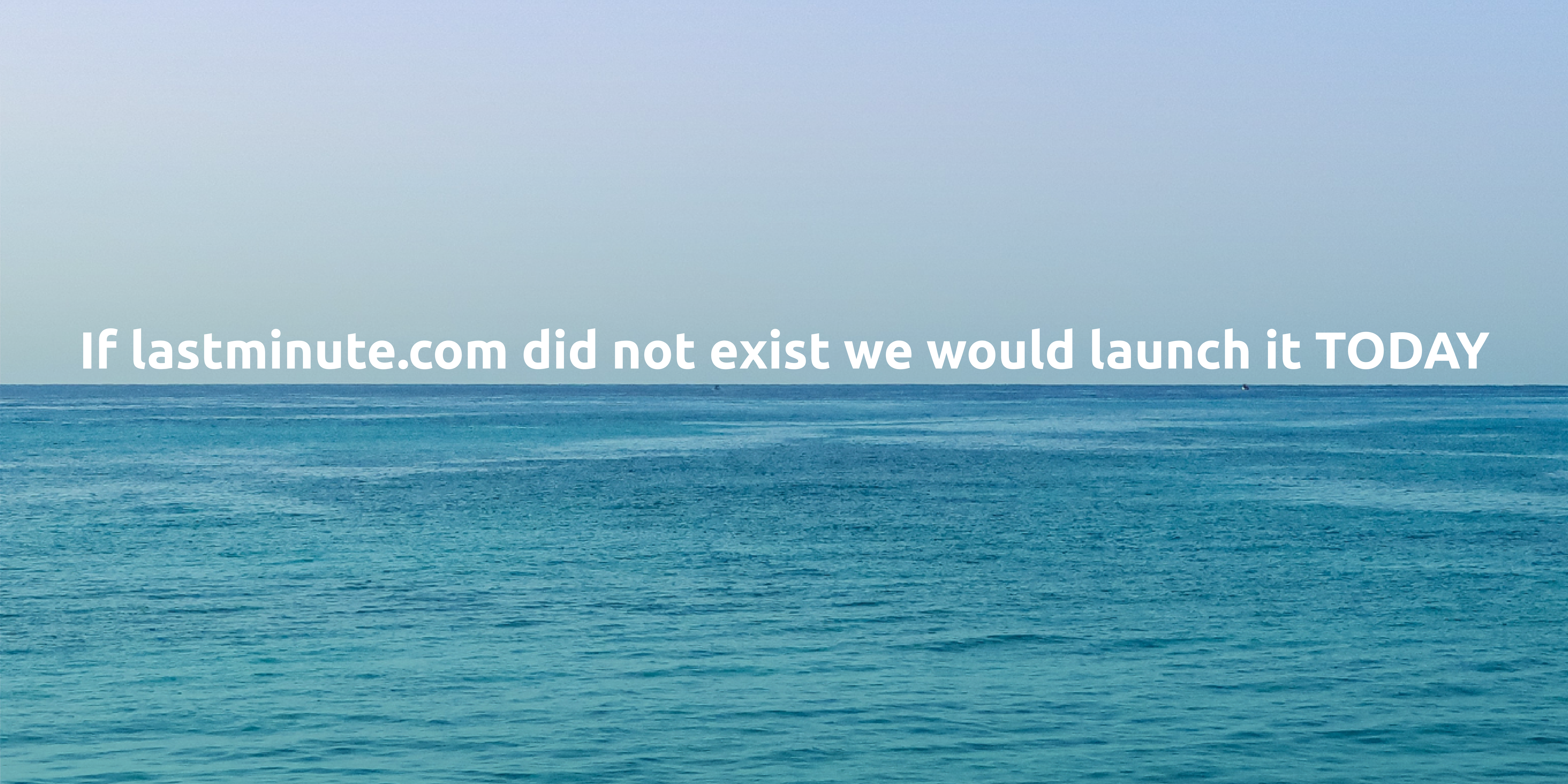
annualreport

2020

AND THOUGHTS ON THE FUTURE OF TRAVEL

lm group

lastminute.com


If lastminute.com did not exist we would launch it TODAY

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2020 was probably the most difficult year ever for the travel and tourism industry.

It was a year of hard challenges, but we learned many lessons. **We had a very resilient machine,** capable of reacting quickly and effectively, to properly navigate the waves of the pandemic. We’re now conscious that **our organisation is well equipped to better serve our customers** even in a different context like the post-covid world

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WE HAVE SUCCESSFULLY OVERCOME THE STRESS TEST OF THE PANDEMIC AND WE ARE READY TO RIDE THE RECOVERY PHASE WITH AN ORGANISATION WHICH IS NOW EVEN MORE EFFICIENT, FLEXIBLE AND SCALABLE THAN BEFORE.

THANKS TO OUR STRONG POSITIONING IN LEISURE TRAVEL ACROSS ALL CORE EUROPEAN MARKETS AND OUR UNIQUE AND PERFORMANCE-DRIVEN COMPANY CULTURE, WE ARE POWERED TO MAKE GREAT STRIDES AND REACH OUR GOALS

lm holding CEO's letter

2020 was the most difficult year ever for the travel and tourism industry. The Group made strong progress in January and February 2020 prior to the COVID-19 outbreak with a performance in line and in continuity with the 2019 record year. Dynamic Packages were still growing significantly and our flight business was in good shape confirming the rising trajectory started in the second half 2018 when we completely reshuffled the way we sold them. For the first two months of the year we were confirming an overall double-digit growth in terms of Revenue and Profits.

In March the world changed and our business dropped to a standstill for several weeks in a row. Initially, many studies predicted a long-lasting horizon to recover due to the time expected to develop and release a vaccine and to see the environment return to a sort of normality.

The unprecedented effort put into the scientific and medical research, resulted in the rollout of a vaccination campaign across the globe starting in December 2020. This had positive effects on the general sentiment of the people around the recovery, well in advance of initial expectations.

We operate in the most resilient segment of the market, leisure travel. The desire to explore, fly and discover, is an attitude of the human being and this is reflected in the recovery trend we experienced last summer and in the recent months once restrictions eased. Our value proposition fits perfectly with such an attitude and the true diversification of our business model is part of the key advantages our Group has in the context of more focused and traditional players.

We can leverage on many assets consolidated in the recent years after a complete reorganization of the group. Since the very beginning of the crisis, it was clear that we would have benefited from the diversification of monetization models (OTA transactional, META and Media), the well balanced geographical reach, the wide wallet of products and services we provide to our customers, the capability to protect them and the efficiency of our marketing platform. Our positive net cash position gave us the confidence to surf the wave of the pandemic and the opportunity to access further credit funds easily to definitively secure the business.

The support of our customers was of paramount importance in a context where 95% of flights were cancelled and hotels closed due to lockdown restrictions for a period of two months. This was the most difficult task to be managed since it looked like turning our booking platform into a cancellation machine. Thanks to automation, the scalability of our infrastructure, and the dedication of our people, we were able - at least - to soften as much as possible the impact. As all intermediaries, we have been caught in a situation where airlines have tried to make refunding processes difficult to keep enough cash in their hands to survive and continue to operate. This put us under enormous pressure, which we were able to handle thanks to transparent communication and the launch of our ELV (Everyone Loves Vouchers) campaign aimed at giving a concrete sign to our customers that their credit would have been secured for the next-time travel arrangements.

Early this year a change happened in the shareholding and management team structure. My co-founder Marco Corradino decided to leave the Group, step down from his role and sell his stake in Freesailors, the holding vehicle controlling the listed company. At the time of the release of this report, Andrea Bertoli, former Managing Director of the OTA business, has been nominated as Executive Board Member and CEO of lm group. The strong working relationship between Marco and Andrea, and the way the company is set up, meant the transition has been handled smoothly and efficiently. A new pool of investors entered the capital of Freesailors by purchasing the shares of Marco in a move that shows the confidence of institutional investors in the future recovery of the business and in the potential underlying value-creation of our business model.

I would like to thank Marco for his visionary leadership and his entrepreneurial attitude that have helped shape the group as it is today. He put a tremendous effort into changing things and moulding the organisation to be as resilient as it has demonstrated in good and bad times. It is thanks to him we can now see a bright future and can explore new horizons with confidence and optimism.

I warmly welcome the new Board Members who will contribute to the evolution of our plans and who will be focused on making the Company stronger for the benefit of the sustainability of our business and the maximization of the value for its stakeholders.

Fabio Cannavale
lm holding CEO

Board of Directors

Fabio Cannavale
Executive Director,
lm holding CEO

Andrea Bertoli
Executive Director, lm holding
COO, lm group CEO

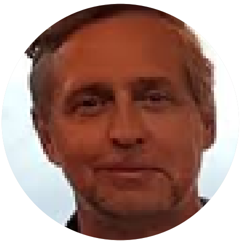
Non-Executive directors

Laurent Foata
Non-executive Chairman

Roberto Italia
Non-executive Director

Paola Garzoni
Non-executive Director

Massimo Pedrazzini
Non-executive Director



Javier Perez Tenneza
Non-executive Director

Renewal of Board of Directors composition

At the time of the release of this document, at the occasion of the Group's Annual General Meeting of Shareholders 2021 (June 22nd), the Company proposed to renew the composition of its Board of Directors.

Following Marco Corradino's decision to not stand for re-election as lm Group CEO and to step down from the role of Executive Director of lm holding, the AGM appointed **Mr. Andrea Bertoli - former Managing Director of the OTA Business Unit -as new Executive Director, COO of lm holding and CEO of lm group.**

The AGM also appointed three new independent non-executive directors who will bring the needed expertise to support the definition and execution of the Company's growth plans going forward:

Ms. Paola Garzoni, founder and CEO of LaSeven Inc., a real estate service company in New York City;

Mr. Massimo Pedrazzini, Chairman of the Board of Directors of Sterling Strategic Value Fund SICAV-RAIF SA, the new investor entered into the capital of Freesailors as a result of the acquisition of the shares from Fedro;

Mr Javier Perez Tenneza, founder and former Chairman and CEO of eDreams ODIGEO (EDR)

The FY2020 financial statements have been approved by the former Board Members including Mr. Marco Corradino and Ms. Anna Gatti

A cohesive shareholders structure committed around a new growth phase

In April 2021, Fedro SA sold its entire stake in Freesailors Coöperatief U.A. - the investment vehicle controlling lastminute.com NV ("Freesailors") - to (i) Sterling Active Fund, (ii) a group of private investors and (iii) a number of lm group's top managers through a vehicle controlled by lm holding (hereinafter, the group of private investors and lm group's top managers, the "Other Investors").

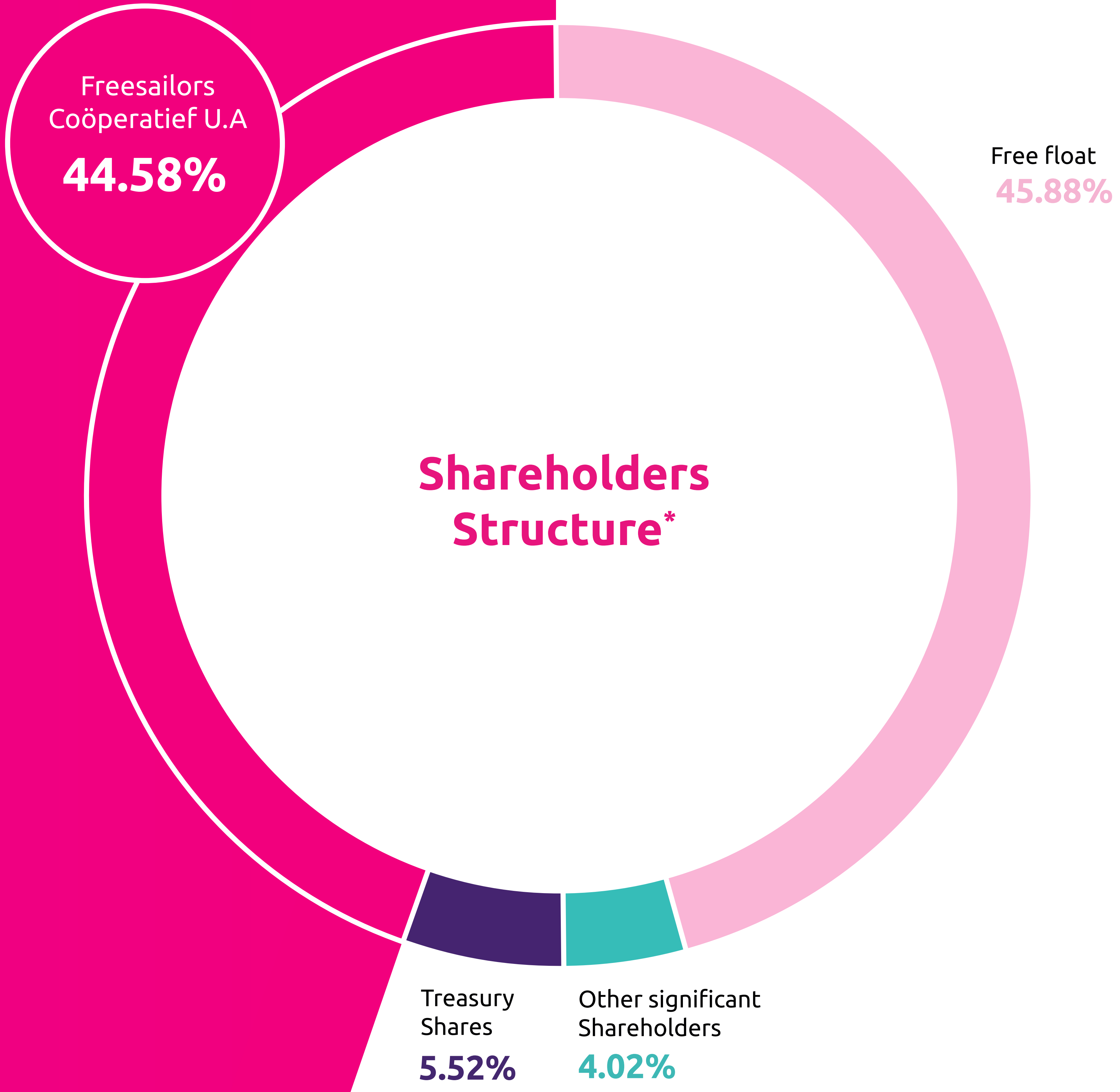
Freesailors' membership's structure results to be composed by (i) Fabio Cannavale (72.43%, directly and indirectly), (ii) Sterling Active Fund (17.45%) and (iii) the Other Investors (10.12%). All the investors signed a Shareholders Agreement.

Freesailors still holds 44.6% of lm holding. Certain Freesailors' investors own, out of the Shareholders Agreement, an additional 5.99% of lm holding's shares, among which lm owns 5.52% as treasury shares.

Further to the above mentioned 5.52% treasury shares, lm owns indirectly through a membership in Freesailors, the equivalent of 2.01% of lm holding's shares subject to the Shareholder Agreement.

For further details, please refer to the relevant SIX disclosure at

https://disclosure.six-exchange-regulation.com/obligations/management_transaction/ddeal/assoc/disclosure_print_en.html?NotificationId=TBL4900025



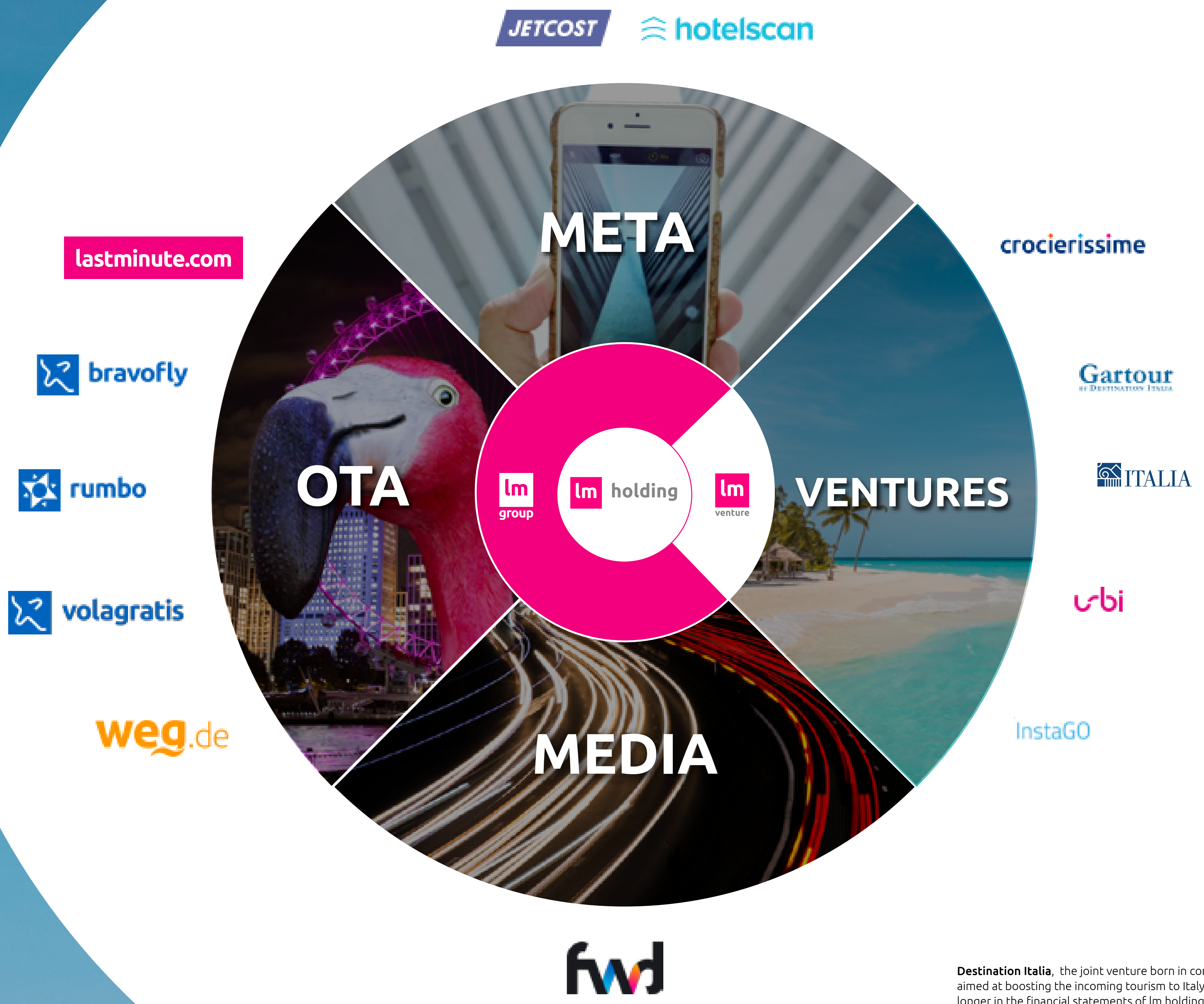
(*) Shareholders structure as of 21/06/2021

Group Structure

The Group is organised into two business areas (lm group and lm venture), consolidated under a holding company, listed on SIX Swiss Exchange since 2014 and led by **Fabio Cannavale**.

lm group is led by **Andrea Bertoli** and represents our core business formed around our Online Travel Agency, our META business and our Media business (forward).

lm venture, which is managed separately from the lm group, is the tool we use to scout interesting development opportunities in the wide arena of travel innovation.



Destination Italia, the joint venture born in conjunction with Banca Intesa aimed at boosting the incoming tourism to Italy, will not be consolidated any longer in the financial statements of lm holding as a result of the sale of the majority of its stakes (63,6%) to a newco constituted by the Management team. Consequently, lm group holds today 24,9% of the Company


WHO
WE
ARE

We are passionate about leveraging digital technology to design the future of travel and tourism

We worked hard in 2020 in order to face the challenges of the crisis, always looking at the future to build an efficient infrastructure backed by a resilient business model, sustainable in the mid-to-long run. Our Vision and Mission fit perfectly with the changed environment and our strategic priorities are set to respond to the priorities of the travellers

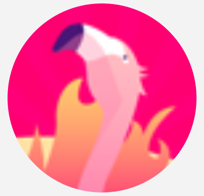
VISION

Design the future of travel & tourism using digital technology as an enabler

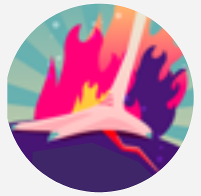
MISSION

To be the relevant & inspiring travel company enriching the lives of travellers

VALUES



Live Bold



Own It

Be Yourself

COMPETENCIES

- **Strive for Success**
- **Problem solving**
- **Collaboration**
- **Empathy**
- **Influence others**
- **Motivate & Inspire**

We have clear strategic goals to fulfil our vision

STRATEGIC GOALS

Make it Personal

Understand user and customer behaviours to boost our business. Being capable to move from impersonal list of options to a highly relevant, automatic & recommended set of solutions to give users relief from decision making.

Beyond the OTA-META-Media Game

Evolve and increase our business model based on user understanding. Create a liquid platform able to be relevant for our audience at every stage of the journey independently of our domains.

Automatic for the people

Free our customers from the bondage of customer care by providing them with all the tools, in real time, **to modify and improve their purchases.** Use every point of contact to **offer relevant services in the moment** and in the proper and more efficient way.

ENABLERS

Travel for good

We have the opportunity to turn a bad situation, such as COVID-19, into a moment of optimism. With the world now online, travel has gone digital. Travel can be used for good, to protect the environment. We can use our digital skills to inspire the next generation traveller in an inclusive diverse and sustainable world

Be excellent

Be excellent and strive to be the best in everything we do. Build a smart company culture that drives performance & collaboration.

Simplicity & scalability

There is an increase of complexity that we manage through a constant effort on consolidation and simplification of the platform. Automation and reusability are the path. On 2020 we moved our infrastructure to cloud gaining elasticity and scalability.

Diversification

Diversification is a key word representing our way to run the business. it is a distinctive element triggering a potential overperformance against our peers going forward. From a brand, geographical, monetisation model and product perspective we have the flexibility to adapt our strategy according to the trend observed in the market and trim the marketing investments in line with a strict ROI approach.

COVID19 has accelerated structural trends in the travel market that lm group was already addressing prior to the crisis

IMPACT SHORT TERM → LONG TERM	We have been working throughout the years, anticipating some of the trends we are observing today and that will gain importance in the future
"last minute" bookings	Our most relevant brand is a key advantage to capture the new rising demand of travel in a "last minute context" like the one we are living.
Shift OFFLINE > ONLINE	Our business is 100% online and since the beginning our primary focus has been digital marketing and online distribution of travel services across Europe.
Domestic, Sun & Beach and short-haul travel focus	Since 2016 we have been successfully growing our Sun & Beach business with a strong focus on Southern Europe and Mediterranean destinations.
Over production & flexibility	We provide our customers protection and flexibility thanks to our diversified value proposition, the most sophisticated technology to bundle real-time holiday packages and a vast wallet of ancillary products.
From single booking to comprehensive travel experience	Over the last 10 years we have invested in the development of our Dynamic Holidays Packages technology which is today the market leader in Europe.
Content hyper-fragmentation	We are a valuable distribution channel for different suppliers instead of competing with them through revenue sharing agreements and white-label solutions is already proving their rationale with successful results.


WE HAVE LEARNT MANY LESSONS,
ACTED ACCORDINGLY AND
PAVED THE WAY FOR A BRIGHTER FUTURE

lm group CEO's letter

2020 was a very challenging year as the travel industry (actually the whole world) had to face an unprecedented pandemic crisis. Today, almost 18 months after the first cases were reported in Wuhan, we are optimistic thanks to the positive effect of vaccination programs. We think that all the actions put in place worldwide in order to contain the pandemic outbreak will drive us soon to recover up to Pre-COVID-19 levels, considering that:

- Prolonged and extensive lock-down measures across all our core European markets have forced a strong adoption of digital technologies. This will further accelerate the shift from offline to online travel sales, benefiting pure digital players like us
- We are focused on leisure travel, which will recover much faster than the overall travel market, and our revenues are geographically well diversified, making us less dependent on the performance of each individual market
- We have the financial resources, technology, brands and competencies needed to ride successfully the recovery phase

Starting from May we are experiencing concrete signs of recovering demand, with solid results across all our core markets except the UK. Possibly we will face more challenges in the coming months, as new variants might slow down recovery, but we think that the worst of the pandemic is over.

During the last years we have built a truly efficient and resilient organization, backed by a solid financial structure. We believe that we are best positioned to surf the waves of the pandemic, to relaunch our business strongly when the conditions will enable us to push the throttle again and keep the momentum in the future, overtaking the results already achieved. The Group's evolution pattern is founded on our digital DNA. We believe that the accelerated shift offline to online will be captured by companies that will be capable of offering customers the most relevant solution, timely.

It is clear that diversification is a key word representing our way of running the business. It is also clear that such diversification has been a tremendous success factor in managing the crisis while it was, and it will be, also a distinctive element triggering a potential overperformance against our peers going forward. From a brand, geographical, monetisation model and product perspective we have the flexibility to adapt our strategy according to the trend observed in the market and trim the marketing investments in line with a strict ROI approach.

The advantage we have on Dynamic Holiday Packages is remarkable from a product, technological, financial and regulatory point of view. Customers can benefit from a virtually unlimited offering, generated dynamically in real-time over thousands of destinations, airlines and hotel properties with the desired mix of products, and a full protection over the value of the entire package.

In our opinion, this technology is one of the most important drivers disrupting the future shape of the digital travel landscape since it represents the natural evolution of the traditional Tour Operator offering. In January 2020, after the bankruptcy of Thomas Cook in November 2019, we were already observing a very strong shift from holidays booked from the catalogue of the traditional Tour Operator to our proposition that gives customers an almost infinite degree of flexibility in terms of destinations, hotel and accomodation alternatives, travel dates and length of stay.

As European market leader in the Dynamic Holiday Packages segment, we are better positioned to manage the complexity of different regulatory frameworks and to provide financial guarantees across all European markets, giving customers peace of mind when they book. This will provide further tailwinds in terms of loyalty, future growth and profitability.

On the flight business we have adopted since the second half of 2018 a very sophisticated data driven stochastic pricing model that enabled the group to turn a flat-running business into a fast-growing revenue and profit line. Until the blast of the crisis, we were still reporting a double-digit rise in bookings and we expect to return soon to this rate. Going forward, we see the flight business as a relevant pillar of our strategy, as it is a crucial touch point to acquire/retain customers and to generate additional non flight sales.

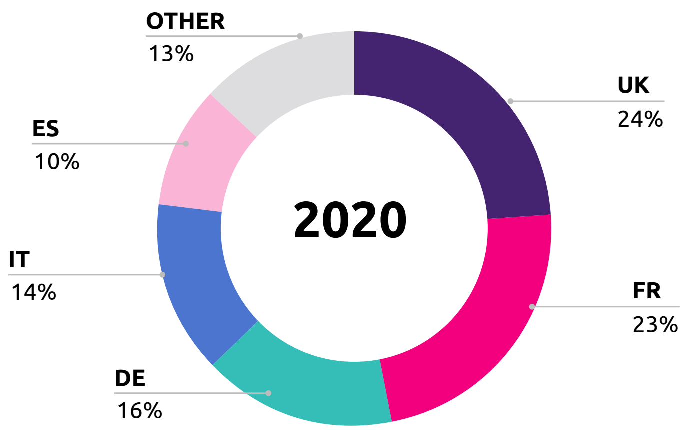
META and Media complement the OTA transactional value proposition, guaranteeing a differentiation in revenue channels through diverse monetisation models. Due to their very lean cost-structure and simpler working capital dynamics, they have sailed the 2020 storm strongly limiting the impacts at P&L and Balance Sheet level.

We think the rebound we are observing today is on its way to pave a concrete and stable recovery path. We might go through other fluctuations in the next future but all the measures taken and the competitive strengths of the Group make me feel very confident about the capability of the Company to return up to and overcome the 2019 levels soon. 2021 will still be a year of resilience, more than a year of pure growth and performance, while we expect 2022 to be the starting point for a new phase of development in the post-COVID era.

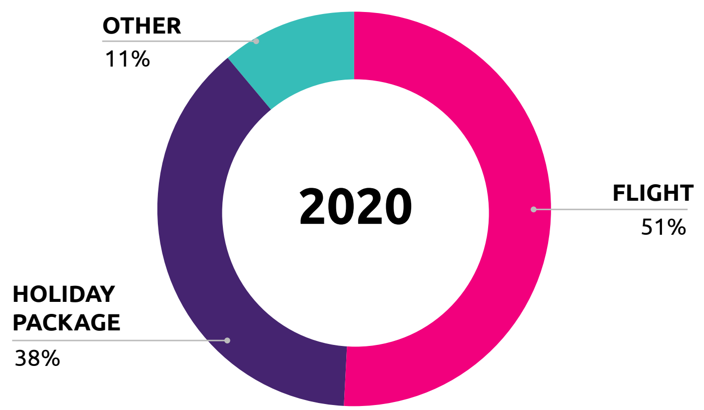
Andrea Bertoli
lm group CEO

A well balanced geographical footprint and product proposition backed by a healthy mix of B2B and B2C revenue sources

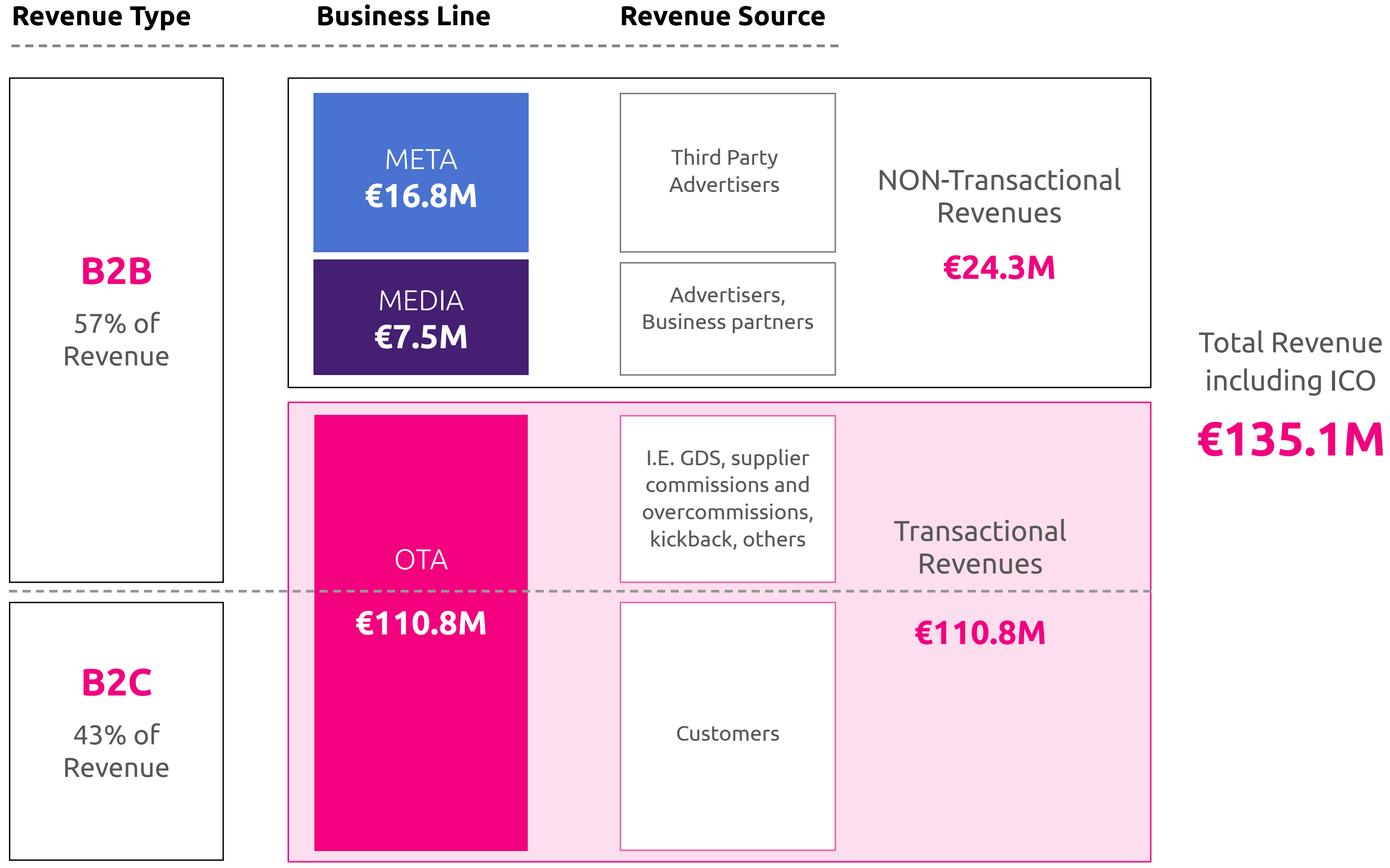
Revenue split by Country
% on lm group Revenues



Revenue split by Product
% on lm group Revenues



Revenue split by revenue type
% on lm group revenues*



*Revenues gross of intercompany revenue

We are best positioned to ride the recovery

TECHNOLOGY

We have years of advantages vs competitors in the Dynamic Holiday Packages field, having developed the most sophisticated and advanced platform capable of TRULY generating Dynamic Holiday Packages in real-time.

Many other players in the OTA space are trying to follow but they are still well behind according to the pace of growth we have registered until February 2020 significantly higher than the average. it is not a case that we have signed agreements with other OTAs and leading Hotel Chains in order to provide them our technology through Revenue sharing agreements. It is a win-win model.

We have a technological lead not only in Dynamic Holiday Packages but also in the Flight business that smashed the 2019 European market with a growth of +34% yoy vs 3% of the other players. Both are backed by advanced technology platforms and driven by sophisticated algorithms.

TRULY DIVERSIFIED BUSINESS MODEL

Many players are still anchored to the OTA definition and paradigms. We strongly believe in "diversification" since the IPO and we have truly diversified our business model through a story of innovation and investments resulting in significantly outpacing the growth of the reference market in all categories and KPIs in the last two years* (*pre-COVID).

Key success factors: truly balanced geographical footprint, true multi-brand portfolio, truly diversified business model (OTA-META-Media-Comarketing), the most differentiated value proposition for travellers (Flight, Hotel, DP, TO, Experience, Cruise)

Diversification was key to the business thriving and even doing better than others when things were going well (until 2019) and helped mitigate the risks associated with the crisis brought by the pandemic, giving the maximum flexibility to the sale strategy.

FINANCIAL RESOURCES

Since the IPO we have had a cautious approach on financial resources. We have used them for several small-to-large size acquisitions that, in most of the cases, reported successful business and economic results.

We entered the crisis with a solid cash position, generated by the structurally cash-generating business model and the return on investments of the above-mentioned acquisitions. Thanks to a very attentive crisis management strategy and the launch of a cost reduction plan and a cash protection program we have been capable to secure the business and preserve the robustness of the Group balance sheet.

Despite the business being at a standstill for months, the funds already available and the ones negotiated with banks - backed by a State guarantee - have been sufficient to manage the most difficult period of the Group's history. Now we have – more than ever – a solid financial structure with a comfortable cash cushion. This will allows us to capture investment opportunities which may arise and which we are willing and capable to exploit.

PEOPLE

Over the past few years the transformation of the group was centred around our business and our brands but most importantly it was focused on our people. To radically change how our organisation worked, and put the customer at the heart of everything we took a seismic cultural shift. We put in place a people-focused strategy, fuelled by key engagement drivers, and empowered our dedicated, talented, and passionate "pink family" to execute the plans we created together.

We have now a strong and unique company culture built around our mission and shared values while we go on to embrace a future that includes the flexibility by creating a long-term strategy for smarter working across the business.

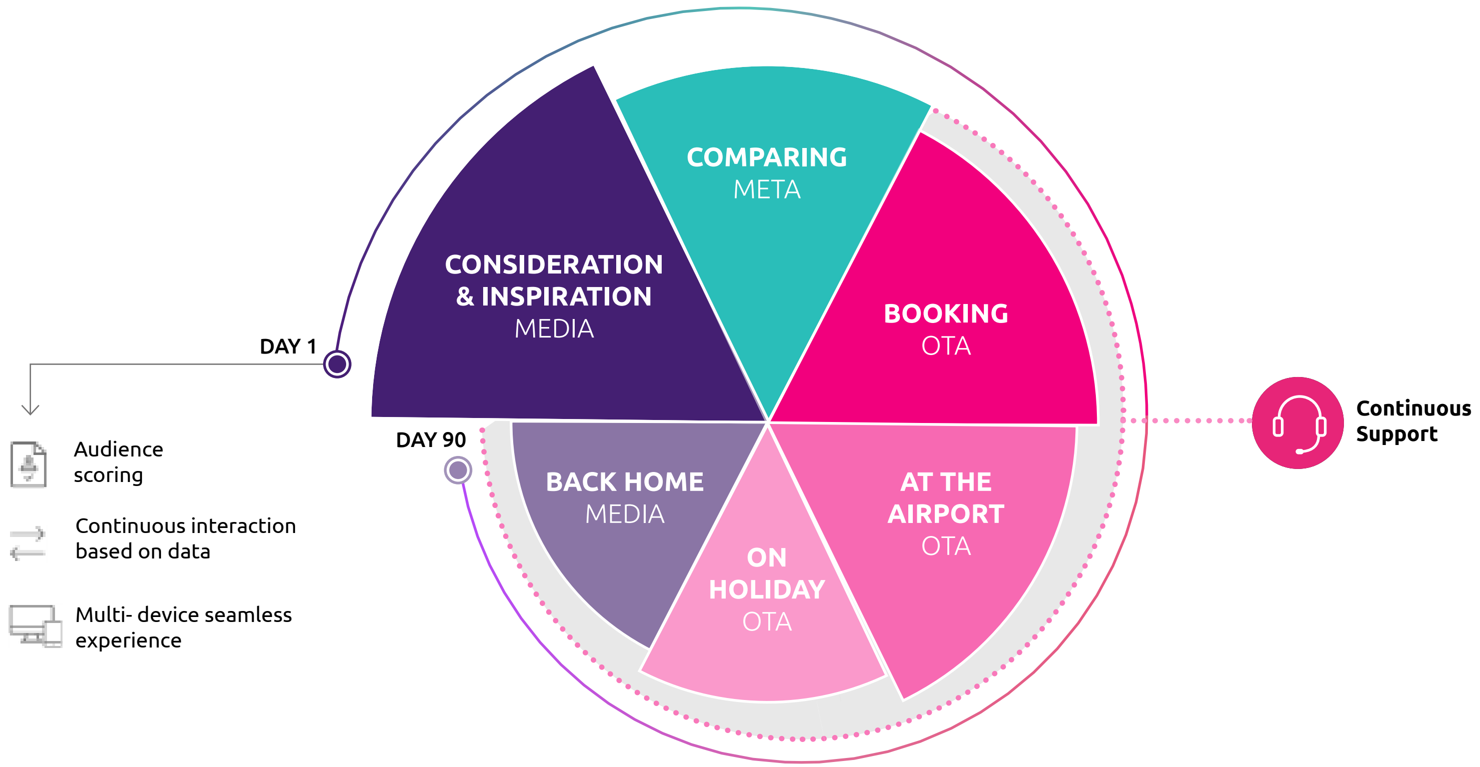
In this new environment, driving high performance by empowering our people will be key to success. By using tools such as coaching, recognition feedback we are endorsing and reinforcing our competencies that will lead us tovdeliver results and reach our goals.

Leveraging our digital DNA to create multiple and highly profitable touch-points across the entire travel journey

From a standardised offering driven by inventory availability…

Search **Buy** **Travel** **Support**

…to **bespoke "audience-centric"** solutions backed by data intelligence



Comprehensive and distinctive business model where "booking" is only one part of a more engaging journey

OTA, META and MEDIA are synergistic and complementary segments

By creating multiple touchpoints across the travel journey lm group has created an attractive product proposition creating a competitive advantage with scale benefits and improved monetization opportunities

Through its existing products, lm group is able to monetize audiences across the travel value chain:

- **OTA**: conversion to booking
- **META:** conversion to click-out
- **MEDIA**: Full monetization of the latent traffic via media placements

A proven, superior and differentiated platform strategy which provides a distinct competitive advantage and enables the company to **continuously outperform the market**

Dynamic Holiday Packages

Our fully licensed and bonded, technologically advanced multi-geography Dynamic Packaging capability is difficult to replicate

Dynamic Packaging is a game-changer in the travel distribution value chain and key in optimizing inventory management of direct suppliers

B2B distribution complements the existing B2C business, and strengthens the global brand power of lastminute.com

Flight Strategy

Flight business is a scalable and efficient enabler to accelerate cross selling into other verticals and value added services

By leveraging its superior data-driven stochastic pricing engine and ancillaries cross-sell strategy, lm group is able to drive volumes without compromising profitability

Differentiated Platform Strategy

Data and Technology

Leverage superior analytics (e.g. prediction and stochastic pricing model) and data fuelled decision making to retain competitive advantage

Shared common technology infrastructure and toolbox, entirely cloud-based, across Dynamic Packaging, Flight and Hotel

continuous product improvement to upgrade web and mobile APP functionalities to improve customer experience and increase conversion

various initiatives launched to further expand the product proposition beyond traditional travel products

Cross / Upsell Strategy

Continue to increase breadth of ancillary and service portfolio and lead the market in terms of product developments

Further improve cross and upsell by refining content personalization and increasing touchpoints across the traveler journey

Ancillary contribution exhibiting sustained growth across all performance indicators, including attach rates and average transaction values

POSITIONING lm OTA is well positioned to successfully face market challenges and benefit from secular trends due to its Dynamic Holidays Packaging capabilities and superior technology platform

	Sector Trend	lm group positioning
Price Pressure	• Increasing pricing pressure as a result of price transparency resulting from the rise of metasearch, airline competition and a growing share of LCC bookings	• Today more than 2/3 of lm group contribution margin is generated by a higher margin of non-flight travel services, such as Holiday Packages • Rising competition increases the importance of technology and innovation leadership favouring lm group (e.g. dynamic pricing and prediction engine) • lm group introduced a new stochastic pricing model and ancillary strategy to drive profitable volume growth despite pricing pressure • Connectivity across a large number of supply channels to optimise offer sourcing
Customer Behaviour	• Customers' demand for flexibility and ability/ease to customise is increasing • Travel value chain continues to shift online	• lm group's superior Dynamic Holiday Packaging capabilities and breadth of inventory access create a unique product proposition with unparalleled scope • lm group will benefit from the progressive unstoppable shift to online where holiday packages can be provided with unmatched flexibility compared to the "old-fashioned" classic Tour Operator catalogues
Disintermediation	• Airlines and Hotels have focused on building out direct booking channels to lower costs and build out customer relationships	• Customers are becoming increasingly knowledgeable and price sensitive • OTAs with ability to generate high volumes will remain integral as a predictable and cost effective acquisition channel for airlines and hotel providers • lm group's leadership in Dynamic Holiday Packaging is particularly attractive for airlines and hotel providers as a means to maximise load factor and occupancy rate solving the price parity dilemma
Inventory / Aggregators	• Inventory connectivity is key for online travel companies competing for customers • Supplier landscape is increasingly fragmented • Inventory aggregators such as GDS are trying to enforce higher prices	• lm group's leading technology platform & capability to connect to multiple suppliers in real time creates a strong competitive advantage • lm group has one of the largest inventory pools in the market further enhanced by a significant share of direct supplier contracts providing a strong price advantage • With its increasing range of ancillaries lm group is well positioned to benefit from new supplier channels (e.g. NDC) that provide access to unbundled airline fares

DYNAMIC HOLIDAY PACKAGES lm group has created a first mover advantage by developing a market leading multi-regional Dynamic Holiday Packages platform difficult to replicate for localised players creating a strong competitive advantage

Development of lm OTA's leading **Dynamic Holiday Packaging solution**

2010

Static Tour Operator packages

Online distribution by OTA'S / tour operators

2011

Pre-packaged (12-24h)

Packaging of components shortly before sale - 12-24h by (virtual) tour operators

2016 - 2021

Dynamic Holiday Packaging (real time)

Real time packaging upon customer request / search query

Packaging customised to reflect individual traveler preferences

NEXT

Multi experience packages

Customers with full control over package components

(e.g. multiple flights and destinations on one booking).

Highest possible customisation and integration of broad range of add-on

Number of players acting in the field

lastminute.com

Number of years of advantage VS other players

Complexity of technological solution

lm group's **Differentiated platform**

Real time inventory sourcing and pricing

- Pricing and availability are determined in real-time offering reliable solutions and generating higher conversion for every customer search
- Consumer benefits from better prices and more flexibility
- Real time price comparison enables lm group to optimize margin by sourcing inventory at most attractive offer

Fully integrated across-the-board supplier base

- Dynamic packaging technology directly integrates contracted accommodation and flight inventory from multiple 3rd party and B2B suppliers as well as ancillaries

Fully comprehensive and proprietary inventory

- lm group has a price advantage by directly contracting with multiple airlines and thousands hotels in top destinations
- Differentiated hotel inventory with >1m properties, hotels, apartments and alternative accommodations
- Dedicated in-house sales and procurement team, actively negotiating direct contract with airlines and hotels around the world with focus on top destinations
- Cross regional Dynamic Packaging capabilities and scale provide an advantage when negotiating direct inventory

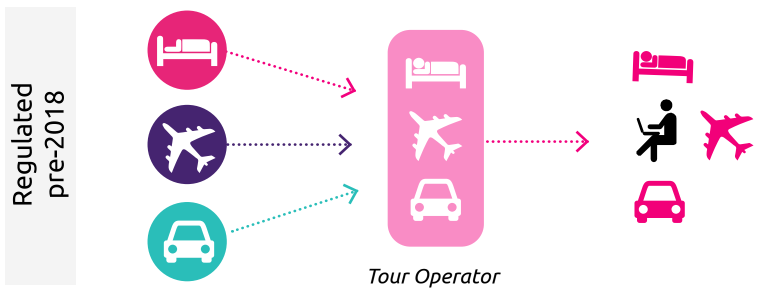
Strong barriers to success

- lm group has the legal frameworks in place to operate across multiple geographies, unlike other typically localised OTA's
- Challenge to reproduce inventory breadth and regional scale creates strong barriers to success

EXPERTISE TO MANAGE COMPLEXITY Increasing complexity of regulatory framework creates barriers of entry for other players - further entrenching lm group's market leading Dynamic Holiday Packaging solution

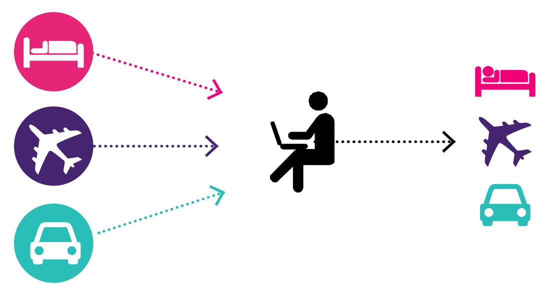
What has changed?

Definition Expanded with New Regulation



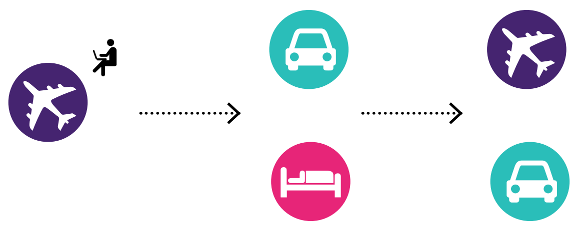
Traditional TO Packages

Little flexibility for consumers; multiple choices but limited ability to customise.



Dynamic Packaging

Packaging executed with the consumer in real-time on the basis of available components, offering enhanced customisation services.



Linked Travel Arrangements

A consumer booking a travel service on one website, invited to book another service through a target link or similar within 24 hours.

If the traveller's name, e-mail address and payment details are transmitted from the first website to the second, then the arrangement is considered a package.

Change is beneficial for lm group

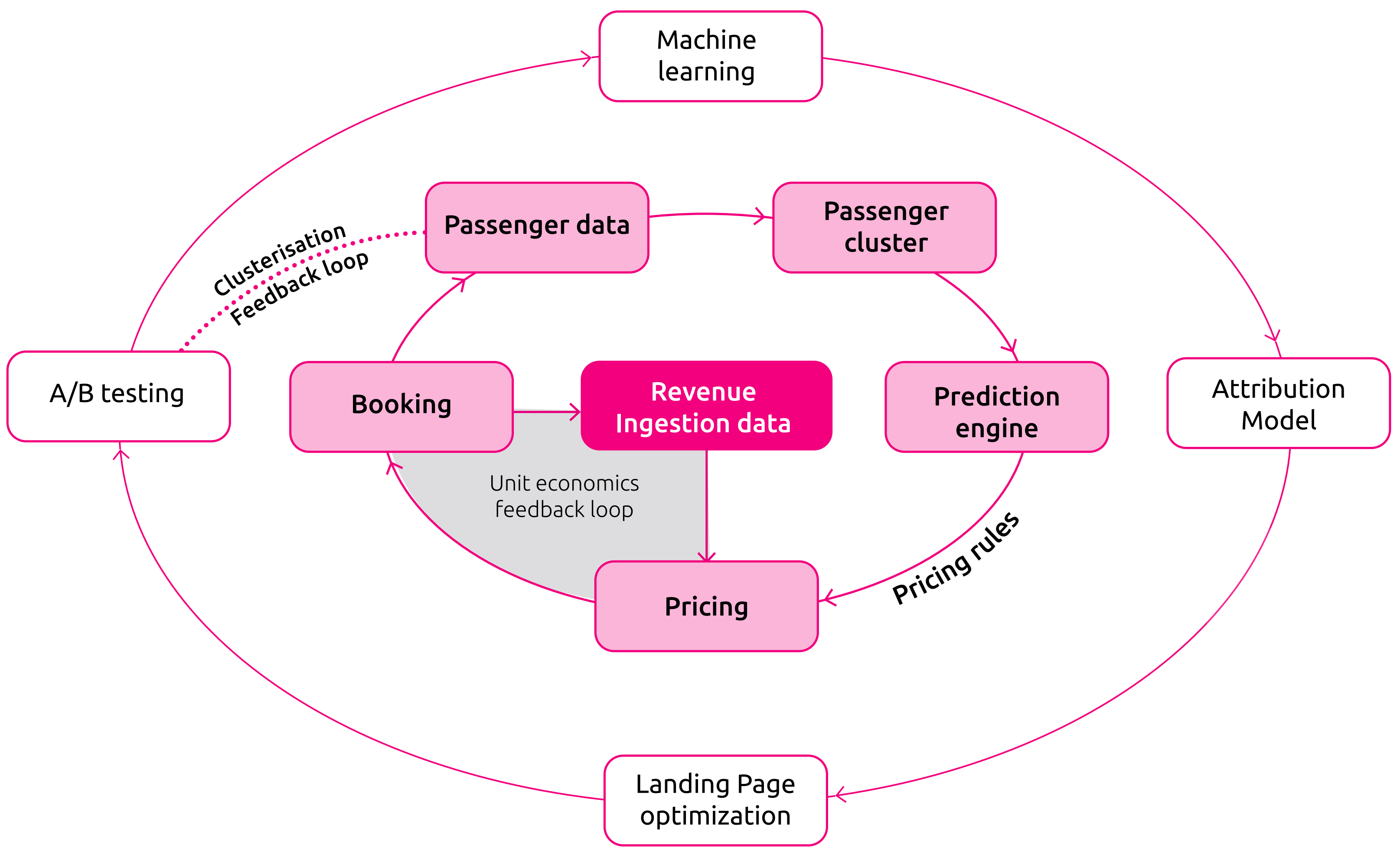
1. The introduction of the new packaged travel directive in 2018 has formed **multiple barriers to entry**, protecting lm group's current competitive position

- **Multi-regional operator:** lm group is a fully-licensed Pan-European Dynamic Packaging operator that operates at scale in the largest European travel markets
    - lm group has established a sophisticated infrastructure to manage a complex legal framework in order to operate across multiple jurisdiction in compliance with different rules
- **Complex regulatory environment:** The directive increases the complexity of the regulatory environment and increases the initial launch costs for potential new entrants
- **Financial liability:** As a result of the increased liability, smaller players fail to compete financially and operationally with a large OTA like lm group
- Market leaders are significantly better positioned to provide the financial guarantees / insurance required for tour operators compared to small or medium sized travel agencies

2. The perceived increase in reliability of packaged travel products provides further tailwinds to Dynamic Holiday Packaging solutions

PRICING STRATEGY lm group's stocastic pricing model, backed by a machine learning prediction engine, is capable of providing the best offer for each single customer search

lm group's pricing mechanism is **driven by a stochastic pricing model**



Over 2 million

flights are priced every second

Searches are clustered based on the likelihood to buy

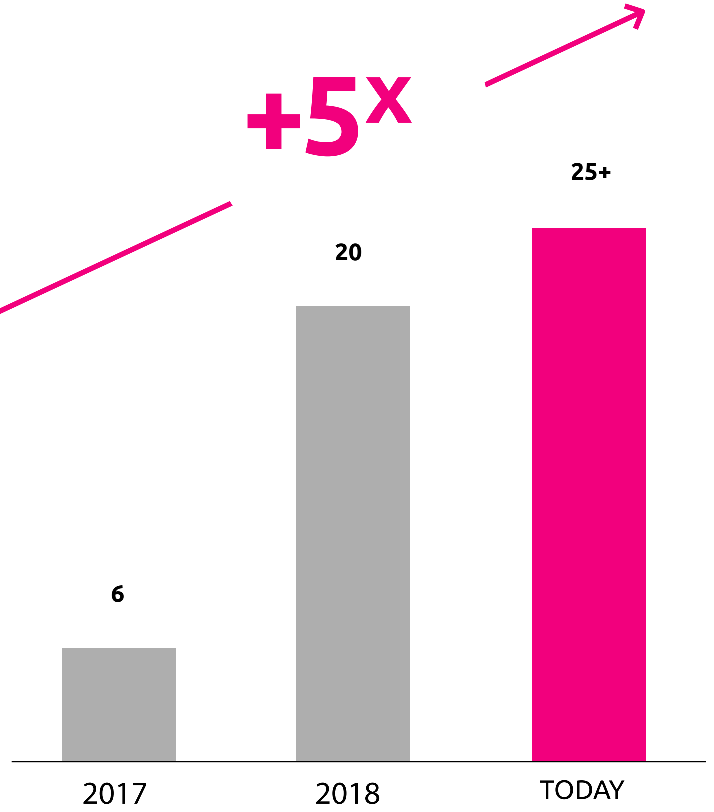
Revenue potential per cluster is predicted, and price is set based on **over 14,000 different pricing rules**

The supportive testing and development loop of **A/B testing, machine learning, attribution modelling and landing page optimization** is constantly working in the background to improve and feed into the pricing process

UP/CROSS SELLING CAPABILITIES continuously driving product innovation with "start-up pace" on the roll-out of new value-added services for travellers

... leading to **additional value added services** for
pre, during and post booking stage in the customer journey

lm group has a start-up attitude in the development and testing phase of new products...



NO. OF ANCILLARIES

Indicative list of macro-products

2017

- **Parking**
- **Seat selection**
- **Car hire**
- Comprehensive **Travel insurance** for UK
- **SMS** for flight updates
- Service Pack **Premium** assistance bundle

2017 – Today

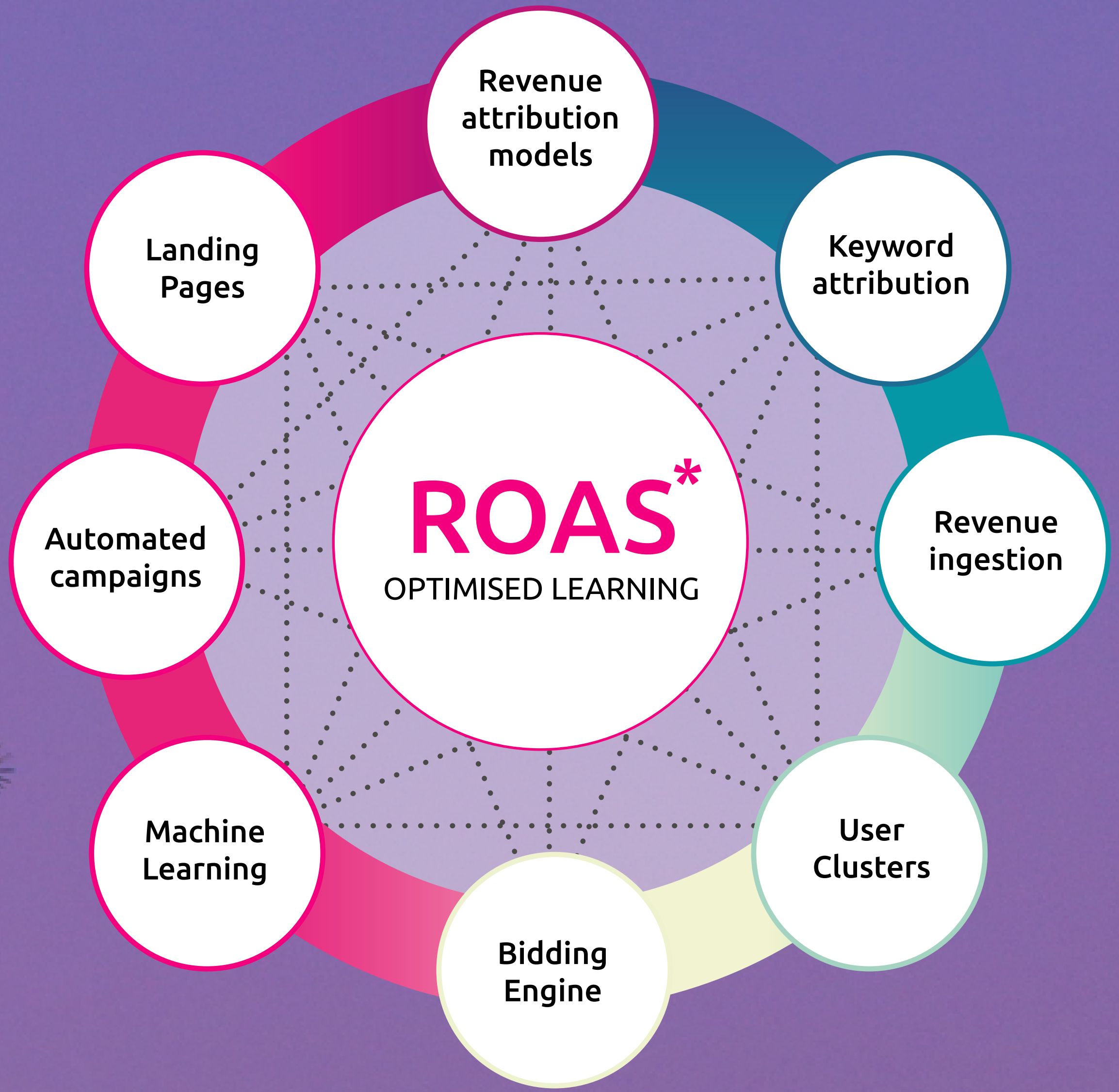
- **Blue Ribbon Bags** Luggage protection
- **Cross- sell voucher product** Hotels & activities
- **Transfer on flights**
- **TravelFlex** Refund on cancelling flight for any reason
- **Flyzen flight delay** Protection
- **FlyFlex** free Schedule change
- Fully regulated **Insurance on car rental**
- **Priority boarding** for certain LCCs
- **Medical & assistance insurance** for post-sale activities
- **WCI on Dynamic Package**
- **EA Insurance on Tour Operator** (France)
- **Transfer for DP**

Today

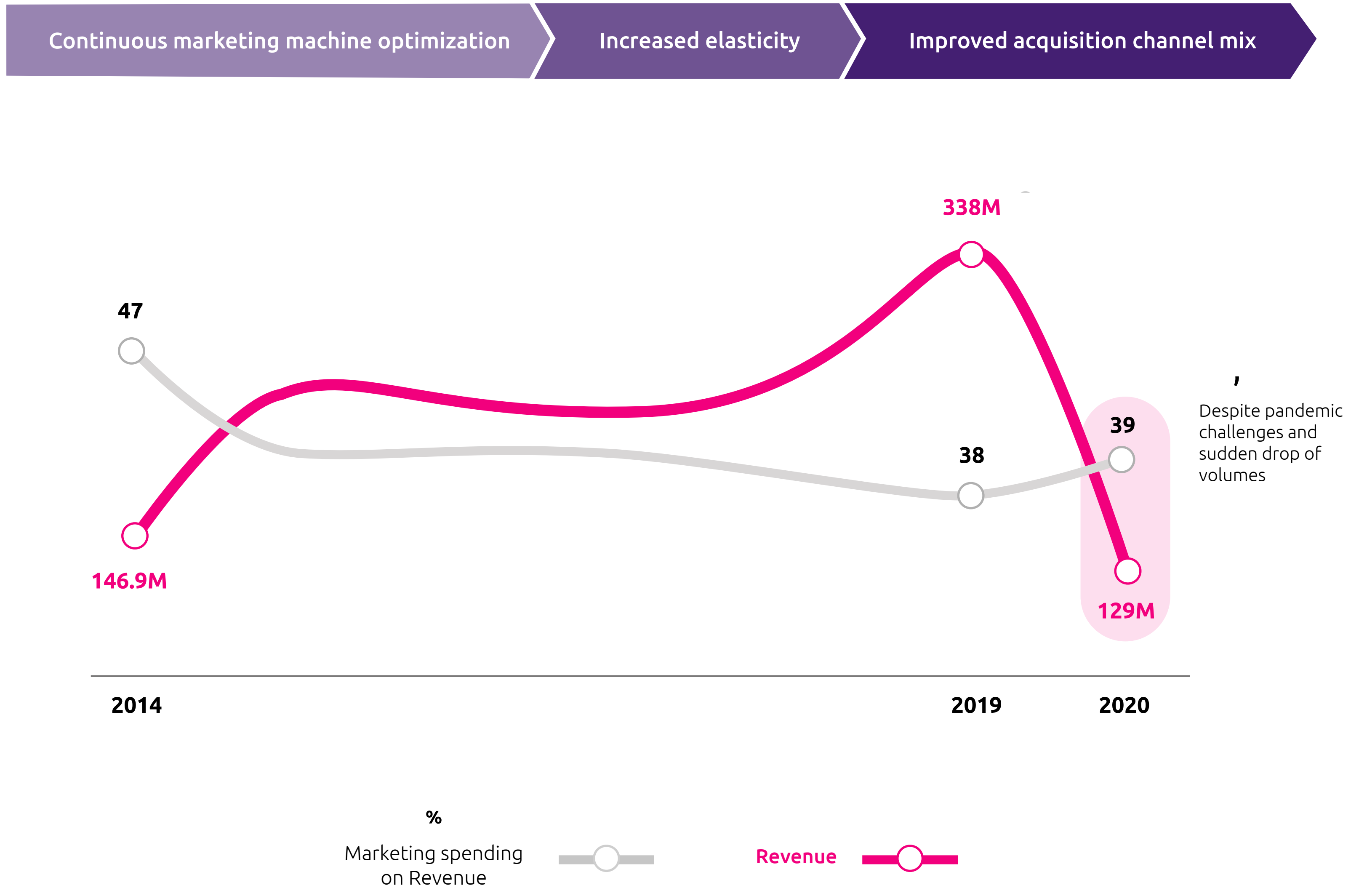
- lastminute.com fares provides **2 different bundle of services**
- **Setoo's parametric products**
- **Airlines' branded fares**
- **Lounge access**

DIGITAL MARKETING TECHNOLOGY lm group has developed a best in class automated, ROAS and data driven self-enforcing marketing engine generating sustainable and profitable growth across channels

Automated, machine learning & data driven marketing machine



*Return on Advertising Spend



EVOLUTION PATTERN Strategy focused on further evolving towards a holistic audience-centric product proposition with touch points across the entire traveler journey

lm group's OTA 3.0 Strategy

lm group offers advanced search functionality, along with relevant and inspirational advertising content across its sites

lm has leading international brands which interact with the travel audience at all stages of the travellers journey

Low-friction channels for consumers to purchase and prepare for travel and keep them excited by increasing feedback loops

Traveller Journey

TRAVEL **INTEREST**

DESTINATION **INTEREST**

DESTINATION **INTENT**

TRIP **INTENT**

General OTA offering today

lastminute.com additional OTA offering

Inspire	Discover	Plan	Collaboration	Shop	Book	Count Down	Get There	Enjoy	Return	Share
Marketing Landing page Social Google search	Search Replicate	Research Build Itinerary	Shortlist Decide	Search Shortlist	Add to cart Process Payment	Excite Prepare Share itinerary Find activities	Check-In Navigate	Support Self- Service Find things to do Recommendations	Navigate Feedback	Publish Join Community

OUR CAPABILITY HAS SECURED THE BUSINESS. **WE HAVE QUICKLY ADAPTED** TO NEW CIRCUMSTANCES AND **REVISED COMPLETELY OUR COST STRUCTURE** AND FINANCIAL RESOURCES PROFILE

CFO's letter

Due to the spread of the pandemic throughout Europe, from the last week of February, our sales stood-still in comparison to the positive trend of bookings and economics experienced in the first two months of the year. If the rest of 2020 had followed the first few months trend it would have been another year of record with sales in a range of €360-400 million and Business EBITDA above €80M. Revenue and Business EBITDA in January-only stood at €34M and €7.4M respectively. Unfortunately, things turned out differently from a potential double-digit growth over the year, in line with the great performance of 2018 and 2019, to the most difficult crisis ever experienced by the travel industry.

The response to COVID-19 has required the definition of a precise but flexible and quickly actionable plan, set to secure our people, the business and to manage new and unpredictable circumstances. A series of actions have been rolled-out from the very earliest days of the crisis, including: full-remote working policy; demand for Government-backed financing and labour schemes support in the context of a more comprehensive "Group cash protection program"; the "cost reduction plan" aimed at reducing the fixed cost base by at least €30M VS 2019 (target over-reached with consolidated saving at €36M on a FY basis); deliver the best possible customer service in a complex and ever-changing environment moving people from sales to cancellation management. In the meantime, we took the chance of the drop in traditional business to target activities that were more difficult to manage in the context of high volumes, namely a full transition of our technical infrastructure to the cloud, gaining flexibility and scalability.

We have already planned the future of our working environment, reshaping office spaces and rolling out a Group's smart-working policy which will see a progressive return to work in presence after this summer, if the overall situation will guarantee a safe back-to-office plan.

In such a difficult time, we saw our workforce reduced by nearly 15% as a result of a planned reorganization targeting the maximum efficiency. This resulted in a decreased run-rate of about €9M on a full year basis compared to 2019.On the OPEX side, all interventions were made looking long-term. Beside the freezing of non-performance marketing investments and the decision to postpone some initiatives of the development roadmap, we went into an extremely granular analysis that brought to a significant and structural cost saving. Today we are running our business with operating expenses down 50% compared to the pre-COVID period. On a recurring basis, we expect to save around €5-6M on the overall amount of OPEX costs compared to 2019 with the same level of volumes managed. As a result, from Revenue of €128.9M, down 61.8% vs 2019, Business EBITDA closed to €2.3M vs €71.2Mthe year before.

Extraordinary costs went up to €31M, primarily related to COVID-related cancellations (write-off of margins accounted at the date of booking), administrative expenses and support to customers. We expect this year to see this line of cost shrinking dramatically as a result of both, the trend of cancellations (still not negligible but significantly lower than in 2020) and the effects coming from rebookings made through the usage of the vouchers released and the portion of voucher not redeemed.
Net Result of (€62M) was impacted by the deconsolidation of Destination Italia effective from December 2020 and the related write-off of the receivables,for a total amount of €2.8M.

Despite the disruption, thanks to stringent cash protection measures and an improved operating performance in 2H2020, lm group closed the year with a sound gross cash position of €137.6M.We negotiated a series of new credit facilities with many banks and accessed some State-guaranteed financing. All terms of payments are well distributed across the years having no impact on the overall availability of cash and flexibility of its usage.

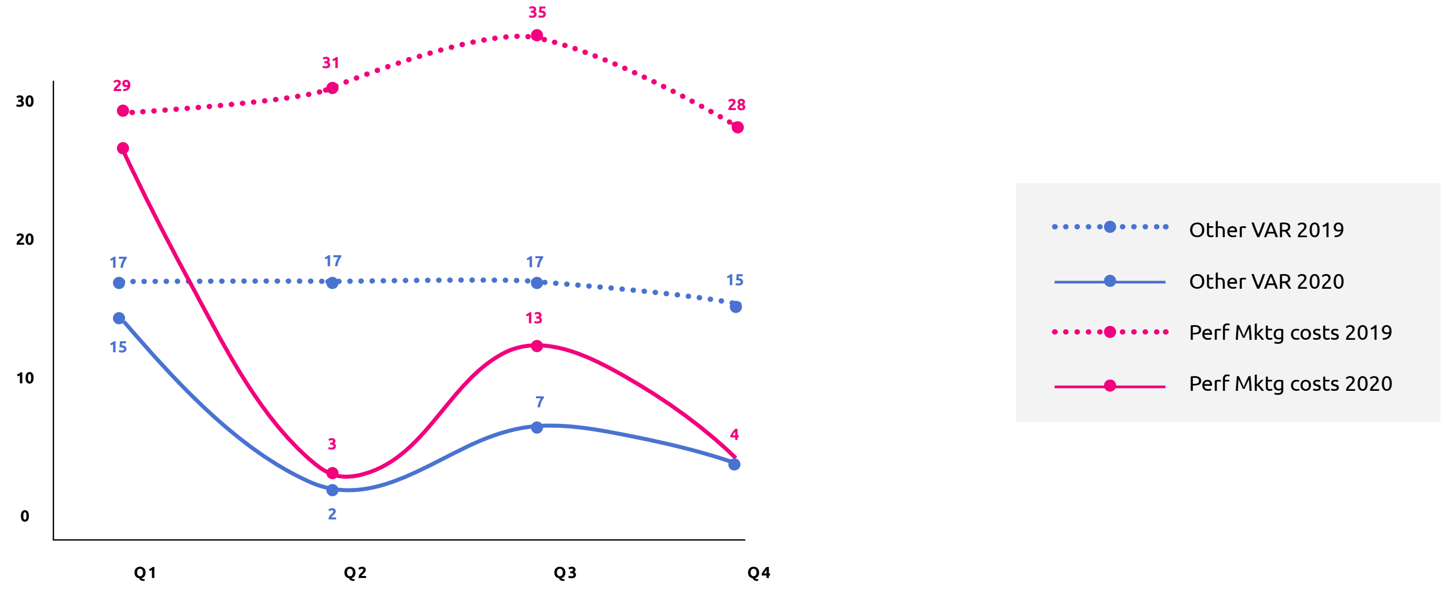
The ELV (Everyone loves vouchers) campaign, aimed at giving immediate response to customers in a context when primarily airlines have not managed the refunding mechanisms according to rules, not only recorded a success in terms of acceptance rate (65% of the customer base impacted) but helped preserving funds in the most critical part of the crisis when 765,000 cancellations on ticket sold were received by the Company. Now that we are experiencing a strong increase of bookings and some of these vouchers start to be used, the increase of Gross Travel Value and the re-activation of the virtuous circle of the working capital is offsetting the effect of such usage.

Q1 2021 and April were in line with expectations of a long and difficult winter, while from May onwards we observed a steep recovery across all countries - with the exception of the UK. Revenue and profits are rising thanks to the recovery in and the re-opening of the sales of Dynamic Packages from the end of April. Now up to 70% of total contribution margin is generated by our non-flight business and at the EBITDA level we are now positive after an unlucky long period of time. Cash is absolutely under control and stable well above €100M.

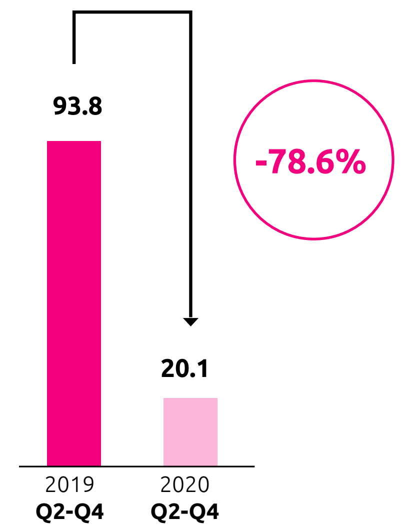
We definitely see the light turning on at the end of the tunnel. The recovery is well visible on our accounts and from 2H2021 onwards we expect great progress, targeting a full recovery of the preCovid situation in 2022.

Sergio Signoretti
CFO

Variable cost-base* has quickly and effectively adapted to fluid and unpredictable circumstances

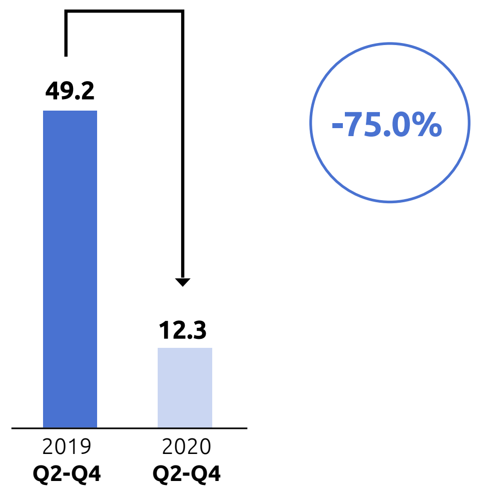


Marketing cost evolution '19 vs '20



1:1 operating leverage ratio**

Other variable costs evolution '19 vs '20

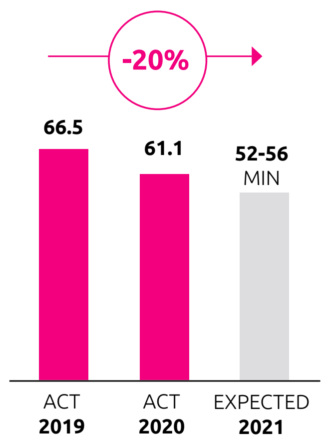


*not including the extraordinary costs sustained to manage cancellations and refund
**1% decrease in revenue brought to 1% decrease in variable costs

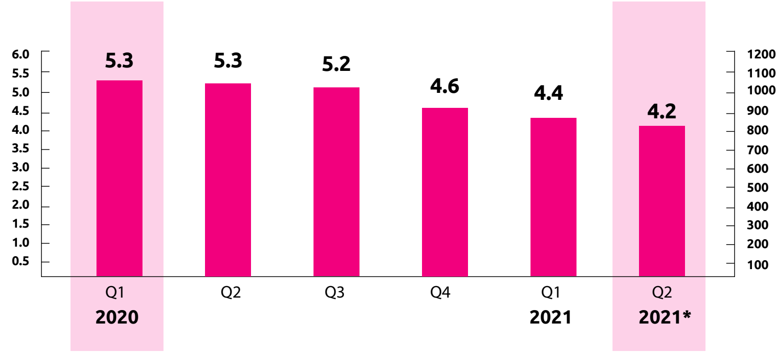
Progressive decrease of fixed cost-base implying lower run-rate going forward

The actions executed in 2020 aimed at further optimizing our organization and making it even more resilient and efficient, brought to a substantial saving

Yearly gross HR cost



Average monthly HR gross cost per quarter

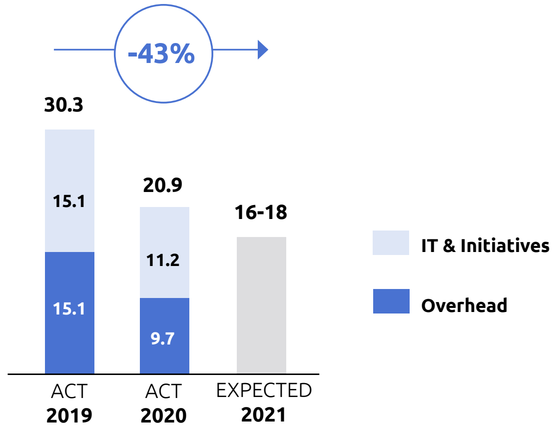


-1.1M

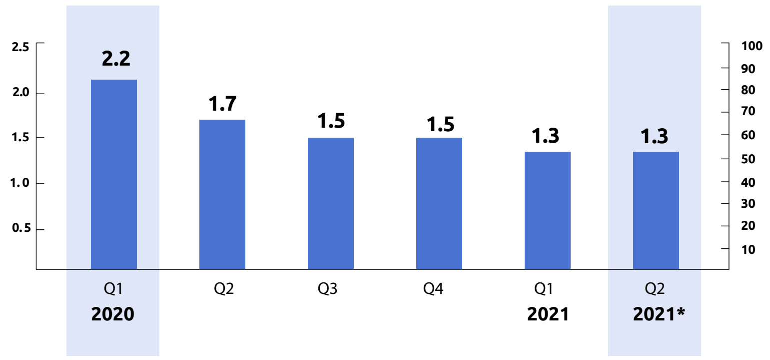
A strong effort put on shrinking the cost-base up to a maximum extent to mitigate the impact of the crisis, make the IT infrastructure more efficient and the overhead expenses lower on a long-term basis

-2M
on a monthly basis

Yearly OPEX cost



Average monthly OPEX cost per quarter



-0.9M

Implemented a Cash Protection Program generating €257M effects, contributing to keep cash under control

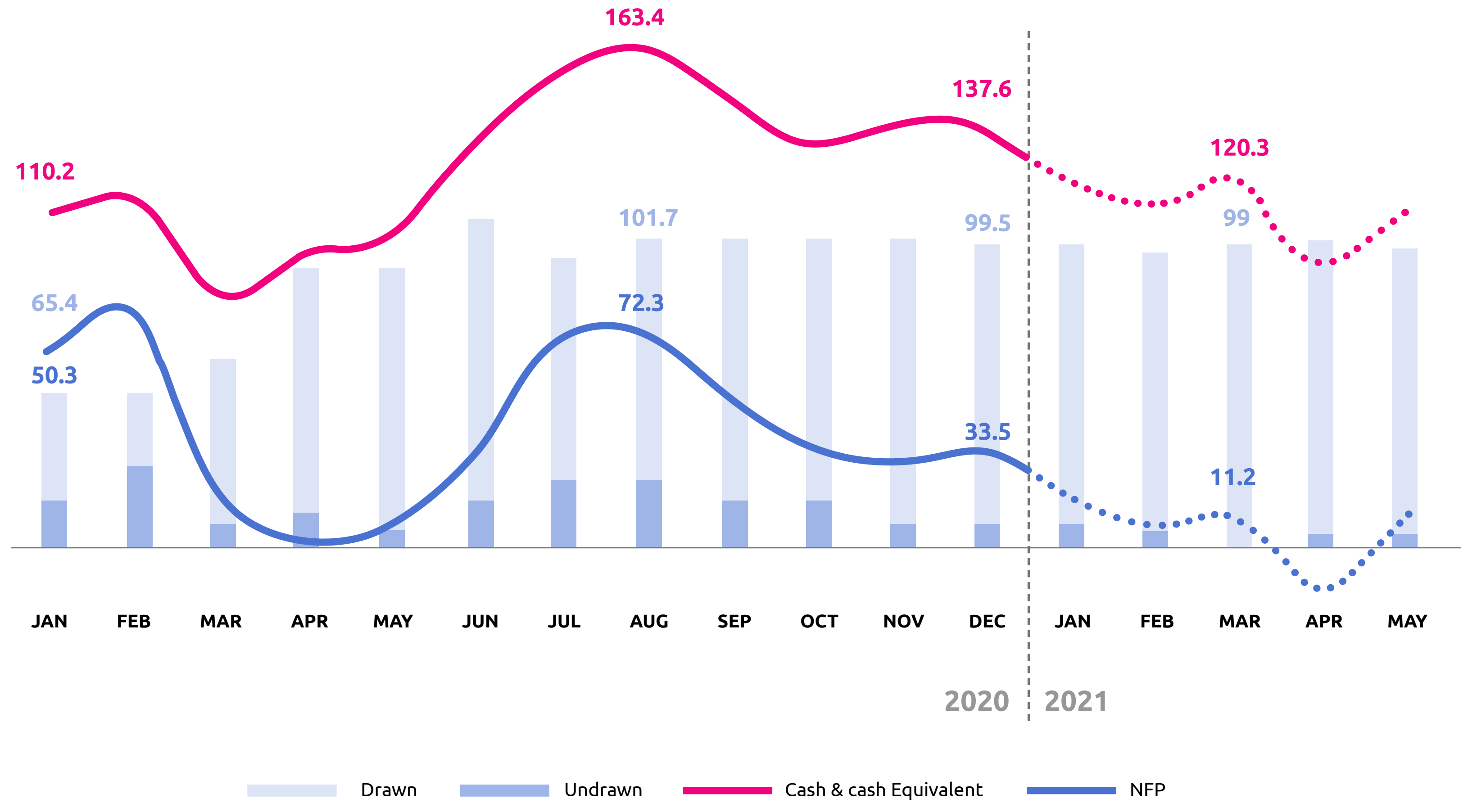
Cash protection program

	Action	Amount
1	Draw all existing unused credit lines	€42m
2	Negotiate new financing / access governmant backed financings	€50m
3	Reimburse our customers through vouchers where allowed	€135m
4	Renegotiate payment terms to vendors	€30m
	TOTAL ACTIONS	**€257m**

Despite the disruption, thanks to stringent cash protection measures and an improved operating performance in 2H2020, **lm group closed the year with a sound gross cash position of €137.6M, and positive Net Financial Position of €33.5M.**

We negotiated a series of new credit facilities with many banks and accessed some State-guaranteed financing. All terms of payments are well distributed across the years having no impact on the overall availability of cash and flexibility of its usage.

The ELV (Everyone loves vouchers) campaign, aimed at giving immediate response to customers in a context when primarily airlines have not managed the refunding mechanisms according to rules, not only recorded a success in terms of acceptance rate (65% of the customer base impacted) but helped preserving funds in the most critical part of the crisis when 765,000 cancellations on ticket sold were received by the Company. In addition, a positive effect is arising from rebookings (bookings made using a voucher) since the ratio rebboking/cancellation that we are now observing is above 1x.



From **GTV to Business EBITDA**

GTV and booking have strongly decreased during 2020 due to the pandemic.

	2020	2019	Delta
GTV (€M)	1,068	2,880	(62.9%)
Bookings (thousands)	2,231	5,246	(57.5%)
Average ticket value - GTV/Booking (€)	479	549	(12.8%)

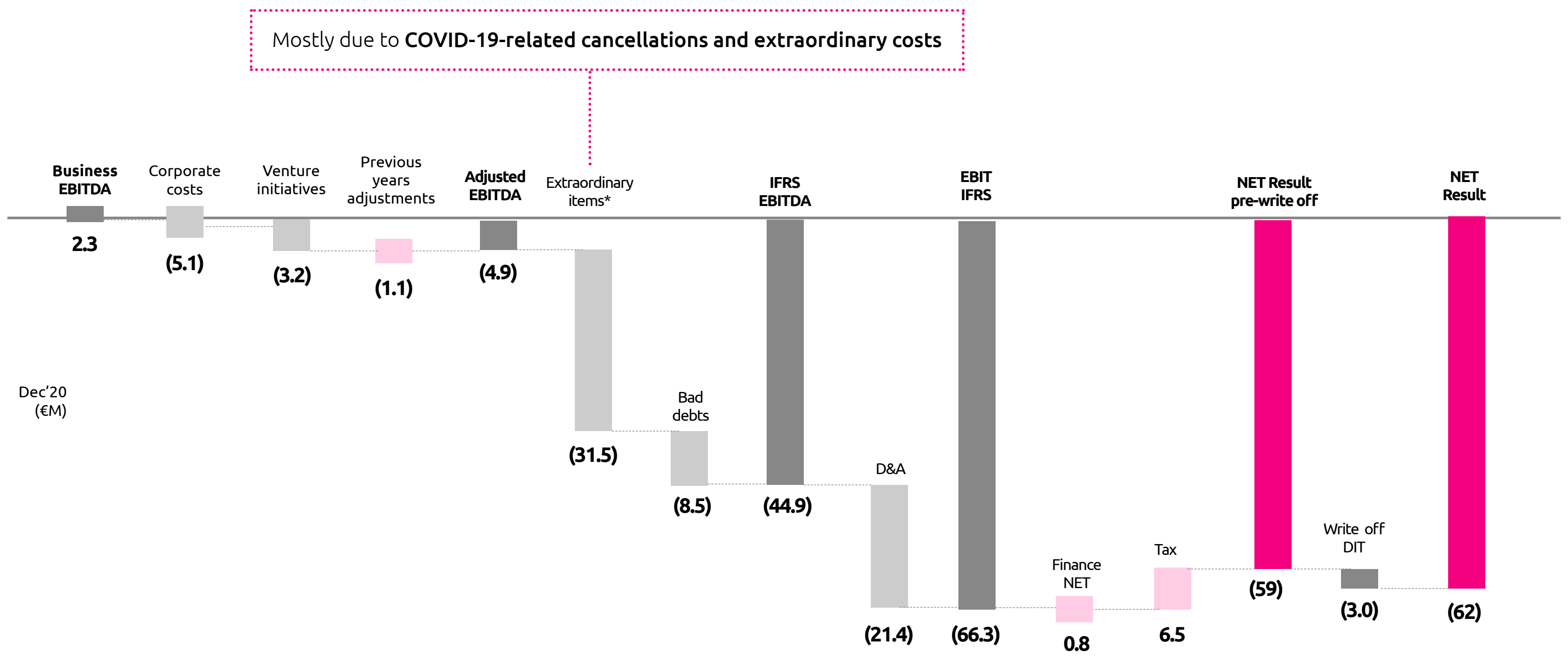
The main effect of Covid -19 is on revenues and is driven by cancellations due to the restrictions in flights and subsequent campaigns . Cancellations collected during 2020 accounted for EUR 30.1 million.

	2020	2019	Delta
Total Group Revenue	**105**	**349**	(69.9%)
LM Venture	(3)	(10)	(68.4%)
Non-recurring Business Revenue	27	(1.2)	(>100%)
Core Business Revenue	**128.9**	**337.8**	**-61.8%**

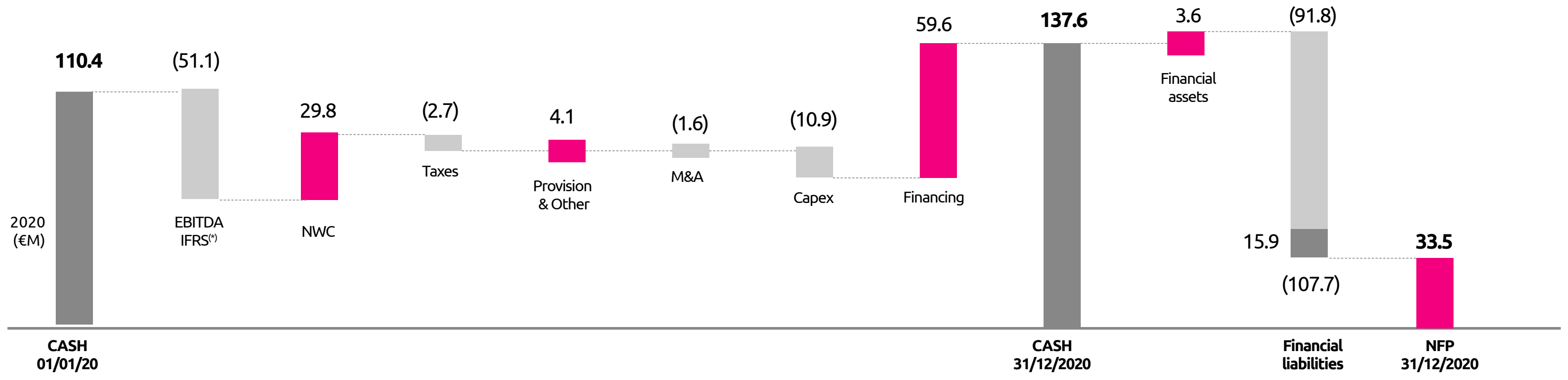
EBITDA level has also strongly decreased although the decisions to reduce the cost base with the stopping of projects, reducing marketing non-performance and overhead spend as well as freezing hiring of employees

	2020	2019	Delta
Performance mktg	(46)	(122.6)	(62.8%)
Brand mktg	(3)	(7.1)	(51.7%)
Other costs	(78)	(136.9)	(43.4%)
Business EBITDA	**2.3**	**71.2**	**(96.8%)**

From **Business EBITDA to Net result**



Cash evolution



(*) of which €30.1 of cancellations effect

Business Case: how the transformation from a booking engine to a cancellation business has triggered a far-reaching turning in our customer support approach

From February 2020 the world has changed. The outbreak of COVID-19 took a heavy toll on the global travel industry pushing the Group to focus primarily on securing the business and its assets and ensuring the safety of employees. But in the meantime, **it was necessary to rapidly turn the way of working from a booking engine into a cancellation machine.**

BOOKING ENGINE

CANCELLATION MACHINE

Overnight the Company turned to be a cancellation-driven business and had to react quickly managing an unprecedented number of cancellations and refund requests in a scale never seen before and impossible to have predicted.

The group made an enormous effort to put in place all the necessary measures to offer customers entire support with their bookings, trying to meet, at the same time, the high customer service standards set out for ourselves, and promised to our clients.

And all the challenges we had to respond to, together with all the initiatives carried out during the Covid emergency to navigate the crisis have been considered in a futureproof perspective as in such a period of changing and evolution for the industry we wanted to look at the future as an opportunity.

Future-proofed emergency measures to create a competitive advantage

Customer care volunteer program

The customer care teams were in great pain handling the huge volume of post-sales calls and emails from our customers especially while some of our outsourced customer service providers closed, causing a relevant impact on our operations. This brought us to call for volunteers among other teams in our Pink Palace who had seen their workload reduced due to the situation to help our customers for a certain period of time.**We've trained more than 100 people to support the Post Sales teams,** this way we were able to get through this with only minor disruptions to the service.

Voucher campaign

The main issue to be managed throughout the emergency was the refunding to customers that were forced to renounce their trips. Since the suppliers, primarily the airlines, awfully delayed the reimbursements, customers were bearing the risk of not being paid back timely. In order to mitigate the uncertainty, the Group launched the so called "Everyone Loves Vouchers" campaign that gave to customers the opportunity to have ready in their hands the value of the ticket cancelled, to be used then for future travel options.

Automation of cancellations and refunds processes

The company developed important automation features to consolidate and evolve the refund flow making customers more autonomous and improving their self service experience. Manual efforts for agents was considerably reduced thanks to the integration of chat and vocal bot and thanks to a series of automated executive actions introduced in the customers personal area.

Expansion of self-care capabilities in the customer personal area, email and App to ensure the best customer experience handling all customers inbound requests in the most efficient way and through the appropriate channel. Maximising the use of tools helped to reduce re-contacts and drive contacts through the most cost effective methods.

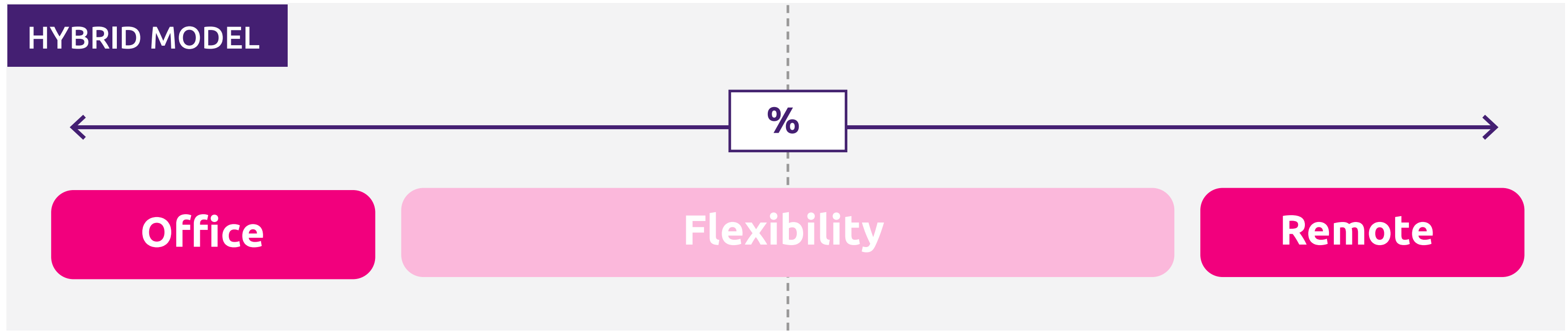
Creation of Q&A pages and Travel Safety Hub in order to provide our customers with all the relevant information about travel restrictions, travel requirements, cancellation and refund processes. All these across all digital channels to make things easier for our clients.

Business Case: Building the right infrastructure and creating the proper culture to fully embrace **smart working**

When the world was plunged into the Covid pandemic our first thought was protecting our employees. This is why we immediately launched a full week smart-working policy (home-office) across all our geographies taking all the appropriate precautions to keep our people and their families safe.

The first major challenge was then to set up remote working for more than one thousand people. We needed a system where they wouldn't have to leave their homes and go into the office, but we could keep all aspects of the business operational during lockdown. Having already established a smart working environment, as part of our employer brand strategy, our foresight meant we were better placed than many competitors to make our entire operation remote immediately with minimal disruption. In addition this has been the trigger to completely revise our facility management generating significant costs reductions.

But it was clear from the very beginning that while reacting and adapting quickly was essential for business continuity we needed a robust long-term plan. For the group the real key success factor would be to turn global uncertainties into opportunities. By rethinking the way our people works and re-designing a strategic path to evolve smart (hybrid) working we could build a more modern and agile organisation By optimising the performance of the people, not only we can create further efficiencies, but it would put us in a prime position to attract new talent from across the world.



Thrown into remote working overnight, we embraced flexibility to learn how to become **smart**

1

Rapid adoption of flexible working

A major and immediate challenge was to set up remote working for more than one thousand people practically overnight. It meant an immediate upgrade of our network infrastructure to grant a seamless remote working experience for our people in order to use our systems and tools. This happened in a matter of days rather than weeks. We also accelerated our plans to further automate corporate processes and improve our systems in order to scale.

2

Making remote working work

Rather than using remote work as a temporary strategy to get through the pandemic, we made the immediate decision to create a long-term strategy for smarter working across the business. By putting Workplace by Facebook at the heart of our virtual communications strategy, it allowed us to connect and bring our people together and combat the impact lockdown had on our wellbeing.

3 **Building a long-term flexible smart working framework**

Embracing remote and flexible working means we have to have the right infrastructure and culture for it to work. We worked on redefining digital work practices, revisit our values, rethink our methods and nurture new behaviours as a main priority to start shaping a new

Increase flexibility in how and where we work

Feasibility & flexibility

We started evaluating remote working country by country to be able to design a global framework that could be implemented locally.

Expand our talent pool

We saw the opportunity to recruit fully remote workers in other countries and access a more diverse talent pool and grow a business without borders. By designing a fully remote onboarding and induction experience, meant our new hires could meet their teams, understand how the businessworks, and still feel the culture.

Office evolution

Realising that hybrid remote working would impact our future working environment, we began building a blueprint for our office space to reflect this new way of working.

Further develop a performance and learning culture

Performance feedback and training

Embracing a future that includes the flexibility of smart working means we have to adapt on how we get things done and deliver results. In this environment, empowerment is the key to success. That's why we started laying the foundations to create a culture of high performance with the help of tools such as coaching, recognition and feedback; this way we can begin to endorse and reinforce the behaviors and competencies that will lead us to success.

Handbook

We build a unique digital source of truth about how we run the company: having an asynchronous documentation-first approach empowers employees to seek out information acting in a self-directed way, which reinforces independence and self-motivation. This is especially important when working in a distributed work environment.

Continuous learning

We shaped the meeting and event structure for our future together with defining a guide on how to run them

Sustain employee engagement and well-being

Informal communication

We immediately identified communication as crucial. But we had to rethink our methods starting from a pre-COVID culture featuring social interactions and get-togethers as one of our USPs. We are shaping how we use our internal communication tool to help us humanise remote work and maintain a strong social, informal and engaging communication in a virtual way.

Metrics

To improve people's engagement and contribute to enhance overall business performance we run surveys throughout different touchpoints of the employee journey. For the times we were living in, to understand trends and bring out potential challenges, we focused heavily on engagement and wellbeing to evaluate any actions to further support our people.

Work perks

We are working on adapting and evolving benefits and perks offered to employees to give more choice and flexibility.

**unique selling proposition*

Consolidated financial statements
31 December 2020

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR	Notes	31 Dec 2020	31 Dec 2019
Revenues	7	105,065	349,045
Marketing costs	8	(49,093)	(130,038)
Personnel costs	9	(47,314)	(72,669)
Other operating costs	10	(53,582)	(90,990)
Amortization and depreciation	18/19	(21,278)	(19,111)
Impairment	18	(133)	(27)
Operating Profit / (Loss)		**(66,334)**	**36,210**
Gains/losses from disposal of inv. and other	11	(3,045)	(106)
Finance income	12	2,623	601
Finance costs	12	(1,737)	(1,512)
Share of result of equity-accounted investees	22	(93)	(9)
Profit / (Loss) before income tax		**(68,586)**	**35,184**
Income tax	13	6,538	(11,244)
Profit / (Loss) for the period		**(62,048)**	**23,940**
- thereof attributable to the Shareholders of lastminute.com N.V.	14	(61,208)	24,956
- thereof attributable to non-controlling interest	26	(840)	(1,016)
OTHER COMPREHENSIVE INCOME **Items that will never be reclassified to profit or loss**			
Remeasurements of the Employee benefits liability	15	(697)	(755)
Related tax	13	148	156
Items that will never be reclassified to profit or loss		**(549)**	**(599)**
Items that are or may be reclassified to profit or loss Foreign currency translation differences		(633)	793
Items that are or may be reclassified to profit or loss		**(633)**	**793**
Total other comprehensive income for the period, net of tax		**(1,182)**	**194**
Total comprehensive income		**(63,230)**	**24,134**
- thereof attributable to the Shareholders of lastminute.com N.V.		(62,390)	25,150
- thereof attributable to non-controlling interest		(840)	(1,016)
EARNINGS PER SHARE			
Basic earnings per share (in EURO)	14	(5.56)	2.27
Diluted earnings per share (in EURO)	14	(5.56)	2.27

Consolidated Balance Sheet

in '000 EUR	Notes	31 Dec 2020	31 Dec 2019
NON CURRENT ASSETS			
Property plant and equipment	18	2,902	2,831
Right-of-use Assets	17	11,293	13,136
Intangible assets	19	152,228	156,009
Goodwill	19-20	60,412	61,229
Non-current financial assets	21	1,336	1,430
Investment in equity accounted investees	22	872	966
Trade and other non current receivables	23	-	265
Deferred tax asset	13	14,000	5,254
TOTAL NON CURRENT ASSETS		**243,043**	**241,120**
CURRENT ASSETS			
Inventories		-	14
Current financial assets	21	2,299	1,936
Current tax assets	13	1,221	1,239
Trade and other receivables	23	51,722	98,229
Contract assets	24	2,138	7,727
Cash and cash equivalents	25	137,618	110,360
TOTAL CURRENT ASSETS		**194,999**	**219,505**
TOTAL ASSETS		**438,041**	**460,625**
SHARE CAPITAL AND RESERVES			
Share capital	26	117	117
Capital reserves	26	101,819	101,819
Currency translation reserve	26	1,371	2,004
Treasury share reserve	26	(9,108)	(9,108)
Retained earnings / (losses)	26	(25,409)	35,330
TOTAL EQUITY of THE GROUP		**68,790**	**130,162**
Non-controlling interest	26	292	2,525
TOTAL EQUITY		**69,082**	**132,687**
NON CURRENT LIABILITIES			
Employee benefits liability	15	8,917	7,616
Long Term Financial Liabilities	28	28,721	10,982
Long Term Lease Liabilities	17	6,767	7,380
Deferred tax liabilities	13	28,266	27,198
TOTAL NON CURRENT LIABILITIES		**72,671**	**53,176**

in '000 EUR	Notes	31 Dec 2020	31 Dec 2019
CURRENT LIABILITIES			
Current provisions	27	3,856	904
Short term financial liabilities	28	67,236	24,399
Short term lease liabilities	17	4,980	5,921
Current tax liabilities	13	5,757	6,753
Trade and other payables	29	213,908	226,169
Contract liabilities	24	550	10,616
TOTAL CURRENT LIABILITIES		**296,288**	**274,762**
TOTAL LIABILITIES		**368,959**	**327,938**
TOTAL LIABILITIES AND EQUITY		**438,041**	**460,625**

Consolidated statement of changes in equity

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2020		**117**	**101,819**	**2,004**	**(9,108)**	**35,330**	**130,162**	**2,525**	**132,687**
Result for the period		-	-	-	-	(61,208)	(61,208)	(840)	(62,048)
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	(549)	(549)	-	(549)
- Foreign currency translation differences	26	-	-	(633)	-	-	(633)	-	(633)
Total other comprehensive income net of tax		**-**	**-**	**(633)**	**-**	**(549)**	**(1,182)**	**-**	**(1,182)**
Total comprehensive income net of tax		**-**	**-**	**(633)**	**-**	**(61,757)**	**(62,390)**	**(840)**	**(63,230)**
Transactions with shareholders									
- Deconsolidation of Destination		-	-	-	-	-	-	(350)	(350)
- Transactions with non-controlling interest	26	-	-	-	-	1,018	1,018	(1,043)	(25)
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**(1,018)**	**(1,018)**	**1,601**	**(375)**
Balance at 31 December 2020		**117**	**101,819**	**1,371**	**(9,108)**	**(25,409)**	**68,790**	**292**	**69,082**

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2019		**117**	**101,819**	**1,211**	**(8,507)**	**14,713**	**109,353**	**1,941**	**111,294**
Result for the period		-	-	-	-	24,956	24,956	(1,016)	23,940
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	(599)	(599)	-	(599)
- Foreign currency translation differences	26	-	-	793	-	-	793	-	793
Total other comprehensive income net of tax		**-**	**-**	**793**	**-**	**(599)**	**194**	**-**	**194**
Total comprehensive income net of tax		**-**	**-**	**793**	**-**	**24,356**	**25,149**	**(1,016)**	**24,133**
Transactions with shareholders									
- share-buy back plan	26	-	-	-	(816)	(2,585)	(3,401)	-	(3,401)
- Sale of treasury shares	26	-	-	-	215	-	215	-	215
- Transactions with non-controlling interest	26	-	-	-	-	(1,154)	(1,154)	1,601	447
Total transactions with shareholders		**-**	**-**	**-**	**(601)**	**(3,739)**	**(4,340)**	**1,601**	**(2,739)**
Balance at 31 December 2019		**117**	**101,819**	**2,004**	**(9,108)**	**35,330**	**130,162**	**2,525**	**132,687**

Consolidated cash flow statement

in '000 EUR	Notes	2020	2019
Cash flow from operating activities			
Profit / (Loss) for the period		(62,048)	23,940
Adjustments for:			
Amortization and depreciation	18/19	21,278	19,111
Impairment losses on intangible and tangible assets	18/19	133	27
Net finance result	12	(885)	910
Gains/losses from disposal of inv. and other	11	3,045	106
Income tax expense	13	(6,538)	11,244
Share of result of equity-accounted investees	22	93	9
Change in trade and other receivables	23	47,477	(18,849)
Change in contract assets	24	5,589	(3,866)
Change in inventories		14	-
Change in trade and other payables	29	(13,098)	40,679
Change in contract liabilities	24	(10,066)	3,357
Change in provisions	27	2,952	344
Change in defined benefit liability	15	541	670
Interest (paid) / received		(1,032)	(632)
Income tax (paid) / received		(2,692)	(6,320)
Net cash (used in) / from operating activities		**(15,237)**	**70,730**
Cash flow from investing activities			
Purchase of property, plant and equipment	18	(1,961)	(1,680)
Proceeds from sale of property, plant and equipment	18	121	30
Purchase of intangible assets	19	(9,085)	(15,011)
(Acquisition) of subsidiaries, net of cash acquired	5	(1,576)	(828)
Payment of deferred consideration (Investing)		-	(6,000)
(Acquisition) / proceeds of financial assets	21	(38)	(350)
Net cash (used in) / from investing activities		**(12,539)**	**(23,839)**

in '000 EUR	Notes	2020	2019
Cash flow from financing activities			
Proceeds from borrowings	4	81,940	20,000
Repayments of lease liabilities	17	(6,212)	(5,927)
Repayments of borrowings	4	(21,305)	(23,565)
Share Buy back plan	26	-	(816)
Acquisition of non-controlling interests	26	(25)	-
Proceeds from sale of own shares		-	481
Net cash (used in)/from financing activities		**54,398**	**(9,827)**
Net increase / (decrease) in cash and cash equivalents		**26,622**	**37,064**
Cash and cash equivalents at 1 January	25	110,360	72,871
Effects of currency translation on cash and cash equivalents		636	425
Cash and cash equivalents at 31 December	25	137,618	110,360

Notes to the consolidated financial statements

Note 1 - General Information

Lastminute.com N.V. (hereinafter referred to as the "Company") is a company domiciled in the Netherlands and registered with the Chamber of Commerce under number 34267347. The address of the Company's registered office is Prins Bernhardplein 200, 1097 JB Amsterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2020 include the Company and its subsidiaries (together referred to as "lastminute.com Group", the "Group" or "LMN" and individually as "Group entities"). The Group is an online travel player providing consumers with online tools and technologies that allow them to easily search for, compare and book flights, vacation packages and cruises, hotel accommodations, car rentals and other travel products and services. These financial statements cover the year 2020, which ended at the balance sheet date of 31 December 2020.

Note 2 - Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except as explained in the paragraph that addresses adoption of new and revised standards and interpretations and have been applied consistently by Group entities.

Basis of preparation

The consolidated financial statements of the Company are part of the statutory financial statements of the Company. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Dutch Civil Code. The consolidated financial statements are presented in thousands of Euros and all amounts (including totals and subtotals) have been rounded according to normal commercial practice.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value and the employee benefits liability, measured at the fair value of plan assets less the present value of the defined benefit obligation.
The consolidated financial statements have been prepared on a going concern basis. Refer to the Use of Estimates and Judgments paragraph for a detailed assessment of the going concern assumption in the light of the current Covid-19 crisis.
The consolidated financial statements were authorised for issue by the Board of Directors on 25 March 2021.
The Group has evaluated the amendment to the following standards and concluded as follows.

IFRS 16 – Covid-19 Related Rent Concessions

On May 28, 2020, the IASB issued the amendment to IFRS 16 Leases "Covid-19 Related Rent Concessions" by introducing a practical expedient to the chapter related to leasing modifications.

The amendment introduces an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19 pandemic. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and

- no other substantive changes have been made to the terms of the lease.

The amendment is effective for periods beginning on or after 1 June 2020, with earlier application permitted. The group has performed an assessment over the impact of the amendment and deemed it not applicable at consolidated level, since the main lease contract modifications do not meet the requirements and have been accounted for as a modification to the original contract.

Amendment to IFRS 3 – Business combinations

The Group applied Definition of a Business (Amendments to IFRS 3) to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. See also Note 5 for details of the Group's acquisition of a subsidiary during the year.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Estimates are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements as well as information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year affects mainly the following areas:

Covid-19

The outbreak of the Coronavirus (Covid-19) and the severe measures taken by governments are impacting on society and travel business unprecedentedly. During the year, many countries have declared state of emergency and, among others, issued restrictions to free movement within the countries but also across borders, airlines have suspended most of their flights and tour operators their travel operations. In this context, up to the end of February 2020, the Group has performed better than the budget and the last year figures. The trend has reversed starting from the last week of February. Starting early March, the main countries in which the Group operates have started to follow the declining trend. During the summer, after several weeks of lockdown, many countries have reopened borders and bookings started to bounce back even if bookings volumes figures have been lower when compared to last year. From the last week of May then, the Group experienced a steep rebound that culminated at the end of June with a recovery of around 50% of 2019 volumes (at booking level). The OTA flight business has been the driver of such a rebound, primarily thanks to an effective marketing and pricing strategy that enabled the Group to intercept and convert into a growing number of bookings the rising demand of travel's solutions around Europe. Hotel-only business, which – in absolute terms – counts for a small portion of the overall size of the Group business, performed very well too. META and Media have been affected by the significant slowdown of traffic on the Group websites but, due the lean cost structure, they were able to limit the impact on the profit and loss. Until the middle of August, the Group had seen continued progress, particularly in July when the curve of OTA bookings reached -35% volume compared to the 2019 level. Even in such a difficult context, the Group overperformed the reference market that stayed at -60/65% on average. Despite the relatively good performance registered in the summer season, the Group suffered with the rise of the second wave of the pandemic and the business showed signs of a slowdown, driving volumes down to -65% compared to the same period of last year. As a result of new restrictions and the drop in traveller confidence, the Group has experienced such a slowdown over the winter season.

The main impacts of COVID-19 on the consolidated statement of profit or loss are on revenues and personnel costs. The effect on revenues is driven by cancellations due to the restrictions in flights and subsequent voucher campaigns. Cancellations collected during the year, accounted for EUR 30.1 million with main negative effect on revenues, were fully recorded in the profit and loss of the period. The effect on personnel costs is driven by the benefit related to the working hours reductions plans granted by the Governments in the core markets where the Group operates for a total amount of EUR 16.9 million fully recorded in the profit and loss. The Group has taken a variety of measures in the effort to maintain an adequate level of liquidity in the foreseeable future based on these scenarios. These measures include a) decisions to reduce the cost base, e.g. stopping of projects, reducing marketing non-performance and overhead spend as well as freezing hiring of employees and b) utilizing all the available supporting measures for the business community put in place by the Governments in the core markets where the Group operates, e.g. government secured financing and short-time work compensation. Overall, the magnitude of the cost reduction program, including all the actions described above, has generated savings amounting around EUR 30 million on a yearly basis. From a financial perspective, the rebound experienced in summer on booking volumes has contributed to positive working capital dynamic and to higher revenue, allowing the Group to generate operating cash again. In order to further protect the financial structure, the Group has extended seasonal credit lines, has obtained new financings from major financial institutions and is accessing government secured financing, for example in Switzerland for a total amount of EUR 81,940 thousand. With reference to the existing covenants the Group has already secured with the related bank the availability to consider as extraordinary any potential impact of Covid-19 on the Group's balance sheet, obtaining the related waivers, therefore not impacting the continuity of the financing. At 31 December 2020, Cash available stood at EUR 137.6 million and Net Financial Position reached EUR 33.5 million. See Note 28 of the consolidated financial statements for further details. The entrepreneurial actions explained in the paragraph above have been taken also to secure the going concern of the Group for the foreseeable future. Based on the situation as of the dates leading to the publication of the consolidated financial statements the Group has performed scenario analyses and stress tests using assumptions on the recovery in bookings and the availability of vaccines that will have positive effects on travel confidence. The analyses cover net revenues, business EBITDA as well as the liquidity situation. The Group performed analyses on the cash flow forecast and assessment on the upcoming years. Based on that, the Group believes that payment obligations can be met even in the worst case scenario. While uncertainties remain on the timing of the business recovery and it is currently not reasonably possible to estimate the future impact, based on the actions taken and described above management does not have any reason to believe that the Group is not able to continue as a going concern.

Income taxes

As of 31 December 2020 the net liability for current taxes amounts to EUR 4,536 thousand (2019: net liability for current taxes of EUR 5,514 thousand). The net liability for deferred taxes amounts to EUR 14,266 thousand at 31 December 2020 (2019: EUR 21,944 thousand, refer to Note 13 for further details). Significant estimates are required in determining the current and deferred tax assets and liabilities. Some of these estimates are based on interpretations of existing tax laws and regulations. Management believes that these estimates are reasonable and that the recognised liabilities for income tax-related uncertainties are adequate. Various internal and external factors may have favourable or unfavourable effects on the income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation, and changes in tax rates. Any such changes that arise could impact the current and deferred income tax assets and liabilities recognised in the balance sheet in future periods. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

As of 31 December 2020 management recognised deferred tax assets on losses carried forward for EUR 12,374 thousand based on its estimates of future taxable profits. Management considers it probable that future taxable profits will be available against which such losses can be used.

Provision and contingencies
The use of estimates and judgments is required in order to assess the amount and timing of future cash outflows to settle the present legal or constructive obligations. In case the estimates of Group's management differ significantly from effective cash outflows, the consolidated financial statements could be materially affected. Total provisions amount to EUR 3,856 thousand as of 31 December 2020 (EUR 904 thousand for 2019). For further information see Note 27.

Business combinations
The Group initially recognizes the fair value of identifiable assets acquired, the liabilities assumed, any non-controlling interest on a proportionate basis and the consideration transferred in a business combination. Management judgment is particularly involved in the recognition and fair value measurement of intellectual property and contingent consideration. In making this assessment, management considers the underlying economic substance of the items concerned in addition to the contractual terms. This process impacts the amounts assigned to individually identifiable assets and liabilities, the most significant ones being intangible assets. As a result, the purchase price allocation impacts Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortization expense and impairment tests.

Impairment
As of 31 December 2020 and 2019 the Group had respectively EUR 60,412 thousand and EUR 61,229 thousand in goodwill (see Note 20) and EUR 152,228 thousand and EUR 156,009 thousand in intangible assets (see Note 19). Assets that have an indefinite useful life, such as trademarks owned by the Group, goodwill and intangible assets not yet available for use are not subject to amortization and are annually tested for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. To compute the recoverable amount the Group's management uses key assumptions, e.g. a discount rate reflecting the risk of the assets tested for impairment and future expected cash flows generated by these assets. Actual outcomes, e.g. cash flows, may vary significantly from those assumed by management. Factors such as the underperformance of the operating activities, worsening of market conditions, changes in discount rates and lower than anticipated revenues derived from the assets could lead to a significant impairment.

Basis of consolidation

The consolidated financial statements include the financial information of the parent company lastminute.com N.V. and of the companies over which the Group has the right to exercise control, either directly or indirectly.

Business combinations
Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss below operating profit.
The consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group and the fair value of any contingent consideration. Transaction costs, other than those associated with the issue of debt or equity securities, incurred in connection with a business combination are expensed as incurred.

Subsidiaries
Control exists when lastminute.com N.V. is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.
The financial statements of subsidiaries that are controlled by the Group are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners acting in their capacity of owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Loss of control
When the Group ceases to have control over a subsidiary it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. This value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in associates, which are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies (generally a 20% to 50% shareholding). Interests in associates are accounted for using the equity method. They are recognised initially at cost. Subsequently to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.
Additional information regarding changes in the scope of consolidation is provided in Note 5.

Functional and presentation currency

The financial statements of subsidiaries, associates and joint ventures are prepared in the currency of the primary economic environment in which they operate (the "functional currency"). The consolidated financial statements are presented in Euro (EUR), which is the functional currency of the parent company. In individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency at year-end rates. Any resulting exchange differences are recognised in profit or loss.

Foreign operations are consolidated as follows:

- the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the average exchange rates for the period when considered a reasonable approximation of the spot rate.
- foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

Property, plant and equipment

Property, Plant and Equipment is stated at acquisition or construction cost less accumulated depreciation and impairment losses or reversals. Acquisition and construction costs include all expenses directly attributable to the acquisition and necessary to bring the asset to working condition for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset will be capitalised as part of the acquisition cost of that asset.
An asset is deemed to be a qualifying asset if a substantial amount of time is required to ensure that it is in the intended state ready for use or sale.

Subsequent costs
Subsequent expenditures are capitalised only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as incurred.

Depreciation
Depreciation is charged to profit or loss on a straight-line basis over the following estimated useful lives:

IT Equipment	5 years
Furniture	3-5 years
Other property, plant and equipment	4 years

Depreciation on property, plant and equipment begins when it is in the working condition intended by Management. The residual value and the useful economic life of property, plant and equipment are reviewed annually and adjusted where necessary. Gains and losses arising from the sale of property, plant and equipment are recognised in the statement of profit or loss.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

Intangible assets are stated at cost less any accumulated amortization and impairment losses.

Trademarks
Trademarks acquired in a business combination are recognised at fair value at the acquisition date. They are tested annually for impairment. All trademarks have been assumed to have an indefinite life upon the absence of a foreseeable limit to the period over which the assets are expected to generate net cash inflows. They are tested annually for impairment or whenever events or changes in circumstances indicate that trademarks may be impaired.

Capitalized development costs
The capitalised development costs of lastminute.com Group consist mainly of capitalised internal and external expenditures for the development of the websites of lastminute.com Group.

Internal and external development expenditures are capitalized if:

- they lead to new or substantially improved features on the internet page or other intangible assets;
- the finalization of the development is technically and commercially feasible;
- the Group has the intention to complete the project and the ability to use the new or substantially improved features;
- the Group has sufficient resources to complete the development; and
- the expenditure can be measured reliably.

Development expenditures that do not fulfil the above criteria are expensed as incurred.
The expenditure capitalised includes the cost of materials together with internal and external project costs as well as borrowing costs that are directly attributable to a development project.

Other Intangible assets
Other intangible assets include, among others, customer relationships externally acquired by the Group. Based on the initial assessment, they could be considered as intangible assets with a definite or indefinite useful life. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date.

Amortisation
Amortisation of intangible assets is charged to profit or loss on a straight-line basis over their estimated useful life. Amortisation of intangible assets begins at the date they are available for use. Intangible assets with an indefinite useful life are not amortised. They are tested annually for impairment or whenever events or changes in circumstances indicate that trademarks may be impaired.

Capitalized development cost (software)	2-5 years
Other intangible assets	2-4 years

The residual value and the useful economic life of intangible assets are reviewed annually and adjusted where necessary.
Gains and losses arising from the sale of intangible assets are recognised in the statement of profit or loss.

Goodwill

At the date of acquisition and the date of control, the equity of the consolidated companies is determined by attributing to the individual assets and liabilities their fair value. The remaining difference, if any, compared to the cost of acquisition, if positive, is recorded in goodwill; if negative, after having remeasured the fair value of the acquired assets and liabilities, such difference is recognised in the statement of profit or loss. Whenever the initial recognition of a business combination can be determined only provisionally, adjustments to the initially allocated values are recognised within 12 months from the acquisition date.

Impairment of non-financial assets

The carrying amount of the Group's property, plant and equipment and intangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's (or the respective cash-generating units) recoverable amount, being the higher of its fair value less cost of disposal and its value in use, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually.
The test is performed at the end of every year so the date of testing is the year-end closing date of the consolidated financial statements. Goodwill acquired and allocated during the year is tested for impairment at the end of the year in which the acquisition and allocation took place. Goodwill is allocated and tested at operating segment level as it is not monitored at a lower CGU level.

Any impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.
Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reviewed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment

loss had been recognised. An impairment loss in respect of goodwill is not reversed.

Leases

For any new contract entered from the 1st January 2020, the Group considered whether it is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition the Group assesses whether the contract meets key evaluations which are whether:
- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability (principal) and finance cost. The finance cost is charged to profit and loss over the lease period (interest expense) so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets and liabilities arising from a lease are initially measured on a present value basis. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Under the cost model, an entity measures a right-of-use assets at:
- initial cost as described above;
- less accumulated amortisation (recognised in accordance with the depreciation requirements of IAS 16) and
- accumulated impairment losses (recognised in accordance with IAS 36);

Impairment (in accordance with IAS 36) should be identified at the individual asset level if the individual asset generates cash inflows that are largely independent from other assets. Where the recoverable amount of the right-of-use asset cannot be determined individually, the impairment test moves to the level of the cash-generating unit ('CGU') to which the right-of-use asset belongs.

Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequently to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

In applying IFRS 16, the Group has used the following practical expedients permitted by the standard:
- low-value lease: leases whose underlying asset has been evaluated less than EUR 5,000 have been excluded;
- short-term lease: leases that, from commencement date, have a lease term less than 12 months as at 1 January 2019;
- discount rate: apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- initial direct costs: exclude initial direct costs from the measurement of right-of-use assets at the date of initial application.
- lease term: the Group used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

In 2020, the Group has performed an assessment over the amendment to IFRS 16 related to Covid-19 rent concessions. For further details please refer to the opening paragraph.

Financial instruments

Financial assets
Financial assets are initially recognised on the trade date at fair value plus any directly related transaction costs. Subsequently, they are categorised and measured as follows:
- Derivatives, part of financial assets are measured at fair value through profit or loss , whereby changes in the fair value are immediately recognised in profit or loss;
- loans and receivables at amortised cost, whereby the difference between the issue and repayment amount is recognised in profit or loss using the effective interest method over the period to maturity;

The classification of financial assets depends on the purpose for which they were acquired. Management determines the classification at initial recognition.

Impairment of financial Assets
The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Investments
Investments are measured at fair value with changes in their value recognised in profit or loss.

Trade and other receivables
Trade and other receivables are initially measured at fair value. Subsequently to initial recognition, they are measured at amortised cost based on the effective interest rate method.

Cash and cash equivalents
Cash and cash equivalents are stated at book value that approximates the fair value. They include cash on hand, bank accounts, debit balances on credit card accounts and fixed-term deposits with a term of less than 90 days based on original maturity date.

Financial liabilities
Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. They are subsequently stated at amortised cost, whereby the difference between the issue and repayment amount is recognised in profit or loss using the effective interest method over the period to maturity.

Trade and other payables
Trade and other payables are stated initially at fair value and subsequently at amortised cost, which generally corresponds to their book value that approximates the fair value.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value is material, provisions are determined by discounting the expected future cash flows.

Employee benefits

Post-employment plans

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Post-employment plans for employees are maintained based on the respective legislation in each country. The plans in Switzerland, Italy and France are determined as defined benefit plans. The Swiss pension plan is financed by employer and employee contributions and the funds and foundation are financially independent from the Group. The Italian plan relates to the employee severance indemnity (TFR) that represents a contribution plan. In France employees benefit from the "Indemnités de Fin de Carrière" defined as a "defined benefit" plan.
The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method (PUCM). The pension fund obligations and the related plan assets are assessed annually by a qualified actuary. Current service costs and net interest on the net defined benefit liability or asset are recognised as "Personnel costs". The Group determines the net interest expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability or asset.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding interest) are immediately recognised in other comprehensive income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately as "Personnel costs". A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

Share-Based Payment Transactions

On 26 March 2015, the Group established a new cash-settled share-based payment arrangement. The fair value of the amount payable to employees in respect of the arrangement, which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the rights. Any changes in the liability are recognised in profit or loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares and options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings.

Revenue recognition

The paragraphs below summarise the revenue recognition basis for the Group's revenues streams.

Online Travel Agency (OTA)

Within Online Travel Agency (OTA) services, The Group offers travel services on a stand-alone and package basis generally either through the merchant or the agency business model. Merchant revenues are derived from travel related transactions where the Group facilitates the payments from travellers for the services provided. The Group records cash collected from travellers, which includes the amounts owed to the travel service providers and the Group's commission, and recognised revenues once the transaction with the customer is finalised. Agency revenues are derived from travel-related transactions where the Group does not facilitate payments from travellers for the services provided. The Group receives commissions from the travel suppliers. Under the merchant model the Group's customers are represented by the travellers while in other transactions the Group's customers are the service providers. When a customer posts a booking on the internet page of the companies of the Group, lastminute.com Group passes the booking to the travel supplier. Lastminute.com Group acts as an agent or broker. Revenue from the intermediation of travel services therefore consists of the commission that represents the difference between the total amount receivable from the customer and the amount payable to the travel supplier or the related commissions received from the travel supplier. Depending on the cancellation policy the customers may receive a cash refund or a voucher from the Group. The refund does not change the accounting nature for the voucher issued and in accordance with IFRS 9 financial liabilities are initially measured at fair values. When the original booking is cancelled, the Group has already fulfilled its performance obligation and the traveller hasn't yet made a new booking which would give rise to a new contract under IFRS 15 and a new performance obligation as an agent. Revenue from commissions paid by financial and commercial partners under specific revenue-sharing agreements, such as commissions received from telecom operators based on the volume of inbound calls to our premium customer service numbers, is recognized according to the information provided on their periodical statements.
See below for further information on the main OTA revenue streams.

- **Revenues from sales of travel services**

This line includes the commissions generated from the sale of hotels, flights, dynamic packages, tour operators and other OTA products. Revenue is recognised upon transfer of control of the promised services in an amount that reflects the consideration expected to be entitled to in exchange for those services. Revenues for online travel reservation services are recognized at a point in time when the customer has completed its booking.

- **Revenues from over commissions, kickback and rebate**

The Group also receives incentives (overcommission) from its Global Distribution System (GDS) service providers based on the volume of purchases mediated by the Group through the GDS system and kickback from merchants. The revenues are recognised during the year on the basis of the agreements with the flight companies and merchants.

- **Revenues from ancillaries**

The Group receives commissions from the intermediation of ancillary services, such as insurance on packages sold to the customers. Revenues for ancillaries are recognized at a point in time when the customer has completed its booking. They also include, as example, additional luggage and parking fees.

- **Revenues post sales**

The Group receives commissions from the intermediation of post sales services such as administration fees on refunds and voucher misredemption.

- **Other revenues**

The line includes residual income received during the year, not allocable to other streams.

Media revenues

The Group generates other revenues, which primarily comprise revenue from advertising and metasearch activities. Revenue from advertising services comprises revenue from providing advertisement banners on the Group's companies websites. Revenue derived from the delivery of advertisements is recognized either at the time of display of each individual advertisement, or when the service is transferred to the customer over the delivery period. Media revenues are included in revenues from advertising services line items.

Metasearch revenues

Metasearch revenues are recognised at the time when searches, clicks and purchases are generated by our metasearch activities. Metasearch revenues are included in the revenues from sales of travel services line items.

Marketing costs

Marketing costs include both online and offline costs. Online costs (also called performance marketing costs) are variable costs linked to online marketing and advertising activities in which the Group pays marketing companies (search engines, affiliates) when a specific action is completed such as a sale, lead or click. Offline costs (also called non-performance marketing costs or brand marketing costs) are the costs sustained to improve the brand awareness. Marketing costs are recognised in consolidated statement of profit and loss when the underlying expenditure is incurred and classified as such based on their nature.

Other operating costs

The Group considers as "Other operating costs'' all the other costs that are incidental to the business. It includes, by nature, expenses that are incurred in the Group for its normal operational purposes and activities This line comprise a portion of variable costs, such as credit card processing fees and service costs, and a portion of fixed costs, such as consultancy, overhead and rent fees. Other operating costs are recognised in consolidated statement of profit and loss when the underlying expenditure is incurred and classified as such based on their nature.

Income taxes

Income tax comprises current and deferred taxes. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity (i.e. transactions with shareholders), in which case it is recognised in other comprehensive income or equity.

Deferred taxes are determined using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

No deferred taxes liabilities are recognised for taxable temporary differences upon the initial recognition of goodwill. The amount of deferred taxes is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets resulting from temporary differences and tax loss carry-forwards are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.
Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

New and revised standards and interpretations not yet applied

The following new and revised standards and interpretations have been issued but are not yet effective and are not applied early in these consolidated financial statements. Their impact on the consolidated financial statements has not been systematically analysed yet.

New Standards or Interpretations	Effective date: annual period beginning on or after:	Mandatory application in the EU: annual period beginning on or after:
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020) - (*2)	01 Jan 23	Not yet endorsed
Amendments	**Effective date annual period beginning on or after:**	**Mandatory application in the EU: annual period beginning on or after**
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively) - (*1)	01 Jan 23	Not yet endorsed
"Amendments to: • IFRS 3 Business Combinations; - (*1) • IAS 16 Property, Plant and Equipment; - (*1) • IAS 37 Provisions, Contingent Liabilities and Contingent Assets - (*1) • Annual Improvements 2018-2020 - (*1) (All issued 14 May 2020)"	01 Jan 22	Not yet endorsed
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020) - (*1)	01 Jan 21	Not yet endorsed
IASB and IFRS IC documents that have been endorsed	**EU Effective date**	**Date of endorsement**
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (issued on 25 June 2020) - (*1)	01 Jan 23	Not yet endorsed
Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 28 May 2020) -	01 Jan 22	Not yet endorsed
Amendments to IFRS 3 Business Combinations (issued on 22 October 2018) - (*1)	01 Jan 21	Not yet endorsed
Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform (issued on 26 September 2019) - (*1)	01 Jan 20	15 Jan 20
Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) - (*1)	01 Jan 20	29 Nov 19
Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018) - (*1)	01 Jan 20	29 Nov 19

1. The impacts on the consolidated financial statements of the Group are expected to be additional disclosures or minor changes in presentation of items and no impacts on accounting treatment
2. No or no significant impacts are expected on the consolidated financial statements of the Group.

Note 3 - Changes in accounting policies

There are no significant changes in accounting policies during the year.

Note 4 - Financial Risk Management

Financial Instruments

The following table shows the Group's financial instruments arranged according to the categories defined in IFRS 9:

in '000 EUR	31 Dec 2020	31 Dec 2019
Non current financial assets	1,336	1,430
Current financial assets (Deposits and other)	2,299	1,936
Trade and other receivables * (Current and Non Current)	45,172	88,782
Cash and cash equivalents (excl. Cash on hand)	137,615	110,339
Total financial assets measured at amortised cost	**186,422**	**202,487**
Short term and long term financial liabilities	95,957	35,381
Short term and long term lease liabilities	11,747	13,301
Total financial liabilities measured at amortised cost	**313,390**	**257,124**
Derivative financial instrument liabilities	-	173
Total financial liabilities at fair value through profit or loss	**-**	173

** "Trade and other receivables/payables" do not include credit/debit VAT position, and other non-cash items such as liabilities to employees as of 31 December*

For further details refer to Note 21.

The carrying amounts of the above listed loans and receivables including cash and cash equivalents as well as of the financial liabilities measured at amortised cost approximate the estimated fair value of these financial instruments.
With reference to the existing covenants the Group has already secured with the related bank the availability to consider as extraordinary any potential impact of Covid-19 on the Group's balance sheet, obtaining the related waivers, therefore not impacting the continuity of the financing.

As of 31 December 2020 the Group held no derivatives, investments funds, securities and collaterals
For evidence of the bank guarantees make reference to Note 32.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of 31 December 2020 the Group held no derivatives or investments funds.

Financial risk management

Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. At a group level risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Executive management of the Company and particularly with the Chief Financial Officer, the Group Chief Executive Officer and Chief Executive Officer of lastminute.com. Organizational and process measures have been designed to identify and mitigate risks at an early stage.
Certain changes have been made to the principal risks and uncertainties reported in the previous year as a result of the effects of COVID-19 which has had a wide-ranging impact on every principal risk. The Group has reported on the impact of the pandemic on each of its principal risks, as set out below.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	01 Jan 2020	Repayments (principal + interest)	Interest Charges	Addition	Other non cash movements	Deferred payment for acquisition	31 Dec 2020	Currency	Year of maturity
Uncommitted bank loans/overdraft	10,034	(18,413)	706	53,473	-	-	45,800	EUR	2021-2022
Committed bank loans	24,549	(3,859)	366	-	56	-	21,112	EUR	2022 - 2023
Covid 19 government secured bank loan	-	(65)	104	25,354	(451)	-	24,941	EUR - CHF	2023 -2025
Other Finacial liabilities	798	-	-	3,113	(206)	400	4,104	Different currencies	2021
Total	**35,381**	**(22,337)**	**1,176**	**81,940**	**(601)**	**400**	**95,957**		

The interest payments on loans in the table above reflect the market interest rates at the reporting date and these amounts may change as market interest rates change.

As of 31 December 2020 current financial liabilities amount to EUR 67,236 thousand (2019: current financial liabilities of EUR 24,399 thousand) and long-term financial liabilities amount to EUR 28,721 thousand (2019: long term financial liabilities of EUR 10,982 thousand). The increase is mainly related to the opening of loans granted by top rated European banks and Covid-19 related bank loans granted by the Government.

Considering COVID-19 the Group has considered the following effects on credit and liquidity risk:

a. Failure of main supplier: In the event of airline failure the Group must refund the customers or replace the customer's flight arrangements with a possible incremental cost of the booking.

In order to mitigate the risk, the Group is constantly monitoring its cash and working capital position to ensure it has sufficient funds to refund/replace customer bookings. The Group has also adopted a cash protection program that included the extension of seasonal credit lines, obtainment of new financings from major financial institutions and government secured financing.

b. Recoverability of airline and hotel refunds: COVID-19 and the measures to contain the spread of the virus resulted in a lot of arranged travel services being cancelled by the travel service providers. For that reason, the Group had to face the issue related to airlines/hotels not timely refunding flight/hotel costs and in some cases the Group had decided to refund the customer before it receives the monies from the airlines/hotel.

In order to mitigate the risk, the Group started a negotiation with the main airlines to secure its receivable position. Moreover, specific consideration had been done on bad debt provision calculation. For evidence of the calculated risk refer to the paragraph related to exposure to credit risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and bank receivables.

Transactions with customers are to a large extent processed by secured credit card payments, where the Group takes no or only limited credit risk if a customer fails to pay. On the other hand, lastminute.com Group is exposed to credit risk concentration in connection with its receivables from credit card companies and from the collection of commissions from other parties. Flows from credit card transactions are managed through international leading banks. The creditworthiness of these institutions is reviewed periodically.

Due to the focus on dynamic packaging and the investment in digital rather than physical assets, the Group business model diversification means that the company is not facing typical risks of classic tour operators such as lack of flexibility in terms of period of vacation and supplier offers. For any further information refer to Note 7 and Note 23.

As part of credit risk, the Group is subject to counterparty risk in respect of the cash and cash equivalents held on deposit with banks and foreign currency financial instruments. The Group generally deposits cash and undertakes currency transactions with highly-rated banks. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties

Exposure to credit risk
The maximum credit risk exposure of the Group is limited to the carrying amounts of its financial and trade assets. The maximum exposure to credit risk at the reporting date was as follows:

in '000 EUR	31 Dec 2020	31 Dec 2019
Non current financial assets	1,336	1,430
Current financial assets	2,299	1,936
Trade and other receivables * (Current and Non Current)	45,172	88,782
Contract assets	2,138	7,727
Cash and cash equivalents (excl.cash on hand)	137,615	110,339
Total	**188,560**	**210,214**

* "Trade and other receivables" do not include credit VAT position and other non-cash items as at 31 December

Cash and cash equivalents are held by primary financial institutions with high credit ratings. Cash and cash equivalents at 31 December 2020 are mainly held in Euro.

As it relates to deposits, as of 31 December 2020, the Group held cash in bank depository accounts of 137,615 thousand (primarily in Intesa San Paolo, Corner Banca, BBVA and other primary European banks).

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 or 1 January 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2020 was determined as follows:

	NOT DUE	0-30	31-90	91-180	181-360	OVER 360	TOT
Expected credit loss %	2%	2.5%	5%	20%	60%	100%	
Credit loss other receivable	**24**	**123**	**915**	**127**	**1,061**	**4,523**	**6,774**

As explained above one of the consequences of the pandemic was the cancellations of a lot of arranged travel services by the travel service providers. The cancellations of the bookings managed by the Group have resulted in receivables from service providers booked in the balance sheet.

Due to the exceptional circumstances of these cancellations, the Group considered this kind of receivables to be included in a specific cluster for calculating the risk associated.

On that basis, the loss allowance for service providers (airline and hotel) as at 31 December 2020 was determined as follows:

	NOT DUE	0-30	31-90	91-180	181-360	OVER 360	TOT
Expected credit loss %	2%	2%	2%	20%	52%	0%	
Credit loss Hotel	**3**	**5**	**130**	**1,377**	**1,237**	**-**	**2,752**

With regard to the credit loss related to service provided by airlines the Group made a specific assessment for each single receivables position for a total amount of EUR 2,502 thousand.

Liquidity risk
Liquidity risk is the risk that the Group will face difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group meets its obligations from brokering services, in which it acts as an agent between the provider of the service and the customer. The Group maintains credit lines to meet its obligations from such brokering transactions. For other transactions the Group maintains sufficient reserves of cash to meet its liquidity requirements at all times.

The negative working capital is inherent in the business model of online travel agencies (OTA). The gross amount of the travel services rendered to customers is cashed at the time of the booking through credit cards, while the corresponding amounts net of the OTA's margin is payable later.

As of 31 December 2020, the total amount of unused available cash credit lines for the Group was EUR 7,700 thousand (EUR 16,251 thousand at 31 December 2019). Trade and other payables are mainly due within 60 days.

The table below shows the contractual maturities of the financial liabilities of the Group at reporting date:

in '000 EUR	31 Dec 2020				31 Dec 2019			
	Not due	Less than 6 months	Between 6 month and 1 year	More than 1 year	Not due	Less than 6 months	Between 6 month and 1 year	More than 1 year
Trade and other payables	(204,406)	(8,335)	(959)	(207)	(206,140)	(18,407)	(669)	(953)
Contract Liabilities	(550)	-	-	-	(10,616)	-	-	-
Liabilities for share-based payment	(1,637)	-	-	-	(1,369)	-	-	-
Short term financial liabilities	(67,236)	-	-	-	(24,399)	-	-	-
Short term Lease liabilities	(4,980)	-	-	-	(5,921)	-	-	-
Long term financial liabilities	(28,721)	-	-	-	(10,982)	-	-	-
Long term Lease liabilities	(6,767)	-	-	-	(7,380)	-	-	-
Total	**(314,298)**	**(8,335)**	**(959)**	**(207)**	**(266,807)**	**(18,407)**	**(669)**	**(953)**

The trade and other payables included in not due section had a due date between 60 and 30 days.
For evidence of the maturity dates of financial liabilities make reference to the net debt reconciliation in the present note.

Currency risk
The Group is exposed to some currency risk mitigated by the fact that the majority of all transactions and balances are either denominated in or immediately converted to EUR.

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Euro and British Pounds. The currencies in which these transactions are primarily denominated are Euro, British Pounds, Swiss Francs and US Dollars. The currency risk is mitigated by the fact that most of the transactions are immediately converted in Euro, which is the presentation currency of the Group.

On the other hand, some of the Group's costs and investments are based upon contractually agreed payments that are denominated in CHF, e.g. some of the lease payments for office spaces or some suppliers. As of 31 December 2020, the Group's balance sheet net exposure in CHF amounted to EUR 16,078 thousand (2019 EUR 13,345 thousand). As of 31 December 2020, the Group's balance sheet net exposure in GBP amounted to EUR 8,451 thousand (2019: EUR 37,676 thousand). As of 31 December 2020, the Group's balance sheet net exposure in USD amounted to EUR 2,599 thousand (2019: EUR 9,850 thousand).
A strengthening (weakening) of the EUR against the CHF, GBP and USD of 10% at 31 December would have affected profit or loss by the amounts shown in the table below:

in '000 EUR	31 Dec 2020		31 Dec 2019	
	Strenghtening	Weakening	Strenghtening	Weakening
Currency risk sensitivity in CHF	(1,462)	1,462	(1,213)	1,213
Currency risk sensitivity in GBP	(768)	768	(3,425)	3,425
Currency risk sensitivity in USD	(236)	236	(895)	895

This analysis is based on foreign currency exchange rate variances on the balance sheet position of year end the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Brexit
The Group has subsidiaries incorporated in the UK and does an amount of business in the UK. Moreover, the Group's international coverage makes its business more resilient in case of external shocks such as Brexit.
The UK represents only a bit more than 20% of the Group's overall business.

The Group's has adopted some actions in order to mitigate the risk such as:
- Brexit price guarantee
- Increasing regional UK offering
- Investing in growing the business to the UK as a destination for Dynamic Package in order to leverage a possible strong devaluation of the Pound.
- Minimal Forex risk due to match of in and outflow in GBP.
- Remaining risk hedged by forward derivatives.

Interest Rate Risk
The interest rate risk is the risk that changes in interest rates will affect the Group's result. The impact on profit or loss of the changes in fair value of the fixed-rate bonds investments measured at fair value through profit or loss due to changes in interest rates is not material.

As of 31 December 2020 the Group has short term financial liabilities for EUR 67,236 thousand (31 December 2019: EUR 24,399 thousand) and long-term financial liabilities for EUR 28,721 thousand (31 December 2019: EUR 10,982 thousand). An amount of EUR 16,034 thousand (of which EUR 12,417 thousand is classified as long term) is regulated by variable interest rate (Euribor 6 months). As the Euribor 6m has been negative for all 2020 and analysts expect it to remain negative in the next future, the Group does not see any material impact on its financial statements. During 2020 financial liabilities are mainly related to the opening of loans granted by top rated European banks and Covid-19 related bank loans.

The Group further has cash and cash equivalents with variable interest rates in the amount of EUR 137,618 thousand (31 December 2019: EUR 110,360 thousand). See also Note 25.

As of 31 December 2020 the interest risk is limited to the cash and cash equivalents with variable interest. Taking into consideration the interest rates applied by the financial counterparts of the Group, a reasonable possible change in the interest rates of cash and cash equivalents, which is expected to be below 1%, would not have a material impact on profit or loss.

Price Risk
Due to the nature of the business price risk is considered not significant for the Group.

Note 5 - Changes in the scope of consolidation

Financial year 2020

Business combinations

Acquisition of HolidayiQ

On 9th January 2020, the Group finalised the acquisition of 100% of HolidayiQ Pte Ltd. Total consideration was EUR 2,031 thousand, to be paid in cash in three tranches. The first tranche of the consideration for EUR 1,632 thousand was paid at the closing date.
Moreover, the company has control over the subsidiary Leisure and Lifestyle Information Service Pvt. Ltd, which is the company running the business.
The following table summarises the consideration paid for HolidayiQ Pte Ltd and the amounts of the assets acquired and liabilities assumed, recognised at the acquisition date through the final purchase price allocation exercise:

Consideration (amounts in '000 EUR)	January 2020
Cash	1,632
Future fixed consideration	400
Total consideration paid in cash	**2,031**
Property plant and equipments	15
Tradename	888
Other assets	38
Capitalized external development costs	463
Financial assets	233
Cash and cash equivalents	55
Trade and other receivables	877
Employee liability	(63)
Trade and other payables	(838)
Deferred tax liabilities	(290)
Book value of total identifiable net assets acquired	**1,377**
Goodwill	654
Total Consideration	**2,031**

The Group effectively gained control over HolidayiQ business on 9th January 2020 and consolidated both HolidayiQ Pte Ltd and Leisure and Lifestyle Information Services Pvt Ltd from that date. The Group's transaction costs relating to the acquisition are not material to the consolidated financial statements. Goodwill not yet allocated is mainly attributable to the ability of the business to generate future income and growth through the recognition of the tradename and web domain and the opportunity for the Group to expand its footprint in APAC countries.

After the completion of the purchase price allocation exercise the Group recognised the fair value of the tradename for EUR 888 thousand. The valuation techniques used for measuring the fair value of tradename acquired are the relief-from-royalty method and multi-period excess earnings method. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the asset being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
HolidayiQ has developed an automated engine (Prospect Engine) that enables attracting top-of-funnel traffic from social media and user base & converting them into prospects. In this engine, content is used, especially user-generated content from travellers to create blogs and posts which are promoted on social media. Capitalized external developments costs for EUR 463 thousand are related to the platform previously mentioned.

Other events of the period

Deconsolidation of Destination Italia Spa and Destination 2 Italia Srl

At the beginning of December, the Management of Destination Italia Spa and Destination 2 Italia Srl promoted the takeover of both the companies by purchasing a majority stake from current shareholders and subscribing to a capital increase through a NewCo financed by the Group.
Total impacts on consolidated statements of profit or loss are disclosed in Note 11. Reference should be made to consolidated statements of changes in equity for evidence of the impacts on the equity of the Group and Non-controlling interests.
After the conclusion of the management buy out, the Group directly holds a minority stake in Destination Italia Spa and indirectly in Destination 2 Italia srl. Based on the new ownership percentage of 24.9%, the Group exercises a significant influence over both the Companies. As a consequence, the investments at year end are accounted for by applying the equity method. Please refer to Note 22 for further details.

Step up in control on Bravometa CH and Blue Sas

In February 2020 the Group acquired an additional 0.05% of shares in both Bravometa CH and Blue Sas- As a consequence, lastminute.com group remains a major shareholder owning the 98.40% of shares as of 31 December 2020. The effects of these transactions are disclosed in the consolidated statement of changes in equity.

Step up in control on Madfish Srl and Smallfish SL

In June 2020 the Group increased its % of control in both Madfish Srl and Smallfish SL from 58.1% to 83%. Total effects of this transaction are included in the consolidated statement of changes in equity.

Joint venture with ISSTA

On 9th of June the Group and ISSTA Israel Ltd signed an agreement with the aim to constitute a Joint venture, to expand the OTA business in the middle east. The new company will focus on the distribution of flights through meta channels and has been created in July 2020. The newco has been formed in Israel. Total consideration to be paid by the Group at the incorporation date is EUR 105 thousand. At the date of these consolidated financial statements the Company setting up still needs to be finalised and the amounts to be paid by the Group are on hold. The company will be part of the consolidation perimeter starting from January 2021.

Financial year 2019

Acquisition of Madfish Srl and Smallfish SL

On the 29th of March 2019 the Group acquired from Bluepill s.r.l. (62.3%) and from two minority shareholders (5.86%) the 68.5% of Madfish S.r.l. stakes. Total consideration was EUR 1,200 thousand, to be paid in cash in two tranches. Both minority shareholders received the entire amount (EUR 100 thousand in total) at the closing date. Bluepill S.r.l. received the 45.45% of the full amount (EUR 500 thousand) at the closing date and it expects to receive the remaining part (EUR 600 thousand) not later than 31 March 2020. Madfish S.r.l is a media agency located in Milan that operates on the video content creation, marketing consulting and social networks managing activities. Moreover, Madfish s.r.l. has full control over the subsidiary Smallfish SL, a Spanish company based in Barcelona dedicated to digital communication strategies since 2006. Thanks to this acquisition, the Group has reached a significant control and independence over the digital and media sector, which is essential for the creation and development of the company strategies.

Acquisition of QT Mobilitätsservice GmbH ("Qixxit")

On 28th June 2019 the Group acquired 100% shares of QT Mobilitätsservice GmbH ("Qixxit"), an indirect subsidiary company of Deutsche Bahn AG, based in Berlin. Founded in 2017 in Berlin, Qixxit has been developing an integrated travel platform and app that combines long-distance bus, train and flight options to create the best connected journey, providing customers with an individually designed travel experience. Qixxit will bring cutting edge technology and capabilities to help lm group make a further step ahead on its Product & Technology value proposition. The outstanding know-how of Qixxit in the intermodal technologies also applied to mobile will be further developed and integrated. Qixxit will unite with the Product Development function of the Group. Under the new structure, all employees will remain within the company. Total consideration was EUR 850 thousand, paid in cash at the closing date.

Acquisition of iTraveller
On December 1st 2019 the Group acquired the net assets of iTraveller for a total amount of EUR 220 thousand paid on the closing date. The assets acquired refers to a cloud based travel discovery, planning and booking platform which will continue to power the Indian travel market utilising the Group's brand. The aim is to boost outbound India long haul trips to Europe and South-East Asia.

Acquisition of TripMyDream
On 1st June 2019 the Group acquired the assets of TripMyDream, a Ukraine digital tech start-up owner of a cutting-edge inspiration tool enabling travellers to self-plan travel experiences. Total consideration was equal to EUR 400 thousand to be paid in two different tranches, EUR 250 thousand at the effective date and EUR 150 thousand 12 months after the effective date.

It's a pre-inspirational tool backed by artificial intelligence with a self-learning algorithm with the capability to inspire holiday seekers by showing them the best possible travel solutions based on their preferences, thus creating a customised and personalised consumer experience

Liquidation of BravoJet
The liquidation process of the Bravojet company, started at the end of 2017, was completed on 16th December 2019.

Sale of Hotelyo
On 23 May 2019, the Group sold all its shares in Hotelyo (49%) to a third party. As a result the Group recognised a loss of 108 thousand. Reference should be made to Note 11. The investment was previously accounted for by applying the equity method.

Step up in InstaGo investment
In May 2019 the Group acquired an additional 15.04% of shares in InstaGo SAGL As a consequence, lastminute.com group remains a minor shareholder owning the 30.04% of shares as of 31 December 2019.

Acquisition of Gartour business
On 30 September 2019, Destination 2 Italia Srl acquired Gartour business from Holding Tourism System S.r.l. Total consideration was EUR 1,345 thousand totally recognised as Goodwill and subject to change following the completion of the purchase price allocation.

Note 6 - Segment Information

As defined by IFRS 8, an operating segment is a component of an entity:
- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed at the entity's chief operating decision maker;
- for which discrete financial information is available.

Management is determining operating segments based on the information reviewed by the Group CEO.

Starting from 2019 the Group modified its segment reporting and includes the Media business as a separate segment, to adapt itself to the acquisition of Madfish Srl and Smallfish Slu, the launch of lastminute Forward and the continuous growth of the Media business. Media is a separate and independent business for the Group and is now managed and reported as such. The Group considers the Media business as strategic and it is monitoring it separately.

On this basis, the Group has defined the following operating segments:

- **OTA ("Online Travel Agency")**, which represents the core and traditional business of the Group.
- **Meta-search**, which includes the business generated in our websites focused on directing traffic, in exchange for a commission, to the sites of OTAs and airlines and other direct providers.
- **Media**, which operates as a seller of web-based advertising spaces and media contents primarily on the TP proprietary OTA platforms and web sites and, to a lesser extent, on third party partners available spaces.
- **Other segments**, which includes the other businesses and ventures that individually and collectively do not constitute a separate operating segment.

Other information that is not reportable has been combined and disclosed within **"Non reconciling items"** which mainly includes head office costs that cannot be allocated to CGUs.

The Group CEO assesses the performance of the operating segments based on a measure of Adjusted EBITDA:

in '000 EUR	2020					
	OTA	Metasearch	MEDIA	Other	Non reconciling items	Total
Consolidated Revenues	**81,585**	**14,933**	**7,010**	**1,537**	**-**	**105,065**
Total Revenues	87,938	16,929	7,010	2,005	-	113,882
Intersegment Revenues	(6,353)	(1,996)	-	(469)	-	(8,818)
Consolidated EBITDA Adjusted*	**3,767**	**2,640**	**(2,242)**	**(3,970)**	**(5,100)**	**(4,906)**
Bad debts	-	-	-	-	-	(8,350)
Costs related to acquisition and integration of subsidiaries	-	-	-	-	-	(1,306)
Antitrust provision	-	-	-	-	-	(400)
Litigation, restructuring and other costs/ income incidental to operating activities	-	-	-	-	-	139
Cancellations effect	-	-	-	-	-	(30,100)
Depreciation, Amortisation and impairment	-	-	-	-	-	(21,411)
Result before Interest and Income Tax						**(66,334)**

in '000 EUR	2019					
	OTA	Metasearch	MEDIA	Other	Non reconciling items	Total
Consolidated Revenues	**272,539**	**41,718**	**24,155**	**10,633**	**-**	**349,045**
Total Revenues	290,950	45,137	24,155	11,162	-	371,404
Intersegment Revenues	(18,411)	(3,419)	-	(529)	-	(22,359)
Consolidated EBITDA Adjusted*	**62,110**	**11,120**	**370**	**(2,700)**	**(7,800)**	**63,100**
Bad debts	-	-	-	-	-	(500)
Costs related to acquisition and integration of subsidiaries	-	-	-	-	-	(4,400)
Antitrust provision	-	-	-	-	-	-
Litigation, restructuring and other costs/ income incidental to operating activities	-	-	-	-	-	(2,852)
Cancellations effect	-	-	-	-	-	-
Depreciation, Amortisation and impairment	-	-	-	-	-	(19,138)
Result before Interest and Income Tax						**36,210**

* *The Group defines "Adjusted EBITDA" as EBITDA (Operating Profit plus depreciation and amortization) adjusted for the effects of stock option plans and income and costs considered by management as incidental to operating activities, such as those related to acquisitions, litigations and restructuring.*

The operating segments generate revenues by selling services related to "flight" and "non-flight" products. Refer to Note 7 for further information about revenues, including geographical information.

The main effects of Covid-19 on the consolidated financial statements are related to revenues and personnel-costs. Cancellations collected during the year had an impact of EUR 30.1 million on the consolidated income statements, with main negative effects on revenues.

The effect on personnel costs is driven by the benefit related to the working hours reductions plans granted by the Governments in the core markets where the Group operates for a total amount of EUR 16,975 thousand. With reference to antitrust provision further details are included in Note 27.

The tables below describe the Group's non-current assets, excluding financial instruments, investments in equity accounted investees and deferred taxes, based on the geographic location and operating segments of the assets as of 31 December 2020 and 2019:

in '000 EUR	2020	2019
Spain	78,662	78,142
France	37,830	37,953
Switzerland	65,554	70,324
Germany	14,148	14,718
Others	14,725	15,452
UK	4,623	3,481
Total	**215,541**	**220,070**

in '000 EUR	2020	2019
OTA	156,392	160,341
META	38,857	37,026
MEDIA	13,728	13,634
OTHER	6,564	9,068
Total	**215,541**	**220,070**

Please find below the reconciliation of non-current assets included in the analysis mentioned above with total non-current assets coming from consolidated balance sheet:

in '000 EUR	2020	2019
Property, plant and equipment	2,902	2,831
Intangible assets	152,228	156,009
Goodwill	60,412	61,229
Sub-total	**215,541**	**220,070**
Right-of-use assets	11,293	13,136
Non-current financial assets	1,336	1,430
Investments in equity accounted investees	872	966
Deferred tax assets	14,000	5,254
Trade and other receivables - non current	0	265
Total non-current assets	**243,043**	**241,120**

Note 7 - Revenues

The table below shows Revenues for 2020 and 2019:

in '000 EUR	2020	2019
Revenue from sales of travel services	29,236	168,276
Revenue from overcommission, kickback and rebate	20,582	59,876
Other revenues	1,603	1,496
Revenue from advertising services	7,539	23,811
Revenue from ancillaries	38,927	88,139
Revenue post sales	7,179	7,447
Total	**105,065**	**349,045**

In 2020 total revenues decreased by EUR 243,980 thousand, or 69.9 %, from EUR 349,045 thousand to EUR 105,065 thousand. The decrease is driven by the drop in volumes due to the pandemic.

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's four strategic divisions, which are its reportable segments.

in '000 EUR	OTA		META		MEDIA		OTHER SEGMENT		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Primary geographical markets										
Italy	12,243	45,412	950	3,267	1,292	5,110	848	5,194	15,333	58,983
Spain	8,414	31,854	936	3,338	983	3,280	182	1,026	10,515	39,499
UK	21,391	60,028	1,301	3,093	2,244	8,877	11	45	24,947	72,042
France	17,224	57,726	4,404	14,022	1,390	4,352	21	127	23,039	76,226
Germany	14,424	42,448	783	2,646	1,009	1,817	1	7	16,216	46,917
Others	7,889	35,071	6,558	15,354	92	719	474	4,234	15,015	55,378
Total	**81,585**	**272,539**	**14,933**	**41,718**	**7,010**	**24,155**	**1,537**	**10,633**	**105,065**	**349,045**
Major products/ service lines										
Flight	47,906	134,143	-	-			-	-	47,906	134,143
Dynamic Holiday Packages	20,584	83,938	-	-			-	-	20,584	83,938
Hotel	5,363	15,898	-	-	-	-	-	-	5,363	15,898
Tour operator	3,098	29,472	-	-	-	-	522	4,960	3,621	34,432
Cruises	-	-	-	-	-	-	976	5,673	976	5,673
Other OTA services	4,106	7,814	-	-	-	-	-	-	4,106	7,814
Metasearch	-	-	14,933	41,718	-	-	-	-	14,933	41,718
Media	-	-	-	-	7,010	24,155	-	-	7,010	24,155
Other revenue	527	1,274	-	-	-	-	39	-	566	1,274
Total	**81,585**	**272,539**	**14,933**	**41,718**	**7,010**	**24,155**	**1,537**	**10,633**	**105,065**	**349,045**

Starting from 2019 Media is a separate and independent business for the Group and is managed and reported separately

Geographical Information
The Group categorizes its geographical markets by the countries for which its websites are localised through language and other elements. Because websites in a specific language can be accessed from any location, users outside a country can also use these websites. Products are not delivered to physical addresses, and the locations of users' ISPs (IP address) and of the banks issuing customer's credit cards do not identify users' locations with certainty. Therefore, a split of revenues based on customers' location is not available. However, Group management believes that the majority of the customers booking through the Italian, UK, Spanish and French websites are located, respectively, in Italy, UK, Spain and France.

Major Customers
Revenues of the Group are generated by numerous different transactions of limited value. There is not a single customer that accounts for more than 10% of total consolidated revenues.

Note 8 - Marketing Costs

The table below shows Marketing costs for the Group for 2020 and 2019:

in '000 EUR	2020	2019
Online costs	45,666	122,979
Offline costs	3,427	7,059
Total	**49,093**	**130,038**

Marketing costs decreased by EUR 80,946 thousand (62,2%) from EUR 130,038 thousand in 2019 to EUR 49,093 thousand in 2020. The reduction in the variable portion is mostly driven by revenues contraction due to the pandemic. The non-variable portion of marketing costs has been frozen following the cost protection plan put in place by the Group's management.

Marketing costs as a percentage of revenues increased in 2020 compared to 2019 (46.7% in 2020 vs 37.3% in 2019). The increase in the contribution on revenue is mainly due to the combined effects of lower volumes during 2020 and a not proportional decrease of marketing costs, in particular offline costs.

Note 9 - Personnel Costs

The table below shows Personnel costs for the Group for 2020 and 2019:

in '000 EUR	2020	2019
Wages and salaries	32,790	54,525
Social security charges	9,223	12,165
Expenses relating to defined benefit plans	1,889	1,431
Other personnel costs	3,088	4,548
Share-based payments	324	-
Total	**47,314**	**72,669**

Personnel costs decreased by EUR 25,355 thousand (34.9%) from EUR 72,669 thousand in 2019 to EUR 47,314 thousand in 2020. The decrease is driven by the working hours reduction compensation measures granted by the

Governments in the core markets where the Group operates for a total amount of EUR 16,975 thousand. Personnel costs as a percentage of revenues in 2020 increased compared to 2019 (45.0% vs 20.8%).
Costs for wages and salaries of EUR 6,140 thousand (2019: EUR 9,929 thousand) have been capitalised as development costs (refer to Note 19 for further details). Wages and salaries capitalised as development costs refer specifically to employees working on such development.

Details about expenses relating to defined benefit plans are provided in Note 15.

Other personnel costs decreased by EUR 1,460 thousand (32.1%) from EUR 4,548 thousand in 2019 to EUR 3,088 thousand in 2020. The variance is mainly due to the combined effects of the increase of restructuring costs offset by the reduction of other employees' costs such as training costs, refunds and meals.

Share-based payments for the amount of EUR 324 thousand are related to the exit of some employees during the 2020. For further details on expenses related to cash settled share-based payments make reference to Note 16.

The average number of staff employed by the Group in 2020 amounted to 1,295 headcounts (2019: 1,223). The table below shows the Group's headcount split at the end of 2020 and 2019:

Units	2020	2019
IT	379	480
Sales	187	320
Administrations	272	243
Marketing	119	170
Operations	189	200
Management	4	4
Total	**1,150**	**1,417**

Note 10 - Other operating costs

The table below shows other operating costs for the Group for 2020 and 2019:

in '000 EUR	2020	2019
Credit card processing fee	7,344	20,184
Fees for advisory, legal and other services	7,859	14,333
Call center operation costs	9,556	17,231
Expense for operating leases	348	464
IT fix costs	1,246	2,079
Office fix costs	1,435	2,377
Overhead	1,653	8,493
Service costs	14,434	20,153
Other operation costs	9,706	5,676
Total	**53,581**	**90,990**

Total other operating costs decreased by EUR (37,409) thousand (-41%) from EUR 90,990 thousand in 2019 to EUR 53,581 thousand in 2020. The reduction in other operating costs is mostly due to all the actions put in place by the Group management to offset the effect of the crisis.

See below the explanations split by categories:

"Credit card processing fee" decreased by (12,840) thousand (-64%) from EUR 20,184 thousand in 2019 to EUR 7,344 thousand in 2020 due to lower transaction volumes processed during 2020.

"Fees for advisory, legal and other services" decreased by EUR (6,474) thousand (-45%) from EUR 14,333 thousand in 2019 to EUR 7,859 thousand in 2020. Most of the decrease is related to lower non-recurring advisory and legal costs.

"Call Center operation costs" decreased by EUR (7,674) thousand (-45%) from EUR 17,231 thousand in 2019 to EUR 9,556 thousand in 2020 due to lower volumes.

"Expense for operating leases" decreased by EUR (116) thousand (-25%) from EUR 464 thousand in 2019 to 348 thousand in 2020.

"IT fix costs" decreased by EUR (832) thousand (-40%) from EUR 2,079 thousand in 2019 to EUR 1,246 thousand in 2020. The decrease is mainly due to the reduction in Hosting & Infrastructure costs.

"Overhead costs" decreased by EUR (6,840) thousand (-81%) from EUR 8,493 thousand in 2019 to EUR 1,653 thousand in 2020. These costs are mainly referred to insurance costs, travel expenses and other taxes not related to income.

"Services costs" decreased by EUR (5,719) thousand (-28%) from EUR 20,153 thousand in 2019 to EUR 14,434 thousand in 2020 and are mainly referred to license costs.

"Other operation costs" increased by EUR 4,030 thousand (71%) from EUR 5,676 thousand in 2019 to EUR 9,706 thousand in 2020. The line mainly includes the allowance for provisions and losses on irrecoverable trade receivables. In addition, this line includes the accruals to provision for doubtful accounts and the release of bad debt provision (net amount EUR 7,947 thousand in 2020).

Note 11 - Gain/(loss) from disposal of investments and others assets

The table below shows the gain / (loss) from disposal on investments and others for the Group in 2020 and 2019:

in '000 EUR	2020	2019
Net loss on investments	(1,329)	-
Net loss from disposal of assets	(1,728)	(112)
Net gain from disposal of assets	12	6
Total	**(3,045)**	(106)

During 2020, as a result of the deconsolidation of Destination Italia Spa, the Group has accounted for at fair value a loss from disposal of investment for a total amount of EUR 1,329 thousand.

The main impact on net loss from disposal of assets refers to the disposals of the cash pooling receivables and other receivables related to the de-consolidated entities for a total amount of EUR 1,482 thousand.

Note 12 - Finance Result

The table below shows the Net Finance Result for the Group in 2020 and 2019:

in '000 EUR	2020	2019
Net FX exchange income	2,623	-
Others	-	601
Total Finance Income	**2,623**	**601**
Interest expenses	(1,449)	(633)
Net FX exchange costs	-	(719)
Others	(288)	(160)
Total Finance Costs	**(1,737)**	**(1,512)**
Total Net Finance Result	**885**	**(911)**

In 2020 net financial results (net income in 2020) increased from EUR (911) thousand to EUR 885 thousand. Interest expenses increased by EUR 816 thousand compared to last year (>100%). This increase is mainly related to the interests accrued on new financings granted during the year.

Furthermore, the favourable exchange rate brought to a total FX income of EUR 2,623 thousand mainly due to the strengthening of the Euro against GBP.

Note 13 - Income Taxes

Components of income tax expenses

The table below shows the composition of Income tax expenses / (income) for 2020 and 2019:

in '000 EUR	2020	2019
Current income taxes	1,345	7,930
Deferred taxes	(7,883)	3,313
Total	**(6,538)**	**11,244**

In 2020 the Group's consolidated income tax income amounted to EUR (6,538) thousand, compared to EUR 11,244 thousand of tax expense in 2019 with a variation of EUR (17,782) thousand, mainly due to negative tax results in fiscal year 2020. In addition several subsidiaries recognised deferred tax assets on losses of the period.

Income taxes recognised in other comprehensive income

The table below shows the composition of income taxes recognized in other comprehensive income for 2020 and 2019:

in '000 EUR	2020	2019
Income taxes on remeasurements of the Employee Benefits liability	148	156
Total income taxes recognized in the period in other comprehensive income	**148**	**156**

Reconciliation of effective income tax expenses

The table below shows the Group tax rate reconciliation for 2020 and 2019:

in '000 EUR	2020 (%)	2020	2019 (%)	2019
Profit (loss) before taxes from continuing operations		(68,586)		35,183
The Group's expected weighted average rate is 24.7% (2018: 32.9%)				
Income tax based on the Group's expected weighted average tax rate	21.9%	15,008	24.7%	(8,697)
Difference in overseas tax rates	(0.1%)	(42)	0.8%	(276)
Current-year tax losses for which no deferred tax assets are recognized	(9.0%)	(6,205)	6.1%	(2,151)
Non-deductible expenses	(0.1%)	(53)	2.1%	(731)
Tax-exempt income	0.1%	55	(0.1%)	52
Utilisation of previously unrecognised tax losses	0.0%	27	(3.9%)	1,366
Recognition of previously unrecognised (derecognition of previously reco-	0.2%	155	2.0%	(806)
Recognition of tax effect of previously unrecognised tax losses	2.2%	1,541		-
Changes in estimates related to prior years	(1.2%)	(812)		-
Write off of DTA previously recognised	(4.6%)	(3,136)		-
Income Tax expense (benefit) of the Group		**6,538**		**(11,244)**

Deferred tax assets & liabilities

In respect of unrecognised deferred tax assets, as of 31 December 2020, tax losses carried forward of around EUR 55,059 thousand exist (2019: EUR 41,200 thousand). These losses can be offset against future operating profits. EUR 20,500 thousand will expire within 6 years, EUR 100 thousand will expire within 9 years while the remaining part has no expiring date.

Every year specific limits may apply to their utilisation based on the applicable local legislation. Management has established that it is uncertain whether future taxable operating profits would be available against which these losses can be used, and therefore no deferred tax asset has been recognised.

Deferred tax assets and liabilities are attributable to the following categories:

in '000 EUR	31 Dec 2020		31 Dec 2019	
	Asset	Liabilities	Asset	Liabilities
Trade Receivables	-	(201)	-	(378)
Property, plant and equipment	54	-	53	-
Intangible assets	-	(28,065)	-	(26,819)
Employee benefits liability	1,469	-	1,239	-
Provision	4	-	90	-
Losses carry-forward	12,374	-	3,858	-
Other	98	-	13	-
Deferred Tax assets (liabilities)	**14,000**	**(28,266)**	**5,254**	**(27,198)**

In 2020 compared to 2019, deferred tax assets increased by EUR 8,746 thousand mainly due to the recognition of deferred tax assets on losses of the period.

As of 31 December 2020 management recognised deferred tax assets on losses of the period for EUR 12,374 thousands based on its estimates of future taxable profits. Management considers it probable that future taxable profits will be available against which such losses can be used. During the year deferred tax assets on losses carried forward have been released for a total amount of EUR 3,136 thousand since they have been considered no longer recoverable.

The main portion of deferred tax assets is related to losses that may be carried forward for a period between seven years and indefinitely after the year in which the losses did occur.

Deferred tax liabilities increased during 2020 by EUR 1,068 thousand mainly due to temporary differences on amortisation of intangible assets and the recognition of deferred tax liabilities on intangible assets acquired from the business combination.

The movement in the net deferred tax assets / (liabilities) during 2020 and 2019 was as follows:

in '000 EUR	1 Jan 2020	Recognized in Profit or Loss	Recognized in OCI	Recognized directly in Equity	Business combination	Currency Translation Differences	31 Dec 2020
Net deferred tax assets/ (liabilities)	(21,944)	7,883	148	-	(290)	(63)	(14,266)
Total	**(21,944)**	**7,883**	**148**	**-**	**(290)**	**(63)**	**(14,266)**

in '000 EUR	1 Jan 2019	Recognized in Profit or Loss	Recognized in OCI	Recognized directly in Equity	Business combination	Currency Translation Differences	31 Dec 2019
Net deferred tax assets/ (liabilities)	(18,444)	3,113	156	-	(367)	24	21,944
Total	**(18,444)**	**3,113**	**156**	**-**	**(367)**	**24**	**21,944**

Current tax assets & liabilities
As of 31 December 2020, the total net position relating to "Current tax assets & liabilities" amounts to a liability of EUR 4,536 thousand (2019: EUR 5,514 thousand). Tax liabilities may arise also in the Countries where the Group recognised deferred taxes on losses carried forward because of specific thresholds that limit the utilisation of those losses

Note 14 - Earning per share

Basic earnings per share
The table below shows basic earnings per share for 2020 and 2019:

in '000 EUR	2020	2019
Profit / (loss) for the period attributable to the shareholders of LMN Group NV (in EURO/000)	(61,208)	24,956
Weighted-average number of ordinary shares outstanding during the year (in thousand)	11,016	11,012
Basic earnings per share (in EUR)	**(5.56)**	**2.27**

The denominator used in the above computation has been calculated in the following way:

Number of shares (in thousand of units)	2020	2019
Issued ordinary shares at 1 January	11,664	11,664
Treasury shares hold	(648)	(648)
Sale of own shares	-	(4)
Ordinary shares outstanding at 1 January	**11,016**	**11,012**
Effects of cancellations of the year	-	-
Effects of shares buy back of the year	-	-
Weighted-average number of shares (Basic) at 31 December	**11,016**	**11,012**

During 2019 the Group bought 38 thousand treasury shares for a total value of EUR 816 thousand and sold 18 thousand shares for a total value of EUR 215 thousand.

Diluted earnings per share
The table below shows diluted earnings per share for 2020 and 2019:

in '000 EUR	2020	2019
Profit / (Loss) for the period attributable to the shareholders of LMN Group NV (in EURO/000)	(61,208)	24,956
Weighted-average number of ordinary shares outstanding during the year (in thousand)	11,016	11,012
Diluted earnings per share (in EUR)	**(5.56)**	**2.27**

The denominator used in the above computation has been calculated in the following way:

Number of shares (in thousand of units)	2020	2019
Weighted-average number of ordinary shares (Basic)	11,016	11,012
Effect of share options in issue	-	-
Weighted-average number of shares (Diluted) at 31 December	**11,016**	**11,012**

Note 15 - Employee benefits

The table below shows employee benefits liabilities as of 31 December 2020 and 2019 for the Group:

in '000 EUR	31 Dec 2020	31 Dec 2019
Net defined benefit liabilities	7,280	6,247
Cash-settled share-based payment liabilities	1,637	1,370
Total employee benefit liabilities	**8,917**	**7,616**

The decrease of Cash-settled share-based payment liabilities is mainly related to the exit of some participants from the Cash settled share-based payments. For further information see Note 16. The increase in Net defined benefit liabilities is mainly related to the change in actuarial assumptions. See below for further details.

Net defined benefit liabilities are described as follows.

Characteristics of defined benefit plans and risks associated with them
The Swiss pension plan is governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. The assets of the pension plan are held within a separate foundation and cannot revert to the employer. Pension plans are overseen by a regulator as well as by a state supervisory body.

The Swiss Group entities, starting from 2020, are affiliated to the "BVG-Sammelstiftung Swiss Life" and "Swiss Life Collective Foundation for Complementary Pensions", which is a collective foundation administering the pension plans of various unrelated employers. The pension plans of the Swiss Group entities are fully segregated from the ones of other participating employers.

The most senior governing body of the collective foundation is the Board of Trustees. All governing and administration bodies have an obligation to act in the interests of the plan participants.
Plan participants, their spouse and children are insured against the financial consequences of old age, disability and death. Their benefits are defined in pension plan rules compliant with the BVG, which is specifying the minimum benefits that are to be provided. Retirement benefits are based on the accumulated retirement capital which can either be drawn as a life-long annuity or as a lump sum payment. The annuity is calculated by multiplying the retirement capital with the currently applicable conversion rate. The accumulated retirement capital is made of the yearly contributions towards the old age risk by both employer and employee and the interest thereon until retirement. Contributions towards the old age risk are based on the rules defined by the Board of Trustees of the collective foundation. Minimum contributions and interest are defined by the BVG and the Swiss Parliament. In 2020 the minimum interest was 1.0% (1.0% in 2019).

According to IAS 19, the Swiss pension plan is classified as a "defined benefit" plan. All actuarial risks of the plan, e.g. old age, invalidity and death or investment are fully covered by insurance. However the collective foundation is able to withdraw from the contract with the Group at any time, reason why the plan is classified as a "defined benefit" plan.

The insurance company bearing the investment risk is also making these investments on behalf of the collective foundation. As a result, the assets of the Swiss plan consist of a receivable from the insurance policy.
In France, employees benefit from the "Indemnités de Fin de Carrière" defined in the "Convention Nationale Collective du Travail du personnel des Agences de Voyages et du Tourisme" (number 3061). The rights correspond to 15% of the monthly salary per year of seniority in the company. According to IAS 19, the French pension plan is classified as a "defined benefit" plan.

In Italy employee severance indemnities are due under an Italian plan, the "Trattamento di Fine Rapporto" (TFR), which is mandatory for Italian companies and is an unfunded defined contribution plan. The deferred compensation to be paid when an employee leaves the Italian entity is based on the employees' years of service and the taxable compensation earned by the employee during the service period, i.e. the accumulated retirement capital at the time when the employment ends. Contributions are payable in the event of retirement, death, disability or resignation.

There were no special events, e.g. plan amendments, curtailments or settlements during the reporting period.

Movement in net defined benefit liability
The following tables present information about the net defined benefit liability and its components:

in '000 EUR	31 Dec 2020	31 Dec 2019
Funding of the defined benefit plan		
Present value of unfunded obligations	334	985
Present value of funded obligations	14,357	11,026
Total present value of obligations	**14,691**	**12,011**
Fair Value of plan assets	7,411	5,764
Pension liability recognised in the balance sheet	**7,280**	**6,247**

in '000 EUR	2020	2019
Reconciliation of the defined benefit obligation		
Defined Benefit Obligation at 1.1	**12,011**	**8,917**
Current service cost (employer)	2,254	2,084
Past service cost	(11)	(4)
Interest cost	39	85
Contributions by plan participants	1,039	915
Administration cost	5	4
Benefits paid	(1,036)	(1,542)
Effect of business combination	(367)	431
Actuarial (gain) / loss on DBO	744	760
Exchange rate effect	13	362
Defined Benefit Obligation at 31.12	**14,691**	**12,011**

in '000 EUR	2020	2019
Reconciliation of the fair value of plan assets		
Fair Value of plan assets at 1.1	**5,764**	**4,686**
Interest income	20	46
Contributions by the employer	1,112	973
Contributions by plan participants	1,039	915
Benefits paid	(583)	(1,062)
Effect of business combination and disposal	-	-
Return on plan assets excl.interest income	46	5
Exchange rate effect	13	201
Fair Value of plan assets at 31.12	**7,411**	**5,764**

→

Reconciliation of the recognized net pension liability

in '000 EUR	2020	2019
Net liability at the beginning of the period	**6,247**	**4,231**
Expense recognised in profit or loss	2,267	2,283
Expense recognised in other comprehensive income	697	755
Contributions by the employer	(1,112)	(973)
Effect of business combination	(367)	431
Benefits paid by unfunded defined benefit plans	(453)	(480)
Net liability at the end of the period	**7,280**	**6,247**

in '000 EUR	2020	2019
Pension expense recognised in profit or loss		
Current service cost (employer)	2,254	2,084
Net interest cost	19	39
Administration cost	5	4
Past service costs	(11)	(4)
Exchange rate effect	-	161
Expense recognised in profit or loss	**2,267**	**2,284**

in '000 EUR	2020	2019
Amount recognised in other comprehensive income		
Return on plan assets excl. interest income	(46)	(5)
Remeasurements gain/(loss):		
Actuarial gain/(loss) arising from demographic assumptions	119	(253)
Actuarial gain/(loss) arising from financial assumptions	400	1,061
Actuarial gain/(loss) arising from experience adjustment	224	(48)
Total amount recognised in other comprehensive income	**697**	**755**

Actuarial assumptions for the defined benefit obligations

The following were the principal actuarial assumptions at the reporting date:

Swiss plan

Actuarial Assumptions	31 Dec 2020	31 Dec 2019
- Discount rate	0.18%	0.30%
- Future salary increases	1.00%	1.00%
- Mortality table	BVG2015-CMI	BVG2015-CMI

As of 31 December 2020, the weighted-average duration of the defined benefit obligation was 22.6 years (2019: 22.4 years).

French plan

Actuarial Assumptions	31 Dec 2020	31 Dec 2019
- Discount rate	0.35%	0.70%
- Future salary increases	3.00%	3.00%
- Mortality table	TGH05/TGF05	TGH05/TGF05

As of 31 December 2020, the weighted-average duration of the defined benefit obligation was 21.2 years (2019: 19.1 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2020		2019	
in '000 EUR	Increase	Decrease	Increase	Decrease
Discount rate (0.25%)	(754)	828	(568)	626
Future salary growth (0.25%)	241	(234)	188	(179)
Future mortality (1 year)	220	(219)	161	(160)

The sensitivity analysis disclosed above has been determined by changing the discount rate and the rate of salary increase by +/-0.25% resp. making an adjustment to the mortality so that the longevity increased/ decreased by one year. The sensitivity analysis is based on realistically possible changes as of the end of the reporting period. Each change in a significant actuarial assumption was analysed separately as part of the test. Interdependencies were not taken into account.

Plan assets

The fair value of plan assets for the Swiss plan as of 31 December 2020 of EUR 7,411 thousand (2019: EUR 5,764 thousand) consists of a receivable from the insurance company, see above.

Expected contributions in 2021

The Group expects to pay contributions to the defined benefit plans in the amount of EUR 1,162 thousand in 2021.

Note 16 - share-based payment arrangements

Employee share option plan

No employee share option plans are in place as of 31 December 2020 and 2019

Cash settled share-based plan

On 26 March 2015, the Group established a cash-settled share-based payment arrangement. Directors and selected key employees were offered the opportunity to participate. Plan participants are required to make an equity co-investment contribution in cash ("the initial contribution") as limited partners of a limited partnership entity (Sealine Investment LP) which is consolidated by the Group. Under the terms of the plan, the Group contributes an amount equal to three times the initial contribution ("the LMN contribution"). The limited partnership entity which administers the arrangement purchases the LMN shares, and LMN shares equivalent is computed for both the initial and the LMN contribution. This equivalent number is equal to the contribution divided by the market price of an LMN share at the date of the initial contribution.

At the end of a 4-year-period from the date of the initial contribution ("qualifying period") the plan participants are entitled to a cash payment equal to the difference between the total value of the LMN shares equivalent corresponding to both the initial and LMN contribution at market price at the end of the qualifying period plus dividends on these shares accumulated during the qualifying period and the amount of the LMN contribution plus interest at LIBOR + 4.5% p.a. by way of redemption of the outgoing limited partner's membership.

No guarantee of refund of the initial contribution is provided to the plan participants by the Group. In case the total value of the LMN shares equivalent corresponding to both the initial and LMN contribution at market price at the end of the qualifying period and the dividends on these shares accumulated during the qualifying period is lower than the amount of the LMN contribution plus interest at LIBOR + 4.5% p.a., a plan participant is not receiving any payment out of the plan.

If the employee or director stops working for the Group before the end of the qualifying period, he is entitled to a cash payment at the time of exit which is equal to the lower of his initial contribution with interests of 5% p.a. and the market value at the time of exit of the LMN shares equivalent corresponding to his initial contribution, plus the value of dividends accumulated on the LMN shares equivalent corresponding to his initial contribution from the date of the initial contribution until exit. The exit is made by way of redemption of the outgoing limited partner's membership.

Plan participants are offered the opportunity to extend their individual investment period beyond the qualifying period and request the cash settlement relating to the initial and LMN contributions computed using the same formula as at the end of the qualifying period (see above) at a later date. The later date is then used in the formula in lieu of the end date of the qualifying period.

As at 31 December 2020, the liability recorded in relation to the cash settled obligation in relation to the plan amounted to EUR 1,637 thousand (2019: EUR 1,370 thousand). The liability is included in the Employee benefits liability line within the consolidated balance sheet, as disclosed also in Note 15. As at 31 December 2020, the receivables recorded in relation to the financing part granted to limited partners amounted to EUR 1,807 thousand (2019: EUR 1,453 thousand). The receivables related to the share-based plan are included in the current financial assets line within the consolidated balance sheet. The liability value was assessed taking into consideration the fair value of the underlying shares considering the vesting period of 4 years and other conditions, as well as the required interest payable on the company's portion of the contribution. The Company prepared a discounted cash flow model for the valuation of the scheme. Being the shares purchased under the terms of the plan exclusively lastminute.com shares, the overall value of the Group divided by the number of such shares can clearly represent the present value of the investment plan.

The liability decreased by an amount of EUR 263 thousand, which is composed of a positive effect of EUR 60 thousand related to the remeasurement and a negative effect of EUR 324 thousand related to the exit of some employees during 2020, both recognised as personnel cost. In addition, EUR 195 thousand have been recognised as finance income (2019: EUR 205 thousand).

Treasury shares held by the Group to hedge its potential obligation arising from the cash-settled share-based payment arrangement amount to around 509 thousand shares for a total investment of EUR 7,075 thousand (see Note 26 for additional details).

Note 17 - Leases

Right-of-use assets

The tables below show the movement schedule of the right-of-use assets during 2020 and 2019:

in '000 EUR (2020)	Building	Hosting	Car	Other	Total
Balance at 1 January	**8,906**	**3,771**	**413**	**46**	**13,135**
Depreciation charge for the year	(3,734)	(2,202)	(286)	(19)	(6,241)
Additions to right-of-use assets	2,566	4,949	262	-	7,777
Derecognition of right-of-use assets	(1,885)	-	-	(23)	(1,908)
Remeasurement of right-of-use assets	(1,067)	(404)	-	-	(1,471)
Balance at 31 December	**4,787**	**6,114**	**389**	**4**	**11,293**

in '000 EUR (2019)	Building	Hosting	Car	Other	Total
Balance at 1 January	**9,795**	**5,657**	**645**	**66**	**16,162**
Depreciation charge for the year	(3,568)	(1,886)	(308)	(20)	(5,782)
Additions to right-of-use assets	2,790	-	76	-	2,866
Derecognition of right-of-use assets	(111)	-	-	-	(111)
Remeasurement of right-of-use assets	-	-	-	-	-
Balance at 31 December	**8,906**	**3,771**	**413**	**46**	**13,135**

Most significant additions of the period relate to new lease contracts the Group entered in 2020, such as new offices in Madrid and London, and the new embedded lease contract signed with a hosting service provider.

Main disposals of the period are related to the closing of some offices in the Group subsidiaries; examples are London, Madrid, Barcelona, Berlin, Milan and a reduction of the office spaces in the operating headquarter.
With reference to depreciation charge for right-of-use assets, EUR 3,734 thousand is related to buildings, EUR 2,202 to hosting, EUR 286 thousand to cars and EUR 19 thousand to other contracts.

The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. Expenses related to low value and short-term leases not capitalised as finance lease are EUR 348 thousand. See note 10 for further details.

Lease liabilities

The table below shows the lease liabilities as of 31 December 2020 and 31 December 2019:

in '000 EUR	31 Dec 2020	31 Dec 2019
Short term Lease liabilities	4,980	5,921
Long term Lease liabilities	6,767	7,380
Total Lease liabilities	**11,747**	**13,301**

The tables below show the movement schedule of the lease liabilities during 2020 and 2019:

in '000 EUR	1 Jan 2020	Re-payments	Additions	Additions from business combinations	Disposals	Remeasu-rement	Interests charges	Other non-cash	31 Dec 2020
Lease liabilities	**13,301**	(6,212)	7,777	-	(1,908)	(1,471)	260	-	**11,747**

in '000 EUR	1 Jan 2019	Re-payments	Additions	Additions from business combinations	Disposals	Remeasu-rement	Interests charges	Other non-cash	31 Dec 2019
Lease liabilities	**16,162**	(5,927)	1,948	919	-	-	312	(113)	**13,301**

The lease liabilities are secured by the related underlying assets. The discounted maturity analysis of lease liabilities at 31 December 2020 is as follows:

in '000 EUR	Amount
Within 1 year	4,980
Between 1 and 5 years	6,767
More than 5 years	-
Total lease liabilities	**11,747**

Note 18 - Property Plant and Equipment

The tables below show Property, Plant & Equipment movements during 2020 and 2019:

in '000 EUR	Furniture	IT Equipment	Other tangible assets	Total
Historical Cost				
Balance at 1 January 2020	**907**	**9,101**	**2,726**	**12,733**
Addition	49	1,781	130	1,961
Disposal	(474)	(1,839)	(245)	(2,557)
Acquisitions from business combinations	6	9	-	15
Deconsolidation	(27)	(13)	(131)	(171)
Currency translation differences	(11)	(26)	(61)	(98)
Balance at 31 December 2020	**450**	**9,014**	**2,420**	**11,883**
Cumulated Depreciation				
Balance at 1 January 2020	**719**	**7,414**	**1,769**	**9,902**
Depreciation for the year	70	1,184	338	1,592
Disposal	(423)	(1,826)	(180)	(2,429)
Currency translation differences	(6)	(20)	(59)	(84)
Balance at 31 December 2020	**360**	**6,753**	**1,869**	**8,982**
Carrying amounts				
At 1 January 2020	**187**	**1,686**	**958**	**2,831**
At 31 December 2020	**90**	**2,261**	**551**	**2,902**

in '000 EUR	Furniture	IT Equipment	Other tangible assets	Total
Historical Cost				
Balance at 1 January 2019	**856**	**7,840**	**2,255**	**10,951**
Additions	68	1,202	410	1,680
Disposals	(24)	(6)	-	(30)
Others	(4)	-	-	(4)
Acquisitions from business combinations	10	57	48	115
Impairment	-	-	(27)	(27)
Currency translation differences	-	8	40	48
Balance at 31 December 2019	**907**	**9,101**	**2,726**	**12,733**
Cumulated Depreciation				
Balance at 1 January 2019	**609**	**6,435**	**1,422**	**8,466**
Depreciation for the year	122	979	306	1,408
Disposals	(12)	(4)	-	(16)
Currency translation differences	1	4	40	45
Balance at 31 December 2019	**719**	**7,414**	**1,769**	**9,902**
Carrying amounts				
At 1 January 2019	**247**	**1,405**	**833**	**2,485**
At 31 December 2019	**187**	**1,686**	**958**	**2,831**

Investments in 2020 and 2019

In 2020 and 2019 the Group made additions to Property Plant and Equipment of EUR 1,961 thousand and EUR 1,680 thousand respectively. The additions in 2020 were mainly related to IT equipment for EUR 1,781 thousand and other tangible assets for EUR 130 thousand, mainly related to leasehold improvements. During 2020 the group acquired net assets from business combinations for EUR 15 thousand, as a result of the HolidayiQ Pte Ltd. Purchase Price Allocation process. Reference should be made to Note 5 - Changes in the scope of consolidation.

Capital Commitments

There are no capital commitments for the acquisition of property, plant and equipment

Note 19 - Intangible Assets

The tables below show Intangibles and Goodwill movements during 2020 and 2019:

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2020	**92,591**	**1,052**	**128,921**	**222,564**	**61,229**	**283,793**
Additions - internally developed	6,140	-	-	6,140	-	6,140
Addition- external supplier	2,945	-	-	2,945	-	2,945
Acquisitions from business combinations	463	-	888	1,351	654	2,005
Deconsolidation	(606)	-	(38)	(643)	(1,449)	(2,093)
Impairment	(133)	-	-	(133)	-	(133)
Currency translation differences	(40)	(110)	-	(150)	(22)	(172)
Balance at 31 December 2020	**101,360**	**942**	**129,771**	**232,073**	**60,412**	**292,485**
Accumulated amortization and impairment						
Balance at 1 January 2020	**66,306**	**248**	**1**	**66,554**	**-**	**66,554**
Currency translation differences	(20)	(63)	-	(83)	-	(83)
Amortisation	13,373	-	-	13,373	-	13,373
Balance at 31 December 2020	**79,659**	**185**	**1**	**79,845**	**-**	**79,845**
Carrying amounts						
At 1 January 2020	**26,285**	**804**	**128,920**	**156,009**	**61,229**	**217,238**
At 31 December 2020	**21,700**	**758**	**129,770**	**152,228**	**60,412**	**212,640**

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2019	**77,362**	**1,010**	**127,541**	**205,913**	**58,634**	**264,547**
Additions - internally developed	9,929	-	-	9,929	-	9,929
Additions - external supplier	4,998	-	84	5,082	-	5,082
Acquisitions from business combinations	251	-	1,316	1,567	2,489	4,056
Currency translation differences	51	42	(20)	73	106	179
Balance at 31 December 2019	**92,591**	**1,052**	**128,921**	**222,564**	**61,229**	**283,793**
Accumulated amortization and impairment						
Balance at 1 January 2020	**54,439**	**172**	**1**	**54,612**	**-**	**54,612**
Currency translation differences	-	-	-	-	-	-
Amortisation	11,867	76	-	11,942	-	11,942
Balance at 31 December 2020	**66,306**	**248**	**1**	**66,554**	**-**	**66,554**
Carrying amounts						
At 1 January 2020	**22,923**	**838**	**127,540**	**151,301**	**58,634**	**209,935**
At 31 December 2020	**26,285**	**804**	**128,920**	**156,009**	**61,229**	**217,238**

Investments in 2020 and 2019

During 2020 additions related to capitalised development amounted to EUR 9,085 thousand (2019: EUR 14,927 thousand) and total intangibles from the acquisition of HolidayiQ Pte Ltd amounted to EUR 2,005 thousand. See Note 5 for further information.

Capitalised development costs

The capitalised development costs relate to internal and external expenditures in connection with the development of significantly new features on the webpages of the Group.
As of 31 December 2020 and 2019 lastminute.com Group has capitalised development costs in the carrying amount of EUR 9,085 thousand and EUR 14,927 thousand, respectively. As of 31 December 2020 capitalised development costs not yet available for use were EUR 2,103 thousand (2019: EUR4,086 thousand).

During 2020, as a result of the deconsolidation of Destination Italia Spa, the Group has decreased the amount of capitalised development costs for EUR 606 thousand.

Trademarks

The impairment test of Trademarks has been performed at CGU level using the model and assumption described in Note 20 and did not result in the recognition of an impairment loss. The aggregate amount of trademarks allocated to each segment is as follows at each reporting date:

in '000 EUR	Segment	31 Dec 2020	31 Dec 2019
lastminute.com	OTA and Media	44,704	44,704
Rumbo	OTA and Media	58,900	58,900
Weg.de (Comvel)	OTA and Media	6,089	6,089
Wayn	OTA	230	230
Bravonext SA	OTA	10	10
Madfish	Media	1,316	1,316
Jetcost	Metasearch	15,385	15,385
Holiday iQ	Metasearch	888	-
Pigi Shipping	Other segment	2,248	2,248
Destination Italia SpA	Other segment	-	38
Total Trademarks		**129,770**	**128,920**

Consider that lastminute.com, Rumbo and Weg.de Trademarks are allocated across multiple cash-generating units (OTA and Media). This is based on the rationale that the activities to be tested for impairment can be allocated to the CGUs according to a reasonable and uniform driver. Since the CGU Media benefits from the above mentioned brands in generating operating cash flows, a portion of them has been allocated to the CGU when determining the capital employed.

The addition of the period is related to the tradename recognized after the acquisition of HolidayiQ business and the completion of the purchase price allocation exercise. Please refer to Note 5 for further details. As a result of the deconsolidation of Destination Italia Spa, the Group has decreased the amount of trademark for EUR 38 thousand.

Capital Commitments

There are no capital commitments for the acquisition of intangible assets.

Note 20 - Goodwill

For the purpose of impairment testing, goodwill is allocated to the cash generating unit OTA, to the cash generating unit Metasearch and to the cash generating unit Media. The CGU Media has been introduced in 2019. The aggregate amount of goodwill allocated to each segment is as follows at each reporting date:

in '000 EUR	Segment	31 Dec 2020	31 Dec 2019
	OTA	33,751	33,773
	Metasearch	20,830	20,176
	Media	3,248	3,248
	Other Segment	2,583	4,032
Total		**60,412**	**61,229**

The Group performed an impairment analysis for the CGUs that contain material indefinite life intangible assets and goodwill as of 31 December 2020 and 2019. It was determined that no impairment is to be recognised in the consolidated financial statements as of 31 December 2020 and 2019.

During 2020 the Group purchased the HolidayiQ business. After the completion of the Purchase Price Allocation, the Group recorded a remaining goodwill of EUR 654 thousand, allocated to Metasearch segment. See Note 5 for further information.

The Other Segment includes the goodwill related to Cruise business. During 2020 the Group performed an impairment analysis over it and it was determined that no impairment is to be recognised in the consolidated financial statements. The main variation when compared to 2019 is due to the derecognition of the Goodwill coming from the acquisition of Gartour business, as a result of the deconsolidation of Destination 2 Italia Srl. For further details please refer to Note 5.
For evidence of the goodwill movement schedule please refer to Note 19.

OTA
Goodwill amounts to EUR 33,751 thousand for the OTA segment, see details in table above. The impairment test was based on an estimate of value in use and did not result in any recognition of impairment losses.
The value in use was determined based on a DCF-calculation. Key assumptions used in the calculation of the recoverable amount are the discount rate (WACC), the long-term growth rate, the revenues growth rate and the EBITDA growth rate: the values assigned to the key assumptions represent management's assessment of the future trends. The key assumptions were as follows:

	31 Dec 2020	31 Dec 2019
Weighted average cost of capital (WACC)	12.25%	9.5%
Perpetuity growth rate	1.8%	1.8%
Revenues growth rate (average of next four years)	32.0%	10.9%
EBITDA growth rate (average of next four years)	>100%	13%

Seven years of cash flow were included in the DCF model. Revenues were based on future expected outcomes, taking into account past experience and future trends of the business. A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term growth rate in the industry. The perpetuity growth rate considered in the terminal value has been determined as the expected long term consumer price index for each CGU according to the geographic distribution of its sales.

Sensitivity analysis
A sensitivity table to the discount rate and long-term growth rate for 2020 and 2019 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the OTA CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below (in million Euro):

	Eur/mil	LONG-TERM GROWTH RATE 2020			
		1.3%	1.8%	2.3%	2.8%
WACC	11.8%	401.7	419.7	439.6	461.8
	12.0%	390	407	425.8	446.6
	12.25%	378.8	**394.9**	412.6	432.2
	12.5%	368.1	383.4	400.1	418.5
	12.8%	357.9	372.3	388.2	405.6

	Eur/mil	LONG-TERM GROWTH RATE 2019			
		0.7%	1.8%	2.2%	2.7%
WACC	8.5%	795.6	915.8	985.7	1,071.00
	9.0%	750.1	855.5	915.8	988.6
	9.5%	709.8	**802.9**	855.4	918.4
	10.0%	673.8	756.6	802.8	857.7
	10.5%	641.4	715.5	756.5	804.8

Metasearch
Goodwill arising from the acquisition amounts to EUR 20,830 thousand. The impairment test was based on an estimate of value in use and did not result in any recognition of impairment losses.

The value in use was determined based on a DCF-calculation. Key assumptions used in the calculation of the recoverable amount are the discount rate (WACC), the long-term growth rate, the revenues growth rate and the EBITDA growth rate: the values assigned to the key assumptions represent management's assessment of the future trends. The key assumptions were as follows:

	31 Dec 2020	31 Dec 2019
Weighted average cost of capital (WACC)	12.5%	13.5%
Long-term growth rate (g)	1.8%	1.8%
Revenues growth rate (average of next four years)	38.4%	15.2%
EBITDA growth rate (average of next four years)	62.9%	16.1%

A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term growth rate in the industry. The perpetuity growth rate considered in the terminal value has been determined as the expected long term consumer price index for each CGU according to the geographic distribution of its sales.

Sensitivity analysis
A sensitivity table to the discount rate and long-term growth rate for 2020 and 2019 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the META CGU. Reason-

ably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below (in million Euro):

	Eur/mil	LONG-TERM GROWTH RATE 2020			
		1.3%	1.8%	2.3%	2.8%
WACC	12.0%	65.9	69.4	73.4	77.7
	12.3%	63.4	66.7	70.4	74.5
	12.5%	61	**64.1**	67.6	71.5
	12.8%	58.7	61.7	65	68.6
	13.0%	56.5	59.3	62.4	65.9

	Eur/mil	LONG-TERM GROWTH RATE 2019			
		0.7%	1.8%	2.2%	2.7%
WACC	12.5%	77.4	86.4	90.2	95.3
	13.0%	72.6	80.7	84.2	88.8
	13.5%	68.2	**75.6**	78.7	82.9
	14.0%	64.1	70.9	73.7	77.5
	14.5%	60.3	66.5	69.1	72.5

Media
Goodwill arising from the acquisition amounts to EUR 3,248 thousand. The impairment test was based on an estimate of value in use and did not result in any recognition of impairment losses.

The value in use was determined based on a DCF-calculation. Key assumptions used in the calculation of the recoverable amount are the discount rate (WACC), the long-term growth rate, the revenues growth rate and the EBITDA growth rate: the values assigned to the key assumptions represent management's assessment of the future trends. The key assumptions were as follows:

	31 Dec 2020	31 Dec 2019
Weighted average cost of capital (WACC)	9.25%	9.5%
Long-term growth rate (g)	1.8%	1.7%
Revenues growth rate (average of next four years)	35.3%	10.5%
EBITDA growth rate (average of next four years)	>100%	>100%

A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term growth rate in the industry. The perpetuity growth rate considered in the terminal value has been determined as the expected long term consumer price index for each CGU according to the geographic distribution of its sales.

Sensitivity analysis
A sensitivity table to the discount rate and long-term growth rate for 2020 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the MEDIA CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below (in million Euro):

	Eur/mil	LONG-TERM GROWTH RATE 2020			
		1.3%	1.8%	2.3%	2.8%
WACC	8.8%	15.4	17	18.8	21
	9.0%	14.2	15.7	17.4	19.4
	9.25%	13.2	**14.5**	16.1	17.9
	9.5%	12.2	13.4	14.9	16.5
	9.8%	11.2	12.4	13.7	15.2

	Eur/mil	LONG-TERM GROWTH RATE 2019			
		0.7%	1.7%	2.2%	2.7%
WACC	8.5%	17.7	18.9	21.6	24.6
	9.0%	15.3	18.7	21	23.5
	9.5%	15.3	**18.7**	21	23.5
	10.0%	11.4	13.9	15.6	17.4
	10.5%	9.7	11.9	13.4	14.9

Note 21 - Financial Assets

The table below shows financial assets for the Group as of 31 December 2020 and 2019:

in '000 EUR	31 Dec 2020	31 Dec 2019
Long-term Deposits	1,086	1,365
Other investment - non current	250	65
Total non-current financial assets	**1,336**	**1,430**
Short-term Deposits	2,299	1,936
Total current financial assets	**2,299**	**1,936**

Non-Current financial assets
In total non-current financial assets, long-term deposits decreased by EUR 279 thousand (20,4%) from EUR 1,365 thousand in 2019 to EUR 1,086 thousand in 2020. These are mainly related to deposits for renting of the Swiss, UK, French and Spanish offices. The Other investments non-current include the loan granted to the Newco constituted for the MBO of Destination. See note 5 for further details.

Current financial assets
In total current financial assets, short-term deposits of EUR 2,299 thousand (2019: EUR 1,936 thousand) are mainly related to real estate and utilities agreements. The line also includes the receivables related to the share-based plan, see note 16 for further details.

Note 22 - Investment in equity accounted Investees

Investment in equity accounted investees amounted as of 31 December 2020 and 2019 respectively to EUR 872 thousand and EUR 966 thousand. The decrease is mainly due to negative results realised during the year by both UrbaNext SA and Instago SAGL partially off-set by the recognition of the result of both Destination Italia Spa and Destination 2 Italia Srl from the date of deconsolidation to year end (1 month).

As disclosed in Note 5, at the end of 2020 Destination Italia Spa and Destination 2 Italia Srl have been deconsolidated. As a result, the Group remains a minor shareholder in both the companies, holding a direct significant influence on Destination Italia Spa and an indirect significant influence on Destination 2 Italia Srl. The investments have been accounted for by applying the equity method starting from the month of December.
All the investments in equity accounted investees are companies operating in the tourism industry with which the Group has signed service agreements.

Please find below a reconciliation of the opening and closing balance of the investments in equity accounted investees, included in Non-current assets:

Opening balance at 1 January	**966**
Share of result of URBANnext SA	(71)
Share of result of InstaGo Sagl	(52)
Share of result of Destination 2 Italia Srl	2
Share of result of Destination Italia Spa	28
Closing balance at 31 December	**872**

The tables below show a summary of financial information for the Group's investments in equity accounted investees (not adjusted for the percentage of ownership held by the Group).

URBANnext is a company which operates with a shared-use mobility aggregator app. The Group has minor operational transactions with the entity. Please refer to Note 31 for further details.

**Cash and cash equivalents are included in current assets for a total amount of EUR 223 thousand at 31 December 2020 and EUR 62 thousand at 31 December 2019*

in '000 EUR	2020	2019
	URBANnext SA	URBANnext SA
Percentage ownership interest	***25%***	***25%***
Non-current assets	774	668
Current assets*	726	1,217
Non-current liabilities	(1,263)	(1,608)
Current liabilities	(439)	(476)
Net assets (100%)	**(202)**	**(199)**
Revenues	745	668
Costs	(843)	(639)
Amortisation and depreciation	(270)	(292)
Finance income / (costs)	80	53
Income taxes	2	(18)
Profit or Loss	**(286)**	**(229)**
Effects of OCI adjustment	-	-
Total comprehensive income	**(286)**	**(229)**

InstaGo SAGL is a company which can manage web-check-in. The Group has minor operational transactions with the entity. Please refer to Note 31 for further details.

**Cash and cash equivalents are included in current assets for a total amount of EUR 273 thousand at 31 December 2020 and EUR 269 thousand at 31 December 2019.*

in '000 EUR	2020	2019
	InstaGo SAGL	InstaGo SAGL
Percentage ownership interest	***30.04%***	***30.04%***
Non-current assets	9	11
Current assets*	280	451
Non-current liabilities	-	-
Current liabilities	(37)	(38)
Net assets (100%)	**252**	**423**
Revenues	84	320
Costs	(209)	(212)
Amortisation and depreciation	-	-
Finance income / (costs)	(1)	(8)
Income taxes	-	0
Profit or Loss	**(126)**	**100**
Effects of OCI adjustment	-	-
Total comprehensive income	**(126)**	**100**

Destination Italia, initially constituted in 2016, is an Italian planning travel agency. The company has been deconsolidated during 2020. The Group has minor operational transactions with the entity. Please refer to Note 31 for further details.

** Cash and cash equivalents are included in current assets for a total amount of EUR 1 thousand at 31 December 2020 and nil at 31 December 2019*

*** Cash and cash equivalents are included in current assets for a total amount of EUR 881 thousand at 31 December 2020 and 462 thousand at 31 December 2019.*

in '000 EUR	2020
	Destination Italia Spa
Percentage ownership interest	***24.90%***
Non-current assets	10,113
Current assets*	2,428
Non-current liabilities	(72)
Current liabilities	(725)
Net assets (100%)	**11,744**
Revenues	185
Costs	(1,010)
Amortisation and depreciation	-
Finance income / (costs)	-
Income taxes	-
Profit or Loss	**(825)**
Effects of OCI adjustment	-

in '000 EUR	2020
	Destination 2 Italia Srl
Percentage ownership interest	***24.90%***
Non-current assets	1,661
Current assets**	2,293
Non-current liabilities	(336)
Current liabilities	(2,399)
Net assets (100%)	**1,219**
Revenues	3,668
Costs	(5,726)
Amortisation and depreciation	-
Finance income / (costs)	(20)
Income taxes	-
Profit or Loss	**(2,078)**
Effects of OCI adjustment	-

Total effects with equity method investments have been included in profit and loss in the "Share of result of equity-accounted investees" line for a total loss of EUR 93 thousand (2019: EUR 9 thousand).

Note 23 - Trade and other receivables

The table below shows Trade and other receivables as at 31 December 2020 and 2019 for the Group:

in '000 EUR	31 Dec 2020	31 Dec 2019
Trade receivables	43,621	88,691
Receivables from shareholders	1	1
Other receivables	6,550	6,227
Accrued income and deferred expenses	1,550	3,310
Total Current	**51,722**	**98,229**
Trade and other receivable	-	265
Total Non Current	**-**	**265**

Trade receivables decreased by 45,070 (-50.82%) from EUR 88,691 thousand in 2019 to EUR 43,621 thousand in 2020.

In 2020 the majority of trade receivables positions are due to the exceptional COVID-19 cancellations and these positions are represented by receivables towards airlines and hotels.

Other receivables include VAT receivables and receivables related to working hour reduction and other trade receivables. The increase of other receivables within the period is mainly due to an increase of contribution for working hour reduction plan.
The ageing of trade and other receivables at the reporting date is shown in the following table:

in '000 EUR	31 Dec 2020	31 Dec 2019
Not past due	20,186	89,095
Past due 0-30 days	2,005	4,624
Past due 31-90 days	3,301	2,131
Past due 91-180 days	14,030	2,090
Past due 181-360 days	12,192	519
Past due 361 and over	9	35
Total	**51,722**	**98,494**

The movement in the allowance for doubtful debts in respect of trade receivables during the year has been as follows:

in '000 EUR	31 Dec 2020	31 Dec 2019
Balance at 1 January	4,927	2,707
Additions during the year	9,971	2,479
Decrease during the year	-	-
Used during the year	(543)	(211)
Effect of business combination	31	-
Released during the year	(2,257)	(49)
Deconsolidation	(85)	-
Currency translation difference	(15)	-
Balance at 31 December	**12,028**	**4,927**

The increase in bad debt provision is mainly related to the negative effects caused by the COVID-19 pandemic on the trade receivables positions.

In line with IFRS 9, the Group applies the simplified approach for the impairment of trade receivables and therefore does not track changes in credit risk, instead a loss allowance is recognised based on lifetime expected credit losses at each reporting date. For further detail refer to note 4.

Note 24 - Contract assets and contract liabilities

The group has recognised the following assets and liabilities related to contracts with customer:

in '000 EUR	31 Dec 2020	31 Dec 2019
Contract assets	2,138	7,727
Contract liabilities	(550)	(10,617)

Contract assets are related to over-commissions and other incentives on flights. Contract assets have decreased in 2020 due to the Group's decrease in flight volumes that lead to a reduction in flights over-commission.

Contract liabilities are related to advance payments from customers and have decreased in 2020 due to the reduction in sales of Dynamic Packages. For further details refer to Note 7.

The Group applies the IFRS 9 simplified approach to the measurement of expected credit losses also on Contract assets. Please refer to Note 4 for evidence.

Note 25 - Cash and cash equivalents

The table below shows Cash and cash equivalents as of 31 December 2020 and 2019:

in '000 EUR	31 Dec 2020	31 Dec 2019
Cash on hand	3	21
Bank accounts	134,433	99,819
Credit Card accounts	3,182	10,520
Total	**137,618**	**110,360**

Bank accounts
The interest rates applied to Group's bank accounts are nil in 2020 (2019: 0% and 0.1%). Bank overdrafts bearing variable interest rates are between 0% and 2.20% in 2020 (2019: nil). For further information refer to the Consolidated Cash Flow Statement.

Credit card accounts
Credit card accounts of EUR 3,182 thousand (2019: EUR 10,520 thousand) contain all credit card accounts with debit balances that are used for payments in the daily business.

Note 26 - Shareholders' Equity

The table below shows Equity as of 31 December 2020 and 2019:

Share capital

In '000 EUR	31 Dec 2020	31 Dec 2019
Share capital and reserves		
Share capital	117	117
Capital reserves	101,819	101,819
Treasury share reserve	(9,108)	(9,108)
Currency translation reserve	1,371	2,004
Retained earnings / (losses)	(25,409)	35,330
Equity attributable to shareholders of lastminute.com nv	**68,790**	**130,162**
Non-controlling interest	292	2,525
Total equity	**69,082**	**132,687**

Share capital
As of 31 December 2020 the number of ordinary shares is 11,664,219 (same as of 31 December 2019) for a nominal value per share of EUR 0.01 (2019: EUR 0.01).

Capital reserves
As of 31 December 2020 capital reserves, including share premium reserves, amount to EUR 101,819 thousand (2019: EUR 101,819 thousand).
There are restrictions for the distribution of capital reserves, refer to note 7 of the company financial statements.

Treasury share reserve
The reserve for the Group's treasury share comprises the cost of the shares held by the lastminute.com Group. At 31 December 2020 the Group held 648 thousand shares for the total value of EUR 9,108 thousand (648 thousand shares as of 31 December 2019 for a total value of EUR 9,108 thousand).
During 2019 the Group bought 38 thousand treasury shares for a total value of EUR 816 thousand and sold 18 thousand shares for a total value of EUR 215 thousand.

Currency translation reserve
The currency translation reserve comprises all foreign currency differences arising from the translation of the subsidiaries with functional currencies different from the presentation currency (EUR).

Retained earnings/(losses)
Retained earnings/(losses) as of 31 December 2020 amounted to EUR (25,409) thousand (2019: EUR 35,330 thousand) and include the result related to current year and accumulated results generated in previous years by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liability.

The 2020 retained earnings was mainly impacted by the negative results realised by the Group.

Dividends
No dividends were paid by the group during 2020.

Capital Management
The capital managed by the Company consists of the consolidated equity. The Group's goal is to maintain a strong capital base as to sustain future development of the business and to maximize long-term shareholder value.

Non-controlling interests
The difference on Non-controlling interests, from EUR 2,525 thousand in 2019 to EUR 292 thousand in 2020, is mainly related to these effects:

- the loss of the period pertaining to Non-controlling interests for EUR (840) thousand;
- In 2020 the Group has deconsolidated both Destination Italia Spa and Destination 2 Italia Srl with an effect on NCI of EUR (350) thousand;
- Step-up and adjustments due to the remeasurement of Non-controlling interests with a negative effect of EUR (1,043) thousand.

The table below shows the number of shares and total issued capital as of 31 December 2020 and 2019:

Issued Capital	31 Dec 2020	31 Dec 2019
Number of ordinary shares	11,664,219	11,664,219
Nominal value per share (EUR)	0.01	0.01
Total amount (EUR)	**116,642**	**116,642**

Note 27 - Provisions

The table below shows the movements in Provisions for 2020 and for 2019:

Provisions 2020

in '000 EUR	1 Jan 2020	Reversals	Use	Addition	Currency translation difference	31 Dec 2020
Provision for fraudulent credit card transactions	177	(248)	-	2,402	-	2,331
Other provisions	627	(313)	-	1,107	(7)	1,414
Provision for tax risks	100	(2)	(98)	111	-	111
Total	**904**	**(563)**	**(98)**	**3,620**	**(7)**	**3,856**
Non-current	-	-	-	-	-	-
Current	904	(563)	(98)	3,620	(7)	3,856
Total	**904**	**(563)**	**(98)**	**3,620**	**(7)**	**3,856**

Provisions 2019

in '000 EUR	1 Jan 2019	Reversals	Use	Addition	Reclass	31 Dec 2019
Provision for fraudulent credit card transactions	93	(83)	-	166	-	177
Other provisions	101	(74)	(40)	579	63	627
Provision for tax risks	367	(27)	(809)	806	(237)	100
Total	**560**	**(184)**	**(849)**	**1,552**	**(174)**	**904**
Non-current	-	-	-	-	-	-
Current	560	(184)	(849)	1,552	(174)	904
Total	**560**	**(184)**	**(849)**	**1,552**	**(174)**	**904**

Provision for fraudulent credit card transactions and chargebacks
Provision for fraudulent credit card transactions and chargebacks, for an amount of EUR 2,331 thousand (2019: EUR 177 thousand), refer to transactions completed in the year preceding the reporting date and likely to be disputed by the customer in the following year. The increase is mainly due to the increased number of chargebacks as a direct consequence of the booking cancellations.

Provision for tax risks
Provision for tax risks, for an amount of EUR 111 thousand (2019: EUR 100 thousand), refer to minor risks for which the Group expects to have a cash out flow in the coming years.

Other provisions
As of 31 December 2020, other current provisions amounted to EUR 1,414 thousand (2019: EUR 627 thousand) and they are mainly referred to:

- a provision for fine levied by the Italian antitrust authority in December 2017. Originally the Group booked a provision of EUR 2,400 thousand, the entire amount of the fine. The first instance judicial proceeding ended with TAR Lazio recognizing the Group's position and reduced the amount of the fine imposed by EUR 772 thousand. A total amount of EUR 1,628 thousand had been paid by the Group during 2019.Following the delivery of the above judgment the Group filed the appeal to require the Council of State ("Council of State"). Through its final judgement dated 15 October 2020 the Council of State disposed a reduction of EUR 400 thousand of the overall amount of the fine.The decision of the Council of State was not entirely satisfactory to the interests of the Group.At the moment the Group could proceed further in the litigation by proposing a last instance appeal before the Supreme Court ("Corte di Cassazione").
- a provision for a litigation and other risks in Germany for EUR 519 thousand.

Note 28 - Net Financial Position

The table below represents the net financial position for the Group as of 31 December 2020 and 2019:

in '000 EUR	31 Dec 2020	31 Dec 2019
Current financial assets	2,299	1,936
Cash and cash equivalents	137,618	110,360
Short term financial liabilities	(67,236)	(24,399)
Short term Lease liabilities	(4,980)	(5,921)
Net Financial Position within 12 months	**67,701**	**81,976**
Non current financial assets	1,336	1,430
Long term financial liabilities	(28,721)	(10,982)
Long term Lease liabilities	(6,767)	(7,380)
Net Financial Position over 12 months	**(34,152)**	**(16,932)**
Total Net Financial Position	**33,549**	**65,044**

The Net Financial Position for the Group was EUR 33,549 thousand in 2020, compared to EUR 65,044 thousand in 2019.

The changes in the composition of the net financial position as of 31 December 2020 compared to December 2019 can be mainly explained by the following:

- higher cash and cash equivalents by EUR 27,258 thousand due to new financings granted by financial institutions that have compensated the absorption of cash driven by the change in net working capital, heavily affected by cancellations;
- increase in Financial Liabilities by EUR 60,576 thousand. Financial liabilities are mainly related to the opening of loans granted by top rated European banks and COVID-19 related bank loans.

For further information see the Consolidated Cash Flow Statement and debt reconciliation in Note 4.
Please refer to Note 17 for evidence of the movement schedule of lease liabilities.

Note 29 -Trade and other payables

The table below shows "Trade and other payables" as of 31 December 2020 and 2019:

in '000 EUR	31 Dec 2020	31 Dec 2019
Trade payables	78,665	144,829
Credit card payables	8,277	53,810
Other payables	8,221	18,787
Accrued expenses and deferred income	118,744	8,743
Total Current	**213,908**	**226,169**
Total Trade and other payables	**213,908**	**226,169**

The two most significant creditors of the Group included in the total trade payables at 31 December 2020 had an open balance amounting respectively to EUR 2,933 thousand, referred to the Group's major supplier (3.73%) (2019: EUR 6,486 thousand (4.5%)), and EUR 1,989 thousand (2.53%) (2019: EUR 3,959 (2.7%)).

The ageing of trade and other payables at the reporting date is shown in the following table:

in '000 EUR	31 Dec 2020	31 Dec 2019
Not past due	204,406	206,140
Past due 0-30 days	6,400	9,410
Past due 31-90 days	1,231	8,507
Past due 91-180 days	704	490
Past due 181-360 days	959	669
Past due 361 and over	207	953
Total	**213,908**	**226,169**

Credit card payables
The credit card payables are post-paid credit card accounts, which are used to make payments in the daily business. The amount of 2020 decreased by EUR 45,533 compared to the previous year. On 31 December 2020, the Group decreased the credit card plafond to a total amount of EUR 54,537 thousand (2019: EUR 93,733 thousand). This significant reduction is due to the pandemic situation.

Other payables
Other payables mainly include payables relating to taxes, social security and amounts due to personnel for the annual bonus. The amount in 2020 decreased by EUR 10,566 thousand compared to 2019.

Accrued expenses and deferred income
The accrued expenses and deferred increased by EUR 110,001 thousand, from EUR 8,743 thousand in 2019 to EUR 118,744 thousand in 2020. The significant increase is due to the liabilities towards the customers for vouchers sent in relation to the cancellations of bookings when the customers choose this option as a method of refund.

Note 30 - Contingent Liabilities

Proceedings against Ryanair Ltd now Ryanair DAC

Switzerland

Ryanair Ltd claimed in 2008 against a company previously belonging to the Group for alleged breach of access to Ryanair's website. Ryanair Ltd went to court in Ireland, asking for an injunction preventing the former Group company from accessing its website and additionally suing for damages. In 2009, Bravofly SA (then Bravonext SA) claimed in Switzerland to reach an assessment that its activity was not violating any right of Ryanair Ltd, whereas the latter claimed to reach an assessment that Bravofly SA was acting illicitly and additionally sued for damages.

On 8 May 2019 Bravonext SA received the Court decision. Pretura of Lugano rejected Ryanair requests and decided the first grade in Bravonext SA favour.
Ryanair has appealed the decision.

The Group received the appeal of Ryanair and answered with a counter-appeal on 13 December 2019.
On December 15, 2020 the Court of Appeal of the Canton Ticino fully rejected the appeals of Ryanair, entirely confirming the first instance court decision. The appeal of the Company was only partially upheld on a side aspect but in the main point, it was rejected, too. The Court of Appeal decisions are not definitive yet and Ryanair could still appeal against Bravonext SA and Lastminute.com to the Swiss Federal Court.

On the 1st February 2021 Ryanair appealed to the Federal Court. Ryanair requested suspensive effect, which means that payments can be requested if suspensive effect is not granted. We objected to the suspensive effect on 4 February and requested a new deposit.

According to the information available to us BravoNext should receive from Ryanair as an indemnification, net of any payment still due to the courts by BravoNext, approximately CHF 295 thousand.
Considering the positive outcome of the first and the second grade of the court, management believes that no liability is required at the balance sheet date. The amount of CHF 295 thousand has not been booked as a contingent asset in the financial statements.

Italy

In 2010, Viaggiare Srl brought a civil proceeding against Ryanair Ltd, before the Court of Milan: in the claim the defendant is trying to prevent Viaggiare from performing its online travel agency activities in respect of such airline flights. Viaggiare has asked the Court to acknowledge and declare that: (a) such airline is culpable of acts of unfair competition to the plaintiff's detriment (along with other torts, such as abuse of its dominant position on the market of sale of air flight tickets and relating services); and conversely (b) Viaggiare is entitled to perform its OTA activity also in respect of such airline flights. The first instance court accepted Viaggiare's request and ordered the airline to pay damages and judicial costs for the first instance proceeding.

The judgment was appealed by the airline on July 31st, 2013. In July 2015 the second instance court decided in favour of Viaggiare even if Ryanair has not been recognised as dominant in the market. In 2016 the second instance judgment was appealed by Viaggiare before the Cassazione Court.

On 13 November 2019 the Court of Cassazione decided to accept all grounds of appeal proposed by Viaggiare Srl and to reject all the Ryanair's argumentation. Particularly in regard with the abuse of dominant position, the Highest Court said that the Appeal court didn't properly apply the criteria to exclude or declare the abuse of dominant position of Ryanair.
The Group will go back to the Appeal court asking for a new decision on this point.

In 2009, Lastminute.com SRL brought a civil proceeding against Ryanair Ltd, before the Court of Milan: in the claim the defendant is trying to prevent Lastminute.com from performing its online travel agency activities in respect of such airline flights. Lastminute.com has asked the Court to acknowledge and declare that: (a) such airline is culpable of acts of unfair competition to the plaintiff's detriment (along with other torts, such as abuse of its dominant position on the market of sale of air flight tickets and relating services); and conversely (b) Lastminute.com is entitled to perform its OTA activity also in respect of such airline flights.

The first instance court accepted Lastminute.com's request and ordered the airline to pay damages and judicial costs for the first instance proceeding. The judgment was appealed by the airline in June 2013. In March 2015 the proceeding was transferred to LMnext CH SA due the transfer of going concern between lastminute.com Srl and Lmnext CH SA. In July 2015 the second instance court decided in favour of LMnext CH even if Ryanair has not been recognised as dominant in the market. Ryanair appeals decision before the third level Court of "Cassazione".

LMnext CH appealed the decision before "Corte di Cassazione" against Ryanair in 2016. On 13 November 2019 the Court of "Cassazione" decided to accept all grounds of appeal proposed by LMnext CH and to reject all the Ryanair's argumentation. Particularly on the abuse of dominant position the Highest Court said that the Appeal court didn't properly apply the criteria to exclude or declare the abuse of dominant position of Ryanair. The Group will go back to the Appeal court asking for a new decision on this point.

France

Voyages Sur Misure (VMS) initiated a legal proceeding against Ryanair before the Paris Court of First Instance in May 2012 seeking a declaration that VSM's scraping of Ryanair content for display on the French website does not constitute an infringement of Ryanair's intellectual property rights or provide any other grounds for Ryanair to lawfully refuse booking via VMS. Ryanair submitted a pleading challenging jurisdiction of French courts. In March 2013 the Court held that the matter should be heard before the Paris Commercial Court rejecting Ryanair claim to have proceedings transferred to Ireland. In March 2015 Lmnext FR took over VSM's in the trial. The parties are waiting for the court to set a date for the first hearing.

On 20 March 2018 the Paris Commercial Court rendered a decision that ordered lastminute to immediately stop using Ryanair's database. The Court did not provide for provisional enforcement of the decision. In the meantime Ryanair initiated a new proceeding in order to request the provisional enforcement of the mentioned part of the decision.

During the first hearing of this procedural proceeding on 6 December 2018 Ryanair Ltd the judge did not grant the provisional execution and our Lawyer raised a technical issue and the counterparty's lawyer asked for a period to prepare an answer. The Court of Appeal rendered his decision on the provisional enforcement on 4th April 2019. The judge did not give the provisional enforcement because Ryanair failed to demonstrate the needed urgency to obtain the provisional execution. As a consequence, the proceeding has been carried back to the merit appeal.
The oral hearings will take place on October 21, 2021.

At the balance sheet date, it is not possible to form an opinion as to the outcome of the cases and it is not possible to quantify any liability for costs and potential damages that may arise. Based on legal advice and, according to case law in similar cases, the likelihood of success for Ryanair Ltd is remote.

Germany

LMnext DE GmbH is in a dispute against Ryanair DAC. In November 2020, Ryanair had sent a warning letter to the Company and LMnext DE GmbH alleging that the practice of replacing the actual email addresses of customers making a booking for a Ryanair flight on the Company's website with a virtual email address when communicating with Ryanair. Ryanair alleged that BravoNext and LMnext DE GmbH are misleading their customers and Ryanair itself with this practice and are unfairly inhibiting Ryanair's business.

Ryanair demanded that the Company and LMnext DE GmbH ceased and desisted from this practice.
BravoNext and LMnext DE GmbH refused to give the demanded cease and desist undertaking. Ryanair then requested a preliminary injunction at least against LMnext DE GmbH before the Regional Court Hamburg. The court rejected this request on 14 December 2020. Ryanair has appealed this decision.
The proceeding is currently pending before the Higher Regional Court Hamburg.

The outcome of the proceeding and the timeline for the appeal are currently unclear. If the court were to reverse the decision and rule in favour of Ryanair, LMnext DE GmbH would be precluded from such practice (or participating therein, e.g. by offering its website lastminute.de for such bookings), and would have to pay Ryanair the costs of the proceeding and likely of the warning letter. The potential loss may be in the range of EUR 10 thousand to 15 thousand.

Ryanair is also seeking a preliminary injunction against Bravonext SA. Considering the degree of uncertainty, management believes that no liability is required at the balance sheet date.

Note 31 - Related Parties

The Group is controlled by Freesailors Cooperative (incorporated in the Netherlands), which is controlled by Mr. Fabio Cannavale. Freesailors Cooperative owns 44.6% (2019: 51.2%) of the shares of the Company. The remaining 55.4% (2019: 48.8%) of the shares are widely held.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The Group has a related party relationship with its major shareholder, its subsidiaries, its associates, its post-employment benefit plans as well as with its key management personnel. The Group's operations involve operating activities between the parent company and its subsidiaries and between the subsidiaries due to the nature of business: these kinds of operations are "recurring" transactions eliminated at consolidated level.

Receivables from shareholders
As of 31 December 2020 there were no transactions between the Group and its shareholders.

Key management personnel compensation
The key management personnel approved compensation for 2020 and 2019 is presented in the table below:

in '000 EUR	2020	2019
Short-term employee benefits	451	1,315
Post employment benefits	16	81
Total	**467**	**1,396**

The variable compensation for the Executive Management being equal to EUR 1,316 thousand will not be paid because the performance targets have not been met in 2020. As a consequence the amount has not been accrued for in the 2020 financial statements, based on the fact that as of 31 December 2020 top management already knew that the related target was 100% not reachable.

Such amounts are not expected to be paid in 2021 and for that reason they have not been accrued in 2020. The actual cost for 2020 is EUR 467 thousand which includes the fixed remuneration plus the post-employment benefits.

Transactions with associates
The tables below provide summarised financial information with reference to the transactions with associates:

in '000 EUR	31 Dec 2020		31 Dec 2019	
	Assets	Liabilities	Assets	Liabilities
URBANnext SA	47	-	28	-
Instago SAGL	-	-	-	143
Destination 2 Italia Srl				
Destination Italia Spa	-	-	-	-
Total	**47**	**-**	**28**	**143**

in '000 EUR	31 Dec 2020		31 Dec 2019	
	Costs	Revenues	Costs	Revenues
URBANnext SA	-	83	-	160
Instago SAGL	143	-	321	-
Destination 2 Italia Srl	-	1	-	-
Destination Italia Spa	-	5	-	-
Total	**143**	**89**	**321**	**160**

Please consider that Destination 2 Italia Srl and Destination Italia Spa were part of the consolidation perimeter in 2019.

Other transactions
During the year, the Group signed an agreement with Brandon Group S.r.l. and an agreement with Planet Tech Systems Limited. Both the agreements were entered into upon conditions equivalent to those that would prevail in a similar transaction with a third party on arm's length market terms and were approved by the Board of Directors respectively on 30th of July and 10th of November 2020.

Note 32 - Bank Guarantees

As of 31 December 2020, financial institutions had issued bank guarantees to third parties on behalf of the Group for a total amount equal to EUR 50,790 thousand (2019: EUR 70,511 thousand), of which EUR 3,500 thousand related to a bank guarantee to a Spanish GDS airline and EUR 29,981 thousand relate to a bank guarantee for the IATA, ABTA and ATOL.

Note 33 - Group Companies

The table below shows the Group 's structure as of 31 December 2020 and 2019:

Name	Place of business	Consolidated for 2020	Ownership interest	
			2020	2019
lastminute.com N.V.	Amsterdam, Netherlands	-	Parent Company	Parent Company
Bravonext SA	Chiasso, Switzerland	Fully	100.00%	100.00%
Viaggiare S.r.l.	Milan, Italy	Fully	100.00%	100.00%
LMnext US INC	Wilmington, USA	Fully	100.00%	100.00%
LMnext DE Gmbh	Munich, Germany	Fully	100.00%	100.00%
LMnext Services Ltd	London, UK	Fully	100.00%	100.00%
LMnext UK Ltd	London, UK	Fully	100.00%	100.00%
Bravoventure India Private lmt	Bangalore, India	Fully	100.00%	100.00%
Sealine Investments LP	Edinburgh, UK	Fully	0.10%	0.10%
Blue Sas - JetCost	Paris, France	Fully	98.40%	98.35%
Pigi Shipping & Consulting S.r.l.	Milan, Italy	Fully	100.00%	100.00%
Bravoventure Spain SLU	Madrid, Spain	Fully	100.00%	100.00%
Rumbo SA	Madrid, Spain	Fully	100.00%	100.00%
Webnext Limited	Valletta, Malta	Fully	100.00%	100.00%
LMnext CH SA	Chiasso, Switzerland	Fully	100.00%	100.00%
URBANnext SA	Chiasso, Switzerland	Equity	25.00%	25.00%
Cruiseland S.r.l.	Milan, Italy	Fully	100.00%	100.00%
LMnext FR SASU	Paris, France	Fully	100.00%	100.00%
Bravometa CH SA	Chiasso, Switzerland	Fully	98.40%	98.35%
Bravoventure Poland Spolka	Szczecin, Poland	Fully	100.00%	100.00%
Destination Italia SpA	Milan, Italy	Equity	24.90%	78.60%
Destination 2 Italia Srl	Milan, Italy	Equity	24.90%	78.60%
Lmnext UK Ltd (incorporated in England and Wales) Branch	London, UK	Fully	100.00%	100.00%
Comvel Gmbh	Munich, Germany	Fully	100.00%	100.00%
Bravolivia Sl	Madrid, Spain	Fully	100.00%	100.00%
InstaGo SAGL	Chiasso, Switzerland	Equity	30.04%	30.04%
LM Forward Ltd	London, UK	Fully	83.00%	83.00%
QT Mobilitatsservice Gmbh	Munich, Germany	Fully	100.00%	100.00%
Madfish Srl	Milan, Italy	Fully	83.00%	58.10%
Smallfish Srl	Madrid, Spain	Fully	83.00%	58.10%
HolidayiQ Pte Ltd	Singapore	Fully	100.00%	0.00%
Leisure and Lifestyle Information Service Pvt Ltd	Bangalore, India	Fully	100.00%	0.00%

Note 34 - Subsequent Events

Update on financing

During the month of February and March 2021, the Group has obtained from a major financial institution EUR 11 million of new financings, of which EUR 4M for the main swiss operating legal entity as invoices advances and the remaining amount of about EUR 7.2M for the Italian legal entities in the form of loan. The amounts obtained by the Italian legal entities are 90% granted by the government, plus a parent company guarantee from the holding.

In addition to the events reported above, no additional subsequent events occurred since balance sheet date, which would change the financial position of the Group or which would require adjustment of disclosure in the annual accounts presented.

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