

## **OTHER RELEVAT INFORMATION**

In accordance with article 227 of the consolidated text of the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October 2015, and its implementing regulations, eDreams ODIGEO, S.A. (the “**Company**”) submits hereunder a press release to inform on the Company's financial results for the period ended on June 30, 2022.

Madrid, 31 August 2022

**eDreams ODIGEO**

# eDreams ODIGEO hits all-time quarterly record in bookings and adds over half a million new subscribers

## On track to meet 2025 targets

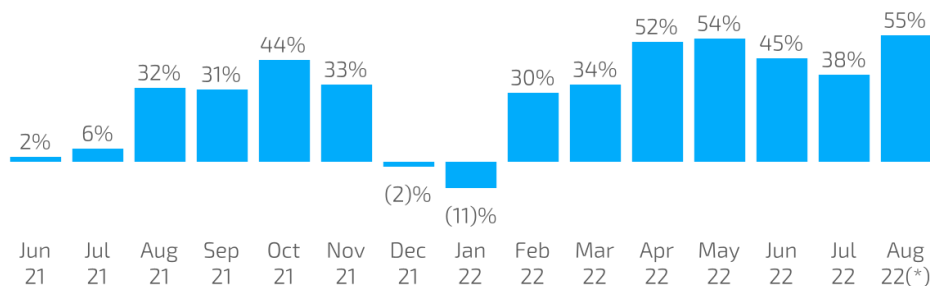
**Barcelona, 31 August 2022.** – eDreams ODIGEO (www.edreamsodigeo.com), Europe's largest online travel company, the largest globally in terms of flights outside of China and one of the largest European e-commerce businesses, today reports its results for the first quarter ended 30 June 2022.

With 247 websites and apps in 44 countries, 21 languages and 37 different currencies on one central platform, eDreams ODIGEO (eDO) now covers 80% of the global travel market.

Throughout the year, the travel market has continued to improve and recover significantly. The market still has more recovery and growth prospects to get back to pre-Covid levels while eDO is already above pre-Covid levels in Bookings and Revenues and hitting all-time records in these. eDO's continued outperformance of the market is largely driven by its world leading subscription model - Prime - which has added 560,000 members in the first quarter alone, reaching 3.2 million members and setting its highest ever quarterly growth rate.

### RESULTS HIGHLIGHTS

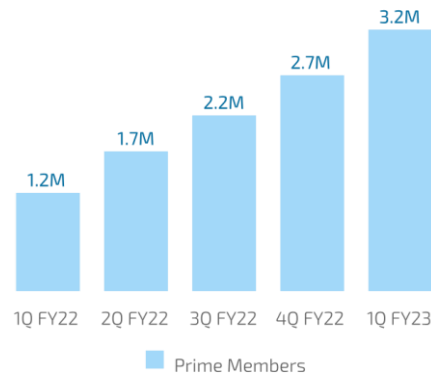
- **eDO achieves record number of Bookings**
  - In the first quarter of the fiscal year 2023, eDO achieved a Bookings record, reaching **4.4 million bookings**, the highest ever recorded in a single quarter. This represents +50% more bookings than pre-pandemic.
  - In July and August 2022, eDO **Bookings were 38% and 55% above pre pandemic levels**.



eDO Bookings growth evolution vs pre pandemic (up until 28 August 2022)

- **eDO and Prime continue to outperform**
  - eDO Bookings performance is materially better than the market, with a business that has increased its quality with the pivot to subscription. While the market is still below pre-COVID levels, for 4 quarters eDO is above pre-COVID levels in Bookings, and continues to capture market share thanks to its revolutionary offering in travel - Prime.
  - eDreams Prime, the world's first travel subscription programme, reached **3.2 million members** in the first quarter and **3.5 million** as of August 28th. In the last 12 months to June 2022, the programme had net adds of 2 million members, and **in the first quarter of fiscal year 2023 alone, the programme added 560,000 members**, which is the record of new members added

in a single quarter in the company's history. The unique value proposition of Prime has consistently proven highly successful and appealing to consumers even in a context of adverse conditions in the travel market, notably due to the pandemic, the Ukraine war, the rising cost of living and the ongoing travel disruptions.



Quarterly evolution of Prime members

- **Strong financial performance with revenues above pre-COVID levels**
  - Revenue Margin and Cash Revenue Margin surpassed pre-COVID-19 levels by 3% and 11%, respectively.
  - Cash Revenue Margin was up 117% year-on-year, despite travel options still constrained by COVID-19 travel restrictions uncertainty.
  - Cash Marginal Profit stood at €33.5 million in the first quarter; 2x the amount of last year (€18.5 million in the first quarter of fiscal year 2022).
  - Strong Cash EBITDA growth in the quarter, up 349% vs the same period last year. Strong growth in Prime members in their first year delays growth in profitability as profitability of Prime members jumps in second year. Over the next few quarters, the business expects improvements in profitability as the proportion of Prime members beyond their second year increases.
  
- **Solid Cash Flows, well financed and on track to meeting self-imposed FY25 targets**
  - Free Cash Flow amounted to €29.4 million in the first quarter. Cash and cash equivalents at end of period (net of bank facilities and overdrafts) was €30.8 million, which include the €30 million reimbursement of the Super Senior Revolving Credit Facility.
  - Liquidity has remained stable throughout the pandemic. In the first quarter, the liquidity position was strong at **€199 million**.
  - eDO has a strong balance sheet, with no short term needs to refinance any of its debt, which is due in September 2027.
  - The business is on track to meet its three-year guidance:
    - Greater than **7.25 million Prime members**,
    - ARPU<sup>1</sup> of **€80**, approximately
    - Cash EBITDA in excess of **€180 million**

<sup>1</sup> Average Revenue Per User

**Dana Dunne, CEO of eDreams ODIGEO commented:** *“Our performance in the first quarter is yet more evidence of how our business continues to accelerate and thrive as we move towards the post-COVID world, even with the Ukraine war and the global increase in inflation. We are thrilled to have closed this first quarter, from April to June, with two new all-time records; we have achieved our largest quarterly trading ever, with 4.4 million bookings, as well as the highest number of new Prime members in a single quarter, with 560,000 new subscribers. With the current macroeconomic context, consumers will now seek even more value, choice and flexibility for their travels, which is precisely the key proposition of our overall business model and, in particular, of our subscription programme, Prime. We are on track to meet our 2025 targets and are confident that we will continue to grow and outperform the market as we have consistently done throughout the pandemic.”*

## **BUSINESS OVERVIEW**

Throughout the first quarter of the fiscal year 2023, the travel market continued to improve and recover significantly. eDreams ODIGEO’s trading demonstrated its recovery from COVID-19 with best-in-class performance, outperforming the market by a significant margin, which was driven by the increased quality of the business with the pivot to subscription and consumers’ desire to travel.

eDreams ODIGEO, with its unique customer proposition and reaching 3.5 million Prime subscribers in August<sup>2</sup>, is positioned to take advantage in a post COVID-19 era and over the coming years to attract more customers and capture further market share.

Over the past years, eDreams ODIGEO has consistently outperformed against the Global OTAs and the airline industry, which highlights the strength and adaptability of its business model. In the first quarter of the fiscal year 2023, the Company outperformed the regular airlines by 71 percentage points, and Low Cost carriers by 49 percentage points.

Despite the conflict in Ukraine, the global increase in inflation, and recent industry disruptions, in the first quarter we achieved an all-time quarterly record in Bookings, reaching 4.4 million Bookings, which represents 50 percent greater than Pre-COVID. Additionally, mobile bookings remained stable and accounted for 53% of total flight bookings in the first quarter.

## **FINANCIAL REVIEW**

Revenue Margin and Cash Revenue Margin reached levels already above pre-COVID-19 levels by 3% and 11%, respectively. Cash Revenue Margin increased 117% vs the same period last year, due to Bookings being up 98% and increase in Revenue Margin/Booking of 8% driven by the increased quality of our business with the pivot to subscription.

Overall, in the first quarter the business has continued to see the improving trends seen in fiscal year 2022 and a return to profitability. Cash Marginal Profit stood at €33.5 million, 2x the amount we achieved in fiscal year 2022, and Cash EBITDA grew 349% vs the same period last year. As guided previously, the strong growth in Prime members in their first year delays growth in profitability as profitability of Prime members jumps in second year. Over the next few quarters, the Company expects improvements in profitability as the proportion of Prime members beyond their second year increases.

Revenue diversification initiatives continue to develop. Revenue Diversification Ratio continues to grow and increased to 74% in the last twelve months to the first quarter, up from 54% in similar period of the fiscal year 2021, rising 20 percentage points in two years.

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<sup>2</sup> As of 28 August 2022.

The company successfully executed on the optimisation of its capital structure in January 2022 by raising €75 million of primary equity enabled by inbound investor demand, reduced the size of the existing Senior Notes from €425 million to €375 million, and successfully refinanced all its debt, extending the maturity by 5.5 years to 2027, improved contractual terms, and reduced yearly interest expense by €2.5 million a year, which gives the company financial stability to execute on its business plan and deliver on the FY25 targets. eDO has a very strong balance sheet, with no short term needs to refinance any of its debt, which is due in September 2027.

Adjusted Net Income was a loss of €11.5 million in the first quarter (vs loss of €15.5 million in fiscal year 2022). The Company believes that Adjusted Net Income better reflects the real ongoing operational performance of the business.

In the first quarter of the financial year, despite the Ukraine war and recent air industry disruptions, which affected good portions of the quarter, the business reported a very stable net cash from operating activities decreasing only by €1.7 million vs the same quarter of last year. The Company ended the quarter with a positive Cash Flow from Operations of €36.2 million, mainly due to a working capital inflow of €28.9 million.

Free Cash Flow in the first quarter of fiscal year 2023 amounted to €29.4 million and Cash and Cash Equivalents at End of Period (net of bank facilities and overdrafts) was €30.8 million, which include the €30 million reimbursement of the Super Senior Revolving Credit Facility. Liquidity remained more than sufficient and stable throughout the pandemic. As of 30 June 2022, the liquidity position was strong at €199 million.

Unsurprisingly, leverage ratios have been temporarily impacted. As announced on 19<sup>th</sup> January, the Company successfully refinanced all its debt with better contractual terms for the debt, including most importantly the maintenance covenant. EBITDA of reference is now Cash EBITDA, covenant now springs at 40% vs 30% previously and no measurement will take place until September 2022 financial statements, and from September 2022 and December 2022 the Cash EBITDA of reference is the higher of last quarter annualised or LTM.

### **Income Statement Summary**

		Var	
(in € million)	1Q FY23	FY22- FY23	1Q FY22
Revenue Margin	145.7	113%	68.4
Increases Prime Deferred Revenue	13.4	166%	5.1
Cash Revenue Margin	159.1	117%	73.5
Cash EBITDA	14.0	349%	3.1
Adjusted EBITDA	0.6	N.A	(1.9)
Net Income	(13.9)	N.A	(23.9)
Adjusted Net Income	(11.5)	N.A	(15.5)
(in thousands)			
Bookings	4,402	98%	2,227

Source condensed consolidated interim financial statements unaudited.

## PRIME REVIEW

Both Prime and eDO continued to outperform. Prime membership grew by 164% year-on-year to 3.2 million subscribers by the end of the first quarter of our fiscal year 2023. In the last 12 months to June 2022, Prime had net adds of 2.0 million new members over and above the same period of last year, and in the first quarter of fiscal year 2023 standalone the programme added 560,000 new members, which is the record of new members added in a single quarter in the history of the company. Prime share of Cash Marginal Profit reached 53% in the first quarter.

As previously guided to the market, the existing platform is ready for further expansion with selective investments (which will slow down EBITDA growth in the short run). The long-standing company track record of being able to successfully roll-out new concepts and products underlines the company's ability to provide strong return on investments while increasing the quality of its business with the pivot to subscription.

eDreams ODIGEO has been significantly growing subscribers on the back of its Prime offering targeting significant upsides of increasing market share geographically and by expanding the product offering to both subscribers and non-subscribers.

The business is on track to meet its self-imposed fiscal year 2025 guidance:

- Greater than **7.25 million Prime members**,
- ARPU<sup>3</sup> of **€80**, approximately
- Cash EBITDA in excess of **€180 million**

-ENDS-

## About eDreams ODIGEO

eDreams ODIGEO is one of the world's largest online travel companies and one of the largest e-commerce businesses in Europe. The business is the largest player worldwide in flight revenues, excluding China, and the largest in Europe. Under its four leading online travel agency brands – eDreams, GO Voyages, Opodo, Travellink, and the metasearch engine Liligo – it serves more than 17 million customers per year across 44 markets. Listed on the Spanish Stock Market, eDreams ODIGEO works with over 690 airlines and +2.1 million hotels. The business conceptualised Prime, the first subscription product in the travel sector which has attracted 3.5 million members since launching in 2017. The brand offers the best quality products and the widest choice of regular flights, low-cost airlines, hotels, dynamic packages, cruises, car rental services and travel insurance products to make travel easier, more accessible, and better value for consumers across the globe.

## (\*) GLOSSARY

**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.

**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.

**Cash Revenue Margin** means "Revenue Margin" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on 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.