

lastminute.com N.V.

(“LMN” or the “Company”)

Explanatory notes (the “Explanatory Notes”)

to the agenda for the Company’s annual general meeting (the “AGM”)

to be held on **June 22nd, 2021**, at 10.00 a.m. CET

via webcast

(link to be provided to each confirmed participant)

and

at the Company’s registered office in Amsterdam

(Prins Bernhardplein 200, 1097 JB, Amsterdam, the Netherlands)

IMPORTANT NOTE: *The AGM will be held as a hybrid meeting in which the Company’s shareholders (the “Shareholders”) can (whether or not by proxy) either virtually or physically attend the AGM. In view of the COVID-19 pandemic, the Company strongly recommends the Shareholders to participate by way of a proxy or virtually via the webcast. The Company may take further precautionary measures to limit health and safety risks of the participants of the AGM. Subject to an extension of the Dutch emergency legislation allowing fully virtual shareholders’ meetings, this includes converting the AGM into a fully virtual AGM, in which case it shall not be possible to physically attend the AGM.*

The Company will disclose any updated attendance rules by means of a notice on the Company’s website to be published at least two days before the AGM.

These Explanatory Notes are made by the Company and are solely provided to the Shareholders to provide further information on proposals that will be made to the general meeting of the Company (the “General Meeting”) during the AGM. These Explanatory Notes constitute the written explanation of the proposals for authorization by the General Meeting in accordance with best practice provision 4.1.4 of the Dutch Corporate Governance Code 2016 and will be published on the Company’s website.

The information contained herein is complete and accurate as at 21 May 2021. Please note that the information may change after that date.

The Company expressly disclaims any obligation or undertaking to update, amend or supplement the information contained herein in any way to reflect facts or circumstances arising or occurring after such date.

Explanation to the Shareholders in respect of the agenda for the AGM to be held on June 22nd, 2021.

To the Shareholders:

These Explanatory Notes contain information concerning the items on the agenda for the AGM to be held on June 22nd, 2021 at 10:00 A.M. CET via webcast at the link provided to each confirmed participant before the AGM and at the Company's registered office in Amsterdam (Prins Bernhardplein 200, 1097 JB Amsterdam (the Netherlands), Intertrust (Netherlands) B.V.'s office). A copy of the agenda for the AGM is annexed hereto as Annex A.

Please note that the Company may take precautionary measures to limit health and safety risks in light of the COVID-19 pandemic. Subject to an extension of the Dutch emergency legislation allowing fully virtual shareholders' meetings, this includes converting the AGM into a fully virtual AGM, in which case it shall not be possible to physically attend the AGM.

Votes Required to Approve the Items on the Agenda for the AGM:

All proposed resolutions on the agenda for the AGM require a majority of the votes cast at the AGM, provided that the resolution proposed as agenda item no. 9 requires a majority of at least two-thirds of the votes cast if less than half of the issued capital is (virtually) present or represented at the AGM.

Cautionary Note Regarding Forward-Looking Statements

These Explanatory Notes contain statements that are or may be forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words "targets," "believes," "expects," "aims," "intends," "will," "may," "anticipates," "would," "could," or similar expressions or the negative thereof. Such forward-looking statements are not promises or guarantees and involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause actual outcomes to be materially different from future outcomes suggested by such forward-looking statements. Therefore, unconditional dependence on these statements should not be made. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company operates. These Explanatory Notes do not purport to set forth any of the assumptions underlying any forward-looking statements contained herein. Moreover, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based.

EXPLANATION OF ITEM 2 OF THE AGENDA FOR THE AGM**(DISCUSSION OF THE DIRECTOR'S REPORT FOR THE FINANCIAL YEAR 2020)**

A presentation shall be given on the course of business of the Company and the conduct of its affairs during the financial year ended December 31st, 2020, as explained in the director's report of the Company (the "**Director's Report**") prepared by the board of directors of the Company (the "**Board**"). The Company's annual accounts for the financial year ended December 31st, 2020 (the "**2020 Annual Accounts**"), including the auditor's report related thereto and the Director's Report, have been made available for inspection by Shareholders on the website of the Company (<https://lmgroup.lastminute.com/investor-relations/reports.html>) and can be obtained free of charge at the Company's registered office at Prins Bernhardplein 200, 1097 JB Amsterdam (the Netherlands) and following an email request to: investor.relations@lastminute.com.

EXPLANATION OF ITEM 3 OF THE AGENDA FOR THE AGM**(ALLOCATION OF RESULTS AND ADOPTION OF THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER, 2020)**

The Company's net loss for the financial year ended December 31st, 2020 is equal to Euro 61,208,068.36.

It is proposed to the General Meeting to (i) approve the allocation of a portion of such loss in the amount of EUR 35,797,240.22 to the Company's retained earnings and the remaining portion in the amount of EUR 25,410,828.14 to the Company's share premium reserve and (ii) adopt the 2020 Annual Accounts, in accordance with Dutch law and article 24.6 of the Company's articles of association (the "**Articles of Association**").

EXPLANATION OF ITEM 4 OF THE AGENDA FOR THE AGM**(DISCHARGE OF ALL PRESENT AND FORMER DIRECTORS FROM LIABILITY IN RESPECT OF THE PERFORMANCE OF THEIR DUTIES DURING THE FINANCIAL YEAR ENDED DECEMBER 31, 2020)**

The General Meeting is being requested to grant discharge to all present and former directors of the Company (each a “**Director**”) for the performance of their duties as Directors during the financial year ended December 31st, 2020.

The proposed discharge is without prejudice to the provisions of Dutch law relating to liability of Directors in case of bankruptcy and does not extend to matters not disclosed to the General Meeting.

EXPLANATION OF ITEM 5 OF THE AGENDA FOR THE AGM

(AUTHORIZATION OF THE BOARD TO REPURCHASE SHARES)

The General Meeting is requested to authorize the Board for the Company to acquire fully paid-up shares in the capital of the Company (“**Shares**”). The authority conferred by this resolution shall expire at the earlier of the conclusion of next year’s annual general meeting of the Company or the date which falls 18 months from the date of this AGM. This proposal is made in accordance with the relevant provisions of Dutch law and article 7 of the Articles of Association. Shares may be purchased on the SIX Swiss Exchange or otherwise up to a maximum of 1,166,422 Shares, for a price per Share not less than the nominal value of EUR 0.01, and not greater than the average price of a Share traded on the SIX Swiss Exchange during the five trading days prior to the date of the relevant acquisition plus a 10% premium. This proposal aims at enabling the Board to optimise the Company’s equity structure by repurchasing Shares and to allocate the repurchased shares to incentive or investment plans for employees and directors.

EXPLANATION OF ITEM 6 OF THE AGENDA FOR THE AGM

(APPOINTMENT OF DIRECTORS)

Background

Pursuant to article 13.2 in conjunction with 13.3 of the Articles of Association, Directors are appointed by the General Meeting for a period of one year starting on the day after the day of the relevant general meeting of the Company on which they are appointed and ending on the day of the subsequent annual general meeting of the Company that will be held in the year following the year of the their appointment, after which they are immediately eligible for re-appointment. The General Meeting may further grant titles to a Director.

Upon the recommendation of the Company's selection, appointment and remuneration committee (the "**Selection, Appointment and Remuneration Committee**"), it is proposed to the General Meeting to appoint the following persons as Directors, to serve for a one-year term ending on the day of the annual general meeting of the Company to be held in the year 2022:

Fabio Domenico Pasqualino Cannavale	Executive Director with the title of CEO
Andrea Bertoli	Executive Director with the title of COO
Laurent Foata	Non-Executive Director with the title of Chairman
Roberto Italia	Non-Executive Director
Massimo Pedrazzini	Non-Executive Director
Paola Garzoni	Non-Executive Director
Javier Pérez-Tenessa	Non-Executive Director

Biographical information concerning each of these director nominees is set forth below.

Directors Biographies

Fabio Domenico Pasqualino Cannavale holds a diploma in engineering from Politecnico di Milano and a MBA from INSEAD, Fontainebleau, France. In 2004, he co-founded Volagratis.com (a predecessor of the Company) and acted as Chairman of the Company from that time until February 12th, 2016, when he was elected to serve as CEO of the Company at the Company's extraordinary general meeting in 2016. He started his career as a consultant, working between 1989 and 1996 for A.T. Kearney and for McKinsey & Company. Between 1996 and 1998, he launched The Floating Village in Venezuela, an innovative concept of a holiday village built on boats. Between 1999 and 2001 Mr. Cannavale was a member of the management team of eDreams, an online travel start-up. Between 2001 and 2004, he worked for his family-owned businesses and collaborated with a not-for-profit entity. He is currently also a member of the board of directors of Cavotec SA.

Andrea Bertoli graduated in Business Administration from Bocconi University in Milan and holds a Master CEMS from ESADE Business School in Barcelona. He spent seven years at McKinsey & Company as Senior Consultant in Italy and Scandinavia. In 1999 he left the Firm to start up eDreams in Italy and was appointed Vice President Strategic Development and Board Member of eDreams Inc. Between 2001 and 2011 he held CEO and President positions in some of the Dolomites' largest ski lift operation companies. He joined Bravofly Rumbo Group, now lastminute.com group, in 2012 as Head of New Business Development. Since 2014 his focus has been growing (organically and via acquisitions) the Travel & Leisure business from 10% to more than 50% of total OTA margin contribution. In March 2019 was promoted Chief Operating Officer and one year later Managing Director OTA. He is now its Deputy CEO since February 2021.

Laurent Foata is heading Ardian's Growth team, in charge of private equity investments in fast growing European companies. He has worked on more than 80 private equity transactions and has over 20 years of experience in the industry. His track record spans various domains of information technologies, from software and IT services to digital marketing and web merchants. Laurent began his career in 1995 within BNP Paribas' private equity arm. He holds a MBA and a Masters in law.

Roberto Italia graduated in Economics from LUISS University, Rome, Italy, and holds a MBA from INSEAD, Fontainebleau, France. He started with the Telecom Italia Group in 1990 and since 1994 has been active in private equity with Warburg Pincus, Henderson Private Capital and, more recently, with Cinven. In 2013 he launched Red Black Capital and co-founded Space Holding as well as Redseed. In 2020 he joined Verlinvest as its CEO. Mr. Italia is currently also a director of Space Holding and of Red Black Capital, CEO of Verlinvest SA, and Chairman of Avio SpA.

Massimo Pedrazzini holds a Degree in Law from the Geneva University (1985). Among others, Massimo is currently Chairman of the Board of Directors of Sterling Strategic Value Fund SICAV-RAIF SA, Luxembourg and of Fiditam Group Holding SA, Lugano (Switzerland). In the past he has been Chairman of the Supervisory Board of Washtec AG, listed in Frankfurt (Germany), and Member of the Supervisory Boards of Teleplan International N.V. and of Brainpower N.V., both listed in Amsterdam (the Netherlands). Massimo's law firm is based in Lugano (Switzerland). He has been practicing law since 1985 with focus on contract, corporate, international tax and financial law. He is specialized in cross border M&A transactions and joint-ventures in Europe, Asia and America.

Paola Garzoni holds a BA in Architecture from ETH Zürich (Swiss Institute of Technology), then moved to New York to pursue a Master in Real Estate Development from Columbia University. In 1991, she founded and still runs LaSeven Inc., a real estate service company in New York City, which focuses on management, turn rounds of distressed assets, asset optimizations and acquisitions, which expanded into a large ultra-high network of international clients. In 1998, Paola co-funded Premier Relocation Solution, an innovative provider of short-term fully furnished apartments in New York and New Jersey, and successfully sold her company in 2010 to Weichert, a US nationwide provider and consolidator. In 1999, Paola also co-founded Book-a-Home in NY, a precursor of online service for short-term rentals of private homes. In 2010, she returned back to Switzerland, to focus on her family's real estate businesses active in Switzerland, USA and UK. In 2011, Paola joined YPO, a worldwide leading organization to build better leaders, and in 2015 became Chair of the Italian chapter. In 2020 she co-founded Fondazione Angeli di L.U.C.A., a non for profit organization.

Javier Pérez-Tenessa is founder and former Chairman and CEO of eDreams ODIGEO (EDR). He is a Founding partner at 4Founders Capital. Pérez-Tenessa started his career designing satellites in France and the United States. He moved to Silicon Valley in 1995 and joined Netscape, the company which created the first internet browser in 1996. He founded eDreams in 1999 and led its growth to €4,5 billion in sales and €117 Million EBITDA. During his tenure as CEO, he led the company through 5 Private Equity Transactions, several Private and Public Debt issuances, 3 Acquisitions and an IPO. In 2017 he co-founded 4Founders Capital. Mr. Perez-Tenessa earned a master's degree in Aerospace Engineering from the Polytechnic University of Madrid and an MBA from Stanford University. He is married with 3 children, loves outdoors sports, travelling and anything related to music. He is a producer of Musical Theatre Shows, a composer and an active investor.

EXPLANATION OF ITEM 7 OF THE AGENDA FOR THE AGM

(APPROVAL OF THE FIXED REMUNERATION FOR THE FINANCIAL YEAR 2021 OF THE EXECUTIVE DIRECTOR AND NON-EXECUTIVE DIRECTORS)

In accordance with Dutch law and the Articles of Association, the Non-Executive Directors upon the recommendation of the Selection, Appointment and Remuneration Committee - following the Remuneration Policy for Directors - propose to the General Meeting to approve the fixed compensation payable to the Executive and Non-Executive Directors in their role of members of the Board for the financial year 2021:

- Annual Board membership fee: EUR 20,000 (gross amount).
- Annual committee membership fee: EUR 5,000 (gross amount) for each member of the Company's audit committee and/or the Selection, Appointment and Remuneration Committee and/or the Company's Risk Supervisory Committee (jointly, the "**Committees**").
- Annual chairmanship of the Board fee: EUR 35,000 (gross amount) - this amount includes the annual Board membership fee.
- Annual chairmanship of the Committees fee: EUR 10,000 (gross amount) - this amount includes the annual Committee membership fee.
- Annual CEO fee: EUR 100,000 (gross amount) - this amount includes the annual Board membership fee.
- Annual COO fee: EUR 290,000 (gross amount) - this amount includes the annual Board membership fee.
- COO stock options: no. 200,000 shadow stocks with strike price of 25 CHF and subject to the following vesting conditions:
 - i) period of time: 4 years Pro rata from Year 2 to Year 4; and

- ii) Company's stock price levels (the "**Price' Thresholds**"): (a) 35% of the options subject to a Price Threshold equal or higher than CHF 40; (b) 65% of the options subject to a Price Threshold equal or higher than CHF 60.

These membership fees reflect the time and effort required from each Director in fulfilling their Board and Committee responsibilities.

The membership fees will not be due if a Director receives compensation, equal or higher than the above fees and for any reason whatsoever, provided by any of the companies within the consolidation perimeter of the Company. In case the compensation would be less than the above fees the Director will receive a fee equal to the difference between the two amounts. Services rendered by the Directors might be arranged by means of a contract with the Company or with any of its subsidiaries, in the form of either a personal agreement or a corporate agreement through a legal entity to which the Director provides such services.

EXPLANATION OF ITEM 8 OF THE AGENDA FOR THE AGM

(APPROVAL OF THE VARIABLE REMUNERATION FOR THE FINANCIAL YEAR 2021 OF THE EXECUTIVE DIRECTORS)

In addition to the proposal for the 2021 fixed remuneration – see agenda item 7 above - the Non-Executive Directors propose to the General Meeting to approve the payment of a variable compensation to the Executive Directors in their role of consultants and/or members of the Company's executive management team, as employees and/or independent contractors of the Company and/or any of its subsidiaries for the financial year 2021, upon the relevant achievements of the Group's targets, for a maximum gross amount of EUR 550,000 to the CEO and for a maximum gross amount of EUR 360,000 to the COO, on terms and conditions to be defined and resolved by the Board.

EXPLANATION OF ITEM 9 OF THE AGENDA FOR THE AGM

(DESIGNATION OF THE BOARD AS THE COMPETENT BODY TO (I) RESOLVE TO ISSUE SHARES AND/OR TO GRANT RIGHTS TO SUBSCRIBE FOR SHARES AND (II) RESOLVE TO LIMIT OR EXCLUDE STATUTORY PRE-EMPTIVE RIGHTS WITH RESPECT TO AN ISSUANCE OF SHARES AND/OR GRANT OF THE RIGHTS TO SUBSCRIBE FOR SHARES)

In accordance with Dutch law and articles 6.1 and 6.4 in conjunction with 6.7 of the Articles of Association, Shares are issued pursuant to a resolution passed by the General Meeting, upon the proposal of the Board containing the price and further terms and conditions of the issue. Pursuant to the Articles of Association, the General Meeting may delegate the authority (i) to issue Shares and to grant the right to subscribe for Shares, and (ii) to exclude pre-emptive rights with respect to the issuance of Shares and the granting of the right to subscribe for Shares, to the Board, both for a fixed period not exceeding five years, in a resolution specifying the number of Shares that may be issued and any further relevant conditions for the issuance of Shares.

In order to provide the Company with sufficient flexibility to issue Shares and grant rights to subscribe for Shares, it is proposed to the General Meeting to irrevocably authorize the Board, for a period of five years from the date of the AGM (i.e. until June 22nd, 2026) to (i) issue Shares and grant rights to subscribe for Shares up to a maximum number equal to 10% of the issued share capital of the Company as of the date of the AGM and (ii) restrict or exclude pre-emptive rights in connection with such issue of Shares or grant of rights to subscribe for Shares. The Shares will be issued at such price and upon such terms and conditions as the Board deems appropriate based on the Board's determination of what is in the best interests of the Company, taking into account the interests of the Company's stakeholders, at the relevant time. Any issuances of Shares and/or grants of rights to subscribe for Shares by the Company will be published on the Company's website (<https://lmgroup.lastminute.com/>). Within eight days after the end of each calendar quarter, the Company shall further register the relevant issuances of Shares effectuated in such quarter with the Dutch Trade Register.

This resolution requires a majority of at least two-thirds of the votes cast if less than half of the issued capital is (virtually) present or represented at the AGM.

EXPLANATION OF ITEM 10 OF THE AGENDA FOR THE AGM

(APPOINTMENT OF KPMG ACCOUNTANTS N.V. AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM TO AUDIT THE COMPANY'S ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2021)

The General meeting is requested to appoint KPMG Accountants N.V. (“**KPMG**”) as the Company’s independent registered public accounting firm to audit the Company’s annual accounts for the financial year ending December 31st, 2021, subject to the agreement between KPMG and the Board on terms of engagement.

EXPLANATION OF ITEM 11 OF THE AGENDA FOR THE AGM

(DISCUSSION OF DIVIDEND POLICY)

Background

Pursuant to the Dutch Corporate Governance Code, the Company is required to provide Shareholders with an opportunity to discuss the Company’s policy on additions to reserves and on dividends. Shareholders will not be entitled to adopt the Company’s (future) dividend policy.

Dividend Policy

Whether or not distributions of dividend will be made by the Company depends on the Company’s performance, earnings and financial condition, the conditions of the markets, the general economic climate and other factors, including the Company’s cash requirements and business prospects, as well as statutory legal, tax and regulatory considerations. From any profits of a preceding financial year, the Board shall determine the amounts to be reserved, and any profit remaining thereafter shall be at the disposal of the General Meeting for distribution or reservation. Whether the Board shall include a proposal to make a distribution from the profits of the preceding financial year on the agenda of the relevant general meeting of the Company, will depend on, among other things, the Company’s results of operations and financial condition, potential acquisitions and investments by the Company, the Company’s cash requirements and cash surplus, legal risks, the Company’s tax policies and capital requirements, restrictions contained in existing and future financing instruments, challenges to the Company’s business model, potential share buybacks and/or other factors that the Board may deem relevant. During the financial year ended 31st December, 2020, no profits have been realised by the Company and no distributions from profits can therefore be made to Shareholders. Currently, the Board does not intend to make distributions from any of the Company’s reserves. The Board may reconsider this dividend policy and resolve upon distributions from any of the Company’s distributable reserves, taking into account statutory limitations, once the Board believes that the Company has achieved a financial and operational position, and follows a strategy, that suggests dividend payments.

EXPLANATION OF ITEM 12 OF THE AGENDA FOR THE AGM

(DISCUSSION OF COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE)

The Company underlines the importance of complying with the provisions of the Dutch Corporate Governance Code. However, it is noted that companies are allowed to deviate from principles and best practice provisions of the Dutch Corporate Governance Code, provided that such non-compliance, and the reasons for the non-compliance, are disclosed in the company's director's report.

The Company's compliance with the Dutch Corporate Governance Code and substantial deviations from the principles and best practice provisions of the Dutch Corporate Governance Code shall be discussed during the AGM.

The provisions of the Dutch Corporate Governance Code with which the Company does not comply are the following, for the reasons set out below:

- The Dutch Code provides that options granted to directors may not be exercised during the first three years following the date of such grant, and that if shares are awarded, such shares should be held for at least five years after they are awarded. In the period from 2011 to 2013, the Company issued stock options with a vesting period of 36 months. The Company believes that exercisability of options during the first three years following the date of grant[, and vesting of restricted Shares or similar equity-based compensation within the first five years following the date of such grant,] are appropriate in view of the objectives of the Company's equity incentive plans, in particular the Company's goal of aligning the interests of Directors and Shareholders, and the Company's need to attract skilful and experienced Directors in a competitive international environment. The Company therefore does not to comply with this provision of the Dutch Corporate Governance Code.
- The Dutch Corporate Governance Code also provides that a company's board of directors shall appoint a vice-chairman who shall deputise for the chairman of a company's board of directors when the occasion arises. The Board has not appointed a vice-chairman. Vice-chairmen are a feature of a large board of directors where members have a varied background and communication may be difficult. Given that the Board is not large and consists of members with extensive knowledge of the Company's business, the Company has elected not to comply with this provision of the Dutch Code.

ANNEX A

AGENDA FOR 2021 AGM

1. Opening and announcements.
2. Discussion of the directors' report of the Board for the financial year ended December 31, 2020.
3. Allocation of results and adoption of the Company's annual accounts for the financial year ended December 31, 2020.*
4. Discharge of all present and former Directors from liability in respect of the performance of their duties during the financial year ended December 31, 2020.*
5. Authorization of the Board to repurchase Shares.*
6. Appointment of the following persons as Directors*:
 - Fabio Domenico Pasqualino Cannavale Executive Director with the title of CEO;
 - Andrea Bertoli Executive Director with the title of COO;
 - Laurent Foata Non-Executive Director with the title of Chairman;
 - Roberto Italia Non-Executive Director;
 - Massimo Pedrazzini Non-Executive Director;
 - Paola Garzoni Non-Executive Director.
 - Javier Pérez-Tenessa Non-Executive Director.
7. Approval of the fixed remuneration for the financial year 2021 of the Executive Director and Non-Executive Directors.*
8. Approval of the variable remuneration for the financial year 2021 of the Executive Directors.*
9. Designation of the Board as the competent body to (i) resolve to issue Shares and/or to grant rights to subscribe for Shares and (ii) resolve to limit or exclude statutory pre-emptive rights with respect to an issuance of Shares and/or grant of the rights to subscribe for Shares.*
10. Appointment of KPMG Accountants N.V. as the Company's independent registered public accounting firm to audit the Company's annual accounts for the financial year ending December 31, 2021.*
11. Discussion of dividend policy.
12. Discussion of the Company's compliance with the Dutch Corporate Governance Code.
13. Any other business.

14. Closing.

*The agenda items marked * are for voting. All other agenda items are discussion items.*