eDreams ODIGEO

RESULTS PRESENTATION 3Q FY 2023



23rd February 2023

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 therein. This presentation should only be read in conjunction with the unaudited condensed consolidated interim financial statements of the Group. Copies of the unaudited 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" "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 condensed consolidated interim financial 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 quarter ended on 31st December 2022, published on 23rd February 2023. The documents are available on the Company's website (https://www.edreamsodigeo.com).

1. Results Highlights

1.1 Overview

1.2 Prime model a proven success

1.3 Strong 9M FY23 Results

2. Closing Remarks

3. Appendix



1. Results Highlights

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1.1 PRIME DELIVERING SIGNIFICANT UPLIFTS IN PROFIT MARGINS

IN 3Q FY23 SIGNIFICANT IMPROVEMENTS IN PROFITABILITY - CASH MARGINAL PROFIT MARGIN IMPROVEMENTS VS 1Q FY23, 29% VS 21%

- As guided, the maturity of Prime members is the most important driver for profitability, and this has resulted in substantial improvements in profitability as we have more and more Prime members renewing their memberships
- Cash Marginal Profit Margin(*) increased to 29% for 3Q FY23 from 21% in 1Q FY23, an 8ppt improvement vs 1Q FY23
- Cash EBITDA Margin (*) in 3Q FY23 also achieved very substantial improvements. Cash EBITDA Margin in 3Q FY23 stood at 16.0% vs 8.8% in 1Q FY23. Excluding a one off FX positive impact Cash EBITDA Margin stood at 14.6%, still well above 1Q and 2Q FY23. As guided in 1Q, strong growth in year one Prime members delayed profitability as profitability improves from year 2 onwards

PRIME MODEL A PROVEN SUCCESS

- eDO Bookings performance continues to be materially better than the market, with a higher quality business with the pivot to subscription
- In 3Q FY23 we reached 3.9 million subscribers, an 81% increase vs same period last year, despite the industry moving to more normalised seasonality patterns in terms of travelers booking their holidays, and the period Oct-Dec being the seasonal lowest. Year to date we have 427k average net adds (**) per quarter, which continue to be well above the 364k run rate average needed to hit our FY25 target of 7.25 million members
- Lower net adds (**) in 3Q FY23 are influenced by to seasonality, as less people are looking to book travel in this time of the year. 4Q is a high seasonality period and current run-rate of first 6 weeks of the quarter has 27% more net adds than 3Q FY23

WELL ON TRACK TO MEETING SELF-IMPOSED FY25 TARGETS

- **Prime Members** - Despite industry moving to more normalised seasonality patterns, the conflict in Ukraine War, high inflation and a market still below Pre-COVID levels, our quarterly average net adds run rate is strong. We are on track to reach our self imposed target of 7.25 million members
- **Prime ARPU(*)** - as guided, is trending towards mid €70s and then will converge with our FY25 guidance of €80 per user. In 3Q FY23 Prime ARPU stood at €76.8 per user
- **Cash EBITDA(*)** – Our 3Q FY23 results demonstrated that an increasing share of year 2+ Prime members has a very positive impact on margins. Our most recent results demonstrate we are well on track to meet our self-imposed target of over €180 million in FY25

(*) Definitions of Non-GAAP measures on page 27-29 (**) Net Adds: Gross Adds-Churn

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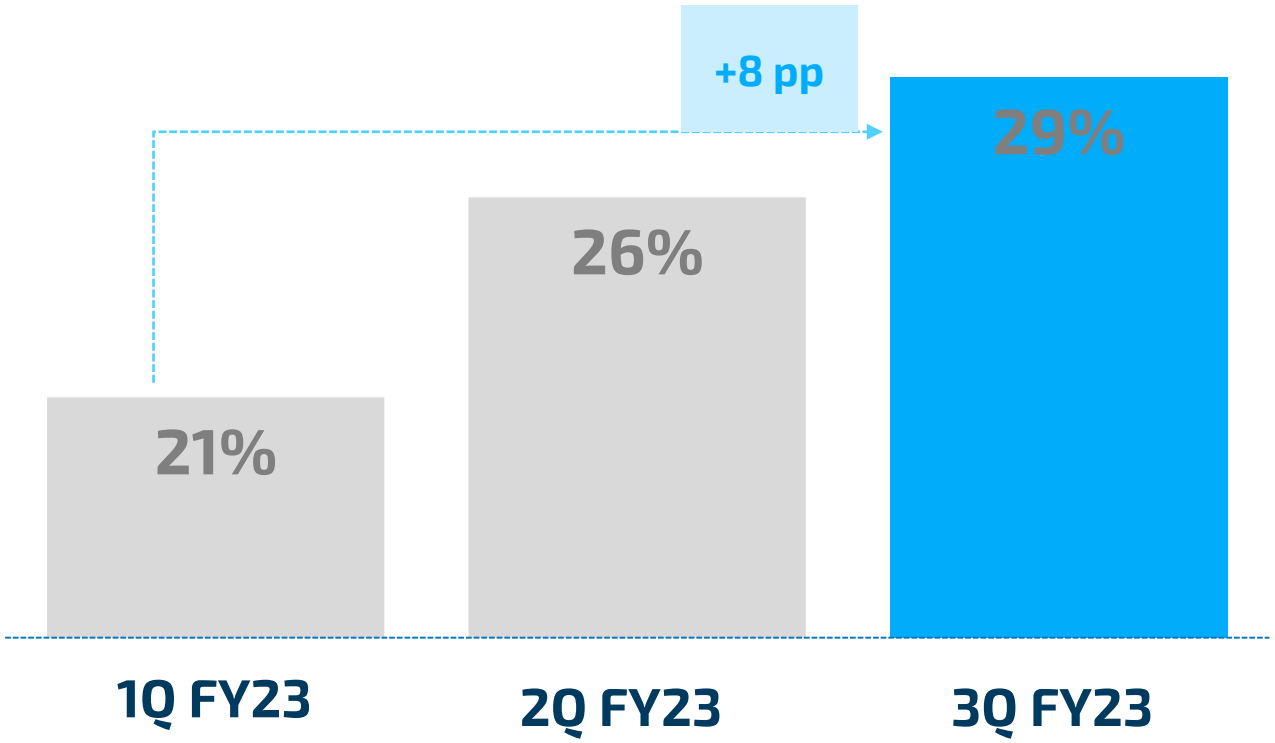
1.2 IN 3Q FY23 CASH MARGINAL PROFIT MARGIN CONTINUED TO IMPROVE AS MATURITY OF PRIME MEMBERS INCREASES

As guided, the maturity of Prime members is the most important driver for profitability. This has resulted in strong improvements in profitability as we have more and more Prime members renewing their memberships

EVOLUTION OF CASH MARGINAL PROFIT %

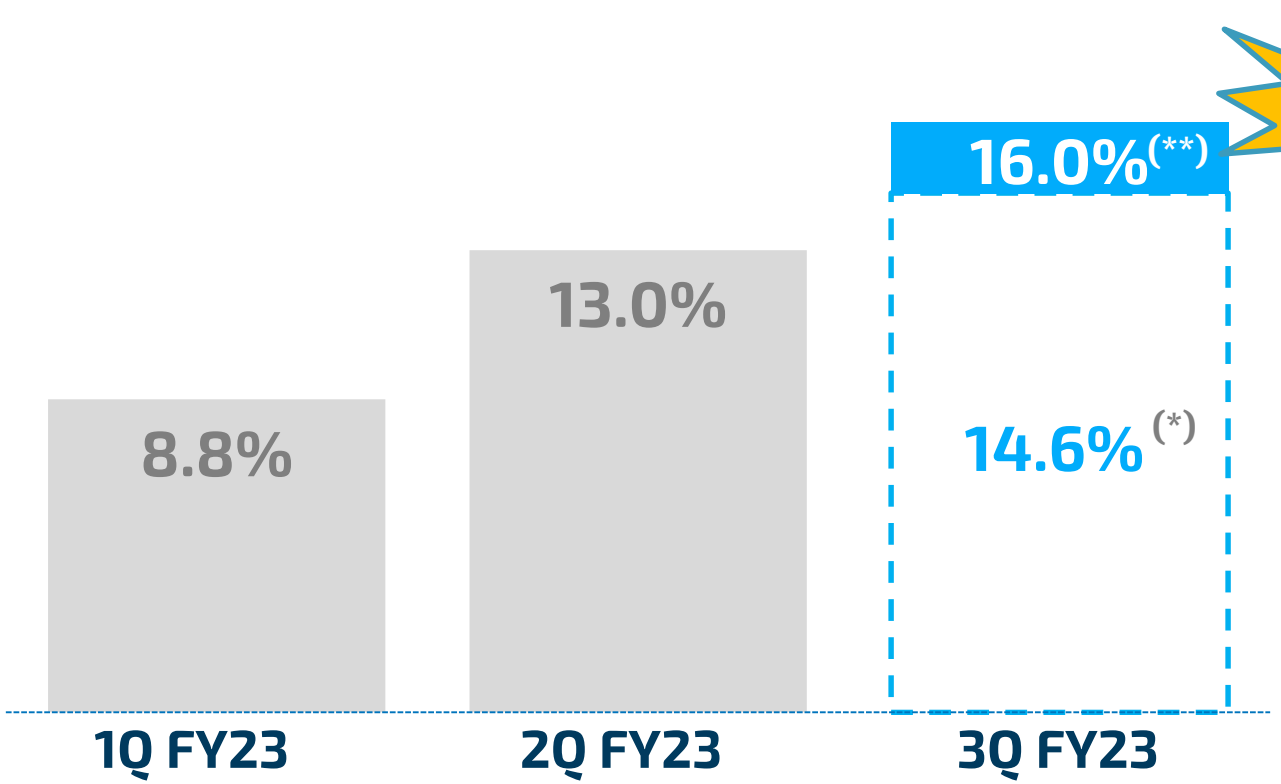




1.2 CASH EBITDA ALSO ACHIEVED SUBSTANTIAL MARGIN IMPROVEMENTS AS MATURITY OF PRIME MEMBERS INCREASES

As guided in 1Q, strong growth in year one Prime members delays profitability as profitability increases from year 2 onwards. As maturity of Prime members increases it is proven the margins improve. In 3Q FY23 we achieved an improvement of 7pp, 6pp excluding one off FX positive impact

EVOLUTION OF CASH EBITDA MARGIN %

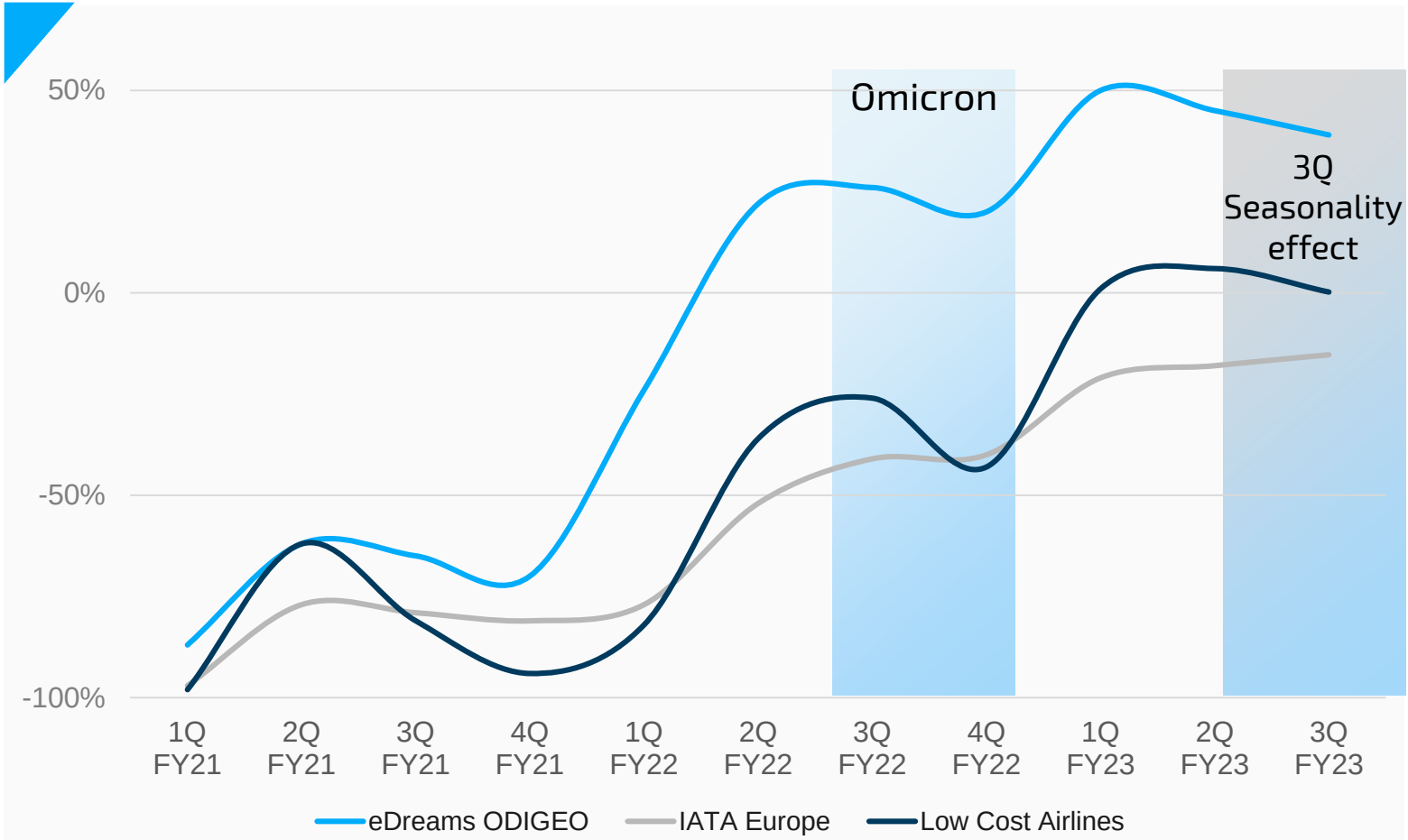




(*) Excluding €2.1 million FX positive impact. (**) 3Q FY23 Reported

1.2 DUE TO PRIME, eDO BOOKINGS PERFORMANCE CONTINUES TO BE MATERIALLY BETTER THAN INDUSTRY PEERS. GAP EXPECTED TO CLOSE AS CORPORATE TRAVEL RETURNS

TRADING EVOLUTION VS PRE COVID-19, %



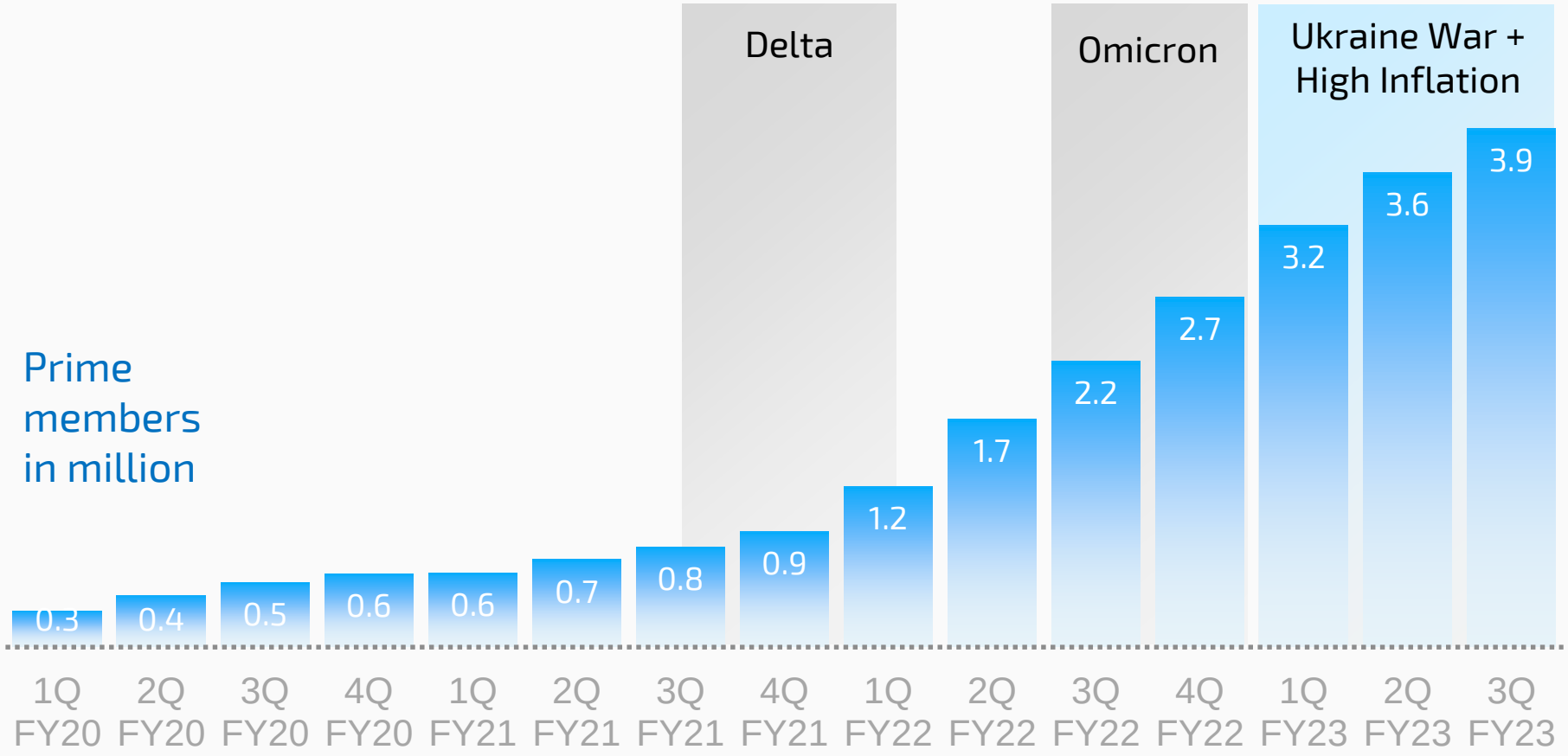
Moving to normal seasonality:

- Industry moving to more normalised seasonality patterns in terms of travelers booking their holidays
- There is a seasonality decrease in 3Q (Oct-Dec period)
- October to December is the market's weakest quarter in terms of volumes

Source: IATA Economics, Low Cost Airlines Company Data (easyJet, Ryanair & WizzAir) & Company Data.

1.2 STABLE PRIME MEMBER GROWTH RATES, DESPITE COVID WAVES, GEOPOLITICAL AND MACRO CONTEXT, AND THE NORMALISATION OF THE SEASONALITY PATTERNS

Prime is the #1 travel subscription programme in the world



IN FEBRUARY (*)

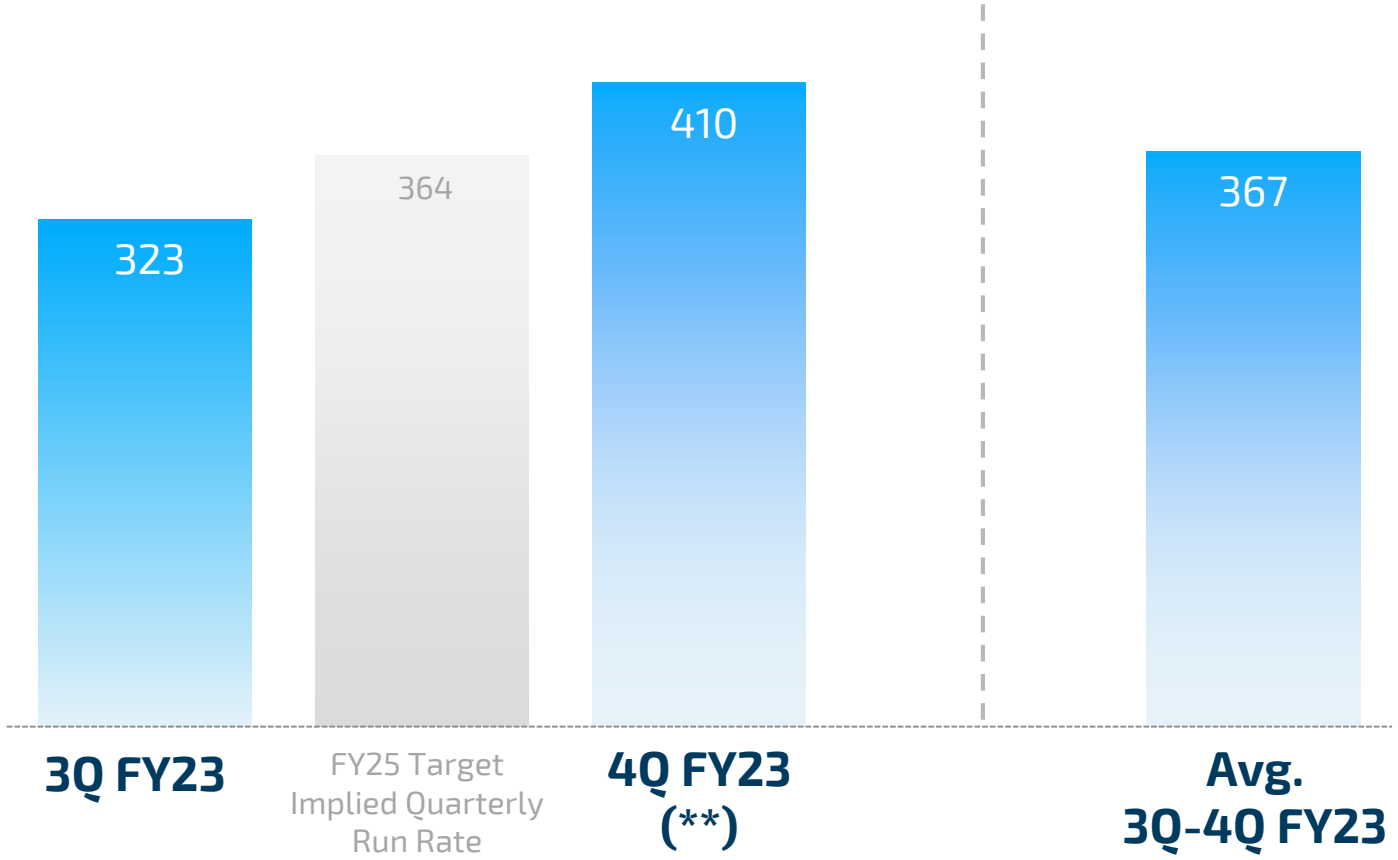
4.2M MEMBERS

Source: Company data (*) Prime members as of 15th of February 2023

1.2 AS NET ADDS OF PRIME MEMBERS ARE INFLUENCED BY SEASONALITY, THEY WILL INCREASE IN HIGHER VOLUME SEASONALITY PERIODS SUCH AS 4Q

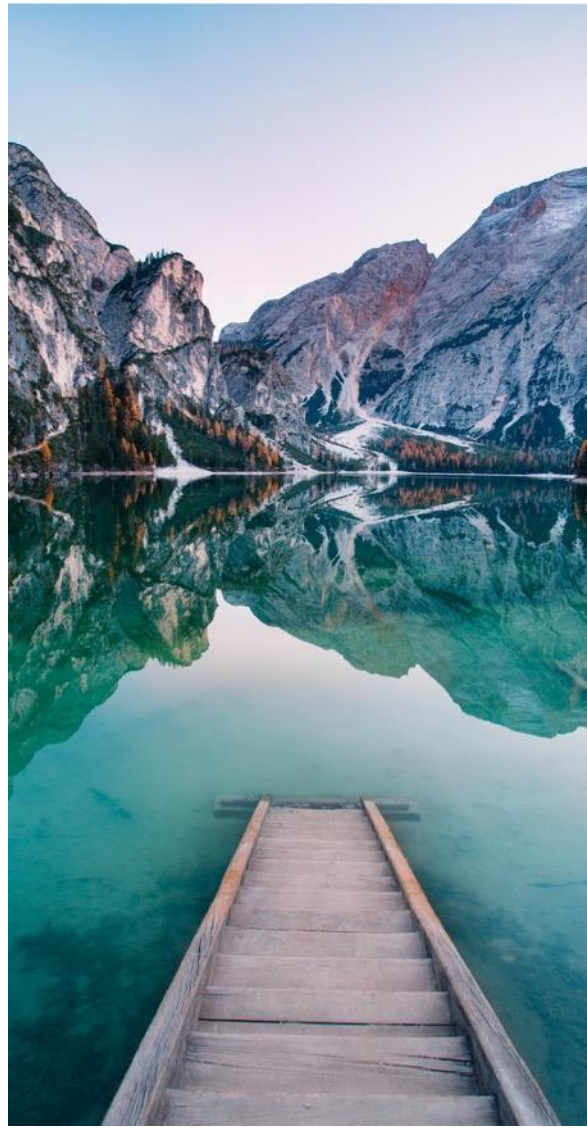
Quarterly Net Adds(*) 3Q FY23 vs. 4Q FY23 (**) and Run Rate for 3Q & 4Q FY23

(in thousand)



(*) Net Adds: Gross Adds-Churn

(**) Prime net adds run rate to date in 4Q FY23 as of 15th of February



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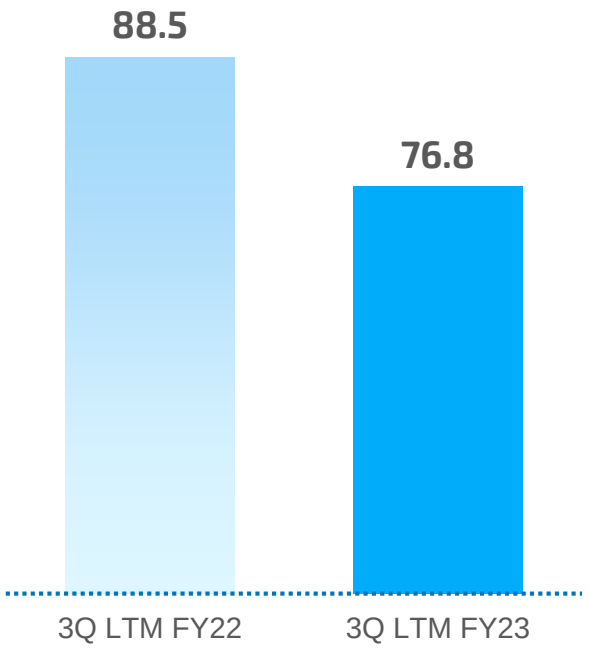
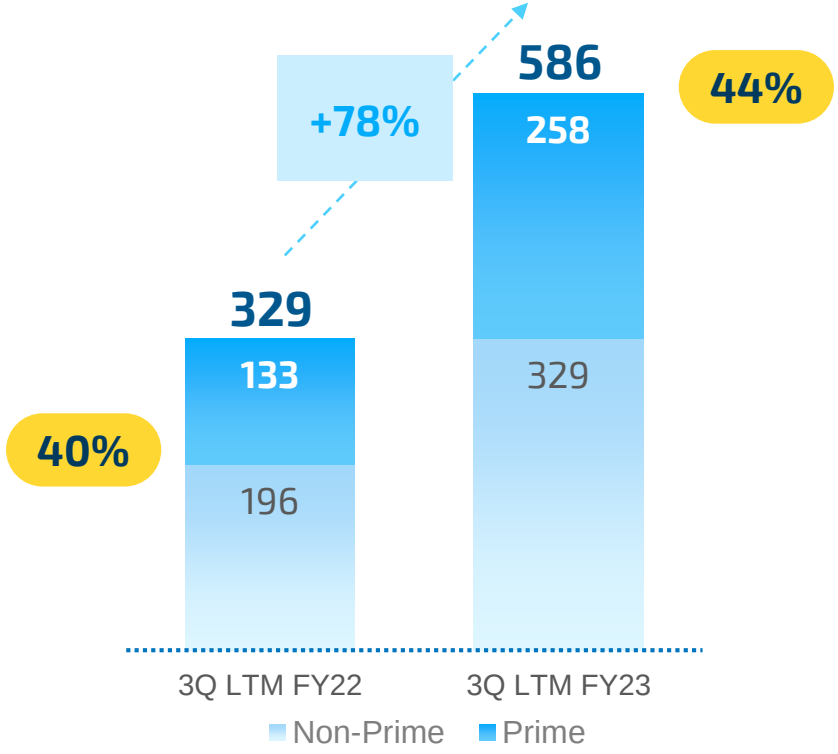
1.3 STRONG GROWTH IN PRIME CASH REVENUE MARGIN AND SIGNIFICANT MARGINAL UPLIFT AS MATURITY OF PRIME MEMBERS INCREASES

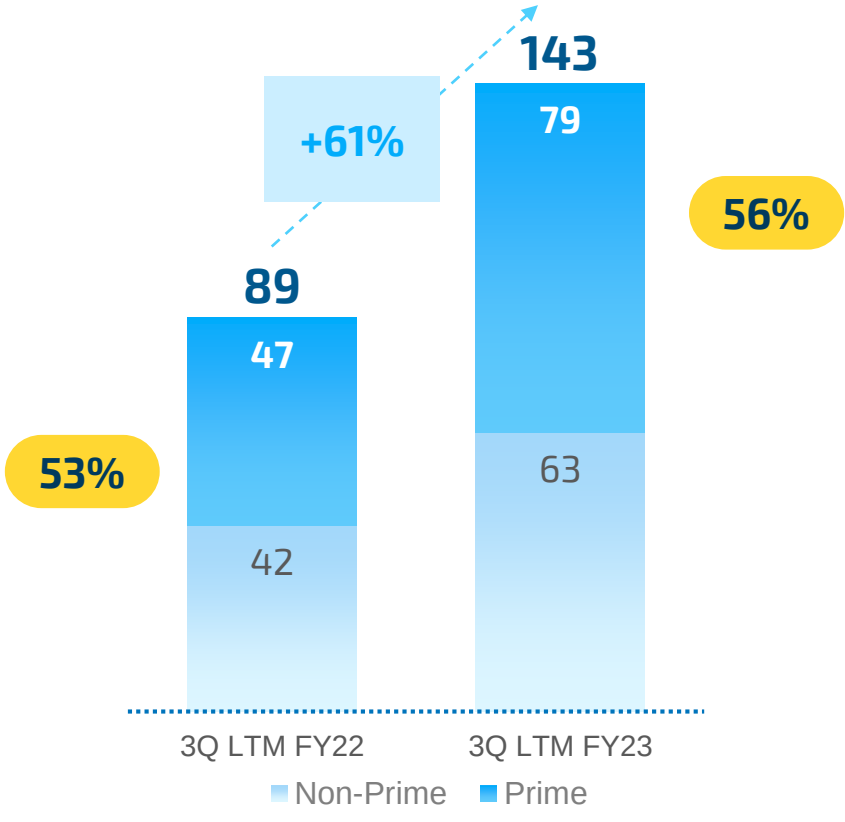
Prime ARPU LTM (€) (*)



Cash Revenue Margin LTM (€M) (*)



Cash Marginal Profit LTM (€M) (*)



Prime weight over total

(*) Definitions of Non-GAAP measures on page 27-29

1.3 STRONG GROWTH IN CASH EBITDA AND SUBSTANTIAL IMPROVEMENT IN MARGIN AS THE MATURITY OF PRIME MEMBERS INCREASES

P&L with increase in Prime Deferred Revenue

(IN EUROS MILLION)	3Q FY23	VAR. FY23 VS FY22	3Q FY22	9M FY23	VAR. FY23 VS FY22	9M FY22
REVENUE MARGIN	**130.5**	**37%**	**95.4**	**419.5**	**59%**	**263.7**
INCR. PRIME DEFERRED REVENUE	12.7	(13%)	14.7	40.2	21%	33.3
CASH REVENUE MARGIN (*)	**143.2**	**30%**	**110.0**	**459.7**	**55%**	**297.0**
VARIABLE COSTS	(102.1)	29%	(79.0)	(344.2)	59%	(216.8)
CASH MARGINAL PROFIT (*)	**41.1**	**33%**	**31.0**	**115.5**	**44%**	**80.2**
FIXED COSTS	(18.1)	6%	(17.1)	(58.1)	24%	(46.9)
CASH EBITDA (*)	**23.0**	**65%**	**14.0**	**57.4**	**72%**	**33.3**
INCR. PRIME DEFERRED REVENUE	(12.7)	(13%)	(14.7)	(40.2)	21%	(33.3)
ADJUSTED EBITDA (*)	**10.3**	**N.A.**	**(0.7)**	**17.2**	**N.A.**	**0.0**
ADJUSTED ITEMS (*)	(3.9)	11%	(3.5)	(9.8)	27%	(7.7)
EBITDA	**6.3**	**N.A.**	**(4.2)**	**7.4**	**N.A.**	**(7.7)**

(*) Definitions of Non-GAAP measures on page 27-29

Highlights 9M FY23

1. Success of Prime clear on our total Bookings and market share gains. Cash Revenue Margin (*) is already above pre-COVID-19 levels by 10%. Cash Marginal Profit (*) and Cash EBITDA (*) have more room to recover due to large increase of Prime members in the year (profitability of Prime members improves from second year onwards).

2. Over the past year our subscribers grew by 81% to 3.9 million. In addition, 44% and 56% of our Cash Revenue Margin (*) and Marginal Profit (*) respectively, are now from Prime members.

3. In 9M FY23 the growth in the increase in deferred revenue driven by Prime has accelerated driven by strong growth in Prime members (1.8 million more new members than in the same period last year), amounting to €40.2 million (up 21% year-on-year).

4. As guided, the maturity of Prime members is the most important driver for profitability, this has resulted in substantial improvements in profitability as we have more and more Prime members renewing their memberships.

5. Cash Marginal Profit Margin (*) increased to 29% for 3Q FY23 from 21% in 1Q FY23, an 8ppt improvement vs 1Q FY23. Cash EBITDA Margin (*) in 3Q FY23, also achieved very substantial improvements, Cash EBITDA Margin in 3Q FY23 stood at 16.0% vs 8.8% in 1Q FY23. Excluding a one-off FX positive impact Cash EBITDA Margin stood at 14.6%, still well above 1Q and 2Q FY23.

6. Cash EBITDA (*) stood at €57.4 million in 9M FY23, up 72% year-on-year, with strong Cash EBITDA (*) in 3Q FY23. In the third quarter alone we totaled €23.0 million, a 12% increase vs 2Q FY23, and 64% increase vs 1Q FY23 which amounted €20 million and €14 million respectively as strong growth in Prime members in their first year delays growth in profitability as profitability of Prime members improves from second year onwards.

1.3 INCOME STATEMENT

(IN EUROS MILLION)	3Q FY23	VAR. FY23 VS FY22	3Q FY22	9M FY23	VAR. FY23 VS FY22	9M FY22
REVENUE MARGIN	**130.5**	***37%***	**95.4**	**419.5**	***59%***	**263.7**
VARIABLE COSTS	(102.1)	*29%*	(79.0)	(344.2)	*59%*	(216.8)
FIXED COSTS	(18.1)	*6%*	(17.1)	(58.1)	*24%*	(46.9)
ADJUSTED EBITDA (*)	**10.3**	***N.A.***	**(0.7)**	**17.2**	***N.A.***	**0.0**
ADJUSTED ITEMS (*)	(3.9)	*11%*	(3.5)	(9.8)	*27%*	(7.7)
EBITDA (*)	**6.3**	***N.A.***	**(4.2)**	**7.4**	***N.A.***	**(7.7)**
D&A INCL. IMPAIRMENT & RESULTS ON ASSET DISPOSALS	(9.5)	*10%*	(8.6)	(25.6)	*0%*	(25.7)
EBIT (*)	**(3.1)**	***N.A.***	**(12.9)**	**(18.2)**	***N.A.***	**(33.4)**
FINANCIAL RESULT	(6.6)	*(15%)*	(7.7)	(20.1)	*(15%)*	(23.5)
INCOME TAX	(0.4)	*N.A.*	3.2	4.2	*109%*	2.0
NET INCOME	**(10.1)**	***N.A.***	**(17.4)**	**(34.1)**	***N.A.***	**(54.9)**
ADJUSTED NET INCOME (*)	**(6.8)**	***N.A.***	**(14.7)**	**(25.8)**	***N.A.***	**(42.4)**

(*) Definitions of Non-GAAP measures on page 27-29
Source: Condensed consolidated interim financial statements unaudited

Highlights 9M FY23

1. Revenue Margin increased by 59%, to €419.5 million, due to the 35% increase in Bookings and 18% increase in Revenue Margin per Booking.

2. Variable costs increased by 59% due to both the increase in Bookings and increase of Variable costs per Booking of 17%, from €24.3 in 9M FY22, to €28.5 in 9M FY23, mainly driven by higher acquisition (as part of the investment to acquire Prime members) and merchant costs (associated to higher gross sales and international expansion).

3. Fixed costs increased by €11.2 million, mainly driven by higher personnel costs and external fees, both related to the recruitment of new employees and in-line with our strategy to add 500 new employees by March 2025, and is offset by €1.6 million positive impact in FX.

4. Adjusted items increased by €2.1 million primarily due to the increase in the Long Term Incentive expenses of €2.3 million in 9M FY23.

5. D&A and impairment is in line with 9M FY22.

6. Financial loss decreased by €3.4 million, mainly due to the impact of the interest expense on the 2027 Notes compared with the interest expense on the 2023 Notes in 9M FY22 as 2027 Notes has €50 million lower principal.

7. The income tax increased by €2.2 million from €2.0 million income in 9M FY22 to €4.2 million income in 9M FY23 due to (a) no correction of the deferred tax liability relating to the increase of the UK tax rate, (b) lower Spanish tax losses and (c) other differences.

1.3 CASH FLOW STATEMENT

(IN EUROS MILLION)	3Q FY23	3Q FY22	9M FY23	9M FY22
ADJUSTED EBITDA (*)	**10.3**	**(0.7)**	**17.2**	**0.0**
ADJUSTED ITEMS	(3.9)	(3.5)	(9.8)	(7.7)
NON CASH ITEMS	2.3	3.8	14.9	8.5
CHANGE IN WORKING CAPITAL	(7.8)	(22.9)	11.6	38.9
INCOME TAX PAID/COLLECTED	(2.0)	(0.3)	(2.0)	1.9
CASH FLOW FROM OPERATING ACTIVITIES	**(1.2)**	**(23.6)**	**31.9**	**41.6**
CASH FLOW FROM INVESTING ACTIVITIES	**(10.7)**	**(6.2)**	**(27.0)**	**(17.9)**
CASH FLOW BEFORE FINANCING	**(11.9)**	**(29.7)**	**4.9**	**23.7**
ISSUE OF SHARES	(0.3)	-	(3.7)	—
OTHER DEBT ISSUANCE/ (REPAYMENT)	18.5	(0.1)	(16.2)	(1.2)
FINANCIAL EXPENSES (NET)	(1.0)	(0.9)	(13.2)	(14.7)
CASH FLOW FROM FINANCING	**17.2**	**(1.0)**	**(33.1)**	**(16.0)**
NET INCREASE / (DECREASE) IN CASH BEFORE BANK OVERDRAFTS	**5.3**	**(30.8)**	**(28.2)**	**7.7**
BANK OVERDRAFTS USAGE/ (REPAYMENT)	(5.8)	18.1	22.7	4.0
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**(0.5)**	**(12.6)**	**(5.4)**	**11.8**

(*) Definitions of Non-GAAP measures on page 27-29
Source: Condensed consolidated interim financial statements unaudited

Highlights 9M FY23

1. Net cash from operating activities decreased by €9.7 million, mainly reflecting:

- Working capital inflow of €11.6 million compared to €38.9 million in 9M FY22. The inflow in 9M FY23 is smaller than 9M FY22 due to the higher increase of volumes in between March 2021 and December 2021, following the release of travel restrictions in this period. The volumes between March 2022 and December 2022 have been more stable.
- Income tax paid decreased by €3.9 million from €1.9 million income tax received in 9M FY22 to €2.0 million income tax paid in 9M FY23 due to (a) advance payment of Italian withholding tax in connection with a court appeal , (b) lower refund of Spanish income tax and (c) other differences.
- Increase in Adjusted EBITDA (*) to €17.2 million form nil in 9M FY22.
- Non-cash items: items accrued but not yet paid, increased by €6.4 million mainly due to higher expenses related to share-based payments and higher operational provisions related to increase in amounts collected from customers mainly due to the growth in trading volumes.

2. We have used cash for investments of €27.0 million in 9M FY23, an increase by €9.1 million, mainly due to an increase in software that was capitalized.

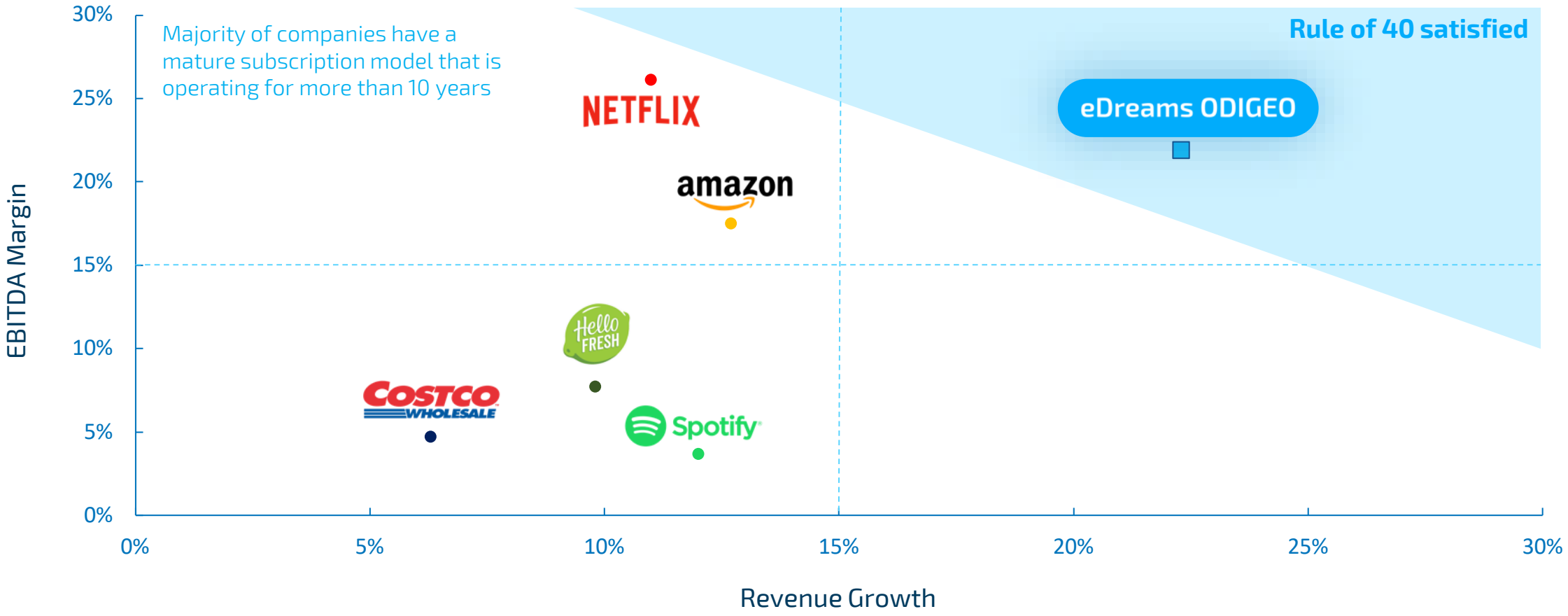
3. Cash used in financing amounted to €33.1 million, compared to €16.0 million from financing activities in 9M FY22. The variation by €17.1 million in financing activities mainly relates to the reimbursement of the SSRCF by €11.0 million and the Government sponsored loan by €3.8 million. The variation is offset with an increase of Bank overdrafts by €22.7M in 9M FY23 included in the line Bank overdrafts usage in the Cash Flow statement.

2.

Closing Remarks



2 eDO IS ONE OF ITS KIND IN TERMS OF PROFITABILITY AND GROWTH

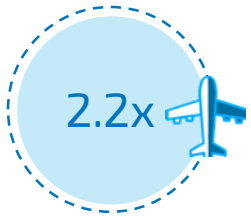


Source: Bloomberg as of 15th February 2023 and Company data
Note: Revenue growth based on CY24E for peers and FY25E for eDO; EBITDA margin based on CY24E for peers and FY25E for eDO

2 IN POLE POSITION IN AN ATTRACTIVE MARKET

Sizeable market and largest e-commerce vertical

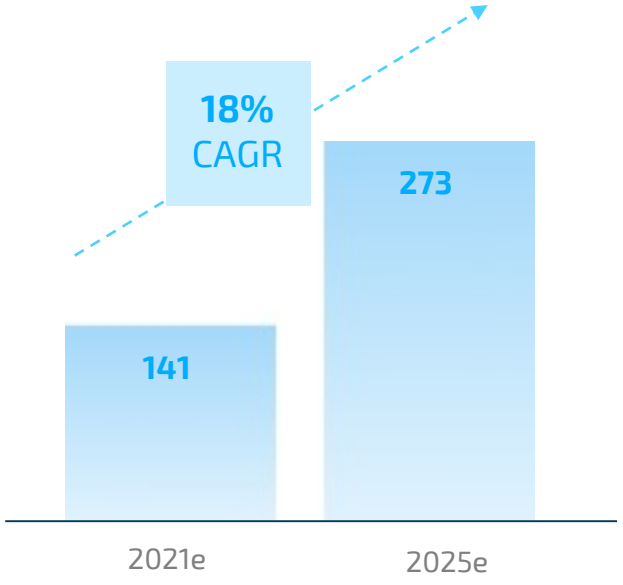
€1.3Tn



Online travel size vs. next largest e-commerce segment (apparel), 2019

Attractive growth prospects after the pandemic

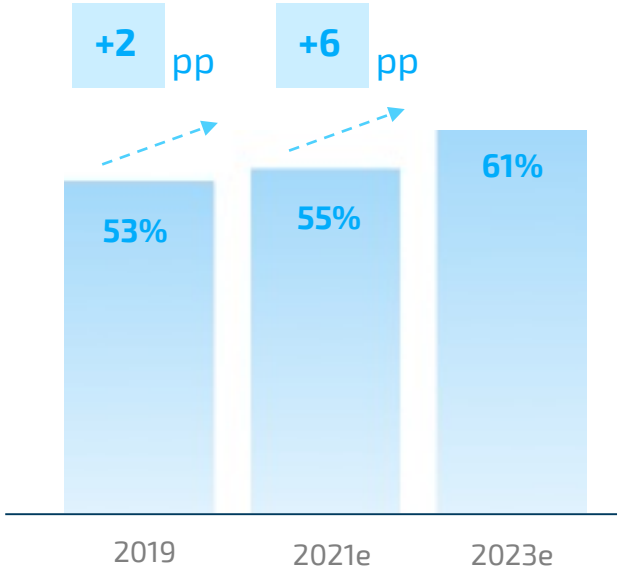
European Travel Market Size
€Bn



Source: Phocuswright

eDO is positioned in the right segments (online and leisure)

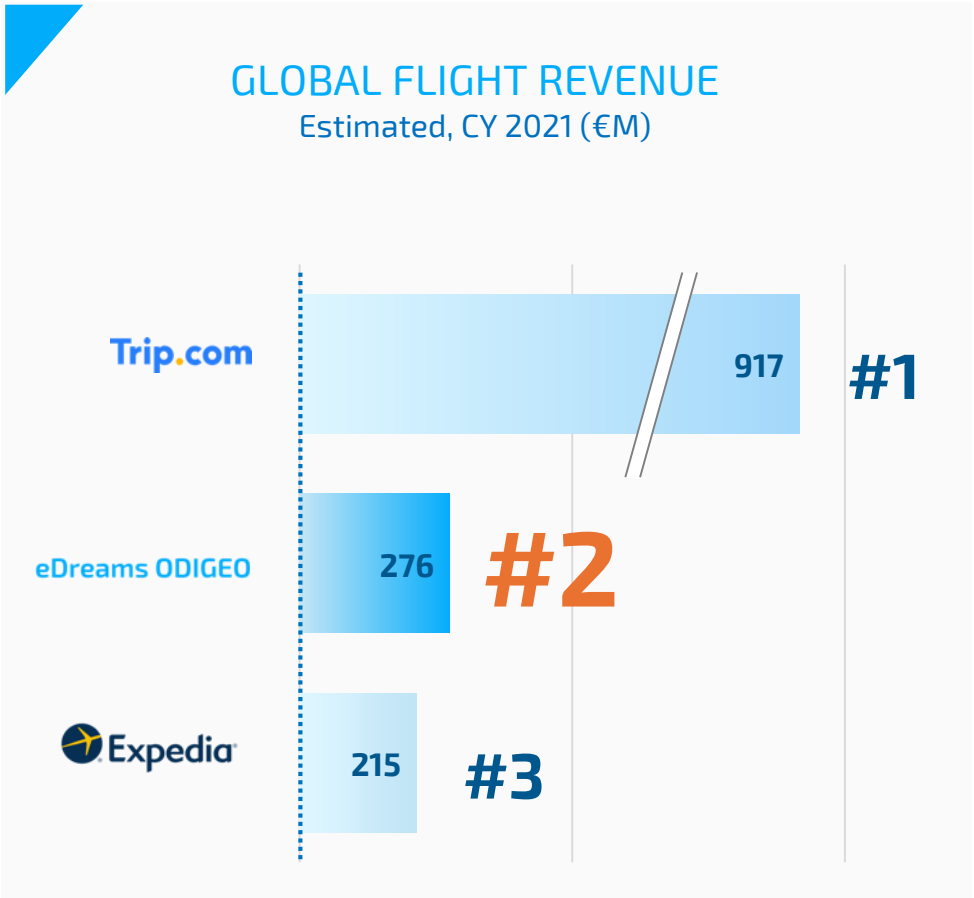
European Leisure Travel Market Online penetration
% over total Gross Booking



Source: Phocuswright

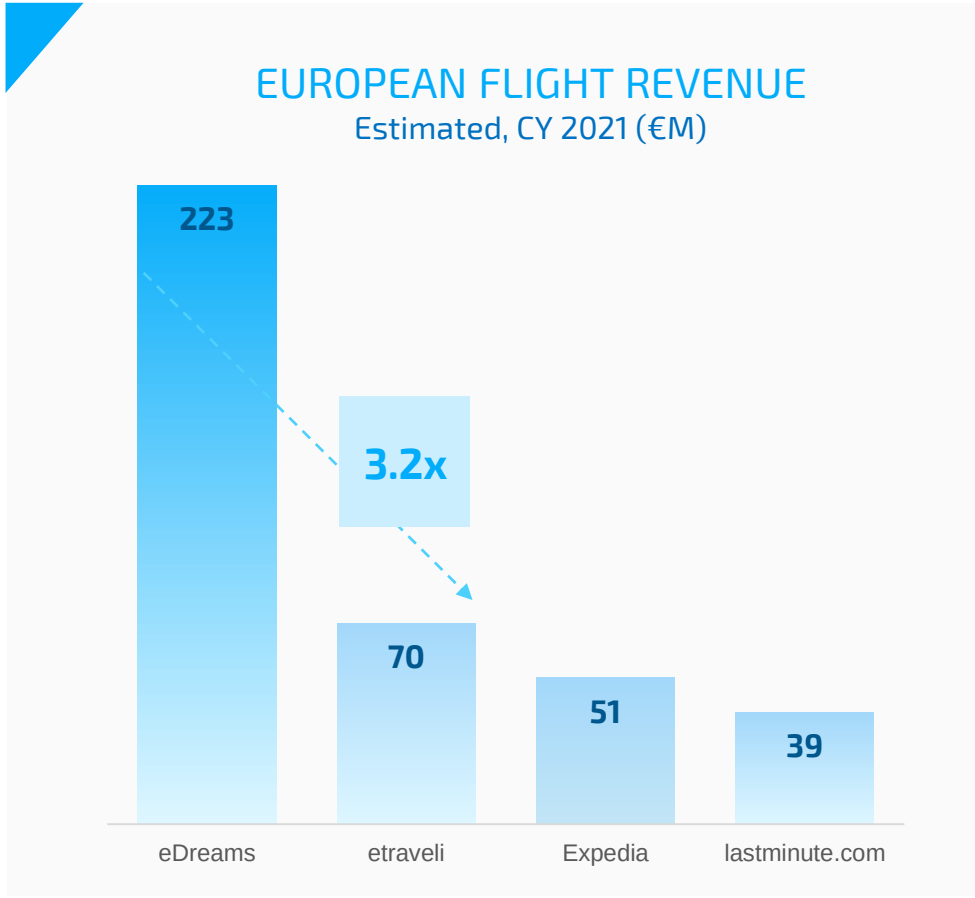
2 WITHIN TRAVEL, EDO IS THE GLOBAL FLIGHT LEADER, EX CHINA

#2 PLAYER IN FLIGHTS GLOBALLY



Source: Company data, Cash Revenue Margin for eDO

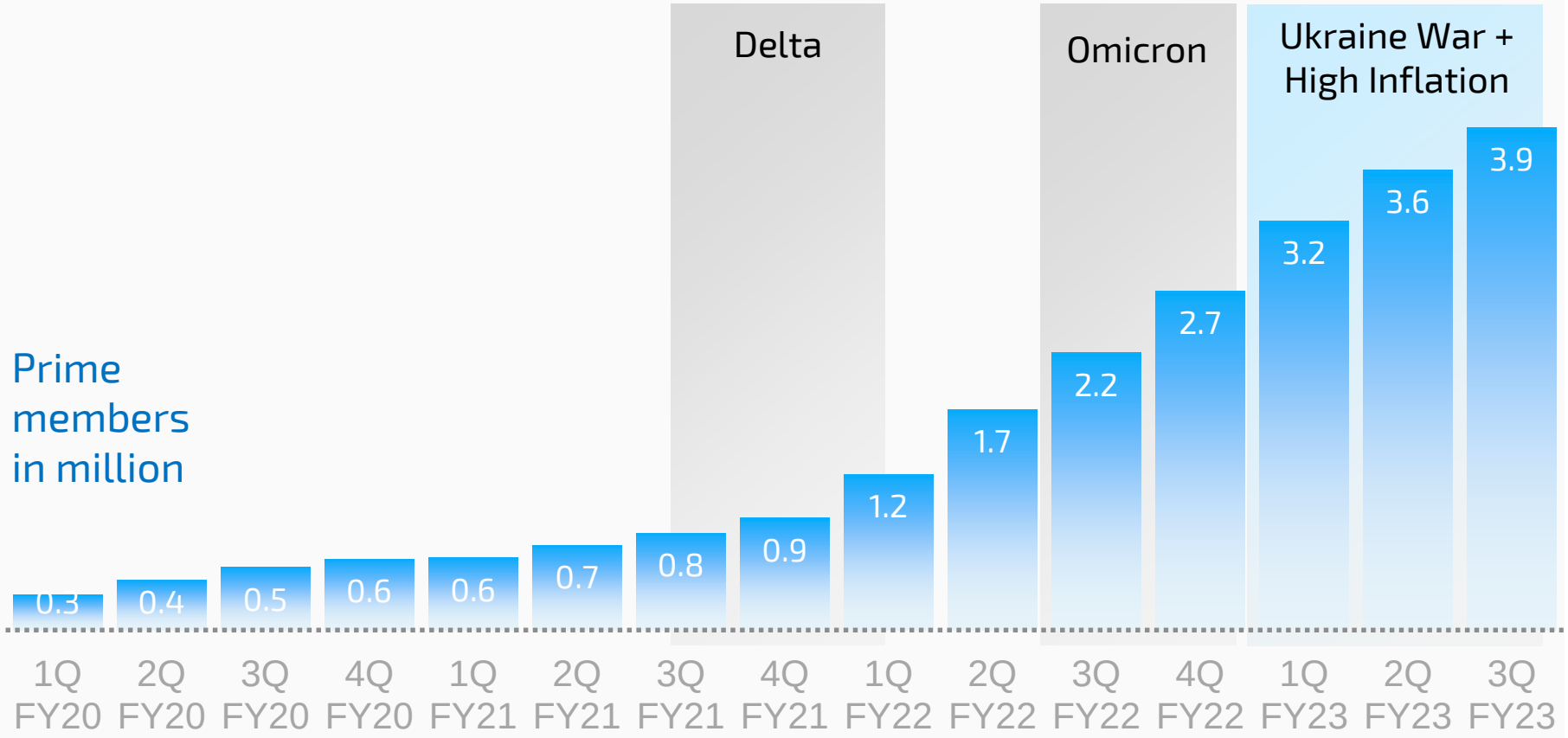
#1 PLAYER IN FLIGHTS EUROPE



Source: Phocuswright, company data, eDo estimate, Cash Revenue Margin for eDO

2 EDO HAS DEMONSTRATED THE ABILITY TO CAPTURE NEW CUSTOMERS THROUGH THE PRIME PROGRAM, DESPITE COVID WAVES AND RECENT GEOPOLITICAL AND MACRO CONTEXT AND EVEN MORE SO AS MARKET REALLY GROWS…

Prime is the #1 travel subscription programme in the world



IN FEBRUARY (*)
4.2M MEMBERS

Source: Company data (*) Prime members as of 15th of February 2023

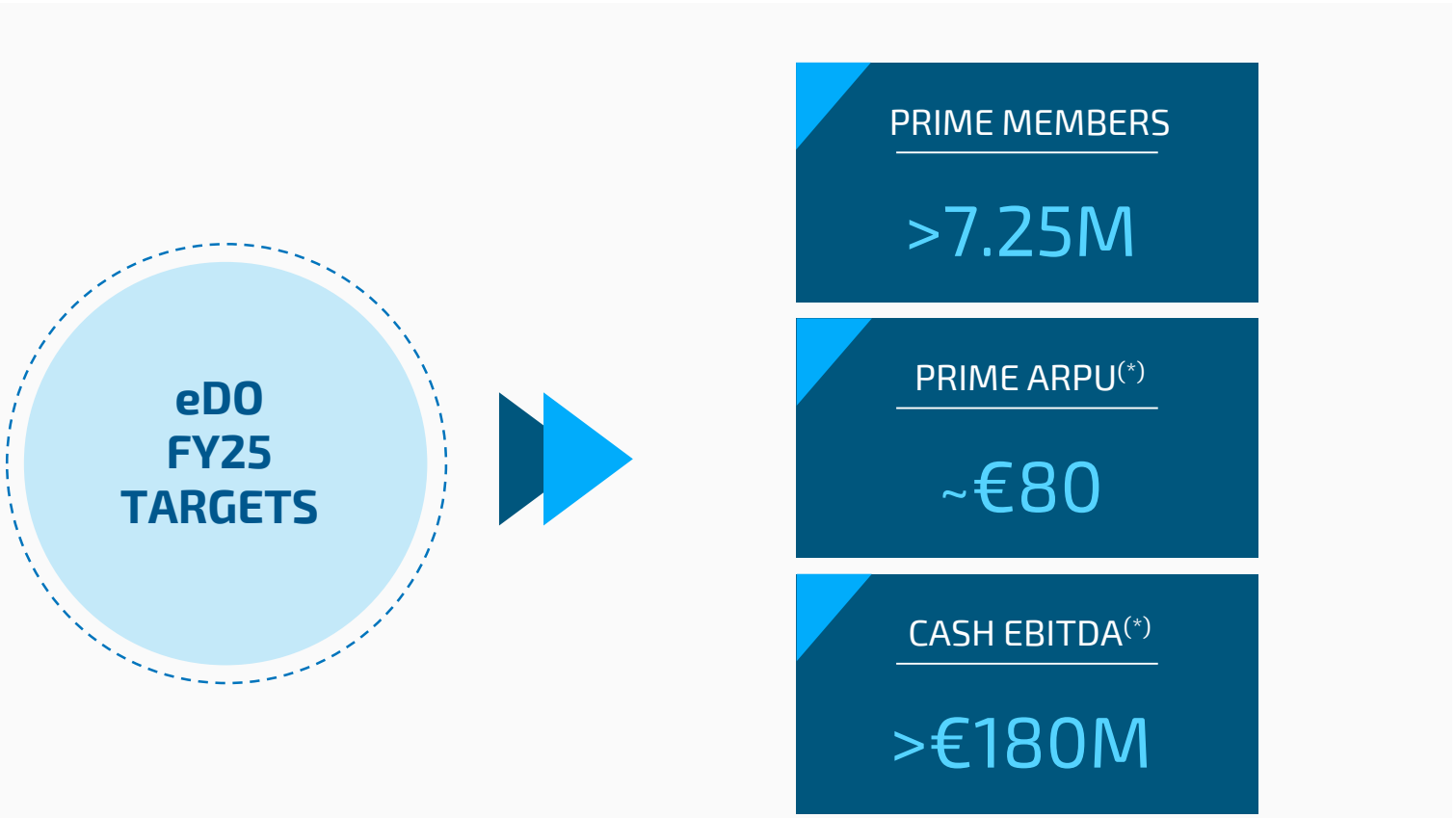
2 REGARDLESS OF ECONOMIC ENVIRONMENT OUR BUSINESS MODEL AND TRACK RECORD POSITIONS US TO PERFORM BETTER THAN THE INDUSTRY

These are the reasons why we think we will outperform the market:

1. THROUGH PRIME WE OFFER BEST PRICES AND CUSTOMER EXPERIENCE
2. WE MEET CUSTOMER NEEDS/PREFERENCES BETTER THAN COMPETITORS
3. CUSTOMERS WILL FOCUS ON PRICE EVEN MORE
4. AND WE HAVE SCALE AND RESILIENCE VIA PRIME WITH 4.2M PLUS SUBSCRIBERS



2 WELL POSITIONED, WELL FINANCED, ON TRACK TO MEET SELF-IMPOSED FY25 TARGETS



eDO large potential: superior returns for shareholders and customers while transforming and revolutionising the industry.

(*) Definitions of Non-GAAP measures on page 27-29

3. Appendix

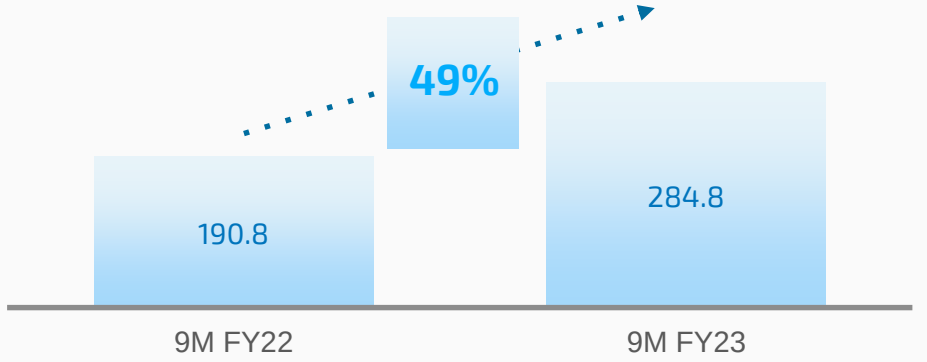


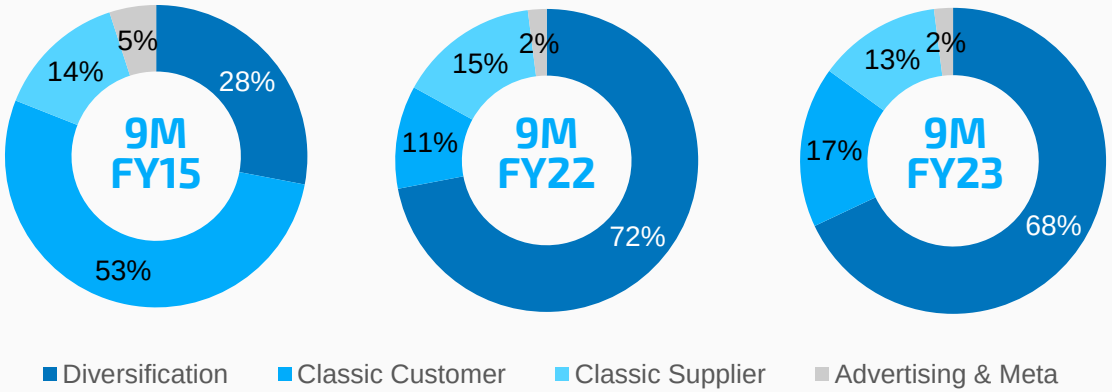
3 DIVERSIFICATION REVENUE CONTINUES TO GROW, ALREADY ABOVE PRE-COVID-19, AND THE LARGEST CONTRIBUTOR TO REVENUES

Revenue margin

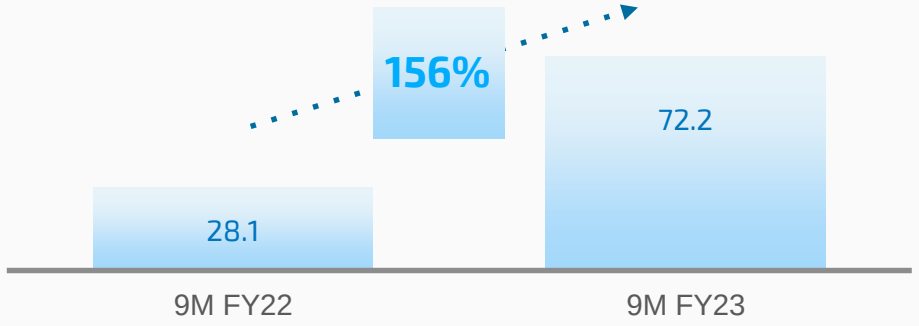
(IN EUROS MILLION)	9M FY23	Var. FY23 vs FY22	9M FY22
DIVERSIFICATION	**284.8**	49%	**190.8**
CLASSIC CUSTOMER	**72.2**	156%	**28.1**
CLASSIC SUPPLIER	**53.9**	38%	**39.2**
ADVERTISING & META	**8.6**	55%	**5.6**
TOTAL	419.5	59%	263.7

Diversification





Classic customer



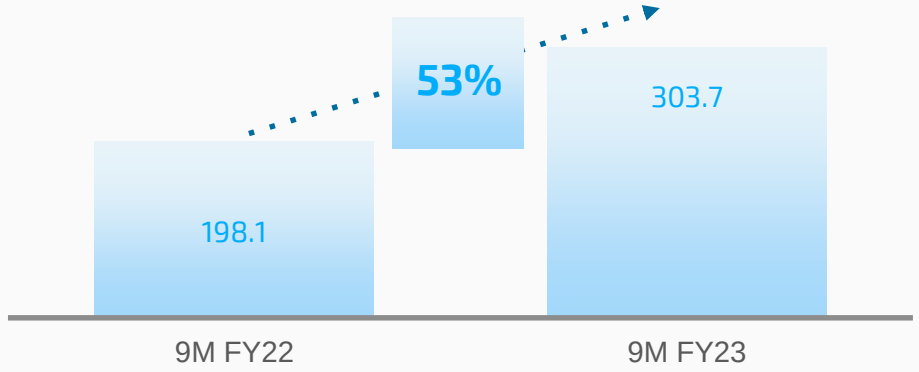
Definitions of Non-GAAP measures on page 27-29

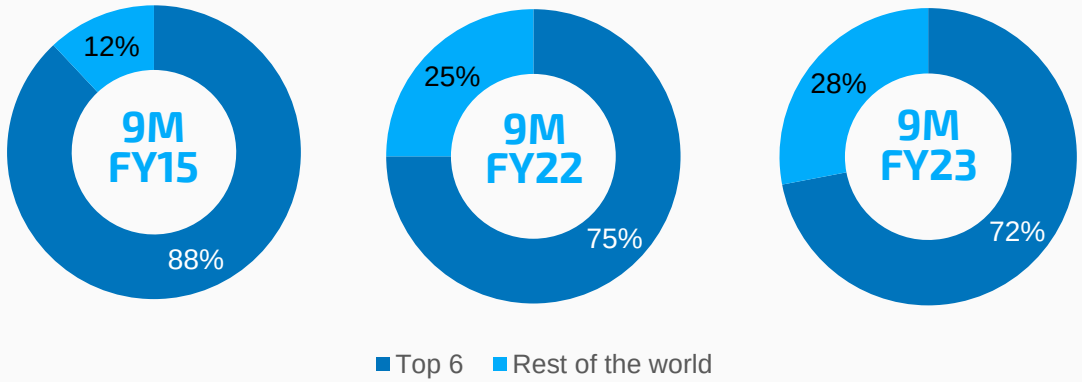
3 REST OF THE WORLD GROWS MORE THAN OUR TOP 6

Revenue margin

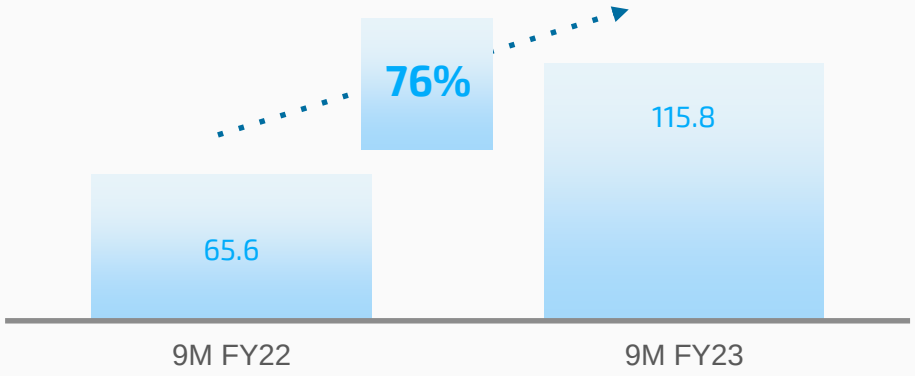
(IN EUROS MILLION)	9M FY23	Var. FY23 vs FY22	9M FY22
TOP 6	**303.7**	53%	**198.1**
REST OF THE WORLD	**115.8**	76%	**65.6**
TOTAL	419.5	59%	263.7

TOP 6





Rest of the World



Definitions of Non-GAAP measures on page 27-29

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

2. 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.
3. 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.
4. Fixed Costs per Booking means fixed costs divided by the number of bookings. See definitions of "Fixed costs" and "Bookings".
5. 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.
6. Variable Costs per Booking means variable costs divided by the number of bookings. See definitions of "Variable costs" and "Bookings".
7. Marginal Profit means "Revenue Margin" less "Variable Costs".
8. 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.
9. 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.
10. 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.
11. Cash EBITDA Margin means Cash EBITDA divided by Cash Revenue Margin.
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.
13. Cash Marginal Profit Margin means Cash Marginal Profit divided by Cash Revenue Margin. See definitions of "Cash Marginal Profit" and "Cash Revenue Margin".

Glossary of Definitions

14. 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.
15. 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.
16. 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.
17. (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.
18. 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.
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. 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 17), 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. 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.
22. 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.
23. 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 program, this measure is calculated on a last twelve months basis.
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

25. 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

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 the Group's ongoing operations. It corresponds to the sum of adjusted personnel expenses and adjusted operating expenses.
27. 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.
28. Top 6 Markets and Top 6 Segments refers to our operations in France, Spain, Italy Germany, UK and Nordics.
29. 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.
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 basis.
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.