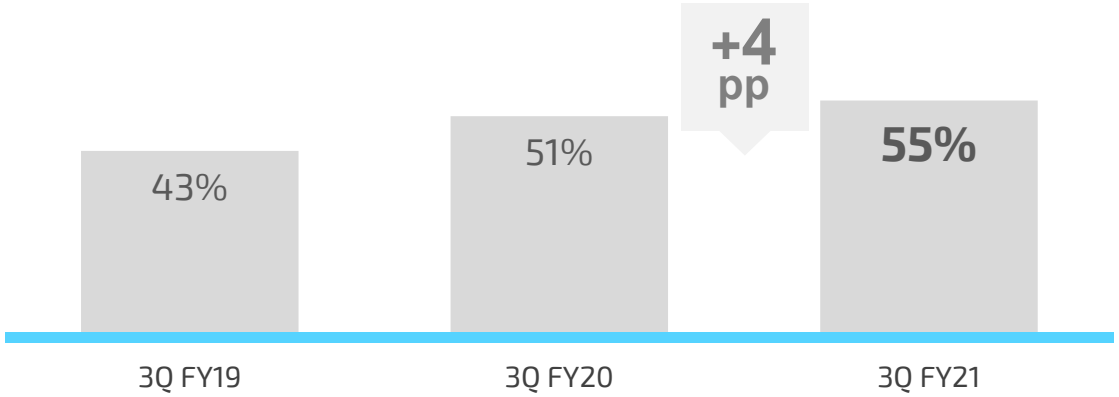
SHORT TERM OUTLOOK LARGELY DRIVEN BY TRAVEL RESTRICTIONS

- January/February at around -76 to -73% year-on-year

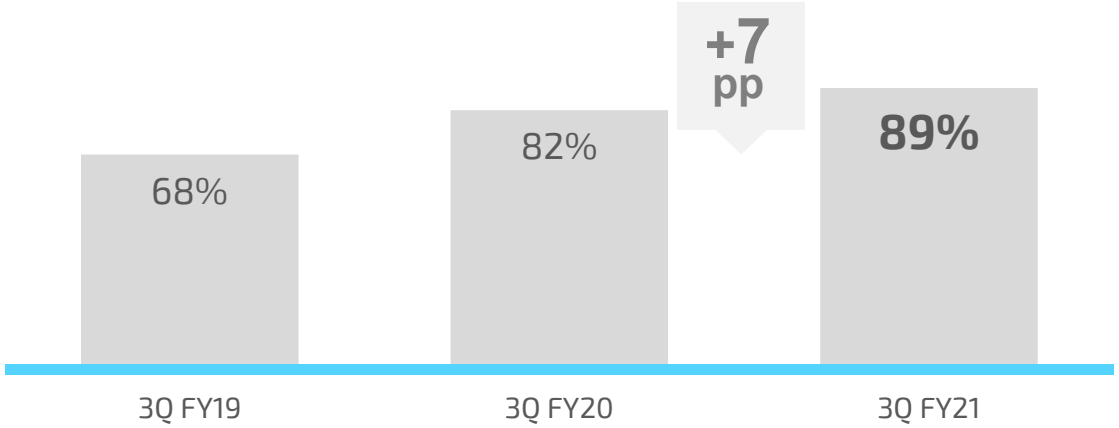
(*) Source: IATA Economics

1 REVENUE DIVERSIFICATION CONTINUES TO IMPROVE AND THE LARGEST CONTRIBUTOR TO REVENUES

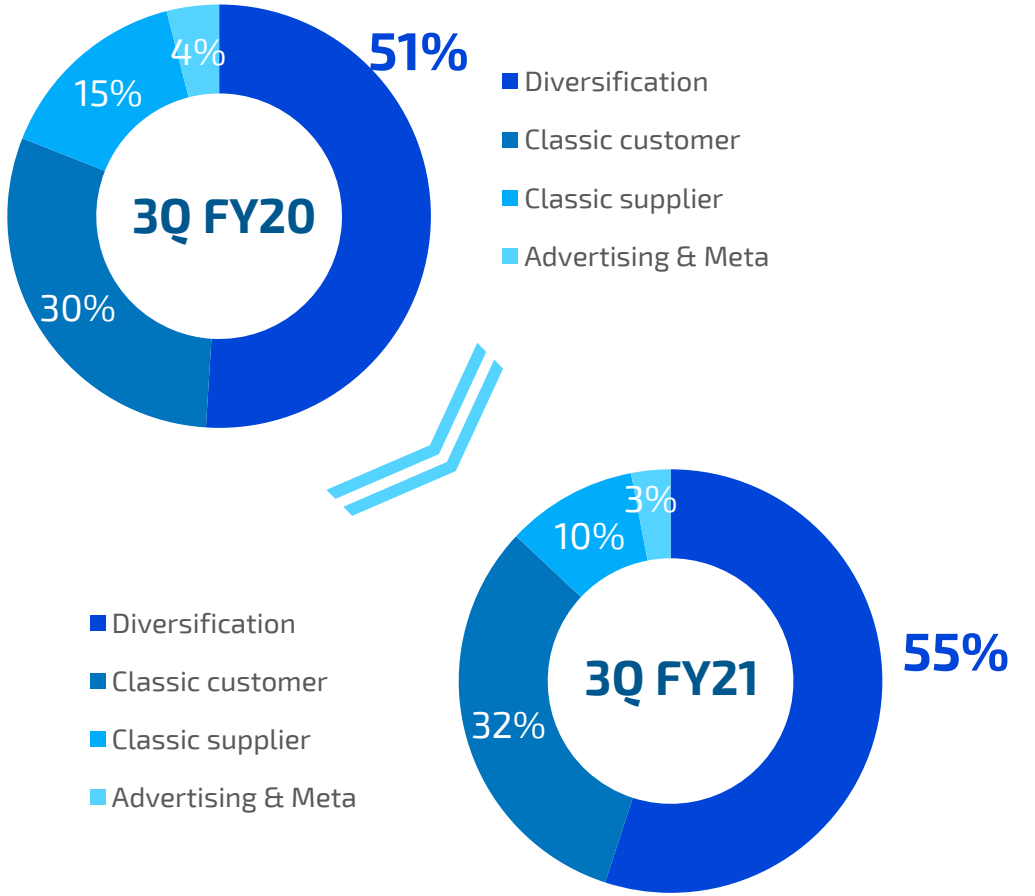
REVENUE DIVERSIFICATION RATIO (*)



PRODUCT DIVERSIFICATION RATIO



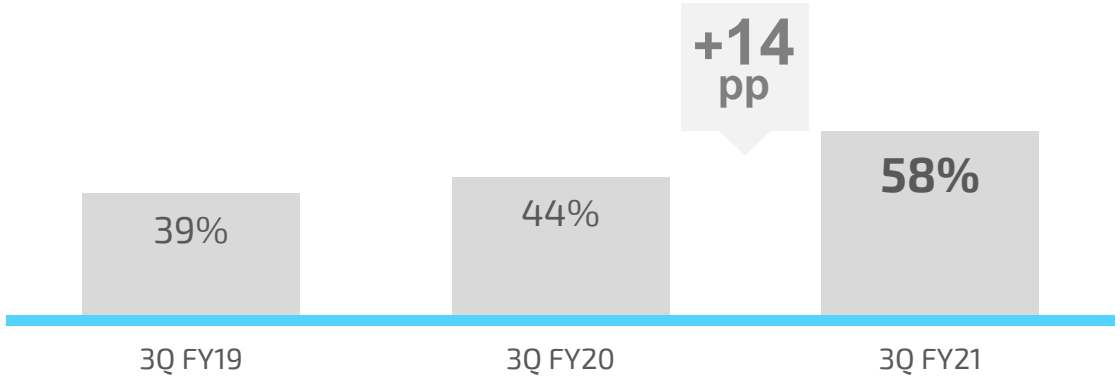
REVENUE EVOLUTION (*)



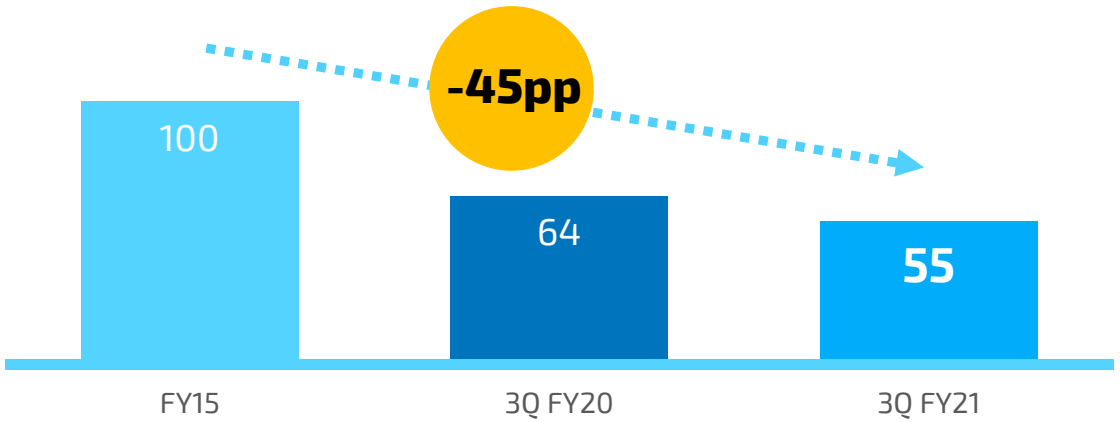
Note: Definitions of Non-GAAP measures on page 21-23 (*) Note: Ratios are calculated on last twelve month basis ending on the displayed quarter

1 CONTINUED STRATEGIC PROGRESS AS EVIDENCED BY OUR KPIS

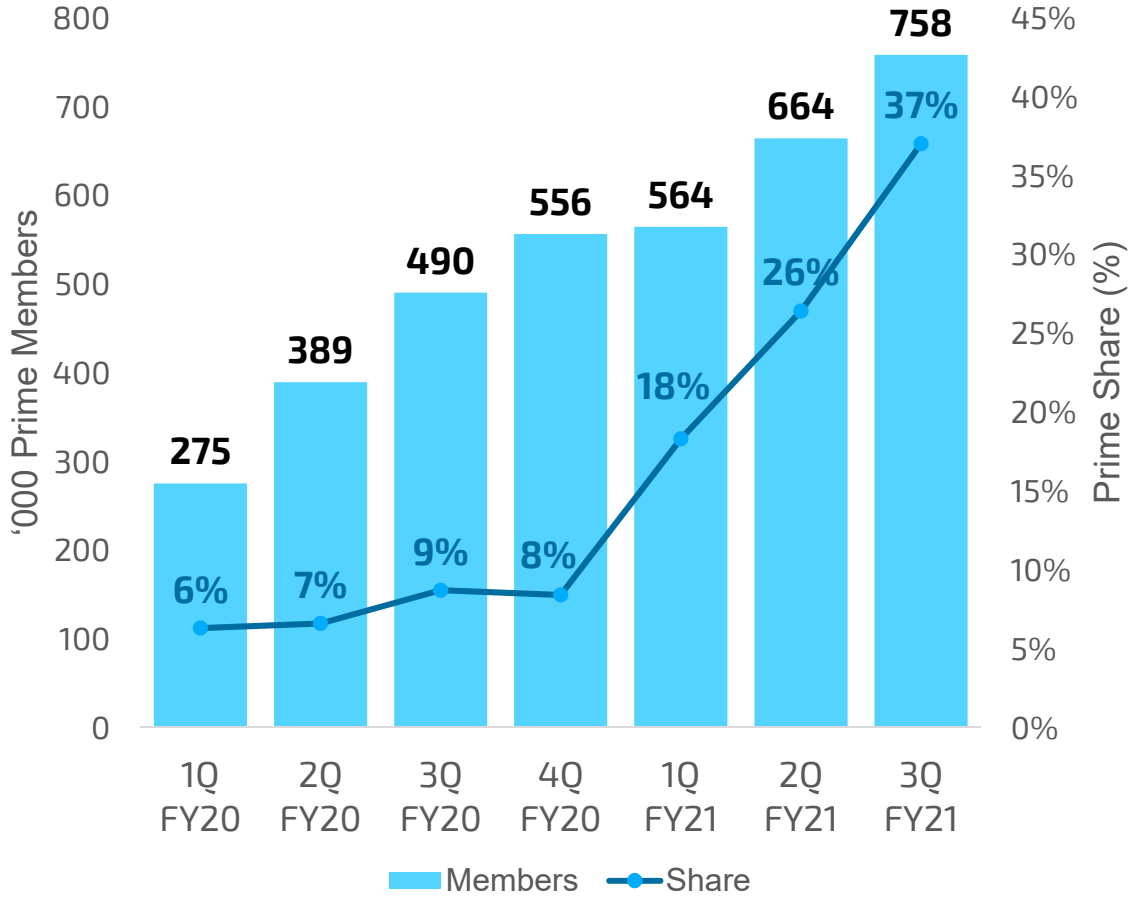
MOBILE BOOKINGS AS SHARE OF FLIGHT BOOKINGS



ACQUISITION COST PER BOOKING INDEX



EVOLUTION OF PRIME MEMBERS AND SHARE OF TOTAL BOOKINGS (*)



Note: Definitions of Non-GAAP measures on page 21-23 (*) Strong growth in members has lead to Prime Deferred Revenue reaching €20 million (an increase of 126% vs 3Q FY20), which is Prime subscription fees not yet recognized into Revenue till Booking or the renewal date takes place.

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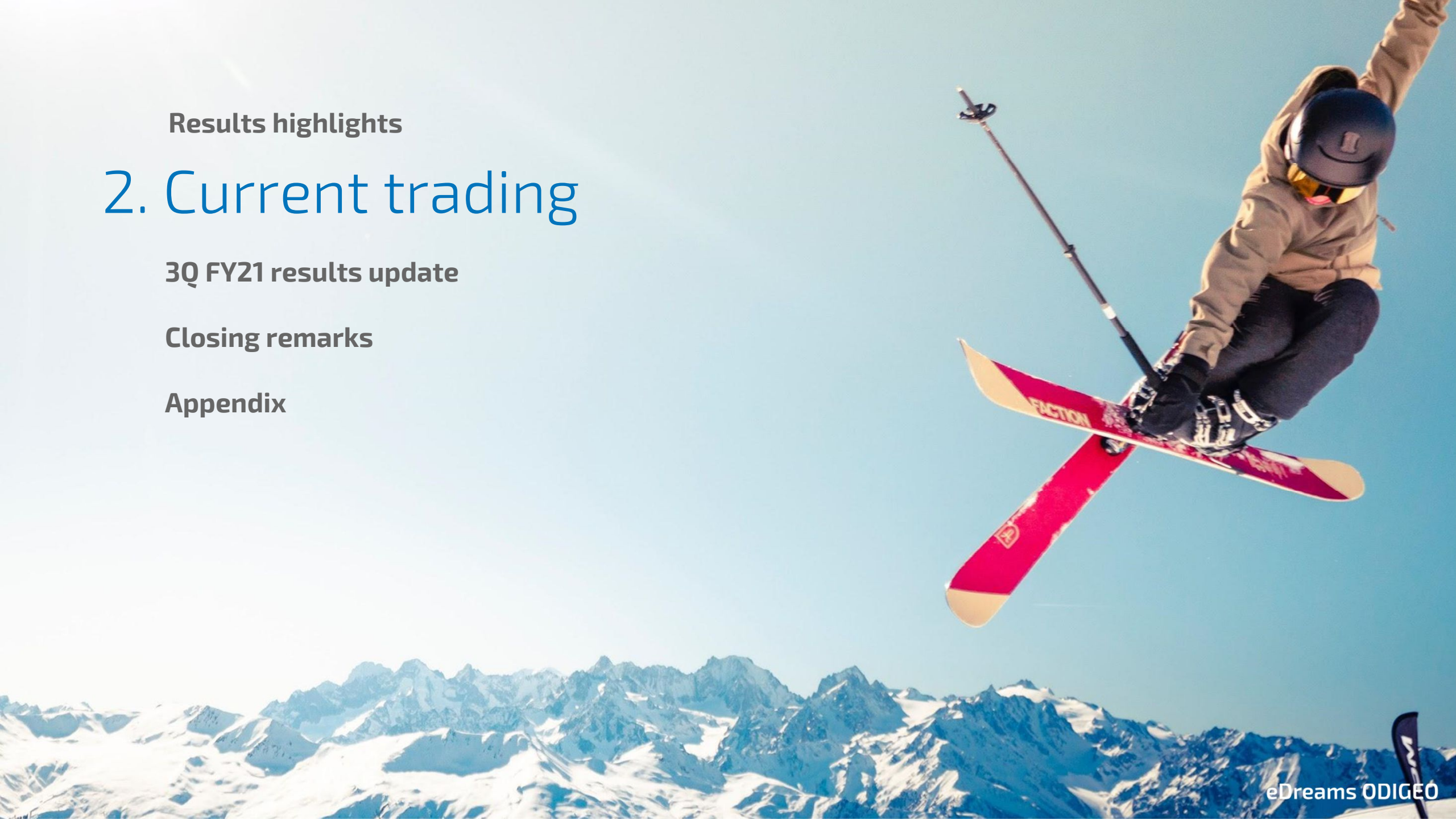


2 INCREASED TRAVEL RESTRICTIONS AFFECTING TRADING AND WE CONTINUE TO OUTPERFORM THE MARKET

KEY HIGHLIGHTS ON TRADING POST COVID-19

- **Rapid rebound in Bookings during the summer,** from **April** trough at **minus 96% to minus 59% in August.**
- **Increasing COVID-19 cases with further travel restrictions** imposed by some governments has **reduced Bookings to minus 73%,** which has stabilized.
- Our trading continue to suggests outperformance against airline industry (both vs regular and low cost carriers), **gaining market share vs supplier direct due to better quality, more comprehensive content and flexibility**

GRADUAL IMPROVEMENTS IN YEAR-ON-YEAR TRADING & AHEAD OF AIRLINE INDUSTRY

REGION	April	May	June	July	August	Sept (*)
eDO Total	-96%	-92%	-76%	-63%	-59%	-63%
IATA Europe	-98%	-98%	-94%	-81%	-73%	-76%
eDO vs IATA	**+3pp**	**+6pp**	**+18pp**	**+19pp**	**+14pp**	**+12pp**

Source: IATA Economics & Company Data
(*) IATA Europe passenger data in August and September positively impacted by Russia (a market in which we are not present). Russia grew in annual terms.

REGION	Oct	Nov	Dec	Jan	Feb (**)
eDO Total	-67%	-68%	-59%	-76%	-73%
IATA Europe	-78%	-82%	-78%	N.A	N.A
eDO vs IATA	**+11pp**	**+14pp**	**+19pp**	**N.A**	**N.A**

Source: IATA Economics & Company Data
(**) Average Bookings growth until the 21st of February

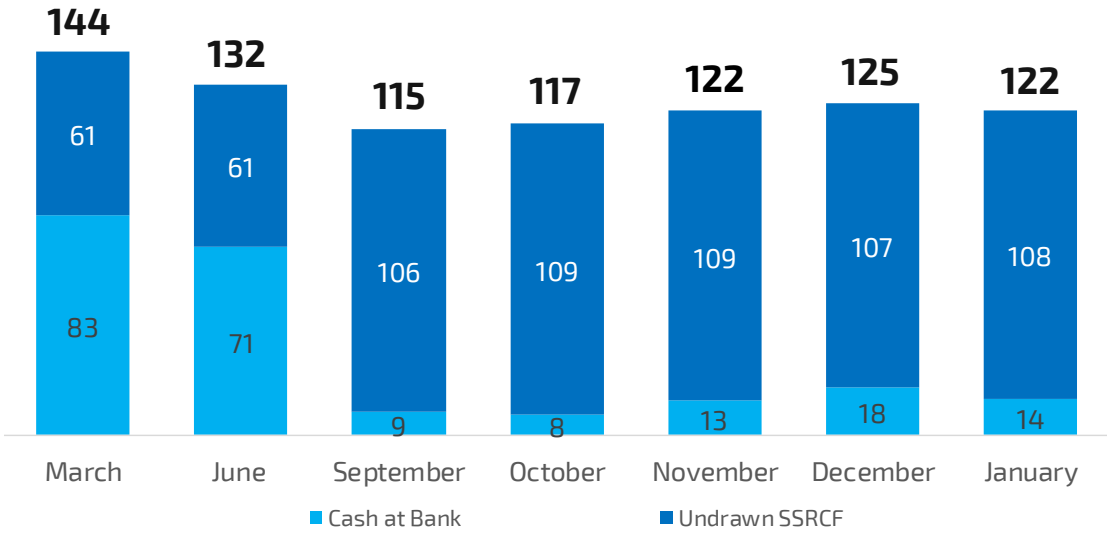
2 STRONG LIQUIDITY IS A CONSEQUENCE OF STRONG BUSINESS MODEL AND ACTIVE MANAGEMENT OF THE SITUATION

KEY HIGHLIGHTS ON LIQUIDITY PERFORMANCE

Solid liquidity despite increasing travel restrictions due to:

- **Working capital inflows due to:**
  - Higher volumes and gross sales
  - Better collection from suppliers
  - Refunds collected, and
  - Prime deferred revenue increase
- **Lower income tax paid**
- **Active management of the situation resulted in:**
  - High variability of the majority of our costs
  - Fixed Costs and Capex reduced
  - Additional financial resources of €15 million from Government-sponsored loan due 2023
  - Reduction of average monthly cash burn (excl. WC and tax but adding the increase in Prime Deferred Revenue) from €13 million to €7 million

STABLE LIQUIDITY EVOLUTION



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3 INCOME STATEMENT

(IN EUROS MILLION)	3Q FY21	VAR FY21 VS FY20	3Q FY20	9M FY21	VAR FY21 VS FY20	9M FY20
REVENUE MARGIN	**30.0**	**-77%**	**131.7**	**81.0**	**-80%**	**412.9**
VARIABLE COSTS (**)	-24.0	-70%	-81.3	-62.4	-77%	-267.9
FIXED COSTS (**)	-16.4	-22%	-20.9	-45.8	-21%	-58.2
ADJUSTED EBITDA (*)	**-10.4**	**N.A**	**29.6**	**-27.3**	**N.A**	**86.8**
ADJUSTED ITEMS	-1.5	-60%	-3.8	-4.0	-72%	-14.0
EBITDA	**-12.0**	**N.A**	**25.8**	**-31.2**	**N.A**	**72.8**
D&A INCL. IMPAIRMENT & RESULTS ON ASSET DISPOSALS	-9.2	29%	-7.1	-27.5	24%	-22.2
EBIT	**-21.1**	**N.A**	**18.7**	**-58.7**	**N.A**	**50.6**
FINANCIAL LOSS	-7.0	4%	-6.7	-19.3	-8%	-21.0
INCOME TAX	3.7	N.A	5.9	8.4	N.A	-0.1
NET INCOME	**-24.4**	**N.A**	**17.9**	**-69.6**	**N.A**	**29.4**
ADJUSTED NET INCOME	**-23.1**	**N.A**	**11.3**	**-65.9**	**N.A**	**31.4**

(*) Definitions of Non-GAAP measures on page 21-23

(**) FY20 Variable and Fixed costs have been restated to reflect a reclassification of €3.7 million.

Source: Condensed consolidated interim financial statements, unaudited

Highlights **3Q FY21**

1. **Revenue Margin** decreased by 77% mainly due to the volume effect (65% decrease in Bookings) and lower RM/Booking, driven by lower average basket value of Bookings due to COVID-19, which results in lower classic and diversification revenues from customers and lower revenue from providers
2. **Variable costs** decreased by 70%, mainly due to the adaptability of our business model to the new mix of Bookings made by customers during COVID-19, and higher short term call center costs, as guided in 2Q FY21, due to the investments we are making to significantly increase our contact center capacity and protect our customers due to COVID-19.
3. **Fixed costs** decreased by 22% driven by a decrease in personnel costs (temporary employment reduction) as well as IT and external fees savings, despite an increase during the quarter of the negative FX impact by €1.5 million vs 3Q FY20.
4. **Adjusted items** decreased by €2.2 million, mainly due to the absence of the expense in FY20 related to the closing of Milan and Berlin call centres for a total amount of €2.6 million.
5. **D&A and impairment** increased by 29%, relating to the increase of the capitalized software finalized in March 2020.
6. **Financial loss** increase by 4% mainly due to the use of the SSRCF and the new Government sponsored loan due 2023.
7. **The income tax expense** decreased by €2.2 million is mainly due to lower tax expenses due to group tax losses for which a deferred tax asset has been recognized, offset by higher tax expenses due to a no one-off revival of US foreign tax credits in FY21, an increase of the tax rate applicable to deferred tax liabilities and other minor differences.

3 CASH FLOW STATEMENT

(IN EUROS MILLION)	3Q FY21	3Q FY20	9M FY21	9M FY20
ADJUSTED EBITDA (*)	**-10.4**	**29.6**	**-27.3**	**86.8**
ADJUSTED ITEMS	-1.5	-3.8	-4.0	-14.0
NON CASH ITEMS	1.8	-1.8	-15.5	3.2
CHANGE IN WORKING CAPITAL	29.9	-28.4	49.7	-102.8
INCOME TAX PAID	-0.3	-7.6	-5.3	-13.2
CASH FLOW FROM OPERATING ACTIVITIES	**19.5**	**-11.9**	**-2.3**	**-40.0**
CASH FLOW FROM INVESTING ACTIVITIES	**-6.5**	**-6.4**	**-15.3**	**-20.5**
CASH FLOW BEFORE FINANCING	**13.0**	**-18.4**	**-17.6**	**-60.5**
ACQUISITION OF TREASURY SHARES	0.0	-0.3	0.0	-0.4
OTHER DEBT ISSUANCE/ (REPAYMENT)	-0.6	-0.8	-41.4	-2.4
FINANCIAL EXPENSES (NET)	-0.9	-0.5	-15.0	-13.3
CASH FLOW FROM FINANCING	**-1.5**	**-1.5**	**-56.4**	**-16.1**
NET INCREASE / (DECREASE) IN CASH	**11.5**	**-19.9**	**-74.0**	**-76.6**
CASH (NET OF BANK OVERDRAFTS)	**12.7**	**71.7**	**12.7**	**71.7**

(*) Definitions of Non-GAAP measures on page 21-23

Source: Condensed consolidated interim financial statements, unaudited

Highlights **3Q FY21**

1. **Net cash from operating activities improved by €31.4 million. mainly reflecting:**
   Working capital inflow of €29.9 million due to higher volumes in December vs September (€10 million), higher gross sales (€5 million), better collection from suppliers (€5 million), refunds collected (€5 million) and Prime deferred revenue increase (€3 million).

   Income tax paid decreased by €7.3 million, from €7.6 million to €0.3 million mainly due to lower Spanish taxable profits, the fact that there were no advance payments of Italian income tax in FY21, the refund of advance payments of Spanish income tax and other minor differences.

   Decrease in Adj. EBITDA by €40.0 million following the decrease in Bookings.

   Better non-cash items: items accrued but not yet paid, increased by €3.5 million mainly due to the variation of provisions.
2. **Cash used for investments** is €6.5 million, in line with the same quarter of the previous year.
3. **Cash used in financing** is €1.5 million, in line with the same quarter of the previous year.

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4 REBOUND OF ONLINE LEISURE TRAVEL LIKELY TO BE AHEAD OF INITIAL PREDICTIONS

- Prior to the vaccine entering stage 3 trials, predictions were:
  - A That the average efficacy of the vaccine would be between 50 and 70%
  - B. That the likelihood of roll out of a vaccine would be second half of 2021 but equally significant probability scenarios predicting start of rollout in 2022
  - C. With some even suggesting it could start in 2-3 years
- **The reality is different**: Vaccines have shown up to **95% efficacy**, not 50 to 70%, **and are being rolled out in the first half of 2021**.
- **While mutations and new variants have occurred** and we are likely to see others, **current vaccines** still **provide good levels of protection** and booster shots can be administered to protect against new variants.
- In some industries **COVID-19 accelerated** the **progress to move online from 3 years to 3 months**. **COVID-19 should deepen its online penetration**.
- And **mobile is becoming increasingly important**. **eDreams ODIGEO leads the travel industry in mobile innovation. Close to 60% of our bookings are now being made on mobile devices, and ever increasing trend.**

LEISURE TRAVEL HAS A BRIGHT FUTURE AND WE ARE A LEISURE ONLY FOCUSED BUSINESS

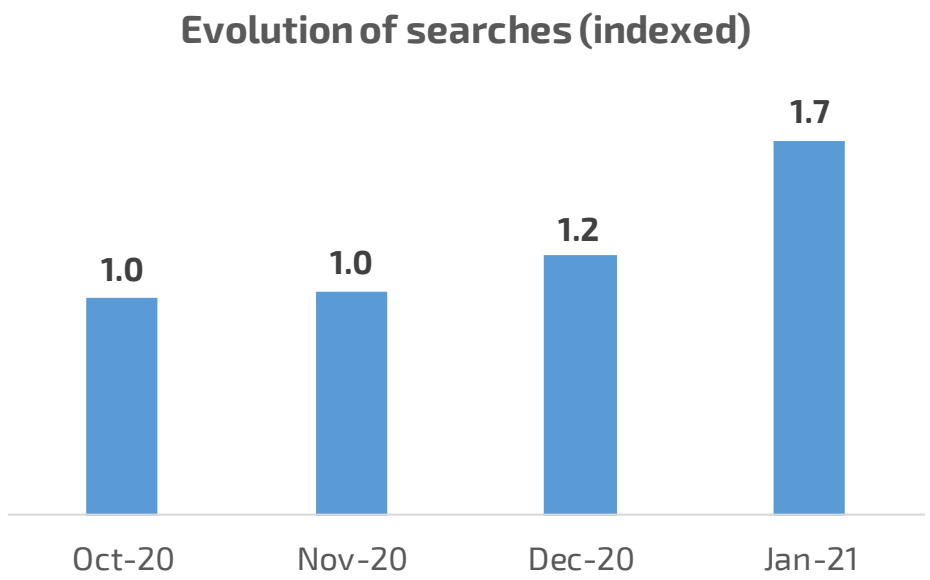
4 STRONG PENT-UP DEMAND FOR LEISURE TRAVEL

We have seen that leisure travel wants to return as soon as practical

WITH NEWS FOR APPROVED COVID-19 VACCINES, EUROPEAN SENTIMENT TOWARDS TRAVEL IMPROVED

- **52%** of respondents **intent to travel in the next 6 months**
- **Significant 20% increase** in the portion of Europeans **willing to take a trip during April-June 2021**
- **50% will change plans to ensure their trip still goes ahead**
- **40%** of respondents **plan to visit another European country**
- **Intention to travel by air improves** as 52% of respondents now intend to fly in their next destination
- **Leisure is still the primary travel purpose**

EVOLUTION OF SEARCHES ON LONG ADVANCE (+90 DAYS)



Source: European Travel Commission (Co-founded by the European Union) survey done between the 20th of November and 3rd of December 2020. Total respondents: 5,742

4 IN SUMMARY

Our business **is strong, and we are positioned to come out a winner from the crisis.**

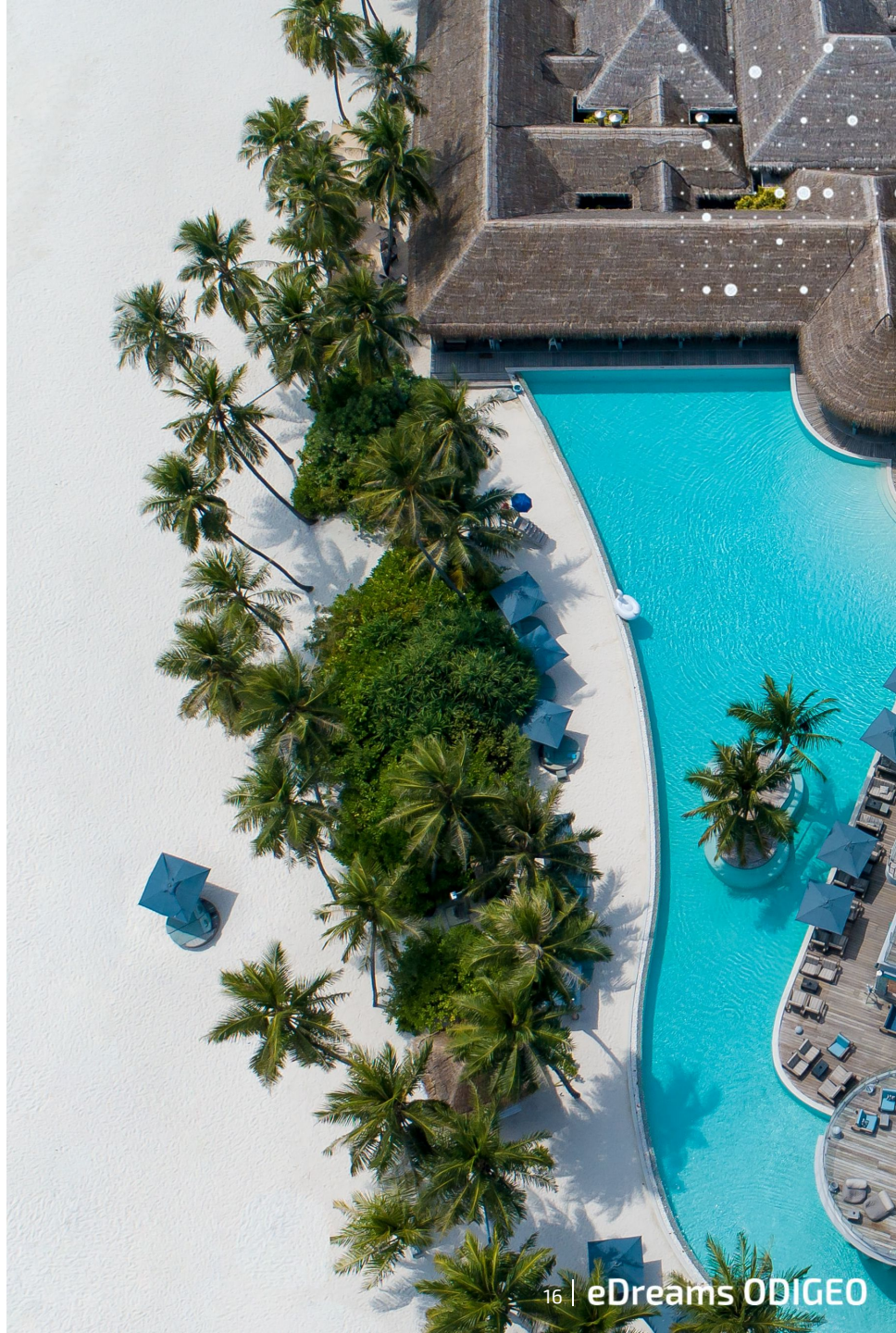
We have a good liquidity position **€122 million** at the **end of January**, including **no short-term financial debt payments** and our Senior Notes, new Government Sponsored loan and bank facilities due in in two years' time, in 2023.

Prime subscription program is growing well. Even in challenging market conditions we have added 94k new subscribers just in the quarter and 37% of our Bookings are now Prime.

Our **business** remains **financially strong**. We maintain marginal profit positive, and we have **kept our teams intact and motivated,** so we can take maximum advantage when restrictions are lifted and build for the future.

eDreams ODIGEO is **agile and nimble**, which allows to **adapt quickly** as necessary. We **continue to lead** through product development and innovation, such as Prime, mobile, customer management, etc and are leading the **transformation of the leisure travel industry**.

We **continue to build and offer innovative solutions**, **take care of our customer**s and are **better positioned** and **ready to seize market growth as travel restrictions are lifted.**



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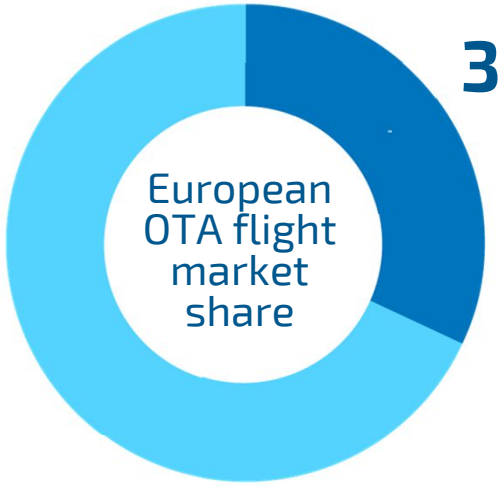
Why eDreams ODIGEO?

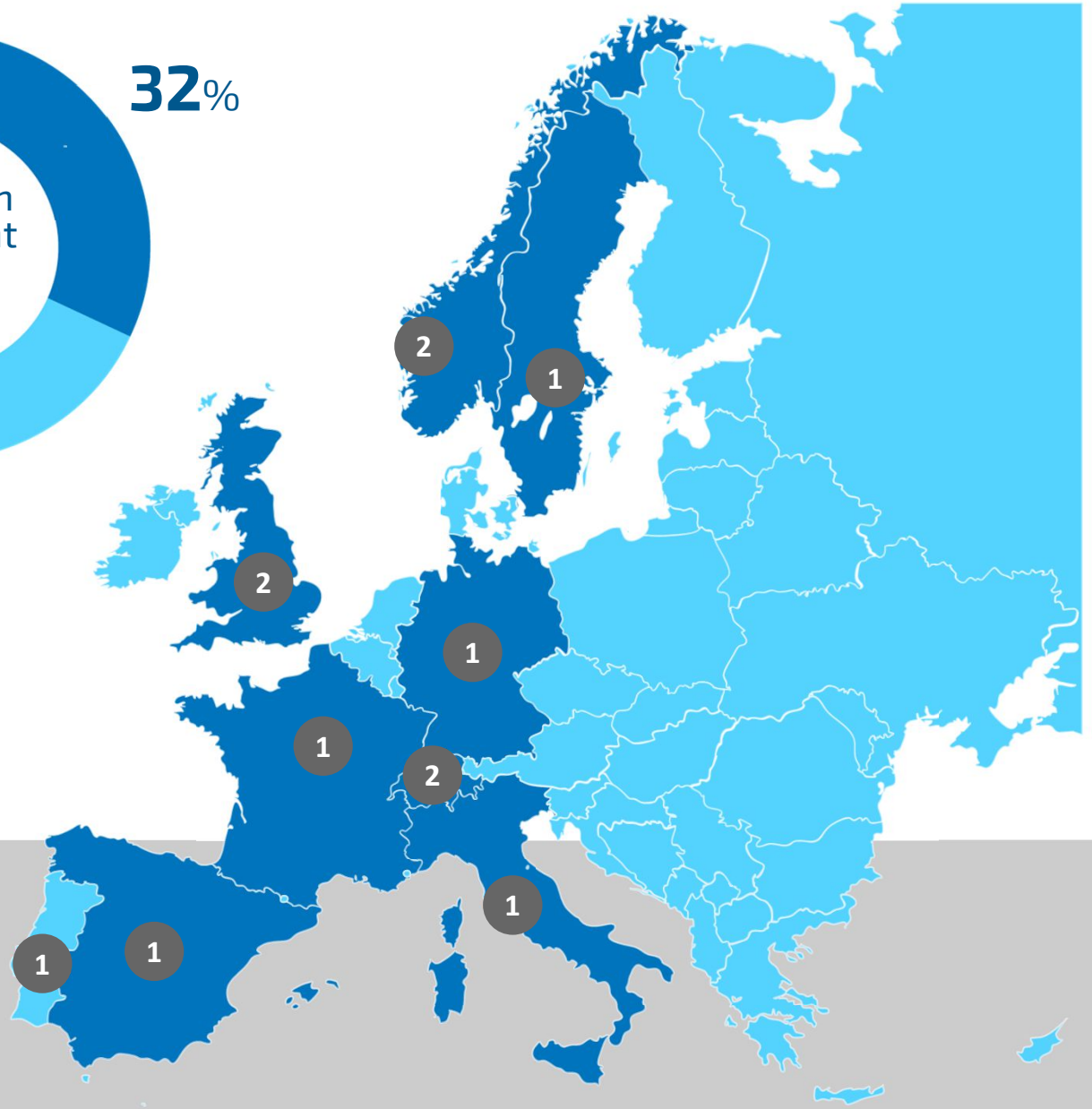
#1 **Winner** in **Europe**

Pioneer in travel subscription

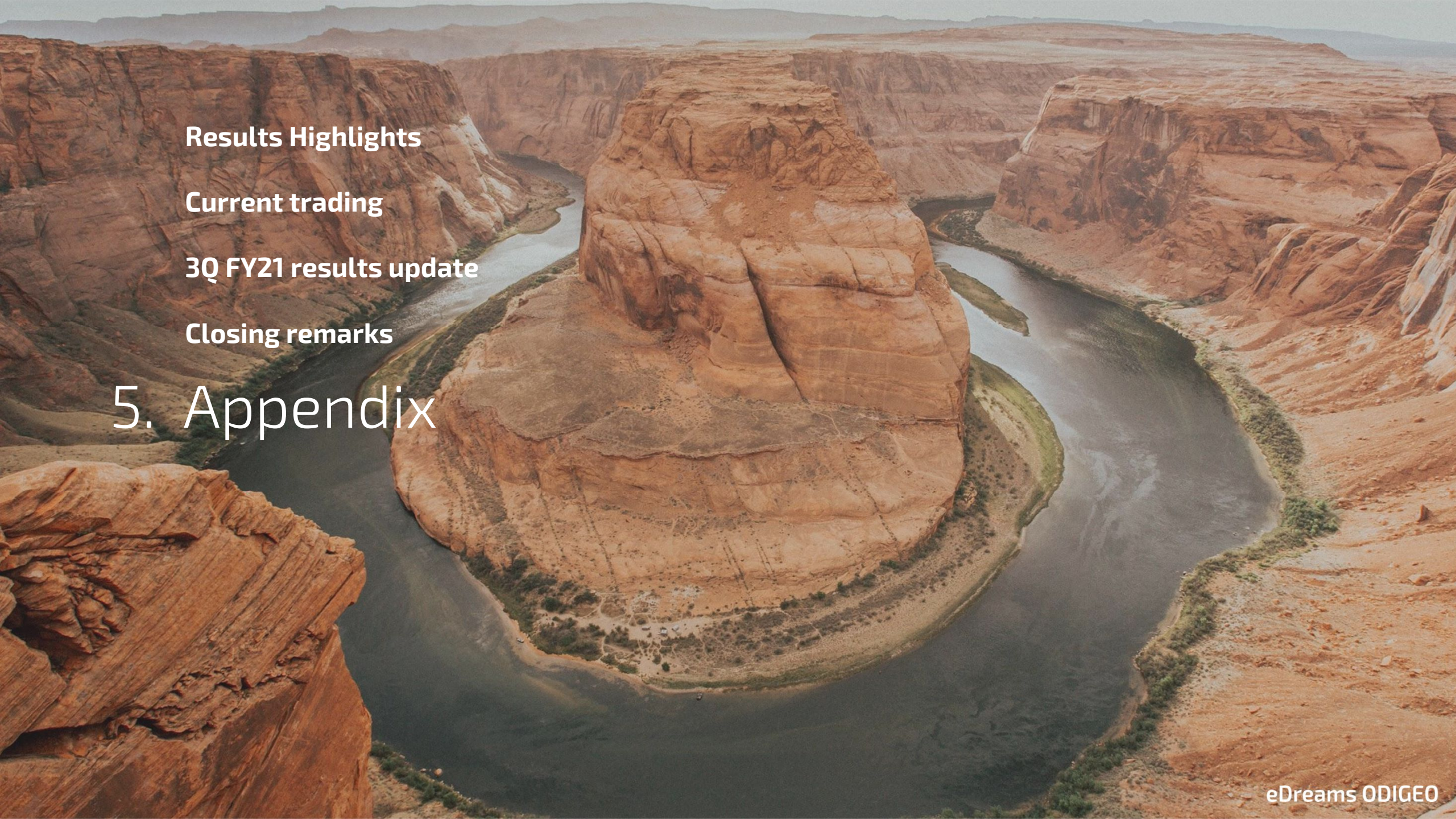
Significant revenue diversification

World leading **capabilities**





Source: Internal analysis; Amadeus bookings data; Phocuswright European Travel Overview 2019



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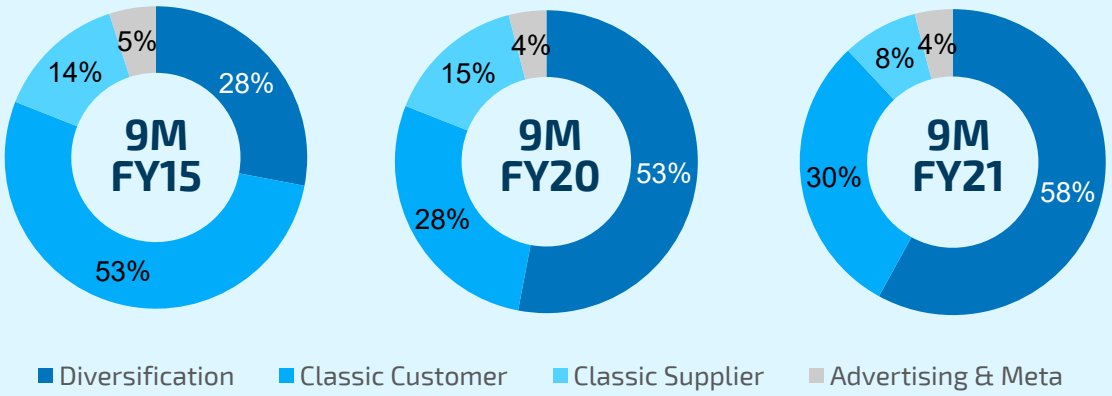
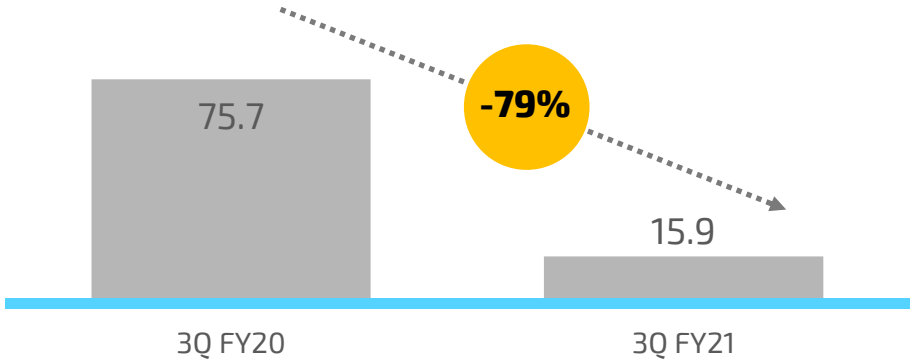
5 DIVERSIFICATION REVENUE CONTINUED AS THE LARGEST CONTRIBUTOR

REVENUE MARGIN (IN € MILLION)

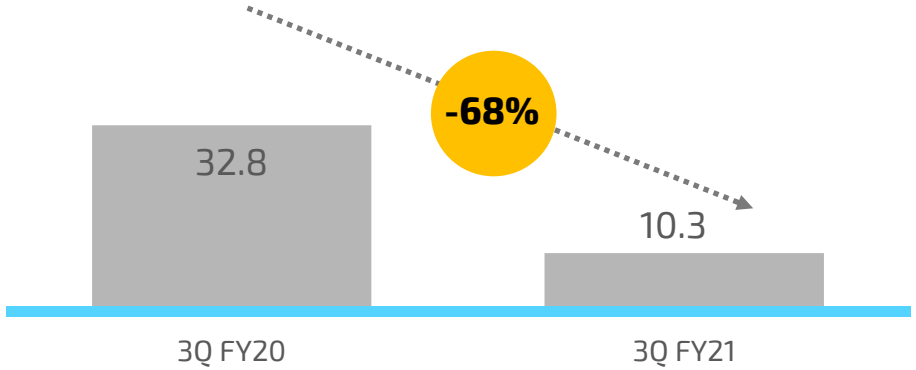
(IN EUROS MILLION)	3Q FY21	Var FY21 vs FY20	3Q FY20
DIVERSIFICATION	15.9	-79%	75.7
CLASSIC CUSTOMER	10.3	-68%	32.8
CLASSIC SUPPLIER	2.6	-88%	21.4
ADVERTISING & META	1.1	-38%	1.7
TOTAL	**30.0**	**-77%**	**131.7**



DIVERSIFICATION



CLASSIC CUSTOMER

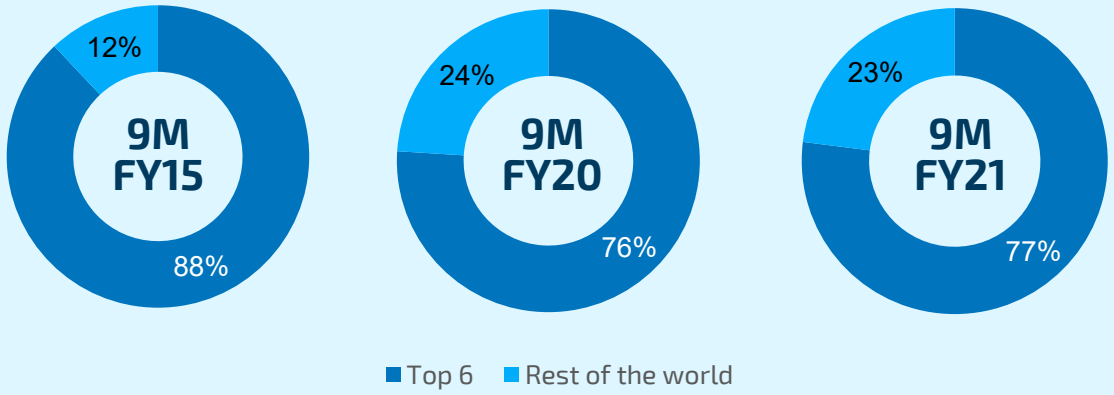


(*) Definitions of Non-GAAP measures on page 21-23

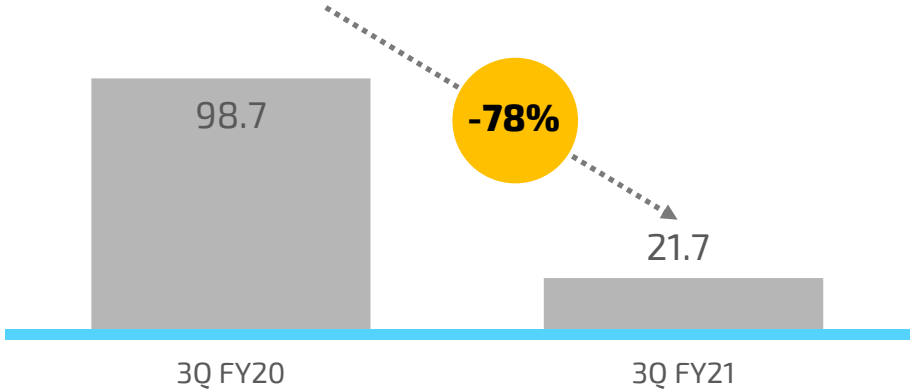
5 REVENUE DIVERSIFICATION BY GEOGRAPHY REMAINS STABLE

REVENUE MARGIN (IN € MILLION)

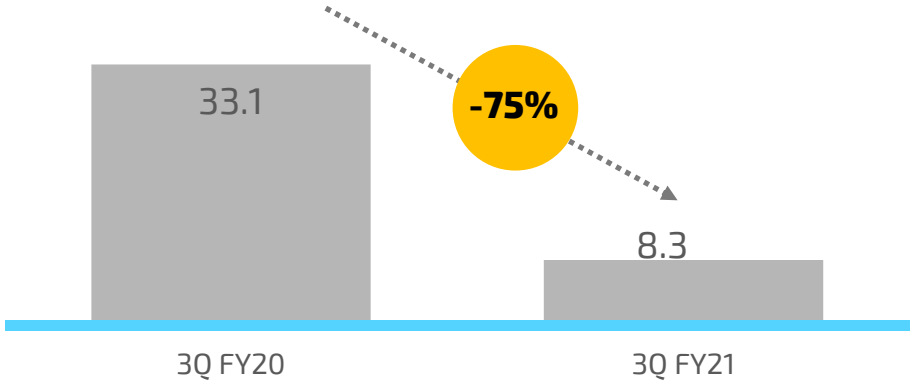
(IN EUROS MILLION)	3Q FY21	Var FY21 vs FY20	3Q FY20
TOP 6	21.7	-78%	98.7
REST OF THE WORLD	8.3	-75%	33.1
TOTAL	30.0	-77%	131.7



TOP 6



REST OF THE WORLD



(*) Definitions of Non-GAAP measures on page 21-23

Glossary of Definitions

Non-reconcilable to GAAP measures

1. Acquisition Cost per Booking Index refers to the most relevant marketing expenses incurred to acquire new customers (encompassing Paid search, Metasearch and Affiliates), divided by the total number of Bookings. For any given period, the ratio is expressed as an index 100, in which 100 is the value of Acquisition Cost per Booking for the 3 months ended on December 2015. The acquisition cost per booking index provides to the reader a view of the trend of one of the main variable cost (marketing cost) of the business.
2. Gross Bookings refers to the total amount paid by our customers for travel products and services booked through or with us (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 booked under both agency and principal models as well as transactions made under white label arrangements and transactions where we act as a "pure" intermediary whereby we serve as a click-through and pass 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

3. Adjusted EBITDA means operating profit/loss before depreciation and amortization, impairment and profit/(loss) on disposals of non-current assets, certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted EBITDA provides to the reader a better view about the ongoing EBITDA generated by the Group.
4. Adjusted Net Income means our 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 our ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.
5. 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.
6. EBITDA means operating profit/loss before depreciation and amortization, 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.
7. (Free) Cash Flow before financing means cash flow from operating activities plus cash flow from investing activities.
8. Gross Financial Debt means total financial liabilities considering financing cost capitalized plus accrued interests and overdraft. 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.
9. Gross Leverage Ratio means the total amount of outstanding Gross Financial Debt on a consolidated basis divided by "Adjusted 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.
10. Net Financial 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.
11. Net Income means Consolidated profit/loss for the year.
12. Net Leverage Ratio means the total amount of outstanding Net Financial Debt on a consolidated basis divided by "Adjusted 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, also considering the available cash in the Group.
13. Revenue Diversification Ratio is a ratio representing the amount of Diversification Revenue earned in a twelve-month period as a percentage of our total revenue. Our management believes that the presentation of the Revenue Diversification Ratio measure may be useful to readers to help understand the results of our revenue diversification strategy.
14. Revenue Margin means our IFRS revenue less cost of supplies. Our management uses Revenue Margin to provide a measure of our revenue after reflecting the deduction of amounts we pay to our 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.

Glossary of Definitions

Other Defined Terms

15. Advertising and Metasearch Revenue represents revenue from other ancillary sources, such as advertising on our websites and revenue from our metasearch activities. Our management believes that the presentation of the Advertising and Metasearch Revenue measure may be useful to readers to help understand the results of our revenue diversification strategy.
16. Booking 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.
17. Classic Customer Revenue represents customer revenue other than Diversification Revenues earned through flight service fees, cancellation and modification fees, tax refunds and mobile application revenue. Our management believes that the presentation of the Classic Customer Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.
18. Classic Supplier Revenue represents supplier revenue earned through GDS incentives for Bookings mediated by us through GDSs and incentives received from payment service providers. Our management believes that the presentation of the Classic Supplier Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.
19. Top 6 Markets and Top 6 Segments refers to our operations in France, Spain, Italy Germany, UK and Nordics.
20. Customer Repeat Booking Rate (%) refers to the ratio, expressed on a percentage basis, of Bookings made in a quarter by customers who made a prior Booking in the 12 months prior to that quarter divided by the total number of Bookings. The ratio is annualized, multiplying by four and by the ratio of the quarter over the average of last 4 quarters, to eliminate seasonality effects
21. Customer Relationship Management (CRM) represents the set of activities that will encourage our customers to repeat business with us: visit our site again and make another booking. To be successful we need to understand our customers' behaviours and needs: we collect, analyse and use data to make each of those interactions with customers as personalised and relevant as possible.
22. Diversification Revenue represents revenue other than Classic Customer Revenue, Classic Supplier Revenues or Advertising and Metasearch Revenue, earned through vacation products (including car rentals, hotels and Dynamic Packages), flight ancillaries (including reserved seats, additional check-in luggage, travel insurance and additional service options), travel insurance, as well as certain commissions, over-commissions and incentives directly received from airlines. Our management believes that the presentation of the Diversification Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.
23. Rest of the World Markets and RoW segment refers to other countries in which we operate.
24. Fixed Costs includes IT expenses net of capitalization write-off, personnel expenses which are not Variable Costs, external fees, building rentals and other expenses of fixed nature. Our management believes the presentation of Fixed Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs we have the ability to reduce in response to changes affecting the number of transactions processed.

Glossary of Definitions

Other Defined Terms

25. Fixed Costs per Booking means fixed costs divided by the number of bookings. See definitions of "Fixed costs" and "Bookings".
26. Adjusted Items refers to share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations.
27. Product Diversification Ratio (%) is a ratio expressed on a percentage basis and calculated by dividing the number of flight ancillary products and non-flight products linked to a Booking (such as insurance, additional check-in luggage, reserved seats, certain additional service options, Dynamic Packages and car rental) by the total number of Bookings for a given period.
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 centers as well as corporate sales personnel. Our management believes the presentation of Variable Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs. We have the ability to reduce certain costs in response to changes affecting the number of transactions processed.
29. Variable Costs per Booking means variable costs divided by the number of bookings. See definitions of "Variable costs" and "Bookings".