annualrecord2018

lm group

lastminute.com

Content

A record year at a glance 4
Chairman's letter 7
The online travel landscape 11
The PSTO transaction 13
Group CEO's letter 15
Group structure, trajectory and venture initiatives 18
lastminute.com CEO's letter 25
Transformation approach, strategy and vision 28
OTA, META, Media 36
CFO's letter 43
Main financial KPIs 46
Board of Directors 51
Consolidated financial statements 55
Notes to the consolidated financial statements 63

We wanted to “flag” our record year:
2018 was the year to celebrate the pink plus!

lastminute.com
volagratis
bravofly
rumbo
weg.de
crocierissime.it
hotelscan
JETCOST
lm travelpeople ENGAGING AUDIENCES
Madfish
playbook™

A year of record

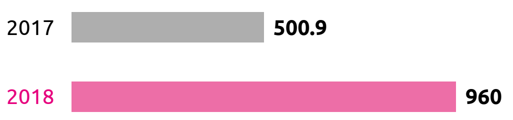
GROSS TRAVEL VALUE
+17.3%
(2017= € 2,042M > 2018= € 2,395M)

CORE BUSINESS REVENUE
+14.2%
(2017= € 251.3M > 2018= € 286.9M)

CORE BUSINESS EBITDA
+60%
(2017= € 27.5M > 2018= € 44.0M)

CASH
+39.9%
(2017= € 52.1M > 2018= € 72.9M)

EAT***
+16.2M
(2017= € -7.8M > 2018= € +8.4M)

Holiday Package GTV*


+91.7%

Holiday Package Revenue**


+58.2%

Holiday Package Revenue** vs Total OTA


+37.2%

* Include Dynamic and Tour Operator Packages GTV

** Include Dynamic, Tour Operator Packages and advertising revenue pro-quota

*** Earning After Taxes

A year of record

RESERVATION WE MADE
4,519,375

TRAVELLERS WE HAVE MOVED
8,500,000

Every **38 minutes**
we fill and take off
a **615 seats Airbus A380**

23,300
Passengers per day

37 Airbus A380

Chairman’s letter

Dear stakeholders,

I’m very pleased to introduce our FY2018 “Annual Record”, which marks a turning point in our recent history.

After 3 years of transformation, following the acquisition of lastminute.com in 2015, the Group now has the capability to deliver great results, showing that the vision behind the decision and actions taken during this period were bold and forward-thinking.

Despite economic and political challenges in the region, Europe’s travel market continues to expand. A relatively modest Gross Travel Value growth of 2% in 2018 goes along with faster online bookings trend which reported a 7% year on year increase, moving up the online penetration rate from 47% to 49%. Most of this growth comes from mobile, which is projected to register a double-digit YoY increase for the next years.

Europe is one of the leading regions in online penetration and, according to Phocuswright, the global travel market research company, from 2019 it will be the area where online bookings will overtake the offline channel, for the first time in history. However, the offline business still remains significant in terms of both, volumes and relevance for certain segments of the population and travel related products. Relatively complex and expensive products such as tours and vacation packages have been slow to gain traction online, as many consumers prefer talking to an expert to sort out the options and costs. This is where the Group sees the most interesting potential opportunities.

The Group strategically boosted the shift towards holiday solutions, from more commoditised flight and hotel-only products, thanks to a long-term investment in Dynamic Packages technology. This has led to the Group being one of the indisputable leaders in the field, leveraging concrete competitive advantages against other OTAs and traditional Tour Operators. We are now ready to address the digital transformation and take great strides in helping people drift away from the offline channel toward a more comfortable way of booking a truly personalised and relevant online holiday solution.

The five largest European markets in terms of travel expenditure, UK, Germany, France, Spain and Italy are still the focus of the Group offering. Together they count for €216bn Gross Travel Value, of which 108bn is spent online. Excluding the UK, where the online penetration rate is well above the 60%, Germany, France, Spain and Italy all have online penetration rates in the 40/44% range, thus implying significant headroom for digital expansion. Germany and Italy primarily are seen leading the Group in implicit online growth in the period 2018-2022, with a projected pace between, 7 and 11% respectively on a yearly basis.

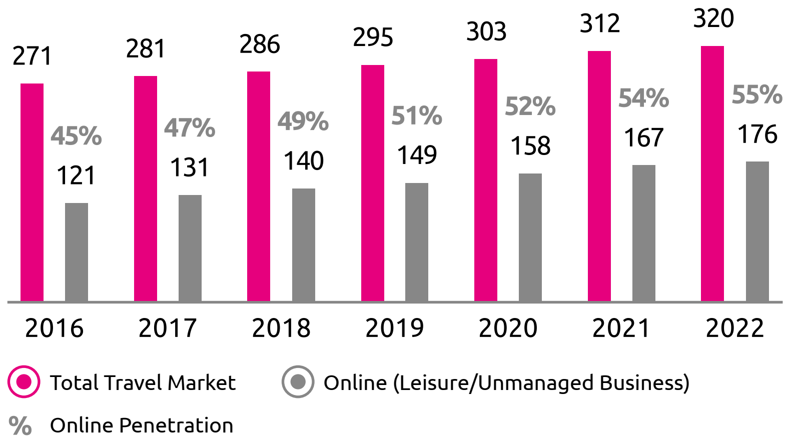
In 2018 we executed the most relevant transaction since the IPO. As already described in the context of the Interim Report, the Partial Self Tender Offer launched in April, and settled in May 2018, was a successful one. The share price, of course as a result of the great business performance too, increased by 56% from the week prior to the announcement to December 2018, significantly outpacing both, the SPI index and the Euro Stoxx ® TMT Tech. Now, our major shareholders hold 50.2% of the capital, thus demonstrating the strong commitment of the two founders and Executive Directors of the Group for the future development of the business and the positive prospect in terms of sustainable value creation.

Ottonel Popesco
Chairman of the Board of Directors


Ready to head
to the next frontier

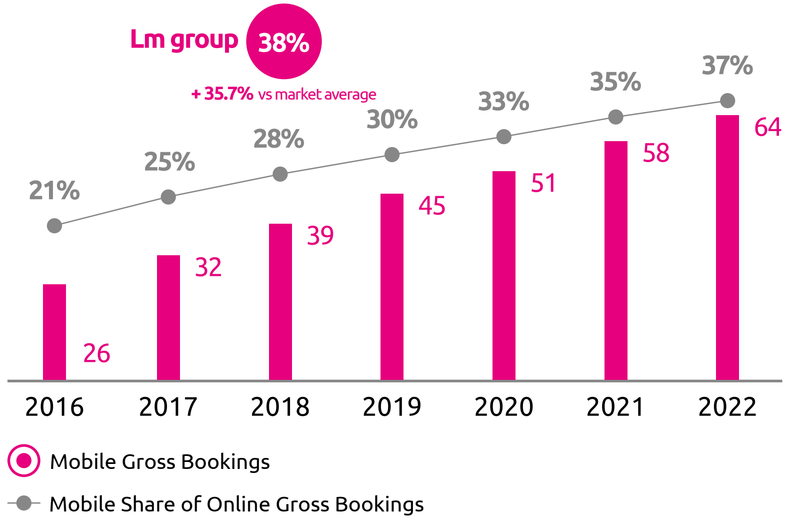
A structural growing market...

Europe Total and Online Travel Markets, Gross Bookings (€ B) and Online Penetration (%) 2016-2022



Leisure travel remains top of mind for European consumers in terms of discretionary spending. Europe continues to drive growth consistently attracting visitors from around the globe. European travel market is projected to grow by 3% yearly reaching €320 billion in 2022 mainly driven by online channels. These channels are advancing more rapidly than the broader market with online penetration now close to the 50% mark.

Europe Mobile Gross Bookings (€ B) and Mobile share of Online Gross Bookings (%) 2016-2022

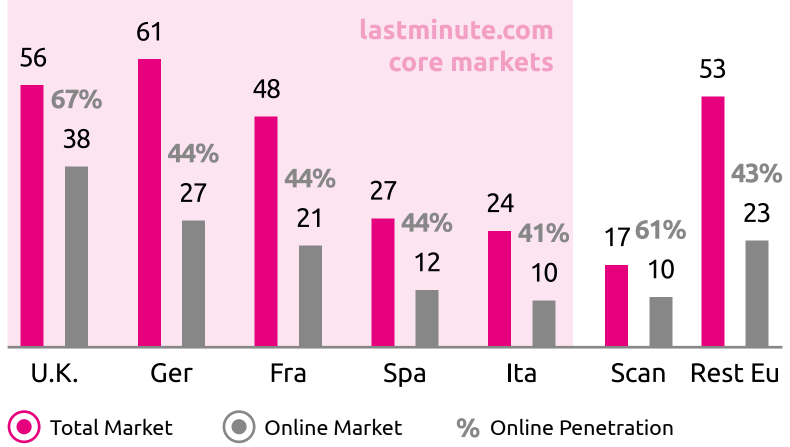


Within the online space, mobile channels now represent the primary growth opportunity with mobile bookings set to reach 30% of total bookings by the end of the 2019. lastminute.com has already identified and made efforts to exploit this opportunity by improving the mobile app usability, experience, interaction and engagement with customers. Our mobile bookings were on average 38% of total booking in 2018.

Source: Phocuswright, Europe Online Travel Overview 2018

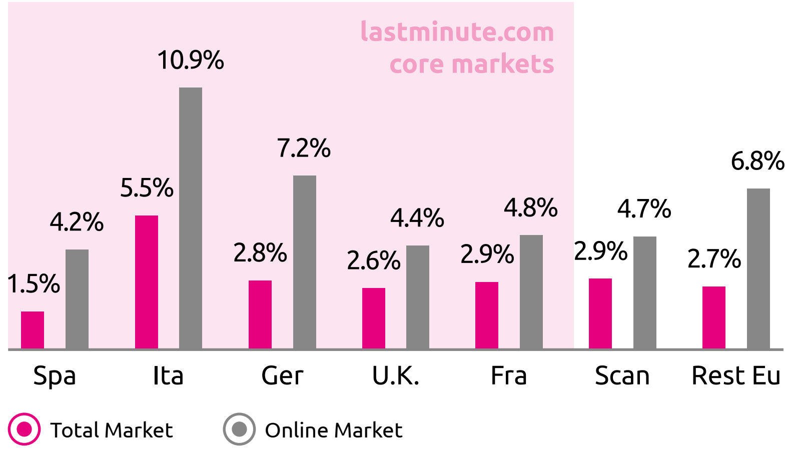
...showing great upside opportunities in our core countries

Europe Total and Online Travel Gross Bookings (€ B) and Online Penetration (%) by Market 2018



While online sales channels already play a dominant role in the U.K. (with online accounting for more than two thirds of the total UK travel market) the other biggest European markets and lastminute.com core markets (Germany, France, Spain and Italy) have online penetration rates in the 40-45% range, meaning significant opportunity for growth.

Compound annual growth rate by Country 2018-2022

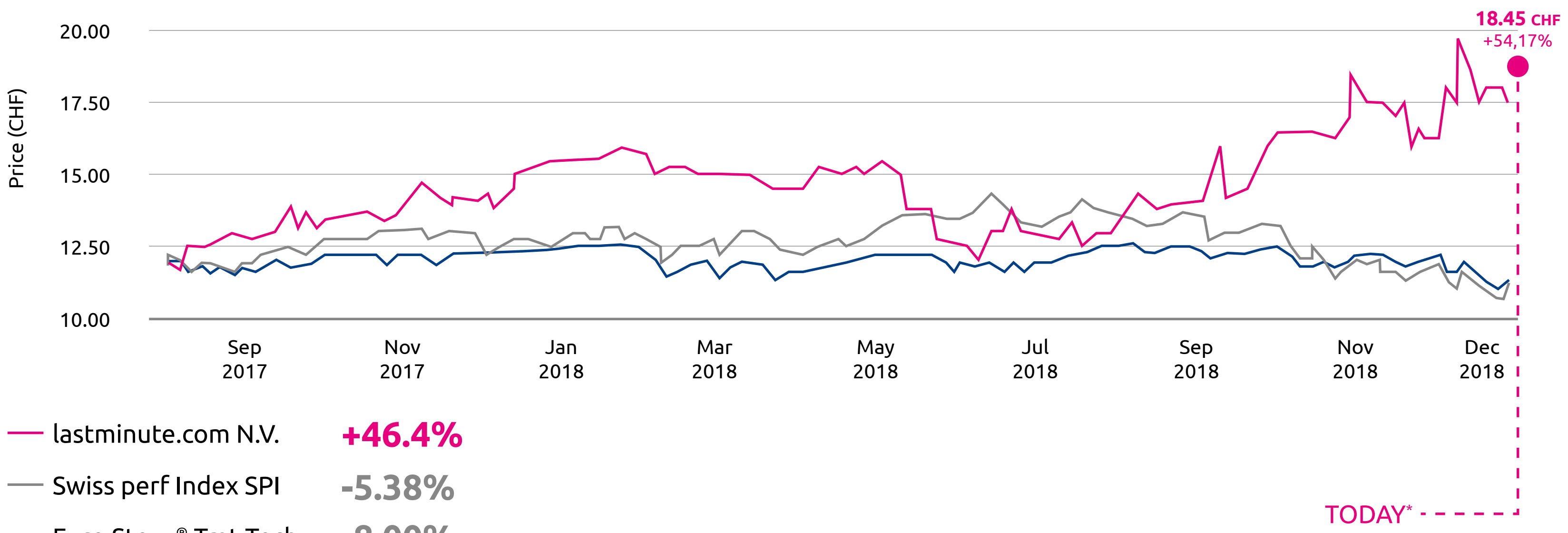


From 2018-2022, compound annual growth rates for online bookings will be in the 4-7% range for most markets. Italy stands out with a compound annual growth for online bookings of 10,7% as the country's online penetration rate quickly advances to 50% by 2022.

A succesful transaction that created significant value for shareholders...

Pre-PSTO	Post-PSTO
Average price, last week before PSTO announcement (2-9 Aug 2017)	Average price, December 2018 (6 months after PSTO settlement)
12.03CHF	**18.30CHF**
10.38EUR	**16.20EUR** (+56.0%)
Average CHF/EUR = **0.863**	Average CHF/EUR = **0.885**
Market Cap (EUR) = **151.8M**	Market Cap (EUR) = **188.9M** (+24.4%)
# of share **14.6M**	# of shares **11.7M**

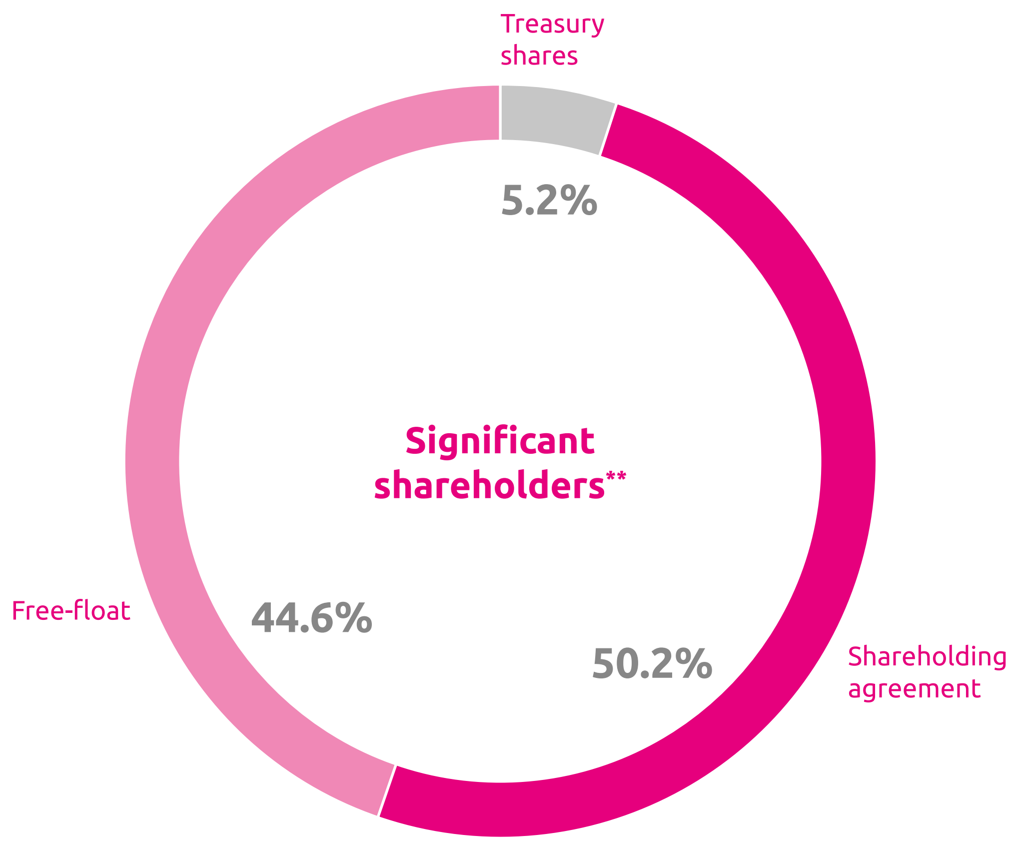
Share price 2 Aug 2017 - 31 Dec 2018



lastminute.com N.V.	**+46.4%**
Swiss perf Index SPI	**-5.38%**
Euro Stoxx® Tmt Tech	**-8.00%**

* Today refers to 13/3/2019.

... resulting in a well balanced ownership structure



** Ownership structure as of 31/12/2018.

lm group CEO’s letter

Our annual report starts this year with a huge + a sign which symbolically links the incredibly “positive” year with the flag of the country we call home.

First of all, 2018 has been a record year in many ways for the Group and the lastminute.com core business. Never in our history have we achieved such a fantastic set of results, which going forward, will be the launch pad for our continued evolution.

Secondly, taking the company public in 2014 on the SIX Swiss Exchange, allowed us to bring to the table a story of growth which several investors, mainly from Switzerland, trusted in. Since the time of the IPO , and thanks to the funds raised, we embarked on a re-engineering phase aimed at building lm group as a European leader in the online travel space. It’s taken time to put in place all the necessary building blocks, piece by piece, but we’ve always been convinced that we are building something strong. It’s not always been easy, but we’ve adapted and overcome unforeseen challenges to help realize our vision and fulfil our mission of being the most relevant and inspiring travel company committed to enriching the life of travellers.

2018 saw the definitive start of our value maximisation phase following a period of considerable organisational change within the group. This was also a turning point for all our stakeholders after launching a Partial Self Tender Offer in April 2018 to send a message of confidence and respond to a call from our minority shareholders. We provided an exit opportunity to those shareholders who wanted to liquidate their stakes at a fair price and, in the meantime, the people who decided to stay with us, trusted in our capability, and gave us a commitment as we work towards our long-term investment horizon.

The acquisition of lastminute.com in 2015 helped us reiterate the rationale behind the shift from a pure transactional-oriented flight centric proposition to a diversified OTA-META-Media holiday-driven business model. The transformation was centred around our assets, brands and people, and was driven by a logical reorganisation, a clear vision and the capability to execute. Along with this, it was fundamental to engage and ask our people for their best efforts and belief in delivering the plans.

We’ve already reached several intermediate objectives throughout the re-engineering phase, primarily the integration of different companies, platforms, technology infrastructure and cultures. In 2018 we reported a robust set of results in which our vision translated into very clear numbers.

Segregating the Core Business, lastminute.com, from the Holding, its corporate structure and the Venture Initiatives, enables a more coherent allocation of resources and costs and provide everyone with a clearer representation of the real performance of all business lines. LM Venture is the tool we use to scout interesting development opportunities in the wide arena of Travel Innovation. All initiatives like this start their journey here and then, depending on their nature and the concrete opportunity to generate synergies with the Core Business, they can continue to operate independently from lastminute.com or they move within one of our business lines. As was the case with URBI, sometimes we discover that the best option is to find an another stakeholder to invest in it and then continue to follow the initiative from a different angle.

While through the lens of LM Venture we look at small deals, thanks to our Corporate Development team we constantly monitor the entire travel industry landscape to evaluate possible combinations with other players that can contribute to boost our growth trajectory and the fulfilment of our mission. You can see this approach through the acquisition of Comvel GmbH (weg.de). This purchase enabled us to enter one of the most interesting markets for developing our holiday value proposition. We put in considerable resource to integrate the company into our organisation and infrastructure quickly and efficiently. Such a bold decision paid off immediately with significant results. The business grew in double digits and the profits, from a negative start, became positive by the end of 2018.

Our management team now has extensive experience in properly running an integration process, matured over time by the acquisition of numerous medium to large companies. It is a very valuable asset that can be fruitfully capitalised upon in the current consolidation trend among major players in our industry.

Fabio Cannavale
lm group CEO

Exploring new opportunities to foster innovation

lm group is organised in two business areas and a listed holding company providing corporate services

lm holding

Group CEO Fabio Cannavale

- Dutch Holding Company* listed in Switzerland (SIX Swiss Exchange)
- Corporate services and functions

lastminute.com

CEO Marco Corradino

- OTA
- META
- MEDIA

lm venture

Venture Initiatives

Destination Italia Gartour – Majority	ubi – Minority
DOVECLUB www.doveclub.it – Minority	InstaGO – Minority

lastminute.com

OTA	META	MEDIA
bravofly	JETCOST	playbook
rumbo	hotelscan	lm travelpeople ENGAGING AUDIENCES
weg.de		Madfish
volagratis		
lastminute.com		
crocierissime.it		

* registered in The Netherland as lastminute.com N.V., listed under the ticker symbol LMN:SW

Our journey through time
IPO - Today Trajectory

GROWTH PHASE

RE-ENGINEERING PHASE

VALUE MAXIMISATION PHASE

2004 Volagratis

Flight centric
OTA

2007 Bravofly

2010 crocierissime.it

2012 Rumbo

2013 JETCOST

2014 - IPO*

Revenue **146.0**
EBITDA Adjusted **21.1M**
NFP = **68.1M**
Market cap **700M CHF**

2015 lastminute.com

2016 wayn, lm travelpeople ENGAGING AUDIENCES

2017 hotelscan

2018 weg.de

2018-Today**

Revenue **286.9**
EBITDA Adjusted **32.8M**
NFP = **31.9M**
Market cap **218M CHF*****

Holiday centric
OTA+META+Media

(IPO)
2014
(Today)
2018
+100% Revenue
+50% EBITDA

Evolution: from **Flights** to being the most attractive OTA business.

Diversification: from **OTA** to **OTA+META+Media** to create value and mitigate risks of a concentrated business.

* Data from FY2014 Annual Report, EV at the time of IPO

** Data from FY2018 Annual Report, EV at the time of the announcement of preliminary unaudited FY2018 results
*** As of 31/12/2018

In search of innovation, we've combined the Group resources with external partners to explore bespoke possibilities

Venture initiatives

Our Initiatives are managed independently from our core businesses and their future can be within as well as outside the Group.

DESTINATION ITALIA

To create an internationally visible and reliable incoming Tour operator (B2B and B2C), with strong financials and superior technology, providing access all over Italy to the best accommodation and services available for a given search

Investment year: 2017
LM Group stake: Majority
Partner: Intesa Sanpaolo Group

urbi

To develop the best technology solutions for urban mobility

Investment year: 2015
LM Group stake: Minority (Majority sold in 2017)
Partner: Founders and Atlantia Group

DOVECLUB

To provide exclusive and tailor made travel solutions, committed to satisfy customers with intellectual curiosity and high standards

Investment year: 2012
LM Group stake: Minority
Partner: RCS

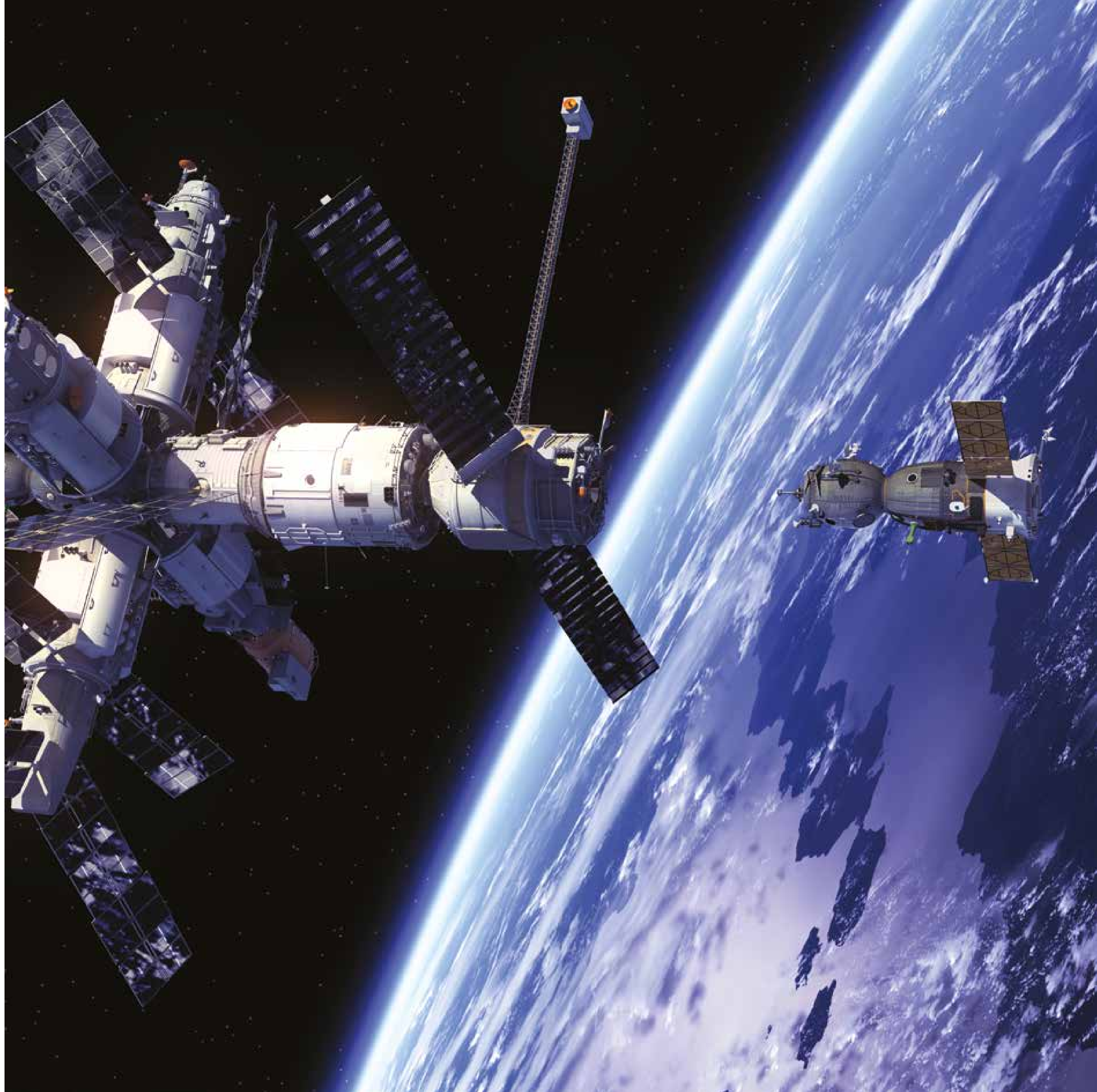
InstaGO

To develop the world's first automation platform helping travel businesses accelerate growth

Investment year: 2018
LM Group stake: Minority
Partner: Founder

Independent

Integrated in the Core Business



lastminute.com CEO's letter

The transformation that our Company has experienced in the last four years is truly amazing. From the acquisition of lastminute.com in 2015, we've evolved our workforce hiring 1,378 professionals to bring in new skills and capabilities. This is a higher figure than the actual number of people (1,179) employed in our three core business lines, OTA, Meta and Media. When you have to change, you must do it radically and incrementally at the same time.

We had to move from a product-centric flight-driven model to a customer-centric holiday-driven value proposition. This meant to changing the mind-set of the people, the organisation, the technology platform behind it, and the way we think about the user experience as a front-end touchpoint of our interaction with the traveller.
We embraced the concept of "Audience Karma" to identify the most appropriate and effective approach to interact with the customer along their journey from the inspiration phase, through shop and buy, to the moment of enjoyment when reaching their destination.

We completely reshaped our performance marketing organisation. We launched a series of brand marketing initiatives targeted around different audiences according to the brand and country of activation. The investment was in the range of €10 to €15M per year, which means a significant impact on our yearly profits in the short-term but – at the same time – a great investment for the future.

We abandoned silos within the organisation to a more beneficial and collaborative structure, where all functions and departments work together leveraging a sophisticated data-driven platform, which is at the core of our evolution. We are more systematic, while at the same time more creative. We can do it because all decisions are taken according to granular data analysis and the implementation of tools and logic based on machine learning and artificial intelligence to optimise our offerings by providing the right product at the right time. Dynamic Packages, which grew by 41% this year, is the main field where such an approach has worked the best so far.

From a vision, we now had the capability to translate an opportunity into reality, thanks to sophisticated algorithms and product features developed by our highly-talented people. We have accelerated the speed and quantity of A/B tests, undertaken across all our products, to maximise value creation while improving the customer experience. The overall conversion rate of our sites have grown in a significant way, consistently year on year.

In 2018 alone, we released several new products that helped our customers augment their travel experiences, from providing more flexibility for their travel plans to a service that pays out €1,000 for a bag that's been lost by the airlines. We decided to extend our partnerships with various service providers to enrich the experience of the travellers. We implemented transfer options to take them to the airport or to their destination. More than half million people – out of the 8.5 million travellers that booked with us – were transported to and from airports in the course of the year. Overall the ancillaries sales growth (3x growth in two years) is a strong indication that our customers are enjoying a highly personalised travel offering and that we are now capable of intercepting and understanding what the traveller needs to completely realise their experience as a whole.

We saw a significant increase of mobile bookings, that are now above 44% of the total number of reservations made through our properties (38% on average from January to December 2018).

On the META side, 2018 was another positive year. Jetcost's unique model has driven market-leading growth rates at materially higher margin than most competitors. Moreover, the acquisition of Hotelscan, closed on the 4th quarter of 2017, extended our offering into the accommodation business, by adding capabilities and a very appealing product. The result of the integration within our organisation was, once again, successful. Revenue reported triple digit growth up to €5M with an EBITDA that from negative, at the time of the closing, became positive over the course of the year.

The Media business explored new ways to effectively monetize traffic flowing on our properties, and, in parallel, prepared the ground for a complete reorganisation around three main areas: travelpeople, the trading desk and Playbook - a new consultancy business line activated to offer marketing and monetisation solutions for display, programmatic, data, automation, social and video. An innovative model, that leverages the distinctive capabilities of our people and the assets built throughout the years. With the acquisition of Madfish, closed in the first months of 2019, the set-up is now complete to unlock the full potential of such a model.

We have a structured organisation with the capacity to properly manage, with no-loss-of-focus, all business lines and to get the most out of all. The great results seen in 2018 are only the first objective in a long way of future achievements.

Marco Corradino
lastminute.com CEO

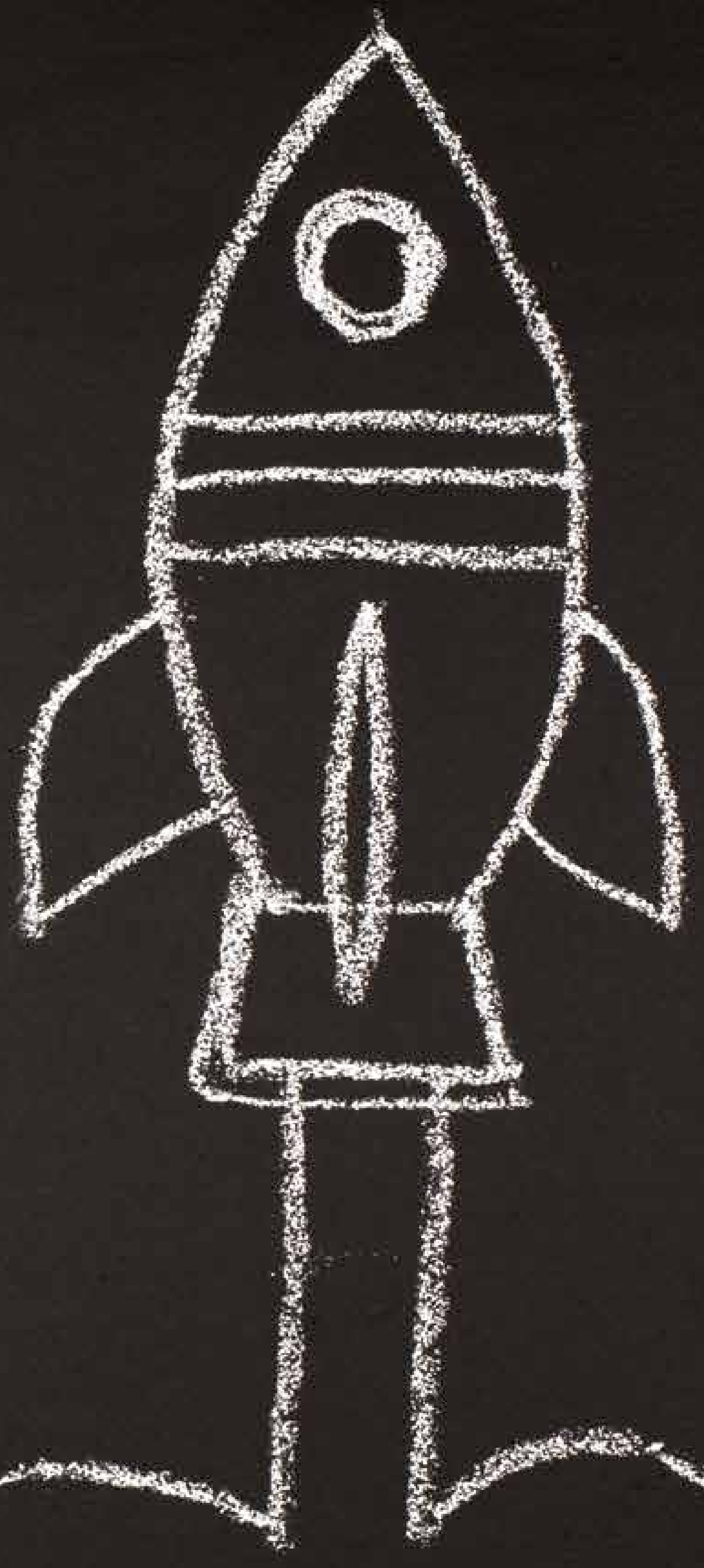
Transformation approach

1

Be radical in changing how an organisation works

2

Be incremental in changing what it delivers



Radical organisational change putting our customers at the heart of everything

We hired people from different industries with a customer-centric mindset, adding new skills and expertise to our tank of competencies

Significant turnover of people stimulated by our "continuous improvement" approach, adopted to anticipate trends of a dynamic world

1,207 NUMBER OF EMPLOYEES **1,179**

2015* 2016 2017 2018

TOT **IN** = **1,381** / TOT **OUT** = **1,409**

Nearly 1/3
of our workforce
changed every year

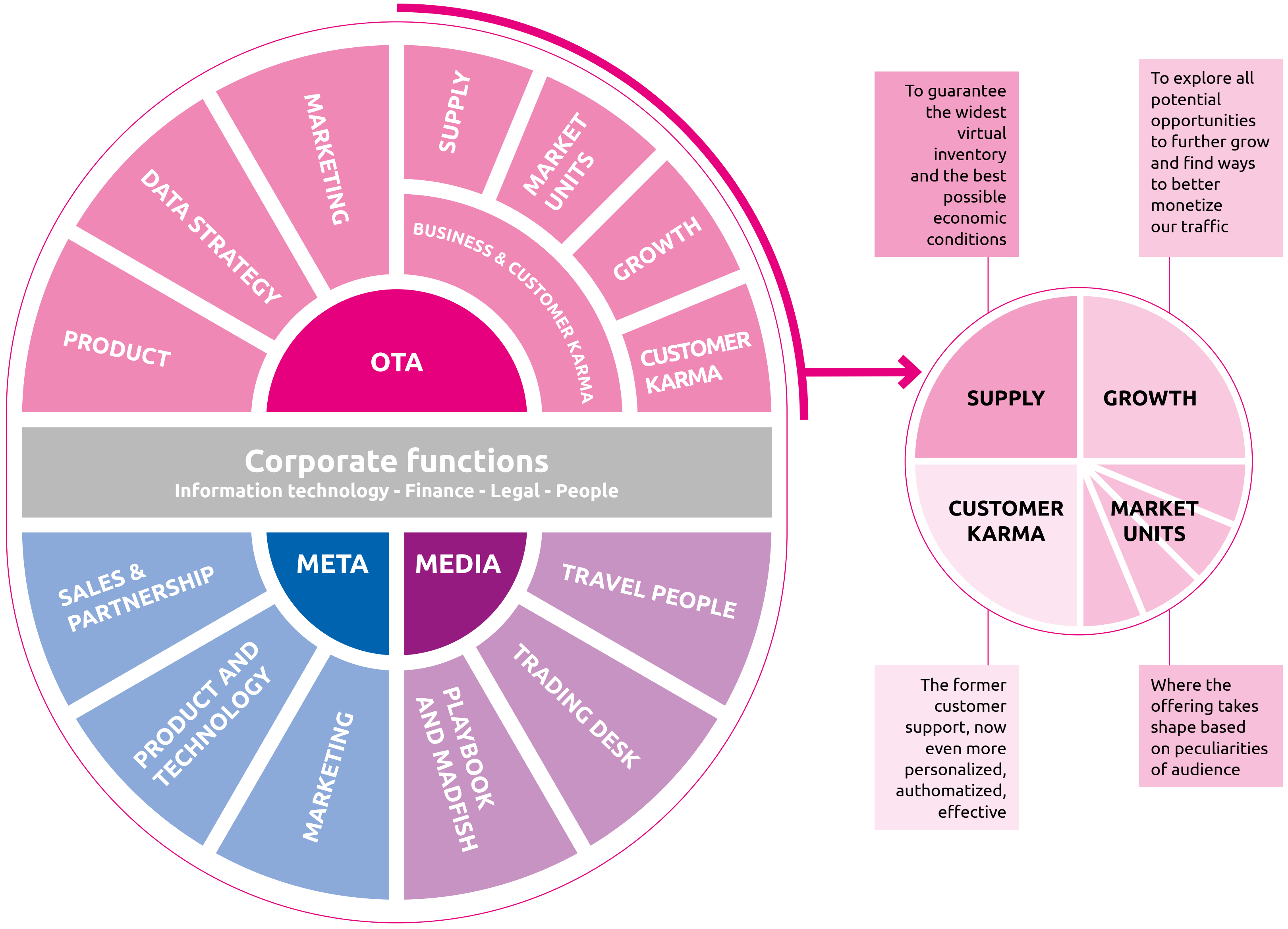
Great efficiencies generated

we manage a larger business with the same number of people

* From the the day of the acquisition of lastminute.com.

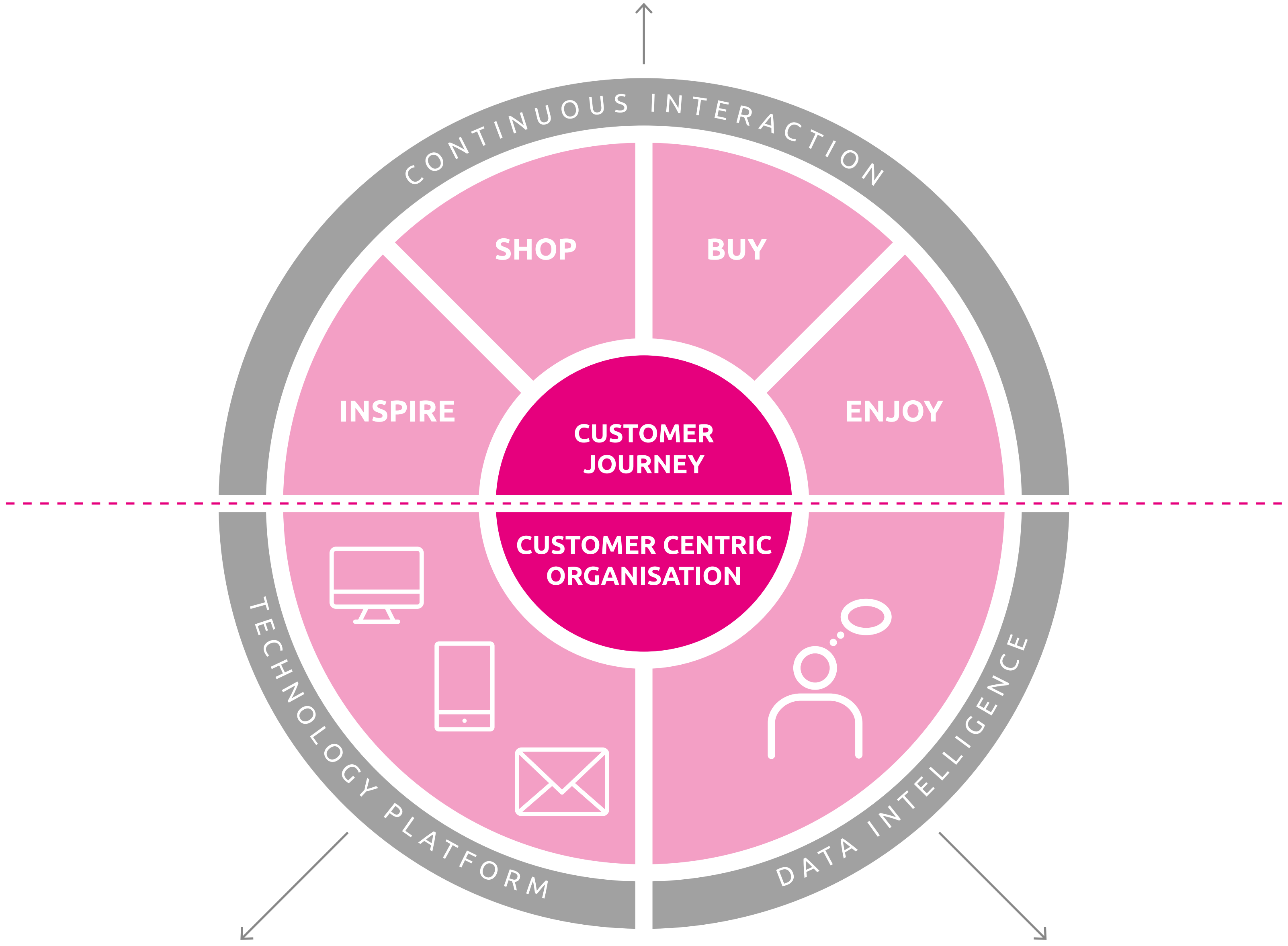
The new organisation mirrors our customer centric approach

Behind the people, our technology infrastructure and organisation have been completely reshaped, drifting away from a Product-driven approach to embrace an Audience-centric vision



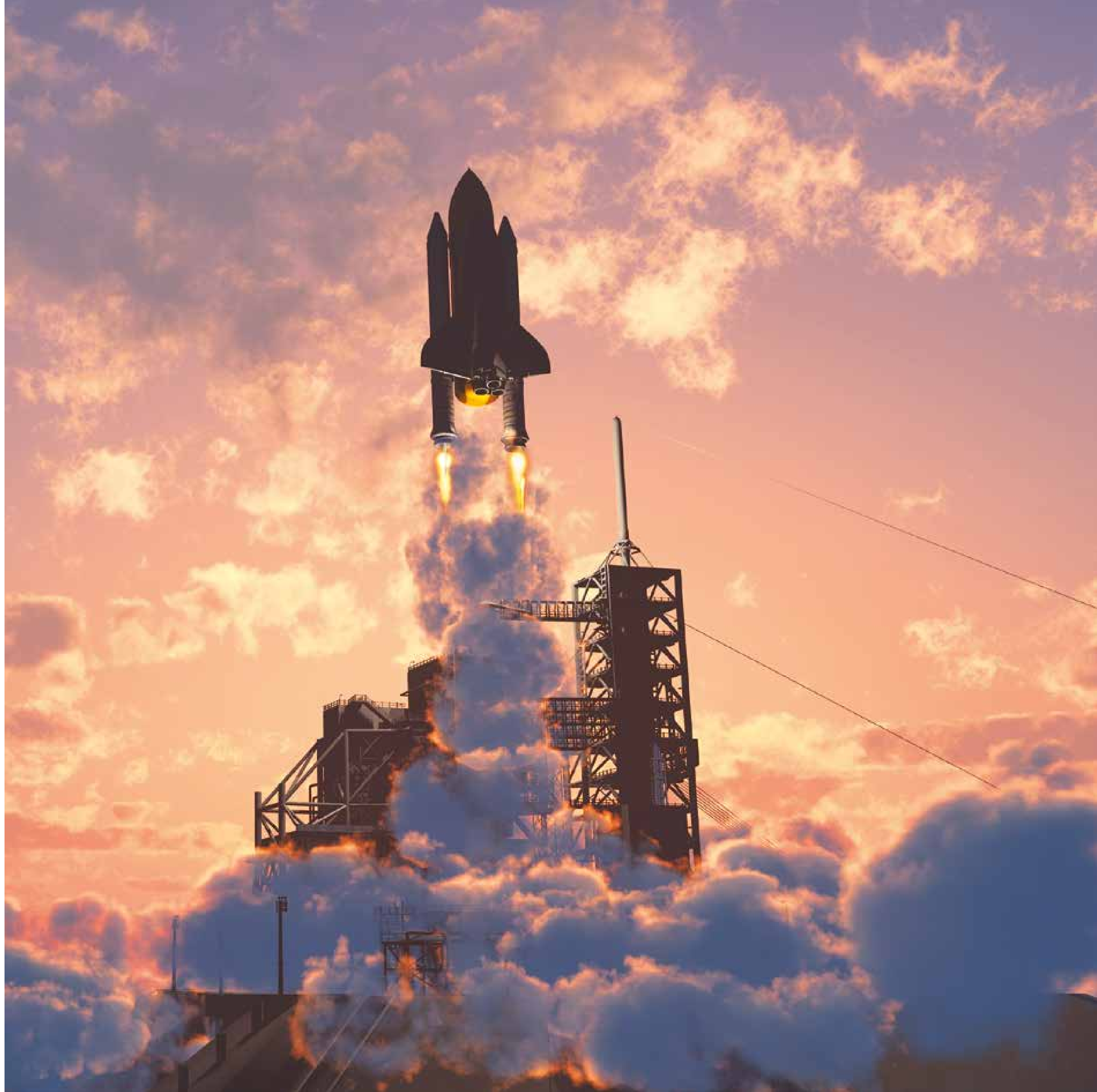
Incremental product change

Through a multi-device seamless experience, we follow our customers along their whole journey providing relevant support from inspiration to travel and beyond.

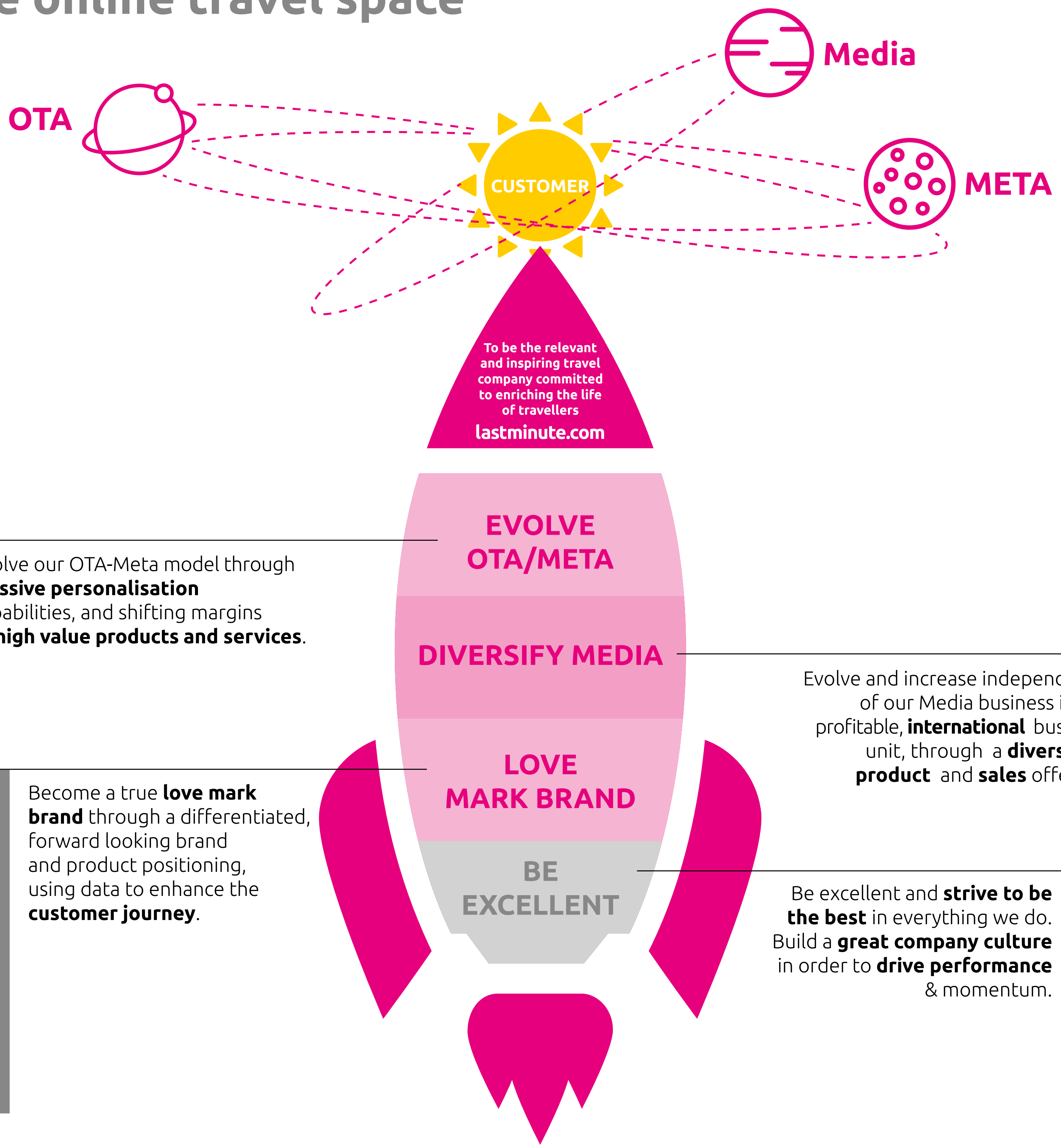


We are investing heavily in our **technology platform** which provides us with the agility and flexibility to add new products and personalise the offering for our customers.

Our ability to process and analyse big data is allowing us to be **more granular and precise** with the way we take customer centric decisions.



Four strategic modules to fuel our journey across the online travel space



Evolve our OTA-Meta model through **massive personalisation** capabilities, and shifting margins to **high value products and services**.

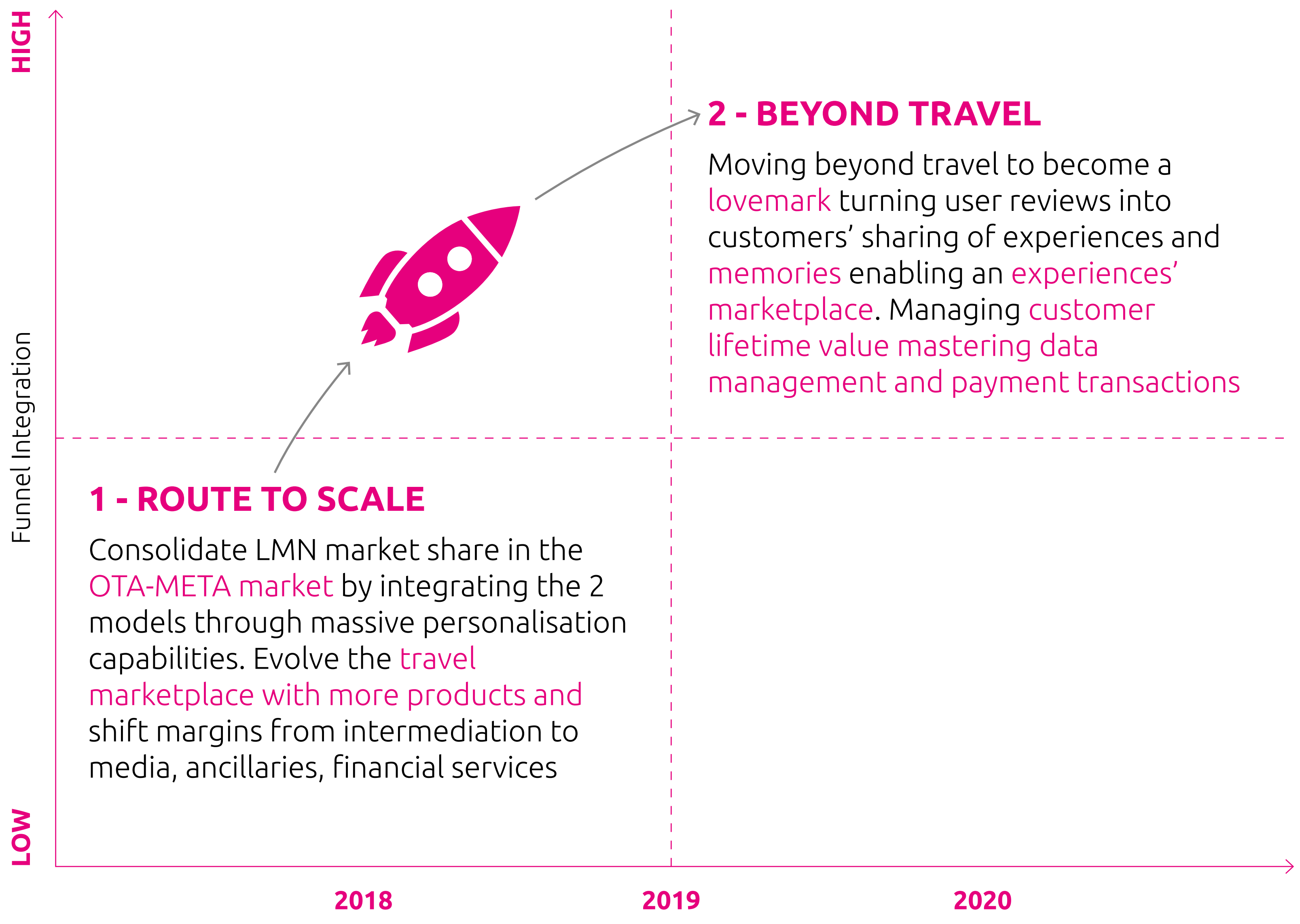
Evolve and increase independence of our Media business into a profitable, **international** business unit, through a **diversified product** and **sales** offering.

Become a true **love mark brand** through a differentiated, forward looking brand and product positioning, using data to enhance the **customer journey**.

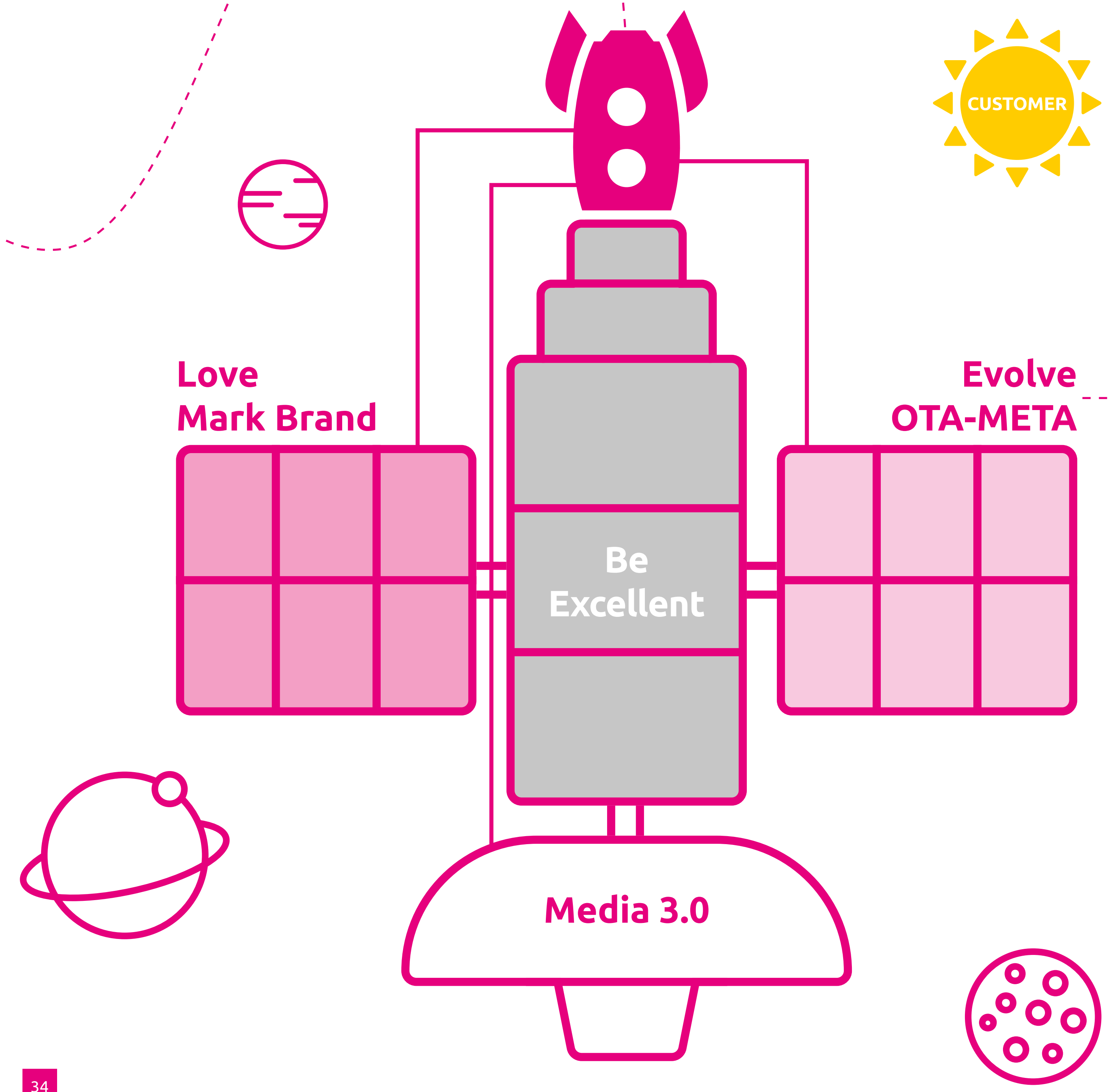
Be excellent and **strive to be the best** in everything we do. Build a **great company culture** in order to **drive performance** & momentum.

A growth trajectory that will take us beyond travel

lastminute.com will pursue a consolidation strategy focusing on Personalisation and maximising OTA/Meta synergies in the short- to mid-term, and differentiation to build even greater customer equity in the longer term.



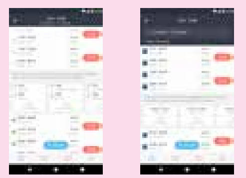
Constantly powering our enterprise to boost evolution and improve the value for travellers



Regardless the traveller is looking at OTA or META properties, we can provide high-value products and services delivered cross-device along the whole customer journey through a personalised experience.

Advising travellers

Alternative dates and routes suggestions.
Search by theme and thematic pages.
Price alerting.

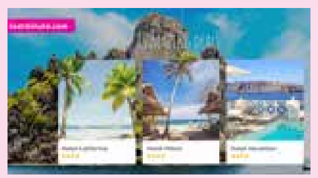


Personalised contents and webpages

Creating a version of the website with personalised products, price, and customer support. Enable automated, personalised & recommended offers on landing pages, marketing channels and in the booking funnel.

Inspiring Holiday Solutions

We will consolidate our European leadership in the distribution of inspiring holiday packages by offering a user friendly site and the tools to pick and choose the best travel solution.



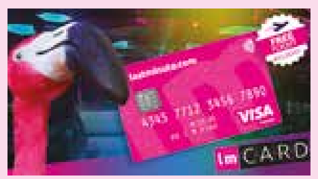
Innovative Customer Service

Giving customers the power to make changes and amendments directly through a differentiated service levels

HELP

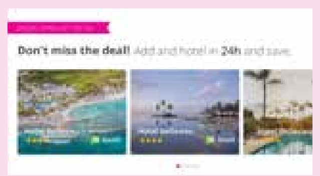
Enhanced Trip Experience

Forgot to buy a checked luggage? Don't want to think about the web check-in? Want to choose your seat? Ancillaries in post-sale are great value for customers.



Increased payment options

Provide local payment options.
Pay later with a personalised payment plan.
Choose among different size and length.



Upselling and cross-selling

We want to offer different product bundles on top of bare flights to better respond to travellers' expectations of richer experiences, personalisation and non-standard deal.

Customer feedback empowerment

Improvements to our Voice of the Customer programme let us follow up at the right time in the journey.

OTA - Fully licensed and bonded to sell a wide variety of relevant travel solutions in every step of the customer journey

We sell a wide variety of travel related products and services on a stand-alone basis: flights, hotels, experiences…

…OR…

…we may act as your own personal holiday specialist since we can dynamically build your vacation package based on your own preferences and let you save money

Vacation packages
TO and Cruises

Accomodation
Hotels and Vacation Rentals

Transportation
Flights and Rails

Experiences
Adventure, city breaks, other

Real –time selection of the best partners on the market, based on relevance and pricing criteria

Dynamic Packages
Flights + Hotel + ...

Up/cross selling

Up/cross selling

Ancillaries and Services

Up/cross selling: along the whole customer journey and search/booking phases via push-pull interaction

€ 1 billion* digital holiday specialist

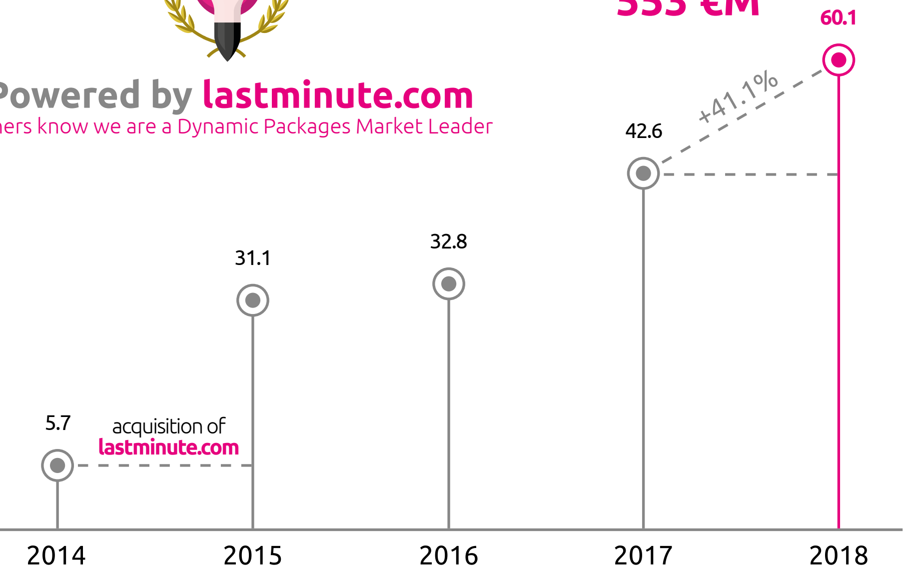
Dynamic Packages - Revenue evolution over time

lastminute.com

Powered by lastminute.com
Others know we are a Dynamic Packages Market Leader

Within OTA, our Dynamic Packages business is how we are smashing the holiday market. The company and the customer benefit from a unique value proposition that reflects into higher margins for lastminute.com and lower fares for travellers. We are leader in the field thanks to strong investments made in the past years that justify today our significant advantage against direct competitors and traditional offline Tour Operators. Our recent launch of B2B partnerships with large players in the field, through which we provide our technology to create holiday solutions dynamically, consolidates the perception of a Market leadership.

2018 GTV
553 €M

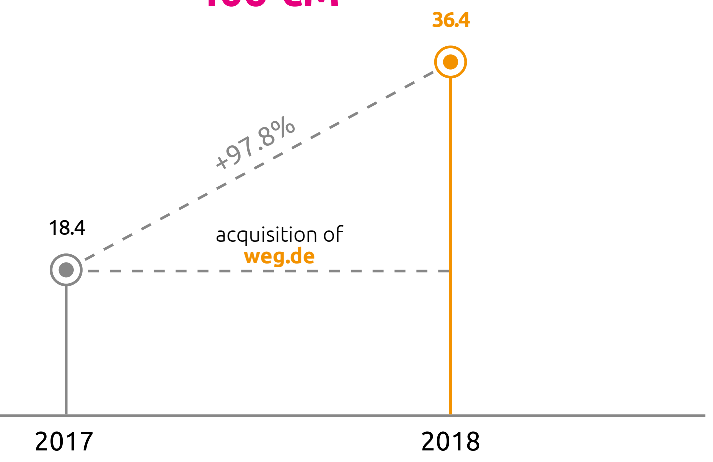


Tour Operator Packages - Revenue evolution 2017/2018

weg.de

More than half of the Revenue of the TO business comes from weg.de. The lastminute.com management team, once again, demonstrated its ability to quickly and effectively integrate a new Company within the group infrastructure. A portion of the TO revenue not referring to weg.de, started shifting toward DP, as a result of a conscious strategic approach of the Company that is progressively re-addressing original TO bookers toward the more relevant and affordable solution represented by the dynamically bundled product

2018 GTV
406 €M



* 1 billion € refers to the rounding of cumulated GTV of Dynamic and Tour Operator Packages

META - Jetcost's unique model has driven market leading growth rates at materially higher margin than most competitors

501 Airlines

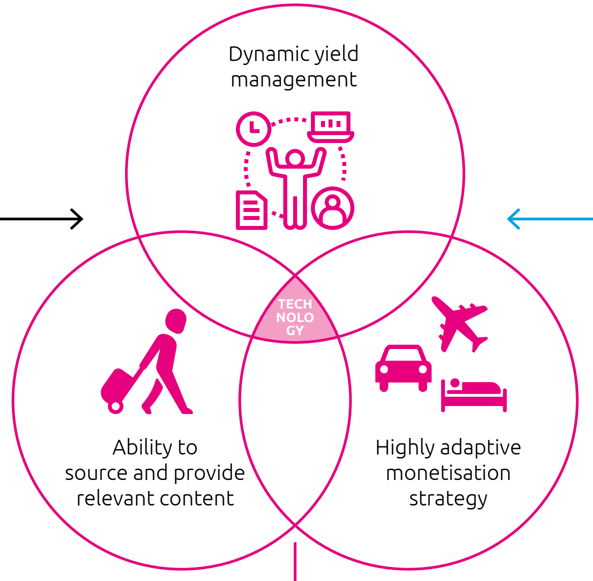
149 OTAs and car rental providers

JETCOST

Jetcost possesses unique, granular data aggregation and analysis capabilities to manage performance marketing session dynamically

2.9 m Hotels and accomodation

hotelscan



The Jetcost platform allows for fast and seamless integration of travel content. Personalised user experience is based on sophisticated predictive analysis of traveller behaviours

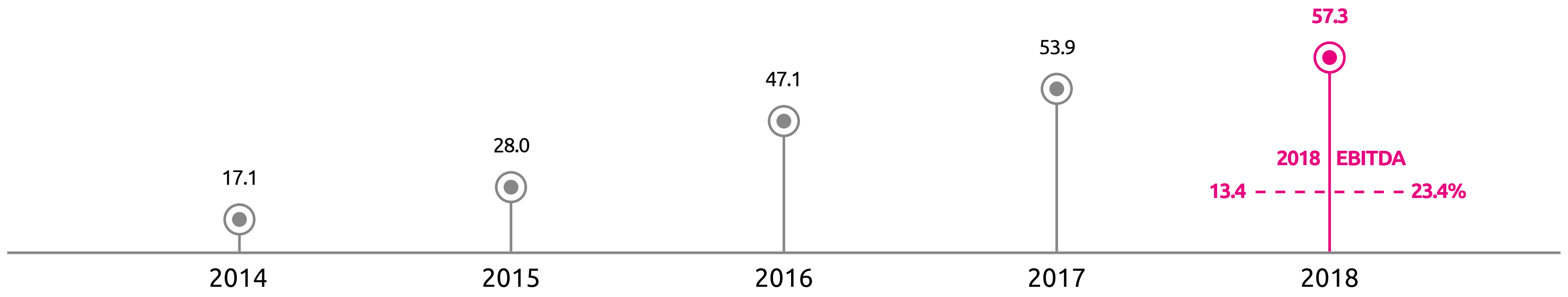
Jetcost can use its full range of monetisation models (CPA, CPC, CPM) to maximise value to partners and flexibly adjust to their strategy and traveller preferences

80 Domains

Through an intuitive and personalised search platform, Jetcost and Hotelscan empower the right choice for travellers

17 Languages

META business - Revenue evolution over time



Another success story of integration opens the way for further growth opportunities

hotelscan

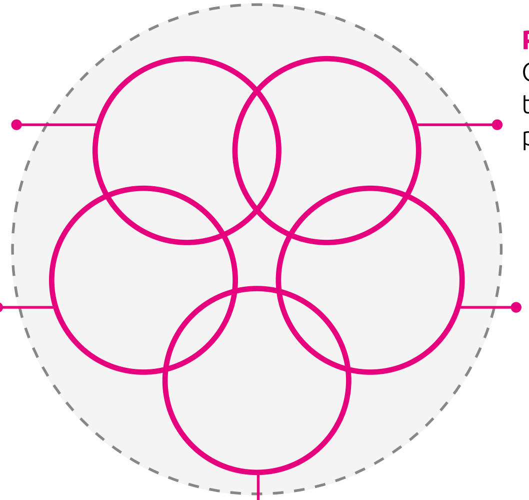
- Acquired in the Q4 2017, the Company was a start-up of 8 people
- Loss-making at the time of the acquisition, Hotelscan has been completely revamped and successfully integrated within the Jetcost infrastructure and organisation in the course of 2018
- The Company was then brought to breakeven at EBITDA level at the end of 2018, reporting triple digit growth in terms of Revenue, now counting for around €5M
- Hotelscan was one of the first Hotel metasearch that integrated the offering of the vacation rental provider Airbnb

6 pillars to boost the META business growth

Potential upside via targeted M&A

Launch / acquire new verticals
Scope to accelerate growth further through launch of new product verticals (e.g. train / bus and vacation rentals)

Penetrate new geographies
Opportunity to capture share of other large travel markets by launching a more travel partner-friendly metasearch proposition



Product innovation
Continued investments to address the shift to mobile use, particularly in selected emerging and growth markets

Technology investments
Leverage data science capabilities to improve predictive analytics models around in-session monetisation

Extend foothold in existing markets
Push Jetcost's footprint in the UK and Germany and invest further behind driving scale in US

Media - Media supports growth through alternative revenue streams

More than 90% of the traffic flowing through OTA and META properties does not convert into a booking or core clickout, thus implying that relevant and personalised content provided through Media formats can help optimise monetisation and unlock latent opportunities

Content
Continue building content capabilities to answer advertiser demand

Personalisation
Scale up data driven advertising capabilities moving into predictive targeting and ai

B2B platforms
Roll out platforms to offer as a service (SaaS) opening up new revenue opportunities

Travel People
Monetise OTA's traffic through innovative media formats and solutions

Trading Desk
Delivers monetisation and marketing efficiencies through programmatic, automation and data activation.

COVERAGE: 60M unique users/month

lastminute.com launches a next generation media company

Playbook is a digital marketing and media in-house consultancy firm that helps partners **super-charge** their businesses

Consulting

playbook™

To compete in a digital world, companies must focus on having data, analytics, technology, social, email marketing and many areas of content production and media at the heart of their business. Playbook helps businesses bring these capabilities in-house, supporting sustainable competitive advantage and long term growth.

Video production agency

Madfish

To further consolidate our portfolio of digital marketing capabilities, lastminute.com groups' media division acquires Madfish, a content production agency specialising in video strategy, production and distribution to our existing suite of media solutions.
At the same time,it will open up the UK advertising/media market for Madfish through our existing client partnerships.

CFO’s letter

We started talking about significant improvement of the core business KPIs from our Interim Report released on August 2018. At that time, lastminute.com was 12.7% above versus 2017 Revenues and 39.8% higher in terms of business EBITDA. It looked like a very promising scenario but in the second half of the year, we were able to do even better. Revenue grew by 14.2% and core business EBITDA by 60% on a yearly basis, thus implying a stunning second semester performance of +15.8% and +76.3% respectively with a Core Business EBITDA generated in the last six months of the year of €26.8M.

Such a great performance comes primarily from the effect of the transformation executed in the last few years, clearly explained in the previous pages of the report. Everything benefited from the reorganisation around a new customer-centric platform and a new way of running our business lines.

OTA drove the growth backed by a value proposition built around our Holiday solutions which are literally smashing the traditional market of holiday packages. Dynamic packages, which to remind you, are created by customer flexibly and dynamically with no constraints on date or destination, definitively became the most successful product of our offering. We sold more than €550M of holidays generated in real time by our DP platform, through 500,000 reservations, which means around 1,370 bookings per day. To put it into context, when we got listed in 2014 such figures were around 12 times smaller.

Thanks to the acquisition of Weg.de in late December 2017, we complemented our holiday packages business with Tour Operator solutions. We were already present in that field, but the contribution of Weg.de was extraordinary both in terms of volumes and reach in one of the biggest holiday markets in Europe, Germany. The second phase of such a successful acquisition will be to progressively move customers used to booking a traditional Tour Operator (TO) package to the DP option, which is more convenient, more flexible and definitely more relevant. As a result, we might experience a bit of cannibalization between the two businesses but, in the long-term, this phenomenon will generate offer much more value for both the traveller, and the Company.

While to describe the Dynamic Package performance looks easy, when we come to the flight business it is a little more difficult. In reality, even if 2018 was still a year in which we saw a decrease in volume, partially driven by our own actions directed to sustain the DP proposition, in the last quarter we experienced a turning point. From October onwards, the comparison against 2017 started to become green and the curve was overturned. This is probably one of the most important element in showing how fundamental the changes we made to the business model were.

The improved sophistication in data analysis, the investments in machine learning and automation, the reorganisation that left behind the traditional “silos architecture” (where all different products where managed independently and separately), all this contributed to a cross fertilisation process among departments and a more precise focus on performance. We are confident that such a trend will continue and will consolidate in 2019, thus implying a great potential upside to be realized in the next months.

The META business continues to perform well thanks to a very distinctive business model that has driven market leading growth rates at materially higher margin than most competitors. 2018 was a year of another integration process. As already mentioned in our 2018 Interim Report, the acquisition of Hotelscan closed in the 4th quarter 2017, complemented our offering with a “2.9 million inventory” of Hotel and Accommodation solutions. The Revenue growth throughout the year was impressive and even the recovery from a negative profitability was fully accomplished. Even considering a diluting effect in terms of relative profitability due to Hotelscan consolidation, the META business still runs at a stunning 23.4% EBITDA margin.

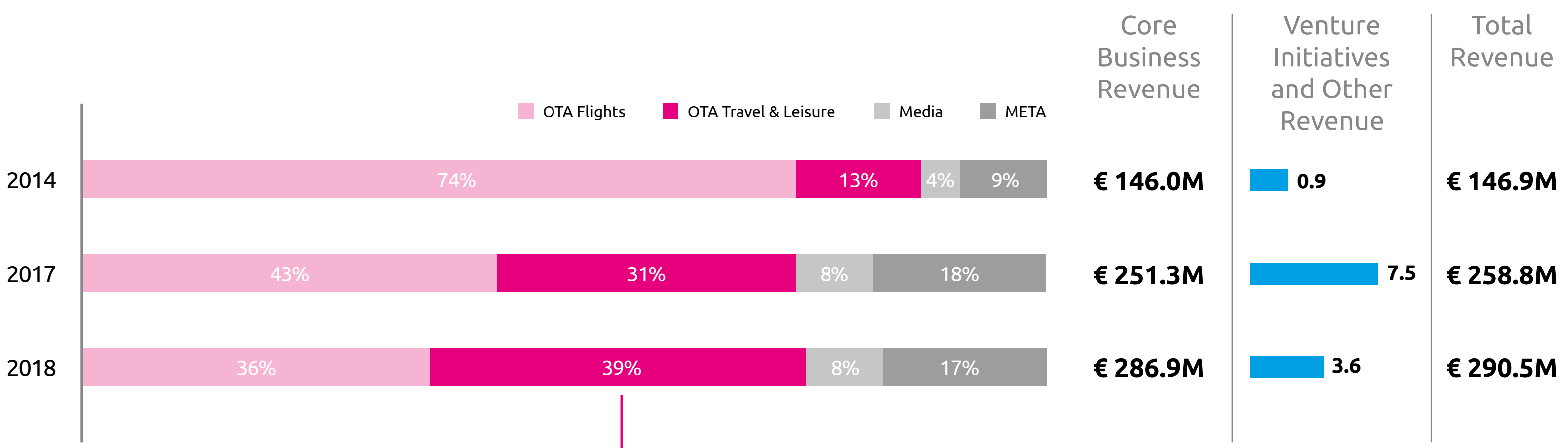
Media is now leaving a phase of relaunch after a complete reorganisation and a new set-up. The performance of Travelpeople was great in 2018 with revenue growth of nearly 13% but, in its form, it looked bound and not capable to unlock its full potential. This was mostly caused by a structural trend that sees desktop traffic declining significantly in favour of the mobile one, which is today still less economical to be monetized. To continue revenue growth then, we must evolve by introducing initiatives that answer new market trends and remove dependency on desktop traffic. That was the reason behind the decision to acquire Madfish (deal recently closed in the first weeks of 2019) and the launch of the Playbook initiative. Our unique proposition is that we will work with brands to identify the opportunities to build their own intelligence, strategies, automations and resources to better compete in the digital world.

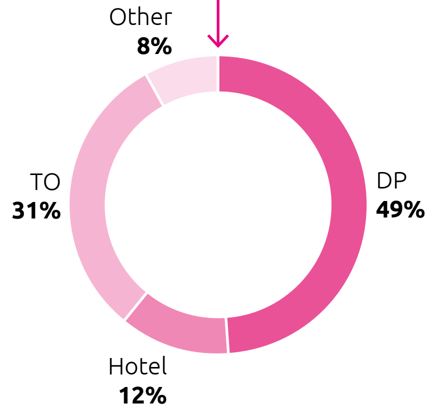
Moving to the financial side, in 2018 we were able to generate a stunning €41.8M cash from ongoing operation (EBITDA IFRS + Net Working Capital changes), only partially offset by €12.9M of CAPEX. The result is a key element in understanding the potential of a business model like ours when you experience a growth trend in volume. The negative working capital contributes as accelerator on top of EBITDA generation. The significant investment made to repurchase 2.2 million of shares in the context of the PSTO was sustained by credit lines negotiated on purpose, thus implying that, at cash level we were able to close 2018 with an increase of 20.8M versus 1st January 2018 notwithstanding such a €30M one-off cash out.

Sergio Signoretti
CFO

On a journey
to reach the “pink” peak

For the first time in history, our Travel & Leisure products have overtaken our Flight only product



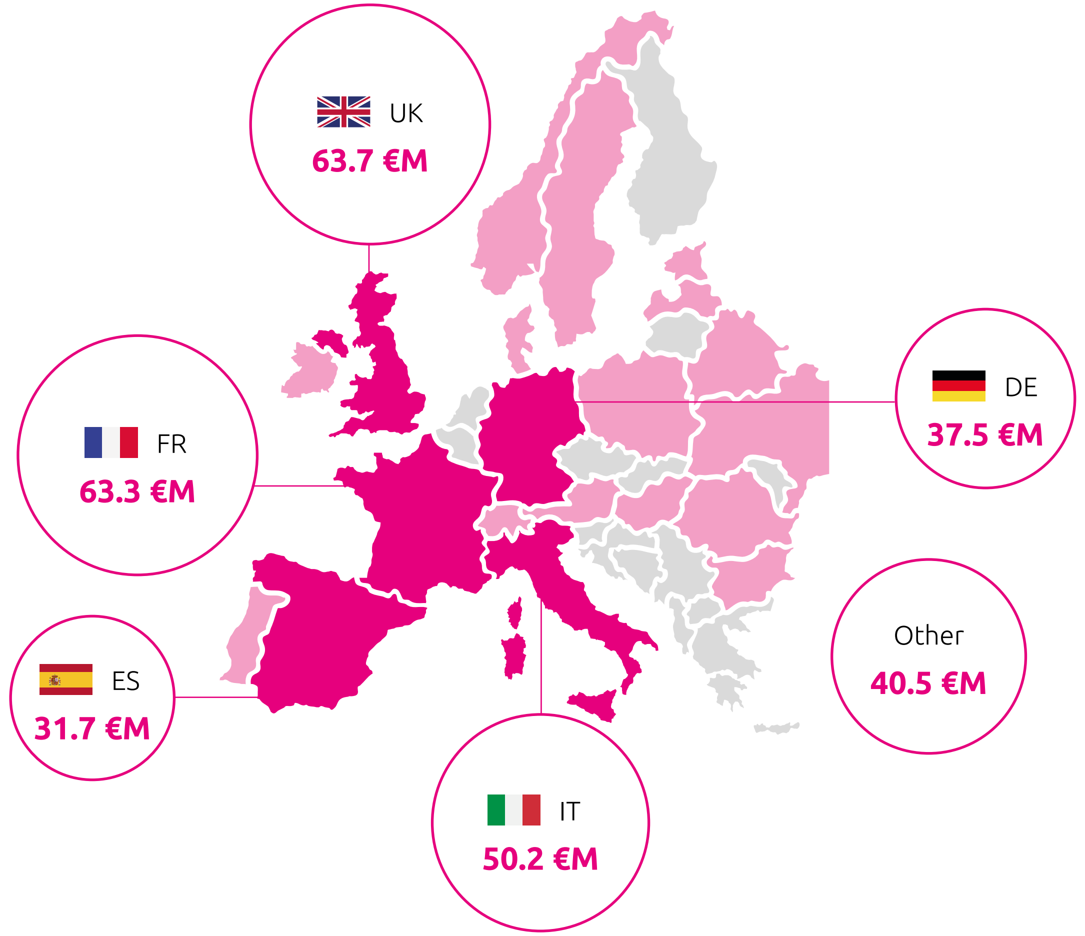


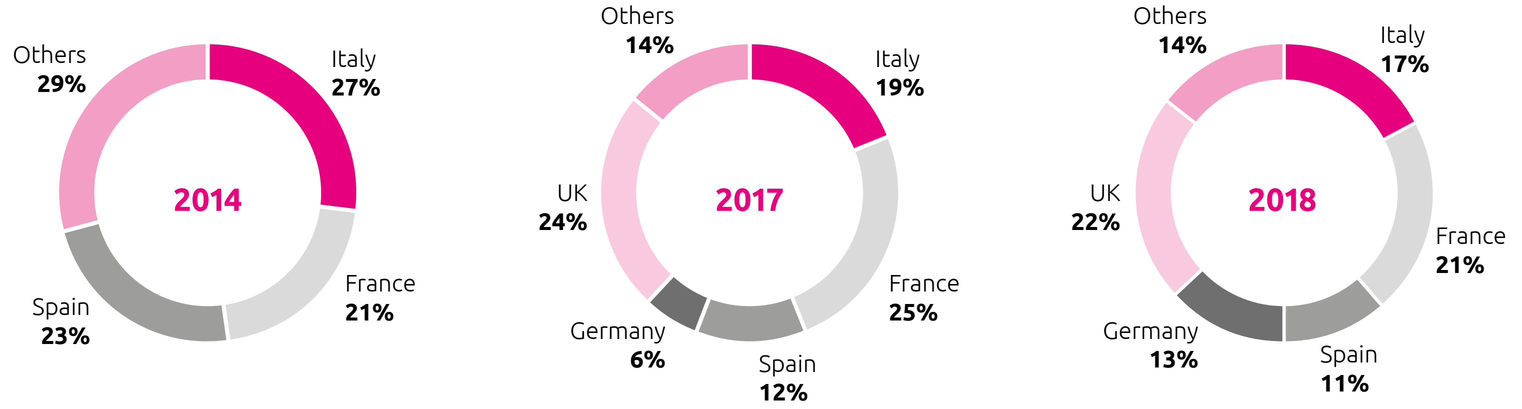
Packaged products (DP+TO) count for 80% of Travel & Leisure business

in '000 EUR	2014	2017	2018	CAGR
OTA Flight[1]	107.8	107.4	102.8	-1.2%
OTA T&L[1]	19.8	78.6	111.9	54.2%
META	13.0	45.0	49.4	39.6%
Media	5.5	20.2	22.8	42.7%
[1] of which Ancillaries	12.1	25.2	45.3	39.1%

Overall the ancillaries sales growth (nearly 80% in one year and 4x from the IPO) is a strong indication that our customers are enjoying a highly personalised travel offering and that we are capable to intercept and understand what the traveller needs to completely realise its experience at a whole.

A well balanced geographical reach, backed by a leadership position in the main European Countries





A significant improvement on all business KPIs

Both Gross Travel Value and bookings have been growing this year, as a result of a strong organic performance driven by Dynamic Packages and the boost given by the acquisition of weg.de, active in the Tour Operator space in Germany. Consequently, the average ticket value increased significantly.

	2018	2017	Delta %
GTV (€M)	2,395	2,042	17.3%
Bookings (thousands)	4,519	4,442	1.7%
Average ticket value - GTV/Booking (€)	530	460	15.2%

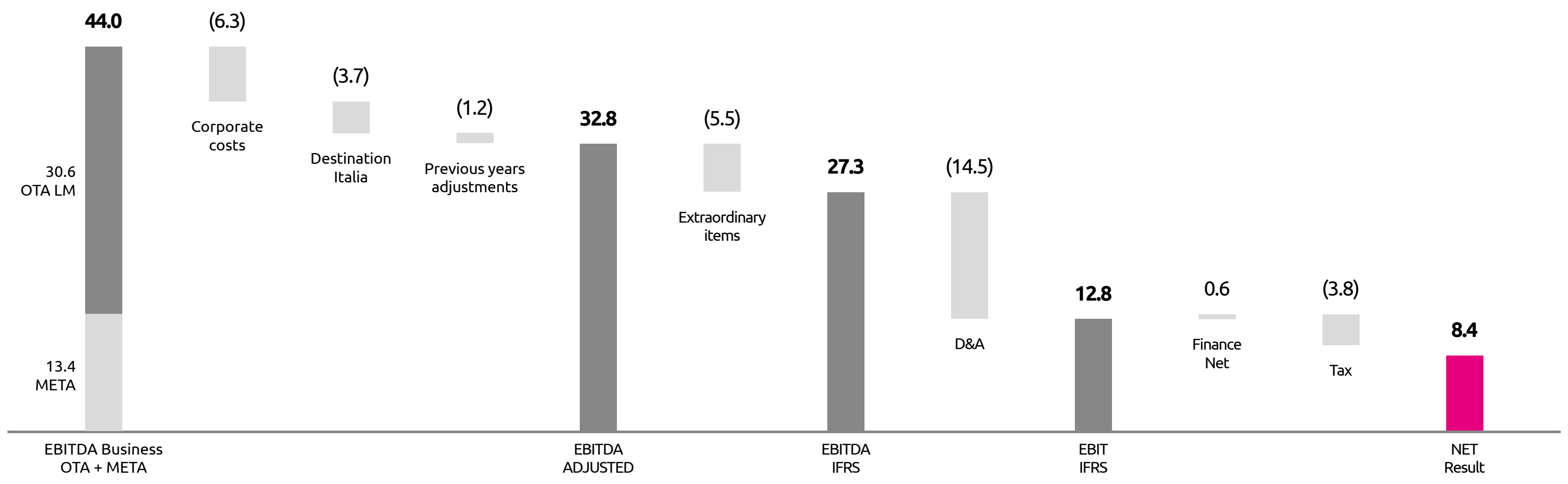
Revenues were fuelled by the strong performance of the Travel & Leisure business and particularly the Holiday Packages proposition. META grew nearly 10%. Media recorded a double digit growth of about 13%.

	2018	2017	Delta %
Total Group Revenue	**290.5**	**258.8**	12.2%
LM Venture	(3.1)	(3.7)	-16.2%
Non-recurring Business Revenue	(0.5)	(3.9)	-87.2%
Core Business Revenue	**286.9**	**251.3**	**14.2%**

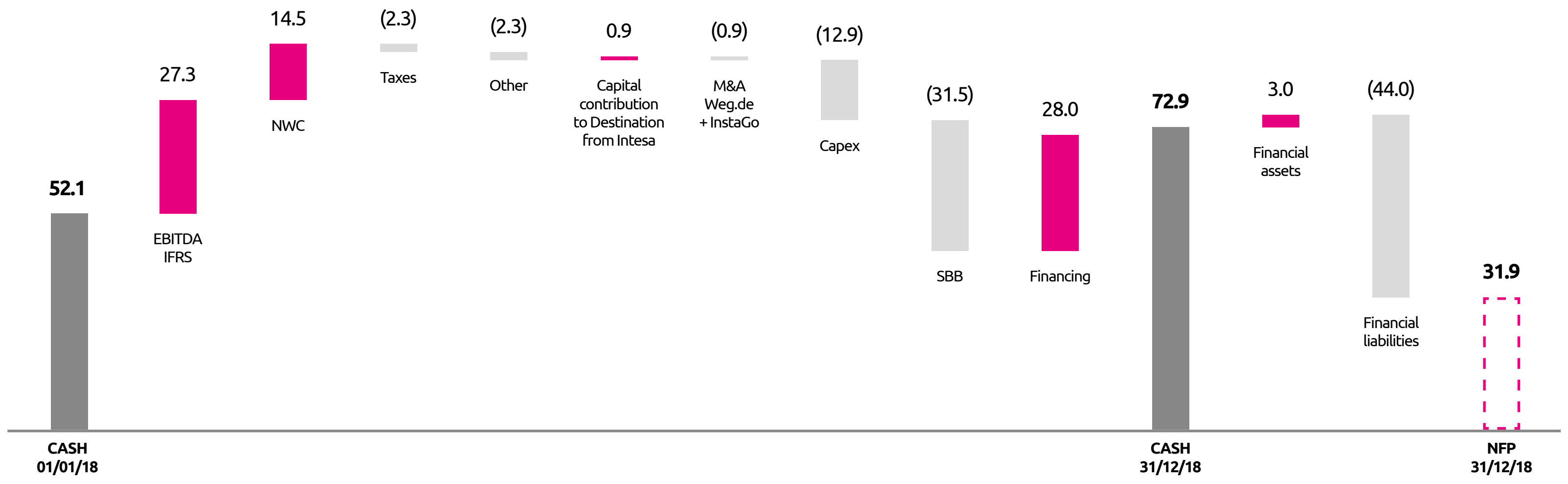
A tremendous efficiency has been generated at EBITDA level. Performance marketing costs grew less than proportionally compared to Revenues, setting a new benchmark of 36.2% ratio (Performance Marketing /Revenues) while Brand initiatives even decreased in absolute value. Other costs grew primarily as a result of the acquisition of weg.de and a slight increase of salaries.

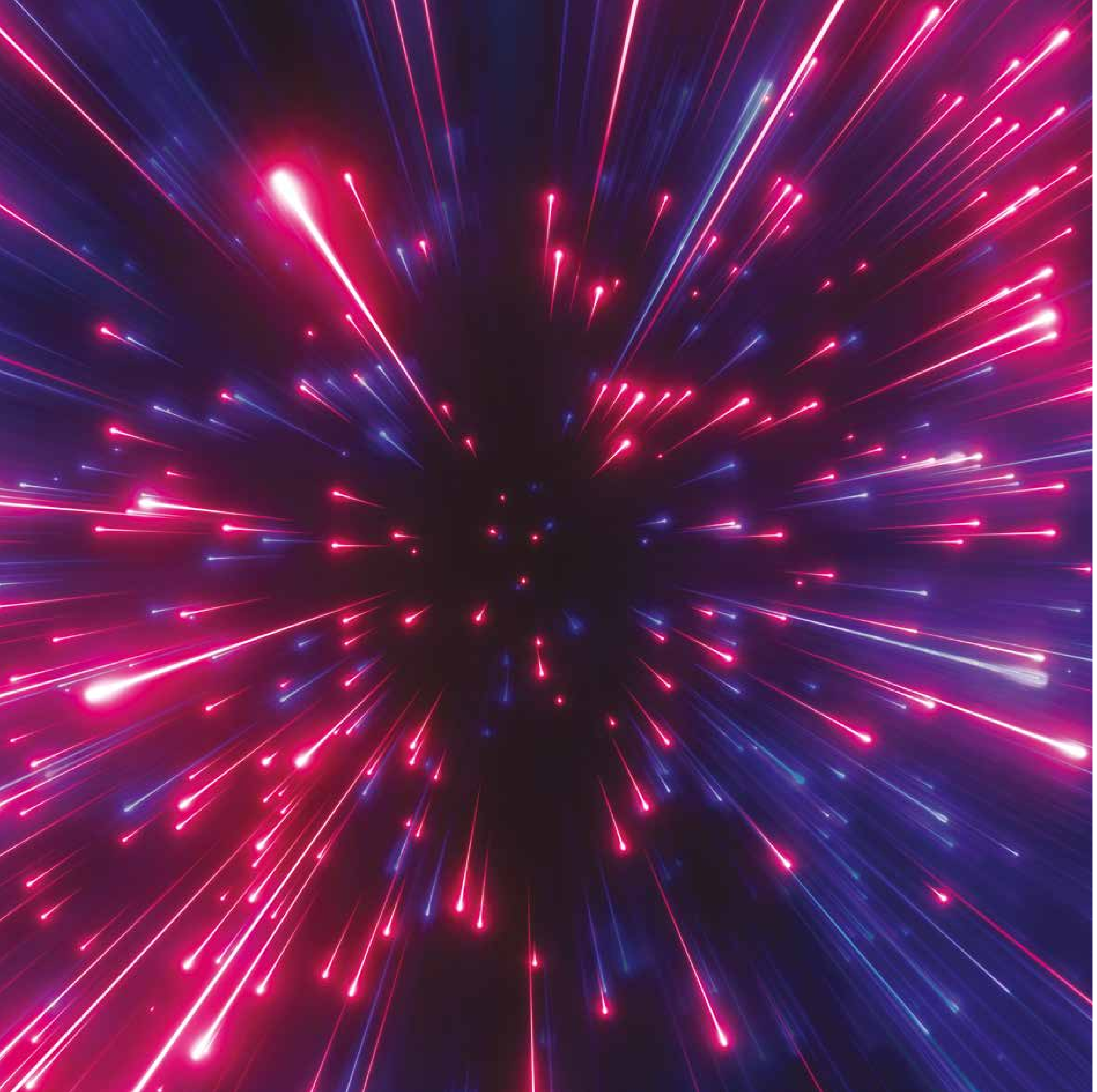
	2018	2017	Delta %
Performance mktg	(103.8)	(96.8)	7.2%
Brand mktg	(12.6)	(16.3)	-22.7%
Other costs	(126.5)	(100.7)	25.6%
Business EBITDA	**44.0**	**27.5**	**60.0%**

From Business EBITDA to Net Income: December 2018

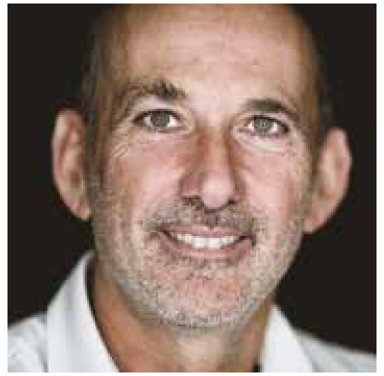


Cash of €72.9m at the end of year 2018(+ €20.8m vs 2017)





Board of Directors



Fabio Cannavale - Executive Director, CEO

Fabio Cannavale holds a Diploma in Engineering from Politecnico di Milano as well as an MBA from INSEAD, Fontainebleau, France. He co-founded Volagratis with Marco Corradino in 2004 and became Chairman of Bravofly Rumbo Group, now lm group. He started his career as a Consultant, working between 1989 and 1996 for A. T. Kearney and McKinsey & Company. Between 1996 and 1998, he launched The Floating Village in Venezuela, an innovative concept of a holiday village built on boats. From 1999 to 2001 he was a part of the Management Team of eDreams, an online travel start-up, and from 2001 to 2004 worked for his family-owned businesses and collaborated with a not-for-profit entity. He is also a member of the Board of Directors of Cavotec SA, Nomina SA and Consortium Real Estate BV.

Marco Corradino - Executive Director, COO

In 2004, Marco Corradino co-founded Volagratis with Fabio Cannavale, the first search engine for low cost flights in Italy and sets the foundation for what was to become Bravofly Rumbo Group and subsequently lastminute.com Group. Marco Corradino, an entrepreneur and business angel, has held different positions within the Group and is now its Chief Operating Officer as well as being an Executive Board Member since 12 February 2016.

Ottonel Popesco - Non-executive Chairman of the Board of Directors

Ottonel Popesco holds an MBA from Sorbonne University, an MSc in Economics from Bucharest Academy, an Ingénieur Professionnel de France Diploma from Societé Nationale des Ingénieurs Professionnels de France and a Diploma in Strategic Marketing Management from Harvard Business School. He was Group CEO and he is a member of the Board of Directors of Cavotec SA Switzerland, a Nasdaq OMX listed company, President of the Port Equipment Manufacturer Association (PEMA) Belgium and an Associated Member of the Engineering Committee of the American Association of Ports Authorities, USA.

Laurent Foata - Non-executive Director

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

Anna Gatti - Non-executive Director

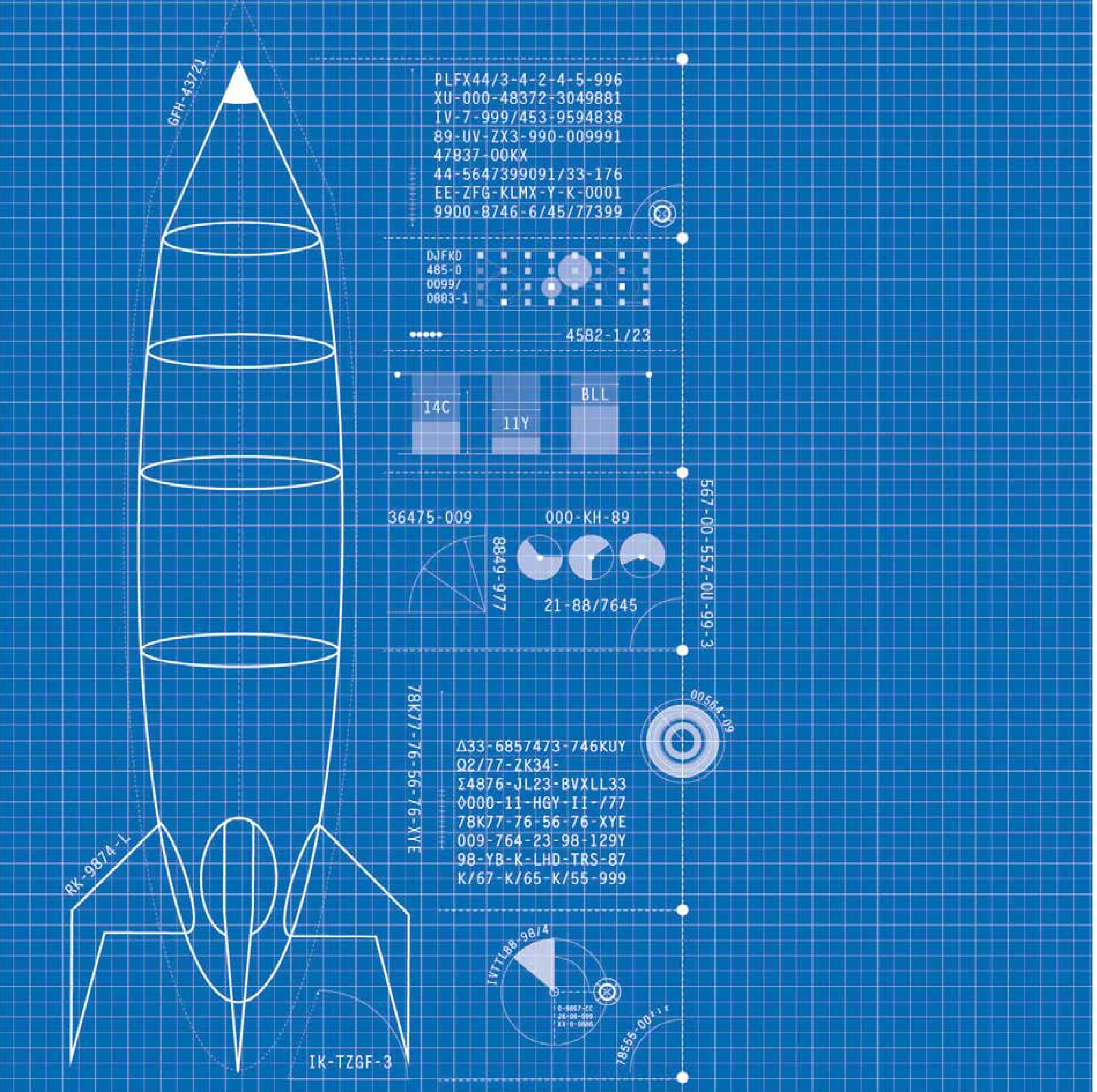
Ms. Anna Gatti holds a Doctor of Philosophy in Business Administration and Management from Bocconi University, a post-doctoral Program in Organizational Behavior from Stanford University and a Doctor of Philosophy in Criminology from Trento University. She started in 2002 as research associate at the University of California Berkeley and then acted as Senior Economist at the United Nations (World Health Organization) until 2004 when she became a successful Partner of MyQube (Telecom Italia Venture Fund) generating direct investments in high-tech start-ups with particular focus on fixed and mobile telecommunications. In 2007 held the position of Head of International Consumer Operations at Google and Head of International Online Sales and Operations at YouTube. In 2011 moved to Skype becoming Sr. Director of Advertising and New Monetization and in 2012 co-founded Soshoma Inc. (Artificial Intelligence Start up) covering as well the position of CEO. She has been appointed board member for Buongiorno (2007-2012), Piquadro (2013-2016), Gtech/IGT (2014-2015), Banzai (2014-2015) and Rai Way from 2014 as of present day.

Marcello Distaso - Non-executive Director

Marcello Distaso holds a Law degree from the University of Bari, a Masters in International Taxation from the University of Rome and a Masters in Laws from the University of London. He is an investment funds and private equity lawyer who divides his time between the Van Campen Liem Amsterdam and Luxembourg offices. His expertise includes the structuring of VC and private equity deals, JV and M&A transactions. He has particular expertise in engineering and negotiating investment funds as well as primary and secondary fund investments and co-investment structures. He lectures on investment funds and tax related topics at the University of Leiden and the IBFD. Marcello was appointed partner at Baker & McKenzie Amsterdam in 2006, where he has been co-chair of the Private Equity Group and head of the European Tax Transaction Group. As of April 2012, he is one of the founding partners at Van Campen Liem.

Roberto Italia - Non-executive Director

Roberto Italia graduated in Economics from LUISS University, Rome, Italy, and holds an MBA from INSEAD, Fontainebleau, France. He started working at Telecom Italia Group in 1990 and since 1994 has been active in private equity, initially with Warburg Pincus, then with Henderson Private Capital and more recently with Cinven, to which he is now a Senior Advisor. Roberto is a co-founder and director of Space Holding Srl, Chief Executive Officer of Space2 SpA, and a Board Member of Avio SpA, Red Black Capital SA, Cinven Luxco 1 SA, Cinven Luxco 2 SA, FCP Manco Sarl and Digivalue Media Sarl.



Consolidated financial statements

31 December 2018

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR	Notes	2018	2017
Revenues	7	290,511	258,830
Marketing costs	8	(116,401)	(113,125)
Personnel costs	9	(67,730)	(61,933)
Other operating costs	10	(79,125)	(75,276)
Amortization and depreciation	18/19	(14,226)	(11,985)
Impairment	19	(238)	(507)
Operating Profit / (Loss)		**12,791**	**(3,996)**
Gains/losses from disposal of inv. and other	11	-	2,065
Finance income	12	396	776
Finance costs	12	(906)	(2,362)
Share of result of equity-accounted investees	22	(43)	(133)
Profit / (Loss) before income tax		**12,238**	**(3,650)**
Income tax	13	(3,866)	(4,151)
Profit / (Loss) for the period		**8,372**	**(7,801)**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.	14	10,206	(6,450)
- thereof attributable to non-controlling interest		(1,834)	(1,351)
OTHER COMPREHENSIVE INCOME Items that will never be reclassified to profit or loss			
Remeasurements of the Employee benefits liability	15	543	22
Related tax	13	(114)	(25)
Items that will never be reclassified to profit or loss		**429**	**(3)**
Items that are or may be reclassified to profit or loss Foreign currency translation differences		(208)	365
Items that are or may be reclassified to profit or loss		**(208)**	**365**
Total other comprehensive income for the period, net of tax		**221**	**362**
Total comprehensive income		**8,593**	**(7,439)**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.		10,427	(6,088)
- thereof attributable to non-controlling interest		(1,834)	(1,351)
EARNINGS PER SHARE			
Basic earnings per share (in EURO)	14	0,82	(0,48)
Diluted earnings per share (in EURO)	14	0,82	(0,48)

Consolidated balance sheet

in '000 EUR	Notes	31 Dec 2018	31 Dec 2017*
NON CURRENT ASSETS			
Property plant and equipment	18	2,485	3,243
Intangible assets	19	151,301	143,949
Goodwill	19 / 20	58,634	56,052
Non current financial assets	21	1,667	1,256
Investment in equity accounted investees	22	916	825
Deferred tax asset	13	7,940	6,419
Trade and other receivables - Non current	23	377	-
TOTAL NON CURRENT ASSETS		**223,320**	**211,744**
CURRENT ASSETS			
Inventories		14	14
Current financial assets	21	1,349	1,922
Current tax assets	13	1,322	767
Trade and other receivables	23	81,280	75,635
Contract assets	24	3,861	2,357
Cash and cash equivalents	25	72,871	52,134
TOTAL CURRENT ASSETS		**160,697**	**132,829**
TOTAL ASSETS		**384,017**	**344,573**
Share capital	26	117	146
Capital reserves	26	101,819	127,751
Translation reserve	26	1,211	1,419
Treasury share reserve	26	(8,507)	(16,738)
Retained earnings	26	14,713	19,191
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM N.V.		**109,353**	**131,769**
Non-controlling interest	26	1,941	1,737
TOTAL EQUITY		**111,294**	**133,506**
NON CURRENT LIABILITIES			
Non current provisions	27	-	-
Employee benefits liabilities	15	5,806	5,678
Long Term Financial Liabilities	28	14,529	
Deferred tax liabilities	13	26,384	26,503
Trade and other payables - Non current	29	642	-
TOTAL NON CURRENT LIABILITIES		**47,361**	**32,181**

in '000 EUR	Notes	31 Dec 2018	31 Dec 2017*
CURRENT LIABILITIES			
Current provisions	27	789	3,330
Short Term Financial Liabilities	28	29,532	10,015
Current tax liabilities	13	3,549	1,002
Trade and other payables	29	184,233	160,722
Contract liabilities	24	7,259	3,817
TOTAL CURRENT LIABILITIES		**225,362**	**178,886**
TOTAL LIABILITIES		**272,723**	**211,067**
TOTAL LIABILITIES AND EQUITY		**384,017**	**344,573**

* 2017 restated. See note 3 for details about restatements for changes in accounting policies.

Consolidated statement of changes in equity

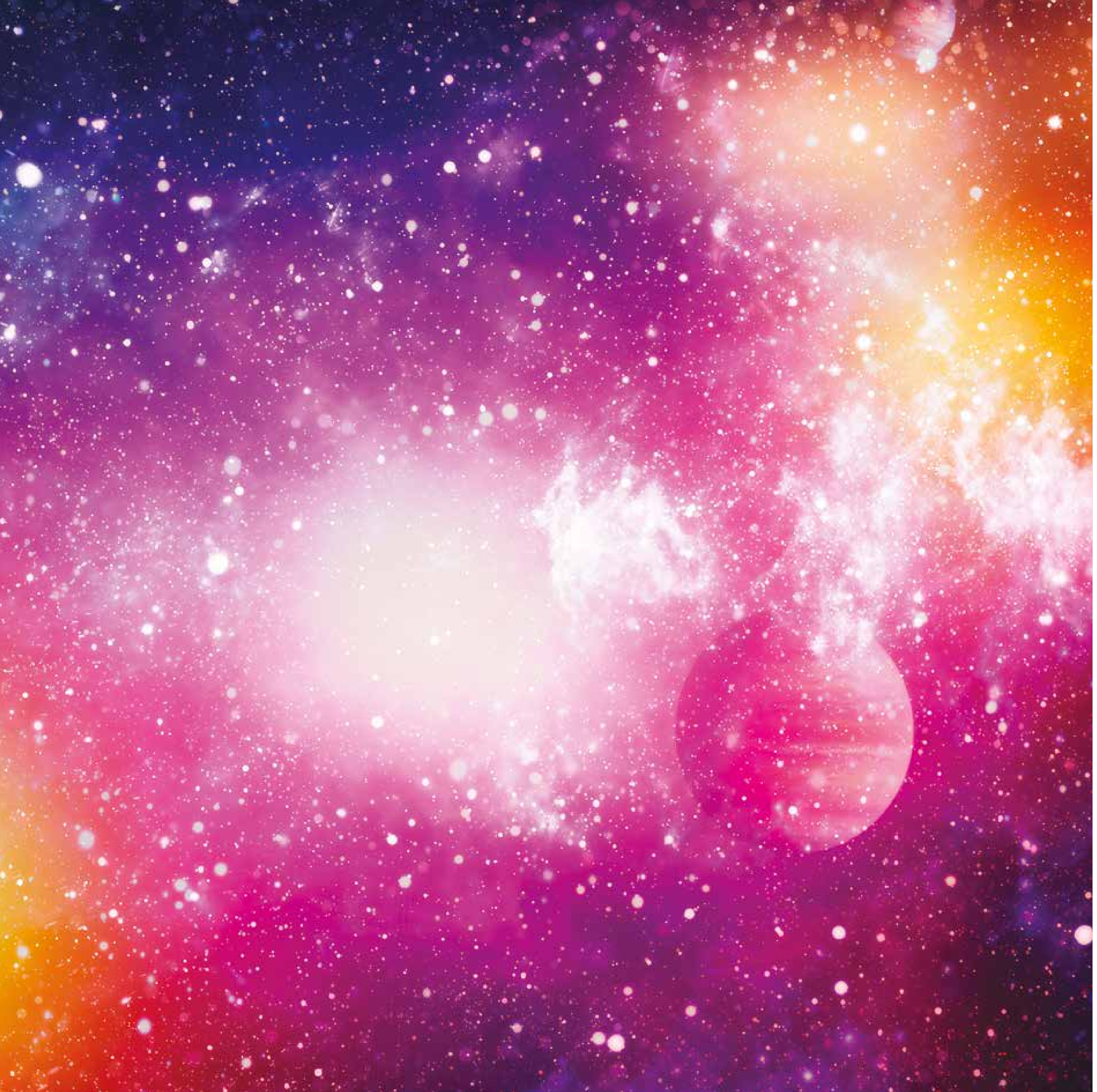
in '000 EUR	Notes	Share capital	Capital Reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 31 December 2017		**146**	**127,751**	**1,419**	**(16,738)**	**19,191**	**131,769**	**1,737**	**133,506**
Adjustment on initial application of IFRS 9, net of tax						**(234)**	**(234)**		**(234)**
Balance at 1 January 2018		**146**	**127,751**	**1,419**	**(16,738)**	**18,957**	**131,535**	**1,737**	**133,272**
Result for the period		-	-	-	-	10,206	10,206	(1,834)	8,372
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	429	429	-	429
- Foreign currency translation differences	25	-	-	(208)	-	-	(208)	-	(208)
Total other comprehensive income net of tax		**-**	**-**	**(208)**	**-**	**429**	**221**	**-**	**221**
Total comprehensive income net of tax		**-**	**-**	**(208)**	**-**	**10,635**	**10,427**	**(1,834)**	**8,593**
Transactions with shareholders									
- Share-buy back plan	25	-	-	-	(1,262)	-	(1,262)	-	(1,262)
- Share-buy back plan PSTO	25				(30,259)	-	(30,259)	-	(30,259)
- Cancellation of shares	25	(29)	(25,932)		39,752	(13,791)	-	-	-
- Share-based payments	16	-	-	-			-	-	-
- Transactions with non-controlling interest	25					(1,088)	(1,088)	1,088	-
- Capital contribution by non-controlling interest	25						-	950	950
Total transactions with shareholders		**(29)**	**(25,932)**	**-**	**8,231**	**(14,879)**	**(32,609)**	**2,038**	**(30,571)**
Balance at 31 December 2018		**117**	**101,819**	**1,211**	**(8,507)**	**14,713**	**109,353**	**1,941**	**111,294**

in '000 EUR	Notes	Share capital	Capital Reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2017		**146**	**127,751**	**1,054**	**(12,364)**	**25,714**	**142,301**	**2,604**	**144,905**
Result for the period		-	-	-	-	(6,450)	(6,450)	(1,351)	(7,801)
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	(3)	(3)	-	(3)
- Foreign currency translation differences	25	-	-	365	-	-	365	-	365
Total other comprehensive income net of tax		**-**	**-**	**365**	**-**	**(3)**	**362**	**-**	**362**
Total comprehensive income net of tax		**-**	**-**	**365**	**-**	**(6,453)**	**(6,088)**	**(1,351)**	**(7,439)**
Transactions with shareholders									
- Share-buy back plan	25	-	-	-	(4,725)	-	(4,725)	-	(4,725)
- Buy-back share options	16						-	-	-
- Sale of treasury shares	25				188		188	-	188
- Share-based payments	16	-	-	-	163	(38)	125	-	125
- Transactions with non-controlling interest	5					(32)	(32)	(253)	(285)
- Capital contribution of non-controlling interest	5						-	737	737
Total transactions with shareholders		**-**	**-**	**-**	**(4,374)**	**(70)**	**(4,444)**	**484**	**(3,960)**
Balance at 31 December 2017		**146**	**127,751**	**1,419**	**(16,738)**	**19,191**	**131,769**	**1,737**	**133,506**

Consolidated cash flow statement

in '000 EUR	Notes	2018	2017
Cash flow from operating activities			
Profit / (Loss) for the period		**8,372**	**(7,801)**
Adjustments for:			
- Amortization and depreciation	18/19	14,226	11,985
- Impairment losses on intangible and tangible assets	19	238	507
- Net finance result	12	510	1,586
- Gains/losses from disposal of inv, and other	11	-	(2,065)
- Income tax expense	13	3,866	4,151
- Share-based payments	16	-	(492)
- Share of result of equity-accounted investees	22	43	133
Change in trade and other receivables	23	(8,815)	(23,259)
Change in contract assets	24	(1,504)	(235)
Change in inventories		-	(4)
Change in trade and other payables	29	21,388	21,712
Change in contract liabilities	24	3,442	2,541
Change in provisions	27	(2,541)	1,633
Change in employee benefit liability	15	671	644
Interest paid	12	(455)	(99)
Income tax (paid)/received	13	(2,332)	(403)
Net cash (used in) / from operating activities		**37,109**	**10,534**
Cash flow from investing activities			
Interest received	12	-	13
Purchase of property, plant and equipment	18	(959)	(1,313)
Purchase of intangible assets	19	(11,994)	(11,747)
Acquisition of subsidiaries, net of cash acquired	5	(764)	(5,000)
Proceeds form sales of subsidiaries and other investments	5	-	2,034
Acquisition / (Proceeds) of financial assets	21	254	218
Net cash (used in) / from investing activities		**(13,463)**	**(15,795)**

in '000 EUR	Notes	2018	2017
Cash flow from financing activities			
Proceeds from borrowings	27	49,750	14,043
Proceeds from exercise of share options	16	-	125
Repayments of borrowings	28	(21,704)	(11,425)
Share Buy back plan	26	(1,262)	(4,725)
Share Buy back plan for PSTO	26	(30,259)	
Acquisition of non-controlling interests	4 /26	(135)	(214)
Capital contribution from non controlling interests	26	950	45
Net cash (used in)/from financing activities		**(2,660)**	**(2,151)**
Net increase / (decrease) in cash and cash equivalents		**20,986**	**(7,412)**
Cash and cash equivalents at 1 January	25	52,134	60,245
Effects of currency translation on cash and cash equivalents		(249)	(699)
Cash and cash equivalents at 31 December	25	72,871	52,134



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 2018 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.

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.
This is the first year in which IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have been applied. Further information is reported in the following paragraphs.
The Group has foreign operations, consolidated as explained in the corresponding accounting policy below.

Basis of preparation

These consolidated financial statements have been prepared in accordance with "International Financial Reporting Standards" ("IFRSs") as endorsed by the European Union (EU) excluding the disclosures as required by Part 9 of Book 2 of the Dutch Civil Code. For a better understanding of lastminute N.V.'s financial position and the results of operations, these consolidated financial statements should be read in conjunction with the lastminute N.V.'s audited statutory financial statements as of and for the year ended 31 December 2018, which include all disclosures required by International Financial Reporting Standards as adopted by European Union and the statutory provisions of Part 9, Book 2, of the Dutch Civil Code.

The consolidated financial statements are presented in thousand of Euros and all amounts (including totals and subtotals) have been rounded according to normal commercial practice. Thus, an addition of the amounts presented can result in rounding differences.

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, with the directors having assessed that there are no financial, operating or other kind of indicators that might provide evidence of the Group's inability to meet its obligations in the foreseeable future.

The consolidated financial statements were authorized for issue by the Board of Directors on 18 March 2019.

Adoption of new and revised standards and interpretations

The Group has applied the following standards for the first time for their annual reporting period commencing 1 January 2018:

- IFRS 15 Revenue from Contracts with Customers.
- IFRS 9 Financial Instruments.

The group had to change its accounting policies following the adoption of IFRS 9 and IFRS 15. This is disclosed in Note 3 Changes in accounting policies.

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 recognized 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 recognized 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:

Income taxes
As of 31 December 2018 the net liability for current taxes amounts to EUR 2,227 thousand (2017: net liability for current taxes of EUR 235 thousand). The net liability for deferred taxes amounts to EUR 18,444 thousand at 31 December 2018 (2017: EUR 20,085 thousand, refer to Note 13). 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 recognized liabilities for income tax-related uncertainties are adequate. Various internal and external factors may have favorable or unfavorable 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 recognized 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 2018 management recognised deferred tax assets on losses carried forward for EUR 6,598 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 789 thousand as of 31 December 2018 (EUR 3,330 thousand for 2017). 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 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 2018 and 2017 the Group had respectively EUR 58,634 thousand and EUR 56,052 thousand in goodwill (see Note 19) and EUR 127,541 thousand and EUR 121,454 thousand in intangible assets with an indefinite useful life (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 recognized 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 LMN 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 recognized amount of any non-controlling interests in the acquiree, less the net recognized 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 recognized immediately in profit or loss.
The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at their fair value or at their proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

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 unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized 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 recognized 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 recognized initially at cost. Subsequent 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 consolidation area 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 recognized in the statement of 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 cost includes 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 capitalized 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 expenditure are capitalized 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 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

Land is not depreciated. 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 recognized in 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
Separately acquired trademarks are recognized at historical cost. Trademarks acquired in a business combination are recognized 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 capitalized development costs of lastminute.com Group consist mainly of capitalized 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 capitalized 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.

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

Capitalized development cost	2-3 years

The other intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets concerned.

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 recognized in the statement of profit and 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 recognized in the statement of profit and loss. Whenever the initial recognition of a business combination can be determined only provisionally, adjustments to the initially allocated values are recognized within 12 months from the acquisition date.
Goodwill is tested for impairment at least annually or more frequently whenever events or changes in circumstances indicate that goodwill may be impaired, as set forth in IAS 36 (Impairment of Assets); however, when the conditions that gave rise to an impairment loss no longer exist, the original amount of goodwill is not reinstated. The test is conducted 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.

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. Any impairment loss is recognized in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.
Impairment losses recognized 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 recognized. An impairment loss in respect of goodwill is not reversed.

Leasing

The present value of finance lease obligations is recognized on the balance sheet if substantially all risks and rewards associated with ownership have been transferred to the Group entity.
Minimum lease payments made under finance leases are divided into an interest expense and a reduction of the outstanding liability based on the annuity method. The interest expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of their estimated useful life and the lease term.
Operating lease instalments are charged to profit or loss on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Financial instruments

Financial assets
Financial assets are initially recognized on the trade date at fair value plus any directly related transaction costs (unless held for trading purposes or designated at fair value through profit or loss). Subsequently, they are categorized and measured as follows:

- financial assets held for trading purposes or designated at fair value through profit or loss at fair value, whereby changes in the fair value are immediately recognized in profit or loss;
- loans and receivables at amortized cost, whereby the difference between the issue and repayment amount is recognized 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. See note 3 for more information.

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

Trade and other receivables
Trade and other receivables are initially measured at fair value. Subsequent to initial recognition, they are measured at amortized cost based on the effective interest rate method, which generally corresponds to their nominal value.

Cash and cash equivalents
Cash and cash equivalents are stated at nominal 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 recognized at fair value less any directly attributable transaction costs. They are subsequently stated at amortized cost, whereby the difference between the issue and repayment amount is recognized 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 amortized cost, which generally corresponds to their nominal value.

Provisions

Provisions are recognized 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. In connection with flight ticket sales, lastminute.com Group offers its customers the possibility to acquire "Fullflex", which allows them to cancel the flight booking at their sole discretion obtaining a voucher for a 90% of the ticket price (excluding agency commissions and other products/services). Provisions are made to cover related expected claims and other directly related costs using current assumptions.

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 defined benefit plan.

The present value of the defined benefit obligation is calculated using the projected unit credit method. 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 recognized as "Personnel costs". The Group deter-

mines 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 recognized in other comprehensive income.

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 recognized 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
The Group operates an cash-settled share-based compensation plan. One option gives the right to buy one share of the Company. The grant-date fair value of the options granted to employees is recognized as an employee expense over the vesting period, with a corresponding increase in equity over the same period. The amount recognized as an expense is adjusted to reflect the number of options for which the related service condition is expected to be met, such that the amount ultimately recognized as an expense is based on the number of options that meet the related service condition at the vesting date.
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 recognized as equity are repurchased, the amount of the consideration paid, net of any tax effects, is recognized 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 recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within Retained earnings.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts, cancellations and value added taxes. The Group recognizes revenue when the outcome of the underlying transaction can be estimated reliably. Revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when the Group has transferred the title, has transferred the physical possession, has a present right to payment and the customer has accepted and has the significant risks and rewards of ownership of the assets.The Group bases its estimate of cancellations on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the intermediation of travel services consists of revenue from the services offered on the websites of lastminute.com Group by which customers have the ability to compare and book flights, hotel rooms and car rentals, or the combination of those products, and from the sale of third party travel insurance.
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.
Revenues for flights bookings, hotel room bookings, cruise booking, holiday bookings, car rental bookings and travel insurance, are recognized when the booking is made, secured by credit card or other payment.
Packages assembled by travellers through the packaging model on the Group's websites generally include a merchant hotel component and some combination of an air, car or destination services component.
The individual package components are recognized in accordance with LM's revenue recognition policies stated above.
At each reporting date, the Group assesses the percentage of cancellations of booking that may happen in the future based on historical data. In connection to that, the Group accounts for a reduction of revenue based on that percentage.
In connection with flight ticket sales, lastminute.com Group offers its customers the possibility to acquire "FullFlex", which allows them to cancel the covered flight booking at their sole discretion. When a customer cancels a flight booking covered by FullFlex, he or she obtains a voucher to be used for a replacement booking within a certain period of time of up to 18 months. The fees received for FullFlex are recognized at the time of booking adjusted for the related provision to cover related expected claims and other directly related costs using current assumptions.
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.
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 by reference to the stage of completion over the advertising delivery period, depending on the terms of the contract. Revenue generated from advertising banners is recognized at the moment the transaction has occurred.

Income taxes

Income tax comprises current and deferred taxes. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (i.e. transactions with shareholders), in which case it is recognized 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 recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.
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 16 - Leasing	01-Jan-19	31-Oct-17
Prepayment Features with Negative Compensation (IFRS 9)	01-Jan-19	22-Mar-18
IFRIC 23 Interpretation / Uncertainty Income Tax Treatments	01-Jan-19	23-Oct-18
IFRS 14 Regulatory Deferral Accounts	01-Jan-16	Not Yet endorsed
IFRS 17 Insurance Contracts	01-Jan-21	Not Yet endorsed
Amendments of Standards and Interpretations	**Effective date**	**Mandatory application**
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be defined	Not Yet endorsed
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	01-Jan-19	Not Yet endorsed
Annual Improvements to IFRS Standards (2015-2017 Cycle)	01-Jan-19	Not Yet endorsed
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	01-Jan-19	Not Yet endorsed
Amendments to References to the Conceptual Framework in IFRS Standards	01-Jan-20	Not Yet endorsed
Definition of business (Amendments to IFRS 3)	01-Jan-20	Not Yet endorsed
Definition of material (Amendments to IAS 1 and IAS 8)	01-Jan-20	Not Yet endorsed

1) The impacts on the Consolidated Financial Statements of the Group are expected to be additional disclosures or minor changes in presentation of items.

2) No or no significant impacts are expected on the Consolidated Financial Statements of the Group.

3) In relation to the IFRS 16 the Group has completed a specific assessment. See the table below for further information.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of the standard	IFRS 16 - Leases
Nature of the change	IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.
Impact	The group has set up a project team which has reviewed all of the group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the group's operating leases. The Group has operating leases contracts for all the buildings where the offices are located, cars granted to employees and other minor office equipments. The Group estimates that approximately 80-90% of these relate to payments for medium-term office rental leases (see Note 17) which will be recognised in the Group statement of financial position according the new standard. As at the reporting date, the group has non-cancellable operating lease commitments of EUR 12,845 thousand (see Note 17). Of these commitments, EUR 407 thousand relate to short-term leases and EUR 9 thousand to low value leases which will both be recognised on a straight-line basis as expense in profit or loss. For the remaining lease commitments the Group expects to recognise right-of-use assets and liabilities of approximately EUR 12.4 million on 1 January 2019. The Group expects that IFRS EBITDA will increase by approximately EUR 3 million for 2019 as a result of adopting the new rules. Anyway the Group is not expecting to change the Adjusted EBITDA, used to measure segment results, as the adjustments made under IFRS 16 will be kept as a reconciliation item between Adjusted and IFRS EBITDA. Operating cash flows will increase and financing cash flows decrease by approximately EUR 3 million as repayment of the principal.
Date of adoption by the Group	The group will apply the standard from its mandatory adoption date of 1 January 2019. The group will apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

Note 3 - Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the group's financial statements.

IFRS 9 - Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.
The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and minor adjustments to the amounts recognised in the financial statements.
In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.
The Group has not recognised any material adjustments because of the following reasons:
Financial assets previously measured under IAS 39 at fair value through profit or loss (FVPL) have been disposed in January 2018 and the Group has not entered in any other similar investments (see Note 4).
The Group has none of the following instruments:

- corporate bonds;
- non-trading equities;
- debentures and zero-coupon bonds;
- listed and unlisted debt securities;
- any other available for sale instruments.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments:

Recognition and Measurement and have not been changed. The Group has no derivatives instruments neither has ever applied the Hedge accounting. If in the future the Group enters into derivatives contracts, a specific analysis will be carried out by the management to reflect the appropriate accounting under IFRS 9. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group increased the allowance with EUR 262 thousand directly recognised in equity. For further details see the Consolidated statement of changes in equity and the following paragraph.

Impairment of financial assets
The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales;
- contract assets;
- deposits and other financial assets.

No contract assets as defined under IFRS 9 have been identified. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was deemed to be zero. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivable and contract assets.
To measure the expected credit losses, trade receivables and contract assets 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 2018 or 1 January 2018 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 2018 and 1 January 2018 (on adoption of IFRS 9) was determined as follows for both trade receivables and contract assets:

	Current	0-30	31-90	91-180	181-360	OVER 360	TOT
Expected credit loss	**0.00%**	**0.00%**	**5.00%**	**20.00%**	**60.00%**	**100.00%**	
Gross amount	**7,176**	**3,695**	**1,744**	**611**	**601**	**1,696**	**15,523**
Already provided for under IAS 39	-	-	(16)	(60)	(195)	(1,734)	(2,005)
Credit loss under IFRS 9	-	-	(87)	(122)	(361)	(1,696)	(2,266)
Difference in Retained earning	**-**	**-**	**(71)**	**(63)**	**(166)**	**38**	**(262)**

Reclassifications of financial instruments on adoption of IFRS 9
On the date of initial application, 1 January 2018, the financial instruments of the group were as follows, with any reclassifications noted:

	Measurement category		Carrying amount		
in '000 EUR	Original (IAS 39)	New (IFRS 9)	Original	New	Difference
Non-current financial assets	Amortised cost	Amortised cost	-	-	
Current financial assets (Investments)	**FVTPL**	**FVTPL**	**33**	**33**	**-**
Current financial assets (Deposits and other)	Amortised cost	Amortised cost	1,922	1,922	-
Trade and other receivables	Amortised cost	Amortised cost	76,223	75,961	(262)
Cash and cash equivalents (excl. cash on hand)	Amortised cost	Amortised cost	51,828	51,828	-
Long term financial liabilities	Amortised cost	Amortised cost	-	-	-
Short term financial liabilities	**Amortised cost**	**Amortised cost**	**10,015**	**10,015**	**-**
Trade and other payables	**Amortised cost**	**Amortised cost**	**157,703**	**157,703**	**-**

IFRS 15 - Revenue from contracts with customers
The group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. The implementation of IFRS 15 did not have a material impact to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Group has adopted the new rules retrospectively.
The Group has decided to reclassify contract assets and contract liabilities and present them as a separate line item in the balance sheet.
A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of IFRS 9. An entity should recognise a contract liability if the customer's payment of consideration precedes the entity's performance. For further details refer to Note 24.

Management has performed a detailed analysis over all the revenues streams and no impact from the adoption of the new standard on 1 January 2018 has been determined. Following the result of the assessment split by operating segment.

Online Travel Agency (OTA)
The Group offers a wide range of services through its website. A customer may book several services in only one booking. Every booked services are connected and interdependent to each other. The customer cannot benefit from a single service without benefiting from the others. For instance, the insurance cannot be used without taking the flight. On the other way round, the Group cannot fulfil its promise to transfer each of the services separately. Even in case of a dynamic package, the customer cannot benefit from only a part of the service (being either the hotel or the flight). In case of cancellation of a dynamic package, the customer cannot select which service can be cancelled, but the cancellation obligatory refers to the entire package. Regarding variable considera-

tions, the Group has limited active contracts with variable considerations. They are related to over-commission to Global Distribution Systems (GDS) and airlines. During the maturation period revenues are recognised based on the best estimate available. As most of these contract have maturity date as of the end on the year, revenue recognition for year end financial statement is based on actual results.
There are no particular incentives or bonuses. Revenue has no significant financing component and the consideration received is only cash. Consideration payable to a customer also includes credit or other items (for example, a coupon or voucher) that can be applied against amounts owed to the entity (or to other parties that purchase the entity's goods or services from the customer). The Group accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue. Historical data showed that not all customers exercise their contractual right to use the voucher. The Group recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customers.

Metasearch business (META)
Also outside the OTA business, the Group doesn't sell any service with separate performance obligation.
Revenues from metasearch are related to (i) traffic to customers websites and are based on clicks on the results of users search queries. A revenue is earned for each click generated, at an agreed tariff with the customer (Cost per click, or "CPC"); (ii) in some cases revenues are earned for each agreement entered between users and META customers (in which case the tariffs is CPA cost per Agreements); (iii) in addition, Media revenues are related to clicks from users on advertising on web properties. The accounting treatment under IAS 18 is the same as under IFRS 15.

Impact on Financial Statements
This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the group's financial statements.
As a result of the changes in the entity's accounting policies, prior year financial statements had to be restated. As explained below, IFRS 9 was adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018. The adoption of IFRS 15 has led to add two more lines in the statement of financial position and in the cash flow statement reflecting the contracts assets and liabilities. The restatement has only involved presentation of the numbers and disclosure. No adjustments affecting the retained earnings have been recognised in the consolidated financial statements following the adoption of the new standard IFRS 15.

in '000 EUR	31 Dec 17 As originally presented	IFRS 15	31 Dec 17 Restated	IFRS 9	1 Jan 18
Balance sheet (extract)					
Current assets					
Trade and other receivables	77,992	(2,357)	75,635	(262)	75,373
Contract assets	-	2,357	2,357		2,357
Non current assets					-
Deferred tax asset	6,419		6,419	28	6,447
Equity					-
Retained earnings	19,191		19,191	(234)	18,957
Current liabilities					-
Trade and other payables	164,539	(3,817)	160,722		160,722
Contract liabilities		3,817	3,817		3,817

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 2018	31 Dec 2017
Current financial assets (Investments)	-	33
Total financial assets at fair value through profit or loss	**-**	**33**
Non-current financial assets	1,667	1,256
Current financial assets (Deposits and other)	1,349	1,889
Trade and other receivables* (Current and Non Current)	79,490	73,866
Contract assets	3,861	2,357
Cash and cash equivalents (excl. cash on hand)	72,648	51,828
Total financial assets measured at amortised cost	**159,015**	**131,196**
Short term financial liabilities	29,532	10,015
Trade and other payables* (Current and Non Current)	3,931	153,886
Contract liabilities	7,259	3,817
Total Financial liabilities measured at amortized cost	**40,722**	**167,718**

** "Trade and other receivables/payables" do not include credit/debit VAT position, and other non-cash items (as liabilities to employees) at 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 amortized cost approximate the estimated fair value of these financial instruments.

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 categorized 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 2018, the Group held no more investments funds (EUR 33 thousand in 2017). As of 31 December 2017 they had been valued at fair value through profit or loss: their fair value was classified at level 1 as it was based on traded prices in an active market.
There were no transfers among the Fair Value Levels during the period and no changes in valuation techniques during the period.

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 Chief Financial Officer, the Chief Executive Officer and the Executive Chairman. Organizational and process measures have been designed to identify and mitigate risks at an early stage.

Net debt reconciliation

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

in '000 EUR	1 Jan 2018	Repayments	Interests charges	Acquisitions	Exchange movement	Change in Fair Value	Other non-cash movements	31 Dec 2018
Financial liabilities	(10,015)	2,071	(342)	(36,000)	-	-	225	(44,061)
Total Financial Liabilities	**(10,015)**	**2,071**	**(342)**	**(36,000)**	**-**	**-**	**225**	**(44,061)**

As of 31 December 2018 current financial liabilities amount to EUR 29,532 thousand (2017: current financial liabilities of EUR 10,015 thousand) and long term financial liabilities amount to EUR 14,529 thousand (in 2017: nil).

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.
For any further information refer to Note 23.

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 2018	31 Dec 2017
Non-current financial assets	1,667	1,256
Current financial assets	1,349	1,922
Trade and other receivables* (Current and Non Current)	79,490	73,866
Contract assets	3,861	2,357
Cash and cash equivalents (excl. cash on hand)	72,648	51,828
Total	**159,015**	**131,229**

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

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 2018, total amount of unused available cash credit lines for the Group was EUR 25,757 thousand (EUR 18,800 thousand at 31 December 2017). 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 2018				31 Dec 2017			
	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	(167,124)	(23,039)	(651)	(1,320)	(150,952)	(11,883)	(940)	(765)
Liabilities for share-based payment	(1,575)				(1,763)		-	
Short term financial liabilities	(29,532)		-	-	(10,015)		-	-
Long term financial liabilities	(14,529)		-	-		-	-	-
Total	**(212,760)**	**(23,039)**	**(651)**	**(1,320)**	**(162,730)**	**(11,883)**	**(940)**	**(765)**

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 2018, the Group's balance sheet net exposure in CHF amounted to EUR 9,040 thousand (2017: EUR 6,016 thousand). As of 31 December 2018, the Group's balance sheet net exposure in GBP amounted to EUR 33,810 thousand (2017: EUR 21,972 thousand). As of 31 December 2018, the Group's balance sheet net exposure in USD amounted to EUR 7,477 thousand (2017: EUR 3,649 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	2018		2017	
	Strenghtening	Weakening	Strenghtening	Weakening
Currency risk sensitivity in CHF	(822)	822	(547)	547
Currency risk sensitivity in GBP	(3,074)	3,074	(1,997)	1,997
Currency risk sensitivity in USD	(680)	680	(332)	332

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.

Interest Rate Risk

The interest rate risk is the risk that changes in interest rates will affect 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 2018 the Group has short term bank liabilities for EUR 29,532 thousand (31 December 2017: EUR 10,015 thousand) and long term liabilities EUR 14,529 thousand (31 December 2017: nil). An amount of EUR 18,072 thousand (of which EUR 14,529 thousand present as long term) is regulated by variable interest rate (Euribor 6 months plus 140 bppa). As the Euribor 6m has been negative for all 2018 and analysts expect it to remain negative in the next future, the Group does not see any material impact on its financial statements. See also Note 28.

The Group further has cash and cash equivalents with variable interest rates in the amount of EUR 72,648 thousand (31 December 2017: 51,828 thousand). See also Note 25.

As of 31 December 2018 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.

Estimation risk on future costs

In connection with flight ticket sales, lastminute.com Group offers its customers the possibility to acquire an option, which allows them to cancel the flight booking at their sole discretion and obtain a voucher to be used for a replacement booking within 12-18 months. In legal terms, this option is not an insurance product as the utilisation of the voucher is subject to the sole discretion of the customer.

The estimation risk on future costs is the inherent uncertainty regarding the occurrence, amount or timing of cancellation of covered flight tickets. Lastminute.com Group currently covers such risk by offering and external insurance.

A provision is calculated to cover the best estimate of future costs with respect to the amount of the vouchers. Management's best estimate for the provision is based on, among other things, the latest available data, past cancellation experience and economic conditions that may affect the ultimate cost. However, it is inherent in the nature of the business that the ultimate liabilities may vary as a result of subsequent developments.

Note 5 - Changes in the scope of consolidation

Financial year 2018

Acquisition of Comvel Gmbh

With effect 1st January 2018 the Group acquired from ProSiebenSat. Group the entirety of the shares of Comvel GmbH, to scale up its positioning in Germany.

The total consideration was EUR 13.5 million, to be paid in cash, EUR 5 million at closing date, EUR 2.5 million during the first half of 2018 and EUR 6 million throughout 2019. Comvel GmbH, founded 2004 in Munich, operates the travel website weg.de, one of Germany's best-known online travel sites and has been a wholly owned subsidiary of ProSiebenSat. Group since January 2014. weg.de offers its customers the entire range of travel options, with primary focus on package holidays and all-inclusive vacations with a very limited exposure of hotels and flights. Thanks to the acquisition, lastminute.com group has reached a significant size in the largest European country (according to total travel transaction value).

The following table summarises the consideration paid for Comvel Gmbh, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date through the purchase price allocation exercise:

Consideration (amounts in '000 EUR)	1 January 2018
Cash	7,498
Future fixed consideration	5,780
Total consideration paid in cash	13,278
Cash and cash equivalents	1,733
Current financial assets	91
Deferred tax assets	3,041
Intangible assets	2,462
Property plant and equipment	119
Trade and other payables	(2,766)
Trade and other receivables	2,206
Fair value of total identifiable net assets acquired	**6,886**
Goodwill	2,602
Weg.de Brand	5,657
DTL	(1,867)
Total consideration	**13,278**

Rounded up to the nearest EUR thousand

The future fixed consideration of EUR 6,000 thousand has been discounted to EUR 5,780 thousand.

The Group gained control over Comvel GmbH on 1 January 2018 and consolidated it from that date.

The gross contractual amount of trade and other receivables at acquisition date is EUR 3,413 thousand. The amount expected to be collectible is EUR 2,206 thousand.

Goodwill is mainly attributable to the assembled workforce, the companies and management's ability to generate future income and growth through the recognition of their trademarks and the opportunity for the Group to expand its footprint in new markets.

InstaGo SAGL

On 11 July 2018 the Group entered in a venture InstaGo SAGL with a purpose to have a new company which can manage web-check-in. The capital contribution initially paid was EUR 150 thousand. The company is managed in partnership with the founder of the technology used to manage the web check-in. Under the terms of the agreement, lastminute.com group is the minor shareholder owning the 15% of shares for a total Fair Value as of 31 December 2018 of EUR 132 thousand.

Financial year 2017

Loss of control in URBANnext SA

On 8 June 2017 the Group reduced its stake in URBANnext SA, a company which operates a shared-use mobility aggregator app, from 80% to 25%. The gain resulting from its stake's decreased was EUR 1,266 thousand. The effect on Group cash flow was an in-flow of EUR 1,650 thousand disclosed within the financing activities (reference should be made to Group cash flow statement above). The reduction followed an investment agreement signed between Telepass S.p.A., an Italian leader company operates in highway's toll payment services, and Bravonext S.A. a Swiss company of lastminute.com group. After the loss of control, the Group derecognised the

Non- controlling interests portion with a positive effect on Group's equity of EUR 231 thousand and recognised the investment in associate at its fair value. Starting from consolidated financial statements as of 30 June 2017 the Group has consequently accounted for its Urbannext SA interest using the equity method.

Sale of Prezzi Benzina Srl
On 27 June 2017 the Group sold all its stakes in Prezzi Benzina Srl (50.1%), a company based in Italy, operating with an online platform comparing prices of petrol stations. As a result of the loss of control and the consequently deconsolidation of Prezzi Benzina Srl, the Group recognised a gain of EUR 40 thousand. The effect on Group cash flow was an in-flow of EUR 100 thousand disclosed within the investing activities (reference should be made to Group cash flow statement above). After the loss of control, the Group derecognised the Non-controlling interests portion with a positive effect on Group's equity of EUR 33 thousand.

Sale of Vivigratis SA
On 26 October 2017 the Group sold all its stakes in Vivigratis SA (51.0%), a company based in Switzerland, operating an online platform aggregating and comparing travel, shopping and leisure offers. As a result of the loss of control and the consequently deconsolidation of Vivigratis SA, the Group recognised a loss of EUR 7 thousand. The effect on Group cash flow was a in-flow of EUR 34 thousand disclosed within the investing activities (reference should be made to Group cash flow statement above). After the loss of control, the Group derecognised the Non-controlling interests portion with a negative effect on Group's equity of EUR 187 thousand.

Non controlling interest in Blue SAS and Bravometa CH SA
On 25 September 2017 the Group entered into agreement with the company Travelscan SA, a company engaged in the hotel meta-search business for the purpose of providing information to compare hotels/apartments accommodation availability and prices under the brand of "Hotelscan". The Group acquired the assets of Travelscan SA which will contribute to expand the meta business. The shareholders of Travelscan SA received as consideration minority equity stakes for 1.65% in Bravometa CH SA and Blue SAS, the two entities operating in the meta segment of the Group. The new minority controlling interests contributed in the subscription of the minority stakes by both injection of cash for a total of EUR 125 thousand impacting the Group cash flow statement within the financing activities (reference should be made to Group cash flow statement above) and by contributing intangible assets for an amount of EUR 612 thousand (see Note 18 for further details).
The Non controlling interest portion of Group's equity increased as a consequence of the operation for a total amount of EUR 630 thousand (see the Consolidated statement of changes in equity above for further information)

Step up in control in Bravojet SA
On 11 September 2017, the Group acquired an additional 40% of the issued shares of Bravojet SA for EUR 214 thousand. The Group recognised a decrease in non-controlling interests of EUR 320 thousand. The effect on Group cash flow was an outflow of EUR 214 thousand disclosed within the investing activities (reference should be made to Group cash flow statement above). At the end of the 2017 Group management has made an assessment over the Bravojet business and decided to liquidate the company. The liquidation process started on 20 December 2017 and it had no impact on the Group income statement.

Closing of subsidiaries
During the 2017 the Group closed 2Spaghi Srl and Rede Universal de Viagens Ltda being two not material companies of which the liquidation process had already started during prior years.

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 determined operating segments based on the information reviewed and managed by the Group CODM. 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.
- **Metasearch**, which includes the business generated in the Group's websites focused on directing traffic, in exchange for a commission, to the sites of OTAs and airlines and other direct providers.
- **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 "Other non reconciling items" which mainly includes head office costs not allocable.
The Group CODM assesses the performance of the operating segments based on a measure of Adjusted EBITDA:

in '000 EUR	2018					2017				
	OTA	Meta search	Other segments	Non reconciling items	Total	OTA	Meta search	Other segments	Non reconciling items	Total
Consolidated Revenues	**235,900**	**51,544**	**3,068**	**-**	**290,511**	**209,685**	**45,942**	**3,203**	**-**	**258,830**
Total Revenues	243,403	56,657	3,085	-	303,145	216,365	53,907	3,203	-	273,475
Intersegment Revenues	(7,503)	(5,114)	(18)	-	(12,634)	(6,680)	(7,965)	-	-	(14,645)
Consolidated EBITDA Adjusted*	**30,100**	**13,400**	**(4,400)**	**(6,300)**	**32,800**	**13,081**	**13,147**	**(3,000)**	**(6,321)**	**16,908**
Non-cash impact of stock options					-					(492)
Extraordinary bonuses					-					(100)
Costs related to acquisition and integration of subsidiaries					(1,300)					(1,040)
Antitrust provision					-					(2,400)
Litigation, restructuring and other costs/income incidental to operating activities					(5,545)					(4,380)
Antitrust provision					1,300					
Depreciation, Amortization and impairment					(14,464)					(12,492)
Profit before Interest and Income Tax					**12,791**					**(3,996)**

* *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 table below analyzes the Group's non-current assets, excluding financial instruments and deferred taxes, based on the geographic location and operating segments of the assets as of 31 December 2018 and 2017:

in '000 EUR	2018	2017
Spain	80,304	80,405
France	39,302	38,087
Switzerland	49,683	66,202
Germany	15,859	1,340
Others	9,391	8,270
UK	17,880	8,939
Total	**212,420**	**203,244**

in '000 EUR	2018	2017
OTA	174,984	166,291
META	36,787	36,586
OTHER	649	366
	212,420	**203,244**

Note 7 - Revenues

The table below shows Revenues for 2018 and 2017:

in '000 EUR	2018	2017
Revenue from sales of travel services	239,460	216,329
Revenue from advertising services	21,735	18,567
Revenue from premium number	-	1,020
Revenue from ancillaries	27,786	20,764
Other revenues	1,530	2,150
Total	**290,511**	**258,830**

In 2018 total revenues increased by EUR 31,681 thousand, or 12.2%, to EUR 290,511 thousand from EUR 258,830 thousand in 2017.
This increase is primarily due to:
i) Good performance of OTA segment thanks to a strong organic growth driven from Dynamic Packages and Tour Operator products
ii) Successful integration of Comvel GmbH with a contribution of EUR 22,523 thousand;
iii) High performance of ancillaries product for EUR 7,022 thousand which has compensated a drop in unitary margin of the flight product.

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 three strategic divisions, which are its reportable segments:

in '000 EUR	OTA		META		OTHER	
	2018	2017	2018	2017	2018	2017
Primary geographical markets						
Italy	41,090	43,482	2,480	3,676	245	192
Spain	26,715	27,851	2,390	2,803	92	64
UK	61,066	59,737	2,168	2,091	31	-
France	52,280	45,992	15,578	17,337	-	-
Germany	34,633	13,183	1,264	1,885	-	-
Netherlands	-	80	297	350	31	32
Others	20,117	19,360	27,366	17,800	2,669	2,915
Total	**235,900**	**209,685**	**51,543**	**45,942**	**3,068**	**3,203**
Major products/service lines						
Flight	100,907	107,957	-	-	-	-
Dynamic Packages	53,950	38,414	-	-	-	-
Hotel	13,087	14,235	-	-	-	-
Tour operator	33,722	17,755	-	-	3,068	3,203
Cruises	5,344	5,322	-	-	-	-
Other OTA services	3,792	3,495	-	-	-	-
Metasearch	-	-	51,543	45,942	-	-
Media	22,404	21,386	-	-	-	-
Other revenue	2,695	1,121	-	-	-	-
Total	**235,900**	**209,685**	**51,543**	**45,942**	**3,068**	**3,203**

All the services are transferred at a point of time

Flight revenue
In 2018, the Group's flight revenues decreased by EUR 7,050 thousand, or 6.5%, to EUR 100,907 thousand from EUR 107,957 thousand in 2017. This decrease is due to a lower unitary margin and a shift of volume to dynamic packages.

Dynamic packages revenue
In 2018, the Group's dynamic packages revenues boosted by EUR 15,536 thousand, or 40.4%, to EUR 53,950 thousand from EUR 38,414 thousand in 2017. This increase is due to higher volume and profitability in all the core Countries.

Hotel revenue
In 2018, the Group's hotel revenues decreased by EUR 1,149 thousand, or 8.1%, to EUR 13,087 thousand from EUR 14,235 thousand in 2017. The contraction was limited to the UK market.

Tour operator ("TO") revenue
In 2018, the Group's TO revenues increased by EUR 15,832 thousand, or 75.5%, to EUR 36,790 thousand from EUR 20,958 thousand in 2017. Big part of the increase is explained by the acquisition of Comvel GmbH which sells primarily TO in the German market.

Metasearch revenue
In 2018, the Group's metasearch revenues increased by EUR 5,601 thousand, or 12.2%, to EUR 51,543 thousand from EUR 45,942 thousand in 2017. The metasearch business has been growing for years and the Group expects it to be growing also in the coming years.

Geographical Information
The Group categorizes its geographical markets by the countries for which its websites are localized 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 customers booking through the Italian, UK, Spanish, German and French websites are located, respectively, in Italy, UK, Spain, Germany and France.
In 2018 the overall revenues have increased significantly in all the countries. Germany has seen the biggest increase (EUR 20,829 thousand) thanks to the acquisition of Comvel which has contributed especially in sales of Tour Operators Products.

Mediterranean countries like Italy and Spain have seen again an increase in revenue for Flight Products after a couple of years of contraction.

2018 growth has shown a positive trend also outside Europe thanks to a stronger awareness of the Group's brands outside the core markets.

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 2018 and 2017:

in '000 EUR	2018	2017
Online costs	103,770	96,781
Offline costs	12,631	16,344
Total	**116,401**	**113,125**

Marketing costs increased by EUR 3,276 thousand (2.9%) from EUR 113,125 thousand in 2017 to EUR 116,401 thousand in 2018. Marketing costs as percentage of revenues decreased in 2018 compared to 2017 (40.1% vs 43.7%). This decrease in the contribution on revenue is mainly due to lower investment offline. The Group decided to invest more in online marketing which is better measurable in terms of return on the investment.

Note 9 - Personnel Costs

The table below shows Personnel costs for the Group for 2018 and 2017:

in '000 EUR	2018	2017
Wages and salaries	49,832	44,691
Social security charges	10,751	10,497
Expenses relating to defined benefit plans	1,875	1,602
Other personnel costs	5,272	4,723
Share-based payments	-	420
Total	**67,730**	**61,933**

Personnel costs increased by EUR 5,797 thousand (9.4%) from EUR 61,933 thousand in 2017 to EUR 67,730 thousand in 2018. Costs increased mainly because of the acquisition of Comvel GmbH. Personnel costs as percentage of revenues in 2018 have slightly decreased compared with 2017 (23.3% vs 23.9%). The Group has benefited from restructuring in the previous years.
Costs for wages and salaries of EUR 7,313 thousand (2017: EUR 9,542 thousand) have been capitalized as development costs (refer to Note 19 for further details). Wages and salaries capitalized 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 increased by EUR 549 thousand (11.6%) from EUR 4,723 thousand in 2017 to EUR 5,272 thousand in 2018. The increase is mainly related to the higher termination benefits relating to restructuring in Germany.
There were no share-based payments related to the existing stock options for year 2018.

The average number of staff employed by the Group in 2018 amounted to 1,288 headcounts (2017: 1,252).
The average number of staff employed is typically higher than the number as of the year end because of the interns hired during the summer time especially within operation and marketing functions.

The table below shows the Group's headcount split at the end of 2018 and 2017:

Units	2018	2017
Sales	403	408
IT	364	359
Operations	141	182
Marketing	145	149
Administration	179	150
Management	4	5
Total	**1,236**	**1,253**

Note 10 - Gain from disposal of investments and others assets

The table below shows other operating costs for the Group for 2018 and 2017:

in '000 EUR	2018	2017
Credit card processing fee	16,695	17,274
Fees for advisory, legal and other services	10,507	7,998
Call Center operation costs	15,906	14,367
Expense for operating leases	4,501	4,504
IT fix costs	3,172	1,436
Office fix costs	3,189	2,976
Overhead	4,751	6,460
Services costs	17,871	15,919
Other operation costs	2,533	4,342
Total	**79,125**	**75,276**

Total other operating costs increased by EUR 3,849 thousand (+5.1%) from EUR 75,276 thousand in 2017 to EUR 79,125 thousand in 2018. See below the explanations split by categories:
"Credit card processing fee" decreased by 579 thousand (-3.4%) from EUR 17,274 thousand in 2017 to EUR 16,695 thousand in 2018 due to saving on acquiring cost.
"Fees for advisory, legal and other services" increased by EUR 2,509 thousand (+31.4%) from EUR 7,998 thousand in 2017 to EUR 10,507 thousand in 2018. This increase relates to the Comvel GmbH expenses addition from 2018 for an amount of EUR 1,178 thousand and to a general increase in external Consultancy for EUR 1,468 thousand.
"Call Center operation costs" increased by EUR 1,539 thousand (+10.7%) from EUR 14,367 thousand in 2017 to EUR 15,906 thousand in 2018 due to the Comvel Gmbh call center expenses added in 2018.
"IT fix costs" increased by EUR 1,736 thousand (+120.9%) from EUR 1,436 thousand in 2017 to EUR 3,172 thousand in 2018. The increase is related to the upgrade of the main Datacenter.
"Overhead costs" decreased by EUR 1,709 thousand (-26.5%) from EUR 6,460 thousand in 2017 to EUR 4,751 thousand in 2018 thanks to the saving on Group level. These costs are mainly referred to insurance costs, travel expenses and other tax not related to income.
"Services costs" increased by EUR 1,952 thousand (+12.3%) from EUR 15,919 thousand in 2017 to EUR 17,871 thousand in 2018 and are mainly referred to license costs.
"Other operation costs" decreased by EUR 1,809 thousand (-41.7%) from EUR 4,342 in 2017 to EUR 2,533 thousand in 2018. The balance as of 31 December 2017 included an accrual for a fine levied by the Italian Antitrust for EUR 2,400 thousand. The "other operation costs" include costs mainly referred to non income related taxes and other residual categories of costs. Other operation costs as percentage of revenues decreased in 2018 compared to 2017 (27.2% vs 29.1%).

Note 11 - Gain from disposal of investments and others assets

The table below shows the gain / losses from disposal on investments and others for the Group in 2018 and 2017:

in '000 EUR	2018	2017
Sale of line of business	-	759
Sale of interests stakes in subsidiaries	-	1,306
Total gain/losses from disposal on investment and others	**-**	**2,065**

During 2018 the Group has not disposed of any assets.

- on 16 November 2017 a UK subsidiary sold the line of business "Lifestyle - ticketing" to an external partner with an effect on the Group Income Statement of EUR 759 thousand.
- on 8 June 2017 the Group reduced its stakes in Urbannext SA from 80% to 25%. The gain resulting from its stakes' decreased was EUR 1,266 thousand. For further information reference should be made to Note 5.
- on 27 June 2017 the Group sold all its stakes in Prezzi Benzina Srl (50.1%). As a result of the loss of control and the consequently deconsolidation of Prezzi Benzina Srl, the Group recognised a gain of EUR 40 thousand. For further information reference should be made to Note 5.

Note 12 - Finance Result

The table below shows the Net Finance Result for the Group in 2018 and 2017:

in '000 EUR	2018	2017
Interest income	0	13
Others	35	763
Total Finance Income	**396**	**776**
Interest expenses	(455)	(99)
Net FX exchange costs	-	(1,231)
Others	(451)	(1,032)
Total Finance Costs	**(906)**	**(2,362)**
Total Net Finance Result	**(510)**	**(1,586)**

The net financial result improved by EUR 1,076 thousand (+67.8%) from EUR -1,586 thousand in 2017 to EUR -510 thousand in 2018. During the course of 2018 the Group benefited from a more favourable exchange rate trend (FX income of EUR 361 thousand in 2018 compared to FX cost of EUR 1,231 thousand in 2017) .

The amount recorded as other finance costs for EUR 451 thousand is mainly related to the cost of deferred payment on Comvel (EUR 220 thousand).

Note 13 - Income Taxes

Components of income tax expenses
The table below shows the composition of Income tax expenses / (income) for 2018 and 2017:

in '000 EUR	2018	2017
Current income taxes	4,342	2,591
Deferred taxes	(476)	1,560
Total	**3,866**	**4,151**

Income taxes recognised in other comprehensive income
The table below shows the composition of income taxes recognized in other comprehensive income for 2018 and 2017:

in '000 EUR	2018	2017
Income taxes on remeasurements of the Employee Benefits liability	(114)	(25)
Total income taxes recognised in the period in other comprehensive income	**(114)**	**(25)**

Reconciliation of effective income tax expenses

The table below shows the Group tax rate reconciliation for 2018 and 2017:

in '000 EUR	2018 (%)	2018	2017 (%)	2017
Profit (loss) before taxes from continuing operations		12,238		(3,650)
The Group's expected weighted average rate is 32.9% (2017: 21.5%)				
Income tax based on the Group's expected weighted average tax rate	32.9%	4,029	21.5%	(785)
Difference in overseas tax rates	2.4%	296	19.2%	705
Current-year tax losses for which no deferred tax assets are recognized	12.0%	1,468	95.7%	3,493
Effect of change in tax rate on deferred taxes	0.0%	0	4.7%	171
Non deductible expenses	1.7%	207	12.4%	453
Tax-exempt income	-0.3%	(32)	-4.1%	(151)
Utilisation of previously unrecognised tax losses	-16.0%	(1,959)	0.0%	-
Recognition of tax effect of previously unrecognised tax losses	-1.2%	(143)	7.3%	264
Income Tax expense (benefit) of the Group	**31.5%**	**3,866**	**113.7%**	**4,151**

In 2018 the Group's consolidated income tax expense amounted to EUR 3,866 thousand, compared to EUR 4,151 thousand in 2017 with a decrease of 285 EUR thousand, mainly due to the decrease in the amount of current-year tax losses for which no deferred tax assets are recognized, to the effect of recognition of tax effect of previously unrecognised tax losses, to the difference between the Group tax rate and the nominal tax rates at local statutory level and the derecognition of previously recognized deductible temporary differences. As a result the Group's effective tax rate decreased from 113.7% in 2017 to 31.5% in 2018.

In respect of unrecognized deferred tax assets, as of 31 December 2018, tax losses carried forward of around EUR 26.6 million exist (2017: EUR 26.3 million). These losses can be offset against operating future profits, EUR 15 million has no expiring date while the remaining part will expire within 9 years. Every year specific limit 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 recognized.

Deferred tax assets and liabilities are attributable to the following:

in '000 EUR	31 Dec 2018		31 Dec 20176	
	Asset	Liabilities	Asset	Liabilities
Trade Receivables	254	-	259	-
Property, plant and equipment	47	(50)	40	-
Intangible assets	-	(26,334)	-	(26,503)
Employee benefits liability	973	-	884	-
Provision	-	-	13	-
Losses carry-forward	6,598	-	5,199	-
Other	67	-	24	-
Deferred Tax assets (liabilities)	**7,940**	**(26,384)**	**6,419**	**(26,503)**

In 2018 compared to 2017, deferred tax assets increased by EUR 1,521 thousand due to the main following effects:

- an amount of EUR 3 million has accounted following the acquisition of Comvel. See note 5 for further details.
- The Group has utilised deferred tax asset against current fiscal positive result for EUR 1.5 million.

The main portion of deferred tax asset 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 decreased during 2018 by EUR 119 thousand due to temporary differences on amortisation of intangible assets.

The movement in the net deferred tax asset / liability during 2018 and 2017 was as follows:

in '000 EUR	1 Jan 2018	Correction of previous years	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Business combination	Currency Translation Differences	31 Dec 2018
Net deferred tax assets/(liabilities)	(20,085)	-	476	(114)	28	1,174	76	(18,444)
Total	**(20,085)**	**-**	**476**	**(114)**	**28**	**1,174**	**76**	**(18,444)**

in '000 EUR	1 Jan 2017	Correction of previous years	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Business combination	Currency Translation Differences	31 Dec 2017
Net deferred tax assets/(liabilities)	(18,434)	-	(1,560)	(25)	-	7	(73)	(20,085)
Total	**(18,434)**	**-**	**(1,560)**	**(25)**	**-**	**7**	**(73)**	**(20,085)**

Current tax assets & liabilities

As of 31 December 2018, the total net position relating to "Current tax assets & liabilities" amounts to a negative EUR 2,227 thousand (2017: EUR 235 thousand). Tax liabilities may arise also in the Countries where the Group recognised deferred taxed 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 2018 and 2017:

in '000 EUR	2018	2017
Profit for the period attributable to the shareholders of lastminute.com N.V. (in EURO/000)	10,206	(6,450)
Weighted-average number of shares outstanding during the period (in thousand of units)	12,380	13,413
Basic earnings per share (in EUR)	**0.82**	**(0.48)**

Weighted-average number of ordinary shares (basic)

Number of shares (in thousand of units)	2018	2017
Issued ordinary shares at 1 January	14,623	14,623
Effect of share options exercise		(3)
Share buy back	(745)	(1,207)
Cancellation of own shares	(687)	
PSTO project (net of cancellation)	(811)	
Weighted-average number of shares (Basic) at 31 December	**12,380**	**13,413**

Diluted earnings per share
The table below shows diluted earnings per share for 2018 and 2017:

in '000 EUR	2018	2017
Profit for the period attributable to the shareholders of lastminute.com N.V. (in EURO/000)	10,206	(6,450)
Weighted-average number of shares outstanding during the period (in thousand of units)	12,380	13,413
Diluted earnings per share (in EUR)	**0.82**	**(0.48)**

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

Number of shares (in thousand of units)	2018	2017
Weighted-average number of shares (Basic)	12,380	13,413
Effect of share options in issue	-	-
Weighted-average number of shares (Diluted) at 31 December	**12,380**	**13,413**

In 2018 no effect of share options in issue has been recognised as at the end of year no outstanding options exist. In 2017 the result of the Group was negative, hence the share options on issue were anti-dilutive and were ignored in the calculation of diluted earnings per share of 2017.

Note 15 - Employee benefits

The table below shows Employee benefits liabilities as at 31 December 2018 and 2017 for the Group:

in '000 EUR	31 Dec 2018	31 Dec 2017
Net defined benefit liabilities	4,231	3,890
Cash-settled share-based payment liabilities	1,575	1,767
Total employee benefit liabilities	**5,806**	**5,678**

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.
Net defined benefit liabilities are described as follow.

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 entity is affiliated to the "Sammelstiftung BVG der Allianz Suisse Lebensversicherungsgesellschaft", which is a collective foundation administering the pension plans of various unrelated employers. The pension plan of the Swiss Group entity is 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 2018 the minimum interest was 1.0% (1.0% in 2017).

According to IAS 19, the Swiss pension plan is classified as "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 "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 "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 2018	31 Dec 2017
Funding of the defined benefit plan		
Present value of unfunded obligations	565	600
Present value of funded obligations	8,353	7,119
Total present value of obligations	**8,918**	**7,719**
Fair Value of plan assets	4,686	3,829
Pension liability recognised in the balance sheet	**4,232**	**3,890**

in '000 EUR	2018	2017
Reconciliation of the defined benefit obligation		
Defined Benefit Obligation at 1.1.	**7,719**	**6,348**
Current service cost (employer)	2,147	1,355
Past service cost	-	58
Interest cost	57	48
Contributions by plan participants	835	771
Administration cost	3	3
Benefits paid	(1,597)	(873)
Effect of business combination	-	171
Actuarial (gain) / loss on DBO	(530)	(12)
Exchange rate effect	283	(150)
Defined Benefit Obligation at 31.12.	**8,917**	**7,719**

in '000 EUR	2018	2017
Reconciliation of the fair value of plan assets		
Fair Value of plan assets at 1.1.	**3,829**	**3,122**
Interest income	29	24
Contributions by the employer	889	817
Contributions by plan participants	835	771
Benefits paid	(1,074)	(706)
Effect of business combination and disposal	-	99
Return on plan assets excl.interest income	13	10
Exchange rate effect	165	(308)
Fair Value of plan assets at 31.12.	**4,686**	**3,829**

Reconciliation of the recognized net pension liability

in '000 EUR	2018	2017
Net liability at the beginning of the period	**3,891**	**3,226**
Expense recognised in profit or loss	2,296	1,598
Expense recognised in other comprehensive income	(543)	(22)
Contributions by the employer	(889)	(817)
Effect of business combination	-	73
Benefits paid by unfunded defined benefit plans	(523)	(167)
Net liability at the end of the period	**4,232**	**3,891**

in '000 EUR	2018	2017
Pension expense recognised in profit or loss		
Current service cost (employer)	2,147	1,355
Net interest cost	28	24
Administration cost	3	3
Past service costs	-	58
Exchange rate effect	118	158
Expense recognised in profit or loss	**2,296**	**1,598**

in '000 EUR	2018	2017
Amount recognised in other comprehensive income		
Return on plan assets excl. interest income	(13)	(10)
Remeasurements gain/(loss):		
Actuarial gain/(loss) arising from demographic assumptions	(233)	-
Actuarial gain/(loss) arising from financial assumptions	(250)	10
Actuarial gain/(loss) arising from experience adjustment	(47)	(22)
Total amount recognised in other comprehensive income	**(543)**	**(22)**

Actuarial assumptions for the defined benefit obligations

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

Swiss plan

Actuarial Assumptions	31 Dec 2018	31 Dec 2017
- Discount rate	0.90%	0.90%
- Future salary increases	1.00%	1.00%
- Mortality table	BVG 2015G	BVG 2015G

As of 31 December 2018, the weighted-average duration of the defined benefit obligation was 20.7 years (2017: 21.3 years).

French plan

Actuarial Assumptions	31 Dec 2018	31 Dec 2017
- Discount rate	1.60%	1.20%
- Future salary increases	3.00%	3.00%
- Future pension indexations	0.00%	0.00%
- Mortality table	THG05/TGF05	THG05/TGF05

As of 31 December 2018, the weighted-average duration of the defined benefit obligation was 18.7 years (2017: 19.4 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:

	2018		2017	
in '000 EUR	Increase	Decrease	Increase	Decrease
Discount rate (0.25%)	(406)	447	(358)	394
Future salary growth (0.25%)	134	(125)	114	(107)
Future mortality (1 year)	98	(97)	88	(88)

The disclosed sensitivities have 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 analyzed separately as part of the test. Inter-dependencies were not taken into account.

Plan assets
The fair value of plan assets for the Swiss plan as of 31 December 2018 of EUR 4,686 thousand (2017: EUR 3,829 thousand) consists of a receivable from the insurance company, see above.

Expected contributions in 2018
The Group expects to pay contributions to the defined benefit plans in the amount of EUR 1,001 thousand in 2019.

Note 16 - share-based payment arrangements

Employee share option plan
From 2011 to 2013, the Group granted options to top and middle management employees under the employee share option plan approved on 26 July 2011 by the shareholders. One option gives the right to buy one share of the Company, subject to a vesting period of 33 months. The options can only be exercised in the three year period following the vesting date. All options are to be settled by physical delivery of shares.
In 2018 no employee exercised stock option, while in 2017 12 thousand vested options have been exercised with an exercise price of EUR 10 on average. During 2018 no personnel costs have been recognised in Group's profit and loss. In 2017, an expense of EUR 492 thousand, including EUR 72 thousand of social security charges, has been recognized as personnel costs for the share option plan. During 2018 the Group did not repurchase any vested options (136 thousand vested options repurchased in 2017).
As of 31 December 2018 there are no more outstanding options related to any plans.

The weighted-average contractual life of the options outstanding at 31 December 2017 was 1 year.
The number of outstanding options under the option plan is as follows:

in thousands of options	2018 (in thousands of options)	Weighted average exercise price 2017 (EUR)	2017 (in thousands of options)	Weighted average exercise price 2017 (EUR)
Reconciliation of outstanding share options				
Oustanding at 1 January	41	18.00	198	11.64
Forfeited during the year	(41)	(18.00)	(9)	(10.00)
Exercised during the year		-	(12)	(10.00)
Repurchased during the year		-	(136)	(10.00)
Oustanding at 31 December	**-**	**-**	**41**	**18.00**
Exercisable at 31 December	**-**	**-**	**41**	**18.00**

Cash settled share-based plan
On 26 March 2015, the Group established a new 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 2018, the liability recorded in relation to the cash settled obligation in relation to the plan amounted to EUR 1,575 thousand (2016: EUR 1,767 thousand). As at 31 December 2018, the receivables recorder in relation to the financing part granted to limited partners amounted to EUR 902 thousand (2017: EUR 1,027 thousand). 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 amount has been remeasured and the amount of EUR 192 thousand has been recognised as finance income.

Treasury shares held by the Group to hedge its potential obligation arising from the cash-settled share-based payment arrangement amount to around 625 thousand shares for a total investment of around EUR 8.5 million (see Note 26 for additional details).

Note 17 - Leasing

The future minimum lease payments under non-cancellable operating leases are as follows:

in '000 EUR	31 Dec 2018	31 Dec 2017
Less than one year	5,071	3,949
Between one and five years	7,440	12,130
More than five years	333	1,760
Total	**12,845**	**17,839**

The decrease of EUR 5 million is mainly due to the renegotiation of the office lease contract in UK (EUR -4.6 million).
The Group leases a number of cars and office spaces under operating leases. The leases typically run for a period between 1 and 4 year. The Group will face future payments of operating leases for more than five year mainly related to lastminute.com Swiss offices with long term agreements.
Most of the leases of office spaces contain a renewal option.

Note 18 - Property Plant and Equipment

The tables below show Property, Plant & Equipment movements during 2018 and 2017:

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2018	**763**	**7,342**	**1,892**	**9,997**
Additions	108	475	376	959
Others	-	29	-	29
Impairment	(12)	-	-	(12)
Currency translation differences	(3)	(6)	(13)	(22)
Balance at 31 December 2018	**856**	**7,840**	**2,255**	**10,951**
Accumulated depreciation				
Balance at 1 January 2018	**475**	**4,650**	**1,629**	**6,754**
Depreciation for the year	91	1,303	291	1,685
Reclassification	27	479	(507)	-
Currency translation differences	16	3	9	28
Balance at 31 December 2018	**609**	**6,435**	**1,422**	**8,466**
Carrying amounts				
At 1 January 2018	**288**	**2,692**	**263**	**3,243**
At 31 December 2018	**247**	**1,405**	**833**	**2,485**

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2017	**675**	**6,422**	**1,644**	**8,741**
Additions	93	923	297	1,313
Currency translation differences	-5	-3	-49	-57
Balance at 31 December 2017	**763**	**7,342**	**1,892**	**9,997**
Accumulated depreciation				
Balance at 1 January 2017	**380**	**3,399**	**1,369**	**5,148**
Depreciation for the year	88	1,202	345	1,635
Reclassification	8	43	-51	-
Currency translation differences	(1)	6	(34)	-29
Balance at 31 December 2017	**475**	**4,650**	**1,629**	**6,754**
Carrying amounts				
At 1 January 2017	**295**	**3,023**	**275**	**3,593**
At 31 December 2017	**288**	**2,692**	**263**	**3,243**

Investments in 2018 and 2017
In 2018 and 2017 the Group made additions to Property Plant and Equipment of EUR 959 thousand and EUR 1,313 thousand respectively. The additions in 2018 were mainly related to IT equipment for EUR 475 thousand and leasehold improvement for EUR 376 thousand due to the renovation of lastminute.com Swiss offices.

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

Note 19 - Intangible Assets

The tables below shows Intangibles and Goodwill movements during 2018 and 2017:

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2018	**63,598**	**1,014**	**121,455**	**186,067**	**56,052**	**242,119**
Additions - internally developed	7,313	-	-	7,313		7,313
Additions - external supplier	4,681	-	-	4,681	-	4,681
Acquisitions (disposals) from business combinations	2,019	11	6,089	8,119	2,600	10,719
Impairment	(238)	-	-	(238)	-	(238)
Currency translation differences	(11)	(15)	(3)	(29)	-18	(47)
Balance at 31 December 2018	**77,362**	**1,010**	**127,541**	**205,913**	**58,634**	**264,547**
Accumulated amortization and impairment						
Balance at 1 January 2018	**42,020**	**97**	**1**	**42,118**	**-**	**42,118**
Amortization for the period	12,459	82	-	12,541	-	12,541
Currency translation differences	(40)	(7)	-	(47)	-	(47)
Balance at 31 December 2018	**54,439**	**172**	**1**	**54,612**	**-**	**54,612**
Carrying amounts						
At 1 January 2017	**21,578**	**917**	**121,454**	**143,949**	**56,052**	**200,001**
At 31 December 2018	**22,923**	**838**	**127,540**	**151,301**	**58,634**	**209,935**

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2017	**49,167**	**3,432**	**121,454**	**174,053**	**56,399**	**230,452**
Additions - internally developed	9,542	-	2	9,544	-	9,544
Additions - external supplier	2,199	2	-	2,201	-	2,201
Acquisitions (disposals) from business combinations	407	(25)	(4)	378	158	536
Reclassification	2,327	(2,327)	-	-	-	-
Impairment	-	-	-	-	(507)	(507)
Currency translation differences	(44)	(68)	3	(109)	2	(107)
Balance at 31 December 2017	**63,598**	**1,014**	**121,455**	**186,067**	**56,052**	**242,119**
Accumulated amortization and impairment						
Balance at 1 January 2017	**30,653**	**1,162**	**-**	**31,815**	**-**	**31,815**
Amortization for the period	10,319	30	-	10,349	-	10,349
Acquisitions from business combinations	-		-	-	-	-
Currency translation differences	(28)	(19)	1	(46)	-	(46)
Reclassifications	1,076	(1,076)	-	-	-	-
Balance at 31 December 2017	**42,020**	**97**	**1**	**42,118**	**-**	**42,118**
Carrying amounts						
At 1 January 2017	**18,514**	**2,270**	**121,454**	**142,238**	**56,399**	**198,637**
At 31 December 2017	**21,578**	**917**	**121,454**	**143,949**	**56,052**	**200,001**

Investments in 2018 and 2017

During 2018, additions related to capitalized development cost for a total amount of EUR 11,944 thousand (2017: EUR 11,741 thousand) and intangibles from the acquisition of Comvel GMBH for a total amount of EUR 10,720 thousand. See Note 5 for further information.

Capitalised development costs

The capitalized development costs relate to internal and external expenditures in connection with the development of significantly improved features on the webpages of the Group.
As of 31 December 2018 and 2017 lastminute.com Group has capitalized development costs in the carrying amount of EUR 11,944 thousand and EUR 11,741 thousand, respectively . As of 31 December 2018, capitalized development costs not yet available for use were EUR 2,043 thousand (2017: EUR 2,134 thousand). In 2018 the Group made an impairment of EUR 238 thousand on a IT system development that was dismissed during the year.

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. The aggregate amount of trademarks allocated to each cash generating unit is as follows at each reporting date:

in '000 EUR	CGU	31 Dec 2018	31 Dec 2017
lastminute.com	OTA	44,704	44,704
Rumbo	OTA	58,900	58,900
Pigi Shipping	OTA	2,232	2,232
Wayn	OTA	230	233
Weg.de (Comvel)	OTA	6,089	-
Jetcost	Metasearch	15,385	15,385
Total		**127,540**	**121,454**

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 and to the cash generating unit Metasearch. The aggregate amount of goodwill allocated to each cash generating unit is as follows at each reporting date:

in '000 EUR	CGU	31 Dec 2018	31 Dec 2017
	OTA	38,458	35,876
	Metasearch	20,176	20,176
Total		**58,634**	**56,052**

The balance as of 31 December 2018 amounts to EUR 58,634 thousand (EUR 56,052 thousand in 2017).
The Group performed an impairment analysis for the two CGUs that contain material indefinite life intangible assets and goodwill as of 31 December 2018 and 2017. It was determined that no impairment is to be recognised in the consolidated financial statements as of 31 December 2018 and 2017.

During 2018 the Group purchased the Comvel business. After the completion of the Purchase Price Allocation, the Group recorded a remaining goodwill of EUR 2,600 thousand. See Note 4 for further information.

OTA

Goodwill amounts to EUR 38,458 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 perpetuity growth rate and the revenues 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 2018	31 Dec 2017
Weighted average cost of capital (WACC)	9.5%	10.0%
Perpetuity growth rate	1.7%	1.8%
Revenues growth rate (average of next five years)	7.2%	5.4%
EBITDA growth rate (average of next five years)	19.7%	20.3%

Five years of cash flow were included in the DCF model. Revenues were based on future expected outcomes taking into account past experience. A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term growth rate in the industry.

Sensitivity analysis

A sensitivity table to the discount rate and terminal growth rate for 2018 and 2017 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:

	Eur/mil	LONG-TERM GROWTH RATE 2018				
		0.7%	1.2%	1.7%	2.2%	2.7%
WACC	8.5%	236.0	243.2	250.4	257.6	264.8
	9.0%	215.0	221.6	228.2	234.7	241.3
	9.5%	196.7	202.7	**208.8**	214.8	220.8
	10.0%	180.6	186.2	191.7	197.2	202.8
	10.5%	166.4	171.5	176.6	181.7	186.8

	Eur/mil	LONG-TERM GROWTH RATE 2017				
		0.8%	1.3%	1.8%	2.3%	2.8%
WACC	9.0%	70.0	75.5	80.9	86.4	91.9
	9.5%	62.4	67.4	72.4	77.4	82.4
	10.0%	55.6	60.3	**64.9**	69.5	74.1
	10.5%	49.7	53.9	58.2	62.5	66.7
	11.0%	44.4	48.3	52.3	56.2	60.2

Metasearch

Goodwill arising from the acquisition amounts to EUR 20,176 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 perpetuity growth rate and the revenues 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 2018	31 Dec 2017
Weighted average cost of capital (WACC)	13.5%	13.0%
Perpetuity growth rate	1.8%	1.8%
Revenues growth rate (average of next five years)	13.5%	16.5%
EBITDA growth rate (average of next five years)	19.2%	6.3%

A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term growth rate in the industry.

Sensitivity analysis

A sensitivity table to the discount rate and terminal growth rate for 2018 and 2017 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the META 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:

	Eur/mil	LONG-TERM GROWTH RATE 2018				
		0.8%	1.3%	1.8%	2.3%	2.8%
WACC	12.5%	111.2	111.3	111.4	111.6	111.7
	13.0%	104.6	104.7	104.8	104.9	105.0
	13.5%	98.5	98.6	**98.8**	98.9	99.0
	14.0%	93.0	93.1	93.2	93.3	93.4
	14.5%	87.9	88.0	88.1	88.2	88.2

	Eur/mil	LONG-TERM GROWTH RATE 2017				
		0.8%	1.3%	1.8%	2.3%	2.8%
WACC	12.0%	57.3	57.6	57.9	58.2	58.5
	12.5%	52.8	53.0	53.3	53.6	53.9
	13.0%	48.6	48.9	**49.2**	49.4	49.7
	13.5%	44.8	45.1	45.3	45.6	45.8
	14.0%	41.3	41.6	41.8	42.0	42.3

Note 21 - Financial Assets

The table below shows Financial assets for the Group as of 31 December 2018 and 2017:

in '000 EUR	31 Dec 2018	31 Dec 2017
Long-term Deposits	1,602	1,187
Other investment - non current	65	69
Total non-current financial assets	**1,667**	**1,256**
Short-term Deposits	1,349	1,808
Receivables from shareholder	-	81
Other investments	-	33
Total current financial assets	**1,349**	**1,922**

Non current financial assets
Long-term deposits of EUR 1,667 thousand (2017: EUR 1,256 thousand), mainly related to deposits for renting of the UK, Swiss, French and Spanish offices for the amount of EUR 1,475 thousand.

Current financial assets
Short-term deposits of EUR 1,349 thousand (2017: EUR 1,808 thousand) is mainly related to real estate and utilities agreements.
Receivables from shareholders have been collected totally during 2018.
"Other investments" sold during 2018 mainly included investments funds with a primary French bank for the amount of EUR 21 thousand.

Note 22 - Investment in equity accounted Investees

"Investment in equity accounted investees" amounted as of 31 December 2018 and 2017 respectively to EUR 916 thousand and EUR 825 thousand. The increase is mainly due to the constitution of Instago SAGL which has been accounted for using the equity method starting from July 2018. For further information see Note 5.
The tables below show a summary of financial information for the Group's investment in equity accounted investees (not adjusted for the percentage ownership held by the Group):

in '000 EUR	2018	2017
	Hotelyo SA	Hotelyo SA
Percentage ownership interest	*49%*	*49%*
Non-current assets	70	83
Current assets	1,999	1,814
Non-current liabilities		-
Current liabilities	(1,815)	(1,567)
Net assets (100%)	**255**	**330**
Revenues	646	398
Costs	(682)	(584)
Amortisation and depreciation	(40)	(39)
Finance income / (costs)	1	(1)
Income taxes	0	(1)
Profit or Loss	**(75)**	**(227)**
Effects of OCI adjustment	-	-
Total comprehensive income	**(75)**	**(227)**

in '000 EUR	2018	2017
	URBANnext SA	URBANnext SA
Percentage ownership interest	*25%*	*25%*
Non-current assets	415	331
Current assets	617	185
Non-current liabilities		
Current liabilities	(980)	(428)
Net assets (100%)	**52**	**89**
Revenues	763	183
Costs	(672)	(445)
Amortisation and depreciation	(130)	(48)
Finance income / (costs)	2	331
Income taxes	-	6
Profit or Loss	**(36)**	**27**
Effects of OCI adjustment	-	-
Total comprehensive income	**(36)**	**27**

in '000 EUR	2018	2017
	InstaGo SAGL	InstaGo SAGL
Percentage ownership interest	*15%*	
Non-current assets	5	
Current assets	138	
Non-current liabilities		
Current liabilities	(10)	
Net assets (100%)	**134**	
Revenues	-	
Costs	(18)	
Amortisation and depreciation	-	
Finance income / (costs)	-	
Income taxes	-	
Profit or Loss	**(18)**	
Effects of OCI adjustment	-	
Total comprehensive income	**(18)**	

Total effects with equity method have been included in profit and loss in "Share of result of equity-accounted investees" line for the total amount of EUR 43 thousand (2017: EUR -133 thousand).

Note 23 - Trade and other receivables

The table below shows Trade and other receivables as at 31 December 2018 and 2017 for the Group:

in '000 EUR	31 Dec 2018	31 Dec 2017
Trade receivables	74,111	65,573
Contract assets	3,861	2,357
Receivables from shareholders	1	1
Other receivables	3,225	7,072
Accrued income and deferred expenses	3,943	2,989
Total Current	**85,141**	**77,992**
Trade and other receivable	**377**	**-**
Total Non Current	**377**	**-**

The two most significant debtors of the Group included in the total trade receivables at 31 December 2018 had an open balance amounting respectively to EUR 7,068 thousand (8.3%) (2017: EUR 8,043 thousand (11.8%)) and EUR 2,431 thousand (2.8%) (2017: EUR 1,958 thousand (2.9%)).
The ageing of trade and other receivables at the reporting date is shown in the following table:

in '000 EUR	31 Dec 2018	31 Dec 2017
Not past due	77,548	67,022
Past due 0-30 days	3,432	4,200
Past due 31-90 days	2,240	2,478
Past due 91-180 days	1,612	799
Past due 181-360 days	526	2,956
Past due 361 and over	160	537
Total	**85,518**	**77,992**

The receivables in the range "Past due 181-360 days" decreased by EUR 2,430 thousand (-82.2%) from EUR 2,956 thousand in 2017 to EUR 526 thousand in 2018.
The receivables over 1 year not impaired mainly refer to VAT receivables that will be likely cashed during the coming years.
The movement in the allowance for doubtful debts in respect of trade receivables during the year has been as follows:

in '000 EUR	2018	2017
Balance at 1 January	2,090	2,235
Additions during the year	869	858
Used during the year	(1,289)	(232)
Currency Translation Differences	0	(32)
Effect of business combination	1,206	-4
Recognized directly in Equity	262	0
Released during the year	(431)	-731
Balance at 31 December	**2,707**	**2,094**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivable and contract assets.
To measure the expected credit losses, trade receivables and contract assets 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 month before 31 December 2018 or 1 January 2018 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.

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 2018	31 Dec 2017	01 Jan 2017
Contract assets	3,861	2,357	2,122
Contract liabilities	7,259	3,817	1,276

Contract assets related to over-commissions and other incentives on flights. Contract assets have increased in 2018 due to the Group's increase in flights volume despite a decrease in profitability of the segment.
Contract liabilities related to advance payments from customers and have increased in 2018 due to the Group's increase in Dynamic Packages. For further details refer to Note 7.

Note 25 - Cash and cash equivalents

The table below shows Cash and cash equivalents as of 31 December 2018 and 2017:

in '000 EUR	31 Dec 2018	31 Dec 2017
Cash on hand	223	306
Bank accounts	62,482	42,473
Credit Card accounts	10,166	9,355
Total	**72,871**	**52,134**

Bank accounts
The increase of bank accounts of EUR 20,009 thousand is mainly due to the EBITDA contribution. The proceeds coming from loans have been offset by the share buy back for PSTO project. For further information see the Consolidated Cash flow and in the Note 26.

The Group's bank accounts are interest bearing with variable interest rates between 0% and 0.1% (2017: 0 % and 0.1%). Bank overdrafts bear variable interest rates are nil in 2018 (2017: nil). For further information refer to the Consolidated Cash Flow Statement and Note 26.

Credit card accounts
Credit card accounts of EUR 10,166 thousand (2017: EUR 9,355 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 2018 and 2017:

Share capital

	31 Dec 2018	31 Dec 2017
Share capital and reserves		
Share capital	117	146
Capital reserves	101,819	127,751
Translation reserve	1,211	1,419
Treasury share reserve	(8,507)	(16,738)
Retained earnings	14,713	19,191
Equity attributable to shareholders of lastminute.com NV	**109,353**	**131,769**
Non-controlling interest	1,941	1,737
Total equity	**111,294**	**133,506**

As of 31 December 2018 the number of ordinary shares is 11,664,219 (2017: 14,622,631) for a nominal value per share of EUR 0.01 (2017: EUR 0.01).
On 15 April 2014, the Group completed its Initial Public Offering ("IPO") on SIX Swiss Exchange. Upon the approval of the IPO, the preferred shares transformed into ordinary shares. Following the IPO, the parent company increased its capital by 2,261 thousand additional ordinary shares with a nominal value per share of EUR 0.01.

Cancellation of own share - January 2018
On 21 September 2017 the extraordinary general meeting of the Company resolved to reduce the capital of the Company through the cancellation of shares. The cancellation of shares occurred on 30 January 2018. As a result of this cancellation of shares, the capital of the Company was decreased to EUR 138,576.14. Only treasury shares have been cancelled, hence there is no impact on EPS.

PSTO
Following the approval of the Swiss Takeover Board, in April 2018 the Group launched a Partial Self-Tender Offer ("PSTO"). According to the prospectus of the offer the Partial Self-Tender Offer shall extend to 2'193'395 shares of lastminute.com NV ("the Company"), representing 15.83% of the share capital of the Company, at an offer price of CHF 16 net in cash per Offer Share. As, more than 2'193'395 lastminute shares were validly tendered, lastminute.com NV has reduced the number of shares accepted pro rata to 2,193,395 lastminute shares.
The Settlement of the offer took place on 23 May 2018. The effect on Group's equity has been presented in the Consolidated statement of changes in equity.

Cancellation of share - October 2018
On 3 October 2018 the Group cancelled 2,193,395 shares in its own share capital, with a nominal value of EUR 0.01 each, as acquired by the Group pursuant to the partial self-tender offer ("PSTO"). As, of 31 December 2018, the issued share capital of the Company consists of 11,664,219 shares, with a nominal value of EUR 0.01 each. The effect on Group's equity has been presented in the Consolidated statement of changes in equity.

The difference on Non controlling interests, from EUR 2,604 thousand in 2016 to EUR 1,737 thousand in 2017 is mainly related these effects:

- the loss of the period pertaining to Non controlling interests for EUR 1,834 thousand;
- the capital contribution by Non controlling interests for EUR 950 thousand;
- the cover of prior years losses entirely by the Group lm.com with a positive effect on NCI of EUR 1,088 thousand.

For further details please see the Note 5 Change in the scope of consolidation.

The table below shows the number of shares and total issued capital as of 31 December 2018 and 2017:

Issued Capital	31 Dec 2018	31 Dec 2017
Number of ordinary shares	11,664,219	14,622,631
Nominal value per share (EUR)	0.01	0.01
Total amount (EUR)	**116,642**	**146,226**

Capital reserves
As of 31 December 2018 capital reserves, including share premium reserves, amount to EUR 101,819 thousand (2017: EUR 127,751 thousand).
The decrease of year for EUR 25,932 thousand is the consequence of the cancellation of own shares made by the Group during 2018. See previous paragraph for more information.

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

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 2018, the Group held 626 thousand shares for the total value of EUR 8,507 thousand (1,282 thousand shares as of 31 December 2017 for a total value of EUR 16,738): during 2018 the Group bought 2,302 treasury shares for a total of thousand for the total value of EUR 31,521 thousand and cancelled 2,958 thousand shares for a total value of EUR 39,752.

Retained earnings
Retained earnings as of 31 December 2018 amounted to EUR 14,713 thousand (2017: EUR 19,191 thousand) and contain the profit relating to current year and accumulated results obtained in previous years generated by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liability and share-based payments.
Following the application of the new standard IFRS 9, the Group accounted for EUR 234 thousand as an adjustment of the opening balances as of 1 January 2018, See Note 3 for more information.

Dividends
No dividends were paid by the group during 2018.

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

Note 27 - Provisions

The table below shows the movements in Provisions for 2018 and for 2017:

Provision 2018

in '000 EUR	01 Jan 2018	Reversals	Use	Additions	Reclassi-fication	31 Dec 2018
Provision for fraudulent credit card transactions	526	(526)	0	93	0	93
Provision Flex	50	-	-	179	-	229
Redundancy provision	-	-	-	-	-	0
Other provisions	2,754	-	(254)	-	(2,400)	100
Provision for tax risks	-	-	-	367		367
Total	**3,330**	**(526)**	**(254)**	**639**	**(2,400)**	**789**
Non-current	-	0	-	-	-	-
Current	3,330	(526)	(254)	639	(2,400)	789
Total	**3,330**	**(526)**	**(254)**	**639**	**(2,400)**	**789**

Provision 2017

in '000 EUR	01 Jan 2017	Reversals	Use	Additions	Reclassi-fication	31 Dec 2017
Provision for fraudulent credit card transactions	724	(605)	(75)	526	(44)	526
Provision Flex	35	-	-	13	2	50
Other provisions	939	(925)	-	2,698	42	2,754
Total	**1,698**	**(1,530)**	**(75)**	**3,237**	**-**	**3,330**
Non-current	820	(820)	-	-	-	-
Current	878	(710)	(75)	3,237	-	3,330
Total	**1,698**	**(1,530)**	**(75)**	**3,237**	**-**	**3,330**

Provision for fraudulent credit card transactions
Provision for fraudulent credit card transactions, for an amount of EUR 93 thousand (2017: EUR 526 thousand), refer to transactions completed in the year preceding the reporting date and likely to be disputed by the customer in the following year.

Provision Fullflex
This represents the best estimate of future payments under the Flex program. This includes the costs with respect to unused vouchers resulting from flight cancellations before the balance sheet date.

Provision for tax risks
Provision for tax risks, for an amount of EUR 367 thousand (2017: nill), refer to minor risks from tax audits for which the Group expects to have a cash out in the coming years in the Netherlands, Italy and Spain.

Other
As of 31 December 2018, other current provisions amounted to EUR 100 thousand and they are mainly referred to minor litigation in Italy and Spain.

During 2018 an amount of EUR 2,400 thousand has been reclassified to Other payables and it was referred to a fine levied by the Italian Antitrust authority. Even if the Group appealed to the Court's decision, it has been decided to pay in monthly installments in order to reduce the risk to increase the sanctions and interests during the ongoing process.
During 2018 a provision for a potential fine following a labour inspection in Spain for EUR 248 thousand has been paid.

Note 28 - Net Financial Position

Group's management considers the net financial position as defined below as a KPI for measuring Group's financial performances.
The table below represents the net financial position for the Group as of 31 December 2018 and 2017:

in '000 EUR	31 Dec 2018	31 Dec 2017
Current financial assets	1,349	1,922
Cash and cash equivalents	72,871	52,134
Short term financial liabilities	(29,532)	(10,015)
Net Financial Position within 12 months	**44,688**	**44,041**
Non current financial assets	1,667	1,256
Long term financial liabilities	(14,529)	
Net Financial Position over 12 months	**(12,862)**	**1,256**
Total Net Financial Position	**31,826**	**45,297**

The Net Financial Position for the Group was EUR 31,826 thousand in 2018, compared to EUR 45,295 thousand in 2017. The changes in the composition of the net financial position as of 31 December 2018 compared to December 2017 can be mainly explained by a higher cash and cash equivalents by EUR 20,737 thousand and an increase in Financial Liabilities by EUR 34,046 thousand.
Financial liabilities are related to the opening of loans granted by top rated European banks with no impact of the net financial position. All financial covenants have been respected during 2018.
For further information see the Consolidated Cash Flow Statement.

Note 29 -Trade and other payables

The table below shows "Trade and other payables" as of 31 December 2018 and 2017:

in '000 EUR	31 Dec 2018	31 Dec 2017
Trade payables	(117,046)	(111,505)
Contract liabilities	(7,259)	(3,817)
Credit card payables	(49,867)	(35,919)
Other payables	(12,006)	(7,706)
Accrued expenses and deferred income	(5,314)	(5,592)
Total Current	**(191,492)**	**(164,539)**
Other payables	(642)	-
Total Non Current	**(642)**	**-**

The two most significant creditors of the Group included in the total trade payables at 31 December 2018 had an open balance amounting respectively to EUR 10,085 thousand, referred to the Group's major supplier (8.1%) (2017: EUR 6,488 thousand (5.6%)), and EUR 5,994 thousand (4.8%) (2017: EUR 5,217 (4.5%)).

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

in '000 EUR	31 Dec 2018	31 Dec 2017
Not past due	(166,482)	(150,952)
Past due 0-30 days	(19,269)	(9,638)
Past due 31-90 days	(2,923)	(905)
Past due 91-180 days	(847)	(1,340)
Past due 181-360 days	(651)	(940)
Past due 361 and over	(1,320)	(765)
Total	**(191,492)**	**(164,539)**

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 2018 increased by EUR 13,948 compared to the previous year. At 31 December 2018, the Group had agreed credit card plafonds for a total amount of EUR 84,124 thousand (2017: EUR 88,799 thousand).

Other payables

Other payables mainly include payables relating to taxes, social security and amounts due to personnel for the annual bonus. The amount in 2018 increased by EUR 4,300 thousand compared to 2017.

Note 30 - Contingent Liabilities

Proceedings against Ryanair Ltd

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 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. 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.

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 recognized as dominant in the market. In 2016 the second instance judgment has been appealed by Viaggiare before the Cassazione Court.

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 on June 2013. In March 2015 The proceeding has been 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 recognized as dominant in the market. Ryanair appeals decision before the third level "Corte di Cassazione". Decision is still pending.

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 pleading challenging jurisdiction of French courts. In March 2013 Court held that matter should be heard before the Paris Commercial Court rejecting Ryanair claim to have proceedings transferred to Ireland. In March 2015 Lmnext FR has taken over to VSM's in the trial. The parties are waiting for the court to set date for 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 counterparty's lawyer asked for a period to prepare an answer. The judge fixed the hearing for the 16 May 2019.

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.

Proceeding against Hotel delle Terme

Hotel delle Terme asked for an Order of Payment for Eur 244 thousand. Destination 2 Italy claimed to have paid Hotel delle Terme in cash, but there is no a receipt for such payment. In addition, Destination 2 Italy deposited a sum of Eur 30 thousand. The judgment started the first hearing on 21th February 2019 asking for the deposit of documents and remembrances. Next hearing will take place on 23 May 2019. Based on legal advice, the likelihood of success for Hotel delle Terme is possible.

Proceeding against Società Internazionale Nuovi Alberghi (SINA)

Destination 2 Italy rent the business branch of business Gartour from Holding Tourism Systems (HTS). SINA asked Destination 2 Italy with an order of payment regarding HTS previous liabilities for Eur 90 thousand.

The Judge rejected the counterparty request of provisionally enforceable. The next hearing will be on 26/02/2020.

Based on legal advice, the likelihood of success for SINA is possible.

Note 31 - Related Parties

The Group is controlled by Freesailors Cooperative (incorporated in the Netherlands), which is controlled by Mr. Fabio Cannavale. Freesailors Cooperative controls the Shareholders' Agreement owning 50.2% (2017: 41.4%) of the shares of the Company. The remaining 49.8% (2017: 58.6%) 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 kind of operations are "recurring" transactions eliminated on consolidation basis.

Receivables from shareholders

The table below shows Receivables from shareholders as of 31 December 2018 and 2017:

in '000 EUR	31 Dec 2018	31 Dec 2017
Financial receivables	-	81
Total	**-**	**81**

As at 31 December 2017 the Group had a receivable from a minority shareholders in one of the Swiss entity recorded under "current financial assets" which has been cashed during 2018.

Key management personnel compensation

The key management personnel compensation for 2018 and 2017 is presented in the table below:

in '000 EUR	2018	2017
Short-term employee benefits	1,567	1,901
Share-based payments	-	21
Post employment benefits	74	167
Termination benefits	-	-
Total	**1,641**	**2,089**

Transactions with associates

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

in '000 EUR	31 Dec 2018		31 Dec 2017	
	Assets	Liabilities	Assets	Liabilities
Hotelyo SA	388	973	663	833
URBANnext SA	56	-	60	-
Instago SAGL	-	-	-	-
Total	**444**	**973**	**723**	**833**

in '000 EUR	31 Dec 2018		31 Dec 2017	
	Costs	Revenues	Costs	Revenues
Hotelyo SA	13	30	18	65
URBANnext SA	-	59	-	86
Instago SAGL	-	-	-	-
Total	**13**	**89**	**18**	**151**

Other transactions

In 2018 the Group recognised a cost with regard to an employee of a related party for EUR 72 thousand (2017: EUR 112 thousand). The open payable as at 31 December 2018 is nil (2017: EUR 30 thousand). No other transactions occurred in 2017.

On 11 February 2019 the Board of Directors approved the acquisition of an Italian company operating in the Media business. One of the main shareholder is an Executive Director of the Group. The consideration will be EUR 1.7 million and it has been valued by an external independent consultant to ensure the transaction is measured at arm's length value. The operation will likely take place in April.

All of the related party information required by IAS 24 that is relevant to the Group has been presented in this note.

Note 32 - Bank Guarantees

As of 31 December 2018, financial institutions had issued bank guarantees to third parties on behalf of the Group for a total amount equal to EUR 58.1 million (2017: EUR 54.0 million), of which EUR 3.5 million related to a bank guarantee to a Spanish GDS airline and EUR 42.5 million relate to a bank guarantee for the IATA, ABTA and ATOL.

Note 33 - Group Companies

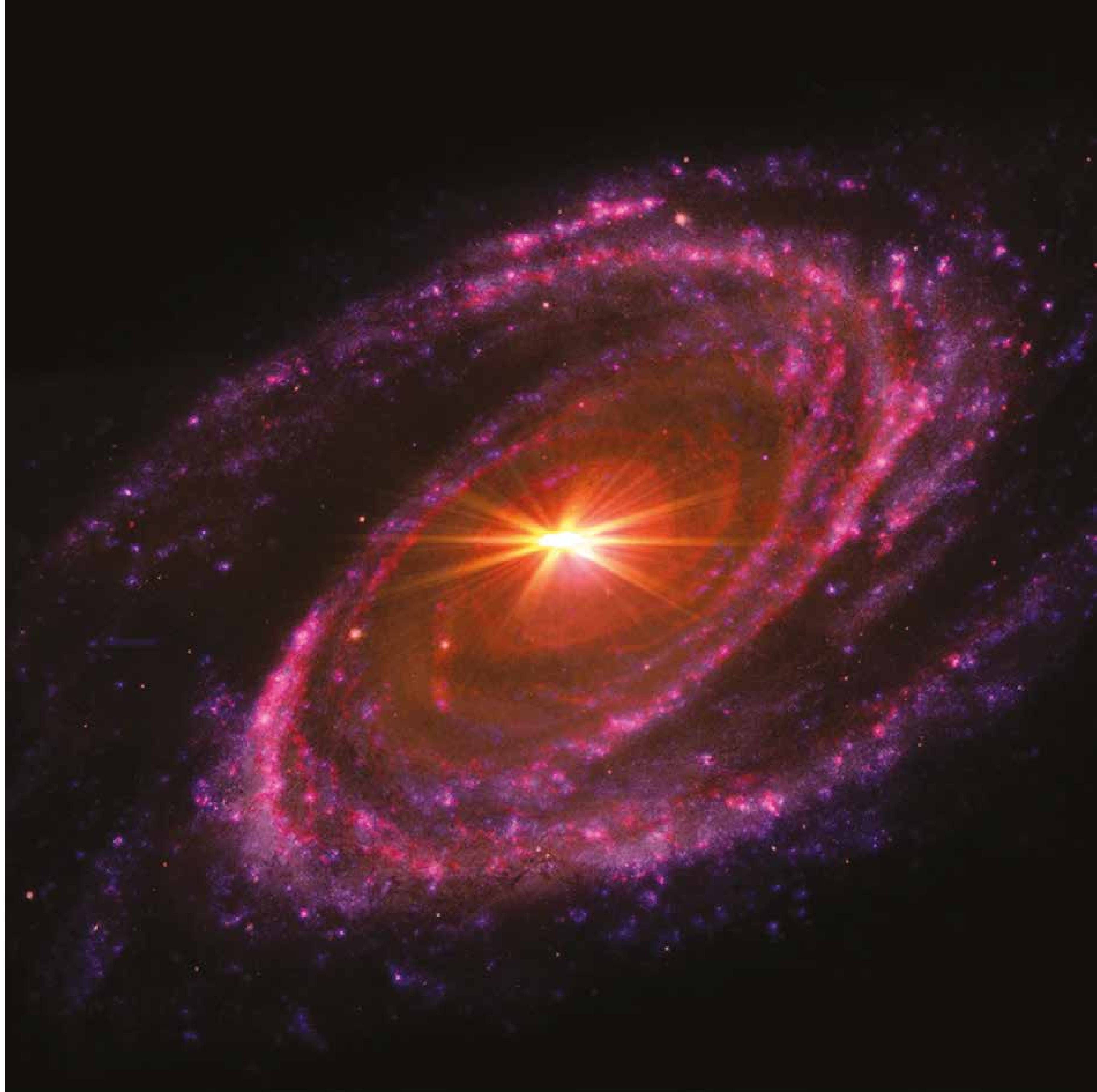
The table below shows the Group 's structure as of 31 December 2018 and 2017:

Name	Country	Consolidated for 2018	Ownership interest	
			2018	2017
lastminute.com N.V.	Amsterdam, Netherlands	-	Parent Company	Parent Company
Bravonext SA	Chiasso, Switzerland	Fully	100,0%	100,0%
Viaggiare S.r.l.	Milan, Italy	Fully	100,0%	100,0%
Satintour Services	Edinburgh, UK	Fully	0,0%	99.%
LMnext US INC	Wilmington, USA	Fully	100,0%	100,0%
LMnext DE Gmbh	Munich, Germany	Fully	100,0%	100,0%
LMnext Services Ltd	London, UK	Fully	100,0%	100,0%
LMnext UK Ltd	London, UK	Fully	100,0%	100,0%
Bravoventure India Private lmt	Bangalore, India	Fully	100,0%	100,0%
Sealine Investments LP	Edinburgh, UK	Fully	100,0%	100,0%
Blue Sas - JetCost	Clichy, France	Fully	98,4%	98,4%
Bravojet SA in liquidazione	Chiasso, Switzerland	Fully	100,0%	100,0%
Bravomedia S.r.l.*	Milan, Italy	Fully	0,0%	100,0%
Pigi Shipping & Consulting S.r.l.	Milan, Italy	Fully	100,0%	100,0%
Bravoventure Spain SLU	Madrid, Spain	Fully	100,0%	100,0%
Hotelyo SA	Chiasso, Switzerland	Equity	49,0%	49,0%
Rumbo SA	Madrid, Spain	Fully	100,0%	100,0%
Webnext Limited	Valletta, Malta	Fully	100,0%	100,0%
LMnext CH SA	Chiasso, Switzerland	Fully	100,0%	100,0%
URBANnext SA	Chiasso, Switzerland	Equity	25,0%	25,0%
Cruiseland S.r.l.	Milan, Italy	Fully	100,0%	100,0%
LMnext FR SASU	Clichy, France	Fully	100,0%	100,0%
Bravometa CH SA	Chiasso,Switzerland	Fully	98,4%	98,4%
Bravoventure Poland Spolka	Warsaw, Poland	Fully	100,0%	100,0%
Destination Italia SpA	Milan, Italy	Fully	59,5%	57,0%
Destination 2 Italia Srl	Milan, Italy	Fully	59,5%	57,0%
Lmnext UK Ltd (incorporated in England and Wales) Branch	London, UK	Fully	100,0%	100,0%
Comvel Gmbh	Munich, Germany	Fully	100,0%	0,0%
Bravolivia Sl	Madrid, Spain	Fully	100,0%	0,0%
InstaGo SAGL	Chiasso, Switzerland	Equity	15,0%	0,0%

* *Bravomedia S.r.l. has been merged by incorporation into Viaggiare S.r.l. with effective date 01/07/2018*

Note 34 - Subsequent Events

In addition the acquisition reported in Note 31, no 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.



Independent auditor’s report

To: the general meeting and the board of directors of lastminute.com N.V.

Report on the consolidated financial statements 2018

Our opinion

In our opinion the accompanying consolidated financial statements 2018 of lastminute.com N.V. (‘the Company’), are consistent, in all material respects, with the audited statutory financial statements, in accordance with the basis described in note 1, 2 and 3.

The consolidated financial statements

The Company’s consolidated financial statements derived from the audited statutory financial statements for the year ended 31 December 2018 comprise:

- the consolidated balance sheet as at 31 December 2018;
- the following statements for 2018: the consolidated statement of profit and loss and other comprehensive income and the consolidated statements of changes in equity and cash flows; and
- the related notes to the consolidated financial statements.

These consolidated financial statements do not contain all of the disclosures required by Part 9 of Book 2 of the Dutch Civil Code. Reading the consolidated financial statements and the auditor’s report there on, therefore, is not a substitute for reading the audited statutory financial statements of lastminute.com N.V. and the auditor’s report thereon.

The audited statutory financial statements and our auditor’s report thereon

We expressed an unmodified audit opinion on the audited statutory financial statements in our report dated 18 March 2019. The report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period. The following key audit matters are included:

- valuation of goodwill and trademarks;
- occurrence, accuracy and cut-off of revenue from sales of travel services.

Responsibilities of management for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis described in note 1, 2 and 3.

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Auditor’s responsibility

Our responsibility is to express an opinion on whether these consolidated financial statements are consistent, in all material respects, with the audited statutory financial statements based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard 810 ‘Engagements to report on summary financial statements’.

Amsterdam, 18 March 2019
PricewaterhouseCoopers Accountants N.V.

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