



# 2024 Interim Results

August 8<sup>th</sup> 2024

## OUR MISSION

Help travellers find people to hang out with



**25** years of connecting travellers

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# Highlights



# H1'24 – Financial Summary

**3.7M**  
Net Bookings  
**+9% vs H1'23**

**5.7M**  
Pax  
**+6% vs H1'23**

**12.8M**  
Net Bednights  
**+4% vs H1'23**

**€13.60**  
Net ABV<sup>1</sup>  
**-10% vs H1'23**

**€46.4M**  
Net Revenue<sup>2</sup>  
**+1% vs H1'23**

**45%**  
Marketing as % of Revenue<sup>3</sup>  
**H1'23: 51%**

**€9.6M**  
EBITDA  
**H1'23 : €5.1M  
+88%**

**€5.0M**  
Cash  
**Dec '23: €7.5M**

**€2.6M**  
Net Debt<sup>4</sup>  
**Dec '23: €12.3M**



1. Net ABV is calculated as Generated Revenue divided by Net Bookings, where Generated Revenue is gross revenue less cancellations (€50.3M in H1'24)  
2. Net Revenue is gross revenue less cancellations, deferred revenue, rebates and accounting adjustments  
3. Marketing % is defined as paid marketing costs over gross revenue less cancellations  
4. Net debt is cash €5.0m less warehoused payroll taxes €7.6m. Net cash excluding warehoused payroll taxes of €5.0m in H1'24 (net debt of €2.7m in Dec'23)

# Key Highlights

## Strong financial delivery continues into H1'24:

- Continuing growth in net bookings, a record half-year for Asia and Central America
- Social Strategy continuing to deliver, with direct marketing as a % of revenue at the low end of guidance range
- Continuing to maintain cost discipline, underpinning significant Adjusted EBITDA growth
- Highly cash generative business model, AIB term loan facility and RCF repaid early and in full

## Well positioned for further profitable growth:

- Continuing investment in our Social network driving growth in penetration and usage
- App bookings growth outpacing Web, delivering marketing leverage to fuel future growth
- Growing hostel supply, with market coverage increasing +3% YoY
- Reiterating FY 2024 adj. EBITDA guidance in line with market consensus<sup>1</sup>



1. Company compiled market consensus FY 2024 adjusted EBITDA is €21.4M as of 07 August 2024



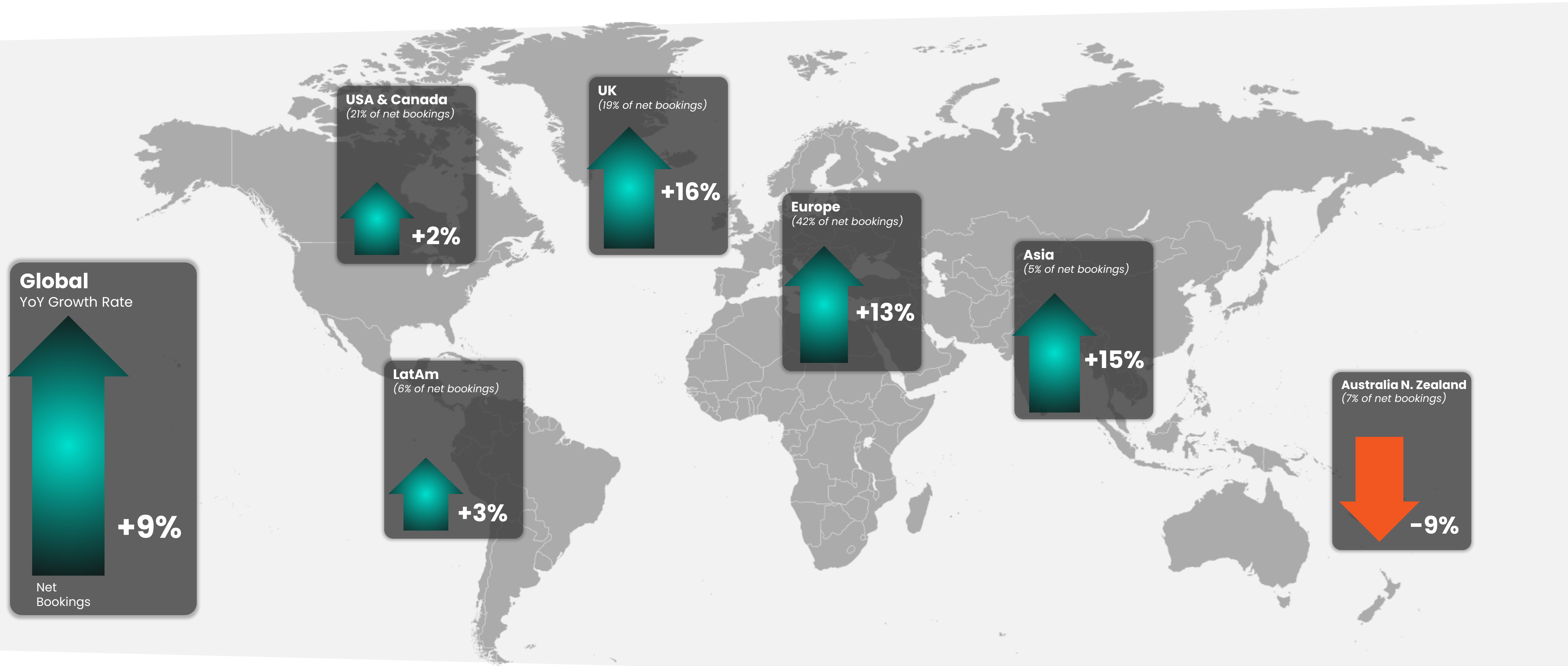


# H1'24 Results



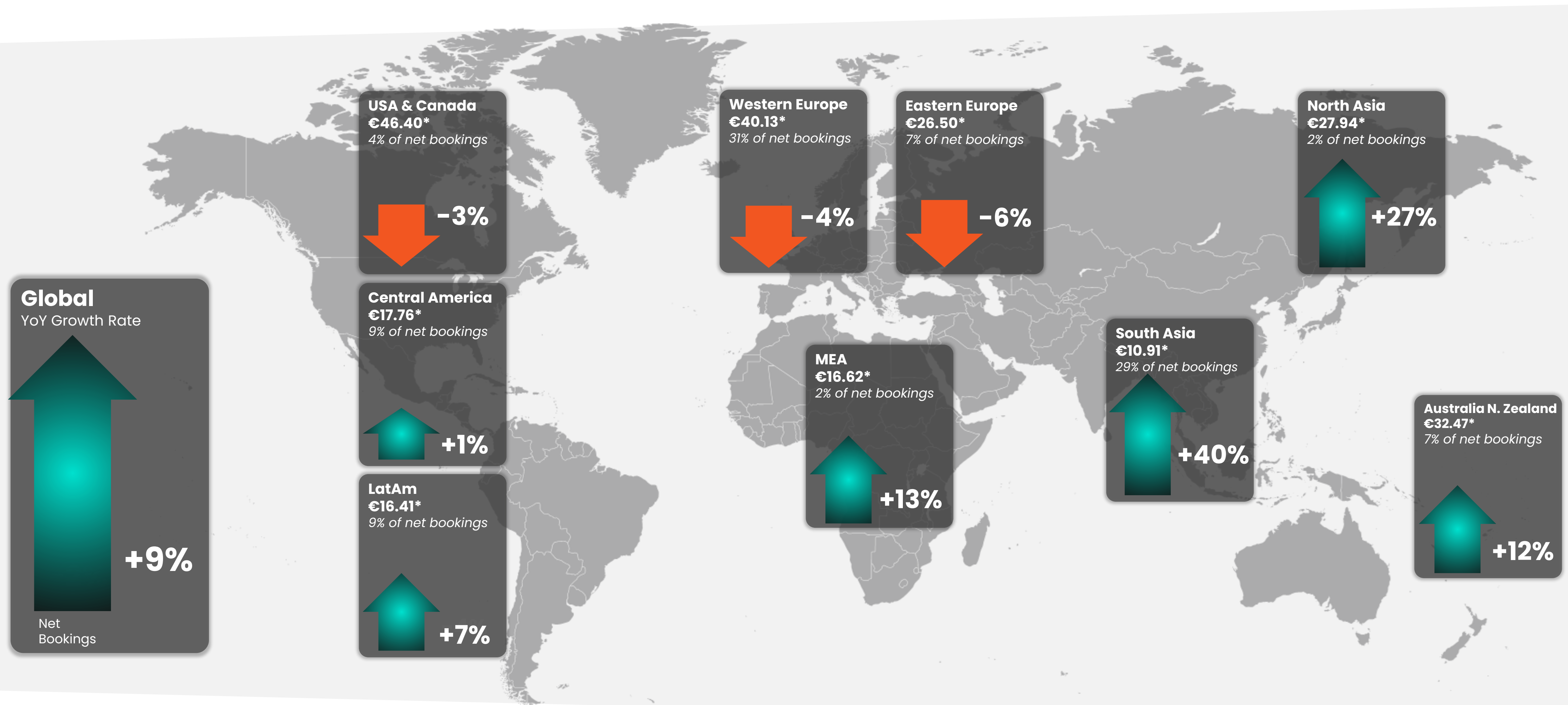
# Strong demand from European and UK customers

Net bookings by customer nationality YoY



# Strong preference for lower cost destinations

Net bookings by destination region YoY

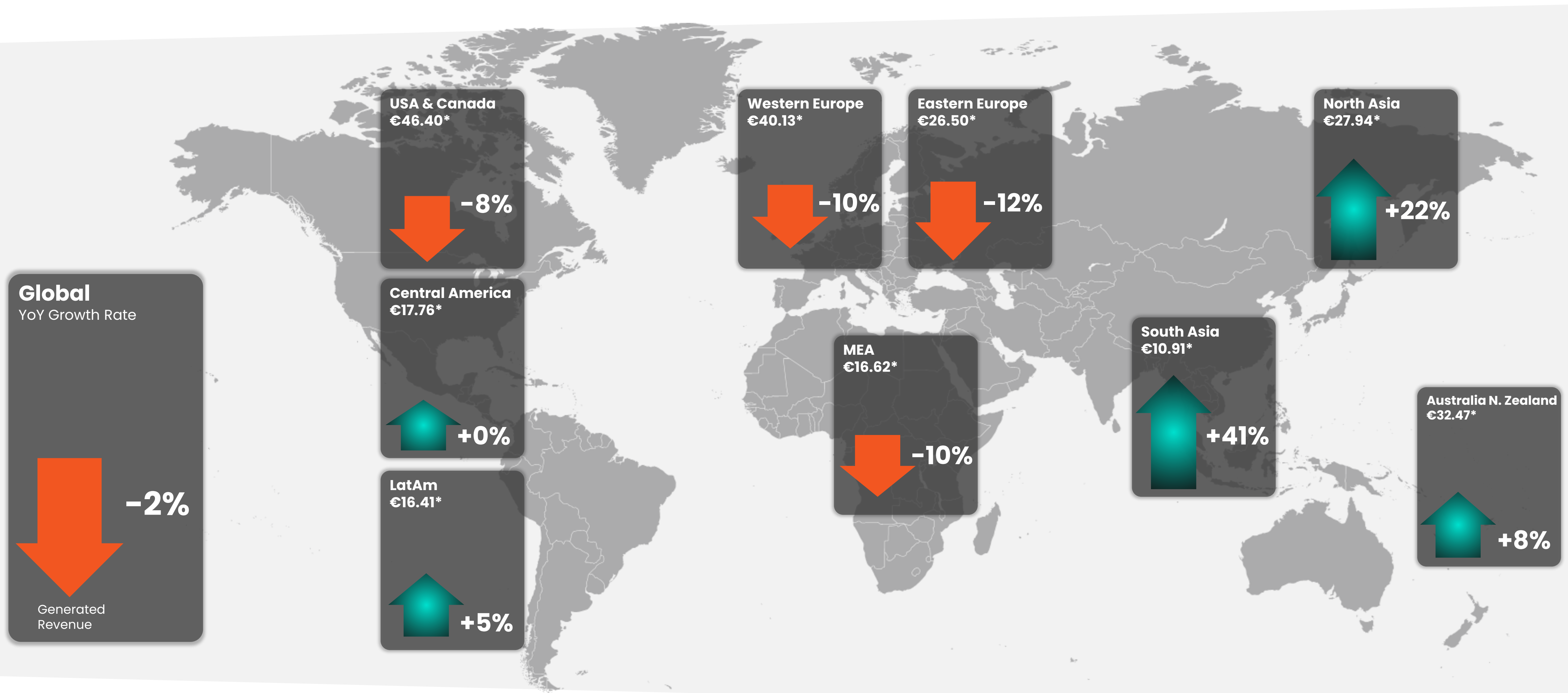


\* Average bed price



# Overall revenue growth tracking lower cost destination mix YoY

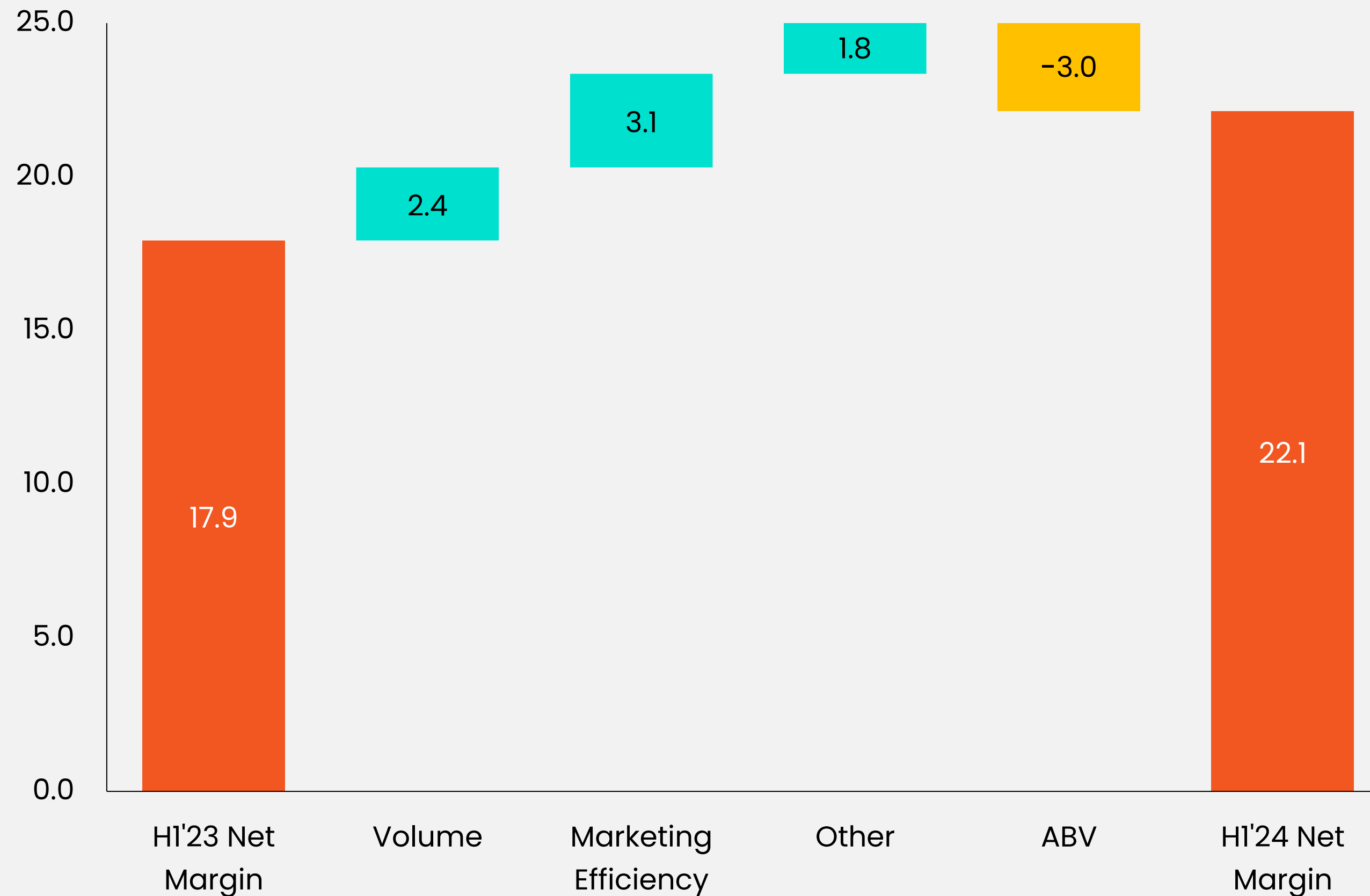
Generated Revenue<sup>1</sup> by destination region YoY



1. Generated revenue is gross revenue less cancellations  
\* Average bed price

# Net margin growth driven by volume and marketing efficiency

€m



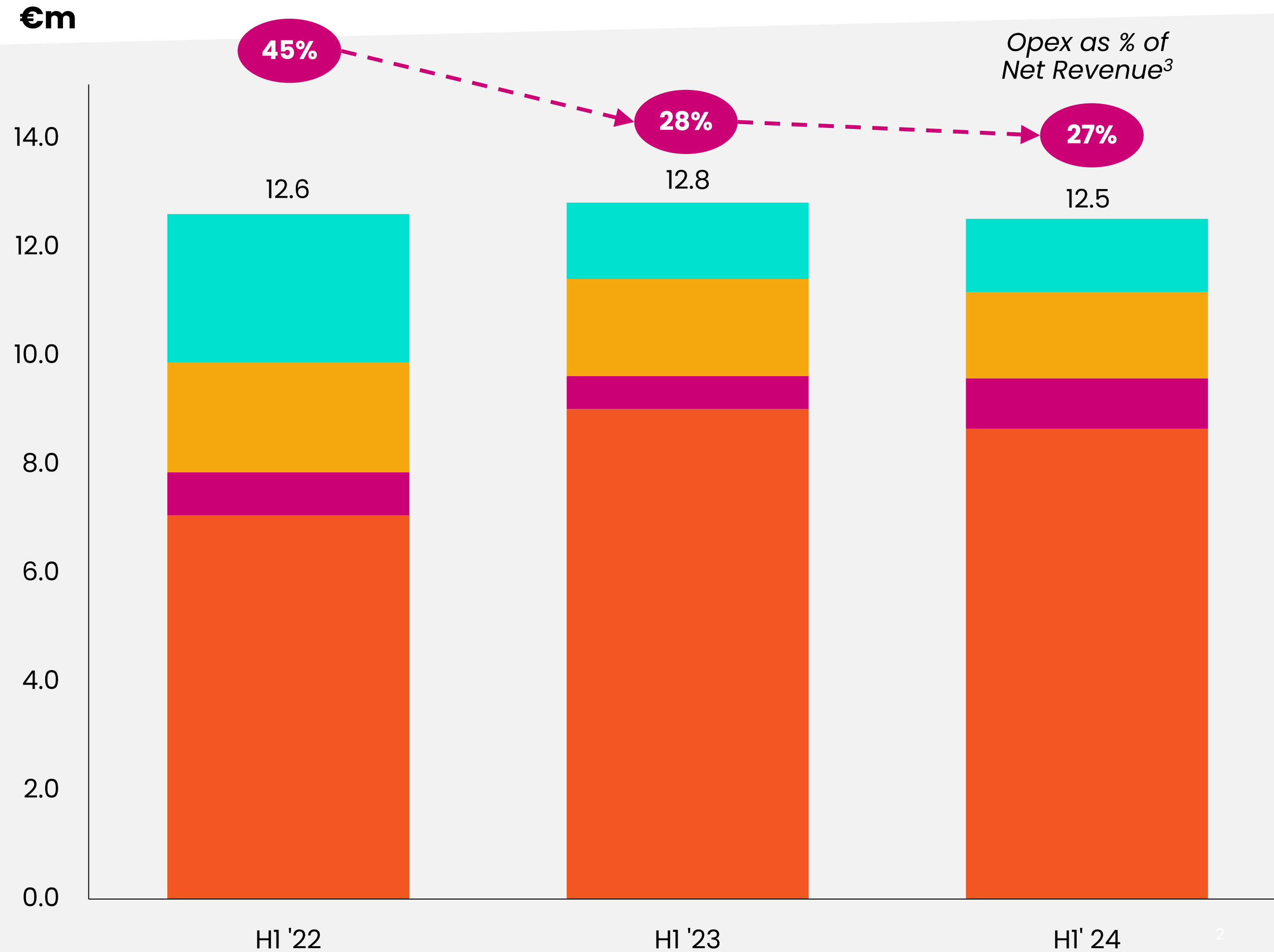
## Strong net margin<sup>1</sup> growth driven by:

- Net booking volume +9% vs. H1'23 (+0.3m)
- Marketing<sup>2</sup> efficiency driven by 'Social' strategy (45% H1'24, 51% H1'23)
- Other includes benefit of lower deferred revenue provision movement<sup>3</sup>
- ABV -10% vs. H1'23 (-€1.56), greater proportion of Asian destination bookings and solo customers
- Above drivers delivering a net margin growth of +23% YoY



1. Net Margin defined as net revenue minus direct costs, where net revenue is gross revenue less cancellations, deferred revenue & rebates; direct costs includes paid marketing costs & credit card fees  
 2. Marketing % is defined as paid marketing costs over gross revenue less cancellations  
 3. Free cancellation revenue is deferred and only recognised after the cancellation period has expired

# Increasing operating leverage through opex discipline



## Platform efficiencies reducing operating costs<sup>1</sup>

- Wages & Salaries reduced 4%, with wage inflation managed through use of lower cost temporary contractors
- Reduced technology & product costs, -11%, efficiency of cloud hosted platform and modernised tech stack
- Other costs<sup>2</sup> down vs. prior year and a half of H1'22 costs

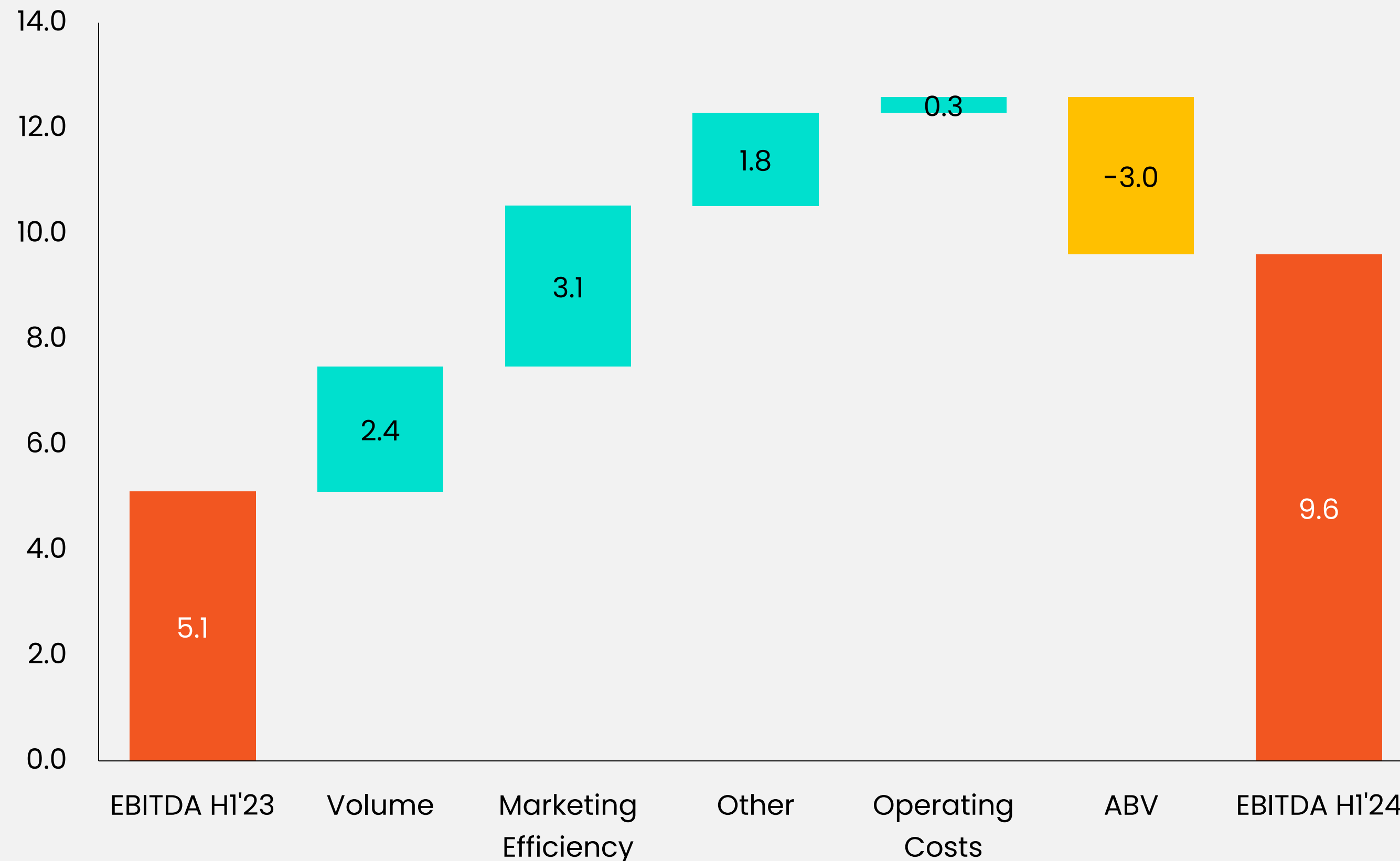
■ Wages & Salaries ■ Temporary Contractor Costs ■ Technology & Product Maintenance ■ Other<sup>2</sup>



1. Operating costs excludes paid marketing and below EBITDA cost line items  
 2. Other includes T&E, insurance, rent & rates, training & recruitment, legal & professional, FX  
 3. Net Revenue is reported revenue (gross revenue less cancellations, deferred revenue, rebates and accounting adjustments)

# Strong H1'24 EBITDA performance and margin growth

€m



## Reiterating full year guidance

- 9% volume growth, strong growth across all low-cost destinations
- Paid marketing efficiencies, supported by social, driving a 6% reduction in marketing spend
- Positive deferred revenue movement
- Maintaining strong cost discipline
- Lower ABV due to geo-mix and increase in solo travellers
- €9.6m EBITDA +88% vs. H1' 23 (€5.1m)
- 21% EBITDA margin, +10% vs. H1' 23 (11%)

*Note: €3.6m of H1'24 revenue has been deferred which unwinds in H2'24 as margin, €5.6m was deferred in H1'23*



# Cash generation enabled debt repayment ahead of schedule

€m



## Debt paid in full, strong cash conversion

- Cash conversion of 103%, adjusted free cashflow of €9.9m on EBITDA of €9.6m (H1'23: 183%)
- €12.2m of cash utilised in financing activities
- Repaid remaining €2.0m owed on AIB RCF, €1.6m in scheduled AIB term loan repayments and early repayment of outstanding €6.7m balance in June '24, two years ahead of agreed terms
- Paid €1.9m to Irish Revenue on warehoused payroll taxes, €7.5m outstanding
- As of June '24, the Group had Net Debt<sup>2</sup> of €2.6m (€12.3m at Dec '23), debt free aside from warehouse tax liability
- Expect to be net cash by end of Q3'24



1. Operating & Investing cashflow includes cashflow from operations of €12.4m, lease liability costs €0.3m, capitalised intangible assets €2.4m  
 2. Net debt is cash €5.0m less warehoused payroll taxes €7.6m

# Capital allocation priorities focussed on maximising shareholder returns

Principle objective is to deliver growth that drives long-term sustainable value creation

- Asset light business model generating substantial cash flow
- Adjusted free cash flow conversion ~80%

## FY 2024 priorities:

Repayment of AIB debt facility

Complete ✓

Repayment of warehoused payroll tax liability

On track

Continued investment in the business

On track

Net cash positive

On track



# ESG is at the core of our culture and our category



**Hostelworld Group**  
48K followers  
3w · 🌐

We were joined by Richmal Maybank from The National Autistic Society to continue our learning on how neurodiversity can impact people in the workplace, this time with a fireside chat specifically focus on autism.

During the session, we explored the autism experience the world different and the unique strengths they bring to the workplace.



## STAIRCASE TO SUSTAINABILITY

Hostelworld Webinar Series 2024

**Staircase 2 Sustainability**

**Details**

Welcome to the "Staircase to Sustainability" webinar by Hostelworld! During this one-hour session, we will explore how hostels can adopt sustainable practices and gain recognition through our sustainability badges. We will begin with a brief introduction to the basic concepts of sustainability and its importance in the hostel industry. Following this, we will present the different badge levels available and explain the application process in detail, offering practical tips to facilitate their attainment. We will be joined by an independent experience in implementing sustainable measures and the 1 review some case studies from our partner properties, providing improvement. To conclude, we will open the floor for a Q&A session covering Europe, Africa, and the Middle East, and offering personalized advice to advance on your path towards sustainability!

**Speakers (3)**

- Joanna Bak, Market Executive
- Juan Pablo, Associate M...

**mad monkey**

**Mad Monkey Earns Level 1 Sustainability Badge from Hostelworld**

- What is the Level 1 Sustainability Certification?
- Why It Matters
- Our Green Initiatives
- Why Stay With Us?
- Join the Movement

**LEADING THE GREEN WAY!**

**What is the Level 1 Sustainability Certification?**

The Level 1 Sustainability Badge is the first step in Hostelworld's Staircase to Sustainability program. This certification recognizes hostels that have implemented fundamental sustainable practices. It covers crucial areas such as waste reduction, energy efficiency, water conservation, and community involvement. Achieving this certification means Mad Monkey Hostels has demonstrated a strong foundation in promoting sustainable travel.

**Hostelworld Group**  
48,437 followers  
1mo · 🌐

On Friday, we hosted an Interview Skills Workshop where we were delighted to welcome Teen-Turn's alumni network to attend. The workshop was designed to help participants with essential interview skills and their confidence in completing future interview processes.

During the session, attendees had the opportunity to delve into a variety of topics, including:

- 📁 An overview of the recruitment process at Hostelworld
- 📖 Preparing for success by researching a company role; crafting a compelling CV and practising common interview questions
- ⭐ Using the STAR method to answer behavioral questions
- 🗣️ Effective communication skills
- 😬 Handling challenging interview scenarios

We then put what was learned into practice and attendees completed mock interviews, both in person and virtually. To say we were blown away by the talent and experience of each of the participants is a bit of an understatement!

A big thank you to all who joined us, and a special shout out to our amazing Hostelworld crew who generously volunteered their time and shared their own experiences.



**hostelworld** July is Disability Pride Month! It's a great opportunity to raise awareness of disabilities, start positive conversations and celebrate the diversity of the disabled community 🏳️‍🌈

133 likes

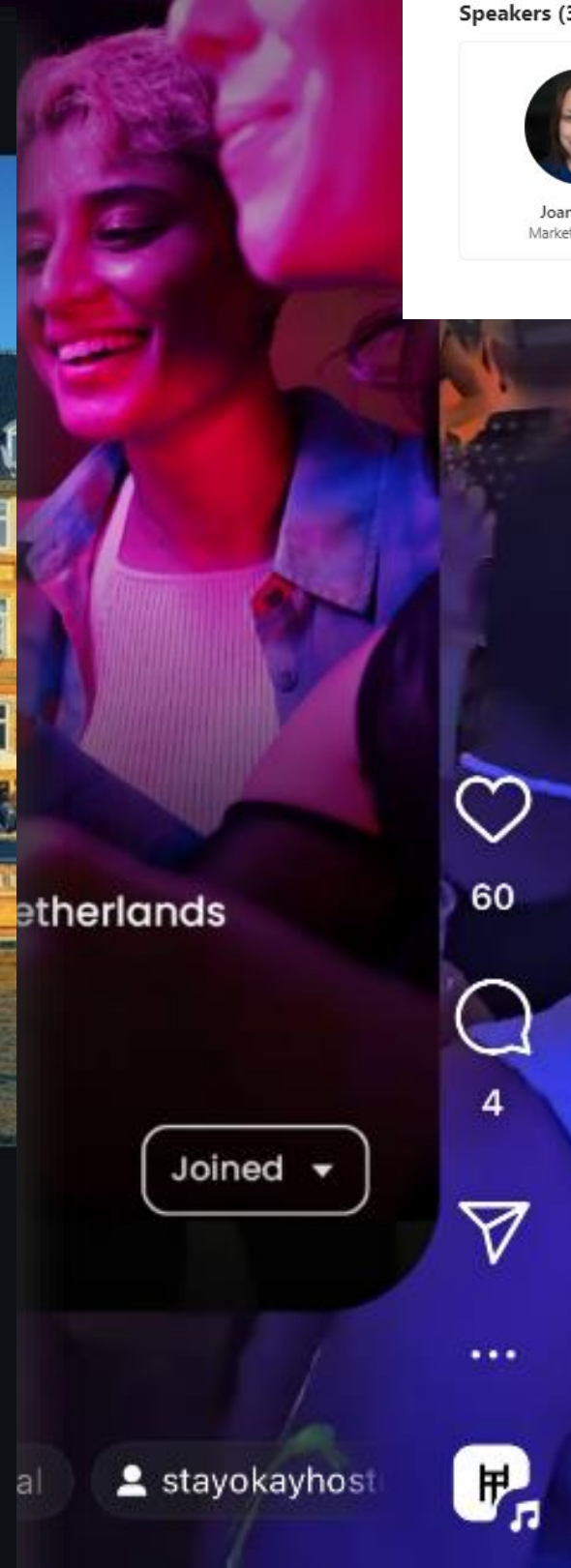
Nestled in a natural park near Barcelona, INOUT Hostel is a non-profit social initiative promoting the diversity and inclusion of people with disabilities. Here's how it gets accessibility right:

**hostelworld**

131 likes

**hostelworld** Did someone say FREE FOOD, WINE & ACTIVITIES? In one of Europe's most expensive cities? 🤔

Get yourself to Copenhagen ASAP to take advantage of the CopenPay initiative, a month-long trial which rewards climate-conscious travellers with free food, coffee, wine, museum entry and kayaking tours for green deeds like litter-picking and cycling to tourist



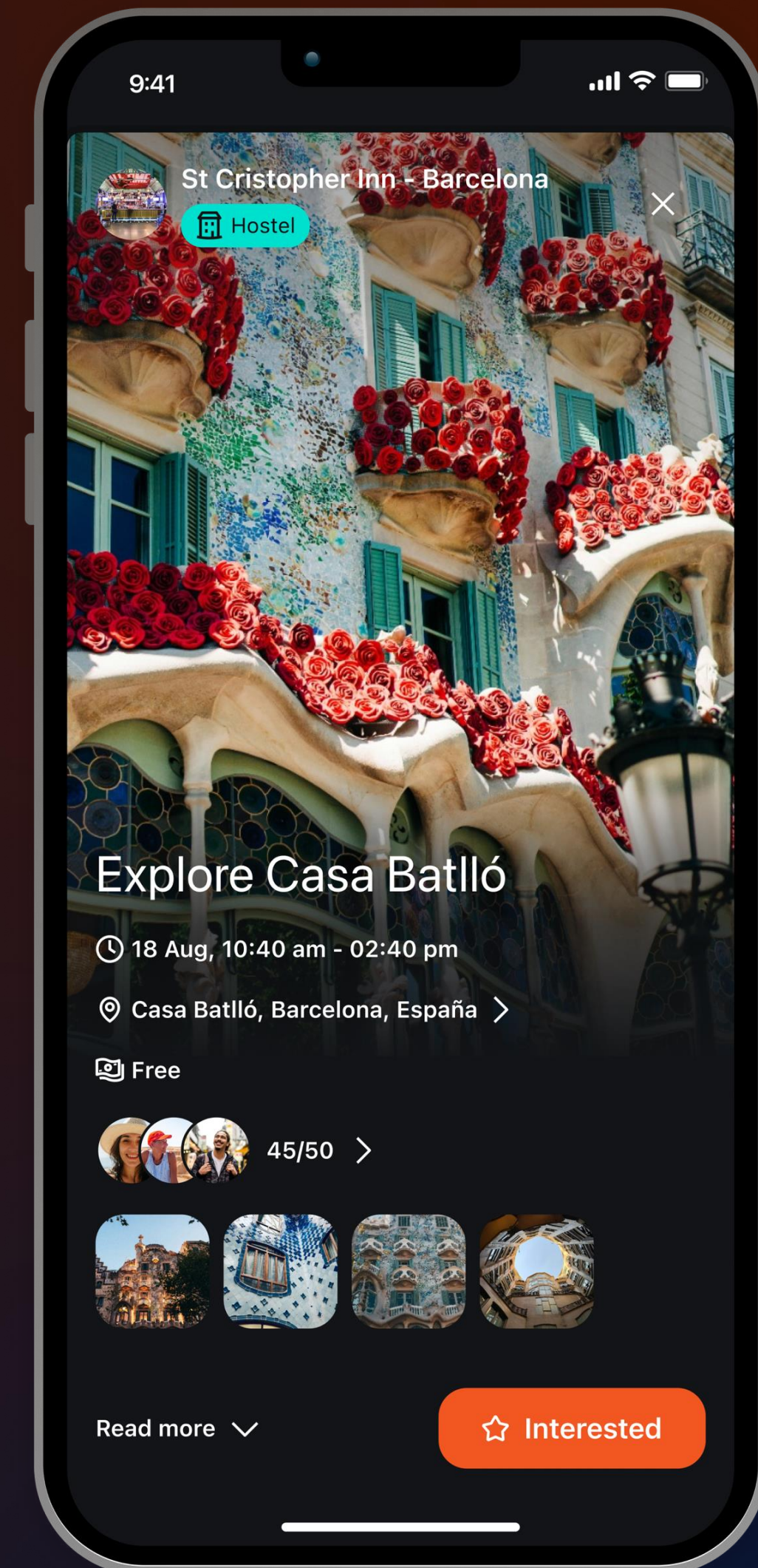
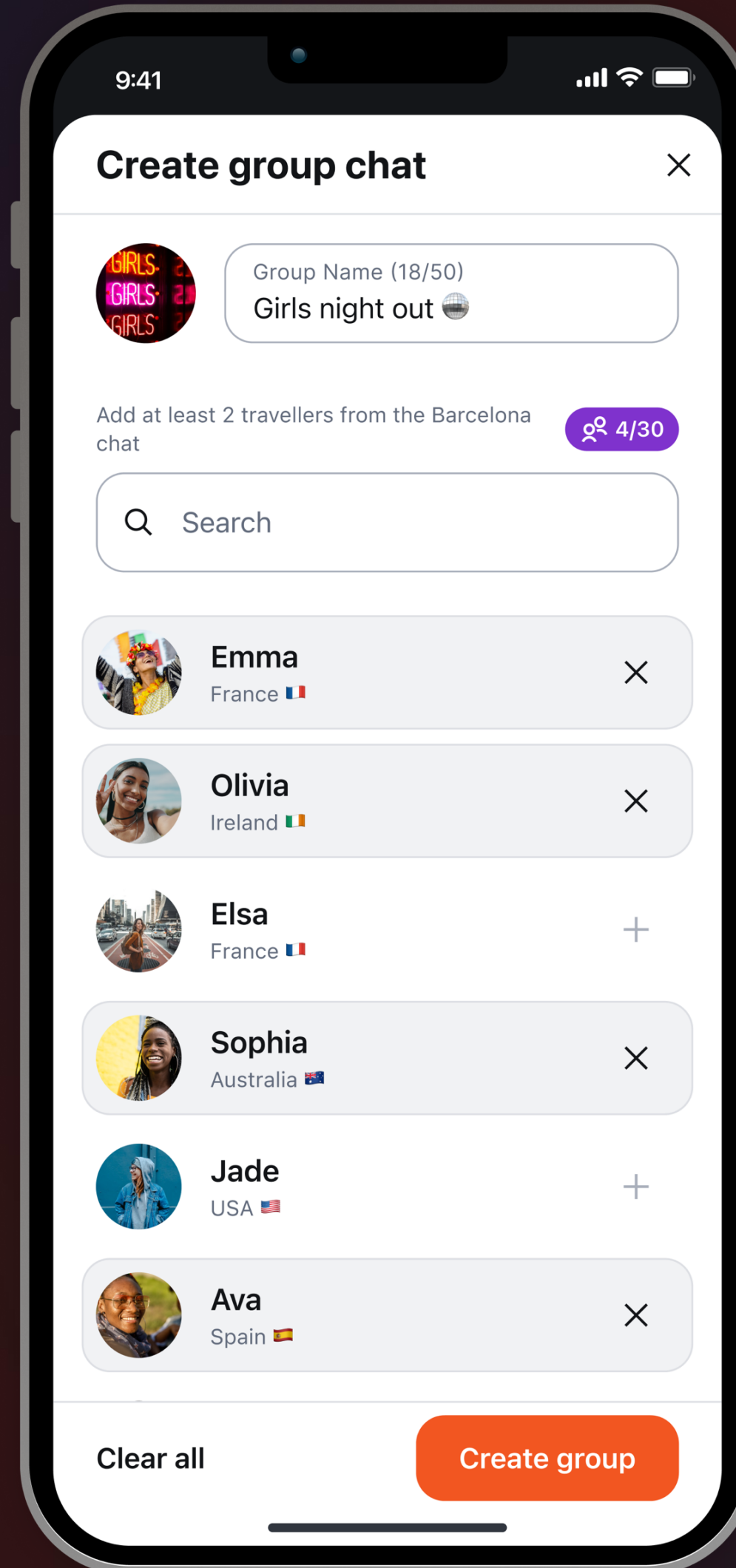


# Strategy Update

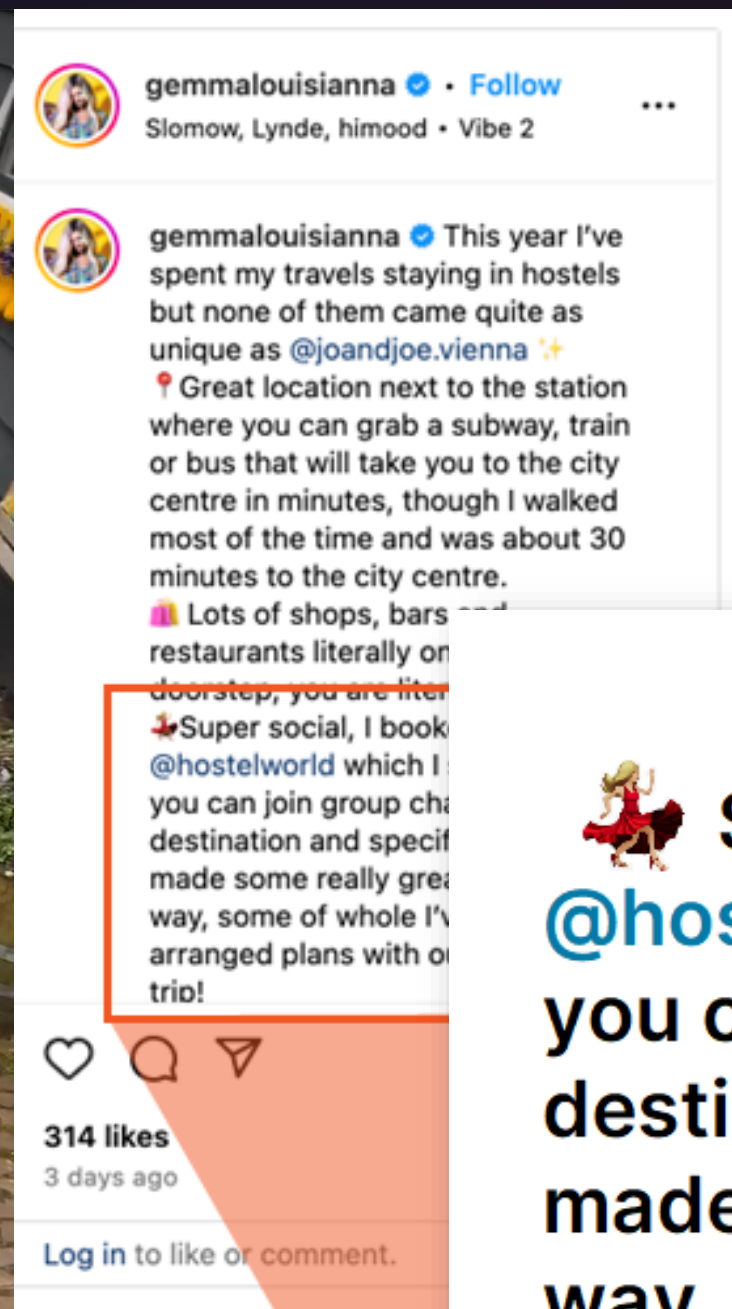




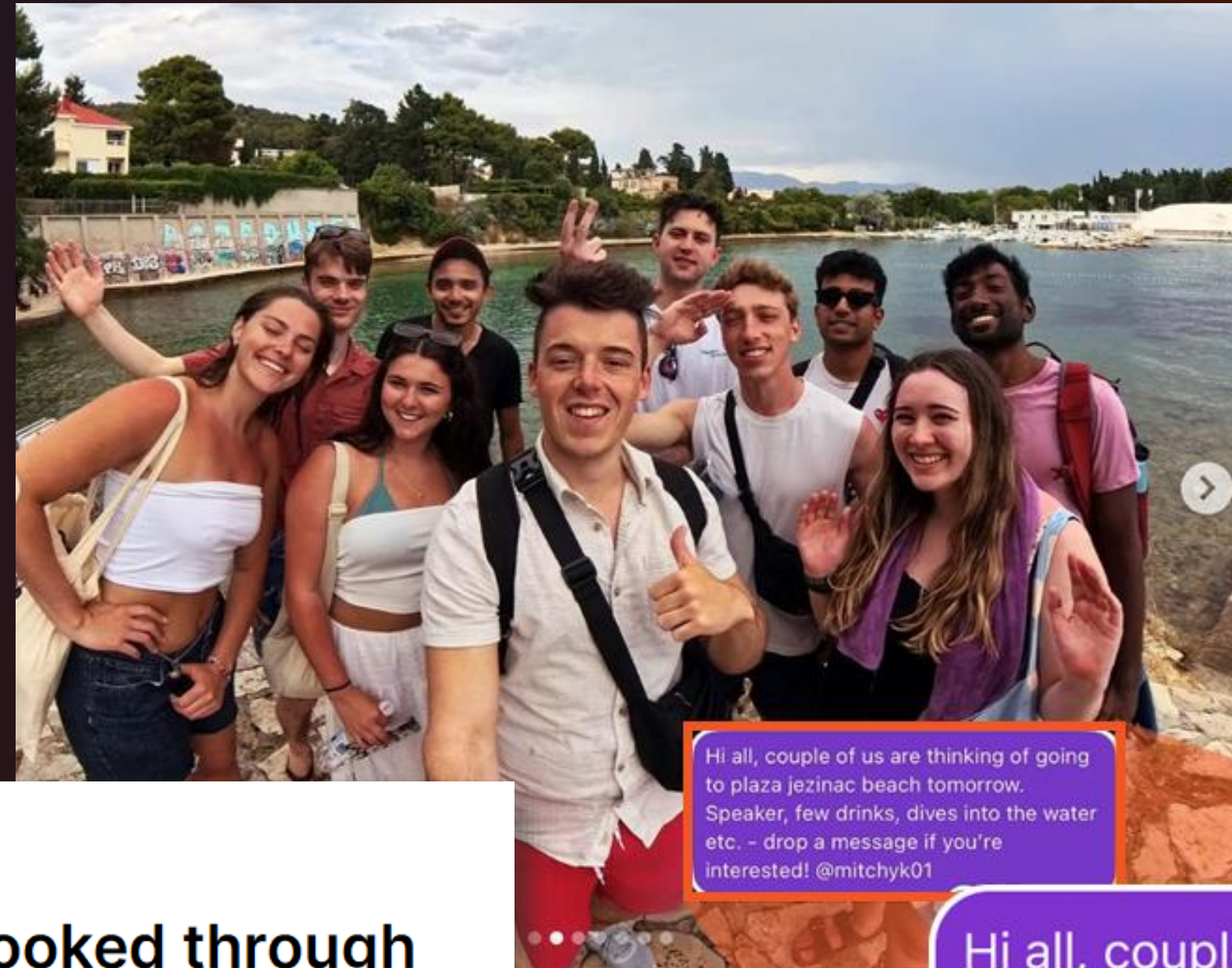
# Continued investments in our Social platform



# Customers are using our platform to find people to hang out with



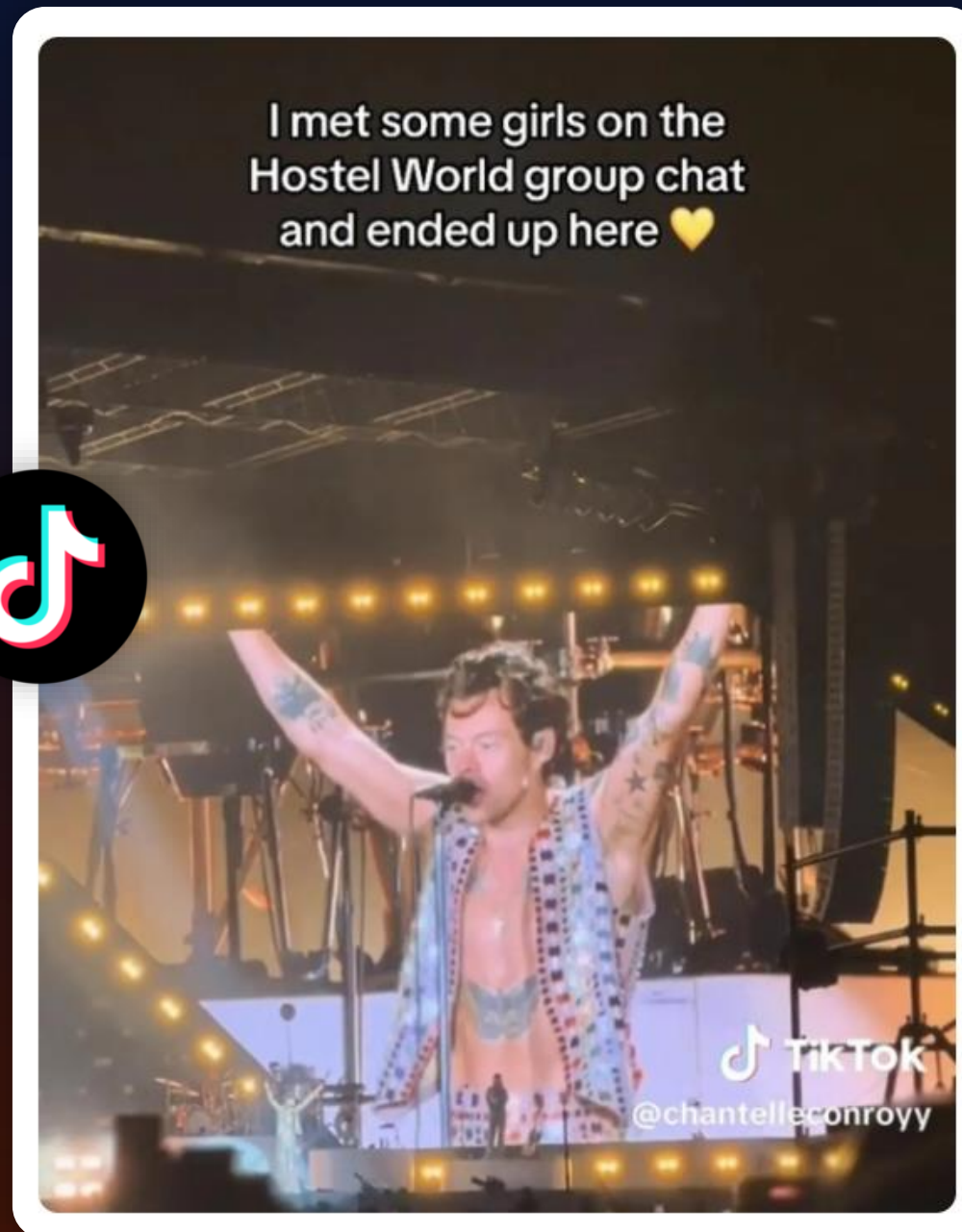
👉 Super social, I booked through [@hostelworld](#) which I swear by, as you can join group chats for your destination and specific hostel. I made some really great friends this way, some of whom I've even arranged plans with outside of this trip!



Hi all, couple of us are thinking of going to plaza jezinac beach tomorrow. Speaker, few drinks, dives into the water etc. - drop a message if you're interested! @mitchyk01

3 replies

# Social members also become powerful brand advocates



**Trustpilot**

Fran  
1 review IT  
5 days ago

★★★★★

**Super easy to use**

Super easy to use. Secure payments. The app and the chat function has allowed me to meet so many nice people from all over the world. Reviews and star rating system mean you know what you're getting. Would really recommend booking hostels through it.

**Instagram**

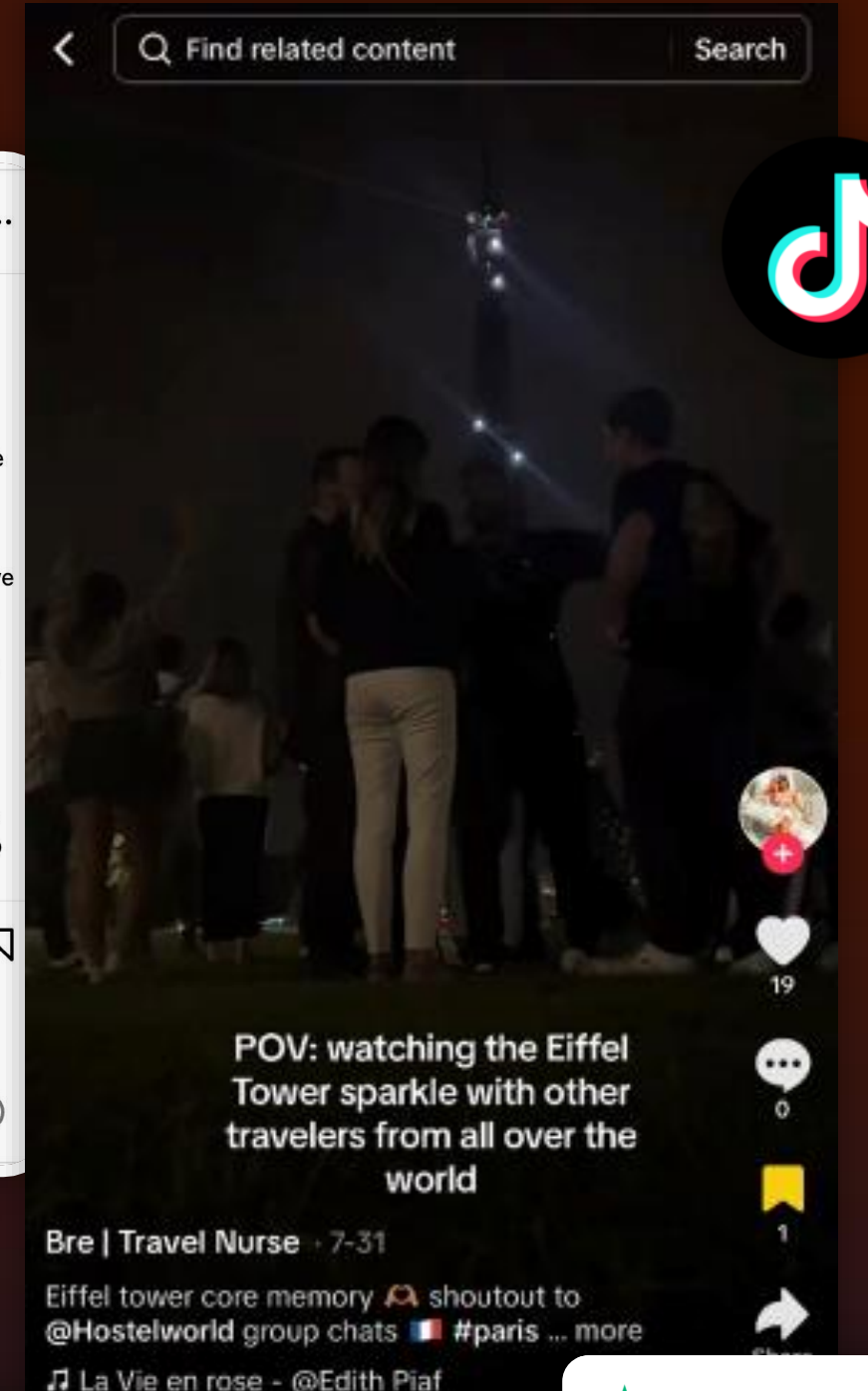
alikaadventure · Follow  
New Orleans, Louisiana

alikaadventure  
A BUDGET GUIDE TO NEW ORLEANS

WHERE TO STAY - You might think hostels are only available outside of the US, but that certainly isn't true! One quick search on my favorite hostel booking platform (@hostelworld) and you can see hostels with 8/10 and above reviews pop up in the \$25 USD price range. If you're not comfortable with getting back into dorms during COVID, we were able to stay at the @sheratonnola for \$75/night by using @priceline's #pricebreakers feature.

WHERE TO EAT - Dinner's at famous NOLA restaurants can certainly rack up the bill, so my big suggestion is to GO TO...

100 likes



m.fish3 · Follow  
Liverpool, United Kingdom

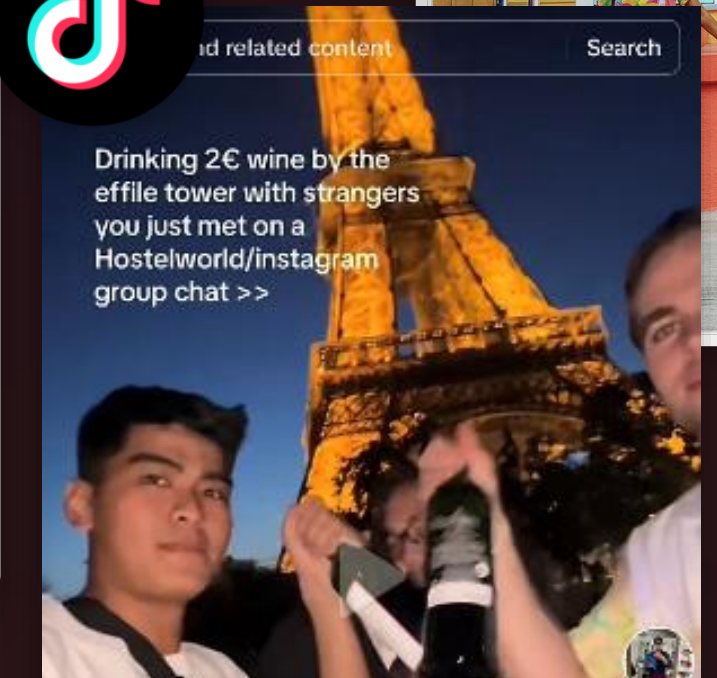
m.fish3 Liverpool, UK

Thanks to the @hostelworld chat, I found the best group of people to hang out with in Liverpool! What started as a night out turned into spending a few days with these sweet humans 🥰

My arrival was at the same time as storm Ciarán - a tropical storm with hurricane force winds 🌪️ I walked to my hostel and was of course soaked to the bone by the time I got there.

After the storm passed, I went to see all things Beatles and explored the more beautiful parts of the city with my new friends. I saw some of the most beautiful art that was exhibited through the city, a stunning tea/botanical house, and a whole lot of incredible sunsets!

44 likes



**Google Play**

Kimberley Scott

★★★★★ May 2, 2024

Fantastic App, super easy to use 🍷 makes spontaneous travel plans a dream 🏠

**Trustpilot**

WB Whitney Bell  
5 reviews US  
10 hours ago

★★★★★

**This app is absolutely amazing**

This app is absolutely amazing! It has been incredibly helpful in finding satisfactory and safe stays. I am so thankful for it.

Date of experience: 31 July 2024

moekron · Follow  
GoJump Hawaii

moekron The plans left the GC 🍷

hostelworld This is EPIC! 🍷 We've sent you a message 🍷

**Google Play**

Laura-Jo Boulter

★★★★★ July 6, 2024

Amazing app to find affordable places to stay. From online research I've noticed Hostelworld has every hostel appearing on Google (from my experience). I love the new chat and events features which allows you to be in the know and to meet other guests at the hostel without awkward 'what's your name?'s

**Google Play**

Phillip Clemmit

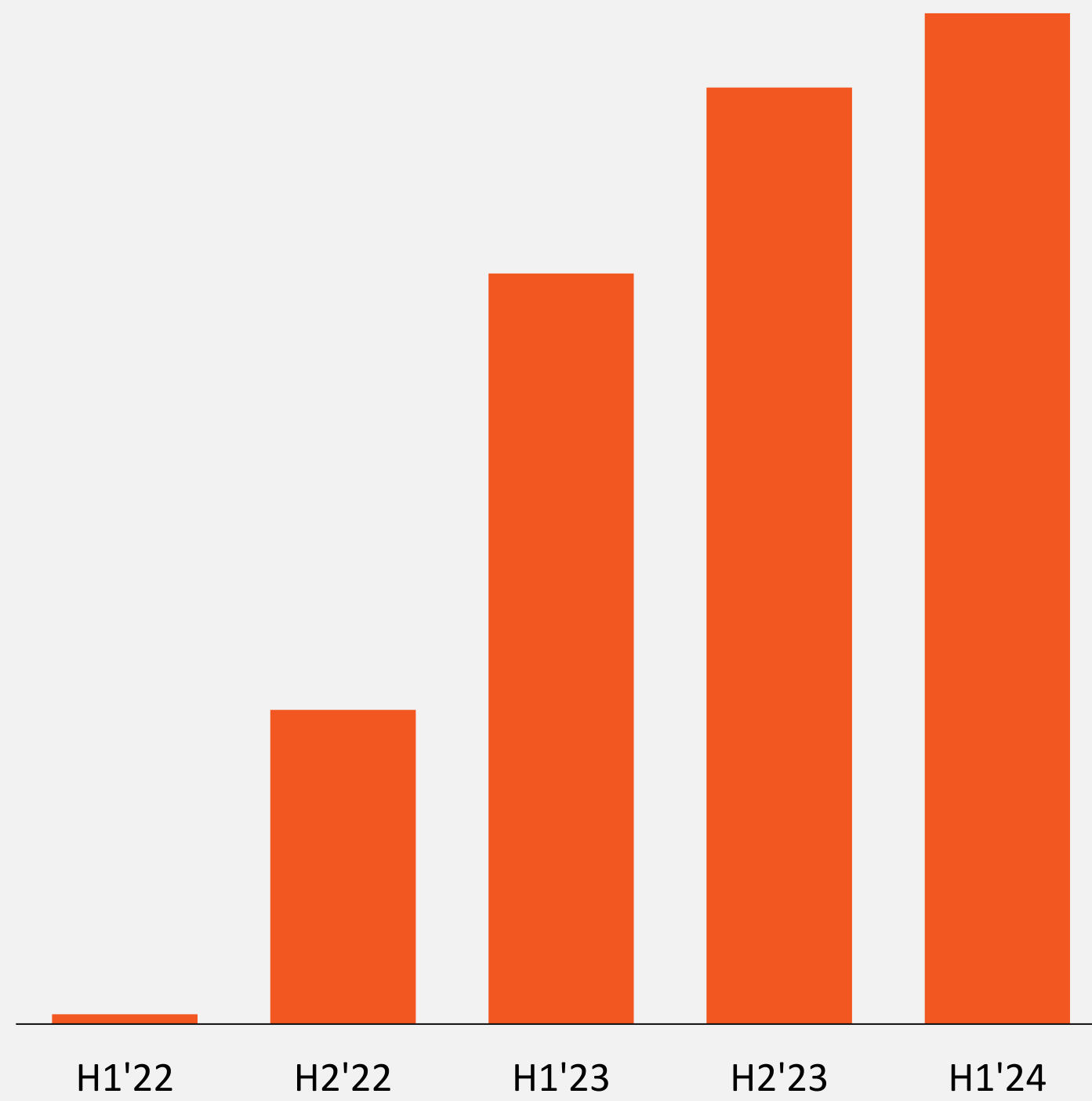
★★★★★ July 10, 2024

Love hostel world.. Makes my trip bookings quick and easy. Accurate reviews a pleasure to use...

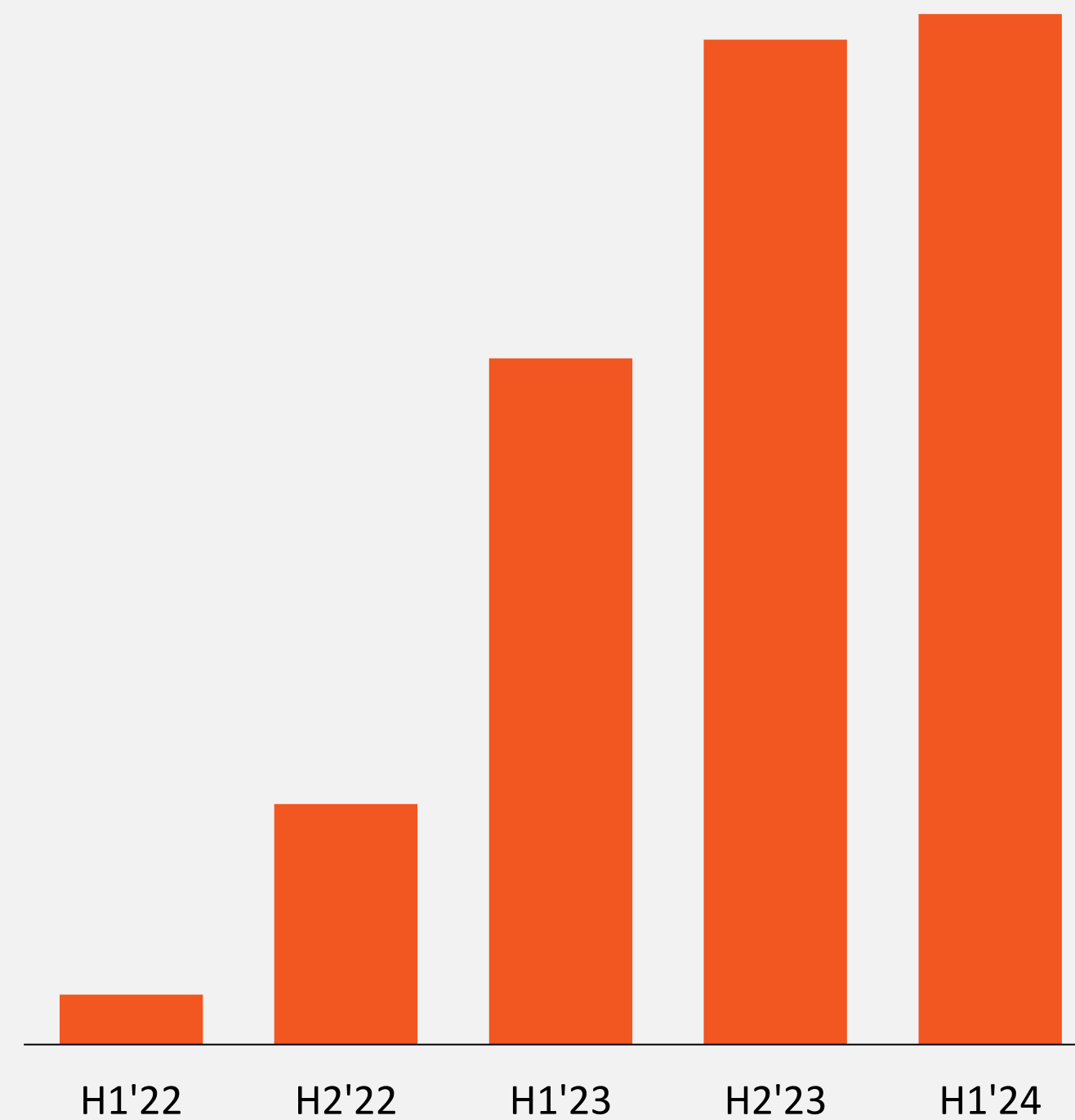


# Social platform continues to accelerate

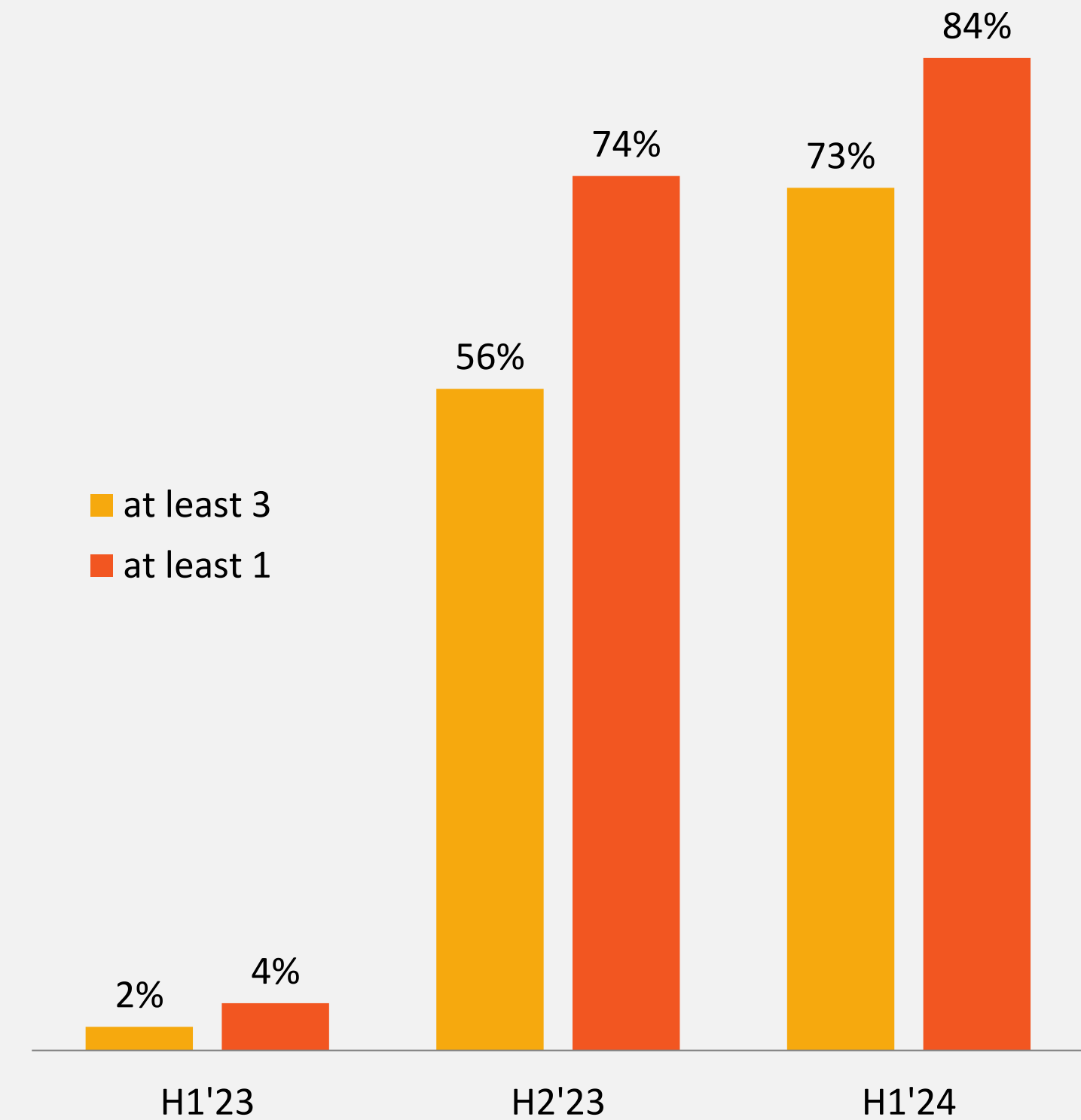
## Active chat users



## Messages sent on Social Network

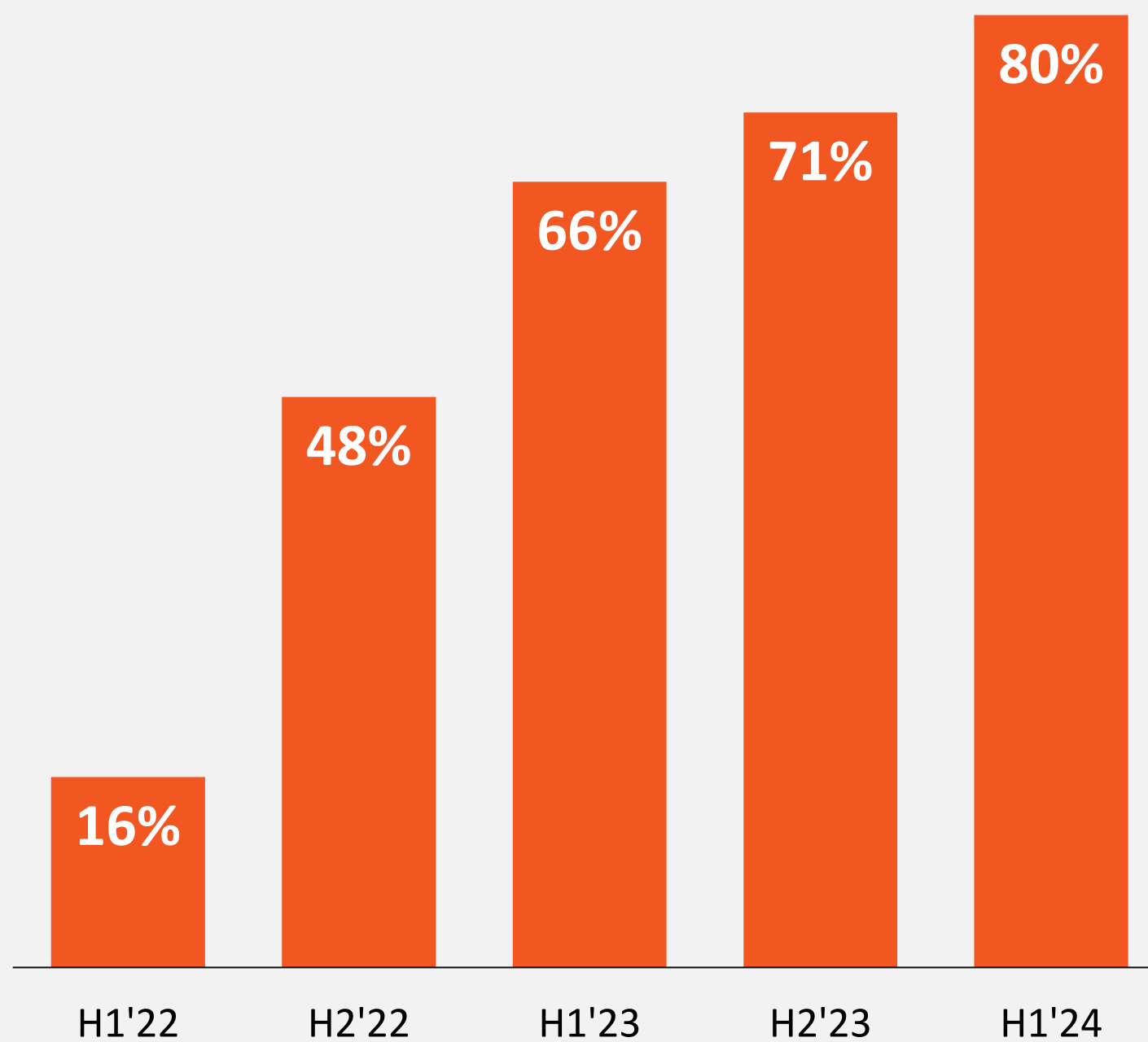


## Percentage of Social Members who can see LinkUps in trip

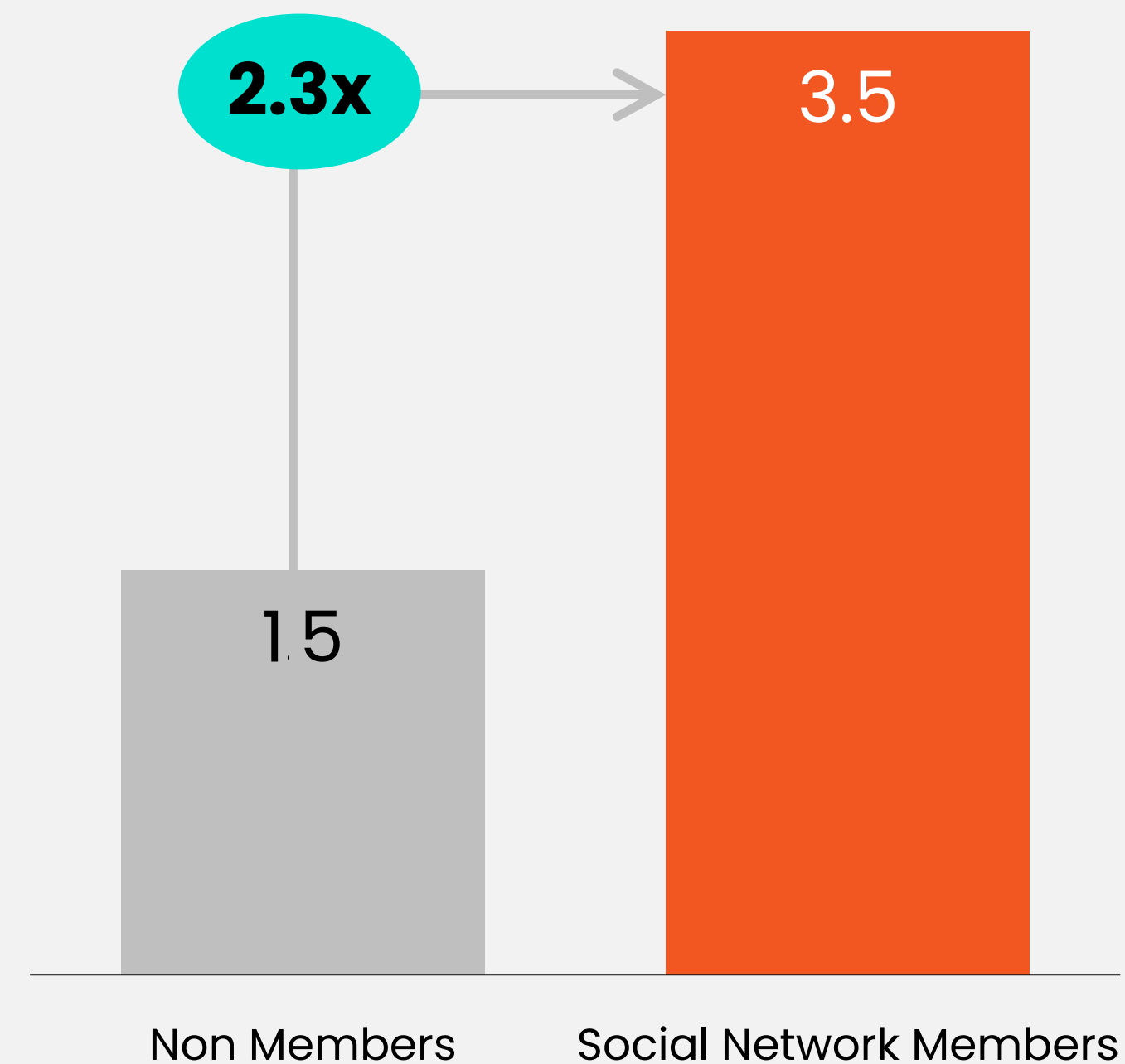


# Strategy continues to attract and retain high value customers

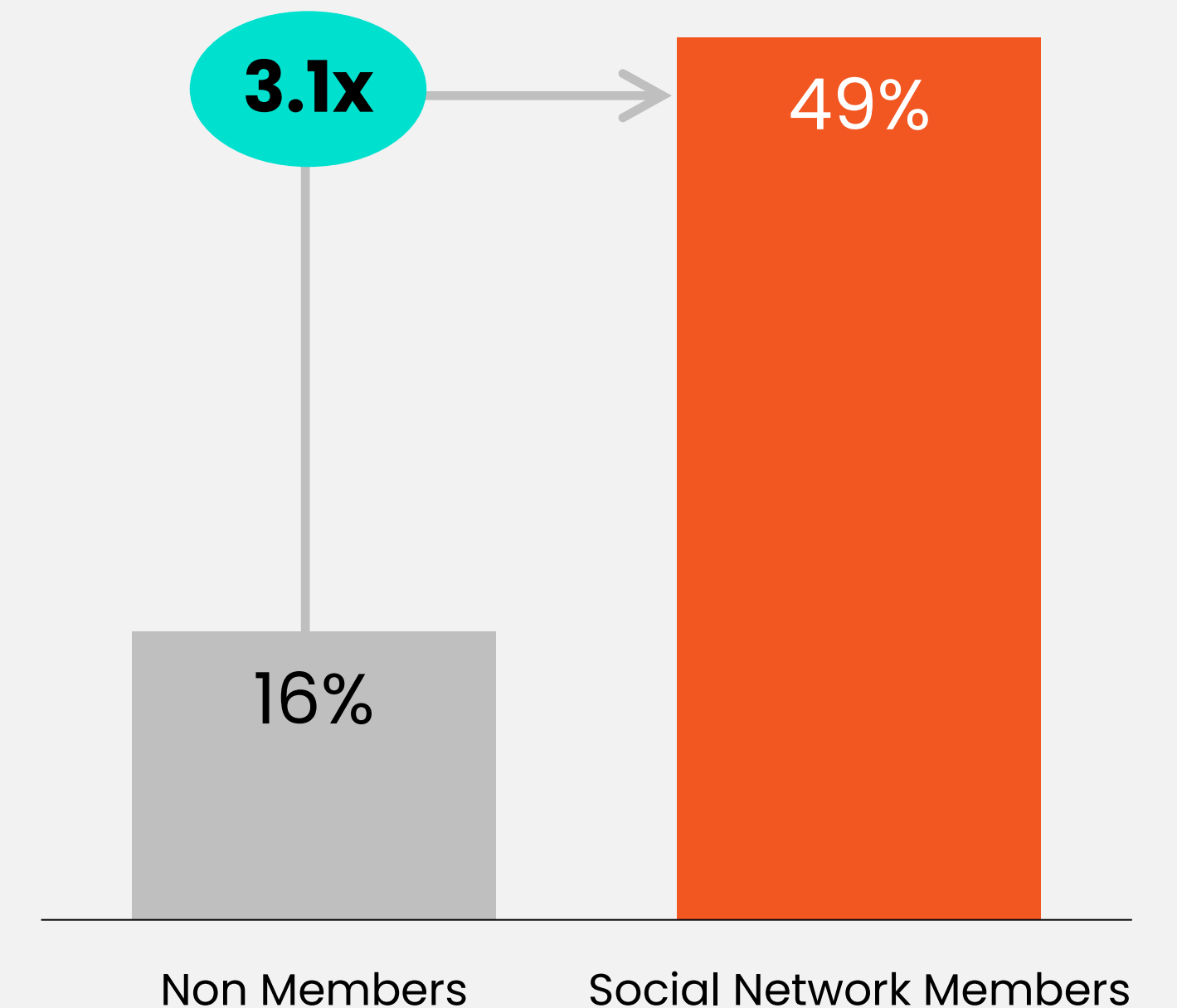
Social Members now accounting for 80% of all bookings on our platform



With new Social members making 2.3x the bookings compared to non members over the first 91 days post acquisition...

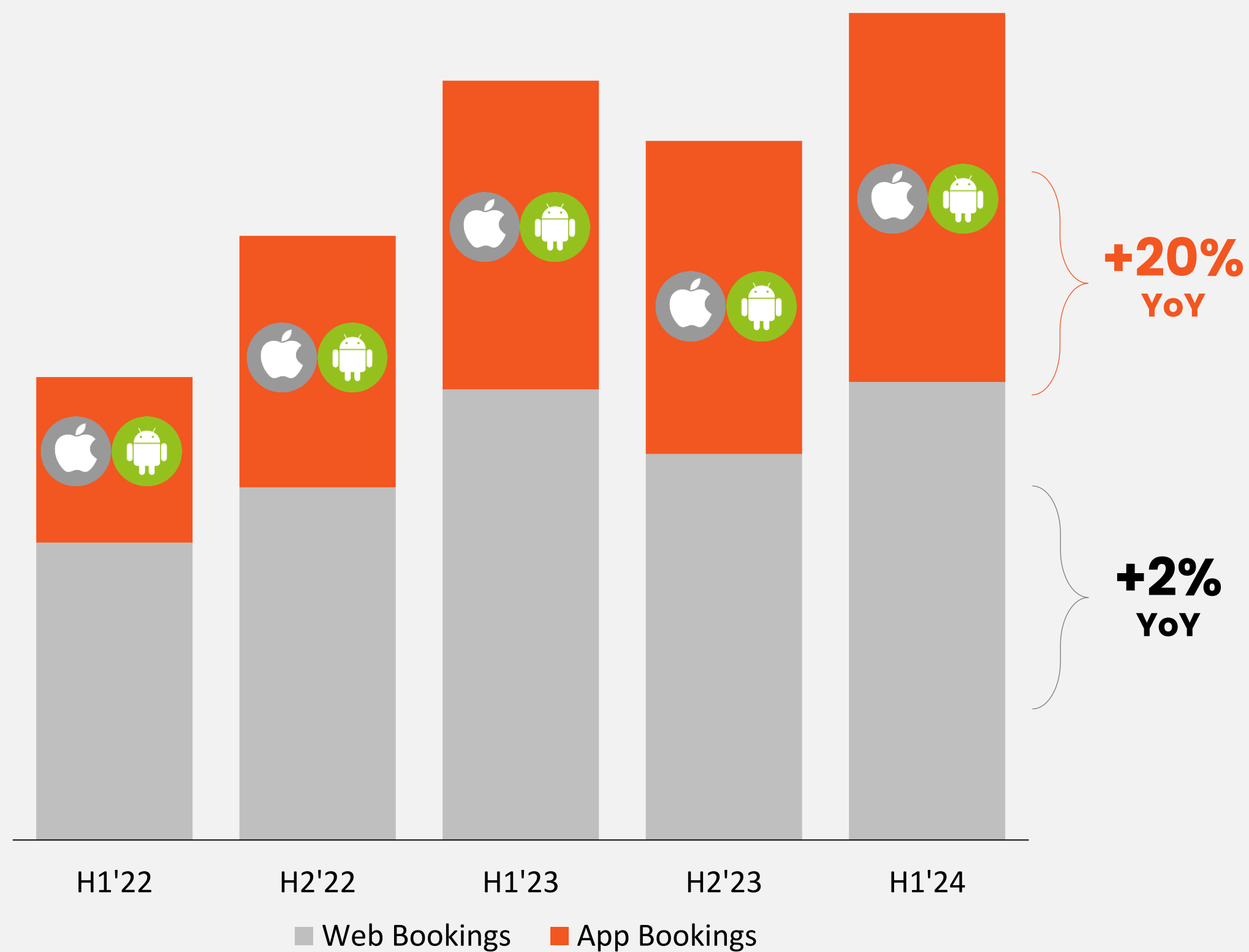


... and are 3.1x more likely to make these bookings on our App

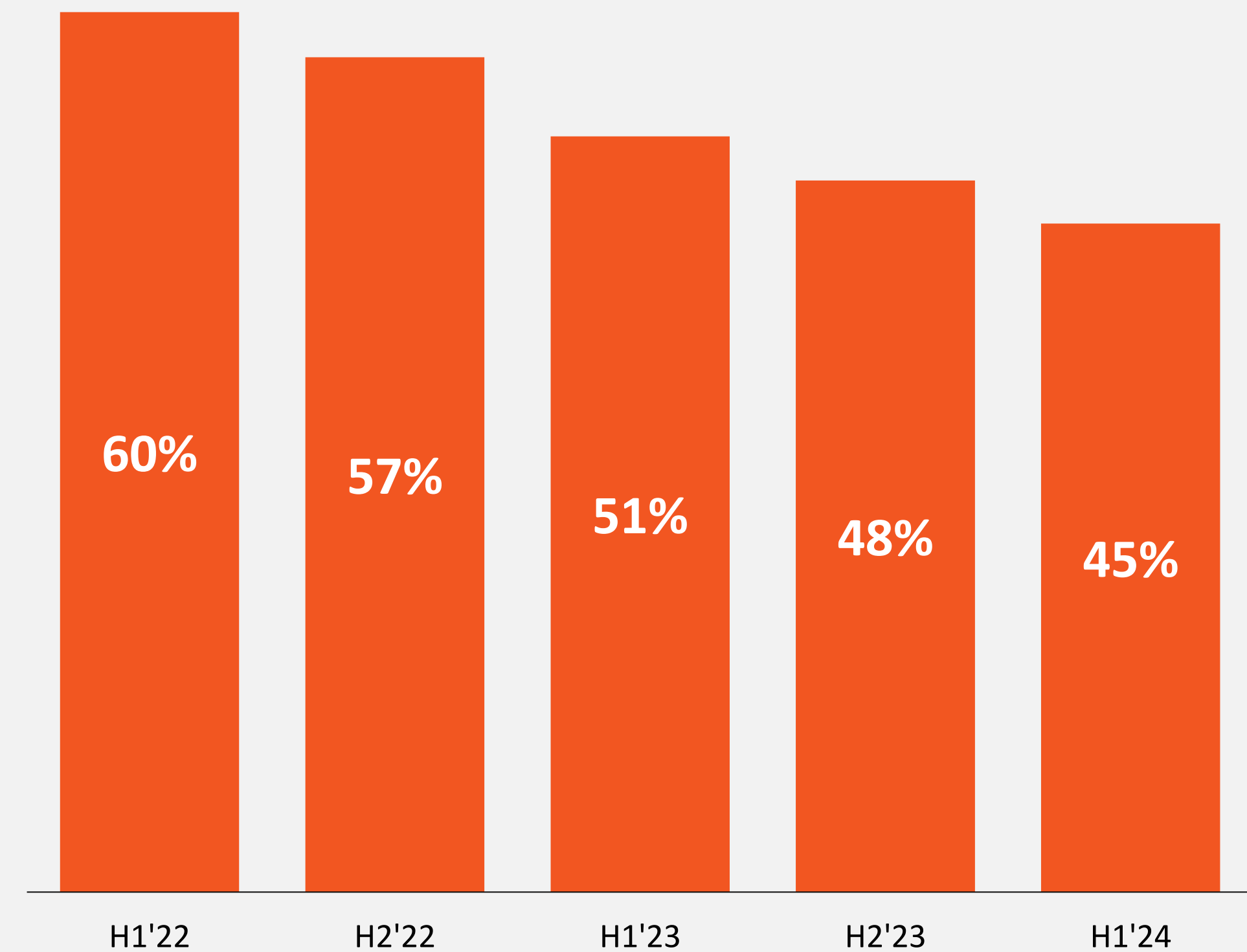


# Driving strong growth in App bookings, & reduced marketing expenses

## YoY growth rate in net bookings by platform

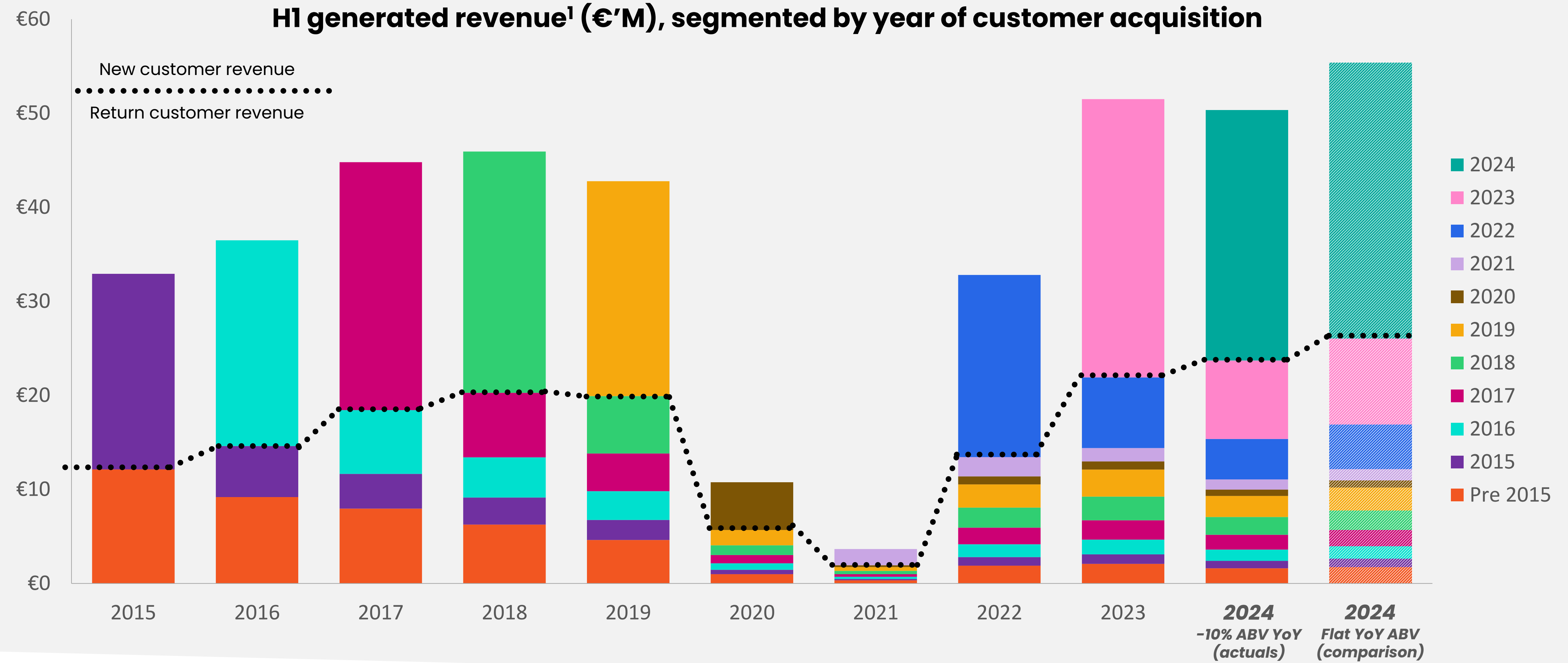


## Marketing as % of net revenue



# Strong growth in recurring revenue, impacted by lower ABV's YoY

Stronger customer retention rates/higher booking frequencies YoY, offset by lower cost destination mix



1. Net Generated Revenue is gross revenue less cancellations



# Near term guidance

	<b>FY 2023 Results</b>	<b>FY 2024 Trends</b>
<b>Net Bookings</b>	6.5m	High single digit growth
<b>Net GMV</b>	€619m	Revenue growth lower than booking growth
<b>Net Revenue</b>	€93.3m	
<b>Marketing % of Revenue</b>	50%	<50%
<b>Adj. EBITDA</b>	€18.4m	In line with market consensus <sup>1</sup>



1. Company compiled market consensus FY 2024 adjusted EBITDA is €21.4M as of 07 August 2024



# Continuing to execute our strategy



- Continue to invest in our uniquely differentiated Social platform
- Strengthens our growing competitive “moat”, and drives continued share gains



- Continue to optimise marketing mix, platform conversion and develop low cost acquisition channels
- Increases marketing leverage period over period, which fuels new customer acquisition growth



- Continue to migrate our platform to a cloud native Gemini AI enabled architecture
- Reduces hosting cost and accelerates innovation, leading to higher operating leverage



Helping travellers find people to hang out with

**Thank you!**



**25** years of connecting travellers



# Appendices



# Balance Sheet

	H1'24 €'m	FY'23 €'m
Intangible assets	64.3	66.5
Property, plant and equipment	0.7	0.8
Deferred tax assets	14.5	15.5
Investment in associate	1.2	1.1
Cash	-	0.8
<b>Total non-current assets</b>	<b>80.7</b>	<b>84.7</b>
Trade and other receivables	5.0	3.4
Cash	5.0	6.7
<b>Total current assets</b>	<b>10.0</b>	<b>10.1</b>
<b>Total assets</b>	<b>90.7</b>	<b>94.8</b>
<b>Total equity</b>	<b>62.6</b>	<b>59.2</b>
Debt warehoused	4.9	6.4
Borrowings	-	4.8
<b>Total non-current liabilities</b>	<b>4.9</b>	<b>11.2</b>
Debt warehoused	2.7	3.2
Borrowings	-	5.3
Trade Payables	5.4	3.3
Deferred revenue	7.5	3.9
Accruals and other payables	7.1	8.1
Lease liabilities	0.5	0.6
<b>Total current liabilities</b>	<b>23.1</b>	<b>24.4</b>
<b>Total equity and liabilities</b>	<b>90.7</b>	<b>94.8</b>



- **Intangible assets €64.3m** (FY'23: €66.5m)
  - Relates to goodwill, Hostelworld brandname, IP and tech stack
  - Decrease relates to amortisation charge €4.6m, offset by €2.4m resource time capitalised / asset created for time spent on revamping our hostel sign-up process, Linkups & modernising our platform
- **Deferred tax €14.5m** (FY'23: €15.5m), asset arising from Irish operating losses, accumulated during COVID period
- **Cash €5.0m** (FY'23: €7.5m), **Borrowings €nil** (FY'23 €10.1m).
  - Cash utilised to deleverage balance sheet
  - €10.3m used to repay remaining principal on AIB term loan facility and RCF, €1.9m used on warehoused debt repayments
- **Total warehoused payroll taxes of €7.6m** (FY'23: €9.6m), Payroll taxes due to Irish Revenue, 15% downpayment made May 2024 followed by equal monthly installments thereafter, 0% interest applies
- **Deferred revenue €7.5m** (FY'23: €3.9m), driven by Free Cancellation product and will unwind H2'24



# Income Statement



	H1'24 €'m	H1'23 €'m
Revenue	46.4	45.8
Administrative expenses <sup>1</sup>	(37.8)	(41.8)
Depreciation & amortisation expenses	(4.7)	(5.8)
Share of results of associate	0.1	0.1
<b>Operating profit/(loss)</b>	<b>4.0</b>	<b>(1.7)</b>
Finance income	-	-
Finance costs <sup>1</sup>	(0.3)	(5.4)
<b>Profit/(loss) before tax</b>	<b>3.7</b>	<b>(7.1)</b>
Tax	(1.2)	(0.4)
<b>Profit/(loss) for the period</b>	<b>2.5</b>	<b>(7.5)</b>
Adjusted EBITDA <sup>2</sup>	9.6	5.1
Adjusted earnings/(loss) per share (€'cent)	6.0	(1.9)

- **Net revenue increased to €46.4m** (H1'23: €45.8m)
  - **3.7m net bookings** (H1'23: 3.4m) driven by record performance in Asia and Central America
  - **Net average booking value €13.60** (H1'23 €15.15) driven by a greater proportion of bookings from low bed price destinations
- **Administrative expenses reduced by €4.0m YoY**
  - Reduction in direct paid marketing costs of -€3.6m, direct marketing costs as a % of revenue reduced to 45% (H1'23: 51%), and savings obtained from GCP efficiency on a modernised tech stack
- **Finance costs decreased to €0.3m** (H1'23: €5.4m) as a result of early repayment of the term loan facility and RCF. H1'23 included €3.5m of exceptional costs relating to the refinance of borrowing facilities in May 2023
- **Tax cost €1.2m** relates largely to an unwind a deferred tax asset which was created in Dec '23 for losses carried. Recognition of asset driven by a return to positive adjusted EBITDA and near-term profits

<sup>1</sup> CY exceptionals €nil. PY exceptional costs of €3.6m, €0.1m included within H1'23 administration expenses relating to debt costs incurred on refinancing, and €3.5m included within finance costs relating to €0.7m early repayment penalty and €2.8m accelerated noncash interest

<sup>2</sup> The Group uses adjusted EBITDA to show loss/profit without the impact of non-cash and non-recurring items



# Cash Flow Statement

	H1'24 €'m	H1'23 €'m
<b>Adjusted EBITDA<sup>1</sup></b>	<b>9.6</b>	<b>5.1</b>
Working capital movement	3.0	7.9
Net interest and tax paid <sup>2</sup>	(0.2)	(2.2)
<b>Cash from operating</b>	<b>12.4</b>	<b>10.8</b>
Capitalisation & acquisition of intangible assets	(2.4)	(1.5)
Purchase of property, plant and equipment	-	(0.1)
<b>Cash used investing</b>	<b>(2.4)</b>	<b>(1.6)</b>
Proceeds from borrowings	-	17.4
Repayment of borrowings and debt costs capitalised	(10.3)	(34.2)
Repayment of warehoused debt	(1.9)	-
Lease liabilities (IFRS 16)	(0.3)	(0.6)
<b>Cash used financing</b>	<b>(12.5)</b>	<b>(17.4)</b>
Opening cash	7.5	19.0
<b>Closing cash</b>	<b>5.0</b>	<b>10.7</b>
<b>Net decrease in cash</b>	<b>(2.5)</b>	<b>(8.3)</b>
Net borrowing/warehoused debt movement	12.2	16.8
Exceptional items <sup>3</sup>	0.2	0.8
<b>Adjusted free cash flow</b>	<b>9.9</b>	<b>9.3</b>
Adjusted EBITDA	9.6	5.1
<b>Adjusted free cash % (conversion)</b>	<b>103%</b>	<b>183%</b>



**Strong adjusted free cash conversion** facilitating early repayment of borrowing and debt warehoused facilities

- **€4.8m decrease in working capital**, working capital principally driven by a €3.6m increase in deferred revenue (€7.5m at H1'24, €3.9m at FY'23) and a €2.0m increase in trade payables relating to paid marketing amounts owed
- **Financing activity driven by repayment of COVID facilities:**
  - **€10.3m principal repayments** made on AIB term loan facility and RCF, nil borrowings as a result, H1'23 movements driven by refinance of borrowing facilities in May 2023
  - **€1.9m repaid** to Irish Revenue Commissioners on warehoused payroll taxes, in line with terms of repayment plan 15% downpayment made May 2024 followed by equal monthly installments thereafter, 0% interest applies
  - **Lease liability decrease -€0.3m** relates to Dublin office moving to a smaller office location in March 2024



<sup>1</sup> The Group uses adjusted EBITDA to show loss/profit without the impact of non-cash and non-recurring items  
<sup>2</sup> Excludes any PIK interest relating to the repayment of the HPS debt facility  
<sup>3</sup> Exceptional items in 2024 relate to 2023 exceptional costs paid in 2024

# Adj EBITDA to Adj Free Cash Flow

	H1'24 €'m	H1'23 €'m
<b>Adjusted EBITDA<sup>1</sup></b>	<b>9.6</b>	<b>5.1</b>
Working capital movement	3.0	7.8
Exceptional items <sup>3</sup>	0.2	0.8
Net interest / income tax paid <sup>2</sup>	(0.2)	(2.2)
<b>Cash from operating</b>	<b>12.6</b>	<b>11.5</b>
Capitalisation and acquisition of intangible assets	(2.4)	(1.5)
Purchase of property, plant and equipment	-	(0.1)
<b>Cash used investing</b>	<b>(2.4)</b>	<b>(1.6)</b>
Lease liabilities (IFRS 16)	(0.3)	(0.6)
<b>Cash used financing</b>	<b>(0.3)</b>	<b>(0.6)</b>
<b>Adjusted free cash flow</b>	<b>9.9</b>	<b>9.3</b>
Adjusted EBITDA	9.6	5.1
<b>Adjusted free cash % (conversion)</b>	<b>103%</b>	<b>183%</b>

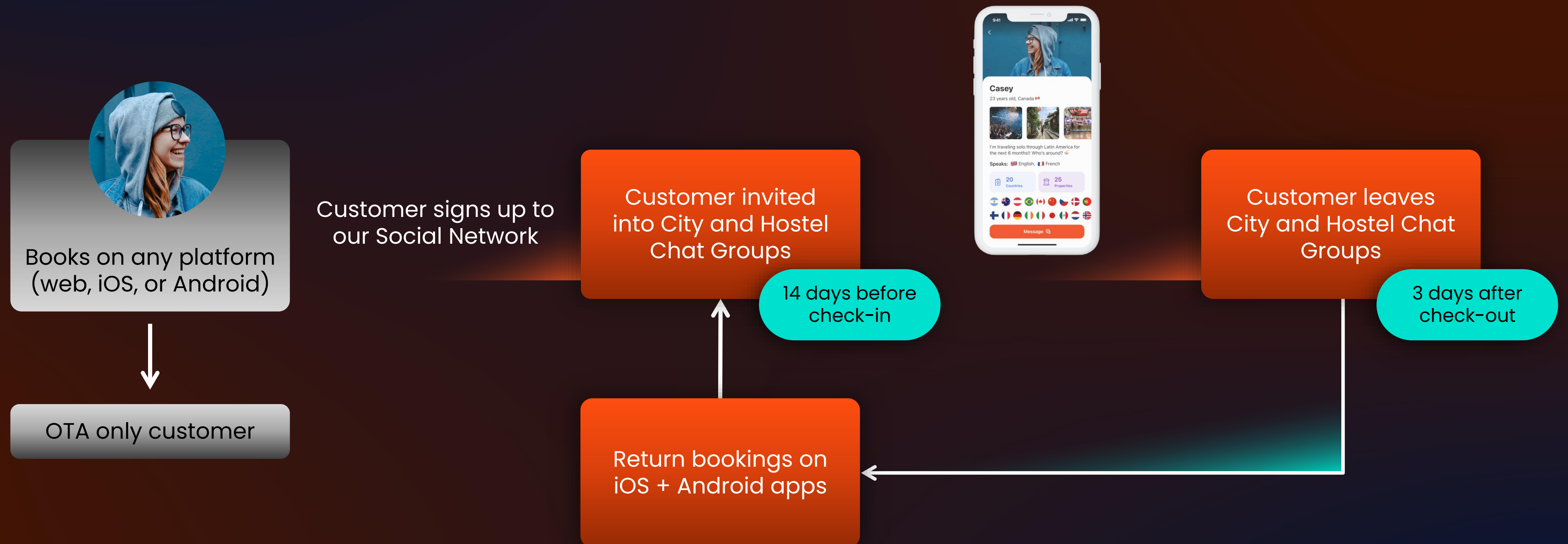


- **Adjusted Free Cash Flow** excludes items not relating to day-to-day activities such as proceeds/repayments related to borrowings, warehoused payroll taxes and payment of exceptional items
- Strong cash generation with Adjusted Free Cash Flow of **€9.9m** and Adjusted Free Cash Flow conversion of **103%**
- Increased free cashflow has facilitated the **de-leveraging of our borrowing facilities.**



1 The Group uses adjusted EBITDA to show loss/profit without the impact of non-cash and non-recurring items  
 2 Excludes any PIK interest relating to the repayment of the HPS debt facility  
 3 Exceptional items in 2024 relate to 2023 exceptional costs paid in 2024

# Our pioneering social network is the cornerstone of our strategy





# Delivering long term EBITDA and FCF growth

