

## 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 December 31, 2022.

Madrid, 23 February 2023

**eDreams ODIGEO**

## eDreams ODIGEO continues to perform strongly with significant improvement in profitability and continued growth in Prime subscribers and bookings

**Barcelona, 23 February 2023.** – eDreams ODIGEO (hereinafter 'eDO' or 'the Company'), 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 with 247 websites and apps in 44 countries, 21 languages and 37 different currencies on one central platform, today reports its results for the third quarter period ended 31st December 2022.

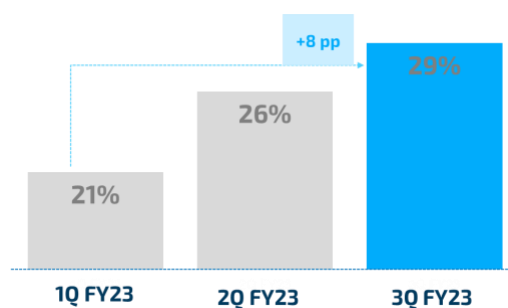
eDO continues to perform strongly and outperform the industry and its peers. Prime, eDO's subscription programme, has continued to grow, reaching over 4.2 million members in February 2023<sup>1</sup>. Additionally, as the membership of Prime matures the profitability of eDO increases driven by its loyal customer base and a recurring revenue stream from renewing members which delivers predictable and sustainable customer relationships.

eDO remains focused on the fastest-growing segment of the travel industry – leisure travel – which has seen rapid recovery since the pandemic, characterised by the consumers' innate desire to travel. The Company is increasingly confident that its self-set targets for the fiscal year 2025 will be met - these include reaching over 7.25 million subscribers, an ARPU of approximately €80 and Cash EBITDA in excess of €180 million.

### RESULTS HIGHLIGHTS

- **Strong performance with significant improvements in profitability**

- The business delivered a strong improvement in profitability, mainly due to the increasing number of Prime members renewing their memberships. As guided, the maturity of Prime members is the most important driver for profitability.
- Cash Marginal Profit Margin<sup>(\*)</sup> increased by 8pp to 29% in the third quarter of the fiscal year 2023, from 21% in the first quarter.



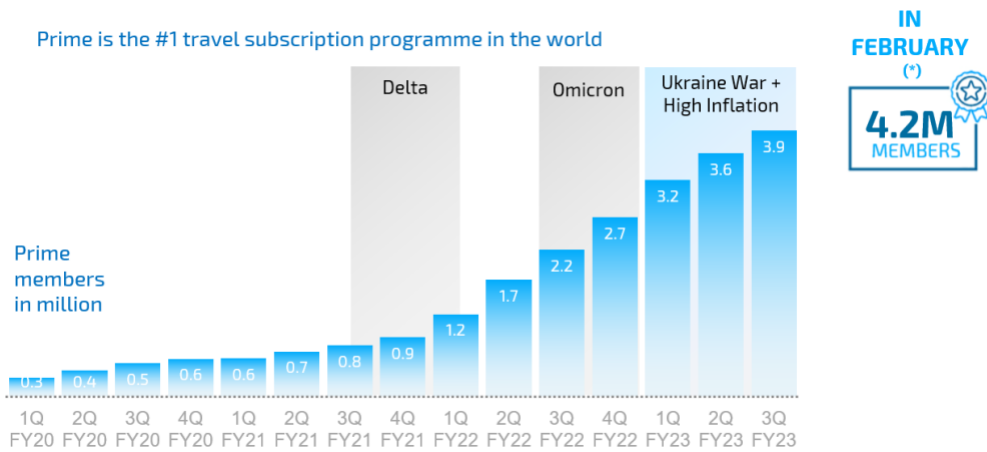
- Cash EBITDA Margin<sup>(\*)</sup> also achieved very substantial improvements in the third quarter of the fiscal year 2023, reaching 16.0% compared to 8.8% in the first quarter. Excluding a one-off foreign exchange positive impact, Cash EBITDA Margin stood at 14.6%, still well above the first and the second quarter. As guided in the first quarter, strong growth in year-1 Prime members delayed profitability as it improves from year 2 onwards.
- Revenue Margin increased by 59%, to €419.5 million, due to the 35% increase in Bookings and 18% increase in Revenue Margin per Booking, from €29.5 per Booking in the first nine months of the fiscal year 2022 to €34.7 per Booking in the same period of the fiscal year 2023, mainly driven by an increase in diversification and classic customer revenues. Cash Revenue Margin increased 55% compared to the same period last year. Revenue Margin and Cash Revenue Margin exceeded pre-COVID-19 levels by 2% and 10%, respectively.
- eDO Bookings performance continues to be materially better than the market. In the first nine months of the fiscal year, the Company reached 12.1 million Bookings, representing 35% above the fiscal year 2022 and 45% above pre-COVID-19 levels. The strong performance in Bookings was achieved despite the industry moving to more normalised seasonality patterns, the conflict in Ukraine, the global increase in inflation, and recent industry disruptions.
- In the first nine months of the fiscal year 2023, the Company outperformed the regular airlines by 63 percentage points and Low-Cost carriers by 42 percentage points.
- As guided, the Company is progressing with the strategic expansion of its global workforce, which will grow by 50% by 2025 to further support its long-term growth as a subscription business. The higher personnel costs associated with this recruitment drive, coupled with higher variable costs associated with the notable increase in trading and higher acquisition costs due to the investment to acquire new Prime members, drove the bottom-line result.

- **Prime continues to prove highly successful: subscribers grow by 81%**

- eDreams ODIGEO is becoming a higher quality business with the pivot to subscription. In the third quarter of the fiscal year 2023, the Company reached 3.9 million subscribers. This represents an 81% increase vs the same period last year, despite the industry moving to more normalised seasonality

patterns in terms of travellers booking their holidays, and the period October-December being the seasonal lowest.

- o Year-to-date, Prime has delivered 427,000 average Net Adds<sup>2</sup> per quarter, which continues to be well above the 364,000 run rate average needed to hit the Company's self-set target of reaching 7.25 million members by 2025.



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

- o Lower net adds in the third quarter of the fiscal year 2023 are influenced by seasonality, as fewer people are looking to book travel at this time of the year. The fourth quarter is high seasonality and the current run-rate of the first 6 weeks of the quarter has delivered 27% more net adds than in the third quarter.
- **Increasing confidence that self-imposed FY25 targets will be met**
  - o The Company is on track to reach its self-imposed targets
    - o Greater than 7.25 million Prime members.
    - o Prime ARPU (Average Revenue Per User) of €80, approximately
    - o Cash EBITDA in excess of €180 million.

**Dana Dunne, CEO of eDreams ODIGEO commented:** "With every quarter that passes it becomes even clearer that our business model is uniquely positioned for long-term success. We have continued to deliver solid growth, making eDO a significantly stronger business even in the context of the external headwinds that our industry has had to weather – from a pandemic to a conflict in Europe or macroeconomic concerns.

Key to our unrivalled competitive advantage is Prime, which continues to disrupt the global travel market and has now reached another historic milestone by exceeding the 4 million-member mark. We have achieved consistent fast subscriber growth with net membership additions running significantly ahead of our required rate to meet our self-set target of 7.5 million by FY2025."

Financially, we are just beginning to reap the benefits of our rapid growth. Our profitability has increased markedly and will continue to do so as the Prime membership matures with more renewals and lower acquisition costs, ultimately making eDO a much higher-quality business. Our bookings remain strong and continue above pre-pandemic levels, all in a market that is progressively returning to its normal seasonality patterns.

eDO operates in a vast market and in the largest e-commerce vertical, strategically positioned in the leisure segment, and with significant potential and attractive growth prospects that will drive superior returns for our shareholders."

## GENERAL OVERVIEW

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 increasing numbers of Prime members renewing their memberships. In the third quarter of the fiscal year 2023, significant Cash Marginal Profit and Cash EBITDA improvement was achieved as the maturity of Prime members increased.

Throughout the first nine months of the fiscal year 2023, the travel market continued to improve and recover significantly, with eDO's trading demonstrating its recovery from COVID-19 with best-in-class results outperforming the market (and its competitors) by a significant margin. This was achieved through increased quality of the business with the pivot to subscription and assisted by consumers' firm desire to travel. The Company, with its unique customer proposition, achieved 4.2 million Prime subscribers in February<sup>3</sup> and is positioned to take advantage in a post-COVID-19 era to attract more customers and capture further market share.

eDO's superior value proposition, following the success of Prime, has resulted in outperformance versus its industry peers. Throughout the pandemic, eDO consistently outperformed Global OTAs and the airline industry highlights the strength and adaptability of its business model.

<sup>2</sup> Net adds: Gross adds - Churn.

<sup>3</sup> As of February 15th 2023

With the pivot to subscription, eDO has considerably improved the quality of its business with the benefit of predictable, recurring revenues. In the first nine months of the fiscal year 2023, the Company outperformed the regular airlines by 63 percentage points and Low-Cost carriers by 42 percentage points. This broad gap is expected to narrow as corporate travel returns. eDO continues to achieve strong growth in market share vs supplier direct booking resulting from its better content quality, more comprehensive offer, flexibility and focus on leisure travel.

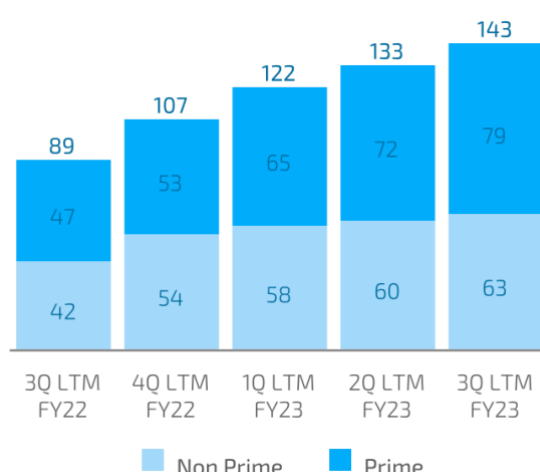
Despite the geopolitical and economic headwinds, the travel industry is moving to more normalised seasonality patterns and, in the first nine months of the fiscal year, the Company delivered strong trading, reaching 12.1 million Bookings, 35% above the fiscal year 2022 and 45% above pre-COVID-19<sup>4</sup>.

The Company’s revenue diversification initiatives continue to develop. Revenue Diversification Ratio remained stable at 70% in the last twelve months, rising 15% in two years. Additionally, mobile bookings remained stable and accounted for 55% of the total flight bookings.

**FINANCIAL REVIEW**

Overall, the third quarter of the fiscal year has shown a continuation of the improving trends seen in the second quarter, and significant improvements in profitability as the Prime business develops with a more mature member profile. Cash Marginal Profit stood at €115.5 million, an increase of 44% (€80.2 million in the fiscal year 2022). Cash Marginal Profit Margin increased to 29% from 21% in the first quarter of the fiscal year 2023, an 8 percentage point improvement.

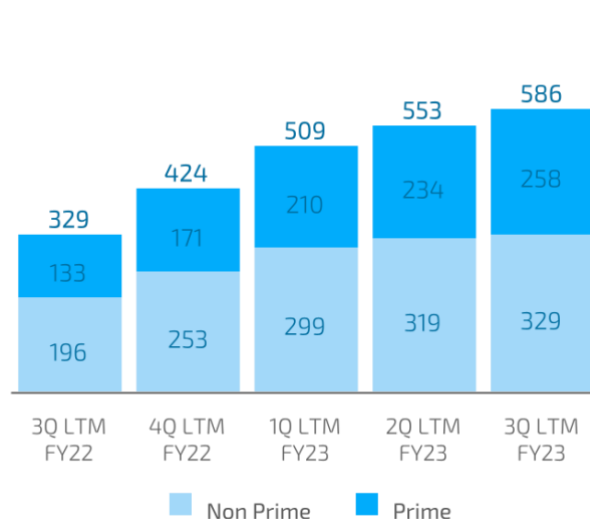
**Evolution of Cash Marginal Profit (in million euros)**



Cash EBITDA also showed substantial improvement, which resulted in €57.4 million in the first nine months of the fiscal year 2023 (€23.0 million in the third quarter alone), up 72% vs the same period last year. As guided in the first quarter, strong growth in the first year of Prime members postpones profitability, which increases in the second year. As the maturity of the member profile increases, margins improve. Cash EBITDA margin in the third quarter of the fiscal year 2023 stood at 16.0% vs 8.8% in the first quarter. Excluding a one-off foreign currency exchange (FX) positive impact, Cash EBITDA Margin stood at 14.6%, still well above the first and the second quarter.

Revenue Margin and Cash Revenue Margin exceeded pre-COVID-19 levels by 2% and 10% respectively. Cash Revenue Margin increased 55% compared to the same period last year, following the strong Bookings performance and increase in Cash Revenue Margin/Booking of 14% driven by the increased quality of the business with the pivot to subscription.

**Evolution of Cash Revenue Margin (in million euros)**



Adjusted Net Income in the first nine months of the fiscal year 2023 was a loss of €25.8 million, significantly improving from €42.4 million in the third quarter of fiscal year 2022. The business believes that Adjusted Net Income better reflects the real ongoing operational performance of the business. The bottom-line result was mainly driven by higher personnel

costs associated with the strategic expansion of the Company's workforce, coupled with higher variable costs associated with the notable increase in trading and higher acquisition costs due to the investment to acquire new Prime members.

In the first nine months of the fiscal year 2023, despite the geopolitical and economic headwinds and normalisation in the market, the Company ended the quarter with a positive Cash Flow from Operations of €31.9 million, mainly due to a working capital inflow of €11.6 million. The inflow in the first nine months of the fiscal year 2023 is smaller than in the previous year due to the increase of volumes between March 2021 and December 2021, following the loosening of travel restrictions in this period. The volumes between March 2022 and December 2022 have been more stable.

Unsurprisingly, leverage ratios have been temporarily impacted. As announced in January 2022, the Company successfully refinanced all its debt with better contractual terms for debt, including most importantly the maintenance covenant. EBITDA of reference is now Cash EBITDA, covenant now springs at 40% vs 30% previously, and from September 2022 and December 2022 the Cash EBITDA of reference is the higher of last quarter annualised or last twelve months.

#### SUMMARY INCOME STATEMENT

(in € 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
Cash Revenue Margin	143.2	30%	110.0	459.7	55%	297.0
Cash Marginal Profit	41.1	33%	31.0	115.5	44%	80.2
Cash EBITDA	23.0	65%	14.0	57.4	72%	33.3
Adjusted EBITDA	10.3	n.a.	(0.7)	17.2	N.A.	0.0
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)
(in thousands)						
Bookings	3,503	10%	3,189	12,085	35%	8,929

Source condensed consolidated interim financial statements unaudited.

#### PRIME REVIEW

Both Prime and eDO continued to outperform. Prime membership grew by 81% year-on-year to 3.9 million subscribers, equating to an average of 427,000 per quarter during the first nine months of the fiscal year 2023. One year after the start of super high growth in Prime Net Adds, Gross Adds were partially offset by the churn applying to a higher Prime member base. Lower net adds in the third quarter are a function of seasonality, as we move to higher volume season net adds will increase as well. As guided, the average revenue per user (ARPU) of Prime is trending towards mid €70s and then will converge with the fiscal year 2025 guidance of €80 per user. In the third quarter of the fiscal year 2023, Prime ARPU stood at €76.8 per user.

The success of Prime is clear as evidenced by the Company's total Bookings and market share gains. Cash Revenue Margin is above pre-COVID levels by 10% in the first nine months of the fiscal year. Cash Marginal Profit and Cash EBITDA have more room to improve following the large increase of Prime members in the year, considering that the profitability of Prime members increases in the second year. Additionally, 44% and 56% of Cash Revenue Margin and Cash Marginal Profit, respectively, are now from Prime members.

In the first nine months of the fiscal year 2023, the growth in the increase in deferred revenue driven by Prime has accelerated led 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).

#### SUMMARY

This has been a period of continued progress. eDO has a unique, proven, and disruptive business model which puts it in pole position in a large and attractive market. eDO is a market leader within travel as the global leader in flights, excluding China. The Company has demonstrated the ability to capture new customers through the Prime programme, despite the recent geopolitical, health and economic headwinds. This positions the Company to outperform its peers as it has done consistently for three years and bodes well for the future. Overall, eDO is well-positioned, well-financed and on track to meet its self-set targets for the fiscal year 2025.

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## [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. 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 nearly 700 airlines. The business conceptualised Prime, the first subscription product in the travel sector which has topped 4.2 million members since launching in 2017. The brand offers the best quality products in regular flights, low-cost airlines, hotels, dynamic packages, cruises, car rental and travel insurance to make travel easier, more accessible, and better value for consumers across the globe

### **(\*) GLOSSARY OF TERMS**

**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.

**Cash Marginal Profit Margin** means Cash Marginal Profit divided by Cash Revenue Margin.

**Cash EBITDA Margin** means Cash EBITDA divided by Cash Revenue Margin.