

Italy – Travel Services

Mixed results while laying the ground for future expansion

9th April 2025

FY-24 RESULTS RELEASE

RIC: SOTR.MI
BBG: SOS IM

In FY-24, Sostravel posted double-digit top line growth and increasing margins, beginning to reap the benefits of the new commercial strategies implemented in both business lines. However, EBITDA and NFP were weaker than targets due to some operational headwinds. The commercial agreements signed with some leading players and the expansion of the LLC service in the US market are expected to sustain growth in 2025.

Rating:

Buy

Price Target:

€ 1.30 (€ 1.50)

Upside/(Downside): 105.0%

Last Price: € 0.63

Market Cap.: € 8.3m

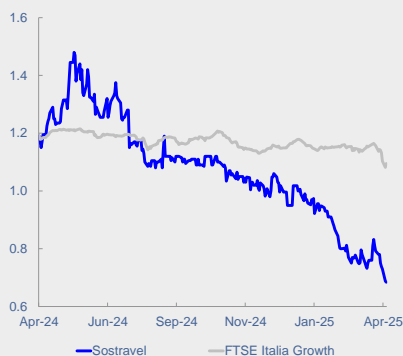
1Y High/Low: € 1.45 / € 0.60

Avg. Daily Turn. (3M, 6M): € 6k, € 8k

Free Float: 32.3%

Major shareholders:

Carmine Colella	20.2%
Le terrazze di Porto Ottiolu Srl	20.2%
RG Holding Srl	20.5%



Stock price performance

	1M	3M	12M
Absolute	-9.2%	-33.3%	-46.9%
Rel.to FTSE IT Growth	-5.5%	-25.9%	-38.0%
Rel.to Peers	-11.2%	-24.8%	-16.4%

Analysts:

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Chiara Francomacaro
+39 02 30343 394
chiara.francomacaro@cfosim.com

Estimates downward revised. New DCF-based PT at € 1.30/s (€ 1.50). Buy reiterated

Following the FY-24 results release, we have updated our estimates by factoring in: 1) broadly unchanged top line, while taking more cautious assumptions at the EBITDA level, more consistent with the historical trends, 2) a fine-tuning of the tax rate and, 3) a trend reversal in working capital in 2025, to incorporate the partial cash-in of the receivable towards a strategic partner. Furthermore, we have introduced our projections for 2027. The combined result is an average cut of 33.3% and 39.6% in EBITDA and Net Profit in 2025-26, and a consequent increase in NFP. Moreover, we updated the valuation criteria and rolled forward the DCF model to 2025. As a result, our new DCF-based PT returns € 1.30/s (€ 1.50), 105.0% upside potential to current price levels. Buy reiterated.

Turnover climbed by 14.9% YoY to € 22.4m, exceeding BP's target and our forecast
Revenues rose by 14.9% YoY to € 22.4m (vs € 18.3m in FY-23), exceeding both the company's target (€ 21.0m) and our forecast (€ 20.9m). The Travel Booking business line totalled € 21.0m, up by 14.8% YoY (€ 18.3m in FY-23) and outperformed our estimate (€ 19.5m), reaping the benefits of the new commercial strategies implemented, including improved flexibility options for travellers and a solid performance of AmareKenya. Digital Passenger Services totalled € 1.4m, up by 16.2% YoY (€ 1.2m in FY-23), in line with our forecast, largely driven by the new B2B agreements (in particular the one signed with Costa Crociere), while the sale of the Lost Luggage Concierge service through Trawell Co's stores network remained broadly stable YoY.

EBITDA at € 0.7m, 3.1% margin, lower than expected due to few headwinds

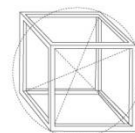
EBITDA climbed by ~70% to € 0.7m, 3.1% margin (€ 0.4m, 2.1% margin in FY-23) well below compared to the company's budget (€ 1.3m), mainly reflecting few issues related to some activities of the Travel Booking division, namely a delayed opening of a strategic resort as well as a reduced number of vacant hotel rooms in Sardinia available to be resold via the Secret Village formula, resulting from a robust holiday season demand. Adjusted EBITDA was € 0.8m, 3.4% margin. Following almost negligible interest rate charges, Net Profit came in at € 0.1m, 0.3% margin lower compared to € 1.2m recorded in FY-23, which was positively impacted by a one-time tax benefit.

Adj. NFP improving at € 0.2m cash, notwithstanding unfavourable NWC dynamics

Adjusted NFP stood at € 0.2m cash, below the company's business plan (€ 1.6m cash) and our estimate, mainly reflecting a lower-than-expected profitability and, to a greater extent, a longer collection period associated with a receivable from a strategic partner. Reported NFP improved to € 0.3m debt from € 1.0m debt recorded at year-end 2023. Please note that the adjustments relate to certain deposits advanced for new business projects as well as a financial loan granted to Trawell Co, worth about € 250k each.

Sostravel.com, key financials and ratios

€ m	2023	2024	2025e	2026e	2027e
Revenues	19.5	22.4	24.8	27.1	29.3
EBITDA	0.4	0.7	1.3	1.9	2.4
Adjusted EBITDA	0.5	0.8	1.3	1.9	2.4
EBIT	(0.2)	0.2	0.8	1.4	1.8
Net Profit	1.2	0.1	0.6	1.1	1.4
NFP (cash)/debt	1.0	0.3	(0.9)	(1.5)	(2.9)
Adjusted NFP (cash)/debt	(0.0)	(0.2)	(1.2)	(1.7)	(3.1)
Adjusted EBITDA margin	2.5%	3.4%	5.2%	7.0%	8.0%
EBIT margin	-0.8%	1.0%	3.3%	5.2%	6.3%
EPS stated €	0.09	0.01	0.05	0.08	0.11
EPS growth	n.m.	-94.2%	n.m.	73.4%	30.9%
ROCE	Neg.	3.4%	11.2%	16.7%	18.8%
EV/Sales x	0.72	0.65	0.30	0.25	0.19
EV/EBITDA x	29.1	18.9	5.7	3.6	2.3
EV/EBIT x	n.m.	63.7	9.1	4.9	2.9
PER x	12.1	n.m.	13.4	7.7	5.9
Free Cash Flow Yield	-0.8%	7.9%	15.3%	6.5%	16.9%



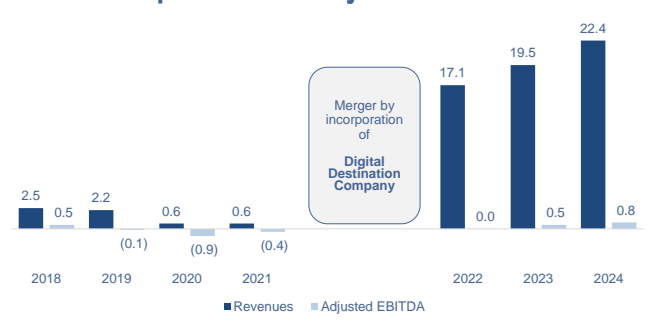
The Company at a Glance

Sostravel is a travel-tech company offering an integrated suite of travel solutions via its all-around proprietary apps and web platforms. In particular, the company boasts an extensive experience in providing digital assistance services to passengers, including fast tracking and recovery of lost luggage, healthcare and insurance. Moreover, by leveraging on its technological platforms, it enables vacationers to choose among a vast array of highly sought-after destinations around the globe and plan their entire journey, from transportation and accommodation to car rental and booking of bespoke on-site experiences.

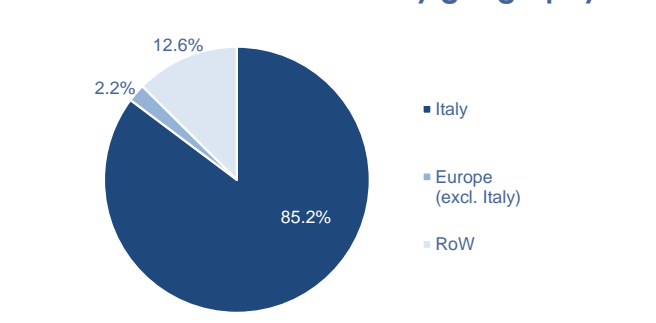
Currently, the company runs its operations through two distinct yet highly-complementary and integrated service-led business lines: Digital Passenger Services and Travel Booking. As regards the former, services are offered both online, through the apps Sostravel and, for certain services, Flio, and offline in more than 130 stores in 26 airports, on the back of a distribution agreement with Trawell Co. The same services are offered indirectly, through several distribution agreements with tour operators, travel agencies and welfare enterprises. As regards Travel Booking, Sostravel operates its proprietary web platform amare.travel.

2022 represented a year of a major transformation and transition towards a new business model following the merger with Digital Destination Company and its consolidation as from January 1st. FY-24 results exhibited Revenues of € 22.4m, Adjusted EBITDA of € 0.8m, 3.4% margin, with Net Profit a touch above the break-even level at € 67k, while Adjusted Net Financial Position stood at € 0.2m cash.

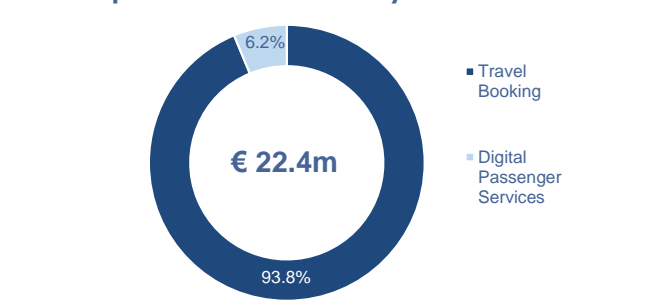
2018-24 top line and Adj. EBITDA evolution



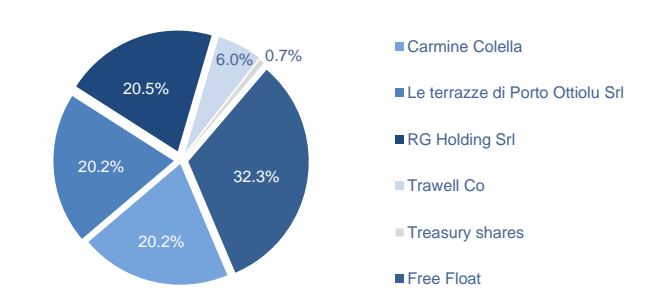
2024 revenues breakdown by geography



2024 top line breakdown by business line



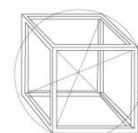
Shareholder Structure



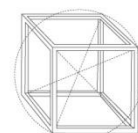
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Destination Italia SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Emma Villas SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
I Grandi Viaggi SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Soges Group SpA	0.62	0.31	4.3	2.0	10.6	4.2	19.0	9.5
TraWell Co SpA	1.02	0.75	3.5	2.6	7.5	5.0	15.0	7.9
Median of Domestic Peers	0.82	0.53	3.9	2.3	9.0	4.6	17.0	8.7
Booking Holdings Inc	5.52	5.17	15.4	13.9	16.3	15.0	19.9	17.8
Despegar.com Corp	1.92	1.69	8.8	7.4	11.7	9.6	26.2	18.9
eDreams ODIGEO SA	1.64	1.35	8.6	5.8	13.9	8.3	14.8	9.7
Expedia Group Inc	1.31	1.00	6.0	4.5	9.9	7.1	9.7	8.5
Lastminute.com NV	0.40	0.41	3.0	3.0	5.4	5.1	9.2	8.0
MakeMyTrip Ltd	9.18	7.42	53.1	36.6	55.2	39.3	72.8	48.8
Trip.com Group Ltd	3.89	3.14	13.4	10.3	14.4	11.0	15.7	13.4
Median of International Peers	1.92	1.69	8.8	7.4	13.9	9.6	15.7	13.4
SosTravel.com SpA	0.30	0.25	5.7	3.6	9.1	4.9	13.4	7.7

Sources: CFO SIM, Refinitiv Workspace



Income statement (€ m)	2023	2024	2025e	2026e	2027e
Revenues	19.5	22.4	24.8	27.1	29.3
Value of Production	19.7	22.5	24.9	27.2	29.4
Raw material and processing	(0.0)	0.0	(0.0)	(0.0)	(0.0)
Services	(18.2)	(20.6)	(22.3)	(24.0)	(25.7)
Personnel expenses	(0.7)	(0.8)	(0.8)	(0.9)	(0.9)
Other opex	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)
EBITDA	0.4	0.7	1.3	1.9	2.4
D&A & Provision	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)
EBIT	(0.2)	0.2	0.8	1.4	1.8
Financials	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
Re-devaluation of financial assets	0.0	0.0	0.0	0.0	0.0
Forex gain/(loss)	(0.0)	(0.0)	0.0	0.0	0.0
Pre-Tax profit	(0.2)	0.2	0.8	1.3	1.8
Income taxes	1.4	(0.1)	(0.1)	(0.3)	(0.4)
Minority interest	0.0	0.0	0.0	0.0	0.0
Net Profit	1.2	0.1	0.6	1.1	1.4
Adjusted EBITDA	0.5	0.8	1.3	1.9	2.4
Adjusted Net Profit	1.2	0.1	0.6	1.1	1.4
Balance sheet (€ m)	2023	2024	2025e	2026e	2027e
Net Working Capital	0.8	0.6	0.3	0.9	0.9
Net Fixed Assets	2.5	2.4	2.4	2.3	2.2
Equity Investments	0.6	0.2	0.2	0.2	0.2
Other M/L Term A/L	1.7	1.6	1.4	1.4	1.3
Net Invested Capital	5.5	4.9	4.2	4.8	4.8
Net Financial Position	1.0	0.3	(0.9)	(1.5)	(2.9)
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	4.4	4.6	5.1	6.2	7.6
Financial Liabilities & Equity	5.5	4.9	4.2	4.8	4.8
Adjusted Net Financial Position	(0.0)	(0.2)	(1.2)	(1.7)	(3.1)
Cash Flow statement (€ m)	2023	2024	2025e	2026e	2027e
Net Profit before minorities	1.2	0.1	0.6	1.1	1.4
Depreciation	0.6	0.5	0.5	0.5	0.5
Other non-cash charges	0.1	0.0	0.2	0.0	0.0
Cash Flow from Operations (CFO)	1.8	0.6	1.4	1.6	1.9
Change in NWC	(0.7)	0.1	0.4	(0.6)	(0.1)
FCF from Operations (FCFO)	1.1	0.7	1.7	1.0	1.9
Net Investments (CFI)	(1.1)	(0.0)	(0.5)	(0.5)	(0.5)
Free CF to the Firm (FCFF)	(0.1)	0.7	1.3	0.5	1.4
CF from financials (CFF)	(0.4)	(0.6)	(0.1)	0.0	(0.0)
Free Cash Flow to Equity (FCFE)	(0.4)	0.0	1.3	0.5	1.4
Financial ratios	2023	2024	2025e	2026e	2027e
Adjusted EBITDA margin	2.5%	3.4%	5.2%	7.0%	8.0%
EBIT margin	-0.8%	1.0%	3.3%	5.2%	6.3%
Net Profit margin	5.9%	0.3%	2.5%	4.0%	4.8%
Tax rate	n.m.	55.1%	18.0%	20.0%	22.0%
Op. NWC/Sales	3.9%	2.8%	1.0%	3.2%	3.2%
Interest coverage x	n.m.	2.98	13.41	24.64	39.97
Adjusted Net Debt/EBITDA x	n.m.	n.m.	n.m.	n.m.	n.m.
Net Debt-to-Equity x	0.23	0.07	n.m.	n.m.	n.m.
ROIC	21.4%	1.4%	14.7%	22.6%	29.6%
ROCE	Neg.	3.4%	11.2%	16.7%	18.8%
ROACE	Neg.	3.3%	11.6%	17.8%	20.3%
ROE	26.3%	1.5%	12.1%	17.3%	18.5%
Payout ratio	0.0%	73.8%	0.0%	0.0%	0.0%
Per share figures	2023	2024	2025e	2026e	2027e
Number of shares # m	13.09	13.18	13.18	13.18	13.18
Number of shares Fully Diluted # m	34.90	34.90	34.90	34.90	34.90
Average Number of shares Fully Diluted # m	34.90	34.90	34.90	34.90	34.90
EPS stated €	0.09	0.01	0.05	0.08	0.11
Adjusted EPS €	0.03	0.00	0.02	0.03	0.04
EBITDA €	0.01	0.02	0.04	0.05	0.07
EBIT €	(0.00)	0.01	0.02	0.04	0.05
BV €	0.13	0.13	0.15	0.18	0.22
FCFO €	0.03	0.02	0.05	0.03	0.05
FCFF €	(0.00)	0.02	0.04	0.02	0.04
FCFE €	(0.01)	0.00	0.04	0.02	0.04
Dividend €	0.00	0.0038	0.00	0.00	0.00



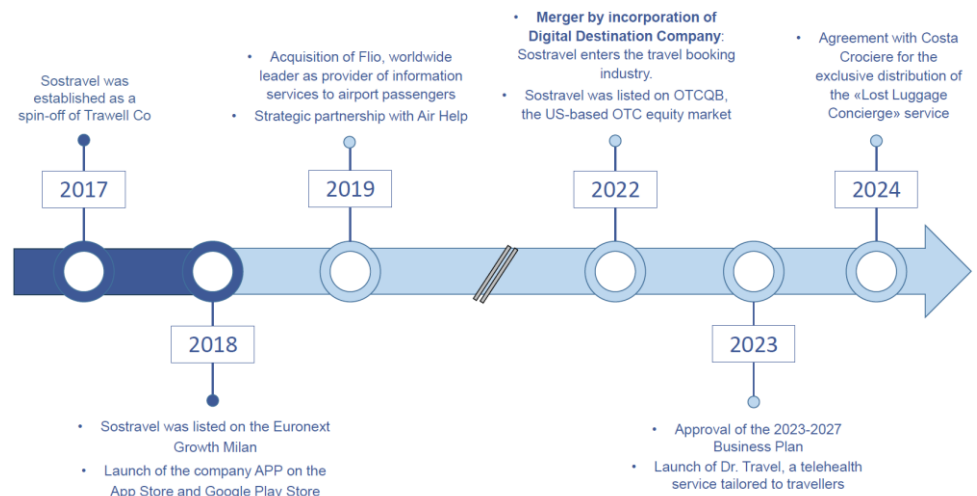
Sostravel.com in a Nutshell

Sostravel is a travel-tech company offering an integrated suite of travel solutions via its all-around proprietary apps and web platforms. In particular, the company boasts an extensive experience in providing **digital assistance services to passengers**, including fast tracking and recovery of lost luggage, healthcare and insurance. Moreover, by leveraging on its technological platforms, it enables vacationers to choose among a vast array of highly sought-after destinations around the globe and plan their entire journey, from transportation and accommodation to car rental and booking of bespoke on-site experiences.

Historically focused solely on digital assistance services dedicated to airport travellers, **the company has undergone a radical business model change since the reverse-takeover transaction with Digital Destination Company completed in 2022.**

Currently, the company runs its operations through two distinct yet highly-complementary and integrated service-led business lines: **Digital Passenger Services** and **Travel Booking**. As regards the former, services are offered both online, through the apps Sostravel and, for certain services, Flio, and offline in more than 130 stores in 26 airports, on the back of a distribution agreement with Travelex Co. The same services are also offered indirectly, through many distribution agreements with tour operators, travel agencies and welfare enterprises. With respect to Travel Booking, the group operates its proprietary web platform, **amare.travel**.

Chart 1 – Sostravel.com, Company history



Source: CFO SIM's elaboration on company data

Sostravel runs its operations through two distinct business lines:

- **Travel Booking (93.8% of FY-24 revenues):** Sostravel operates its technological web platform amare.travel, primarily **acting as an intermediary between providers of travel booking services and vacationers**, enabling them to plan, book and monitor their entire journey, from accommodation (Hotel & Resorts) and transportation (by air, trains, ferries, car rentals etc.) to the arrangement of several experiences (hiking, guided tours, food-tasting etc.). Furthermore, it provides selected holiday packages catering to travellers' different needs and tastes, as well as enticing last-minute offers with discounts up to 50%, helping facility managers to optimise overall occupancy rates and bolster profitability.
- **Digital Passenger Services (6.2% of FY-24 revenues):** the company offers a comprehensive suite of bespoke digital services dedicated to travellers, namely luggage tracking and return, telehealth assistance, travel insurance along with flights and airports real-time information.

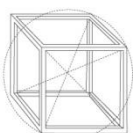
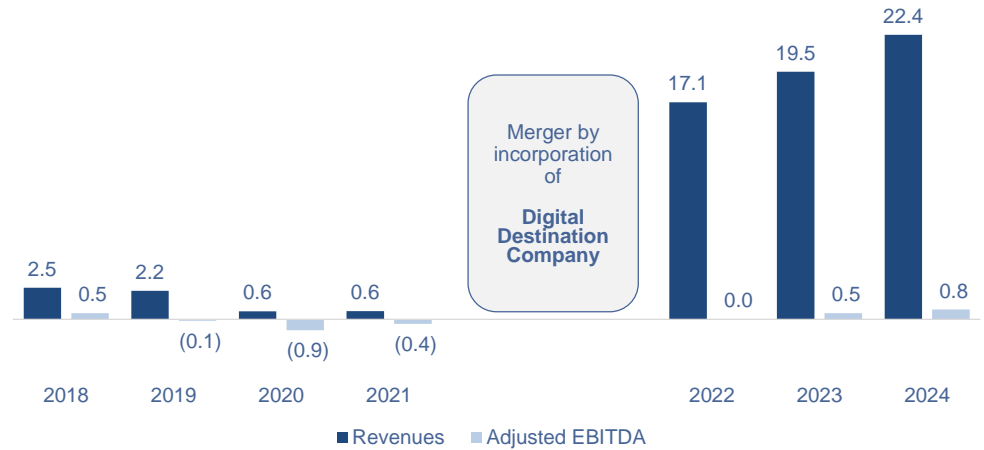


Chart 2 – Sostravel.com, 2018-24 Revenues and Adjusted EBITDA evolution – € m

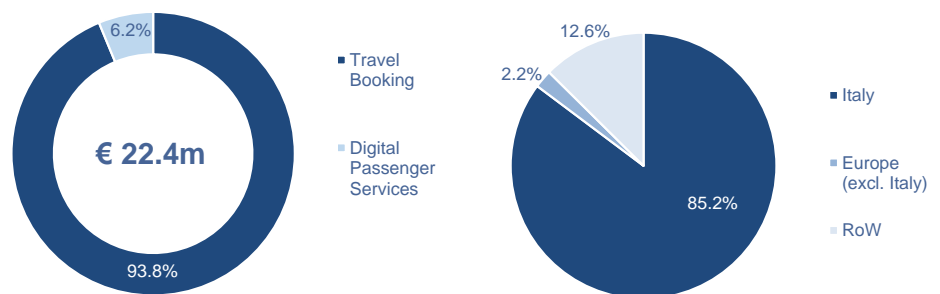


Source: CFO SIM's elaboration on company data

By drawing a distinction between financial results before and after the merger by incorporation of Digital Destination Company, **in the 2018-21 period, Sostravel experienced a downward trend in both revenues and margins, mainly resulting from the outbreak of the pandemic.** Indeed, in 2020-21, global travel restrictions to counter the spread of COVID-19 put a strain on travellers' demand for luggage tracking and return services and, ultimately, on the company's operations.

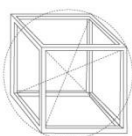
2022 represented a year of a major transformation and transition towards a new business model following the merger with Digital Destination Company and its consolidation as from January 1st. In FY-24, Sostravel achieved **Revenues of € 22.4m, Adjusted EBITDA of € 0.8m, 3.4% margin**, with Net Profit a touch above the break-even level at € 67k, while **Adjusted Net Financial Position stood at € 0.2m cash.**

Chart 3 – Sostravel.com, 2024 Revenues breakdown by business line and geography



Source: CFO SIM's elaboration on company data

From a geographical standpoint, **in FY-24 Sostravel's revenues were largely generated in the domestic market (85.2%)**, followed by Europe (12.6%) and RoW (2.2%). As regards the revenues breakdown by business line, in FY-24 Travel Booking accounted for 93.8% of the total while Digital Passenger Services' contribution stood at 6.2%, broadly unchanged YoY.

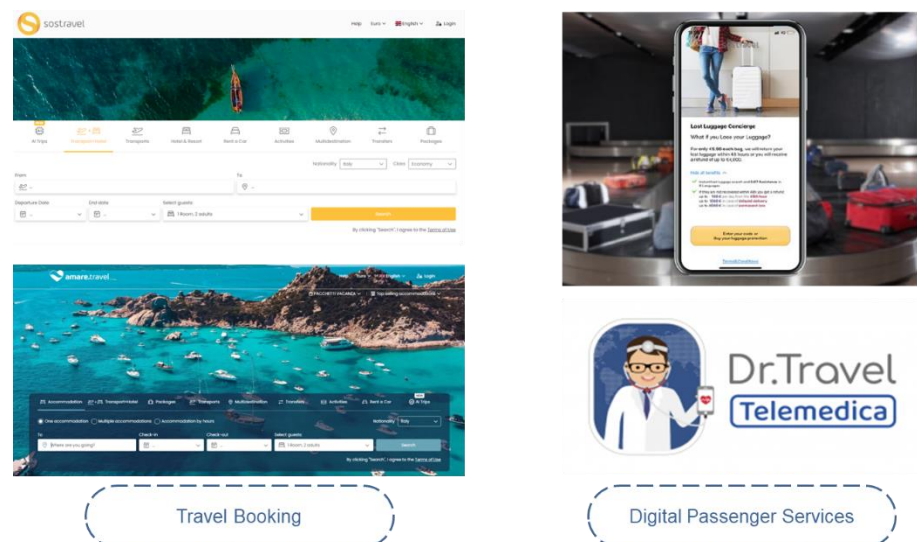


Business Model

Sostravel is a travel-tech company providing an integrated suite of travel solutions via its all-around proprietary apps and web platforms. In particular, the company boasts an extensive experience in providing **digital assistance services to passengers**, including fast tracking and recovery of lost luggage, healthcare and insurance. Moreover, by leveraging on its technological platforms, it enables vacationers to choose among a vast array of highly sought-after destinations around the globe and plan their entire journey, from transportation and accommodation to car rental and booking of bespoke on-site experiences.

Historically focused solely on digital assistance services dedicated to airport travellers, **the company has undergone a radical business model change since the reverse take-over transaction** with Digital Destination Company completed in 2022.

Chart 4 – Sostravel.com, Value Proposition devised via two main strategic pillars



Source: Sostravel.com

Currently, the company runs its operations through two distinct yet highly-complementary and integrated service-led business lines: **Digital Passenger Services** and **Travel Booking**. As regards the former, services can be purchased 1) online, 2) through the Sostravel's app and, for certain services, Flio, and, 3) offline in more than 130 stores in 26 airports, on the back of a distribution agreement with Trawell Co. Moreover, these services are offered indirectly through several distribution agreements with tour operators, travel agencies and welfare enterprises. With respect to Travel Booking, the group operates its proprietary web platform, **amare.travel**.

Digital Passenger Services

Originated by a spin-off occurred in Dec-17 of Trawell Co SpA, a company listed on Euronext Growth Milan formerly known as SafeBag, **Sostravel boasts 20+ years of experience in travel assistance services**, becoming the undisputed landmark in Italy for travellers looking for a fast, reliable and proven service aimed at the recovery of lost luggage, known as **"Lost Luggage Concierge"**. Over the years, the app has been continuously enriched with additional precious features, such as real-time airports and flights information, enabling travellers to better enjoy the whole journey and always have all they need just a click away.

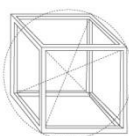
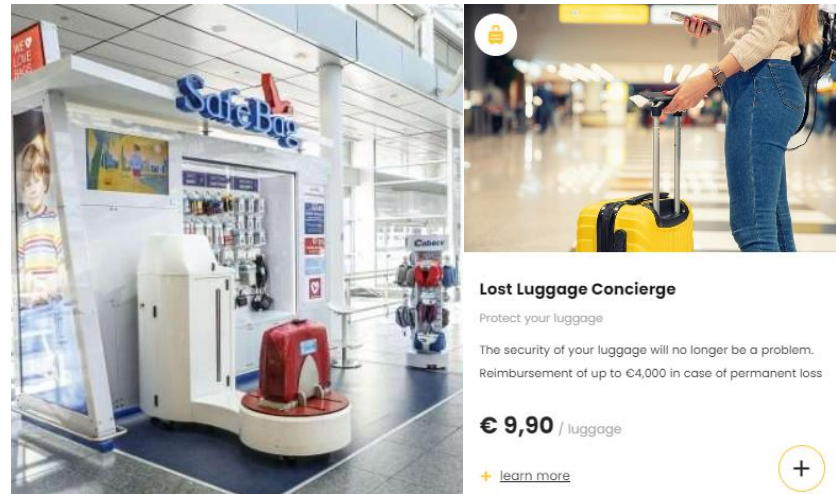


Chart 5 – Sostravel.com, LLC service offline and online distribution channels



Source: *Trawellco.com* and *Sostravel.com*

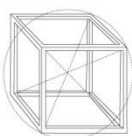
Lost Luggage Concierge is **a proven and highly-distinctive luggage tracking service offered to travellers who want to ensure the safety** of their suitcases, avoiding unpleasant inconveniences during their holidays or business trips.

It provides **a unique service if compared with traditional baggage insurances**, as it focuses on a timely research, identification and return and not just a reimbursement in the event of a mishandled luggage.

Leveraging on **an omnichannel distribution strategy**, Lost Luggage Concierge service can be bought both online, on Sostravel's app and website, and at the network of Trawell Co's stores, located in 26 airports across 8 countries, according to a specific distribution agreement. Moreover, it can be purchased through selected tour operators, travel agencies and welfare enterprises.

In greater detail, **the service can be purchased for € 9.90 and guarantees baggage tracking and return within 48 hours after is found missing**, by taking advantage of an active tracking provided by SITA World Tracer System, a standardised solution developed in cooperation with IATA (International Air Transport Association). This service provides direct access to real-time information on the mishandled luggage's route and an effective communication with airports handlers ensures a quickly identification. Recovery times are more efficient thanks to the active involvement of Sostravel's 24/7 Customer Care team, available in six different languages, which constantly updates customers during the entire procedure.

If the baggage is not returned within 48 hours, the owner receives a refund up to € 100 per day for a maximum of € 1,000. Should the tracking service not be able to find the lost baggage, customers are entitled to receive a refund up to € 4,000. It is worth noting that the refund associated with the LLC service is **additional to any potential reimbursement received by the airline and/or insurance company.**

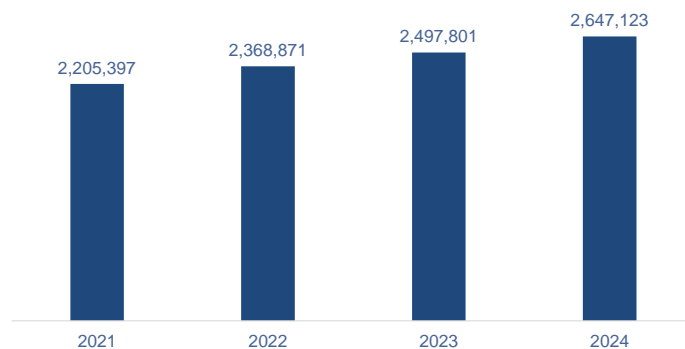


Furthermore, Sostravel's app gathers a **comprehensive set of highly-valuable real-time information for airport travellers**, all free of charge, with the clear aim to keep them updated throughout the entire journey. In particular, it provides information that can be subdivided into two main categories:

- **Flight information**, such as 1) flight status, including gate opening and closing time, eventual gate changes, delays or cancellations, 2) estimated time to check-in, go through the airport security procedures and walk towards the gate. Additionally, travellers can scan the boarding pass in order to access to it directly within the app.
- **Airport information**, such as: 1) major guidelines in place in the countries of destination, 2) weather conditions and real-time data about all the flights scheduled to arrive or departure from the airport of choice, 3) parking zones, pharmacies, ATMs, dining options, Wi-Fi, money changers and, 4) providers of luggage protection or storage.

Moreover, all information can be shared both on social media and directly with contacts in the address book.

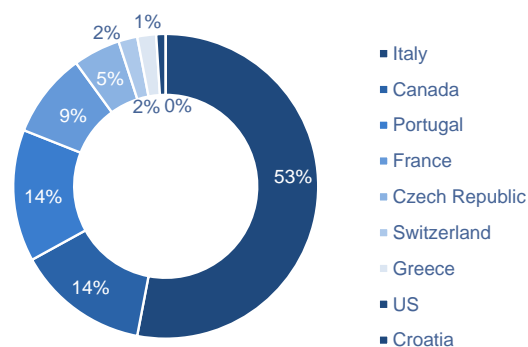
Chart 6 – Sostravel.com, 2021-24 number of downloads of Sostravel and Flio apps



Source: Company data

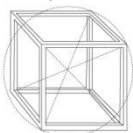
In 2024, Sostravel and Flio apps were downloaded about 2,650,000 times (+6% YoY), with roughly 50,000 newly-profiled users in the same year. All in all, **the community of profiled travellers actively using both applications amounts to over 1,000,000**.

Chart 7 – Sostravel.com, FY-24 LLC revenues breakdown by geography



Source: Company data

From a geographical standpoint, **in FY-24 over 80% of revenues relating to the Lost Luggage Concierge service were generated in Europe** more than half in Italy (53%), followed by Portugal (14%), France (9%) and Czech Republic (5%). Excluding Europe,



the largest contributor was Canada (14%). In FY-19, before the outbreak of the pandemic, **the Lost Luggage Concierge service reached approximately € 2.0m in revenues**, almost entirely generated on Trawell Co's distribution network. It is worth to point out that the new management team, since it took office, had been pursuing a major development strategy of the LLC service with the aim to 1) enlarge and diversify the customer base, 2) penetrate new sectors of the travel industry and, 3) lessen customer concentration risks.

As a matter of fact, **in 2023 the company entered into several new distribution agreements** with tour operators, travel agencies and welfare enterprises. Moreover, at the outset of 2024, **it entered the cruise sector by signing a commercial agreement with the Costa Crociere group** aimed at the distribution of the Lost Luggage Concierge service, with a **renewal option for 2025 and 2026**. The agreement stipulates that customers who departs from Europe and have purchased both the cruise and air transfer via Costa Crociere's proprietary channels, will be automatically provided with the LLC service.

Sostravel, in addition, offers airline companies and airport handlers with **digitisation activities relating to filling and forwarding of forms to the Lost & Found offices**, albeit its contribution to total revenues is quite negligible.

Chart 8 – Sostravel.com, Dr.Travel 24/7 telehealth service



Source: Company Presentation

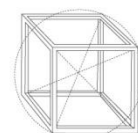
In order to enhance its value proposition, **the company launched in the early 2023 Dr. Travel, an easy-to-access telehealth assistance service**, available 24/7 and providing travellers with worldwide medical assistance.

Accessible via Sostravel's app and Dr. Travel webpage, **it can be purchased on Sostravel's website at just € 9.90 for each traveller** and features a 14-days coverage from departure date. During this period, the customer who purchased the service will have access to televisits by paying only € 10.

Noteworthy, the service mainly **focuses on minor albeit more frequent diseases** (i.e. fever, tonsillitis, ear infection etc.) and was specifically devised to serve a market segment usually overlooked by large-sized insurance companies.

By virtue of a partnership agreement with the Italian company Net Medicare, it provides with a rapid connection with physicians for a medical consultation, generally **within 20-90 minutes since booking of the appointment**. Following the visit, **if needed the doctor may prescribe medication**.

As of today, Dr. Travel is distributed via 1) **Sostravel's digital sales channels**, 2) networks of **tour operators and travel agencies** and, 3) **welfare portals** (i.e. Double You, part of the Zucchetti group), often paired with other services or included in all-inclusive packages.



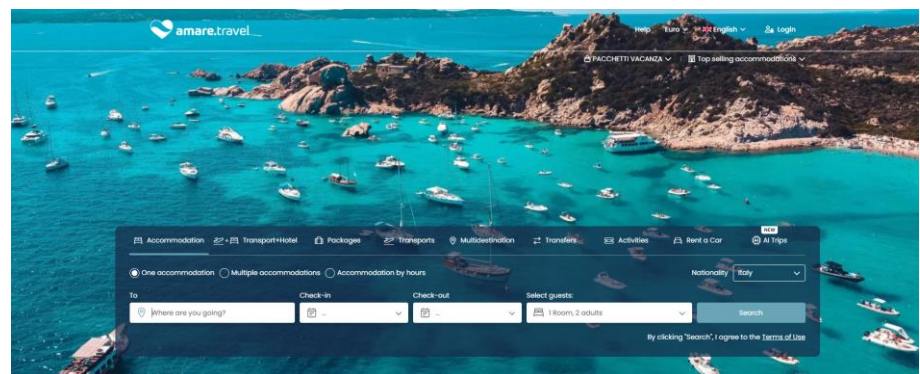
Travel Booking

As a consequence of the **merger by incorporation of Digital Destination Company in 2022**, Sostravel revolutionised its business model and entered the buoyant travel booking industry, aiming to become a major player in the Italian competitive landscape.

By leveraging on its technological **web platform amare.travel**, formerly known as amare.italia, Sostravel primarily operates as **an intermediary between providers of travel booking services and vacationers**, enabling them to plan, book and constantly monitor their entire journey, from accommodation (Hotel & Resorts) and transportation (by air, trains, ferries, car rentals etc.) to the arrangement of several experiences (hiking, guided tours, food-tasting etc.). Furthermore, it provides **selected holiday packages** catering to travellers' different needs and tastes, as well as enticing **last-minute offers** with discounts up to 50%, helping facilities managers to optimise overall occupancy rates and bolster profitability.

Services are offered both to direct customers (**B2C**) as well as to professional online travel agencies (**B2B**) which, in turn, resell them on their platforms.

Chart 9 – Sostravel.com, amare.travel web platform



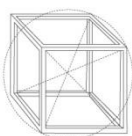
Source: Company website

The value proposition can be subdivided into three main operations:

- **Worldwide Travel Booking**: leveraging on a best-in-class proprietary web platform;
- **AmareClubs**: on the back of exclusive distribution agreements, it involves the active management of the **entire room capacity** of a portfolio of splendid resorts, such as those located in Sardinia, Apulia and Kenya;
- **AmareStyle**: encompassing the sign of distribution agreements relative to **a share** of the room capacity of a selected resort. In the event that the initiative proves successful, Sostravel subsequently attempts to seize the entire room capacity.

As regards the **Worldwide Travel Booking** activity, the group leverages on a match-making platform capable of ensuring speedy research of the selected itineraries and **seamlessly connecting users with accommodation solutions made available by travel service providers**. The amare.travel platform allows to seek, book and monitor the entire journey, empowered by **9 search engines** and **500+ xlm connections** with major global providers of accommodation, transportation and entertainment solutions, among which **Booking.com, Expedia.com, lastminute.com, and Agoda**. In addition, it deals with leading **bed banks** such as www.hotelbeds.com and www.hotelstone.com.

Additionally, the company developed and recently launched an **AI-based algorithm** that facilitates trip planning and booking. In fact, a simple text prompt enables users to furtherly customise their journey by inserting bespoke requests.



Beyond acting as an intermediary between travellers and service providers on a global scale, **Sostravel actively manages and promotes the entire room capacity of 7 upscale resorts located in Sardinia and Apulia**, the so-called AmareClubs, in the wake of solid and long-standing relationships with facilities owners and managers.

6 of the upscale resorts are located in stunning locations across Sardinia, where Digital Destination Company had its roots, and close to main airports and ports. Together with a resort in Apulia, the AmareClubs count over **650 rooms**.

Chart 10 – Sostravel.com, AmareClubs in the Sardinia region



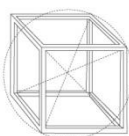
Source: Company Presentation

First of all, the company's strategy envisages **a careful scouting of hotels & resorts** located in Italy meeting the highest quality standards, both with respect to geographical positioning and excellence of the services offered to guests. Then, the company stipulates agreements, usually lasting one up to 3-years, under which **it secures the exclusive right to distribute the entire room capacity** in the exchange of a consideration paid upfront ("empty-for-full"). On request, additionally, Sostravel provides **revenues management services**, by directly managing the facilities' webpages and setting up a competitive and dynamic **pricing strategy**.

The so-called AmareClubs are primarily **marketed through the social media platforms, newsletters and blogs**, combined with SEO (Search Engine Optimisation) activities intended to improve the amare.travel's positioning in search results. Furthermore, Sostravel stands out for the advisory role played by its "**Destination Managers**", professional figures who advise users in real-time (via chatbot, telephone or e-mail) in selecting the option that best suits their needs.

Moreover, via its proprietary brand **Secret Village®**, the company offers an innovative solution whereby vacationers simply choose the location of interest but **the name of the resort**, amongst a provided shortlist, **remains unknown until 48 hours** from departure. **Sostravel purchases a certain room capacity upfront at a sizeable discount** and takes care of distribution via its sales channels. The formula provides several **advantages for all stakeholders**: from one side, customers can save up to 50% from the original price while, on the other, enables resort owners to considerably improve the overall occupancy rate and visibility on revenues.

Despite the obvious risk of unsold, **Secret Village® allowed Sostravel to achieve satisfactory results accompanied by hefty margins** since its launch. The management is currently exploring potential opportunities to expand the formula to other accommodation facilities, aiming to pose itself as a trusted and valuable partner in this particular niche of the travel industry.



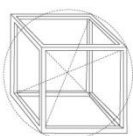
As from 2023, **Sostravel embarked on an internalisation path** in order to enrich its portfolio and diversify both its customer base and geographical positioning, by including resorts located in highly sought-after destinations in Middle-East and Africa. As such, in Dec-22 **the company signed 3-year exclusivity agreement** to manage and distribute the entire room capacity of the **Jumbo Resort in Watamu (Kenya)**. In greater detail, it consists of a 4-stars facility featuring **92 rooms** furnished in local style, with direct access to the sea. As from Feb-23 EdenViaggi, a company owned by AlpiTour, the Italian largest tour operator, entered into **an agreement with Sostravel to distribute one thirds of capacity** (c. 30 rooms) on its sales channels and, subsequently, exercised the option to extend the agreement for two more years.

In the short-term, the company plans to enter into similar commercial agreements with facilities headquartered in **Sharm el-Sheikh** and **Turkey**.

Chart 11 – Sostravel.com, Jumbo Resort in Watamu, Kenya



Source: Company Presentation

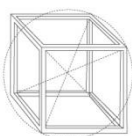


Strategy

Following the transformative merger by incorporation of Digital Destination Company occurred in late 2022, the next stage of Sostravel's growth path is primarily focused on: 1) enriching the range of services of the Private Label segment, 2) expanding the Secret Village® formula, 3) realising the significant cross-selling opportunities on the back of the highly-complementary value proposition and, 4) signing new distribution agreements in order to expand the Lost Luggage Concierge service into new sales channels and segments of the travel industry.

In greater details, Sostravel's strategy is centred around the following key pillars:

- ✓ **Expanding the Private Label service offer:** the company plans to enlarge its portfolio of resorts where it secures, under multi-year agreements, either the entire room capacity (such as the one signed with the Jumbo resort in Kenya) or a share of it. In addition, it aims to **create dedicated brands for each destination country**, such as "AmareKenya", in order to become a landmark for travel experiences in highly sought-after destinations. In the short-term, the management aims to sign new distribution agreements for exclusive facilities headquartered in Turkey, Egypt (Sharm-El-Sheik) and Cuba.
- ✓ **Expanding the Secret Village® formula:** given its huge scalability potential and attractive profitability profile, the management is currently exploring potential opportunities to expand the formula to other accommodation facilities, aiming to pose itself as a trusted and valuable partner in this particular niche of the travel industry.
- ✓ **Generate cross-selling synergies and improve the overall cost structure:** by means of targeted investments, the company intends to streamline and automate several internal processes, in order to generate operational efficiencies. Moreover, the cross-selling potential remains huge, considering the highly-complementary portfolio of services offered by the previously stand-alone companies. Notably, travel booking customers are offered travel-tech services when booking their trip online, while passengers who have purchased travel-tech services enter the company's ecosystem and are targeted with personalised offers.
- ✓ **Sealing new distribution agreements for the Lost Luggage Concierge service:** the management plans to step up efforts aimed at increasing sales of the Lost Luggage Concierge service, mainly through new distribution agreements with travel industry players (tour operators, airline and cruise companies), as well as companies specialising in travel insurance services. Recently, Sostravel entered into new distribution agreements with travel agencies (e.g. Acibluteam), tour operators (e.g. Glamour and Futura Vacanze), welfare platforms (e.g. Zucchetti) and, as previously mentioned, the Costa Crociere group.



SWOT Analysis

The SWOT analysis, also known as SWOT Matrix, is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out with regard to a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

- **Strengths:** characteristics of the business that give it an advantage over others.
- **Weaknesses:** characteristics that place the business at a disadvantage vs. others.
- **Opportunities:** elements that the project could use to its advantage.
- **Threats:** elements in the environment that could cause harm or be detrimental for the business or project.

The technique is credited to Albert Humphrey, who led a research project at Stanford University between the 60s/70s using Fortune 500 data.

S.W.O.T. ANALYSIS

STRENGTHS

- ❑ **A well-integrated and synergistic offer** tailored to different needs
- ❑ Management team with **more than 30+ years of on-field experience**
- ❑ **Deep-rooted strategic partnerships** with tourism operators, particularly as regards the Sardinia region
- ❑ An effective **omnichannel distribution strategy**

WEAKNESSES

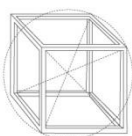
- ❑ **Limited size** in a competitive arena dominated by global and well-known travel marketplaces
- ❑ AmareClub's value proposition currently **lacks geographical diversification**
- ❑ **Volume-driven business model with limited pricing power** due to harsh competition

OPPORTUNITIES

- ❑ **High scalability potential**, especially as regards the Lost Luggage Concierge service
- ❑ Acceleration in the **adoption of travel-tech services**, especially by digital natives
- ❑ **Revenues synergies** still to be unlocked
- ❑ **M&A opportunities** to consolidate a rather fragmented market and further enhance the service offer

THREATS

- ❑ **IT malfunctions** could disrupt short-term economic results and undermine customer loyalty
- ❑ Partial halt of tourism in key regions due to **surging geopolitical tensions**
- ❑ **Cutting-edge technologies** enabling more efficient luggage tracking and handling systems



FY-24 Results

Sostravel reported a set of FY-24 results characterised by **a double-digit top line growth and a more than proportional progression of EBITDA**. While revenues outperformed both the company's business plan target (€ 21.0m) and our estimate (€ 20.9m), EBITDA lagged behind forecasts, primarily due to a few unexpected operational issues related to some activities of the Travel Booking business line. Cash generation, additionally, was penalised by the extension of the credit collection period towards a strategic partner.

Table 1 – Sostravel.com, 2024-23 results

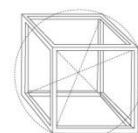
€ m	2024	2023	% YoY	2024e	% Δ
<i>Travel Booking</i>	21.0	18.3	14.8	19.5	7.8
<i>Digital Passenger Services</i>	1.4	1.2	16.2	1.4	0.2
Revenues	22.4	19.5	14.9	20.9	7.3
Increase in internal works	0.0	0.0		0.0	
Other revenues	0.1	0.2		0.2	
Value of Production	22.5	19.7	14.4	21.1	6.8
Raw material and processing	0.0	(0.0)		(0.0)	
Services	(20.6)	(18.2)		(18.9)	
Personnel expenses	(0.8)	(0.7)		(0.8)	
Other opex	(0.5)	(0.3)		(0.2)	
EBITDA	0.7	0.4	69.5	1.2	(43.2)
% margin	3.1	2.1		5.8	
D&A & Provision	(0.5)	(0.6)		(0.5)	
EBIT	0.2	(0.2)	n.m.	0.7	(65.8)
% margin	1.0	(0.8)		3.2	
Financials + Re(De)Valuation of assets	(0.1)	(0.1)		(0.1)	
Pre-Tax profit	0.2	(0.2)	n.m.	0.6	(74.0)
% margin	0.7	(1.2)		2.8	
Income taxes	(0.1)	1.4		(0.1)	
Tax rate	55.1%	n.m.		23.0%	
Minority interest	0.0	0.0		0.0	
Net Profit	0.1	1.2	(94.2)	0.4	(84.8)
% margin	0.3	6.0		2.1	
Total adjustments	(0.1)	(0.1)		0.0	
Adjusted EBITDA	0.8	0.5	58.8	1.2	(36.4)
% margin	3.4	2.5		5.8	
NFP debt/(cash)	0.3	1.0	(70.2)	0.1	n.m.
Adjusted NFP debt/(cash)	(0.2)	(0.0)	n.m.	(0.7)	n.m.

Source: Company data

Revenues rose by 14.9% YoY to € 22.4m (vs € 18.3m in FY-23), exceeding both the company's target (€ 21.0m) and our forecast (€ 20.9m). As regards the two business lines:

- **Travel Booking** totalled € 21.0m, up by 14.8% YoY (€ 18.3m in FY-23) and outperformed our estimate (€ 19.5m), reaping the benefits of the new commercial strategies implemented, including improved flexibility options for travellers and a solid performance of AmareKenya, which totalled € 2.2m, accounting for about two-thirds of foreign revenues.
- **Digital Passenger Services** totalled € 1.4m, up by 16.2% YoY (€ 1.2m in FY-23), in line with our forecast, largely driven by the new B2B agreements (in particular the one signed with Costa Crociere), while the sale of the Lost Luggage Concierge service through Trawell Co's stores network remained broadly stable YoY.

EBITDA climbed by ~70% to € 0.7m, 3.1% margin (€ 0.4m, 2.1% margin in FY-23) well below compared to the company's budget (€ 1.3m), mainly reflecting few issues related to some activities of the Travel Booking division, namely a delayed opening of a strategic resort as well as a reduced number of vacant hotel rooms in Sardinia available to be resold via the Secret Village formula, resulting from a robust holiday season demand. Excluding a one-off item relative to a pre-merger expense, **Adjusted EBITDA was € 0.8m, 3.4% margin**.



EBIT turned positive for € 0.2m, 1.0% margin (negative for € 0.2m in FY-23), after D&A charges and provisions for € 0.5m. Following almost negligible interest rate charges, **Net Profit came in at € 0.1m, 0.3% margin** lower compared to € 1.2m recorded in FY-23, which was positively impacted by a one-time tax benefit.

Adjusted NFP stood at € 0.2m cash from the break-even level in FY-23, below the company's business plan (€ 1.6m cash) and our estimate, mainly reflecting a lower-than-expected profitability and, to a greater extent, a longer collection period associated with a receivable from a strategic partner. **Reported NFP improved to € 0.3m debt from € 1.0m debt recorded at year-end 2023.** Please note that the adjustments relate to certain deposits advanced for new business projects as well as a financial loan granted to Trawell Co, worth about € 250k each.

Sostravel.com has resolved to propose to the next AGM the distribution of dividend totalling € 50k (**€ 0.0038 per share, 73.8% payout ratio**), with ex-date set for 5th May, record date for 6th May and payment date for 7th May, along with the launch of a new **buyback programme for a maximum amount of € 0.3m (~2.8% of current market cap.)**.

2023-27 Business Plan estimates confirmed

In the wake of the release of FY-24 results, the **management confirmed the BP targets set for 2025**, entailing a double-digit top line expansion (€ 2.7m, +11.7% YoY) to € 25.1m, EBITDA of € 2.2m and a robust cash flow generation, with Adj. NFP furtherly improving at € 2.6m cash.

Table 2 – Sostravel.com, 2023-27e Business Plan

€ m	2023	2024e	2024A	A vs e (%)	2025e	2026e	2027e	CAGR 24-27e
Revenues	19.5	21.0	22.4	6.9%	25.1	29.0	32.5	13.1%
% YoY	14.1%	7.5%	14.9%		11.7%	15.7%	12.0%	-
EBITDA	0.4	1.3	0.7	(46.9)%	2.2	3.2	3.8	77.4%
margin %	2.1%	6.2%	3.1%	(310)bps	8.7%	10.9%	11.8%	-
Adj. NFP debt / (cash)	(0.0)	(1.6)	(0.2)	n.m.	(2.6)	(4.5)	(4.9)	n.m.

Source: Company data, CFO SIM analysis

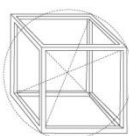
The **Gross Booking Value**, namely the aggregate value of all the travel services booked by customers on the company's proprietary platforms, gross of taxes and fees, **was € 8.0m as of the end of Mar-25** (+0.8m, 11.1% YoY over the same period in 2024), underpinning the top-line expansion.

Table 3 – Sostravel.com, Q1-25 Gross Booking Value

€ m	Q1-25	Q1-24
Gross Booking Value	8.0	7.2
% YoY	11.1%	-

Source: Company data, CFO SIM analysis

Rising volumes and few mitigations actions put in place since late 2024 should support EBITDA expansion. In particular, the management is striving to lessen the company's reliance on few "empty-for-full" contracts in favour of multi-year agreements, having a twofold effect: increase the overall visibility and improve profitability. However, **in our view, the 2025 EBITDA target (€ 2.2m, +560bps YoY) looks optimistic** given the harsh price pressures in the competitive landscape combined with the still limited share of the Digital Passenger Service, having materially better margins, on total revenues.



Estimates, Valuation and Risks

In FY-24 **Sostravel showed double-digit top line growth (+~15% YoY) and increasing margins**, beginning to reap the benefits of the new commercial strategies implemented in both business lines. Nevertheless, EBITDA came in lower compared to the target set in the Business Plan, penalised by some unexpected operational headwinds affecting the Travel Booking division. The management has been undertaking several efforts to lessen volatility of operations, including substitute several risky “empty-for-full” agreements and increase the diversification across sales channels and geographical markets.

As a matter of fact, **Sostravel secured a new partial “empty-for-full” agreement with I Grandi Viaggi** (listed on Euronext Milan) and increased the number of resorts in regions outside Sardinia (in particular Apulia and Calabria).

Furthermore, with respect to the Digital Passenger Services, **2024 marked a significant milestone as Sostravel made its entry in the US market, in light of the strategic agreement with SafeWrap of Florida**. The company provides protective luggage wrapping services via 33 stations in the International Airport of Miami and will integrate the Lost Luggage Concierge service in its selling proposition as from 2025, opening up strong growth opportunities for Sostravel. Additionally, **at year-end 2024 the company signed an agreement with VeraTour**, a leading Italian provider specialising in the organisation and offering of tailored travel services, group tours and experiences, aimed at including the LLC service for those customers purchasing holiday packages with long-range flights.

On the back of the FY-24 results release, **we have updated our estimates** by factoring in: 1) broadly unchanged top line, while taking more cautious assumptions at the EBITDA level, more consistent with the historical trends, 2) a fine-tuning of the tax rate and, 3) a trend reversal in working capital in 2025, to incorporate the partial cash-in of the receivable towards a strategic partner. Furthermore, we have introduced our projections for 2027. **The combined result is an average cut of 33.3% and 39.6% in EBITDA and Net Profit in 2025-26, and a consequent increase in NFP.**

Table 4 – Sostravel.com, 2025e new/old estimates

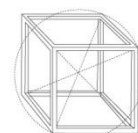
€ m	New	Old	Δ %	Δ € m
Revenues	24.8	24.5	1.2	0.3
EBITDA	1.3	2.0	(34.2)	(0.7)
% margin	5.2	8.1		
EBIT	0.8	1.4	(43.3)	(0.6)
% margin	3.3	5.9		
Net Profit	0.6	1.1	(41.6)	(0.4)
% margin	2.5	4.3		
Net debt/(cash)	(0.9)	(1.1)	n.m.	0.2

Source: CFO SIM

Table 5 – Sostravel.com, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Revenues	27.1	28.2	(3.9)	(1.1)
EBITDA	1.9	2.8	(32.3)	(0.9)
% margin	7.0	10.0		
EBIT	1.4	2.3	(38.6)	(0.9)
% margin	5.2	8.1		
Net Profit	1.1	1.7	(37.6)	(0.6)
% margin	4.0	6.1		
Net debt/(cash)	(1.5)	(2.8)	n.m.	1.4

Source: CFO SIM



Moreover, we updated the valuation criteria, bringing the risk-free rate up to date (3.65% vs prev. 3.80%) and rolled forward the DCF model to 2025. As a result, **our new DCF-based PT points to € 1.30/s (€ 1.50)**, 105.0% upside potential to current price levels. Buy confirmed.

DCF

In applying the DCF valuation method, we assess explicit estimates until 2029 and a long-term growth rate of 1.5%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 6 – WACC derived from:

Interest costs, pre-tax	4.5%
Tax rate	30.0%
Int. costs, after taxes	3.2%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	3.65%
Beta levered (x)	1.00
Required ROE	12.7%

Source: CFO SIM, Refinitiv Workspace

Risk premium at 9.0% factors in the minute size of the company and basically all Euronext Growth Milan market segment related concerns that an investor might have. The WACC is computed using a sustainable **15:85 debt/equity** balance-sheet structure and **Beta = 1**.

Table 7 – Sostravel.com, DCF model

€ m	2025e	2026e	2027e	2028e	2029e	TV
EBIT	0.8	1.4	1.8	2.6	2.8	
Tax rate	18.0%	20.0%	22.0%	27.5%	27.5%	
Operating profit (NOPAT)	0.7	1.1	1.4	1.9	2.1	
Δ working capital	0.4	(0.6)	(0.1)	(0.1)	(0.1)	
Depreciation	0.5	0.5	0.5	0.6	0.7	
Investments	(0.5)	(0.5)	(0.5)	(0.6)	(0.7)	
Free Cash Flows	1.1	0.6	1.4	1.8	2.0	21.0
Present value	1.0	0.5	1.1	1.2	1.2	12.7
WACC	11.2%	11.2%	11.2%	11.2%	11.2%	
Long-term growth rate	1.5%					

Source: CFO SIM

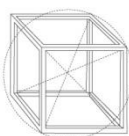
Table 8 – Sostravel.com, DCF derived from:

€ m	
Enterprise Value € m	17.6
	<i>thereof terminal value</i>
	71.8%
NFP FY-24 - last reported	(0.3)
Pension provision	(0.1)
Equity value € m	17.3
#m shares (excl. treasury shares)	13.09
Equity value €/s	1.30
<i>% upside/(downside)</i>	<i>105.0%</i>

Source: CFO SIM

The application of our DCF model generates an equity value of € 17.3m, € 1.30/s for Sostravel, 105.0% upside.

Since the share price has been well below the warrants' strike price, set at € 1.20, we preferred to not factor in any potential cash-in and correspondent increase in the number of shares outstanding stemming from their exercise. We remind that, as of today, there are **21,718,270 warrants outstanding** and that **the potential cash-in from their full exercise would amount to approximately € 26.1m**, about more than three times the current market cap.



The following tables illustrate the sensitivity of the equity value per share 1) compared to changes in **WACC** (range between 10.48% and 11.98%) and **terminal growth rate** (range between 0.75% and 2.25%), and 2) compared to changes in **risk-free rate** (range between 2.90% and 4.40%) and **Equity Risk Premium** (range between 8.25% and 9.75%).

Table 9 – Sostravel.com, equity value sensitivity to changes in WACC and terminal growth rate

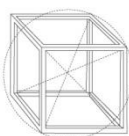
€/ share		Terminal growth rate						
		0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%
WACC	10.48%	1.30	1.40	1.40	1.40	1.50	1.50	1.50
	10.73%	1.30	1.30	1.40	1.40	1.40	1.50	1.50
	10.98%	1.30	1.30	1.30	1.40	1.40	1.40	1.50
	11.23%	1.20	1.30	1.30	1.30	1.30	1.40	1.40
	11.48%	1.20	1.20	1.30	1.30	1.30	1.30	1.40
	11.73%	1.20	1.20	1.20	1.30	1.30	1.30	1.30
	11.98%	1.20	1.20	1.20	1.20	1.20	1.30	1.30

Source: CFO SIM

Table 10 – Sostravel.com, equity value sensitivity to changes in risk-free rate and ERP

€/ share		Equity Risk Premium						
		8.25%	8.50%	8.75%	9.00%	9.25%	9.50%	9.75%
Risk-free	2.90%	1.50	1.50	1.50	1.40	1.40	1.40	1.30
	3.15%	1.50	1.50	1.40	1.40	1.40	1.30	1.30
	3.40%	1.50	1.40	1.40	1.40	1.30	1.30	1.30
	3.65%	1.40	1.40	1.40	1.30	1.30	1.30	1.20
	3.90%	1.40	1.40	1.30	1.30	1.30	1.20	1.20
	4.15%	1.40	1.30	1.30	1.30	1.20	1.20	1.20
	4.40%	1.30	1.30	1.30	1.20	1.20	1.20	1.20

Source: CFO SIM



Market Multiples

Sostravel is a travel-tech company offering an integrated suite of travel solutions via its all-around proprietary apps and web platforms. In particular, the company boasts an extensive experience in providing digital assistance services to passengers, including fast tracking and recovery of lost luggage, healthcare and insurance. Moreover, by leveraging on its technological platforms, it enables vacationers to choose among a vast array of highly sought-after destinations and plan their entire journey.

We set up a **peer group of companies offering online travel services worldwide, having a particular focus on travelling solutions and passenger services**. Moreover, we divided our sample in two distinct sub-groups made up of domestic and international companies.

Our peer group of domestic companies encompasses:

Destination Italia SpA: an Italian online travel agency listed on the Euronext Growth Milan segment of Borsa Italiana since 2021. It operates in the high-end tourism sector, providing experiential services and highly personalized travel solutions to international B2B customers. The firm generates most of its revenues in non-European countries, selling holiday packages and exclusive touristic services for several Italian destinations.

Emma Villas SpA: an Italian company listed on the Euronext Growth Milan segment of Borsa Italiana since 2023. The firm is focused on short-term renting of high-luxury villas and farmhouses in 15 Italian regions (mainly in Tuscany, Umbria, Sicily, Marche, Apulia, and Emilia Romagna). In 2023 they actively managed and marketed 543 villas, by virtue of exclusive agreements.

I Grandi Viaggi SpA: an Italian company listed on the Euronext Milan segment of Borsa Italiana since 1998. It operates through two different business units: 1) management and marketing of holiday villages and 2) tour operator activities. The firm offers "all inclusive" packages for directly owned villages, among which seven resorts in Italy, one in Kenya, one in the Maldives, two in the Seychelles and one in Zanzibar. Moreover, it expands its providing with non-proprietary resort to provide greater flexibility and a wider range of options.

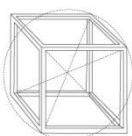
Soges Group SpA: an Italian company listed on the Euronext Growth Milan segment of Borsa Italiana since 2024. The firm is engaged in the management of eight high-end hotels located in unique locations in Tuscany. It also offers food services (managing 5 restaurants and 7 bar) and additional services such as bus shuttles and leisure activities.

TraWell Co SpA: an Italian company listed on the Euronext Growth Milan segment of Borsa Italiana since 2013, and on US market OTCQX since 2022. The firm offers assistance services to airlines' passengers, such as protective luggage wrapping, operating in 44 airports, of which 22 in Europe (7 in Italy), 18 in Asia and 4 in America. It is a strategic partner of SOS Travel as it sells offline Lost Luggage Concierge and Dr. Travel services.

Our international companies peer group comprises:

Booking Holdings Inc: listed on Nasdaq since 1999, it is the parent company of some well-known web portals, such as Booking.com, Priceline, Agoda, Kayak, Rentalcars.com, Cheapflights, Momondo and OpenTable. Through its various subsidiaries, Booking Holdings provides a wide range of booking services, including accommodations, flights and car rentals, taking care of all details of travel planning.

Despegar.com Corp: an Argentine-based company listed on New York Stock Exchange since 2017. It is a travel technology company operating mainly in Latin America and US via two brands: Despegar and Decolar (the latter is well-known in Brasil). The company provides several travel services, such as hotels and flights booking, car rental, tickets and packages purchasing, with a platform for prices comparison.



EDreams Odigeo SA: a Spanish-based company listed on the Spanish Stock Exchange since 2014. It is the holding of eDreams, Opodo (primarily centred on UK and Germany), GoVoyages (for French travellers) and Travellink (with a focus on Sweden, Norway, Denmark, and Finland). The firm allows customers to access deals for flights, hotels, cruises, car rentals, dynamic packages, and travel insurance.

Expedia Group Inc: an American company listed on Nasdaq since 2005. It is the parent company of some well-known brands such as Expedia.com, Hotels.com, Vrbo, Egencia, Trivago, Orbitz, Travelocity, and Hotwire. It handles every aspect of a trip through its specialised subsidiaries, and it is the most well-known travel portal in the US market.

Lastminute.com NV: a Swiss-based company listed on SIX Swiss Exchange since 2014. It is the European travel tech leader in dynamic holiday packages, offering booking services for flights, hotels, train tickets, car rentals and entertainment activities. It is the parent company of several well-known brands such as Lastminute.com, Volagratis, Weg.dem Bravofly, Rumbo, Jetcost, Hotelscan, Crocierissime, and Forward.

MakeMyTrip Ltd: an Indian company listed on Nasdaq since 2010. The company is focused on Indian market, offering travel services such as hotels, flights, holiday packages, train, buses, car rentals and experiences. In 2016 it merged with Goibibo, strengthening its positioning in the online travel industry.

Trip.com Group Ltd: a Chinese company listed on Nasdaq since 2003. It offers travel services tailored to the Chinese market, providing accommodations, flights, trains, and vacation packages to both domestic and international travellers. It is the holding of Trip.com, Ctrip, Skyscanner and Qunar.

Table 11 – Sostravel.com, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA (%)	Sales CAGR ₂₄₋₂₇	EBITDA CAGR ₂₄₋₂₇	EBIT CAGR ₂₄₋₂₇	EPS CAGR ₂₄₋₂₇	NFP/EBITDA
Destination Italia SpA	IT	10	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.a.
Emma Villas SpA	IT	11	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
I Grandi Viaggi SpA	IT	66	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Soges Group SpA	IT	12	27	4	14.5%	30.1%	74.5%	372.8%	n.m.	1.2
TraWell Co SpA	IT	16	29	8	29.0%	5.4%	1.8%	-0.2%	-9.4%	1.7
Median of Domestic Peers		12	28	6	21.8%	17.7%	38.2%	186.3%	-9.4%	1
Booking Holdings Inc	US	124,724	23,055	8,291	36.0%	6.2%	8.5%	10.9%	18.3%	0.3
Despegar.com Corp	AR	1,445	730	160	21.9%	9.9%	25.3%	31.2%	114.2%	n.m.
eDreams ODIGEO SA	ES	828	691	133	19.2%	8.3%	37.1%	52.5%	76.3%	2.3
Expedia Group Inc	US	16,069	13,172	2,884	21.9%	4.7%	12.7%	12.1%	33.6%	0.4
Lastminute.com NV	CH	156	335	45	13.4%	9.0%	5.0%	3.5%	9.3%	n.m.
MakeMyTrip Ltd	IN	8,828	911	157	17.3%	22.4%	44.6%	55.8%	12.0%	n.m.
Trip.com Group Ltd	CN	34,810	7,830	2,271	29.0%	12.4%	17.0%	15.9%	25.7%	n.m.
Median of International Peers		8,828	911	160	21.9%	9.0%	17.0%	15.9%	25.7%	0.4
Sostravel.com SpA	IT	8	25	1	5.2%	9.4%	51.1%	100.8%	n.m.	n.m.

Sources: CFO SIM, Refinitiv Workspace

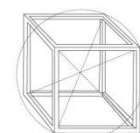


Table 12 – Sostravel.com, peer group EV multiple table

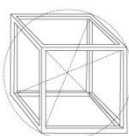
x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Destination Italia SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Emma Villas SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
I Grandi Viaggi SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Soges Group SpA	0.62	0.31	0.38	4.3	2.0	2.5
TraWell Co SpA	1.02	0.75	0.63	3.5	2.6	2.1
Median of Domestic Peers	0.82	0.53	0.51	3.9	2.3	2.3
Booking Holdings Inc	5.52	5.17	4.29	15.4	13.9	11.2
Despegar.com Corp	1.92	1.69	1.40	8.8	7.4	5.9
eDreams ODIGEO SA	1.64	1.35	1.15	8.6	5.8	4.7
Expedia Group Inc	1.31	1.00	0.90	6.0	4.5	3.9
Lastminute.com NV	0.40	0.41	0.43	3.0	3.0	3.4
MakeMyTrip Ltd	9.18	7.42	5.95	53.1	36.6	27.3
Trip.com Group Ltd	3.89	3.14	2.50	13.4	10.3	7.9
Median of International Peers	1.92	1.69	1.40	8.8	7.4	5.9
Sostravel.com SpA	0.30	0.25	0.19	5.7	3.6	2.3
% premium/(discount) to domestic peers	(63.7)	(52.4)	(63.3)	45.7	55.6	0.0
% premium/(discount) to international peers	(84.5)	(85.0)	(86.8)	(35.3)	(51.3)	(61.0)

Sources: CFO SIM, Refinitiv Workspace

Table 13 – Sostravel.com, peer group EV and price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Destination Italia SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Emma Villas SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
I Grandi Viaggi SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Soges Group SpA	10.6	4.2	4.9	19.0	9.5	7.5
TraWell Co SpA	7.5	5.0	3.8	15.0	7.9	5.8
Median of Domestic Peers	9.0	4.6	4.4	17.0	8.7	6.7
Booking Holdings Inc	16.3	15.0	11.3	19.9	17.8	15.7
Despegar.com Corp	11.7	9.6	7.6	26.2	18.9	14.2
eDreams ODIGEO SA	13.9	8.3	6.5	14.8	9.7	8.2
Expedia Group Inc	9.9	7.1	6.0	9.7	8.5	7.6
Lastminute.com NV	5.4	5.1	5.8	9.2	8.0	8.4
MakeMyTrip Ltd	55.2	39.3	29.6	72.8	48.8	35.0
Trip.com Group Ltd	14.4	11.0	8.6	15.7	13.4	11.6
Median of International Peers	13.9	9.6	7.6	15.7	13.4	11.6
Sostravel.com SpA	9.1	4.9	2.9	13.4	7.7	5.9
% premium/(discount) to domestic peers	0.1	6.7	(32.6)	(21.1)	(10.8)	(11.1)
% premium/(discount) to international peers	(34.8)	(49.1)	(61.2)	(14.6)	(42.2)	(48.9)

Sources: CFO SIM, Refinitiv Workspace



Peer Stock Performance

Sostravel was listed on Euronext Growth Milan on 1-Aug-18 at € 5.60/share corresponding to a post-money market capitalisation of € 33.2m. **Sostravel.com currently trades below the IPO price**, and reached an intraday 1Y maximum price of € 1.45/s on 20-May-24 and a minimum level of € 0.60/s on 7-Apr-25.

Table 14 – Sostravel.com, peer group and index absolute performance

%	1D	1W	1M	3M	6M	YTD	1Y
Destination Italia SpA	1.7	(7.5)	(11.0)	(11.4)	(33.1)	(8.6)	(46.0)
Emma Villas SpA	-	(15.0)	(30.7)	(29.7)	(36.6)	(29.4)	(43.1)
I Grandi Viaggi SpA	(1.1)	(7.0)	11.7	31.9	33.2	24.2	69.3
Soges Group SpA	-	(2.9)	2.0	(8.1)	2.0	(5.1)	NULL
TraWell Co SpA	-	(3.4)	3.3	(8.4)	(9.5)	(7.4)	(18.0)
Domestic Peers Median	-	(7.0)	2.0	(8.4)	(9.5)	(7.4)	(30.5)
Booking Holdings Inc	(1.9)	(11.1)	(4.3)	(13.2)	(1.6)	(16.2)	15.6
Despegar.com Corp	(0.4)	0.7	(1.4)	(1.0)	42.6	(1.6)	57.2
eDreams ODIGEO SA	5.8	(11.9)	(18.2)	(24.3)	2.0	(25.1)	1.9
Expedia Group Inc	(2.3)	(18.5)	(16.6)	(25.1)	(10.1)	(26.7)	3.4
Lastminute.com NV	2.0	(12.9)	(12.4)	(25.0)	(33.6)	(23.3)	(40.7)
MakeMyTrip Ltd	(3.2)	(11.1)	(1.7)	(22.0)	(10.5)	(21.5)	31.0
Trip.com Group Ltd	(2.5)	(17.4)	(15.2)	(19.7)	(15.1)	(24.0)	6.9
International Peers Median	(1.9)	(11.9)	(12.4)	(22.0)	(10.1)	(23.3)	6.9
SosTravel.com SpA	(0.6)	(13.2)	(9.2)	(33.3)	(40.7)	(29.6)	(46.9)
MSCI World Index	(0.4)	(10.8)	(10.2)	(12.8)	(11.9)	(12.2)	(4.5)
EUROSTOXX	2.6	(9.6)	(9.4)	(3.6)	(2.6)	(1.7)	(4.0)
FTSE Italia All Share	2.5	(12.3)	(10.4)	(3.8)	(0.3)	(1.8)	(2.1)
FTSE Italia STAR	3.2	(7.9)	(8.8)	(12.7)	(13.1)	(11.4)	(16.0)
FTSE Italia Growth	1.3	(4.4)	(3.6)	(7.4)	(7.8)	(6.2)	(8.9)

Source: Refinitiv Workspace

Table 15 – Sostravel.com, relative performance

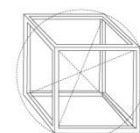
%	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	(0.2)	(2.3)	1.0	(20.4)	(28.8)	(17.3)	(42.4)
to EUROSTOXX	(3.3)	(3.6)	0.2	(29.7)	(38.1)	(27.9)	(43.0)
to FTSE Italia All Share	(3.1)	(0.8)	1.3	(29.5)	(40.4)	(27.8)	(44.8)
to FTSE Italia STAR	(3.8)	(5.2)	(0.4)	(20.6)	(27.6)	(18.1)	(31.0)
to FTSE Italia Growth	(1.9)	(8.7)	(5.5)	(25.9)	(32.9)	(23.3)	(38.0)
to Domestic Peers Median	(0.6)	(6.1)	(11.2)	(24.8)	(31.3)	(22.2)	(16.4)
to International Peers Median	1.3	(1.3)	3.3	(11.3)	(30.7)	(6.2)	(53.9)

Source: Refinitiv Workspace

12.4. Risks

The principal investment **risks** associated with Sostravel.com include:

- **IT malfunctions** could disrupt short-term economic results and jeopardise customer loyalty;
- an adverse macroeconomic environment leading to **a sharp decline in travellers' budgets** could have a negative impact on the group's economic performance;
- new **breakthrough technologies enabling more efficient luggage tracking** and handling systems might disrupt the Lost Luggage Concierge service;
- **partial halt of tourist flows** in key regions due to surging geopolitical tensions.



ANALYST CERTIFICATION

This publication was prepared by Corporate Family Office SIM S.p.A. ("CFO SIM"), namely by **GIANLUCA MOZZALI, LUCA SOLARI** and **CHIARA FRANCOMACARO**, Equity Analysts. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and no direct or indirect remuneration has been, or will be, received by the analysts further to the views expressed herein.

DISCLAIMER

This document has been drafted by CFO SIM, authorised by the Bank of Italy to provide investment services.

CFO SIM does not have a specific interest in either the issuer, the financial instruments or the transactions covered by the analysis.

The news and data used in this document come from information supplied to the public by the company concerned and/or from other documentation of public domain. CFO SIM is not liable for the accuracy, completeness, exactitude and impartiality of such news and data. This document has been drafted autonomously and independently and without the collaboration of the company analysed or of any company linked to the latter by shareholdings or control. This document has been prepared by the financial analysts of the Equity Research Department of CFO SIM, whose names are indicated therein. Gianluca Mozzali is an ordinary member of the Italian Association of Financial Analysts (AIAF). In no case can the company and the analysts, as authors of this document, be held liable (culpably or otherwise) for any damage resulting from use of the information or opinions set out therein. This document is for information purposes only. It cannot be reproduced directly or indirectly or redistributed to third parties, nor can it be published, either totally or in part, for any reason whatsoever. This document is not an invitation to purchase, nor is it intended to solicit the purchase or sale of the securities in question. The recipients of this document are formally bound to comply with the obligations indicated above.

CFO SIM wishes to provide ongoing coverage of the stocks mentioned in this document, as often as circumstances considered to be important dictate (corporate events, changes in recommendations, etc.). CFO SIM acts as Euronext Growth Advisor, Specialist and Corporate Broker for Sostravel.com stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 12 months.



DATE	TARGET PRICE	RATING
09/04/2025	€ 1.30	BUY
07/10/2024	€ 1.50	BUY

This document is distributed via electronic mail and fax as from the date indicated in the document itself and addressed to some 300 Italian and non-Italian professional investors. The document is available in electronic format on CFO SIM's Internet site, to Italian and non-Italian institutional investors, and/or on Borsa Italiana's Internet site.

RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/-15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated

