
eDreams ODIGEO
RESULTS
PRESENTATION
3Q FY2022
25th February 2022

Disclaimer

This presentation is to be read as an introduction to the unaudited condensed consolidated interim financial statements of the Group and contains key information presented in a concise manner on the Group and its financial condition. The information contained in this presentation is extracted from the unaudited condensed consolidated interim financial statements of the Group and is qualified in its entirety by the additional information contained thein. This presentation should only be read in conjunction with the condensed consolidated interim financial statements of the Group. Copies of the condensed consolidated interim financial statements of the Group are available under http://www.edreamsodigeo.com/category/investors/quarterly-edreams-odigeo/.

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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 5 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" 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.

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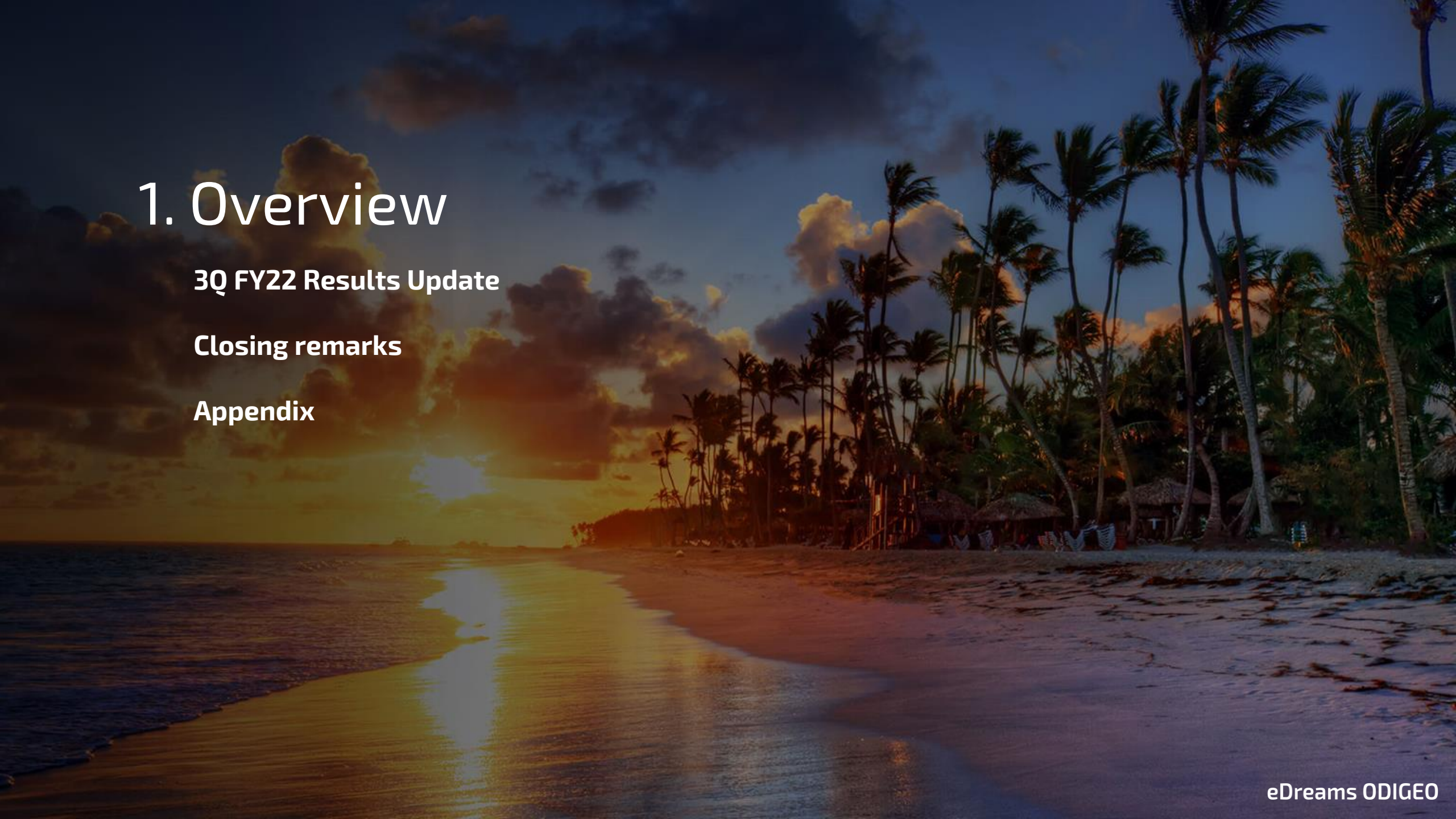
For further details on the definition, explanation on the use of and calculation between APMs and Non-IFRS Measures please see the section 6 on "Alternative performance measures" (of the Group's unaudited interim condensed consolidated financial statements and interim consolidated management report for the six-month period ended 31 December 2021, published on 25 February 2022. The documents are available on the Company's website (https://www.edreamsodigeo.com).



1. Overview

3Q FY22 Results Update

Closing remarks

Appendix

1 eDO ACHIEVES STRONG PERFORMANCE EVEN WITH OMICRON

eDO STRONG BOOKINGS GROWTH & AHEAD OF PRE-COVID LEVELS

- In 3Q FY22, Bookings 26% above pre-COVID levels (in 9M FY22, Bookings already 7% above pre-COVID)
- Despite softening of trading due to Omicron variant, trading continued to be in line or above Pre-COVID levels (October +44% vs 2019, November +33% vs 2019, December -2% vs 2019)
- Omicron is fading, restrictions easing and consumer's want to travel. eDO Bookings in February (*) 30% above pre-COVID-19 levels, with strong daily Bookings average, 4% ahead of October, which has been our strongest ever volume of daily Bookings for any month

eDO AND PRIME CONTINUE TO OUTPERFORM

- eDO Bookings performance materially better than the market: over 50 percentage points vs airlines
- In 3Q FY22 grew Prime members by 186% year-on-year to 2.2 million subscribers
- ARPU grew by 54% vs FY21, and stood at €88.5 per member (5% ahead of already high 2Q FY22 at €84.1)
- In FY22 we added 1.4M more new members than in the same period of last year

RESULTS HIGHLIGHTS - FUNDAMENTALS SHOW SIGN OF eDO RECOVERY

- Revenue Margin in 3Q FY22 increased 218% year-on-year. COVID-19 induced restrictions still resulted in Cash Revenue Margin (**) being 18% below pre-COVID-19 levels (including Prime contribution) due to average basket size constrained by travel restrictions
- Cash Marginal Profit (**), stood at €31.0 million for 3Q FY22; 3.5x the amount in 3Q FY21 (€80.2 million in 9M FY22)
- Cash EBITDA (**) €14.0 million positive in 3Q FY22; (€33.3 million in 9M FY22)

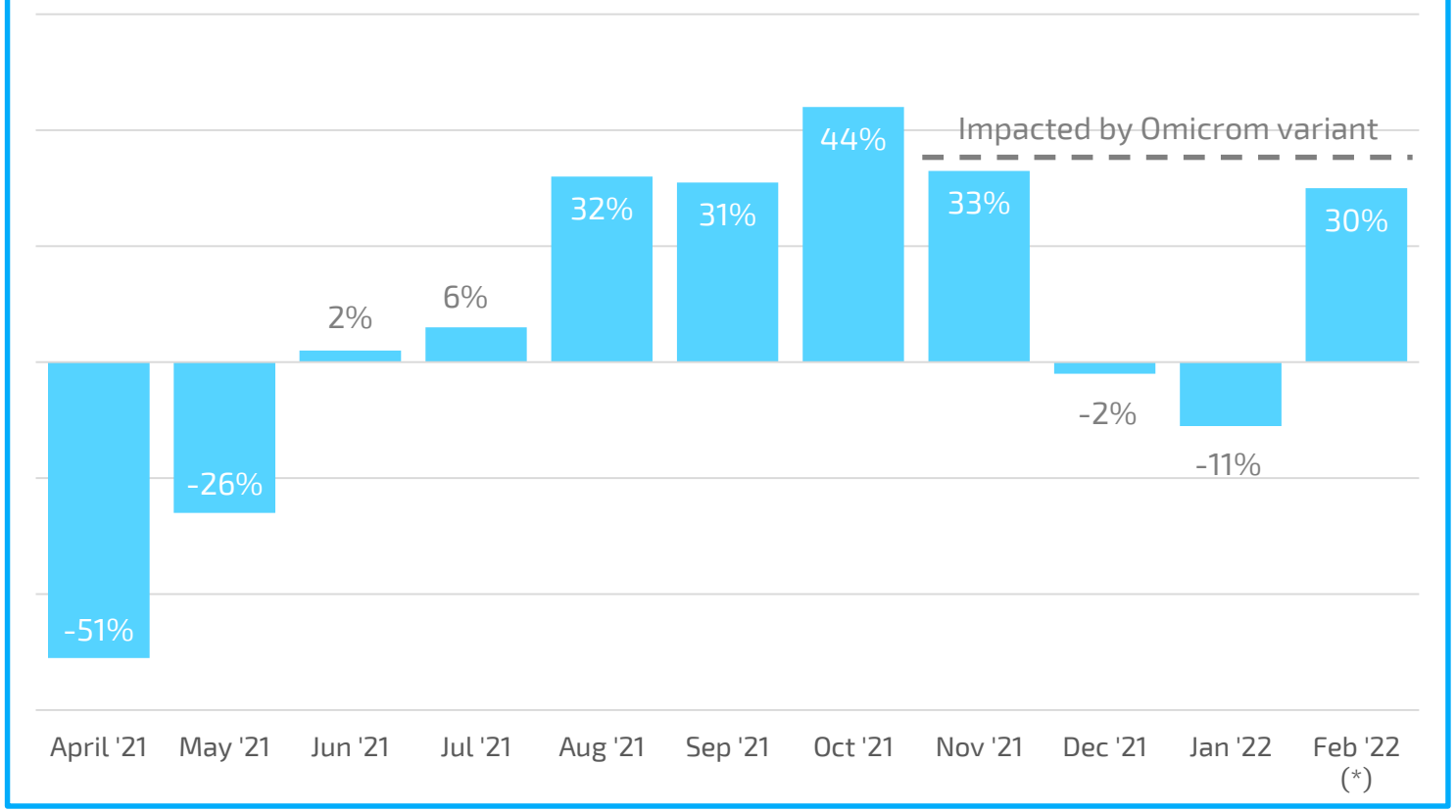
SUCCESSFULLY EXECUTED ON THE OPTIMISATION OF OUR CAPITAL STRUCTURE

- Raised €75 million of primary equity to attend investors reverse demand, reduce leverage and increase liquidity of the stock. Added over 30 new equity investors
- Reduced the size of the Senior Notes from €425 to €375 million euros
- Successfully refinanced all our debt, extended maturity by 5.5 years, improved contractual terms, and reduced interest expense
- Financial stability to execute on our business plan and deliver on FY25 targets

(*) eDO Bookings growth until the 21st of February 2022 (**) Definitions of Non-GAAP measures on page 22-24

1 eDO STRONG BOOKINGS GROWTH, DESPITE OMICRON AND A NOT FULLY RECOVERED MARKET

eDO BOOKINGS GROWTH VS 2019



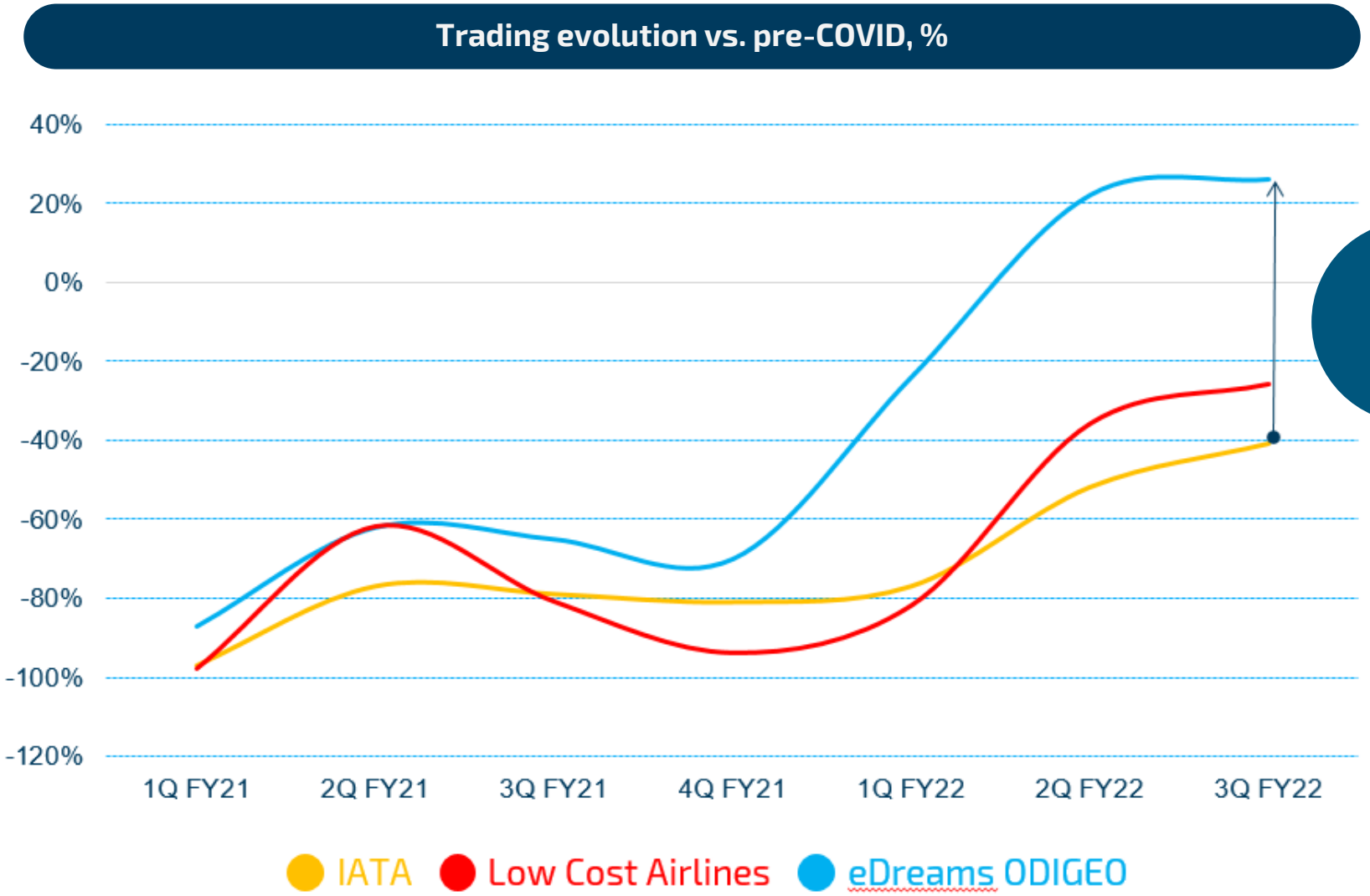
STRONG DESIRE FOR CONSUMERS TO TRAVEL

PRIME PROGRAM DRIVING STRONG BOOKINGS GROWTH

STRONG eDO PERFORMANCE

Source: Company data
(*) eDO Bookings growth until the 21st of February 2022

1 eDO SUPERIOR VALUE PROPOSITION LEADING TO OUTPERFORMING THE INDUSTRY



eDO
+67pp vs. IATA
+52pp vs. Low Cost

1 PENT-UP DEMAND - EUROPEAN CONSUMERS HAVE SAVED ALMOST 1 TRILLION EUROS DURING THE PANDEMIC (*)

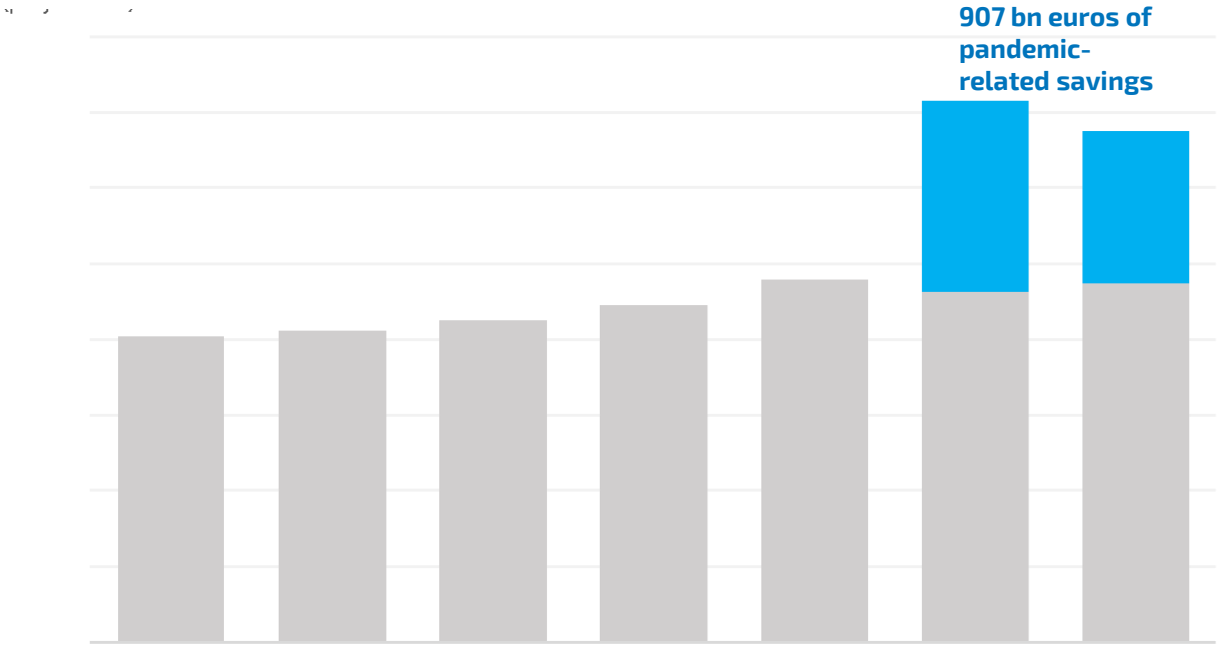
In ordinary times, **Europeans save around 12 percent of their income**. But as families stayed at home and furlough schemes supported income during the pandemic, **this savings rate increased sharply to almost 19 percent in 2020 and 2021.**

It is estimate that **households in the euro area saved nearly €1 trillion more in those two years** than they would have done if the pandemic never happened.

Pandemic Savings*

Households in nations using the euro saved nearly 50 percent more as a result of the pandemic

(euro area household savings, in billion euros)



(*) Source: Eurostat and IMF staff calculations

IMF

1 3 IN 5 EUROPEANS (*) PLAN TO TRAVEL IN THE NEXT SIX MONTHS DESPITE OMICRON

Likely/ very likely to travel* per main eDO country



Spain
76%



France
63%



Italy
67%



Germany
61%



United Kindom
53%

The European Travel Commission initiated a market research in September 2020 to monitor sentiment and short-term intentions for domestic and intra-European travel after the COVID-19 crisis.

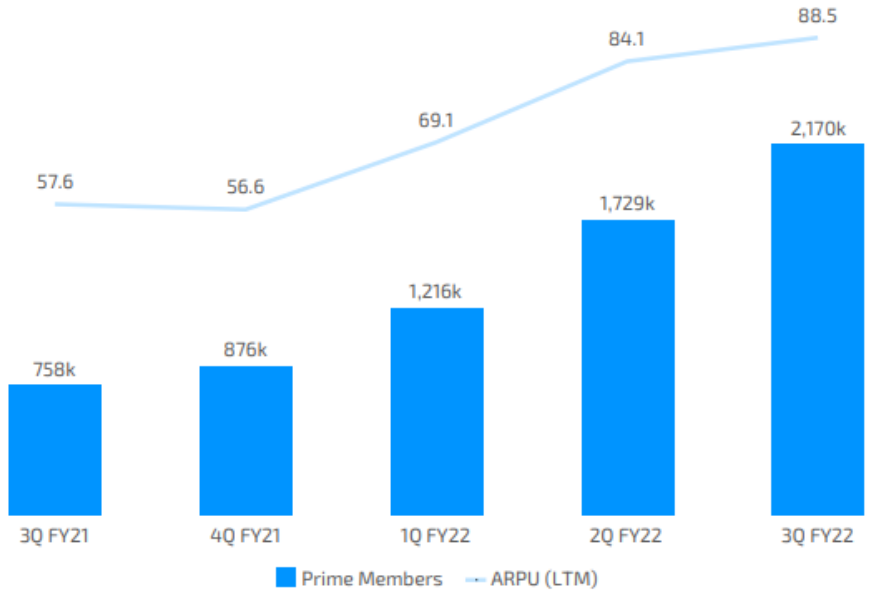
In the last Report published in February 2022, surveys dated December 2021, showed **that 3 in 5 Europeans plan to travel between January and June 2022 which demonstrates resilience of the Omicron variant**.

In addition, **72% of surveyed Europeans stated that they would maintain their original travel plans even if some changes are needed** (itinerary, dates, etc.)

(*) Source: European Travel Commission: "Monitoring Sentiment For Domestic and Intra-European Travel. Wave 10". February 2022

1 PRIME CONTINUES TO GROW STRONGLY EVEN WITH OMICRON. IN FEBRUARY WE REACHED 2.4 MILLION MEMBERS

EVOLUTION OF PRIME MEMBERS AND ARPU



IN FEBRUARY (*)

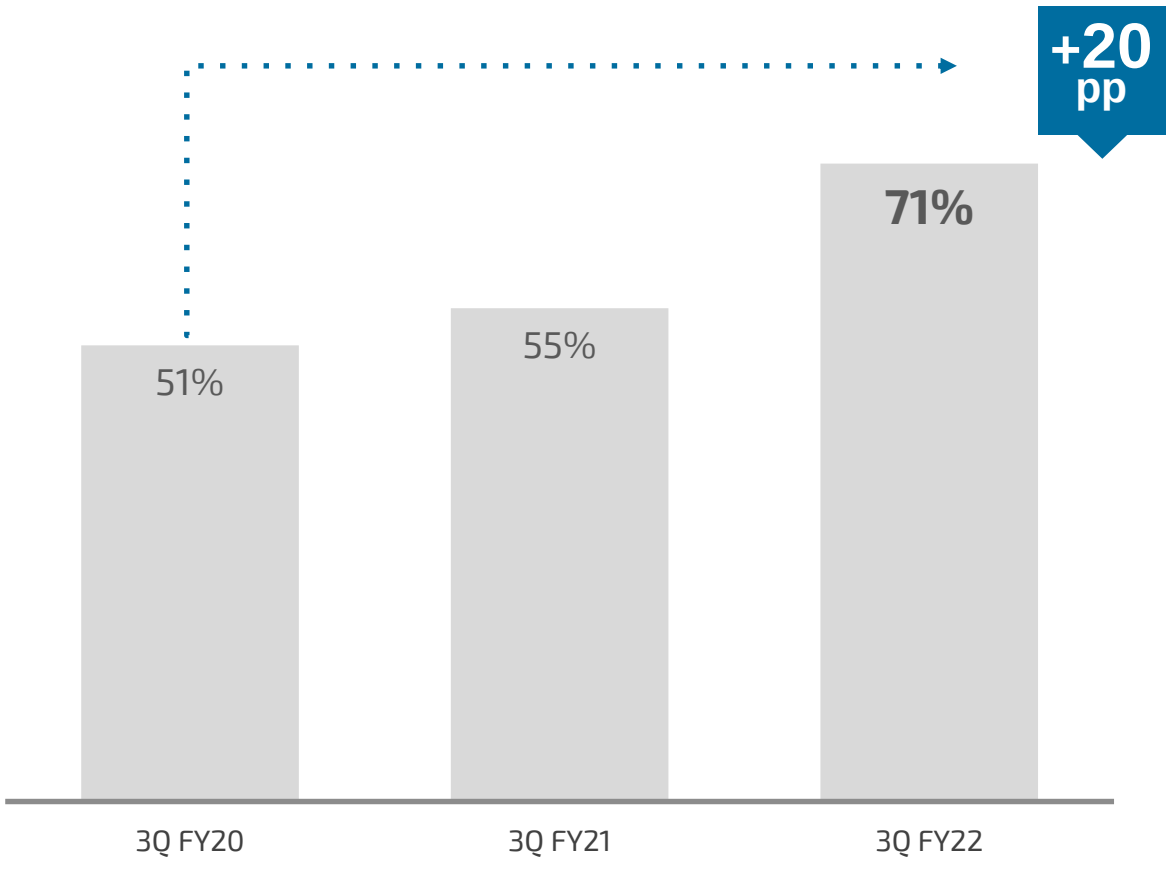
2.4M MEMBERS

- **eDO is inventor and leader of subscription in travel with over 4 years of investment**
- In the 12 months to December 2021 **our subscribers grew by 186% to 2.2 million**
- **In 3Q FY22 we had net adds of 440k members despite Omicron affecting for half of that period**

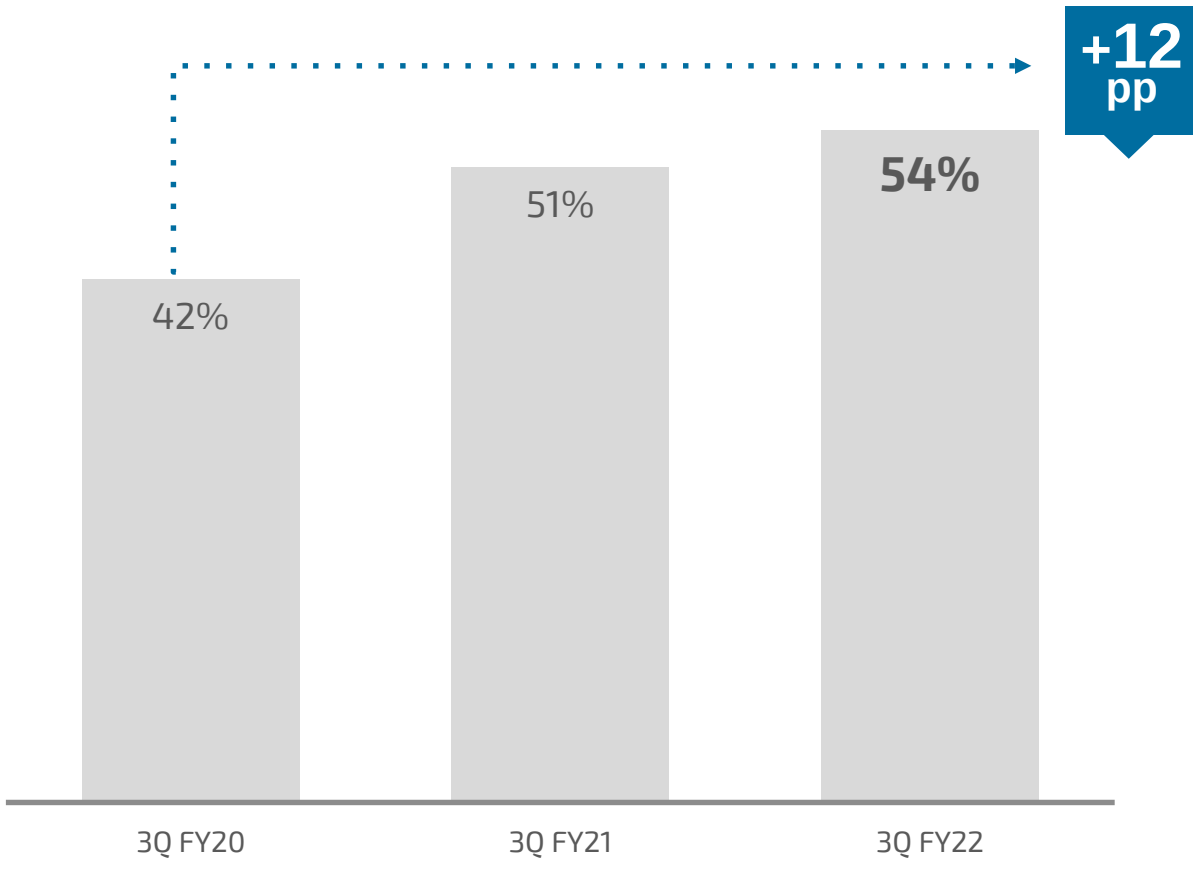
Source: Company data
(*) eDO Prime members until the 21st of February 2022

1 REVENUE DIVERSIFICATION ON TRACK AND THE LARGEST CONTRIBUTOR TO REVENUES AND WE CONTINUE TO LEAD IN MOBILE

REVENUE DIVERSIFICATION RATIO (*) (**)



MOBILE BOOKINGS AS SHARE OF FLIGHT BOOKINGS (*) (**)



(*) Definitions of Non-GAAP measures on page 22-24 (**) Note: Ratios are calculated on last twelve month basis ending on the displayed quarter



Overview

2. 3Q FY22 Results Update

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Appendix

2 INCOME STATEMENT

(IN EUROS MILLION)	3Q FY22	VAR. FY22 VS FY21	3Q FY21	9M FY22	VAR. FY22 VS FY21	9M FY21
REVENUE MARGIN	**95.4**	**218%**	**30.0**	**263.7**	**226%**	**81.0**
VARIABLE COSTS	(79.0)	229%	(24.0)	(216.8)	247%	(62.4)
FIXED COSTS	(17.1)	4%	(16.4)	(46.9)	2%	(45.8)
ADJUSTED EBITDA (*)	**(0.7)**	**N.A**	**(10.4)**	**0.0**	**N.A**	**(27.3)**
ADJUSTED ITEMS	(3.5)	133%	(1.5)	(7.7)	95%	(4.0)
EBITDA	**(4.2)**	**N.A**	**(12.0)**	**(7.7)**	**N.A**	**(31.2)**
D&A INCL. IMPAIRMENT & RESULTS ON ASSET DISPOSALS	(8.6)	(6%)	(9.2)	(25.7)	(7%)	(27.5)
EBIT	**(12.9)**	**N.A**	**(21.1)**	**(33.4)**	**N.A**	**(58.7)**
FINANCIAL LOSS	(7.7)	11%	(7.0)	(23.5)	22%	(19.3)
INCOME TAX	3.2	(14%)	3.7	2.0	(76%)	8.4
NET INCOME	**(17.4)**	**N.A**	**(24.4)**	**(54.9)**	**N.A**	**(69.6)**
ADJUSTED NET INCOME	**(14.7)**	**N.A**	**(23.1)**	**(42.4)**	**N.A**	**(65.9)**

(*) Definitions of Non-GAAP measures on page 22-24

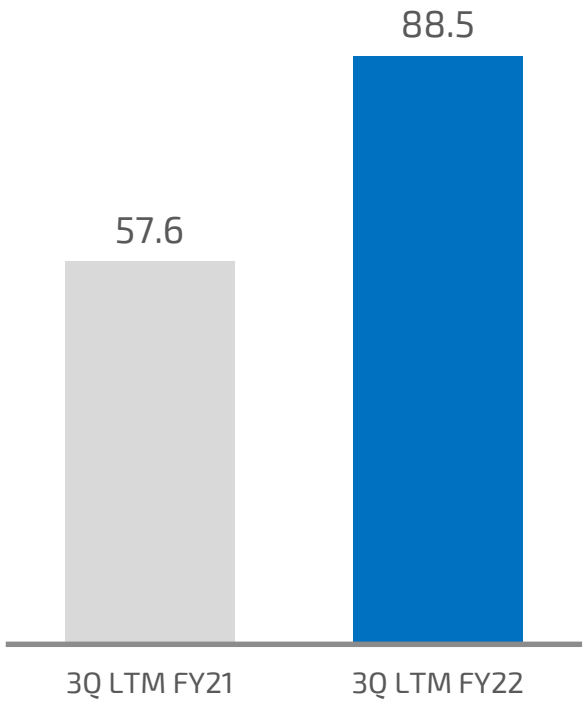
Source: Condensed consolidated interim financial statements, unaudited

Highlights **3Q FY22**

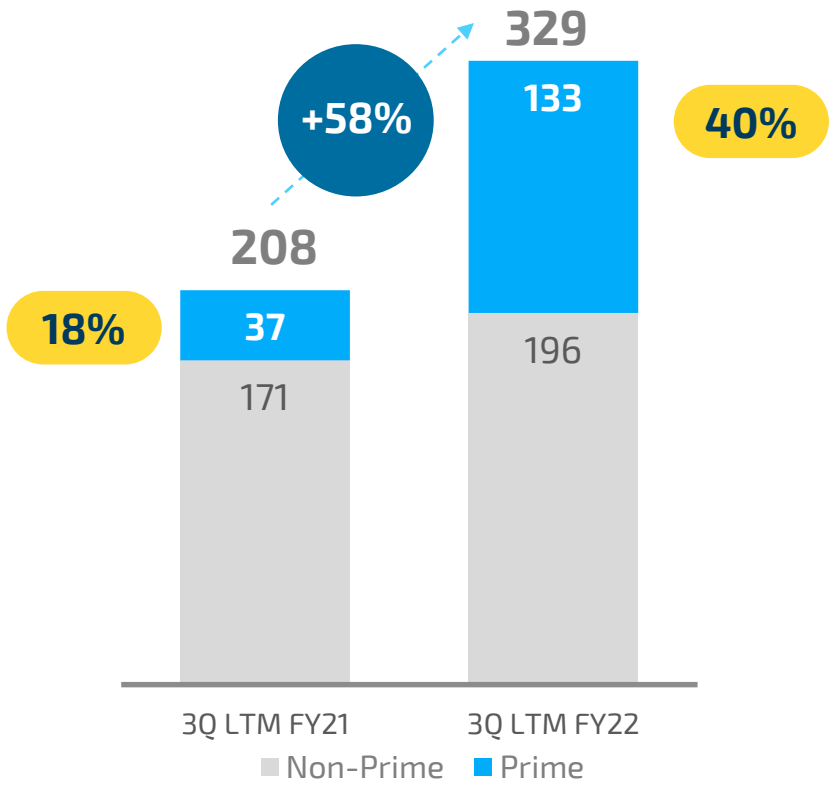
1. **Revenue Margin** increased by 218%, to €95.4 million, due to the 264% increase in Bookings which was partly offset by a decrease in Revenue Margin per Booking of 13%.
2. **Variable costs** increased by 229% due to the increase in Bookings, and a decrease of Variable Costs per Booking of 10%, from €27.5 in 3Q FY21, to €24.8 in 3Q FY22, as a result of lower call-center costs per Booking due to the investment in automation of customer service needs, offset partially by higher marketing investments.
3. **Fixed costs** increased by 4%, mainly driven by higher personnel costs, due to the absence of government supported scheme (ERTE) for temporary salary reductions in 3Q FY22, and offset by a decrease in the FX loss (from €2.9M in 3Q FY21 to €0.5M in 3Q FY22).
4. **Adjusted items** increased by €2.0 million primarily due to the increase in the Long Term Incentive expenses of €1.0 million in 3Q FY22 and the modification of the Waylo earn-out agreement for €1.2 million.
5. **D&A and impairment** decreased by €0.6 million, mainly due to the decrease of the depreciable value of fixed assets.
6. **Financial loss** increased by €0.7 million, mainly due to the impact of the fluctuations on the foreign exchange rates for cash and cash equivalents that we have in currencies other than Euros.
7. **The income tax** decreased by €0.5 million from €3.7 million income in 3Q FY21 to €3.2 million income in 3Q FY22 due to (a) lower Spanish tax losses, (b) lower effect UK rate change on the deferred tax liability, (c) lower release of the provision for tax risks and (d) other differences.

2 NEW KPIS DISCLOSED: STRONG GROWTH IN PRIME CASH REVENUE MARGIN AND MARGINAL PROFIT IN THE LAST 12 MONTHS DUE TO STRONG GROWTH IN PRIME MEMBERS AND ARPU

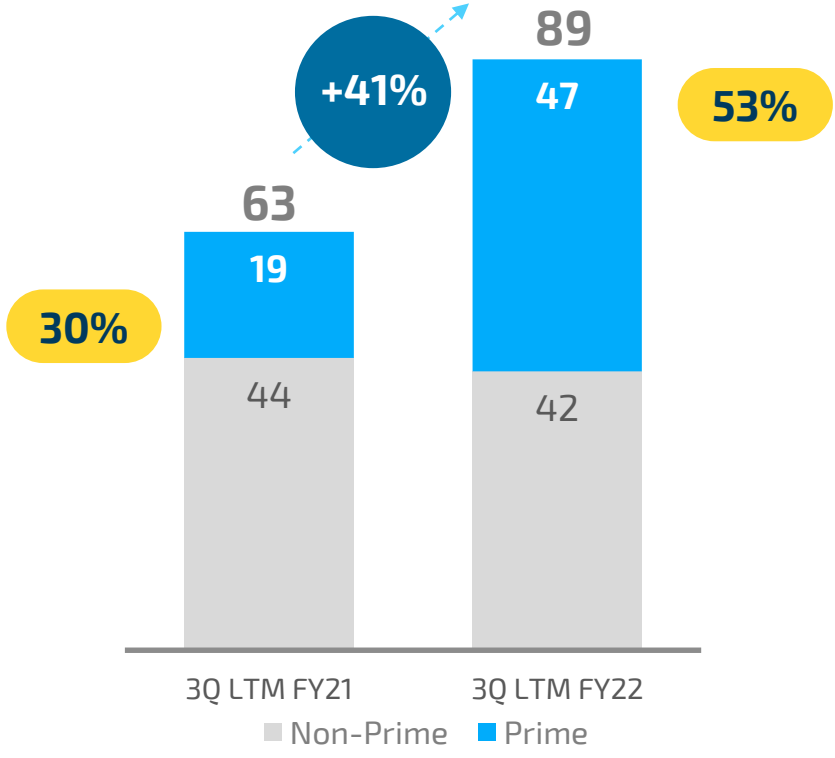
ARPU LTM (€) (*)



Cash Revenue Margin LTM (€M) (*)



Cash Marginal Profit LTM (€M) (*)



Prime weight over total

(*) Definitions of Non-GAAP measures on page 22-24

2 eDO CASH EBITDA ALSO ACCELERATING DUE TO STRONG GROWTH IN PRIME MEMBERS

P&L WITH INCREASE IN PRIME DEFERRED REVENUE

(in € million)	3Q FY22	3Q FY21	Var. %	9M FY22	9M FY21	Var. %	12M FY21
Revenue Margin	**95.4**	**30.0**	**218 %**	**263.7**	**81.0**	**226 %**	**111.1**
Increases Prime Deferred Revenue	14.7	2.9	407 %	33.3	8.7	283 %	10.7
Cash Revenue Margin (*)	**110.0**	**32.9**	**235 %**	**297.0**	**89.7**	**231 %**	**121.8**
Variable Cost	(79.0)	(24.0)	229 %	(216.8)	(62.4)	247 %	(86.1)
Cash Marginal Profit (*)	**31.0**	**8.9**	**248 %**	**80.2**	**27.3**	**194 %**	**35.7**
Fixed Cost	(17.1)	(16.4)	4 %	(46.9)	(45.8)	2 %	(63.2)
Cash EBITDA (*)	**14.0**	**(7.5)**	**N.A.**	**33.3**	**(18.6)**	**N.A.**	**(27.4)**
Increases Prime Deferred Revenue	14.7	2.9	407 %	33.3	8.7	283 %	10.7
Adjusted EBITDA (*)	**(0.7)**	**(10.4)**	**N.A.**	**0.0**	**(27.3)**	**N.A.**	**(38.2)**
Adjusted items	(3.5)	(1.5)	133 %	(7.7)	(4.0)	93 %	(6.9)
EBITDA	**(4.2)**	**(12.0)**	**N.A.**	**(7.7)**	**(31.2)**	**N.A.**	**(45.0)**

- In **FY21**, the i**ncrease in deferred revenue driven by Prime** amounted to €10.7 million euros, a **91% increase** year-on-year. **In FY22** this **growth has accelerated driven by strong growth in Prime members** (1,4 million more new members than in the same period last year). **In 3Q FY22** amounting to €14.7 million (**up 407% year-on-year**).
- **Cash EBITDA (*) €14.0 million positive in 3Q FY22 (€33.3 million in 9M FY22).**

(*) Definitions of Non-GAAP measures on page 22-24

2

CASH FLOW STATEMENT

(IN EUROS MILLION)	3Q FY22	3Q FY21	9M FY22	9M FY21
ADJUSTED EBITDA (*)	**(0.7)**	**(10.4)**	**0.0**	**(27.3)**
ADJUSTED ITEMS	(3.5)	(1.5)	(7.7)	(4.0)
NON CASH ITEMS	3.8	1.8	8.5	(15.5)
CHANGE IN WORKING CAPITAL	(22.9)	29.9	38.9	49.7
INCOME TAX PAID	(0.3)	(0.3)	1.9	(5.3)
CASH FLOW FROM OPERATING ACTIVITIES	**(23.6)**	**19.5**	**41.6**	**(2.3)**
CASH FLOW FROM INVESTING ACTIVITIES	**(6.2)**	**(6.5)**	**(17.9)**	**(15.3)**
CASH FLOW BEFORE FINANCING	**(29.7)**	**13.0**	**23.7**	**(17.6)**
OTHER DEBT ISSUANCE/ (REPAYMENT)	(0.1)	(0.6)	(1.2)	(41.4)
FINANCIAL EXPENSES (NET)	(0.9)	(0.9)	(14.7)	(15.0)
CASH FLOW FROM FINANCING	**(1.0)**	**(1.5)**	**(16.0)**	**(56.4)**
NET INCREASE / (DECREASE) IN CASH	**(30.8)**	**11.5**	**7.7**	**(74.0)**
CASH (NET OF BANK OVERDRAFTS)	**2.6**	**12.7**	**2.6**	**12.7**

(*) Definitions of Non-GAAP measures on page 22-24

Source: Condensed consolidated interim financial statements, unaudited

Highlights **3Q FY22**

1. **Net cash from operating activities decreased by €43.1 million, mainly reflecting:**
   - Working capital outflow of only €22.9 million, despite Omicron, compared to an inflow of €29.9 million in 3Q FY21. The outflow of €22.9 million is mainly driven by short term decrease in demand for leisure travel due to Omicron travel restrictions from November 2021 compared to September 2021, partially offset by the increase in Prime Deferred Income.
   - Income tax remained at €0.3 million payment in 3Q FY22 compared to 3Q FY21 due to a lower payment of Spanish tax, lower refund of pre-paid Spanish tax and other differences.
   - Increase in Adjusted EBITDA (*) by €9.7 million.
   - Non-cash items: items accrued but not yet paid, increased by €2.1 million mainly due to a greater variation (decrease) in the provisions recorded.
2. **We have used cash for investments** of €6.2 million in 3Q FY22, a decrease by €0.3 million, mainly due to a decrease in software that was capitalized.
3. **Cash used in financing** amounted to €1.0 million, which is in line with the same period of last year.

2 SUCCESSFULLY EXECUTED ON THE OPTIMISATION OF OUR CAPITAL STRUCTURE

FINANCIAL STABILITY TO EXECUTE ON OUR BUSINESS PLAN AND DELIVER ON FY25 TARGETS

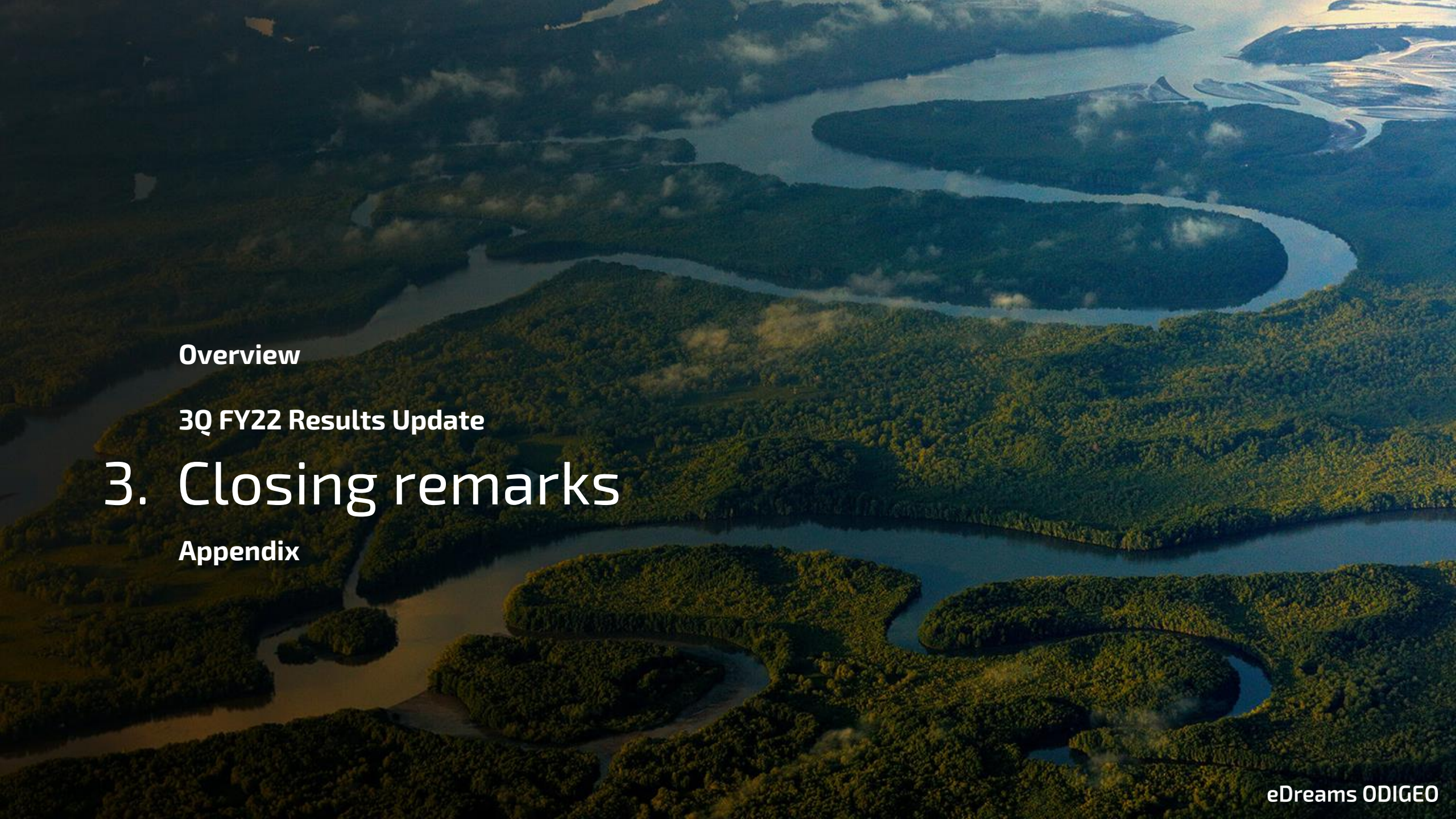
EQUITY

- Raised €75 million of primary equity enabled by inbound investor demand
- Increased liquidity
- Added 30 new investors, and
- Reduced by €50 million the principal of the Senior Notes, which was key for:
  1. Increased RCF size
  2. Refinance at 5.5% coupon in current conditions of uncertainty due to COVID-19 and credit risk spreads widening since CMD

DEBT

- Reduced the size of the existing bond from €425 to €375 million
- Extended maturity by 5.5 years to 2027
- Reduced yearly interest expense by €2.5 million per year
- Increased RCF size to 180 million
- Better contractual terms for the debt:
  - EBITDA of reference is Cash EBITDA
  - Covenant now springs at 40% vs 30% previously

FOCUS IN WINNING IN POST COVID-19 WORLD



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3. Closing remarks

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3 CLOSING REMARKS

Overall we continue to outperform the market, gaining market share. In the past 3 months we remain 52 to 67pp ahead of the LCCs and IATA, respectively. Even with Omicron our Q3 bookings were 26% increased vs pre COVID-19 levels, and in February to date we have had our strongest ever volume of daily Bookings for any month.

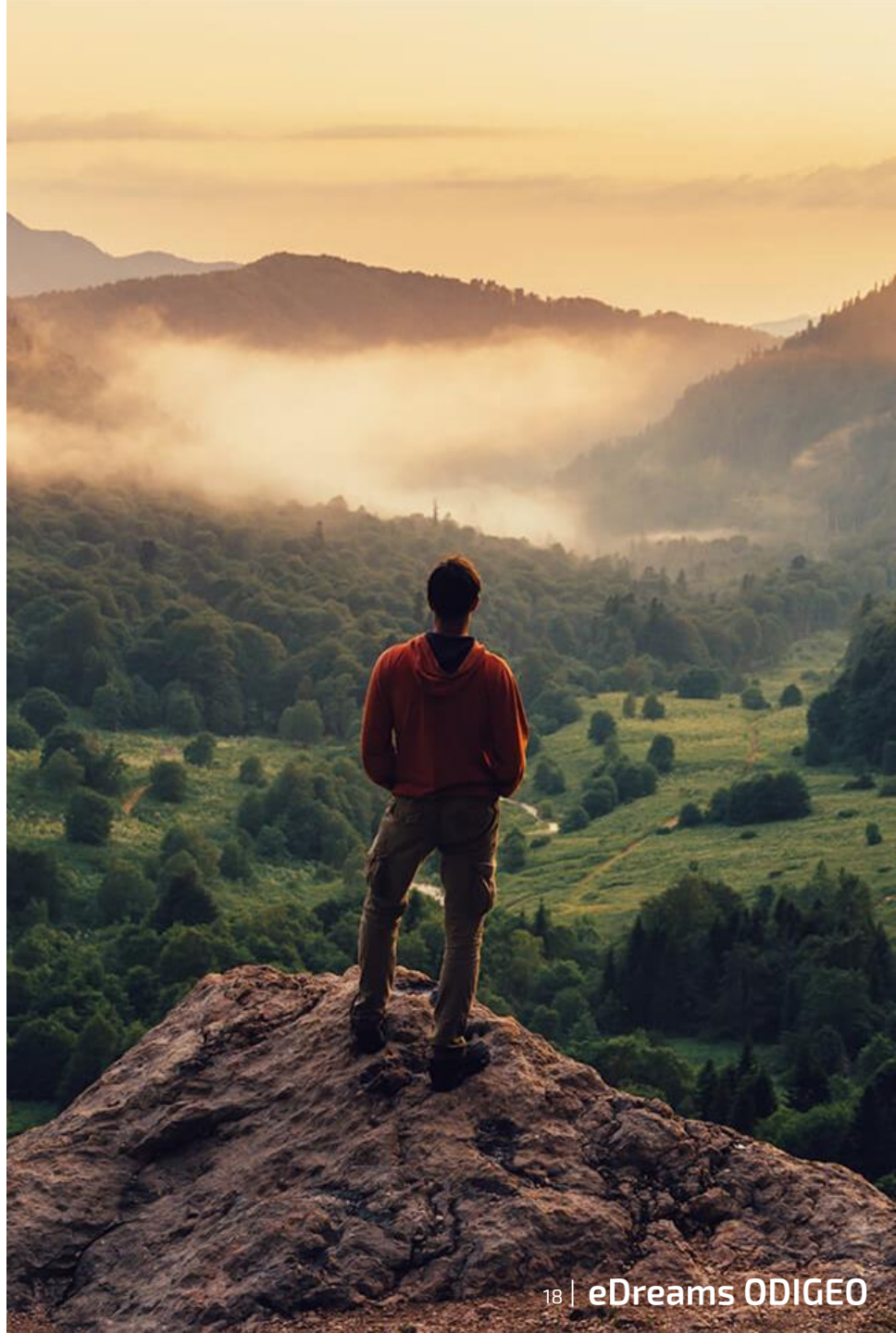
We have an unrivalled scale advantage. eDO is the global leader in flights, excluding China.

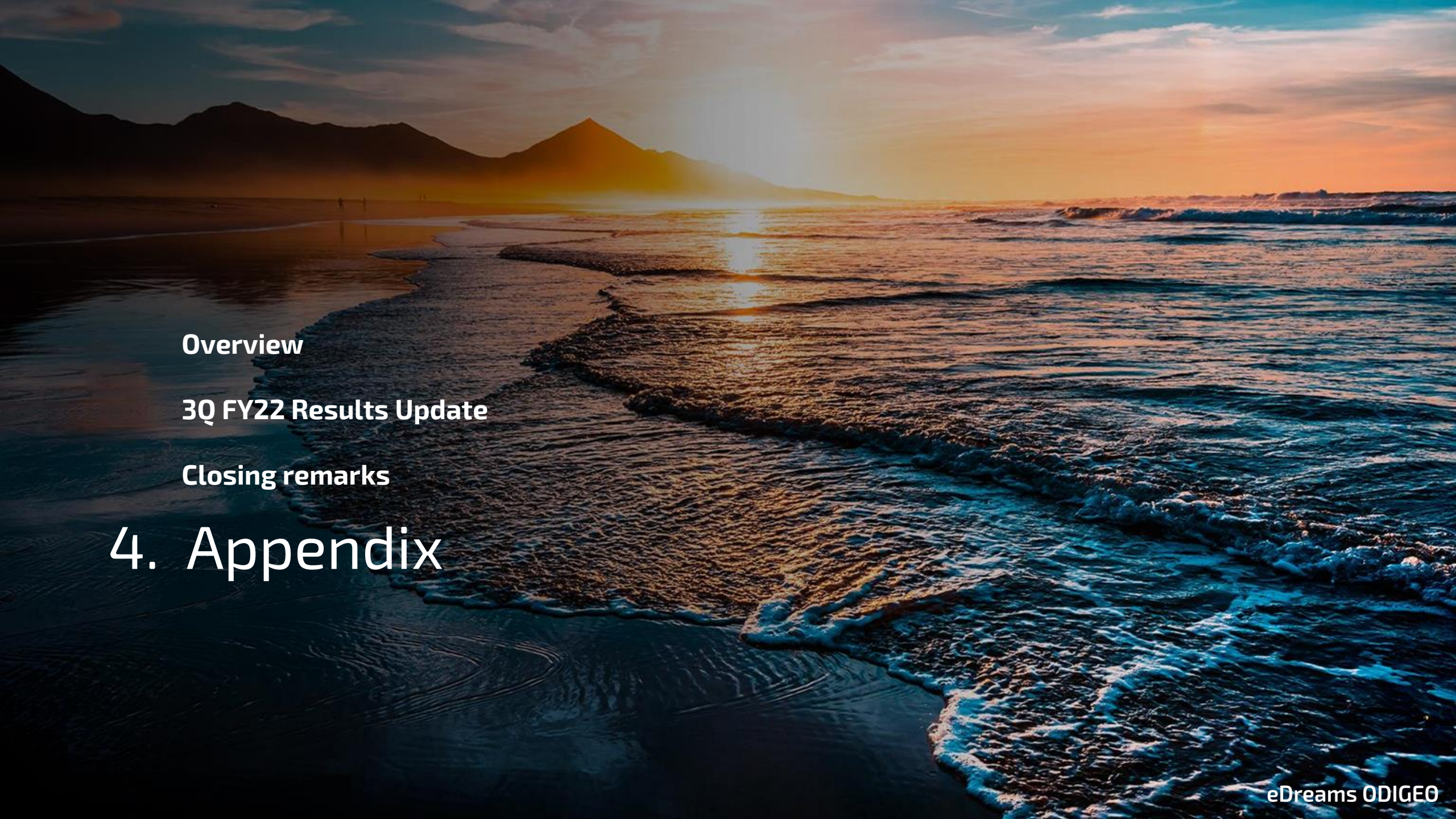
Our customer proposition is unique and very compelling for consumers. In Prime we continue to add more customers, having added over a million new members than the same period of last year and are currently at 2.4 million subscribers.

Economically for eDO **Prime changes the relationship it has with its customers from transactional to repeat customer** which lowers the cost of ongoing customer re-acquisition, i.e. marketing costs and allowing further investment in flight and non-flight products to delight and secure more customers.

In practice, we are a subscription business. Already today **we have 53% of our Cash Marginal Profit coming from Prime subscribers and this will continue to grow.**

With the return of leisure travel, the opportunity is very large for us. With a proven consumer proposition, proven economic model, and a large total addressable market this provides a large opportunity like for other subscription-based businesses.





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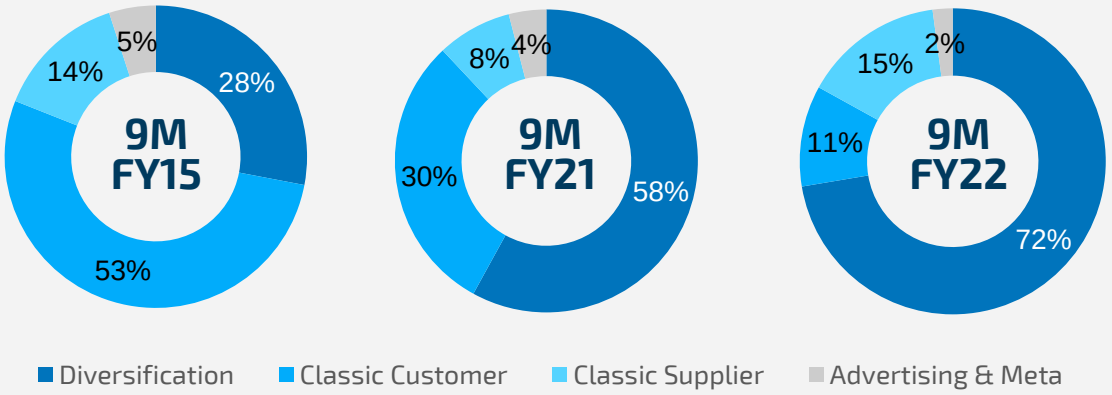
4. Appendix

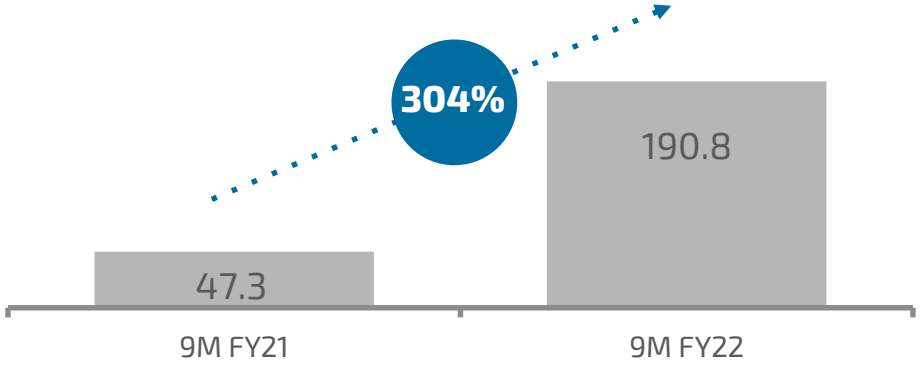
4 DIVERSIFICATION REVENUE CONTINUES AS THE LARGEST CONTRIBUTOR

REVENUE MARGIN

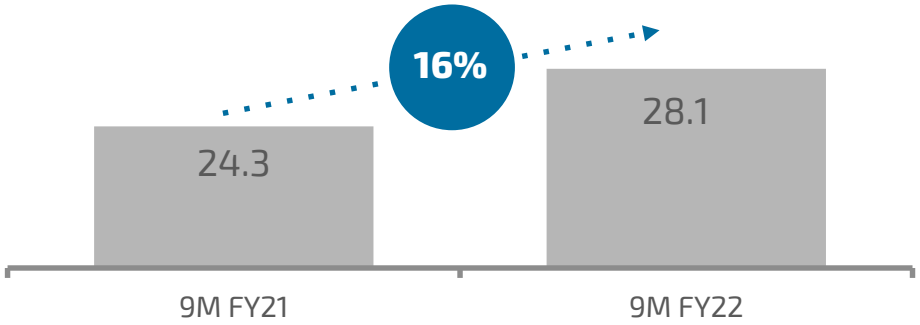
(IN EUROS MILLION)	9M FY22	Var. FY22 vs FY21	9M FY21
DIVERSIFICATION	190.8	304%	**47.3**
CLASSIC CUSTOMER	28.1	16%	**24.3**
CLASSIC SUPPLIER	39.2	516%	**6.4**
ADVERTISING & META	5.6	83%	**3.0**
TOTAL	**263.7**	**226%**	**81.0**



DIVERSIFICATION



CLASSIC CUSTOMER

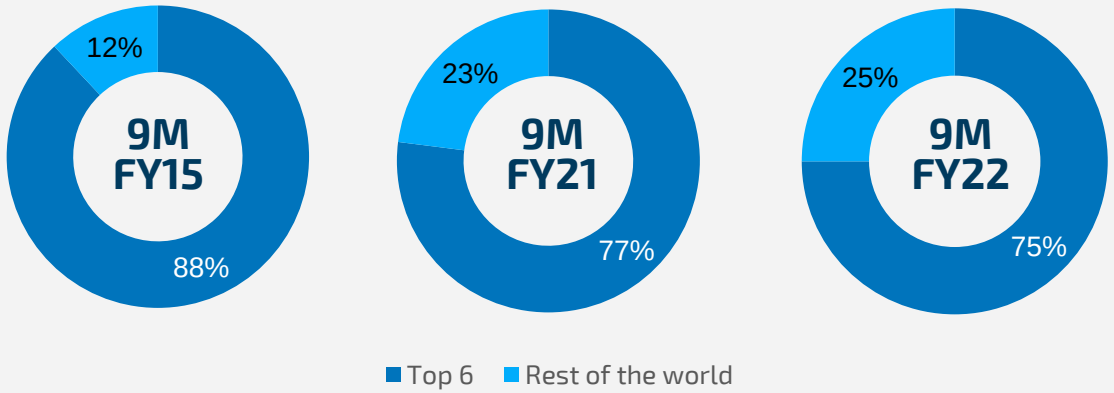


(*) Definitions of Non-GAAP measures on page 22-24

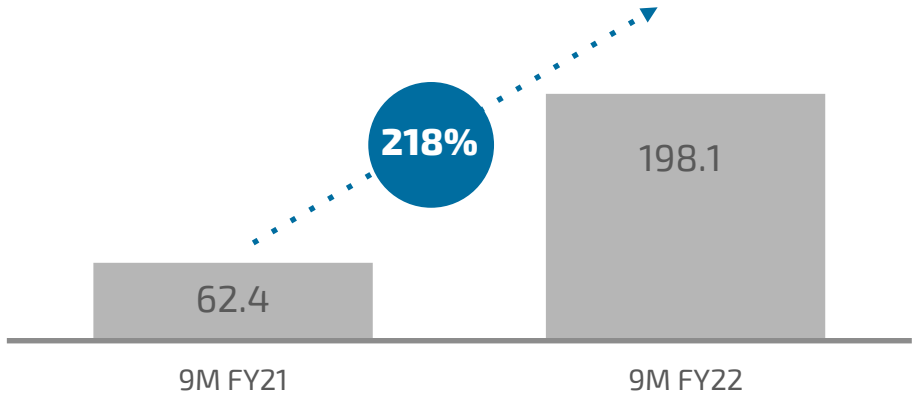
4 REVENUE DIVERSIFICATION CONTINUES TO EXPAND BEYOND TOP 6

REVENUE MARGIN

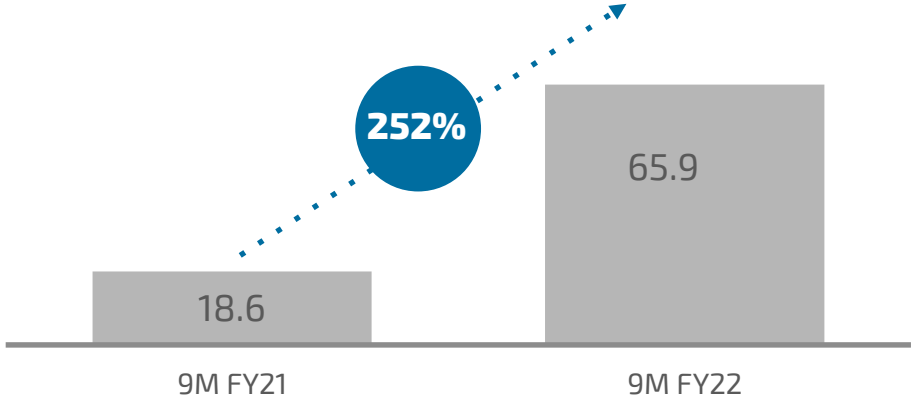
(IN EUROS MILLION)	9M FY22	Var. FY22 vs FY21	9M FY21
TOP 6	198.1	218%	62.4
REST OF THE WORLD	65.6	252%	18.6
TOTAL	263.7	226%	81.0



TOP 6



REST OF THE WORLD



(*) Definitions of Non-GAAP measures on page 22-24

Glossary of Definitions

Non-reconcilable to GAAP measures

1. 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, 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 our ongoing operations. Adjusted EBITDA provides to the reader a better view about the ongoing EBITDA generated by the Group.
4. 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.
5. Fixed Costs per Booking means fixed costs divided by the number of bookings. See definitions of "Fixed costs" and "Bookings".
6. 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.
7. Variable Costs per Booking means variable costs divided by the number of bookings. See definitions of "Variable costs" and "Bookings".
8. Marginal Profit means "Revenue Margin" less "Variable Costs".
9. 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.
10. Capital Expenditure represents the cash outflows incurred during the period to acquire non-current assets such as property, plant and equipment, certain intangible assets and capitalization 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.
11. 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 usage, which refers to each instance the customer uses Prime to make a Booking with a discount, or when the Prime contracted period expires. 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 our financial obligations. Additionally, under the SSRCF, the Group is subject to the Adjusted Gross Leverage Financial Covenant (see note 23.2), that is a Financial Covenant based on Gross Financial Debt divided by Cash EBITDA, further adjusted by certain corrections.
12. 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 usage, which refers to each instance the customer uses Prime to make a Booking with a discount, or when the Prime contracted period expires. Cash Marginal Profit provides a measure of the sum of the Marginal Profit and the full Prime fees generated in the period.

Glossary of Definitions

15. Cash Revenue Margin means the IFRS revenue less cost of supplies, 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 usage, which refers to each instance the customer uses Prime to make a Booking with a discount, or when the Prime contracted period expires. Cash Revenue Margin provides a measure of the sum of the revenue margin and the full Prime fees generated in the period.
16. 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.
17. 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.
18. (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.
19. Gross Financial Debt or Gross 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.
20. 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. This measure was previously calculated by using Adjusted EBITDA, instead of Cash EBITDA. However, with the introduction of Cash EBITDA as a new APM of the Group, 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 our financial obligations. Additionally, under the SSRCF, the Group is subject to the Adjusted Gross Leverage Financial Covenant (see note 23.2), that is a Financial Covenant based on Gross Financial Debt divided by Cash EBITDA, further adjusted by certain corrections.
21. 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.
22. 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.
23. 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 Gross Financial Debt, also considering the available cash in the Group. This measure was previously calculated by using Adjusted EBITDA, instead of Cash EBITDA. However, with the introduction of Cash EBITDA as a new APM of the Group, 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 our financial obligations.
24. 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

Glossary of Definitions

19. 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. Revenue Margin is split by source into the following four categories, that the Group's management believes that this split may be useful to readers to help understand the results of our revenue diversification strategy.
    - Diversification Revenue represents revenue margin 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, and incentives directly received from airlines.
    - Classic Customer Revenue represents customer revenue margin other than Diversification Revenues earned through flight service fees, cancellation and modification fees, tax refunds and mobile application revenue. This category includes the revenue for the Prime fees and the Prime discounts.
    - Classic Supplier Revenue represents supplier revenue margin earned through GDS incentives for Bookings mediated by the Group through GDSs and incentives received from payment service providers.
    - Advertising and Metasearch Revenue represents revenue margin from other ancillary sources, such as advertising on the Group's websites and revenue from metasearch activities.

Other Defined Terms

19. 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 the Group's ongoing operations. It corresponds to the sum of adjusted personnel expenses and adjusted operating expenses.
20. 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.
21. Top 6 Markets and Top 6 Segments refers to our operations in France, Spain, Italy Germany, UK and Nordics.
22. 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.

Other Defined Terms

30. Rest of the World Markets and RoW segment refers to other countries in which we operate.
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 basisegment refers to other countries in which we operate.
32. Prime members means the total number of customers that have a 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. As Prime is a yearly program, Prime / Non Prime profit and loss measures are presented on a last twelve months basis.