lm holding intends to build a stronger capital structure to secure existing business over a long-term horizon and preserve flexibility to pursue new business opportunities

Amsterdam / Chiasso, 15 May 2020 – lm holding (or the “Company”), a European leader in the online travel and leisure industry, today releases its 1Q2020 results and announces its intention to strengthen its capital structure.

1Q2020 results:
- Core business revenues of €70.3M, down 12.9% versus 2019
- Core business EBITDA of €9.2M, down 48.6% compared to 2019
- Net result of (€6.7M) against €6.3M in 2019
- Cash available of €83.2M, -24.6% versus 31st December 2019

1Q2020 Results in € million

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Change yoy %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Travel Value*</td>
<td>622.8</td>
<td>715.8</td>
<td>-13.0%</td>
</tr>
<tr>
<td>Core Business Revenues*</td>
<td>70.3</td>
<td>80.8</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Core Business EBITDA*</td>
<td>9.2</td>
<td>17.9</td>
<td>-48.6%</td>
</tr>
<tr>
<td>Net result**</td>
<td>(6.7)</td>
<td>6.3</td>
<td>NA</td>
</tr>
<tr>
<td>Cash available**</td>
<td>83.2</td>
<td>97.9</td>
<td>-15.0%</td>
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<tr>
<td>Net financial position**</td>
<td>18.6</td>
<td>50.2</td>
<td>-63.0%</td>
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*Data refers to lm group perimeter excluding Venture Initiatives and Cruise business  
**Data refers to the entire lm holding perimeter

lm group started 2020 at a strong pace, showing a significant growth in the first two months of the year (Jan-Feb 2020) as reported on the 19th March 2020 release.

Since then, the world has changed. Just a few months ago the group was celebrating the second record profit-year in a row; today it is in front of the greatest economic challenge in its history.

COVID-19 takes a heavy toll on the global travel industry, compounded by uncertainty as to the extent of its effects. With air traffic down by 95% as per airlines announcements and as per what we can directly observe, nearly 80% of hotel rooms laying empty and cruise ships forced to a No Sail Order by authorities, COVID-19 has almost entirely stopped the travel industry in its tracks.
The circumstances surrounding COVID-19 are unprecedented and the financial impact to our Company and the broader travel industry has been and will be significant for the next months. The Company has experienced several weeks, primarily in March and April 2020, where trip cancellations strongly outpaced new reservations. The Online Travel Agency (OTA) business today is entirely shifted to customer care management in order to handle in the most appropriate way the refunds and protection required by our customers.

We are taking proactive steps to manage our capital outflows, through an attentive management of networking capital dynamics, cancellations and refunds, to ensure that we remain positioned for long-haul success. We are proactively working to address this crisis, promoting cooperation between industrial players and authorities with the aim of overtaking such a period safely.

As mentioned in our 19 March 2020 press release, we are also putting in place actions addressed to cut our cost base up to the widest extent possible. After having immediately decreased to lowest terms our marketing expenses, we started a quick and robust plan of operating costs reduction that will save €30M (approx. 35% of total fixed costs) from March to December compared to 2019.

Regardless what the AGM to be held on the 21st of May 2020 will decide in this respect, our Board of Directors has also voluntarily and pre-emptively declined to receive any cash payments during 2020, for both the portion of the 2019 remuneration to be paid this year and the whole 2020 remuneration. The payment of top management bonuses and variable compensation for 2020 have been suspended.

We are aware that the current travel restrictions may stay in place beyond a short timeframe and could ultimately impact the whole sector even harder than expected. For that reason, we are incorporating worse challenging scenarios into our planning for the entire FY2020, extending a possible negative queue in the first quarter of 2021. Today the OTA business is running at -95% on average compared to the same period of 2019. We expect this trend to continue with no variances at least until the end of June with a very smooth recovery progressively starting in July when we forecast to see our numbers in a range of -85/90%. By the end of the year, we expect to see the recovery to be more solid, while volumes will remain still below 2019. During the first quarter of 2020, the Media and META business units suffered from a contraction of the traffic and the reduced spending of advertisers, but they remained above break-even at EBITDA level. We expect them to continue to generate cash throughout the year, despite the crisis, even if to a smaller extent compared to what they are used to.

We know that such a downturn will not last forever and we believe that the attitude to travel will start again and the entire industry will see a strong rebound at some point as it did following other tragic events. But no one knows for sure when this will happen. This unpredictability requires us to act prudently and put control measures in place to well position the company for the next years. These actions will ensure that we can continue to support our stakeholders through this difficult moment, and be better positioned for the future recovery.
However, we are confident that after years of successful transformation and record results, lm group has already the business model, the management team and the agility to successfully navigate through the crisis. We have made our diversified and risk-mitigating business model (Transactional-OTA, META and Media), working properly and synergistically. We are a 100% digital business, backed by a flexible and agile organization, capable of adapting quickly and being efficient even in conditions like the one we are facing today. All this, compounded by our inventory-free and lean-cost-base business model gives us a relevant advantage over more traditional players. The shift from offline to online, that was already happening, has been accelerated by the effects of the COVID-19 outbreak and will further strengthen our position and market-share when things will definitely come to normality.

Most importantly for business continuity, the Company went into this challenging period with a solid balance sheet and strong financial position. As of 30 April 2020, we could count on a total of €97M credit lines of which €87M drawn (€72M and €54M respectively at 31.03.2020). The cash available increased from €83.2M at the end of March up to €96.0M on 30 April 2020. We expect such availability to be partially absorbed during the summer season and then recover from October onwards. At the date of this press release, we are still in ongoing negotiations for additional facilities primarily linked to aid and support mechanisms guaranteed by the States in France, Spain, and Italy.

In addition, the Company wishes to further strengthen its balance sheet. Therefore, the Company intends to propose the launch of a rights issue to raise up to CHF100M of additional equity capital. Such amount may also allow the Company to capture business opportunities if and when these emerge at significantly better conditions. The rights issue is expected to be launched indicatively in the 3Q2020, subject to obtaining shareholder approval at an Extraordinary General Meeting (EGM) which is to be held prior to launch. Freesailors Cooperatief U.A., the Company’s current major shareholder, has irrevocably committed to support the rights issue.

**Fabio Cannavale, lm holding CEO, stated:**

“"We were having great success, thanks to the commitment and dedication of our people, recording 32 months of growth in a row from June 2017 until February 2020. We are now living in a different and difficult context. For that reason, we want to put the same commitment of our team to further promote our vision and achieve our mission. More than ever we feel ourselves as a fundamental pillar of our ambitious project. Freesailors is fully supportive of the capital raise proposed by the Board of Directors. The capital raised will give the Company a lever to still preserve its entrepreneurial spirit. When it will be required, we will do our part in full and we will do so for the benefit of all our stakeholders”.

**Marco Corradino, lm group CEO, added:**

‘‘2020 will not be about performance. It will be more about resilience and will be a time in which to invest for the long-term, by further improving our products and even optimizing the way the organization is structured, looking at the future and at the evolution of our industry. Now that we are not experiencing a period of strong and steady growth, it is the right time to rethink the
business and to design a strategic path to evolve according to new challenges. The scenario that will arise for the travel sector will be, after the recovery, different from the one we left behind us. My goal now is to take the Group beyond its boundaries and make it even more innovative, to capture all the most relevant opportunities that will come up”.

Given the continued uncertainty on the impact and duration of the COVID-19 pandemic, and given that the principal and ultimate focus is on working on the sustainability of the business model looking at the long-term, the Company decided to not release any guidance for the FY2020 at this time. Business and performance updates will be in any case provided regularly and extensively, primarily during quarter earnings releases.

**Preliminary details about the proposed capital increase**

Transferable and tradable subscription rights will be granted to shareholders of the Company. Subject to applicable securities laws, such rights will entitle shareholders to subscribe for ordinary shares. The proposed transaction will be submitted for approval to the Company's shareholders at an EGM which will be called prior to the launch of the rights issue. Freesailors Cooperatief U.A., the Company’s major shareholder who currently holds 44.58% of the Company’s outstanding share capital, has irrevocably committed to (i) not transfer or otherwise dispose of any ordinary shares in the capital of the Company it currently holds, (ii) to vote with its ordinary shares of the Company in favour of any and all resolutions in respect to the rights issue at the EGM and (iii) to exercise in full the subscription rights to which it shall be entitled in respect of its ordinary shares of the Company. It is expected that the rights issue will be launched, subject to obtaining shareholders approval, indicatively in the 3Q2020. Further details about the rights offering will be disclosed by way of separate press releases and in the prospectus.

**Discussions about a possible corporate transaction stopped**

The Company, at this time, has stopped any discussions about a possible corporate transaction with Private Equity Groups. The majority shareholders, the Board of Directors and the Management are fully committed to building an even stronger organization capable to launch a new wave of growth and be the primary actor of the consolidation of the market when the conditions will make this possible.

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**Financial calendar**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>21st May 2020</td>
<td>Annual General Meeting of Shareholders</td>
</tr>
<tr>
<td>31st July 2020</td>
<td>1H2020 Financial Statement Disclosure and IR Conference Call</td>
</tr>
<tr>
<td>11th November 2020</td>
<td>3Q2020 Trading Update</td>
</tr>
</tbody>
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About lm holding

lm holding is among the worldwide leaders in the online travel industry and operates a portfolio of well-known brands such as lastminute.com, Volagratis, Rumbo, weg.de, Bravofly, Jetcost and Hotelscan. The Group’s mission is to be the most relevant and inspiring travel company, committed to enriching the lives of travellers. Every month, the Group touches 60 million users across all its websites and mobile apps (in 17 languages and 40 countries) that search for and book their travel and leisure experiences with us. More than 1,200 people enjoy working with us and contribute to providing our audience with a comprehensive and inspiring offering of travel related products and services. lastminute.com N.V. is a publicly traded company listed under the ticker symbol LMN on SIX Swiss Exchange.

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In member states of the European Economic Area (“EEA”), this announcement and any offer if made subsequently is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (ii) to whom or in which the offer is not being directed or not made as a matter of law, and (iii) who are “qualified investors” ("Qualified Investors") within the meaning of Regulation (EU) 2017/1129, as amended, unless explicitly stipulated otherwise in connection with any such offer. In the United Kingdom this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated, and any investment activity to which it relates will only be engaged in with such persons and it should not be relied on by anyone other than such persons.

If and when the Company should publish a prospectus in the context of a rights issue, copies of the prospectus may be obtained at no cost from the Company or through the website of the Company.

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