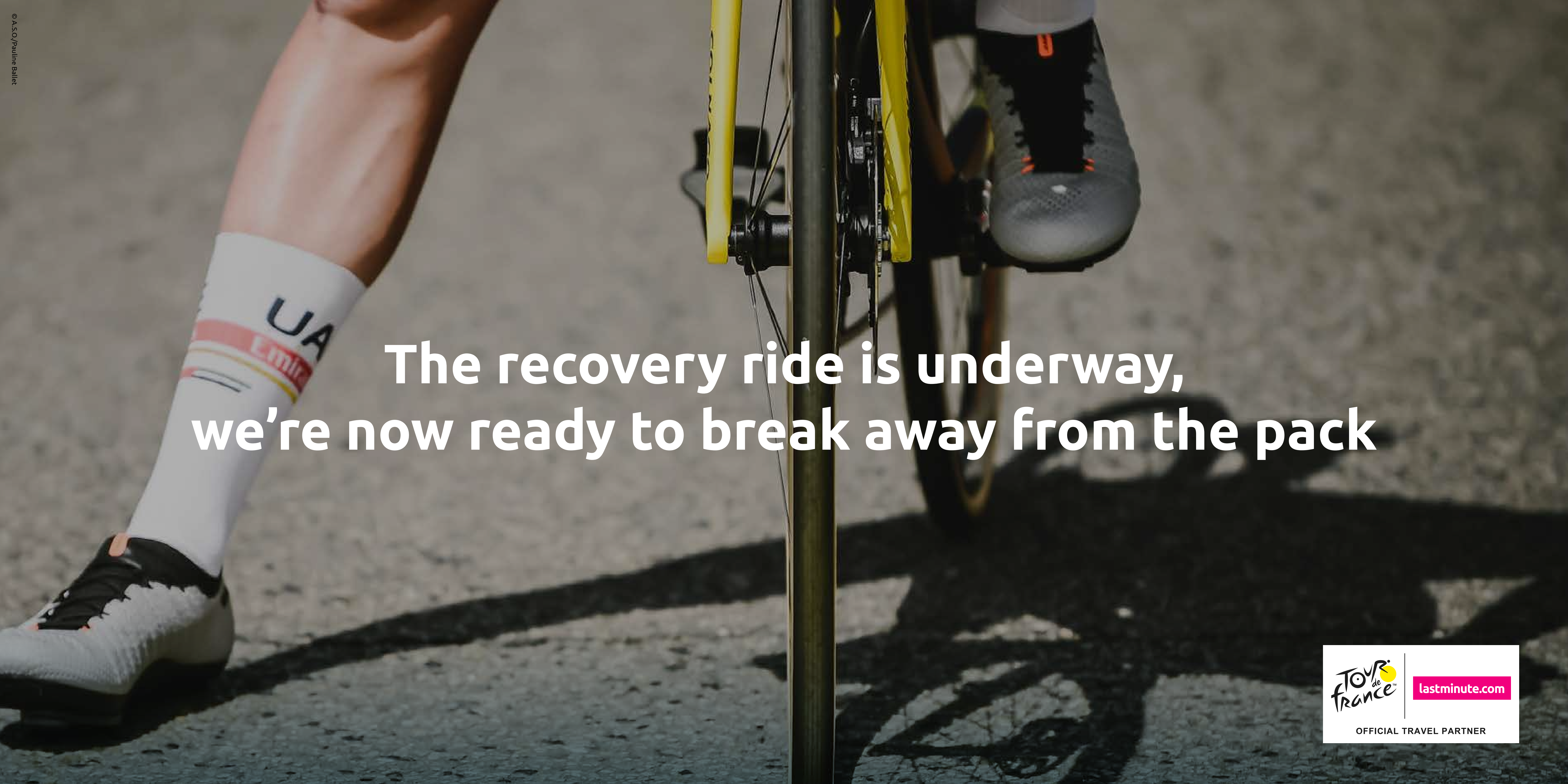
annualreport

2021

READY TO BREAK AWAY FROM THE PACK

lastminute.com


©A.S.O/Pauline Ballet
UAE Emirates
The recovery ride is underway,
we’re now ready to break away from the pack
Tour de France
lastminute.com
OFFICIAL TRAVEL PARTNER

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"It never gets easier, you just get faster."

Greg LeMond (three times winner of the Tour De France)

2020

In March 2020, travel as we knew it ground to a halt. Travel was impossible for many months – a stress test for even the most agile of operators. With our flexible, asset-light and diversified operating model, we had an opportunity that many competitors didn't have. We had time to dismantle our machine and put it back together in a more streamlined way.

2021

So when in 2021 the "stop-and-go" nature of movement between, and even within, countries was still proving problematic for holidays, our improved and well-oiled machine could crank quickly through the gears to manage the changing travel demand efficiently and effectively.

2022

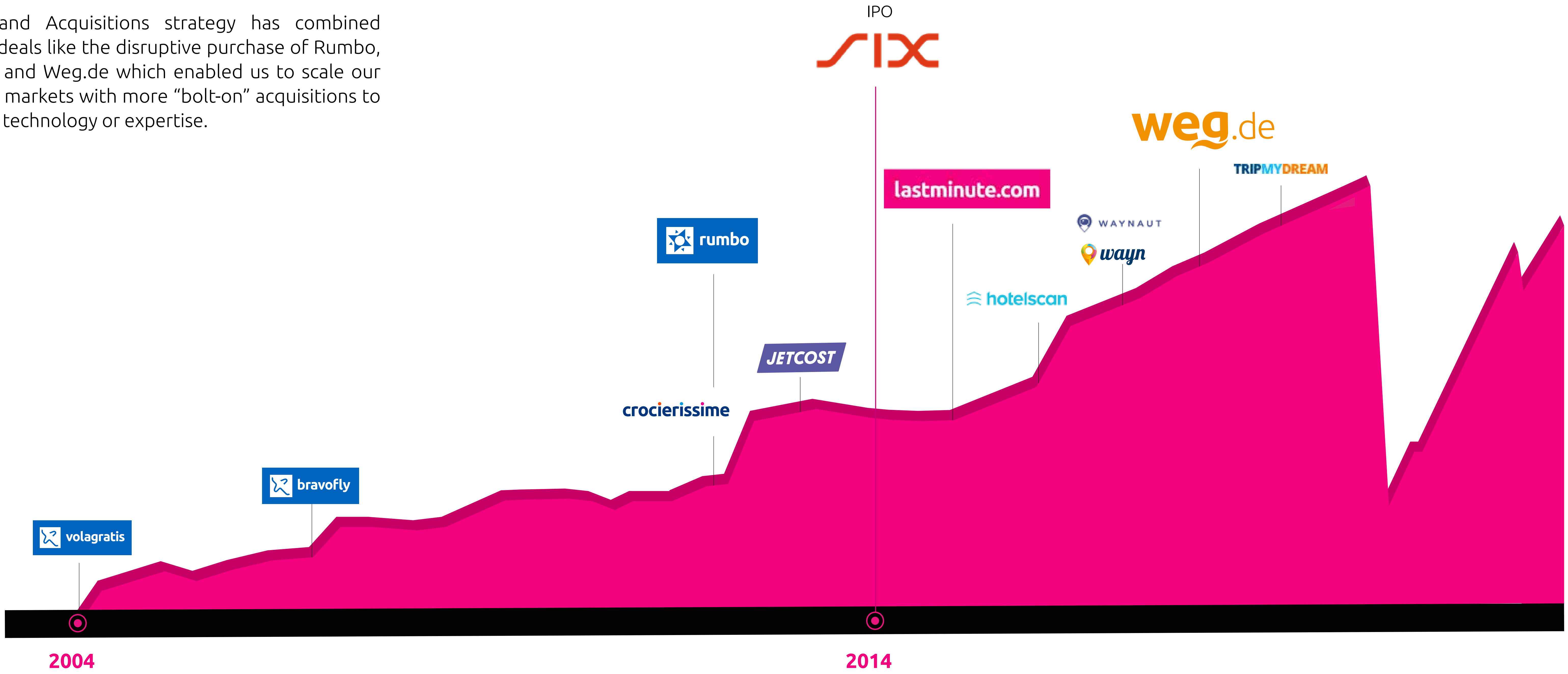
As we look ahead to 2022 and beyond, our proven pink peloton continues to be reliable and resilient. We've worked together to make our business model increasingly scalable, so now that the demand for travel has returned, we're ready to break away from the rest of the pack.

In any successful race, technology and innovation, mixed with the talent and expertise of those in the saddle (our people), is crucial and in this case, we're well equipped to take the quickest route to another record year in 2022.

lastminute.com is the European Travel-Tech leader in Dynamic Holiday Packages

Our journey is a story of steady (organic and inorganic) growth paired with profit generation

Our Mergers and Acquisitions strategy has combined transformative deals like the disruptive purchase of Rumbo, lastminute.com and Weg.de which enabled us to scale our business in new markets with more “bolt-on” acquisitions to plug gaps in our technology or expertise.



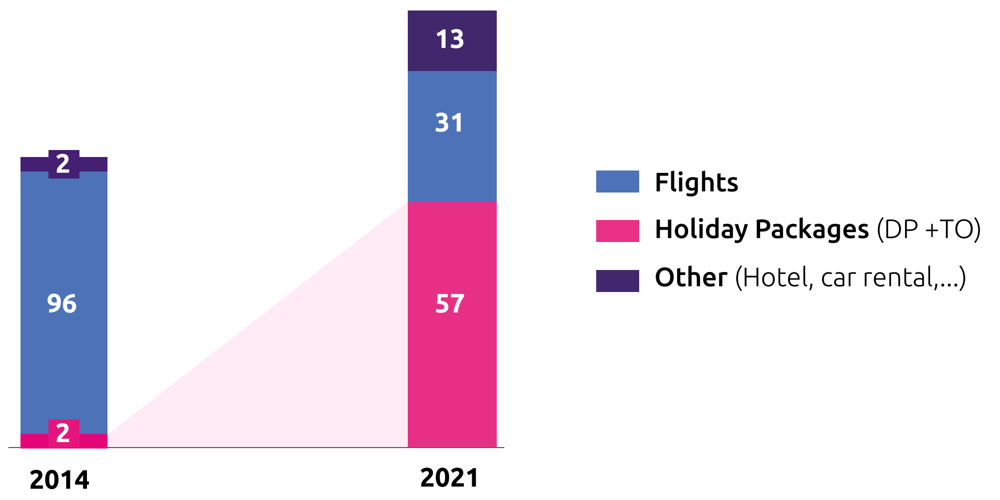
We were born with Flights and grown up for Holiday Packages

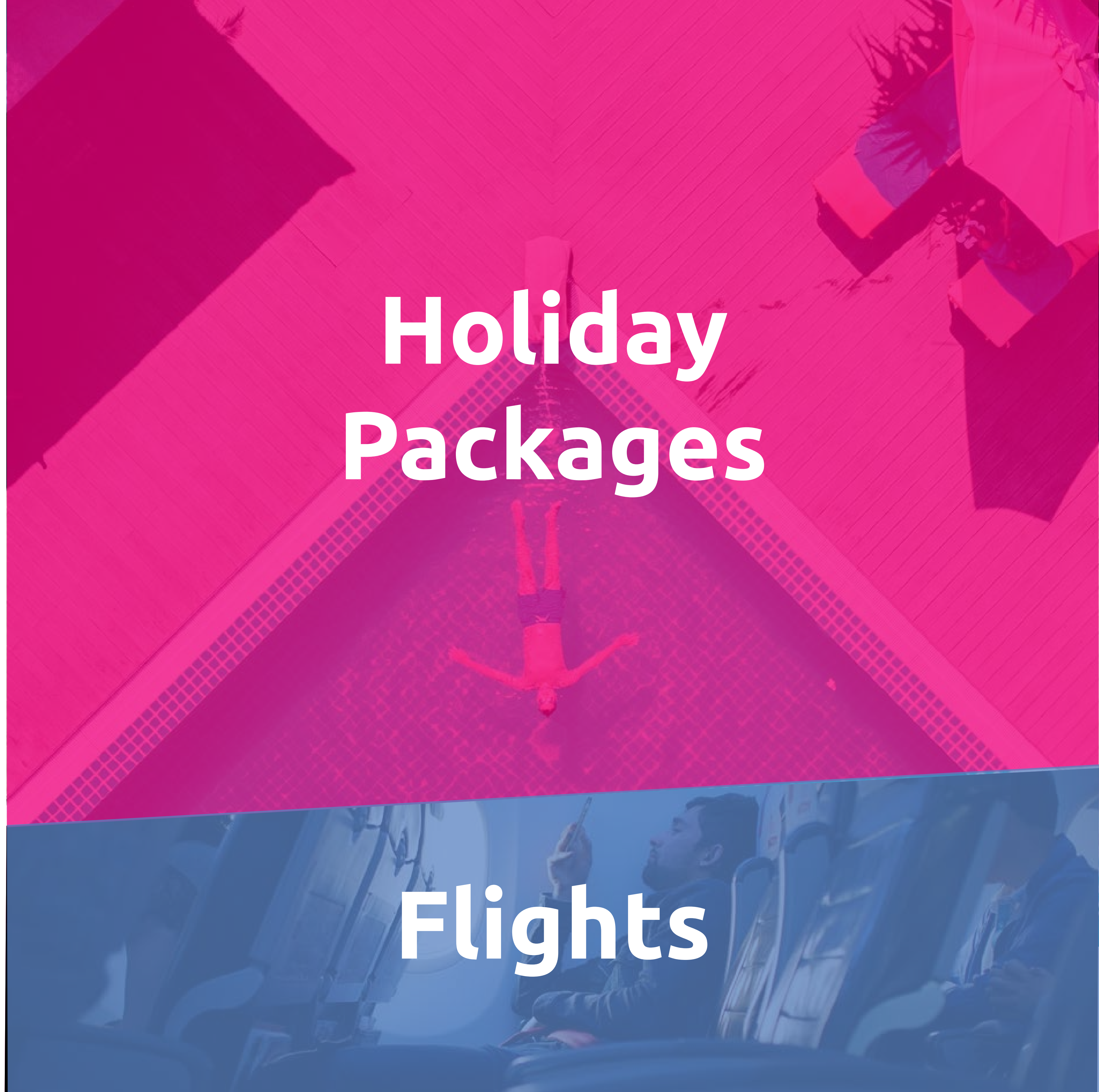
Every company has to start somewhere and for us, it was as a flight metasearch. Originally monetising traffic by sending leads to a major Italian airline, our founders quickly realised that selling tickets directly would yield higher margins and so they switched to a transactional model first with flights, and over time, adding other products.

While fights are still a crucial part of our business model and the best 'entry point' for travellers in search of their holiday, it's also extremely competitive with margins decreasing year by year. So like all successful companies, we evolved over time, so when we listed the company on the SIX Swiss Exchange, we had moved from a flight META to a flight-centric OTA.

The phenomenon of package holidays, and especially Dynamic Packages, became of increasing interest to our customers and it made sense to move towards this as lastminute.com's main focus. Now we're a Travel Tech company and market leader in Dynamic Holiday Packages, in prime position at the front of the pack.

Contribution Margin by category (%)





We're uniquely positioned to ride post pandemic recovery:

Dynamic Holiday Packages technology

Leveraging a unique distinctive Dynamic Holiday Packages technology, ensuring access to millions of possible combinations of travel solutions in real-time

Addressing fragmented demand

Addressing a huge, fast-growing, online-driven, very fragmented demand

Online leisure travel recovering faster

Focusing in online leisure travel, the travel segment expected to recover faster

International footprint

Relying on an international footprint and diversification across geographies, products and customers

Cash-generating business

Running profitably a cash-generating business with a strong balance sheet

Low Operating Leverage

Working with low operating leverage to quickly adapt to market situation

We provide travellers with the most flexible and easiest-to-book holiday experience

We've harnessed technology to make it as easy as possible for our customers to do what they love since the inception of our brands. From allowing people to book a same-day trip to Paris with lastminute.com in the 1990s to help them book their flights online for the first time with Volagratis.

We've always been technology trailblazers. Travel Tech is in our DNA.

But we've come a long way since then. We leverage our unique proprietary Dynamic Holiday Packages technology, to pair meaningful savings for customers with substantial profit generation for the Company.

Our data-driven approach, coupled with unique technology, ensures access to millions of possible combinations of travel solutions in real-time for our millions of customers. We're more than just a booking machine, we give more choice and access to deals through our proprietary platform.

100% DIGITAL BUSINESS MODEL

We leverage our unique proprietary Dynamic Holiday Packages technology, to pair meaningful savings for customers with substantial profit generation for the Company

Why our Holiday Value Chain is a Win-Win

lastminute.com's big success story over the past six years has been making the practice of packaging together flights and accommodation simple. And even more importantly, that innovation has huge benefits for both the supplier and customer as well as our business.

Much of this success is down to having solved the price parity dilemma created by the need for price transparency in the internet age where making a comparison is easy. Another factor is that it's a high-regulated industry which creates blockers for new players wanting to enter.

Our USP is we allow Dynamic Package suppliers to optimise revenues and yield, leveraging the opaque nature of the channel, discounting as needed without jeopardising direct sales and price integrity.

Suppliers →  → **Consumers**

Suppliers
Suppliers view lastminute.com as a distribution channel, not a competitor, with an increasing number of OTAs and hotel chains keen to use our services to manage their inventory effectively.

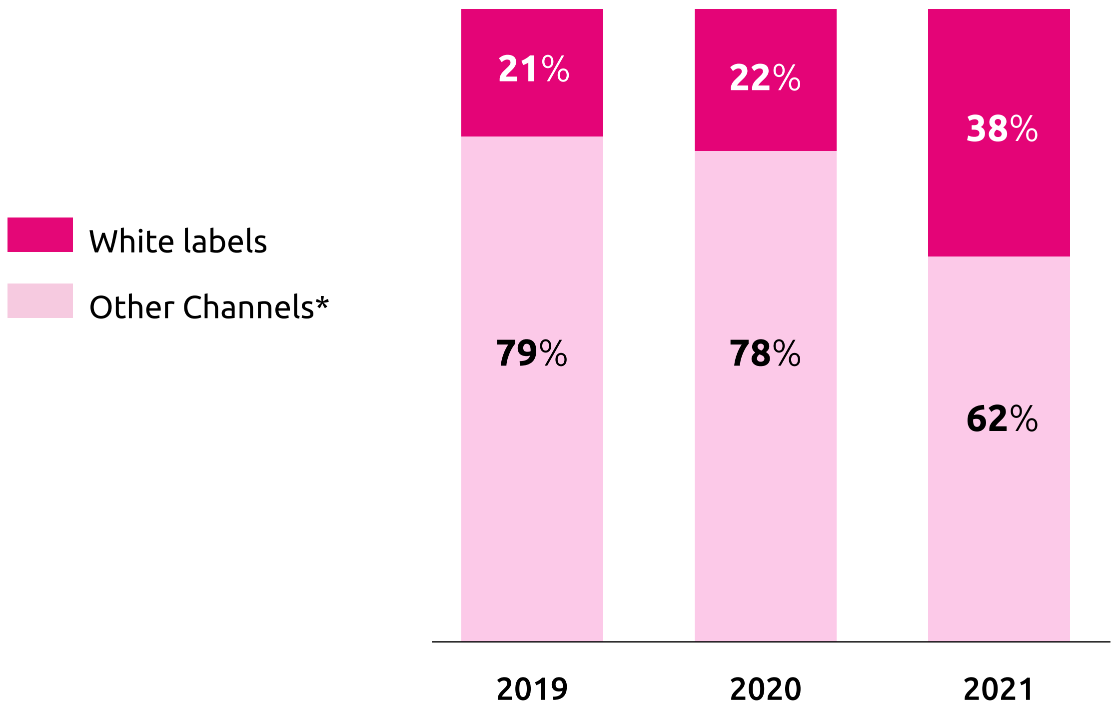
Customers
For customers, it's even simpler. They now have access to a virtually unlimited inventory of travel solutions at their fingertips. This makes the whole world accessible and also cheaper, thanks to dynamic holiday package rates often being of better value than booking individual parts of the holiday separately.

Not only can they benefit from a unique point of sales and contact, but they can find safety and protection against involuntary cancellations.

Our Dynamic Holiday Package technology gaining traction on B2B2C partnerships

We've evolved from B2B to B2B2C with multiple white label partnerships that are using our technology with their branding which have further driven success in this sector. These are players with a large audience who want to add to their product offering and are not just solely in the travel market.

DP Revenues
(in % of Total)



White labels

vibra hotels
PALLADIUM HOTEL GROUP
Booking.com
MILLEMIGLIA
HolidayPirates

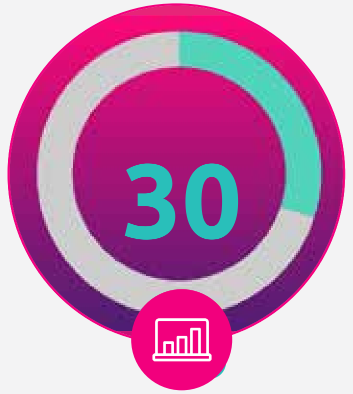
And more....

(*) "other channels includes SEM, Direct, Social, etc

We address a huge and very fragmented market

300 billion TTV travel market in Europe
50% online 50% offline pre-COVID
(1.2 trillion worldwide)

Fragmented supply
that needs to be organised & distributed
300+ airlines & 1M+ hotels
+ alternative accommodations



Fragmented distribution
There is a huge space to capture opportunities out there
Top 10 Players Combined Share 30%
Out of total 300b TTV

We are operating in a huge Total Addressable Market (TAM) which has consistently grown, with only a brief pause being pressed for parts of the pandemic, before restarting.

There is a fragmented supply, with growth opportunities in aggregation and the fact there is no one dominant player.

Total package spend, within our core five countries of Germany, UK, Italy, France, and Spain, is worth 65bn euros, with 24bn of that online packages. Of this total Germany and the UK account for nearly 70% (approximately 35% each). Our flexible and diverse model means we are best placed to capture opportunities in this space.

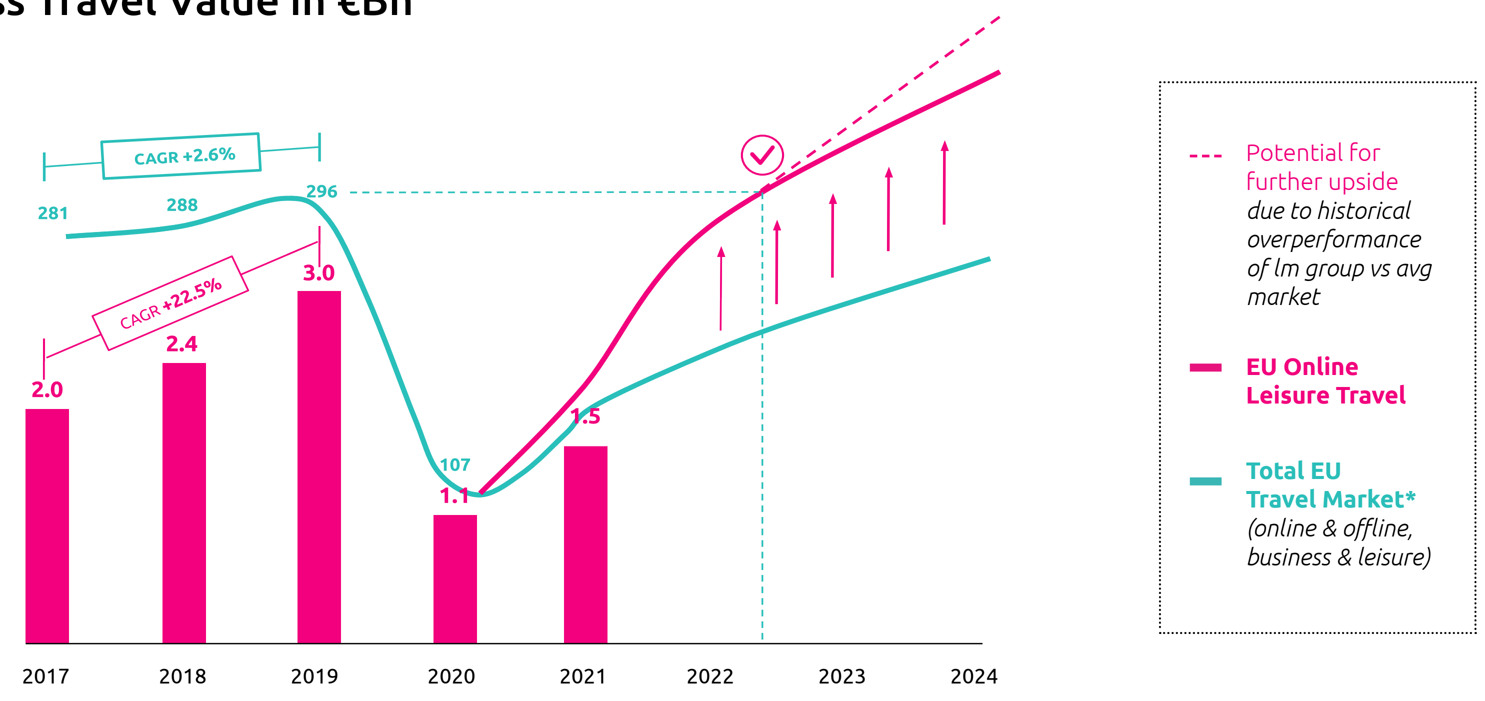
Fastest Recovery expected in Online Leisure Travel

We've positioned ourselves to capture the pent-up demand in leisure travel, with a dynamic recovery expected in 2022. We've focused on leisure travel as projections show there'll be no lasting damage in this sector from COVID-19.

Latest projections however see a much flatter recovery for business travel, with 2025 demand some ~25% below 2019**. On average, also as a result of the continued slowdown of the offline segment, the total travel market is expected to be back to 2019 levels in 2024.

IATA*** sees a strong rebound of global passengers by 2022/2023 and volumes up to 88% vs 2019 in 2022 and 105% in 2023 in the blue sky scenario.

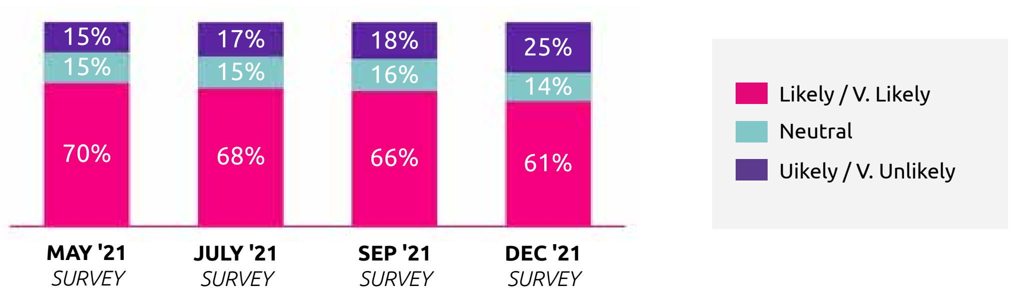
Gross Travel Value in €Bn



*source: PCWI EU 20-24
** Stifel Aviation & Travel - European Travel Research, July 2021
*** IATA - Oct 2021 estimations

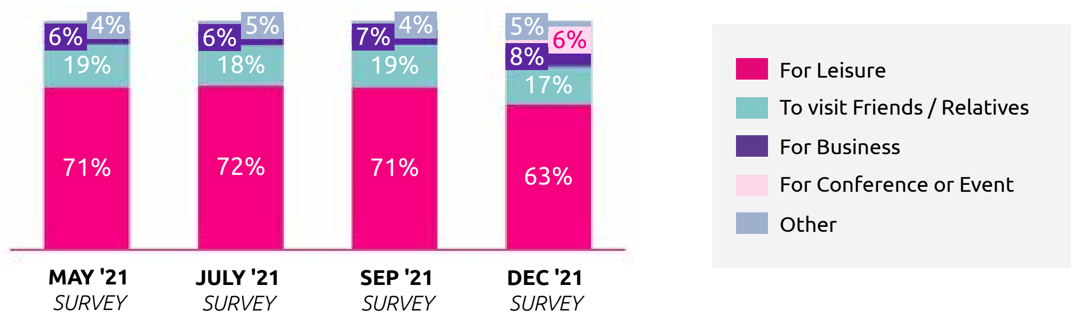
According to the European Travel Commission survey, during the pandemic travel intention remains high

Intention to travel[1]



3 in 5 Europeans plan to travel in the next months, which supports a positive outlook for 2022

Purpose of travel for respondents[2]



Leisure is undisputedly the primary reason for travel, even if business travel slightly bounces back

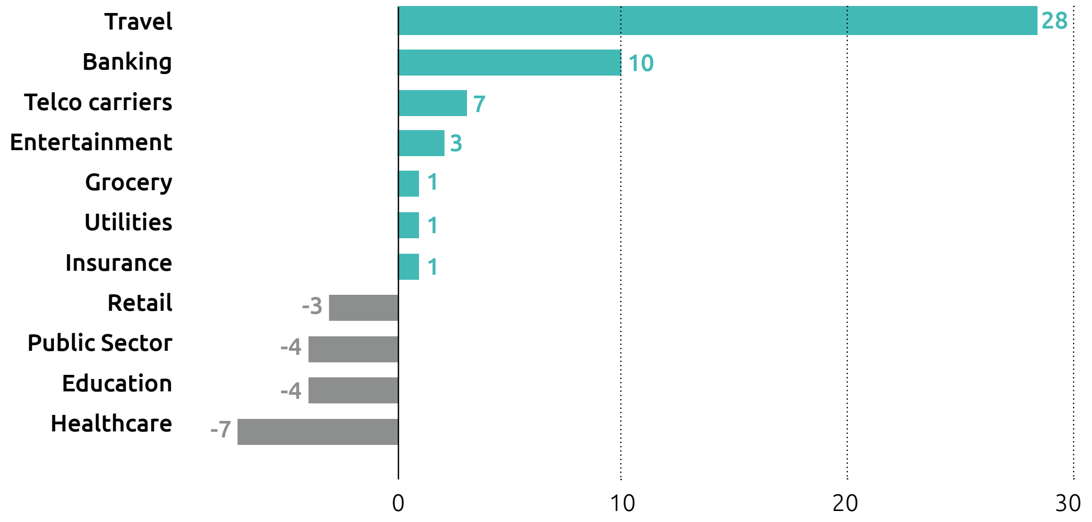
Sources: ETC (European Travel Commission); (1) Number of respondents: 6,002; (2) Number of respondents: 3,664; up to September '21 "For conference or event" was included in "Other"

Covid-19 has dramatically accelerated online travel penetration

As digital innovators, we've always been "online-first" in everything we do, which has benefited us as travel consumers who kept shifting away from physical stores to using websites to book their holidays. This shift accelerated in every industry during the pandemic but travel saw the biggest boost.

We're best placed to ride this tailwind which should see the former 50/50 split of online and offline bookings, permanently tipped in our favour.

Frequency of expected use after the COVID-19 pandemic ends, percentage point change[1]

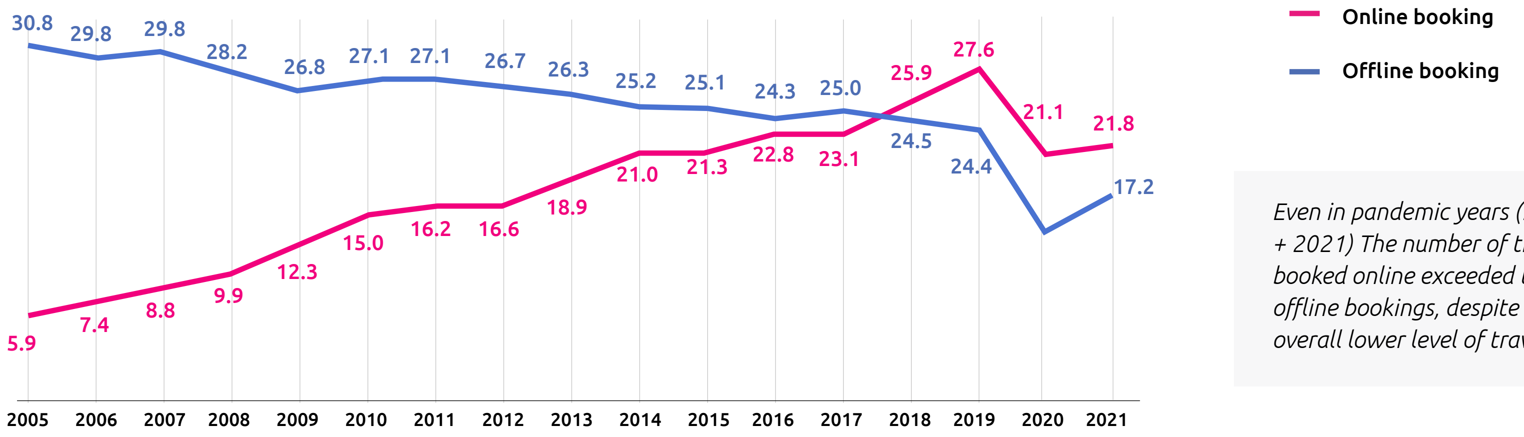


Sources: (1) Mckinsey Global Digital Setiment Insights survey

Long-term develoment of booking channels in Germany[2]

Germany, the market leader in the Holiday Packages space, sees since 2018 more vacation trips booked online and - after overcoming the offline channel - online booking is expected to still

in million trips



Even in pandemic years (2020 + 2021) The number of trips booked online exceeded the offline bookings, despite the overall lower level of travel

Source (2) VIR - Association of the German digital travel industry

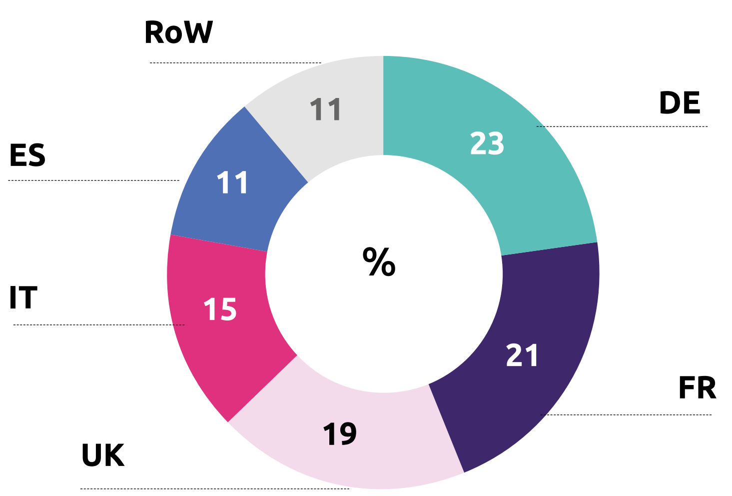
We are active across largest European travel markets with well-known consumer brands

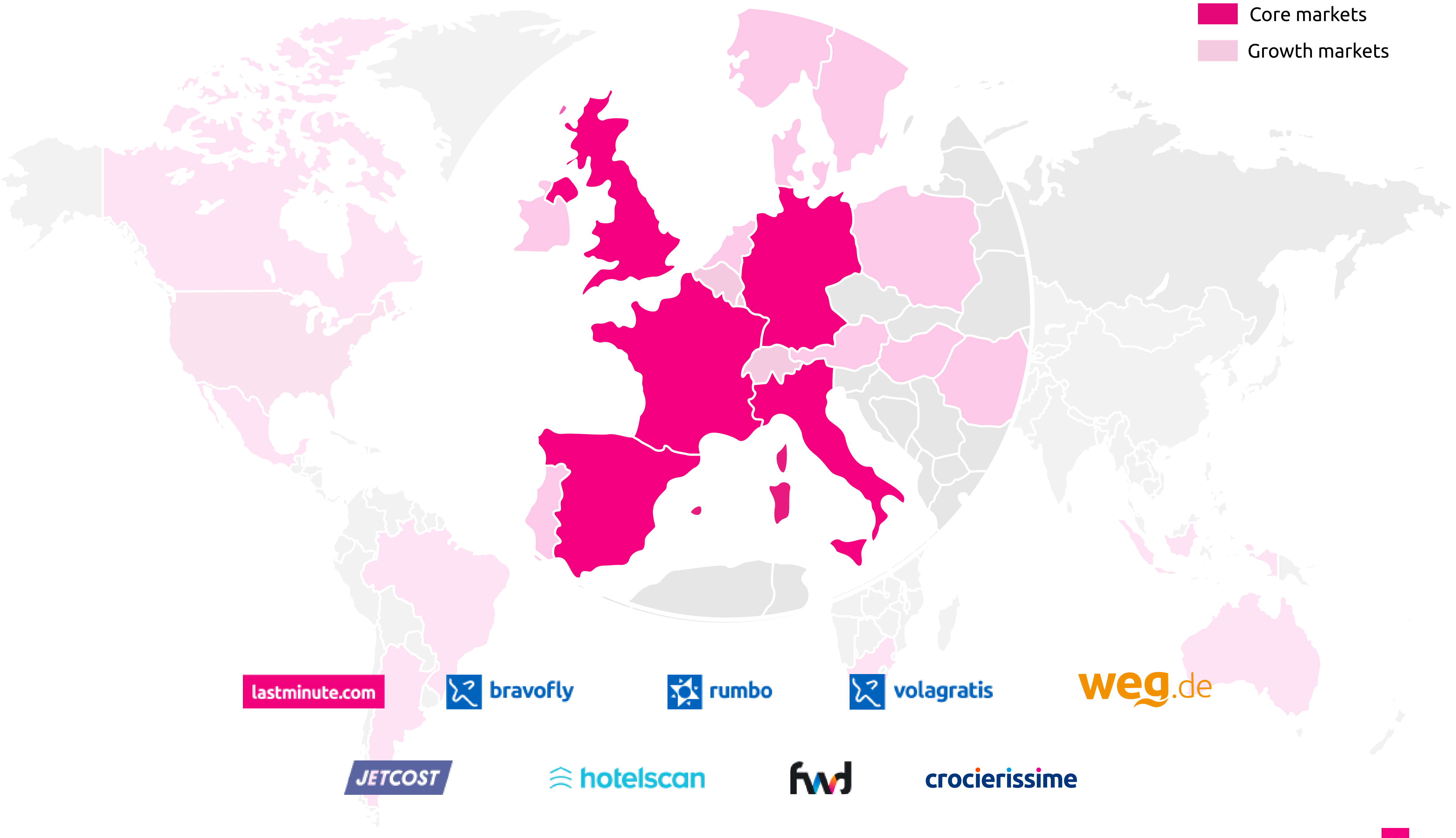
Our multi-brand multi-international strategy gives us coverage across Europe's main countries, which makes us stand out. We're fully licensed and bonded to sell holiday packages with proper customer protection in the five main EU countries, and in nine other markets.

We intend to continue to expand our geographic diversification in Europe and beyond. For example, our joint venture, lastmininute.co.il, with Israeli travel giant, Issta Lines Group, will be used to further assert our Middle Eastern ambitions. We became the first international OTA to offer a website in Hebrew and support customers in the local language.

Our international footprint saw Germany become the biggest revenue earner in 2021, closely followed by France, for the first time. While the UK has traditionally been the largest revenue market due to the impact of more severe government restrictions on travel to and from the island, our model meant we could intercept holidaymakers in the countries that could travel more.

Top 5 markets



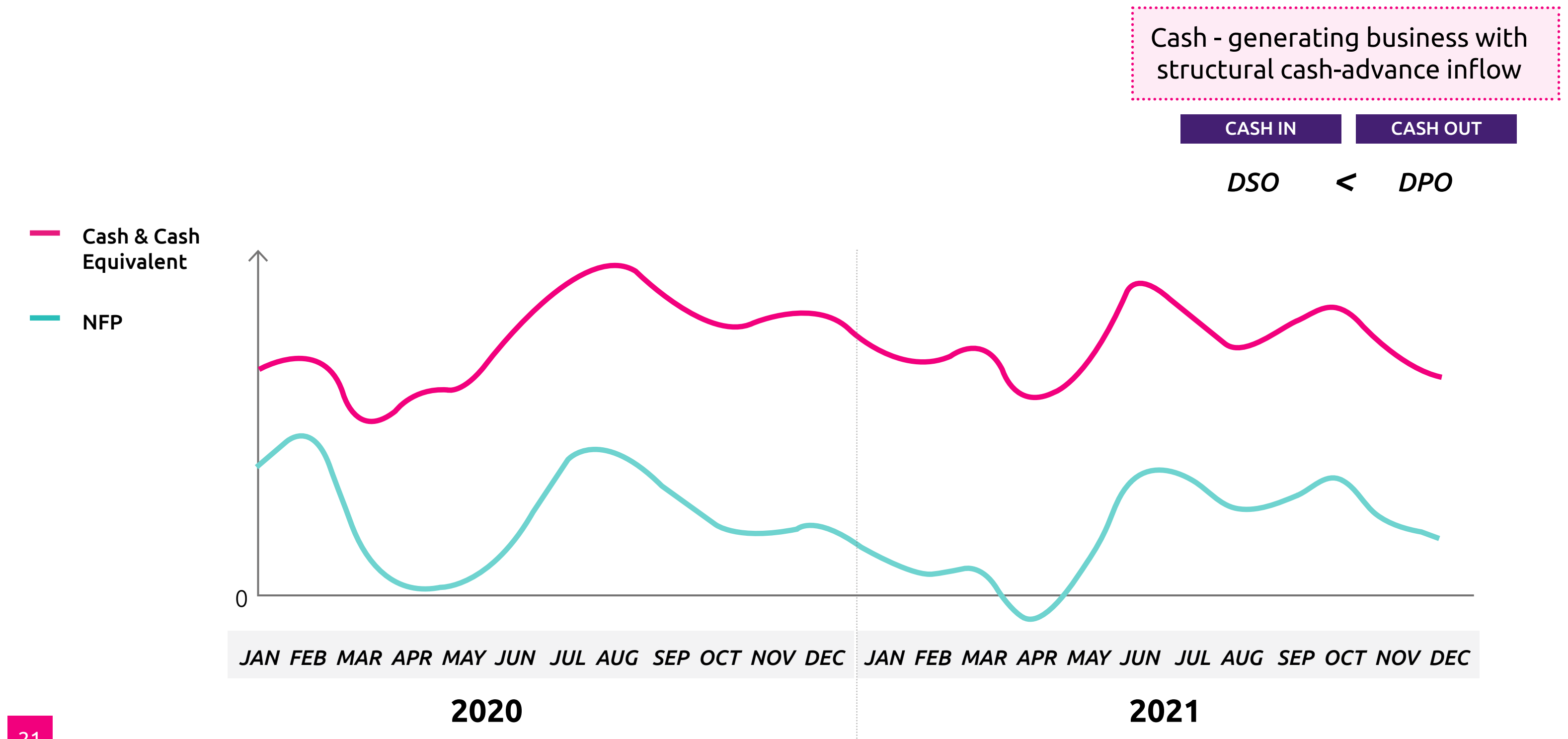


A cash generation business

As a business, we've historically had a healthy financial situation, and even following the two-year pandemic we've retained solid gross cash and are in a position to capture potential business opportunities and sustain growth with no constraints. We finished 2021 with €110M gross cash and a positive net cash position sufficient to not only support business requirements but to assess new potential investments.

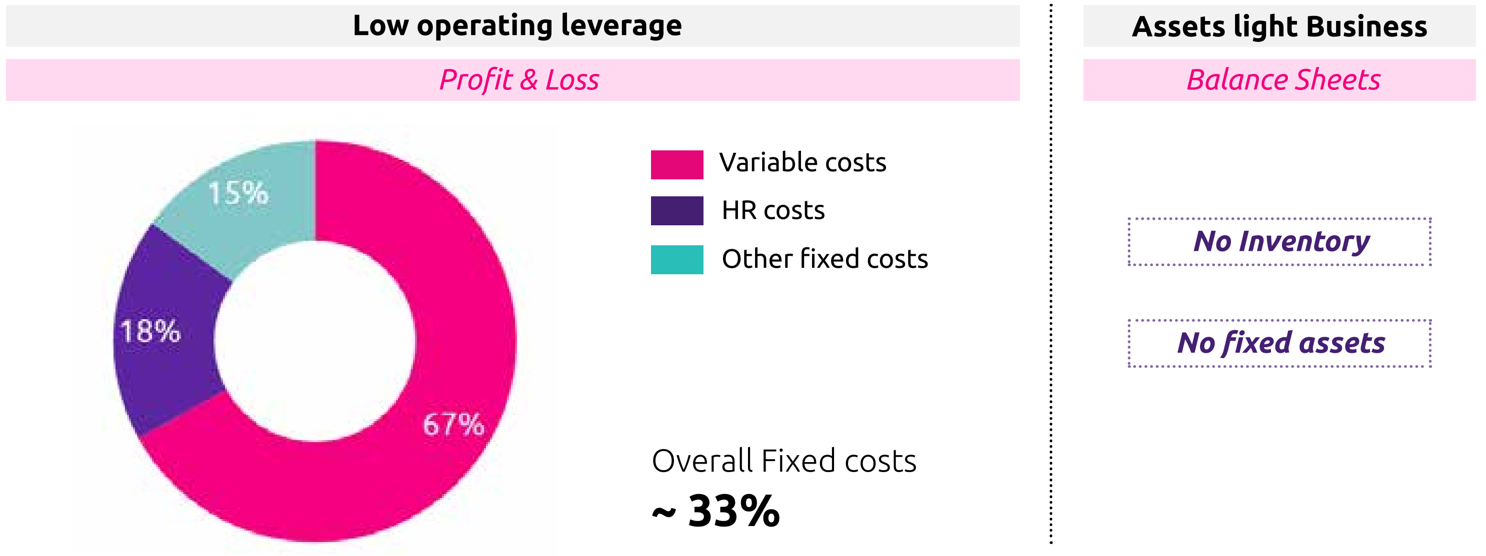
As a cash-generating business with structural cash-advance inflow, we never relied on credit facilities, even though we prudently drew some as a safety net at the start of COVID-19. We've already started to repay credit facilities and all our credit lines have comfortable repayment terms with no impact on business requirements.

It's important to note the cash-out effect from voucher usage is compensated by margins generated by upselling. Our operating model also allows us to structurally generate cash in advance when the business is growing.



A fast-moving flexible and adaptable model

Our Flexible Model



Analysis based on 2019 figures

One of the major benefits of a low operating leverage and assets light business is we can react quickly, whether that's promptly protecting the business in downturns or swiftly taking advantage of upturns.

Unlike more traditional tour operators, we don't own resorts, aircraft or hotels and we don't do pre-allotment, so there is no risk of unused inventory.

Our technology advantage really comes into play here, as it allows real-time connections with the right suppliers for the circumstances. Our "travel brochure" isn't printed and unchanged for the year, it's a living, breathing source of millions of combinations and options.

Designing the future of travel with technology

Founder and CEO letter lastminute.com

Dear fellow shareholders,

After another challenging year, I wanted to say thank you to all of those who have been part of the lastminute.com 2021 journey. Thanks to our colleagues, for maintaining excellence in difficult circumstances; to our business partners, for rising to the challenges of the moment; and to our customers for being part of our business family.

To quickly adapt to changes, to cope with disruptions, to capture new opportunities – this has been part of life since our foundation, yet it feels like the world is spinning even faster in these unprecedented times.

That uncertainty is tough for everybody but specifically for traditional tour operators, whose ownership of resorts and fleets are a heavy model in the present market. For us, the game is different as we assemble products virtually, flexibly and in real time. In fact, if lastminute.com didn't exist, with our asset-light business model, we'd be looking to invent it now.

Our vision is to **'design the future of travel & tourism using digital technology as an enabler'**. Our technology simplifies the life of modern travellers, gives more options, and provides support in all phases of the travel journey.

Our machine is like a carbon race bike: high-tech, fully calibrated frame, and every screw tightly fastened. But even with the best bike, you need a team of racers with complementary strengths, which can cope with every terrain, and sometimes in heavy rain. You also need an agile service team poised to fix issues as you race. We have both.

lastminute.com was born to race. We've taken advantage of the 'pause' forced by the pandemic to strengthen, with the aim of staying closer to our customers and improving their experiences. We're ready to head the 'peloton' which has become smaller and elongated in the aftermath of two tough years for the travel industry.

You've probably heard me speak about 'entrepreneurial spirit'. It's because this attitude and approach sits in the very core of lastminute.com's DNA. It means being open minded and curious. It means the eagerness to do better and the courage and the stamina to overcome the difficulties inherent in doing business. It's this spirit which continues to attract the next generation of talent to help capture emerging trends in the TravelTech industry.

I am proud that major shareholders joined us last year and are supporting the further development and evolution of the Company. This trust is why the Board of Directors decided to resume the share buyback program approved at the last Annual General Meeting. We are walking the talk.

As new investors entered, my long-time partner and co-founder Marco Corradino decided to pursue new ventures. I'm grateful for his previous commitment, for his passion and entrepreneurial spirit, and wish him all the luck on his future endeavours.

Last year, we also had to cope with sad news when our former Chairman Ottonel Popesco passed away unexpectedly. We remember Ottonel as a trustworthy professional with a legacy of great service and a valued friend.

Talking of sad news, as we are writing these lines our hearts and minds are with the people in Ukraine. From a business point of view our exposure to Russia and Ukraine is miniscule and we expect the war to have limited impact on the European travel sector, and on our business respectively. From a people point of view however our main priority was to support our eight employees in Ukraine, and their families, and get them to safety. As a company, we are against any war and want to show solidarity for all victims of conflict, including the Russian people who are in protest.

What's next? We've plenty of reasons to be confident. We've proven our ability to adapt and succeed over and over. We're already seen recovery in the leisure market macro trends, like the accelerated shift to online from the traditional offline field represents a strong tailwind. Travel is inspirational, it makes people free, more conscious about what is there around them and lastminute.com is meeting this demand.

The world is radically changing but we're prepared to embrace the future. We are thankful you're joining us on this journey.

Fabio Cannavale
Founder & CEO lastminute.com

Board of Directors

Executive directors

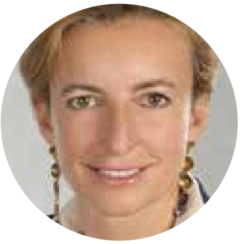
Fabio Cannavale
lastminute.com founder & CEO*

Andrea Bertoli
lastminute.com CEO & COO*

Non-Executive directors

Laurent Foata
Chairman

Roberto Italia



Paola Garzoni

Massimo Pedrazzini

Javier Perez Tenneza

(*) Fabio Cannavale and Andrea Bertoli have been appointed by AGM as CEO and COO respectively.
The titles of Founder for Fabio Cannavale and CEO for Andrea Bertoli are honorary titles added for representative reasons.

Renewal of Board of Directors composition

At the Company's Annual General Meeting of Shareholders held on June 22nd, 2021 (the "AGM"), the Company proposed to appoint the members of its Board of Directors.

Following Mr Marco Corradino's decision to not stand for re-election as lastminute.com COO & CEO and to step down from the role of Executive Director of lm holding, the AGM appointed **Mr Andrea Bertoli** - former Managing Director of the OTA Business Unit in lastminute.com - as new Executive Director, together with **Mr Fabio Cannavale** who has been confirmed for his role of founder and CEO of lastminute.com.

As regards the non-executive directors of lastminute.com, the AGM resolved the confirmation of Mr Laurent Foata and Mr Roberto Italia and, at the same time, appointed three new additional independent non-executive directors, being:

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

Mr Massimo Pedrazzini, Chairman of the Board of Directors of Sterling Active Fund, the new investor entered into the capital of Freesailors Cooperatied U.A.

Mr Javier Perez Tenneza, founder and former Chairman and CEO of eDreams ODIGEO.

In addition to the above, **Mr Laurent Foata** has been appointed Chairman of the board of directors of the Company.

Following their appointments and confirmations starting from the AGM resolutions in June 2022, these directors have brought their additional expertise to complement the existing Board of Directors' competencies.

Together the Board of Directors has combined their insights to work on the definition and execution of the Company's growth plans.

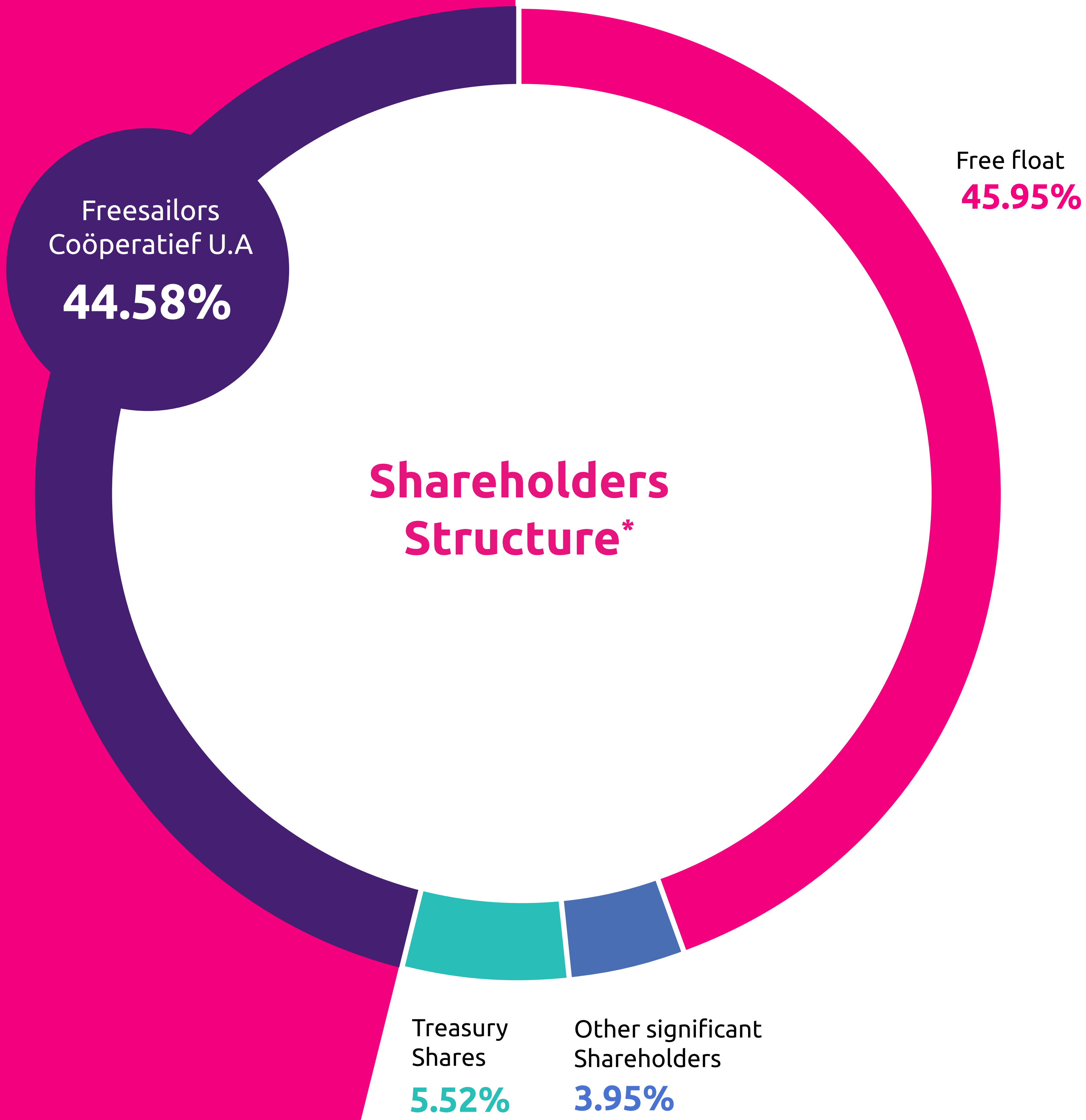
A cohesive shareholders structure committed around a new growth phase

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

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

Freesailors still holds 44.58% of lastminute.com. Certain Freesailors' investors own, out of the Shareholders Agreement, an additional 5.99% of lastminute.com's
shares, among which lastminute.com owns 5.52% as treasury shares.

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



Total number of **lastminute.com issued share**
11,664,219

(*) Shareholders structure as of 31 December 2021

Company Structure

lastminute.com is organised around three main business units, Online Travel Agency (OTA), META and Media (Forward).

The Company has been listed on SIX Swiss Exchange since 2014 and led by Fabio Cannavale, Founder and CEO and Andrea Bertoli as CEO & COO who were appointed by AGM as CEO and COO respectively.*

The Company continues to scout interesting development opportunities in the wide arena of travel innovation, usually through minority investments or joint ventures.

Our current minority investments are Urbi, Destination Italia and Instago. In terms of Destination Italia management became the majority shareholder in February 2021 and then the company did an IPO in Italy in September 2021.

Our current joint venture is STARNEXT LTD in Israel.

(*) The titles of Founder for Fabio Cannavale and CEO for Andrea Bertoli are honorary titles added for representative reasons'

WHO WE ARE

Our vision is to design the future of travel & tourism using digital technology as an enabler.

Our vision is to design the future of travel & tourism using digital technology as an enabler.

We are continuously investing in talented people who believe in this vision and our three values:

The delivery of our strategic priorities via our values are intrinsically linked to our vision and ensure our digital offering is closer to the needs of the customers.

We believe our Vision and Values fit perfectly with the constantly evolving environment and priorities of today's traveller and is what keeps us at the cutting edge of technology evolution.

And our company name, lastminute.com, always an advantage, is even more key in capturing the new rising demand of travel in a “last minute context”.

In fact, if lastminute.com didn’t exist, we’d be looking to invent it now

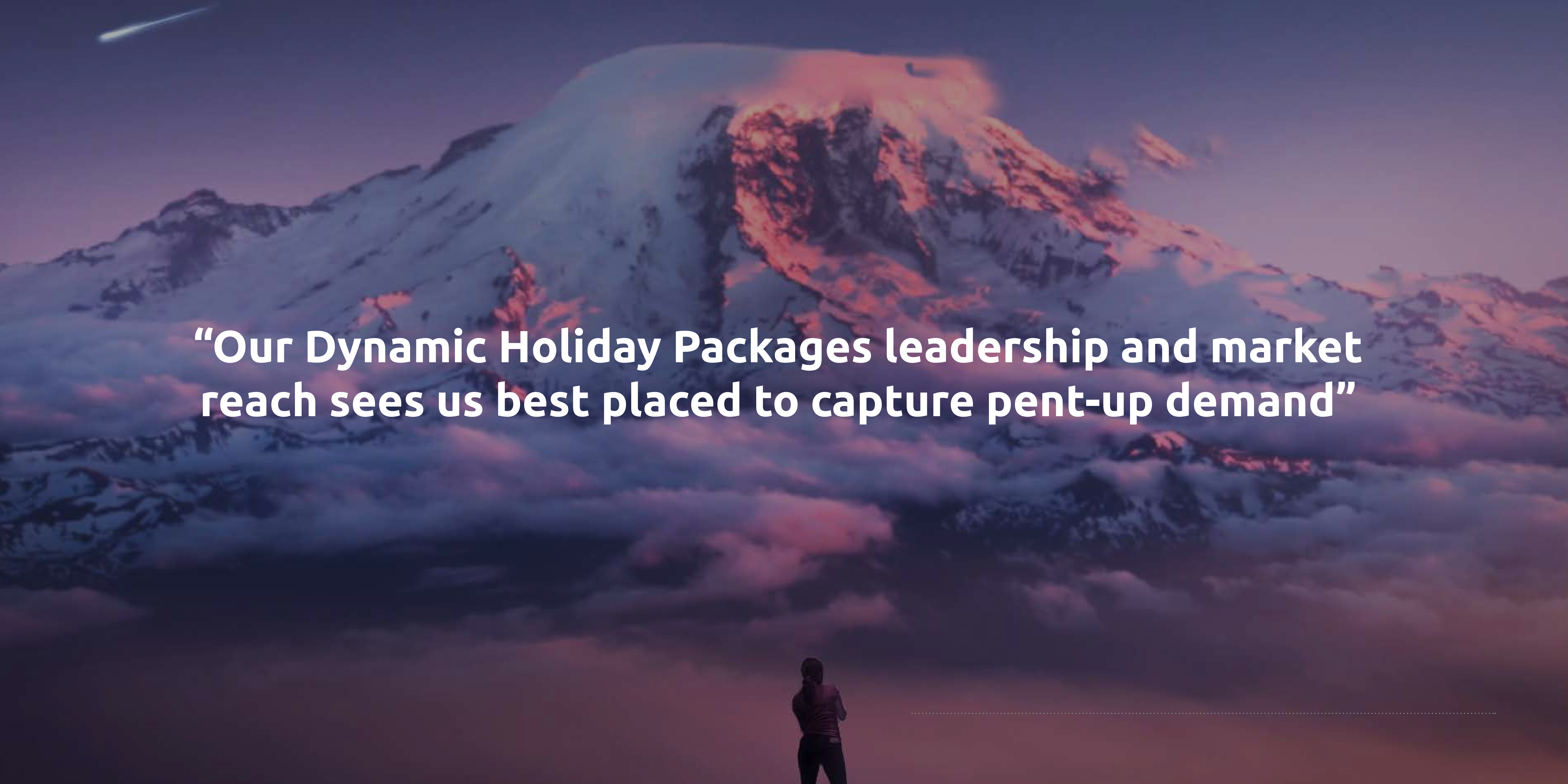
As the European Travel-Tech Company leader in the dynamic holiday packages business, we are **uniquely positioned to drive innovation-led growth.**

Our long-standing expertise in Travel Tech means we have our finger on the travel pulse - we know where people want to go, when they want to go and how they want to get there - and anticipate trends in real-time.

Entrepreneurship is in our DNA and we work in a meritocracy, where we encourage innovation. This founder-led entrepreneurial spirit encourages a curious approach and a willingness to continuously improve and adapt our business.

And we’re changing the way we work to **attract the next generation of Travel-Tech talent as well as retaining the talent we have.**

By instilling our company mission, vision and values at every opportunity we create a real sense of belonging amongst our people, which then translates into the work we do to bring our customers closer than ever before.



"Our Dynamic Holiday Packages leadership and market reach sees us best placed to capture pent-up demand"

lastminute.com CEO & COO's letter

"Our Dynamic Holiday Packages leadership and market reach sees us best placed to capture pent-up demand"

During the last two years the travel industry (actually the whole society) had to face unprecedented challenges due to the Covid pandemic. Our group managed these challenges with its own resources and is now ready to fully exploit the upcoming market recovery, driven by pent-up demand.

Despite Omicron and the war in Ukraine, the start of the year is positive and our balance sheet is very healthy. The momentum is strong and we are best positioned to capture the 2022 recovery.

How will we do that?

Firstly, we will leverage our unique and distinctive Dynamic Holiday Packages technology.
Our technology offers a virtually unlimited inventory and gives travellers access to millions of possible combinations of travel solutions in real-time. It's a technology that brings value both to our suppliers - because they can manage in real-time their inventory and yield via an opaque channel – and to our customers – because they can have access to a virtually unlimited and very flexible offering Thus is often cheaper than booking the individual services separately, with additionally the convenience of a single point of contact and safety of a financial guarantee against involuntary cancellations.

We will also benefit from the fact that we compete in the online leisure travel segment, which is expected to recover from the pandemic faster than the overall travel industry. Covid lockdowns also had the effect of accelerating digitalization in an unprecedented way. Asa purely online player we've seen the online share of the total travel spend consistently increasing across all our European markets. In this online leisure segment, we are addressing a huge, fast-growing and fragmented demand.

We'll further exploit our well-balanced international footprint and keep on leveraging diversification across geographies. Germany, France, UK, Italy and Spain now generate the biggest portion of our revenues and the biggest market (Germany) represents less than a quarter of the total. We will strengthen our position in these core countries and tap into new markets, both directly and with joint ventures with local partners,like the one we launched last year in Israel with ISSTA. This geographical diversification will help us – as it did in the past - in maintaining our overall profitability and growth in case of issues affecting the market demand in specific areas.

Diversification also plays with products and distribution channels. While sales to travellers through our direct channels (B2C) are the backbone for our business, we are also successful in so-called white label agreements (B2B2C) for relevant players in the travel market such as, for example, Booking.com, Holidaypirates, MilleMiglia, The Palladium Hotel Group….. These partnerships provide compelling evidence that lastminute.com's Dynamic Holiday Package technology platform is best-in-class. Going forward, we intend to grow both our B2B2C and B2C business.

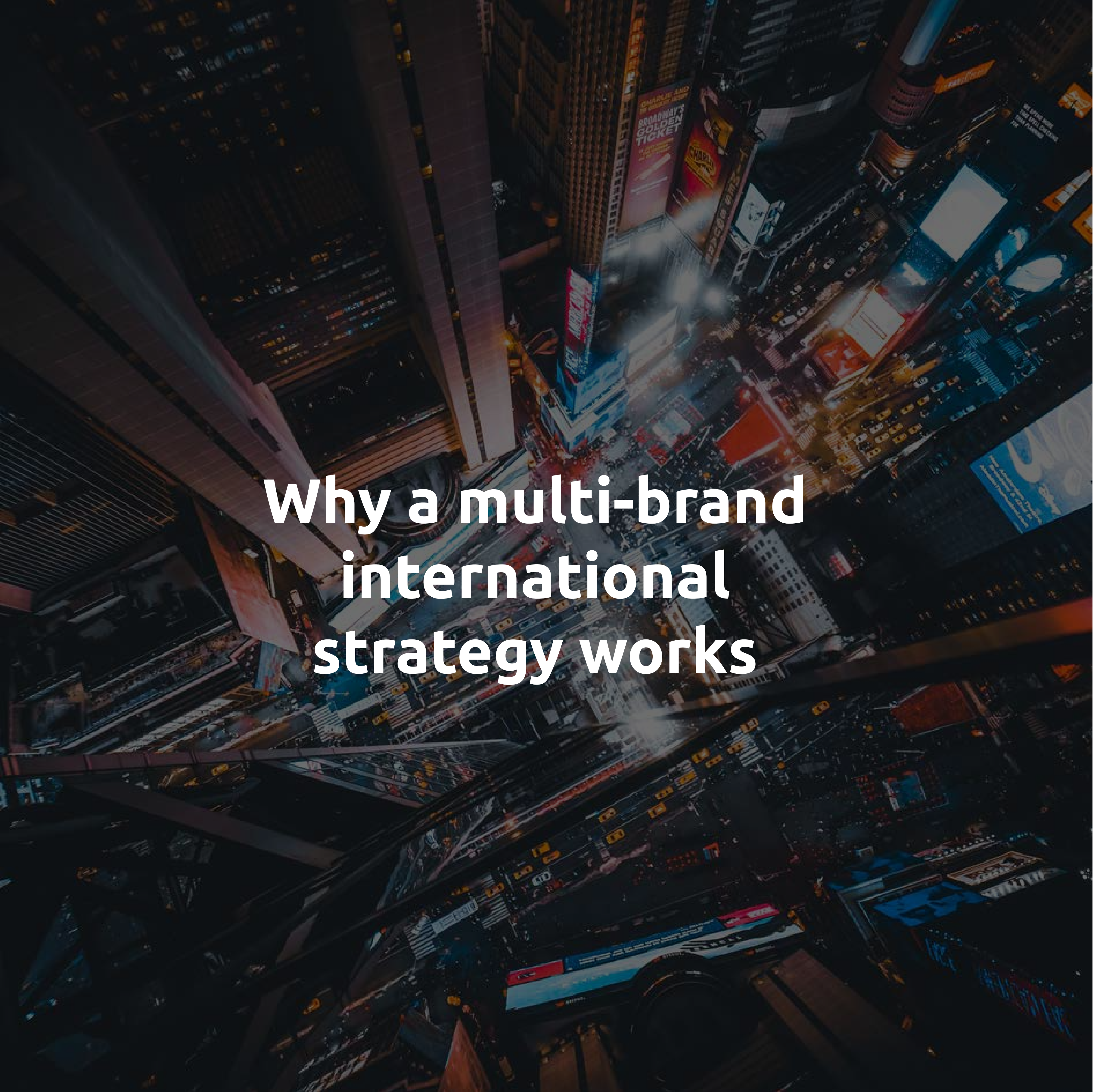
lastminute.com runs a profitable, cash generating business with a strong balance sheet. We ended a challenging 2021 with a solid net cash position, thanks to cash generation from operations that offset outflows coming from refunds to customers and vouchers redeemed. In terms of cash, it is important to note that we profit from a structural cash-advance inflow, which will further strengthen our cash position when the market recovers. These healthy financials will enable us to boost the development of our technology and exploit opportunities as the consolidation of the travel market continues.

Last but not least, we work with a low operating leverage and run an assets light business with low fix to variable cost ratio, no direct ownership or lease contract for hotels and planes, no pre-allotment and risks of unsold inventory. In normal times, 2/3 of our costs are variable depending on sales volume, allowing for a quick adaptation of our cost base to changing market demand. This is very helpful in volatile markets, such as the one we have been used to in the last years, as we can promptly adapt our cost base in downturns and quickly capture all the opportunities of upturns.

We are facing geo-political uncertainties in eastern Europe and Covid might still impact demand in some regions of the World, but there are plenty of reasons to be confident we will have very good results in 2022. Pent-up demand should drive a strong market recovery and we are best positioned to break away from the peloton.

Andrea Bertoli
lastminute.com CEO & COO

OUR BRANDS



Why a multi-brand international strategy works

Established brands connecting with customers needs

We successfully evolved from a single-branded startup into a listed international group. Our digital, distinctive and diversified brand profile enables us to be among the top 3 European travel players. We fill multiple market positions to reach consumers' needs by offering unique features and purposes to target the right people in the right places.

Our "think global and activate local" strategy was particularly crucial during the pandemic, where having a leading brand in each of the major European markets meant we could switch on and off-brand focus depending on the travel rules at the time - mitigating risk.

It also means we have established brands, coupled with technological expertise, to capture the shift from offline to online in countries with higher digitalisation growth rates (Italy, Spain, France) and offer real value.

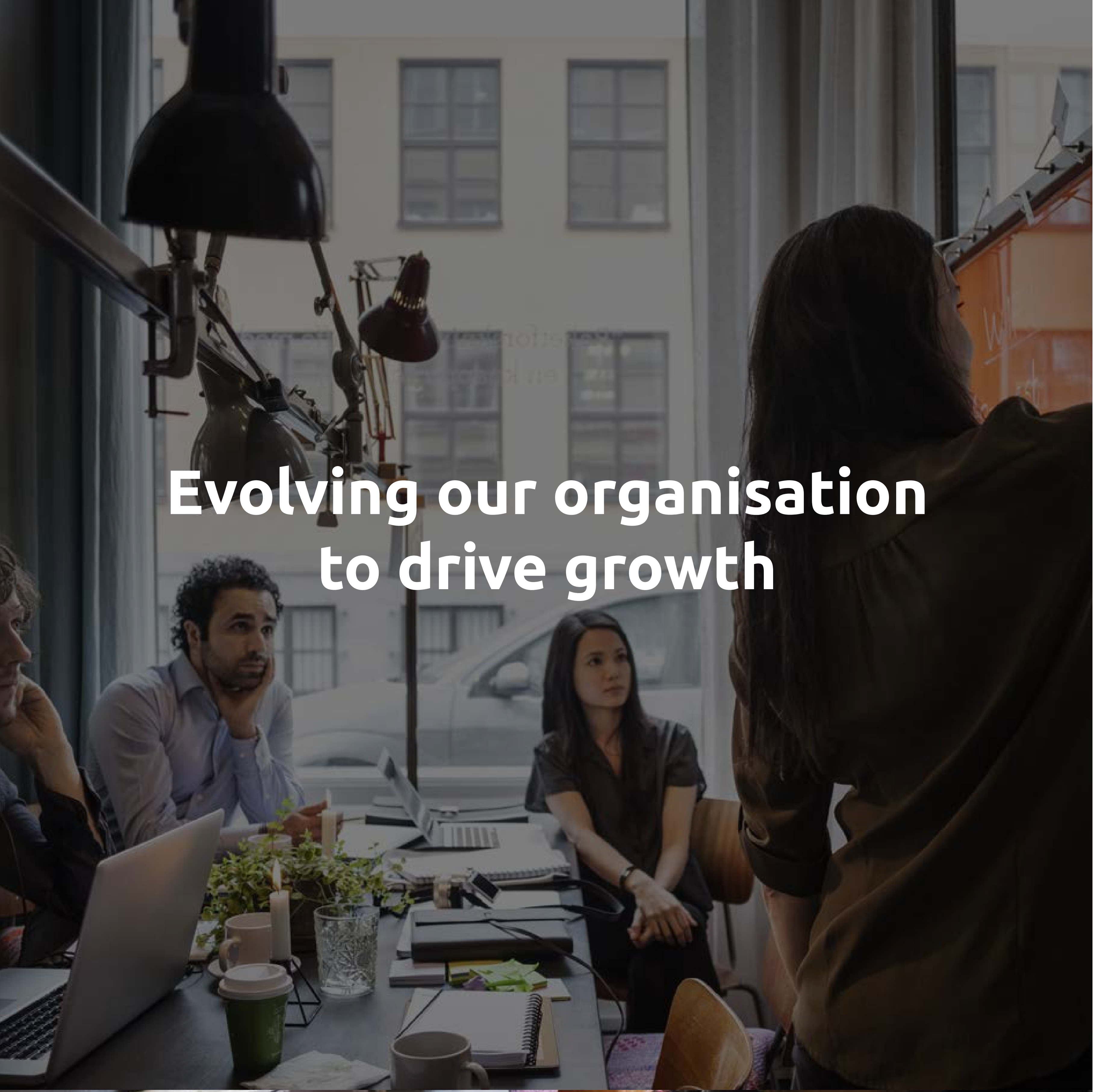
We can also connect external brands with the right audiences at a localised level through our international partnerships team. For example, we worked with the UK Government to give them- £20 discount vouchers linking the benefits of being vaccinated to travelling cross-border generating lots of positive PR and brand awareness in exchange.

Our growth has taken us from a product-centric flight-driven OTA to a diversified customer-centric holiday-driven Travel Tech player. And our brands will play a big part in our next evolution.

lastminute.com bravofly rumbo volagratis weg.de

JETCOST hotelscan fwd crocierissime

OUR PEOPLE



People are our true asset

Just like moving in a peloton, a group that's well-balanced is much more efficient and can maintain a faster pace than those who work alone could achieve.

Trust and communication are vital for this teamwork, so our culture of transparency works well to this effect in fostering a sense of belonging.

We have 1,140 employees, the majority hybrid and a few fully remote-working, spread across our offices and worldwide, developing our own products and services to power the entire traveller journey for millions of people

Our 'pink peloton' travels together as an integrated and non-siloed unit - with each person tasked with playing their part to help us focus on our priorities. We've created our most streamlined organisation. And it was needed in 2021, a year that combined some uphill struggles with some welcome tailwinds.

So in response to the current employment climate and employee feedback, we shifted the brand's working proposition to be fully flexible. For the first time the availability of 100% remote contracts (where legally possible and requested) that also offer moments to connect in person or work abroad if desired widened in scope.

Flexible hours also ties into our vision to give our people the chance to 'live for the holidays' and improve their work-life balance.

We've created a Smart (hybrid) working model to create a true business without borders. Now we can recruit and attract people from across the globe creating a truly diverse workforce.

We believe we've created a culture that will drive our peloton forward as the travel sector rebounds and sets us up for sustainable success.

Our commitment to embedding ESG

As a values-driven business, we want to confirm our long-term commitment to embedding Environmental, Social, and Governance (ESG) into everything we do and become a force for good in the Travel-Tech industry. As we move into 2022 we're turbo-boosting our efforts. Whilst some countries are further advanced than others, it remains a work in progress as we continue to develop and implement key group-wide initiatives. Next year we intend to publish our first voluntary Sustainability Report on 2022/23.

ENVIRONMENT

Sustainability is a key focus and we're looking to consolidate our position of commitment at a time when the market, consumers and also our employees are demanding prioritisation towards environmental targets.

As a digital-first, asset-light company our direct environmental impact is relatively small, but we operate in the travel industry and sell flights so the carbon footprint of our customers is relevant. We're working on several projects around raising awareness of the carbon footprint per booking with the aim to give customers different options and the chance to offset.

We've also measuring our operational impact internally. We've approached this country-by-country route looking at five key factors:

- energy used
- CO_2 emissions generated
- paper consumption
- water consumption
- and waste generated.

With the COVID-19 pandemic seeing the company working remotely for the majority of 2020 and 2021 we've focused on environmental risk assessments and initiatives, and put in place mechanisms to make these plans a reality in 2022. For instance, our office spaces have been downsized and we've replaced certain plastic office supplies with bamboo where possible and made recycling easier for our employees.

We're also working on a pledge to go paperless and have already implemented digital business cards and e-signatures wherever legally possible, such as using docu-sign for digital contracts. We're also building a company "handbook", a unique digital source of truth about how we run the company with the increased equality and independence of having an asynchronous documentation-first approach.

SOCIETY

Measures to facilitate the necessity of work-life balance

People are our greatest asset so we've invested resources in helping our employees achieve a great work-life balance. Having already established a smart working environment, we worked hard to humanise a hybrid-remote working concept.

Following the great success of our hybrid model, we established our first Remote Working Policy in 2021, and we are trialling a shorter-working week in 2022, with a reduction in hours from 40 to 36, where business appropriate. Our family-friendly flexible working hours policy (with core hours 10am to 4pm) gives people the chance to work in ways that better suit their lifestyles, as well as opening up opportunities to diversify our talent pool.

Health and Safety

Providing our people with a safe place to work, both in the office and virtually, became more important than ever. We've always committed to a working environment where all activities are carried out in a safe manner and where all relevant measures are taken to eliminate or reduce the risks that people within the company may suffer.

Commitment to the team

Our comprehensive internal communication programme has been designed with the aim to integrate and create a sense of belonging amongst our people by instilling our company mission, vision and values at every opportunity.

Our culture of sharing transparent, simple and clear information and fostering two-way communication at lastminute.com is best-in-class. We are now future-proofing our flexible smart working framework by redefining our work practices to be"digital-first" and beginning to nurture new behaviours as a priority.

The listening tools we have in place are crucial to understanding the employee experience. Our regular Pulse Check surveys are designed to measure whether employees are engaged and enthusiastic about the work they do, how each individual is coping in terms of wellbeing and mental health, as well as to find out their status in terms of opportunities, fairness, culture and belonging.

The #BeWell programme was added to our culture campaign and driven by employees who volunteered in organising and participating in a host of activities such as virtual meditation, crossfit and painting classes for kids. which contributed to us winning a remote working award for Workplace by Facebook (Meta).

Training

At lastminute.com we consider training and development to be a strategic factor, where the ability to optimise people's skills comes into play. The changing environment makes having a bespoke training management system a competitive advantage. All employees have access to training activities and events to ensure their professional growth and development.

We created new digital learning experiences in 2021 with ePLUS (Plug-in. Learn. Unlock. Share) Academy featuring all our professional and managerial courses (11,526 courses completed in 2,882 hours in 2021) accessed through Discovery, our new Learning Management System.

EQUALITY AND DIVERSITY

At the heart of our culture is a commitment to inclusion across race, gender, age, sexual orientation, religion, gender identity or expression and accessibility. We strongly believe we have created an equal opportunity space, which is welcoming and celebrates the uniqueness of everyone who works here. We want to make sure our people reflect the communities across the world we help travel and drive our in-house innovation.

In order to do this effectively, lastminute.com has developed and implemented numerous policies, measures and initiatives aimed solely and exclusively at fostering respect and tolerance within the work environment, as well as abolishing discrimination of any kind.

We are proud of our diverse workforce with 44 different nationalities represented in a company which was originally born in Italy, but now Italians make up only 50% of the company.

Our 2021 Women in Business HR data shows 47% of our employees are women. Currently, 15% of tech roles are filled by women, an area we are focusing on growing in 2022 with our new recruitment campaign. In terms of influence, 46% of employees in the leadership ranks, including senior leadership, are women. Leadership ranks are defined as one to two levels below CEO in staff functions (Finance, HR, Legal) and one to three levels below the CEO inline functions.

CORPORATE SOCIAL RESPONSIBILITY

We wanted to empower our caring employees to find innovative solutions to specific problems and get involved in opportunities that give back, so we've given our employees two days off for the purposes of volunteering. This can be either group-wide or local activities linked to strategic objectives around Responsible Travel and Diversity, Equity and Inclusion or projects in collaboration with the lastminute foundation.

The lastminute foundation was founded in May 2016 by Fabio Cannavale, and led by Managing Director Susanna Sguera, and has two main areas of focus which are 'Education' and 'Social Entrepreneurship'. We aim to launch our first project together in 2022.

GOVERNANCE

In parallel to the work outlined above, the Group has been working to introduce and implement new procedures and policies capable of boosting its system of governance, including areas within the ESG framework.

For further details on the governance of the company please refer to the corporate governance report

Special Report: Careers in Travel Tech

Coding your next adventure

Fuelled by the pandemic-accelerated online shift, the challenge to acquire the best tech talent in the world reached a fever pitch in 2020 and 2021. With the increased competition we decided to launch the biggest recruitment drive in our history - to Hire100 tech employees from developers to engineers. We analysed what tech talent wanted, both in-house and externally, to create a Digital Value Proposition and went about delivering a set-up that did just that. We leveraged our smart-working set-up and created a bespoke career ladder for our tech people. But we also needed to set ourselves apart from the competition.

What tech talent wants

- Flexibility on where to work — hybrid-remote work
- Flexibility on where to apply — full remote options
- Prospect of career development and growth opportunities
- Equity, inclusivity, diversity and belonging
- Wellbeing and mental health benefits
- They want complex problems to solve and a purpose and meaning to the work they produce - they want to see the fruits of their endeavours and have ownership of it.

Can you 'Crack the Code'?

We created an interactive campaign where prospective talent could solve a riddle on our website, share their details with us, and be in with a chance to win a holiday. The main aim of the campaign will be to generate a buzz and drive employer brand awareness to reach a wider pool of talent. Already we've had more than 10 news articles in the UK and Italy, alongside several interviews with Travel and HR trade press. We created targeted social advertising campaigns in countries such as Portugal and Poland to attract the best talent in untapped countries. lastminute.com's Chief Technology Officer, Corrado Casto, cites the fast-paced high-traffic environment at lastminute.com as a game-changer for developers looking to further their careers. He said: "Our agile tech teams solve complex problems and new challenges every day, and you can often see the changes you make have an impact within minutes."

The new generation of 'pink people' recruited will significantly increase the development team at the company, and join a brand that reaches 60 million consumers via digital platforms worldwide every month.
Already we've created a digital hub in Bilbao, Spain at the end of 2021 with a five-strong team. This ongoing digital recruitment process, including data experts and software developers, is part of lastminute.com's Tech100 recruitment drive. And the Bizkaia centre will account for 20% of that influx by 2023.


lastminute.com
Gives you wheels
© A.S.O./Pauline Ballet

Bringing a touch of “pink” to global icons

Investment in sports and entertainment delivers unique value. When building brand fame and differentiation, sponsorships offer huge reach in a fragmented marketing landscape. It’s a way of capturing a wider demographic and increasing positive brand awareness in a combined analogue and digital space.

The pandemic saw sports events without audiences and entertainment venues with limited openings, so investing in these areas during a travel renaissance creates a unique emotional connection never seen before.

With our flagship sponsorships of the lastminute.com London Eye and Tour De France, we want to align our goal of helping holidaymakers get away and do the things they love the most - travelling. It’s bringing customers from across the world to experience one of London’s most famous landmarks and inspiring customers to explore more (whether that’s on a bike or not)

Both these strategic partnerships have the extensive potential for marketing activations, working with influencers and offering exclusive experiences to customers. Our brand becomes emotionalised by making memories and positive associations transferred to us, which builds fame with customers and consumers who we will put front and centre.

Tour De France

In March 2022 we were delighted to announce becoming the official travel partner of the biggest cycling showcase on earth,ithe iconic, Tour De France. This three-year deal is a perfect partnership between one of the most challenging sporting events in the world and the iconic lastminute.com brand. We also want to use our expertise to help fans get the most of their experience following the race, whether in France and Denmark, or watching from home and planning to visit later.

The lastminute.com London Eye

In February 2020, we celebrated a “landmark” moment for the group when we announced we’d become the headline sponsor of the lastminute.com London Eye. It was a proud moment for us as London is where it all began for lastminute.com - and now 20 years later, these two iconic London brands are finally together. Being able to offer our customers a lastminute.com London Eye experience along with their holiday bookings has been an amazing opportunity and cemented our reputation for offering more than anyone in the dynamic holiday package space


The shift from offline to online in our industry is here to stay
and our capability to gain share in the holiday segment is key.

lastminute.com CFO’s letter

2021 has been another rollercoaster year.

It began with the winter restrictions across all our key markets, then from May onwards we had a strong demand recovery with a late Summer lasting up until the end of October. Then the year ended with the Omicron variant emerging, which affected November and December trading before we started to see the green shoots of recovery again after Christmas and into the New Year.

Overall, 2021 was much stronger than 2020 across all our key economic and financial Key Performance Indicators (KPIs).

At the end of the year, gross cash stood at €109.7 million with net cash being above €29 million. In 2021 the cash position was solid which meant we could already start repaying €18 million refinancing which demonstrates the strong resilience of our business model. As does the fact that we’ve been able to pass through the Covid-19 period with no need of capital increases and no bailouts. This is despite having managed over one million cancellations since the start of the pandemic and refunding over €500 million to customers. Refunds were delivered both through cash payments and our ‘Everyone Loves Vouchers Campaign’, which has proven to be a tremendous success, generating upsell and incremental margins when customers rebook.

2021 Revenues and Gross Profit have been double vs 2020 excluding January and February pre-Covid-19.

During 2020 and 2021, lastminute.com improved the efficiency of the booking platform, progressively shifting the business mix towards Dynamic Holiday Packages and streamlining the cost structure, which as of year end 2021 is -44% vs pre-Covid-19 level (also including government subsidies received for the working hours reduction programs across the various markets where we operate).

EBITDA Adjusted, which gathers the results of OTA, Meta and Media business units prior to cancellations effects, returned to positive at year-end with €19mln vs -€3.4mln in 2020.
The “cancellations effect”, net of vouchers misredemption, have had an approximate impact of €15 million, therefore bringing the IFRS Ebitda to approximately breakeven vs -€42.2mln in 2020. We returned to profitability in the second half of 2021 to the tune of €8 million, therefore closing the year with a Net loss of €9.6 million at bottom line level (vs -€59.3mln in 2020).

Trading in 2022 has recovered very rapidly.

Particularly, in the last weeks, Revenues and Gross Profit reached an all-time high in the post COVID-19 era, achieving pre-pandemic levels for the Dynamic Holiday Packages Business.
We are profitable again after the short Omicron break, with gross cash increasing further vs year end 2021 boosted by the January and February business recovery.

The dramatic situation caused by the war in Ukraine is not having any meaningful impact on our current trading. For example, bookings to and from Ukraine, Russia and Belarus are approx 1% of the group's overall business, and we stopped selling flights, hotels only and holiday packages to and from these areas immediately after the beginning of the war.

We are not alone in hoping the conflict will end shortly without any further escalation, of which, if it happened it would be impossible to predict the impact on the business.

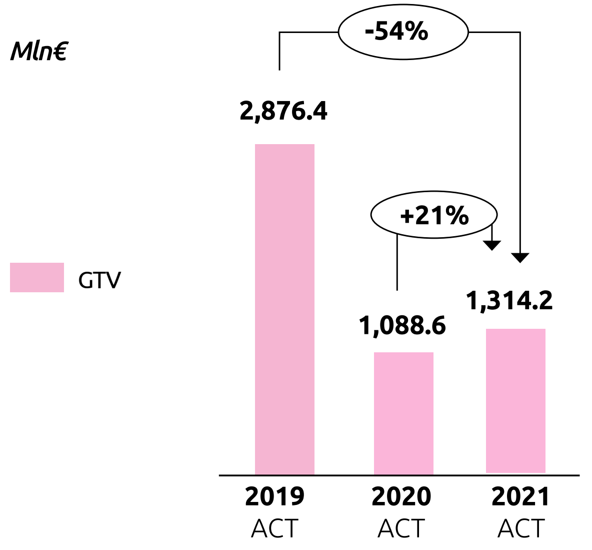
In conclusion the progressive trend from offline to online in the Travel Tech industry is going to accelerate more and more going forward, driven by the attitude to buy online boosted by the pandemic.

This shift gives us the confidence to look with great optimism at 2022 and beyond.

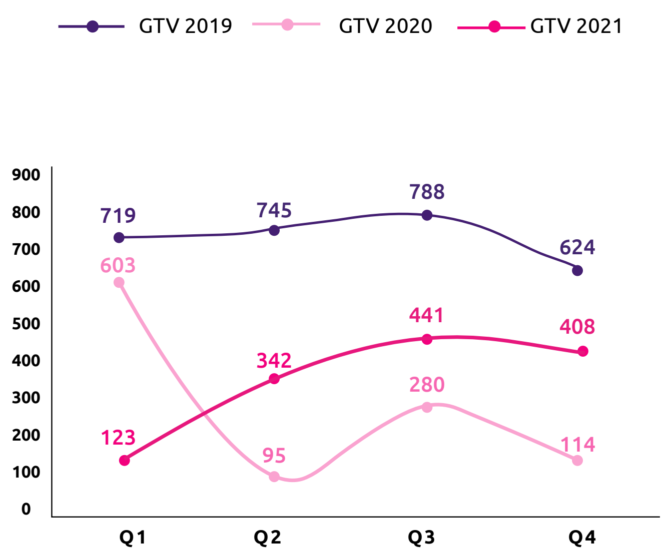
Sergio Signoretti
CFO

2021 Profit and Loss main KPIs

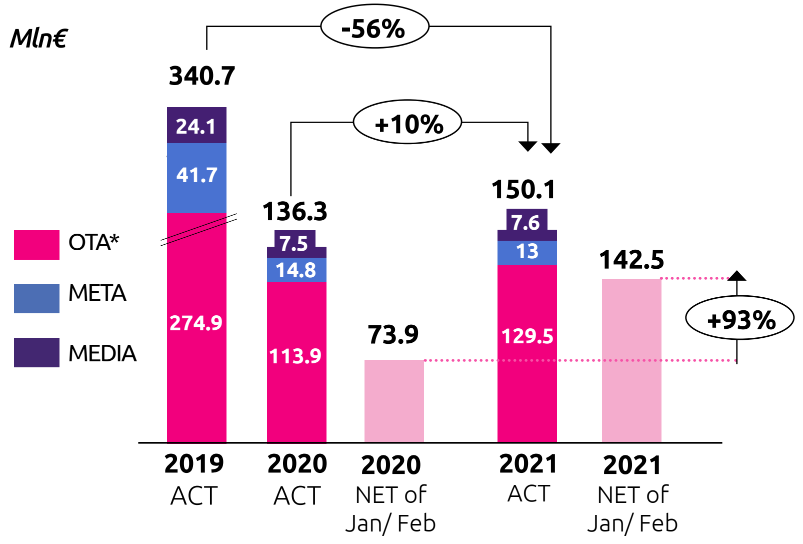
Gross Travel Value at 1.3 Bn€



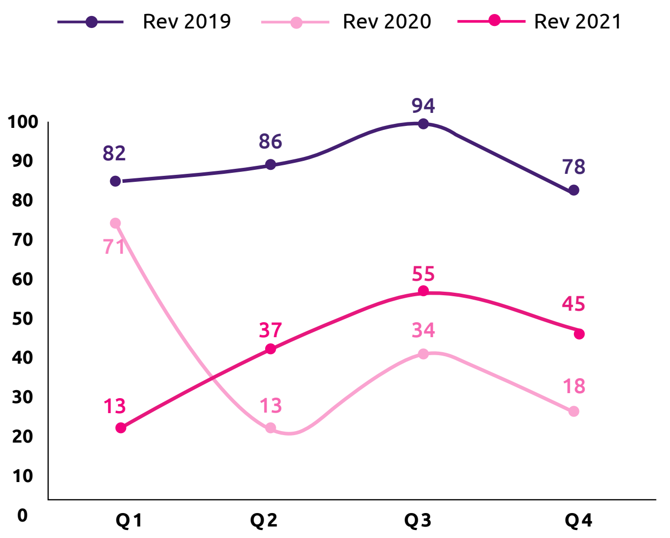
GTV trend per quarter



Revenues at 150 mln€, double vs. 2020 net of Jan-Feb, still -56% vs. 2019

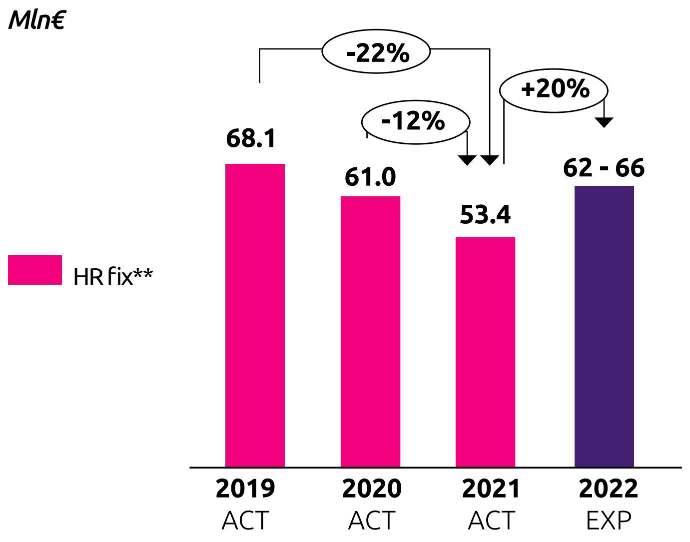


Revenues trend per quarter



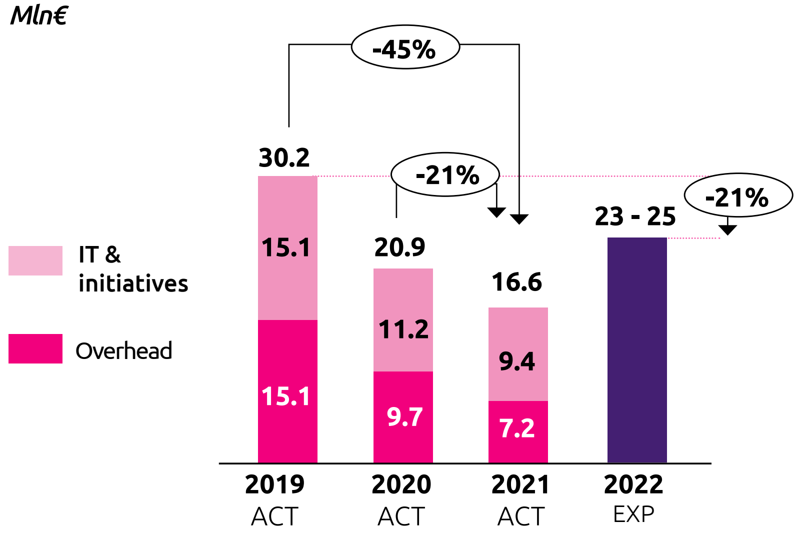
Gross HR Cost -12% vs. 2020 driven by lower headcount

Progressive recovery expected in 2022 driven by hiring plans for Technology talents



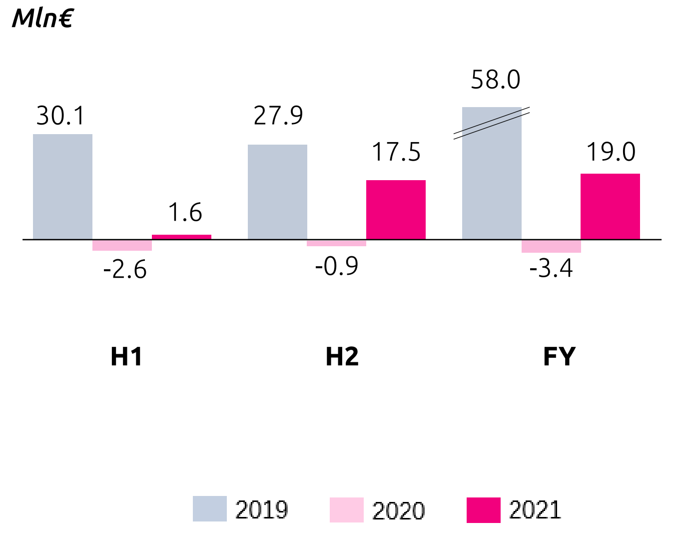
OPEX nearly halved vs. 2019

Expected saving of approx 20% vs. PreCovid level going forward thanks to cost reduction program



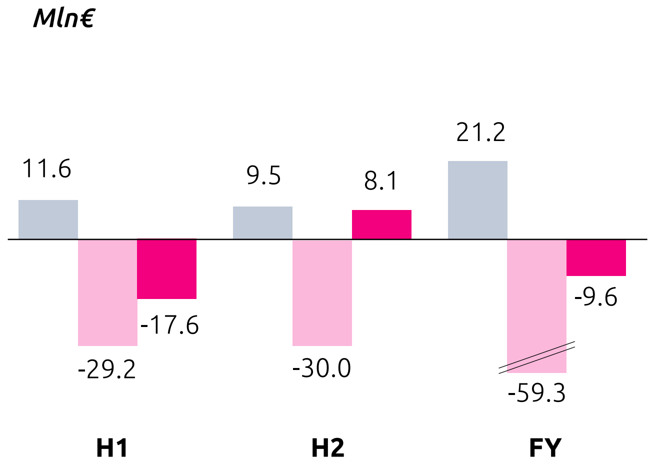
Adjusted EBITDA

19 mln€ Ebitda adjusted in 2021



Net Result

Back to Net Income in 2H



(*) OTA includes CRUISE related Revenues

(**) HR Fix costs gross of WHR mechanisms
Note: Figures include Cruise and Corporate costs

From GTV to Adjusted EBITDA

Both GTV and bookings have increased compared to last year:

	2020	2021	Delta
GTV (€M)	1,068	1,314	246
Bookings (thousands)	2,231	2,340	109
Average ticket value - GTV/Booking (€)	479	562	83

In 2021 the Group's income statement benefited by the release of vouchers with no cashback conversion that have expired and not used by the customers:

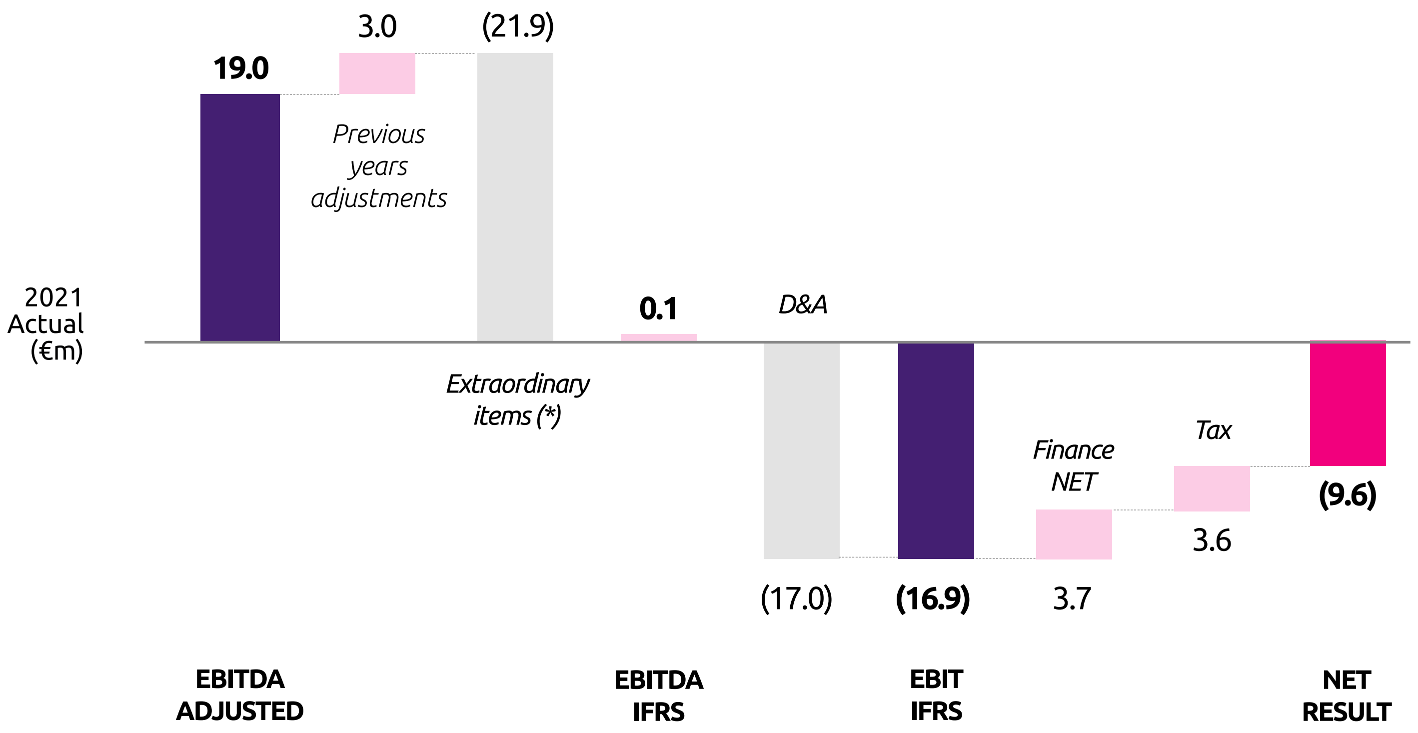
	2020	2021	Delta
Total Group Revenue	**104.6**	**142.6**	38.0
LM Venture	0.4	22.0	21.6
Non-recurring Business Revenue	31.2	(14.5)	(45.8)
Core Business Revenue	**136.3***	**150.1**	**13.8**

Ebitda Adjusted,which gathers the results of OTA, Meta and Media business units prior to cancellations effects, came back to be positive at year end with 19 mln€ vs -3.4 mln€ in 2020.

	2020	2021	Delta
Performance mktg	(48.6)	(51.2)	(2.7)
Brand mktg	(3.9)	(1.5)	2.4
Other costs	(55.7)	(78.3)	(22.6)
Adjusted EBITDA	**(3.4)***	**19.0**	**22.5**

(*) This includes €2.7M of managerial adjustment

From Adjusted EBITDA to Net Result

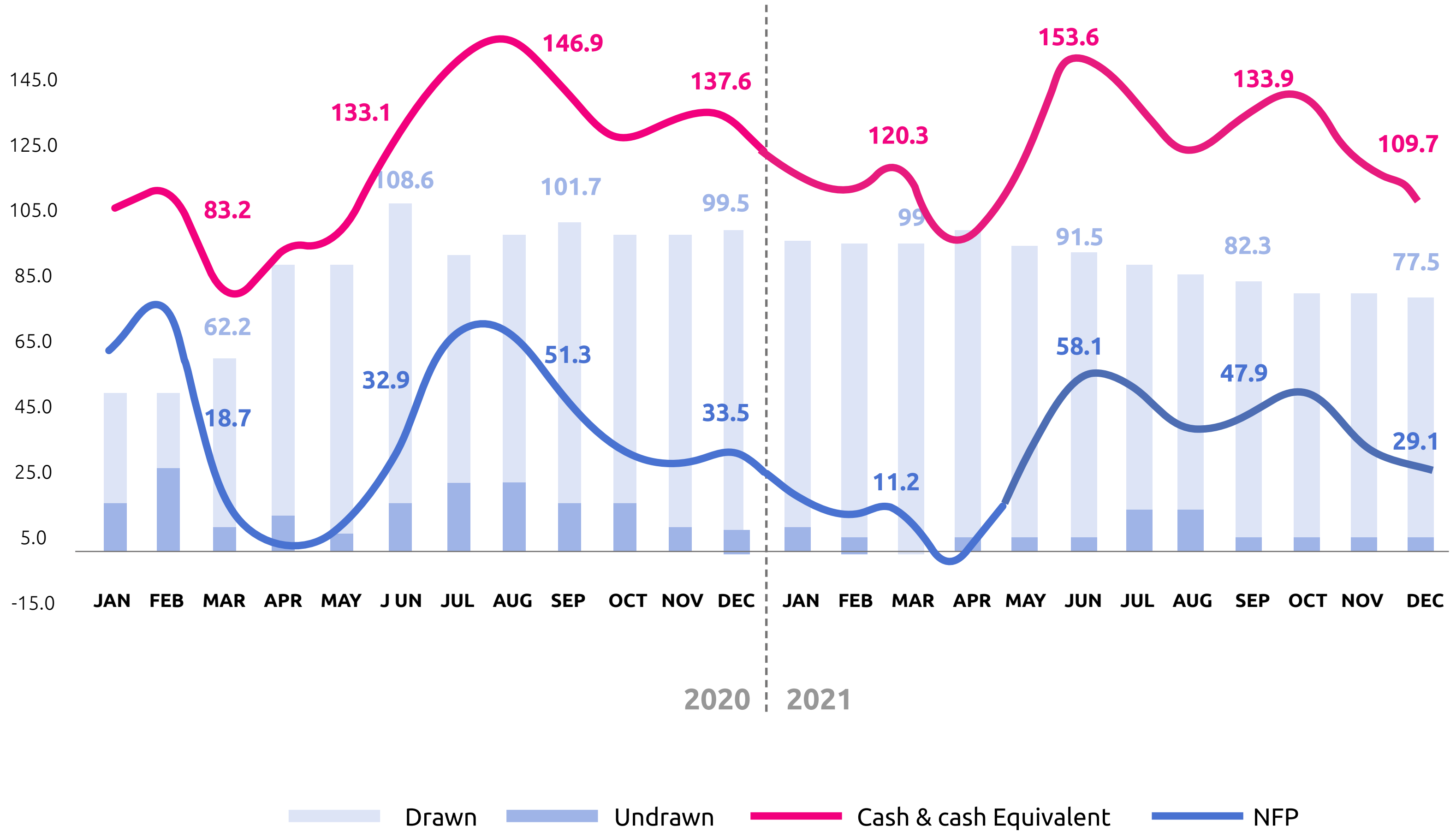


Results definitely improved compared loss FY of 2020, thanks to better performance of the business and lower cancellations effects

(*) Extraordinary items mainly related to C19 cancellations effects mostly related to 2020

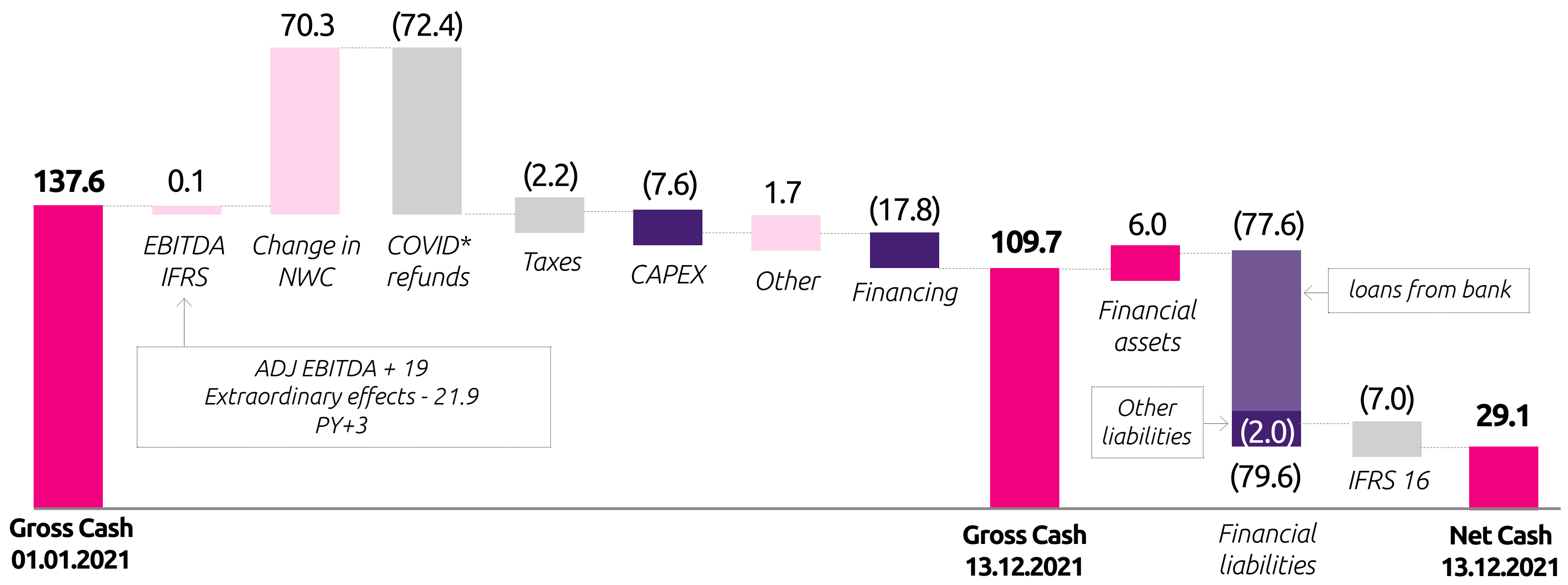
2021 Cash

At the end of the year, gross cash stood at €110 million with net cash being above €30 million, hence demonstrating strong resilience of the business model and robustness of our financial key indicators…



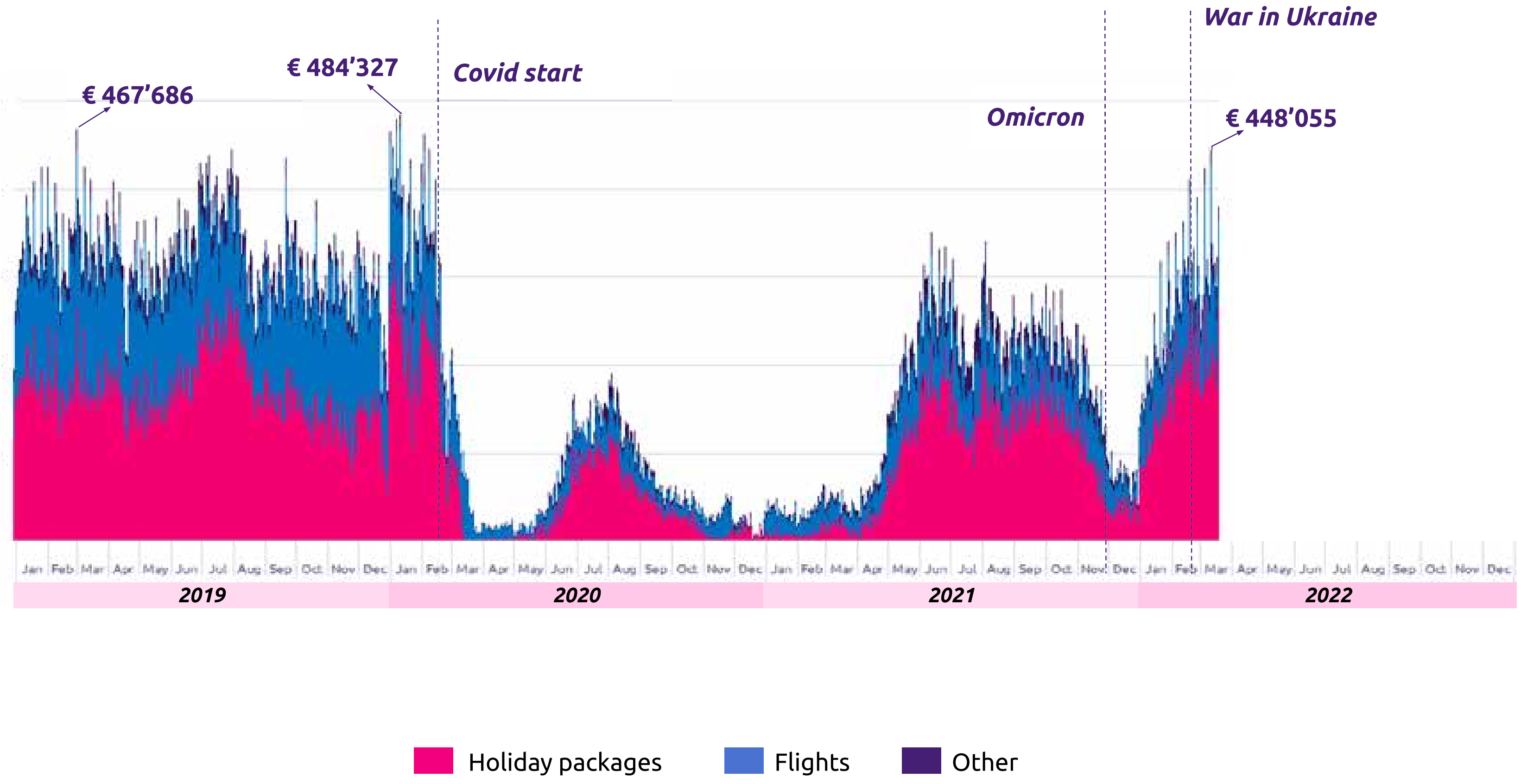
Cash bridge 2021 vs. 2020

70 mln€ cash generation from NWC in 2021 offset by 72 mln€ customer net refunds mostly related to vouchers utilization. 18mln€ Debt repayments in 2021



(*) Most of 30% expected to expire in 1H 2022

Our main products daily contribution margin trend confirms recovery trajectory despite latest sad events



Note: updated at 20th of March 2022

FINANCIAL statements

CONSOLIDATED FINANCIAL STATEMENTS

report 2021

Consolidated financial statements

31 December 2021

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR	Notes	2021	2020
Revenue	7a	142,607	104,641
Marketing Costs	8	(51,943)	(49,093)
Personnel Costs	9	(53,915)	(47,314)
Other income from expired refund vouchers	7b	21,991	424
Other Operating Costs	10	(58,648)	(53,582)
Amortisation and depreciation	17/18/19	(16,990)	(21,278)
Impairment	19	(53)	(133)
Operating Profit / (Loss)		**(16,951)**	**(66,334)**
Gains/(losses) from disposal of investments and other assets	11	(9)	(3,045)
Finance Income	12	6,147	2,623
Finance Costs	12	(2,319)	(1,737)
Share of result of equity-accounted investees	22	(83)	(93)
Profit / (Loss) before income tax		**(13,215)**	**(68,586)**
Income Tax	13	3,646	6,538
Profit / (Loss) for the period		**(9,569)**	**(62,048)**
- thereof attributable to the Shareholders of lastminute.com N.V.	14	(9,613)	(61,208)
- thereof attributable to non-controlling interest	26	44	(840)
OTHER COMPREHENSIVE INCOME **Items that will never be reclassified to profit or loss**			
Remeasurements of the Employee benefits liability	15	2,989	(697)
Related tax	13	(581)	148
Items that will never be reclassified to profit or loss		**2,407**	**(549)**
Items that are or may be reclassified to profit or loss Foreign currency translation differences	26	1,025	(633)
Items that are or may be reclassified to profit or loss		**1,025**	**(633)**
Total other comprehensive income for the period, net of tax		**3,433**	**(1,182)**
Total comprehensive income		**(6,136)**	**(63,230)**
- thereof attributable to the Shareholders of lastminute.com N.V.	26	(6,180)	(62,390)
- thereof attributable to non-controlling interest	26	44	(840)
EARNINGS PER SHARE			
Basic earnings per share (in Eur)	14	(0.87)	(5.56)
Diluted earnings per share (in Eur)	14	(0.87)	(5.56)

Consolidated Balance Sheet

in '000 EUR	Notes	31 Dec 2021	31 Dec 2020
NON CURRENT ASSETS			
Property plant and equipment	18	1,860	2,902
Right-of-use Assets	17	6,225	11,293
Intangible assets	19	147,722	152,228
Goodwill	19/20	60,422	60,412
Non-current financial assets	21	11,944	1,336
Investment in equity accounted investees	22	891	872
Deferred tax asset	13	18,541	14,000
TOTAL NON CURRENT ASSETS		**247,605**	**243,043**
CURRENT ASSETS			
Current financial assets	21	5,666	2,299
Current tax assets	13	1,110	1,221
Trade and other receivables	23	39,070	51,722
Contract assets	24	4,018	2,138
Cash and cash equivalents	25	109,664	137,618
TOTAL CURRENT ASSETS		**159,528**	**194,999**
TOTAL ASSETS		**407,133**	**438,041**
SHARE CAPITAL AND RESERVES			
Share capital	26	117	117
Capital reserves	26	76,409	101,819
Currency translation reserve	26	2,396	1,371
Treasury share reserve	26	(9,062)	(9,108)
Retained earnings / (losses)	26	(7,354)	(25,409)
TOTAL EQUITY of THE GROUP		**62,507**	**68,790**
Non-controlling interest	26	554	292
TOTAL EQUITY		**63,061**	**69,082**
NON CURRENT LIABILITIES			
Long term employee benefits liability	15/16	9,795	8,917
Long Term Financial Liabilities	28	26,125	28,721
Long Term Lease Liabilities	17	4,274	6,767
Deferred tax liabilities	13	28,853	28,266
TOTAL NON CURRENT LIABILITIES		**69,047**	**72,671**

in '000 EUR	Notes	2021	2020
CURRENT LIABILITIES			
Short term employee benefits liability	15/16	9,821	-
Current provisions	27	3,255	3,856
Short Term Financial Liabilities	28	53,483	67,236
Short Term Lease Liabilities	17	2,681	4,980
Current tax liabilities	13	4,229	5,757
Trade and other payables	29	200,622	213,908
Contract liabilities	24	934	550
TOTAL CURRENT LIABILITIES		**275,025**	**296,288**
TOTAL LIABILITIES		**344,072**	**368,959**
TOTAL LIABILITIES AND EQUITY		**407,133**	**438,041**

Consolidated statement of changes in equity

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2021		**117**	**101,819**	**1,371**	**(9,108)**	**(25,409)**	**68,790**	**292**	**69,082**
Result for the period		**-**	**-**	**-**	**-**	**(9,613)**	**(9,613)**	**44**	**(9,569)**
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	2,407	2,407	-	2,407
- Foreign currency translation differences	26	-	-	1,025	-	-	1,025	-	1,025
Total other comprehensive income net of tax		**-**	**-**	**1,025**	**-**	**2,407**	**3,433**	**-**	**3,433**
Total comprehensive income net of tax		**-**	**-**	**1,025**	**-**	**(7,206)**	**(6,180)**	**44**	**(6,136)**
Transactions with shareholders									
- Allocation of result	26	-	(25,409)	-	-	25,409	-	-	-
- Sale of treasury shares	26	-	-	-	46	82	128	-	128
- Transactions with non-controlling interest	5	-	-	-	-	(220)	(220)	218	(2)
- Other movements	15	-	-	-	-	(12)	(12)	-	(12)
Total transactions with shareholders		**-**	**(25,409)**	**-**	**46**	**25,260**	**(103)**	**218**	**114**
Balance at 31 December 2021		**117**	**76,409**	**2,396**	**(9,062)**	**(7,354)**	**62,507**	**554**	**63,061**

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2020		**117**	**101,819**	**2,004**	**(9,108)**	**35,330**	**130,162**	**2,525**	**132,687**
Result for the period		**-**	**-**	**-**	**-**	**(61,208)**	**(61,208)**	**(840)**	**(62,048)**
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	(549)	(549)	-	(549)
- Foreign currency translation differences	26	-	-	(633)	-	-	(633)	-	(633)
Total other comprehensive income net of tax		**-**	**-**	**(633)**	**-**	**(549)**	**(1,182)**	**-**	**(1,182)**
Total comprehensive income net of tax		**-**	**-**	**(633)**	**-**	**(61,757)**	**(62,390)**	**(840)**	**(63,230)**
Transactions with shareholders									
- Deconsolidation of Destination	5	-	-	-	-	-	-	(350)	(350)
- Transactions with non-controlling interest	26	-	-	-	-	1,018	1,018	(1,043)	(25)
Total transactions with shareholders		**-**	**-**	**-**	**-**	**1,018**	**1,018**	**(1,393)**	**(375)**
Balance at 31 December 2020		**117**	**101,819**	**1,371**	**(9,108)**	**(25,409)**	**68,790**	**292**	**69,082**

Consolidated cash flow statement

in '000 EUR	Notes	2021	2020
Cash flow from operating activities			
Profit / (loss) for the period		(9,569)	(62,048)
Adjustments for:			
Amortization and depreciation	17/18/19	16,990	21,278
Impairment losses on intangible and tangible assets	18/19	53	133
Net finance result	12	(3,828)	(885)
Gains/losses from disposal of inv. and other	11	9	3,045
Income tax expense	13	(3,646)	(6,538)
Share of result of equity-accounted investees	22	83	93
Change in trade and other receivables	23	12,652	47,477
Change in contract assets	24	(1,880)	5,589
Change in inventories		-	14
Change in trade and other payables	29	(13,285)	(13,098)
Change in contract liabilities	24	384	(10,066)
Change in provisions	27	(601)	2,952
Change in employee benefit liability	15/16	13,699	541
Interest (paid) / received		(1,228)	(1,032)
Income tax (paid) / received		(2,210)	(2,692)
Net cash (used in) / from operating activities		**7,624**	**(15,237)**
Cash flow from investing activities			
Purchase of property, plant and equipment	18	(348)	(1,961)
Proceeds from sale of property, plant and equipment	18	12	121
Purchase of intangible assets	19	(7,127)	(9,085)
(Acquisition) of subsidiaries, net of cash acquired	5	-	(1,576)
Payment of deferred consideration (Investing)	4	(604)	-
(Acquisition) / proceeds of financial assets	21	(7,526)	(38)
Net cash (used in) / from investing activities		**(15,593)**	**(12,539)**

in '000 EUR	Notes	2021	2020
Cash flow from financing activities			
Proceeds from borrowings	4	53,509	81,940
Repayments of lease liabilities	17	(3,856)	(6,212)
Repayments of borrowings	4	(70,117)	(21,305)
Acquisition of non-controlling interests	26	(2)	(25)
Proceeds from sale of own shares	26	128	-
Net cash (used in)/from financing activities		**(20,338)**	**54,398**
Net increase / (decrease) in cash and cash equivalents		**(28,308)**	**26,622**
Cash and cash equivalents at 1 January	**25**	**137,618**	**110,360**
Effects of currency translation on cash and cash equivalents		354	636
Cash and cash equivalents at 31 December	**25**	**109,664**	**137,618**

CONSOLIDATED FINANCIAL STATEMENTS
notes

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 Basisweg 10, 1043 AP - Amsterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2021 include the Company and its subsidiaries (together referred to as "lastminute.com Group", the "Group" or "LMN" and individually as "Group entities"). The Group is an online travel player providing consumers with online tools and technologies that allow them to easily search for, compare and book flights, vacation packages and cruises, hotel accommodations, car rentals and other travel products and services.
These financial statements cover the year 2021, which ended at the balance sheet date of 31 December 2021.

Note 2 - Significant Accounting Policies

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

Basis of preparation

The consolidated financial statements of the Company are part of the statutory financial statements of the Company. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Dutch Civil Code.
The consolidated financial statements are presented in thousands of Euros and all amounts (including totals and subtotals) have been rounded according to normal commercial practice.
The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value and the employee benefits liability, measured at the fair value of plan assets less the present value of the defined benefit obligation for the net defined benefit liabilities and measured at fair value for the cash-settled share-based payment liabilities.
The consolidated financial statements have been prepared on a going concern basis. Refer to the Use of Estimates and Judgments paragraph for a detailed assessment of the going concern assumption in the light of the current Covid-19 crisis that the Group had to deal with in the past two years.
The consolidated financial statements were authorised for issue by the Board of Directors on 23 March 2022.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Estimates are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.
Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements as well as information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year affects mainly the following areas:

Going Concern basis of accounting
The Covid-19 pandemic continued to cause disruption and challenges to the travel industry throughout the financial year and had a substantial impact on the financial results of the Group.
The Group has experienced two different trends in the first half of 2021. The first quarter has been very challenging

for the whole travel industry. The conservative approach in sales, due to the stop in selling Dynamic packages, continued for the entire quarter, taking into account the potential risk of future cancellations in a still highly uncertain scenario. The second quarter has started to take advantage of the effects of vaccination across all the Group's core markets. Vaccination campaigns across the EU had been progressing at a fast pace and from May the Group had started seeing a steep sales growth trajectory in all continental markets, while the UK one was still suffering due to the high restrictions to international travel imposed by the British Government. Particularly, Holiday Packages have shown a positive trend and potential for a strong return of demand in summer, especially for Sun and Beach destinations. From a financial perspective, the rebound experienced from May on booking volumes has contributed to positive working capital dynamic and to higher revenue in the summer period, allowing the Group to generate operating cash again. Despite the fact the number of flights operated in Europe was still down (-50% compared to 2019) during the whole summer season, the Group was able to properly capture the rising demand and translate this into profit. In spite of the difficult context, where travel restrictions differed country by country and changed on a weekly basis between June and September, the positive mix of a significantly higher efficiency and the boost of the dynamic holiday packages proposition resulted in a strong increase of EBITDA IFRS* in the third quarter of 2021 to EUR 13.3 million (24.3% EBITDA margin), compared to a negative EUR 13.6 million in the third quarter of 2020 (-39.6% EBITDA margin). Net profit showed an even stronger pattern, landing at EUR 9.1 million, a recovery of around EUR 27 million versus the third quarter of 2020 negative result of (EUR 18.2 million). Despite lower volumes managed, the third quarter 2021 Net Result was 15% higher than the EUR 7.9 million registered in 2019 (the highest result ever recorded until now).
All main KPIs showed an improvement from first to third quarter despite a progressive and substantial decrease of the working hour reduction contribution received from January 2021 onwards in the main countries where the Group operates received by the Company from January onwards (amounted to EUR 13,872 thousand as of 31 December 2021 and to EUR 12,084 thousand as of 30 September 2021). The Group closed Q3 with a strong upswing in terms of revenues and profitability, compared to the previous year, both. October results and the beginning of November have confirmed the trend seen in the summer season. Despite the good performance registered in the summer season, as a result of new restrictions and the drop in travellers' confidence, the Group has experienced a slowdown over the winter season, in particular at the end of November and during December. Despite the outbreak of the Omicron variant, the 4th quarter of 2021 showed a significant increase at all levels compared to the same period of 2020, with Gross Travel Value** tripling and revenues more than doubling. The IFRS EBITDA of the 4th quarter of 2021 was negative by nearly EUR 5.9 million versus a loss of EUR 8.9 million in the same quarter of 2020. In this context, at year end, Cash available stood at EUR 109.7 million and Net Financial Position reached EUR 29.1 million, from EUR 137.6 million and EUR 33.5 million respectively at the end of 2020.
The Group results in terms of bookings and profitability in the first months of 2022 confirm the efficiency of the booking platform and the ability to progressively shift the business mix toward dynamic holiday packages, also thanks to the release of restrictions in most of the countries where the Group operates. Even though the recent financial results have been brilliant and above the budget, the Group has performed several scenario analyses to stress the liquidity forecast of the future. The analyses cover net revenues, IFRS EBITDA as well as the liquidity situation. In every scenario, even in the worst case, the cash position of the Group remains solid without accessing new financing.
The Group expects to repay about EUR 9.3 million of loans in 2022 according to the plans.
In February 2022, the Group renegotiated a loan of EUR 10,000 thousand classified as committed with a primary Switzerland bank, whose deadline was expected to be at the end of the month. In this context the underlying covenant has been reviewed and agreed taking into account the business environment in which the Group operates, therefore not impacting the continuity of the financing.
Trading in 2022 has recovered rapidly and from the second week of January 2022, on the back of the progressive reopening across Europe, the Group experienced a strong increase in bookings. The sharp increase in volumes, coupled with an improved efficiency of the Group's sales strategy and leaner cost base, brought record revenues and profits in Dynamic Holiday Packages. The positive trend has continued and early indicators point to further improvements across all business lines in February 2022. In the last couple of weeks, Dynamic Holiday Packages reported 45% higher Revenues than in the same period of 2019.
Despite the conflict between Russia and Ukraine and the fluctuation in the oil price in the beginning of March 2022 the Group was able to perform better than budget thanks to the massive amount of demand in the market and reduced capacity, which at least in the short term did not create significant slowing in the trading. In general the political and economic consequences of the Ukraine conflict could affect the Group's business performance in ways that cannot yet be estimated. The consolidated financial statements have been prepared on a going concern basis.

** Ebitda IFRS (Earnings before interest and income tax plus depreciation and amortisation)*

***A significant indicator for the Group is represented by the Gross Travel Value ("GTV") defined as the value of the travel products purchased by the Group's clients using the Group's platforms, including agency fees, insurance and gross of any discounts and cancellations.*

Income taxes

As of 31 December 2021 the net liability for current taxes amounts to EUR 3,119 thousand (2020: net liability for current taxes of EUR 4,536 thousand). The net liability for deferred taxes amounts to EUR 10,312 thousand at 31 December 2021 (2020: EUR 14,266 thousand, refer to Note 13 for further details). Significant estimates are required in determining the current and deferred tax assets and liabilities. Some of these estimates are based on interpretations of existing tax laws and regulations. Management believes that these estimates are reasonable and that the recognised liabilities for income tax-related uncertainties are adequate. Various internal and external factors may have favourable or unfavourable effects on the income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation, and changes in tax rates. Any such changes that arise could impact the current and deferred income tax assets and liabilities recognised in the balance sheet in future periods. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met. As of 31 December 2021 management recognised deferred tax assets on losses carried forward for EUR 17,241 thousand based on its estimates of future taxable profits. Management considers it probable that future taxable profits will be available against which such losses can be used.

Provision and contingencies

The use of estimates and judgments is required in order to assess the amount and timing of future cash outflows to settle the present legal or constructive obligations. In case the estimates of Group's management differ significantly from effective cash outflows, the consolidated financial statements could be materially affected. Total provisions amount to EUR 3,255 thousand as of 31 December 2021 (EUR 3,856 thousand for 2020). For further information see Note 27.

Business combinations

The Group initially recognizes the fair value of identifiable assets acquired, the liabilities assumed, any non-controlling interest on a proportionate basis and the consideration transferred in a business combination. Management judgement 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 amortisation expense and impairment tests. The Group did not have any business combination during 2021.

Impairment

As of 31 December 2021 and 2020 the Group had respectively EUR 60,422 thousand and EUR 60,412 thousand in goodwill (see Note 20) and EUR 147,722 thousand and EUR 152,228 thousand in intangible assets (see Note 19). Assets that have an indefinite useful life, such as trademarks owned by the Group, goodwill and intangible assets not yet available for use are not subject to amortisation and are annually tested for impairment. Assets that are

subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. To compute the recoverable amount the Group's management uses key assumptions, e.g. a discount rate reflecting the risk of the assets tested for impairment and future expected cash flows generated by these assets. Actual outcomes, e.g. cash flows, may vary significantly from those assumed by management. Factors such as the underperformance of the operating activities, worsening of market conditions, changes in discount rates and lower than anticipated revenues derived from the assets could lead to a significant impairment.

Share-based payment valuation
The fair value of the employee share-based payments liabilities has been measured by applying the Black-Scholes method. The valuation of the Group's share-based payments liabilities depends on the volatility of the underlined shares price, the estimate of the number of shares expected to be vested in relation to the average exit rate of the employees as well as the probability of a liquidation event. At the end of each reporting period the Group reviews its estimates. Additional details on the accounting policies for share-based payments are included in Note 16.

Basis of consolidation

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

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

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

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

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

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

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

Functional and presentation currency

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

- the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the average exchange rates for the period when considered a reasonable approximation of the spot rate.

- foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

Property, plant and equipment

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

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

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

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

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

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

Intangible assets

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

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

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

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

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

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

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

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

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

Goodwill

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

Impairment of non-financial assets

The carrying amount of the Group's property, plant and equipment and intangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's (or the respective cash-generating units) recoverable amount, being the higher of its fair value less cost of disposal and its value in use, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually.
The test is performed at the end of every year so the date of testing is the year-end closing date of the consolidated financial statements. Goodwill acquired and allocated during the year is tested for impairment at the end of the year in which the acquisition and allocation took place. Goodwill is allocated and tested at operating segment level as it is not monitored at a lower CGU level.
Any impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.
Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reviewed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

Leases

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

To apply this definition the Group assesses whether the contract meets key evaluations which are whether:

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

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Under the cost model, an entity measures a right-of-use assets at:

- initial cost as described above;
- less accumulated amortisation (recognised in accordance with the depreciation requirements of IAS 16) and
- accumulated impairment losses (recognised in accordance with IAS 36);

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

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequently to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance in fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.
In applying IFRS 16, the Group has used the following practical expedients permitted by the standard:

- low-value lease: leases whose underlying asset has been evaluated less than EUR 5,000 have been excluded;
- short-term lease: leases for which the lessee is not reasonably certain to renew the lease beyond 12 months;
- discount rate: apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- initial direct costs: exclude initial direct costs from the measurement of right-of-use assets at the date of initial application.
- lease term: the Group used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group performed an assessment over the amendment to IFRS 16 related to Covid-19 rent concessions and deemed it not applicable at consolidated level, since the main lease contract modifications do not meet the requirements and have been accounted for as a modification to the original contract

Financial instruments

Financial assets
Financial assets are initially recognised on the trade date at fair value plus any directly related transaction costs. Subsequently, they are categorised and measured as follows:

- Derivatives, part of financial assets are measured at fair value through profit or loss, whereby changes in the fair value are immediately recognised in profit or loss;
- Loans and receivables at amortised cost, whereby the difference between the issue and repayment amount is recognised in profit or loss using the effective interest method over the period to maturity;

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

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

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

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

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

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

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

Provisions

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

Employee benefits

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

Post-employment plans for employees are maintained based on the respective legislation in each country. The plans in Switzerland, Italy and France are determined as defined benefit plans. The Swiss pension plan is financed by employer and employee contributions and the funds and foundation are financially independent from the Group. The Italian plan relates to the employee severance indemnity (TFR) that represents a contribution plan. In France employees benefit from the "Indemnités de Fin de Carrière" defined as a "defined benefit" plan.
The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method (PUCM). The pension fund obligations and the related plan assets are assessed annually by a qualified actuary. Current service costs and net interest on the net defined benefit liability or asset are recognised as "Personnel costs". The Group determines the net interest expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability or asset.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding interest) are immediately recognised in other comprehensive income (OCI).
When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately as "Personnel costs". A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

Share-Based Payment Transactions
The Group has in place cash-settled share-based payment arrangements. The fair value of the amount payable to employees in respect of these arrangements, which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the rights. Any changes in the liability are recognised in profit or loss.

Share capital

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

Treasury shares

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

Revenue recognition

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

Online Travel Agency (OTA)
Within Online Travel Agency (OTA) services, The Group offers travel services on a stand-alone and package basis generally either through the merchant or the agency business model. Merchant revenues are derived from travel related transactions where the Group facilitates the payments from travellers for the services provided. The Group records cash collected from travellers, which includes the amounts owed to the travel service providers and the Group's commission, and recognised revenues once the transaction with the customer is finalised. Agency revenues are derived from travel-related transactions where the Group does not facilitate payments from travellers for the services provided. The Group receives commissions from the travel suppliers. Under the merchant model the Group's customers are represented by the travellers while in other transactions the Group's customers are the service providers. When a customer posts a booking on the internet page of the companies of the Group, lastminute.com Group passes the booking to the travel supplier. Lastminute.com Group acts as an agent or broker. Revenue from the intermediation of travel services therefore consists of the commission that

represents the difference between the total amount receivable from the customer and the amount payable to the travel supplier or the related commissions received from the travel supplier. Revenue from commissions paid by financial and commercial partners under specific revenue-sharing agreements, such as commissions received from telecom operators based on the volume of inbound calls to our premium customer service numbers, is recognized according to the information provided on their periodical statements.

See below for further information on the main OTA revenue streams.

- **Revenues from sales of travel services**

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

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

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

- **Other revenues**

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

- **Revenues from ancillaries**

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

- **Revenues post sales**

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

Revenue from expired refund vouchers
The line includes the effects of vouchers expired not redeemed by the customers.

Depending on the cancellation policy of the booking the customers may receive a cash refund or a voucher from the Group. The refund does not change the accounting nature for the voucher issued and in accordance with IFRS 9 financial liabilities are initially measured at fair values.
When the original booking is cancelled, the Group has already fulfilled its performance obligation and the traveller hasn't yet made a new booking which would give rise to a new contract under IFRS 15 and a new performance obligation as an agent.

As requested by the applicable accounting standard, the release of the liability for vouchers not used by customers is booked only at the date of expiration of the voucher and if the voucher doesn't have the right of cashback.

Media revenues
The Group generates other revenues, which primarily comprise revenue from advertising and metasearch activities. Revenue from advertising services comprises revenue from providing advertisement banners on the Group's companies websites. Revenue derived from the delivery of advertisements is recognized either at the time of

display of each individual advertisement, or when the service is transferred to the customer over the delivery period. Media revenues are included in revenues from advertising services line items.

Metasearch revenues

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

Marketing costs

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

Other operating costs

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

Income taxes

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

Deferred taxes are determined using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future. No deferred taxes liabilities are recognised for taxable temporary differences upon the initial recognition of goodwill. The amount of deferred taxes is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets resulting from temporary differences and tax loss carry-forwards are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

New and revised standards and interpretations not yet applied

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

Amendments	IASB Effective date	Mandatory application in the EU: annual period beginning on or after
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively) [1]	01 Jan 23	Not yet endorsed
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)[1]	01 Jan 23	Not yet endorsed
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) [1]	01 Jan 23	Not yet endorsed
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)[1]	01 Jan 23	Not yet endorsed
IASB and IFRS IC documents that have been endorsed	**EU Effective date**	**Date of endorsement**
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)[2]	01 Jan 23	19 Nov 21
Amendments to IFRS 16 Leases: Covid-19- Related Rent Concessions beyond 30 June 2021(issued on 31 March 2021)[2]	01 Apr 21	30 Aug 21
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)[2]	01 Jan 22	28 Jun 21

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

Note 3 - Changes in accounting policies

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

In addition, the following amendments to existing standards, applicable from 1st January 2021, are not expected to have a significant impact on the Group's consolidated financial statements. See below for further details.

Amendments	IASB Effective date	Mandatory application in the EU: annual period beginning on or after
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)	01 Jan 21	13 Jan 21
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (issued on 25 June 2020)	01 Jan 21	15 Dec 20

Note 4 - Financial Risk Management

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

(**) "Non current financial asset and current financial asset do not include investment at fair value through profit or loss for an amount of EUR 8,838 for non current financial asset and EUR 2,815 for current financial asset.

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 2021	31 Dec 2020
Non current financial assets **	3,106	1,336
Current financial assets (Deposits and other) **	2,851	2,299
Trade and other receivables * (Current and Non Current)	29,117	45,172
Cash and cash equivalents (excl. Cash on hand)	109,661	137,615
Total financial assets measured at amortised cost	**144,737**	**186,422**
Short term and long term financial liabilities	79,608	95,957
Short term and long term lease liabilities	6,955	11,747
Trade and other payables * (Current and Non Current)	193,334	205,686
Total financial liabilities measured at amortised cost	**279,897**	**313,390**
Investments at fair value through profit or loss	11,653	-
Total financial assets at fair value through profit or loss	**11,653**	-

For further details on Financial assets refer to Note 21.

The carrying amounts of the above listed loans and receivables including cash and cash equivalents as well as of the financial liabilities measured at amortised cost approximate the estimated fair value of these financial instruments.

With reference to the existing covenants the Group has already secured with the related banks the availability to consider as extraordinary any potential impact of Covid-19 on the Group's balance sheet, obtaining the related waivers, therefore not impacting the continuity of the financing. For further details on negotiation of financing reference should be made to Note 34. For evidence of the bank guarantees make reference to Note 32.
During the year, as a result of the IPO of Destination Italia SpA, the Group saw its % of ownership in the mentioned company diluted from 24.9% to 17,45%. Consequently, the equity valuation method has been discontinued (total impact on the Group result of EUR 30 thousand) and the investment has been evaluated at fair value through profit or loss. As of 31 December 2021 the valuation at fair value of such financial current assets is EUR 2,815 thousand.

In addition, in April, the Group completed the acquisition of a minority stake in Freesailors Coöperatief U.A from Fedro S.A for a total amount of EUR 5,122 thousand (2.01%), as disclosed in Note 21 and Note 31. As of 31 December 2021 the valuation at fair value of such financial current assets is EUR 8,838 thousand.

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

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

Please find below a detail of financial investments measured at fair value:

	Fair Value			
31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment at fair value	2,815	8,838	-	11,653
Total	**2,815**	**8,838**	**-**	**11,653**

The amount is related to the following:

- **Level 1:** the investment held in Destination, as already explained in the paragraph before, for a total amount of EUR 2,815 Thousand. Please make reference to the Note 5, Note 12 and 21 for further information.

- **Level 2:** investment held in Freesailors Coöperatief U.A as disclosed in Note 31. The shares have been purchased for a total amount of EUR 5,122 thousand (2.01%) by a special vehicle (Sealine Investments 2 LPs) used by the Group to run a new cash-settled share-based payment arrangement for employees and directors which expressed the intention to invest in the plan. For further details on the new scheme ("LTIP 2") reference should be made to Note 16. As of 31 December 2021 the valuation at fair value of such financial current assets is EUR 8,838 thousand and it has been derived indirectly from the fair market value of the assets belonging to Freesailors Cooperatief U.A, whose main assets consist in quoted shares.

Financial risk management
Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. At a Group level risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Executive management of the Company and particularly with the Chief Financial Officer, the Group Chief Executive Officer and Chief Executive Officer of lastminute.com. Organisational and process measures have been designed to identify and mitigate risks at an early stage.

The Group maintained the approach adopted last year in relation to the principal risks and uncertainties, in a scenario still affected by Covid-19 pandemic, even with clear signs of recovery. The Group has reported on the impact of the pandemic on each of its principal risks, as set out below.

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

	1 Jan 2021	Repayments (principal + interest)	Interest Charges	Addition	Other non cash movements	Deferred payment for acquisition	31 Dec 2021	Currency	Year of maturity
Uncommitted bank loans/overdraft	45,800	(64,007)	683	46,045	-	-	28,521	EUR	2022
Committed bank loans	21,112	(3,937)	267	-	45	-	17,487	EUR	2022-2023
Covid 19 government secured bank loan	24,941	(1,617)	245	7,200	815	-	31,584	EUR_CHF	2025-2027
Other Finacial liabilities	4,104	(1,785)	8	264	29	(604)	2,016	EUR	2022
Total	**95,957**	**(71,346)**	**1,203**	**53,509**	**889**	**(604)**	**79,608**		

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

As of 31 December 2021 current financial liabilities amount to EUR 53,483 thousand (2020: current financial liabilities of EUR 67,236 thousand) and long term financial liabilities amount to EUR 26,125 thousand (2020: long term financial liabilities of EUR 28,721 thousand). The decrease in financial liabilities is the net effect of the repayment of uncommitted loans obtained in the previous years partially offset by the opening of loans granted by top rated European banks and Covid-19 related bank loans granted by the Governments.

In both the 2021 financial year and the 2020 financial year, all payment obligations and requirements from the loan agreements have been fulfilled. During the year the Group was unable to comply with the covenants included in two contracts, obtaining from the banks the related waivers not impacting the continuity of the financing. Consequently, the above mentioned loans are presented under current financial liabilities.

With reference to Covid-19 the Group has considered the following effects on credit and liquidity risk:

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

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

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

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

Credit risk

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

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

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

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

Exposure to credit risk

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

	31 Dec 2021	31 Dec 2020
Non current financial assets *	3,106	1,336
Current financial assets *	2,851	2,299
Trade and other receivables ** (Current and Non Current)	29,117	45,172
Contract assets	4,018	2,138
Cash and cash equivalents (excl.cash on hand)	109,661	137,615
Total	**148,755**	**188,560**

(*) "Non current financial assets" and "current financial assets" do not include investment at fair value through profit or loss, for an amount of EUR 8,838 for non current financial assets and EUR 2,815 for current financial assets as required by IFRS 9 standard on impairment.

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

Cash and cash equivalents are held by primary financial institutions with high credit ratings. Cash and cash equivalents at 31 December 2021 are mainly held in Euro.

As it relates to deposits, as of 31 December 2021, the Group held cash in bank depository accounts of 109,661 thousand (primarily in Intesa San Paolo, Corner Banca, BBVA and other primary European banks).

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

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

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying credit judgement.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. At each reporting date the Group performs an analysis over loss rates which, if necessary, are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The percentages for the reporting period didn't change when compared to the previous period.

On that basis, the loss allowance as at 31 December 2021 was determined as follows:

	NOT DUE	0-30	31-90	91-180	181-360	OVER 360	TOT
Expected credit loss %	2%	3%	5%	20%	60%	100%	
Credit loss other receivable	**127**	**56**	**106**	**69**	**170**	**3,835**	**4,363**

As of 31 December 2021 the amount of hotels and flights receivables has reduced significantly to EUR 1,275 thousand, from EUR 34,372 thousand at 31 December 2020.
During the year, the Group has accounted for losses on receivables (related to tour operator responsibility) for a total amount of EUR 18,223 thousand. For additional information please refer to Note 10.

As of 31 December 2021 the Group performed a specific assessment over airlines and hotels providers and has determined a credit loss for a total amount of EUR 268 thousand (EUR 5,254 thousand at 31 December 2020).

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 2021, the total amount of unused available cash credit lines for the Group was EUR 5,000 thousand (EUR 7,700 thousand at 31 December 2020). Trade and other payables are mainly due within 60 days.

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

in '000 EUR	31 Dec 2021				31 Dec 2020			
	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
Undiscounted								
Trade and other payables	(188,921)	(10,356)	(140)	(1,205)	(204,406)	(8,335)	(959)	(207)
Contract liabilities	(934)	-	-	-	(550)	-	-	-
Total Undiscounted	**(189,855)**	**(10,356)**	**(140)**	**(1,205)**	**(204,956)**	**(8,335)**	**(959)**	**(207)**
Discounted								
Liabilities for share-based payment	(14,433)	-	-	-	(1,637)	-	-	-
Short term financial liabilities	(53,483)	-	-	-	(67,236)	-	-	-
Short term lease liabilities	(2,681)	-	-	-	(4,980)	-	-	-
Long term financial liabilities	(26,125)	-	-	-	(28,721)	-	-	-
Long term lease liabilities	(4,274)	-	-	-	(6,767)	-	-	-
Total Discounted	**(100,997)**	**-**	**-**	**-**	**(109,341)**	**-**	**-**	**-**
Total	**(290,852)**	**(10,356)**	**(140)**	**(1,205)**	**(314,298)**	**(8,335)**	**(959)**	**(207)**

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

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

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

On the other hand, some of the Group's costs and investments are based upon contractually agreed payments that are denominated in CHF, e.g. some of the lease payments for office spaces or some suppliers. As of 31 December 2021, the Group's balance sheet net exposure in CHF amounted to EUR 23,086 thousand (2020 EUR 15,774 thousand). As of 31 December 2021, the Group's balance sheet net exposure in GBP amounted to EUR 38,484 thousand (2020: EUR 8,427 thousand). As of 31 December 2021, the Group's balance sheet net exposure in USD amounted to EUR 5,003 thousand (2020: EUR 2,592 thousand).

A strengthening (weakening) of the EUR against the CHF, GBP and USD of 10% at 31 December would have affected profit or loss by the amounts shown in the table below:

in '000 EUR	31 Dec 2021		31 Dec 2020	
	Strenghtening	Weakening	Strenghtening	Weakening
Currency risk sensitivity in CHF	(2,099)	2,099	(1,434)	1,434
Currency risk sensitivity in GBP	(3,499)	3,499	(766)	766
Currency risk sensitivity in USD	(455)	455	(236)	236

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

As of 31 December 2021 the Group has short term financial liabilities for EUR 53,483 thousand (31 December 2020: EUR 67,236 thousand) and long-term financial liabilities for EUR 26,125 thousand (31 December 2020: EUR 28,721 thousand). An amount of EUR 23,663 thousand (of which EUR 15,242 thousand is classified as long term) is regulated by variable interest rate (Euribor 6 and 3 months). As the Euribor 6m and 3m has been negative for all 2021 and analysts expect it to remain negative or a slight increase in the next future, the Group does not see any material impact on its financial statements.

The Group further has cash and cash equivalents (excluded cash on hand) with variable interest rates in the amount of EUR 109,661 thousand (31 December 2020: EUR 137,615 thousand). See also Note 25 for further details.

As of 31 December 2021 the interest risk is limited to the cash and cash equivalents with variable interests.
Taking into consideration the interest rates applied by the financial counterparts of the Group, a reasonable pos-

sible change in the interest rates of cash and cash equivalents, which is expected to be maximum equal to 1%, would not have a material impact on profit or loss.

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

Note 5 - Changes in the scope of consolidation

Financial year 2021

During the year there were no business combinations

Other events of the period

Step up in control on LM Forward, Madfish Srl and Smallfish SL
During the year, the Group increased its percentage of control in LM Forward, Madfish Srl and Smallfish SL from 83% to 100%. The amount paid is EUR 2 thousand, as disclosed in the consolidated cash flow statement. Total effects of this transaction on both Non-controlling Interests and Group retained earnings are included in the consolidated statement of changes in equity.

StarNext Ltd and BravoStar Israel Ltd
In 2020 the Group and ISSTA Israel Ltd signed an agreement with the aim to incorporate a Joint venture, to expand the OTA business in the Middle east. StarNext Ltd, incorporated in Israel, is focused on the distribution of flights through meta channels. Total consideration paid by the Group at the incorporation date is EUR 105 thousand (35% of ownership). Starting from January 2021, StarNext Ltd investment has been accounted for by applying the equity method. The related accounting impacts are disclosed in Note 22. In addition, in October 2021, BravoStar Israel Ltd was incorporated. The Group indirectly holds 35% of ownership in BravoStar Israel Ltd. At the date of this report, BravoStar Israel Ltd is inactive.

Incorporation of Sealine Investments 2 LP
On 26 March 2021, the Group incorporated a Scottish partnership, named Sealine Investments 2 LP. The General partner that has full control of the partnership is lastminute.com NV. The partnership is the vehicle used by the Group to run a new cash-settled share-based payment arrangement and it is fully consolidated by the Group, being lastminute.com in full control of the partnership. For further information reference should be made to Note 16.

Destination IPO
In October 2021, Destination Italia SpA launched an IPO raising Eur 3 million, excluding the potential exercise of the over-allotment option. The free float at the time of admission is 27.09% and the market capitalization at the IPO date is Eur 11.1 million. After the IPO, the % of ownership held by the Group has been diluted from 24.9% to 17.45%. Based on the applicable accounting standards the equity method evaluation has been discontinued and the investment at year end has been accounted for at fair value through profit and loss. The effects of the revaluation are disclosed within Net Finance result, see Note 12 and 21 for further details.

Incorporation of StarTech Srl
On 28 December 2021, StarTech Srl has been incorporated in Italy. The new company, fully owned by the Group, will be involved in the activity of development of the Group websites and technological platforms. At the data of this report, StarTech Srl is inactive.

Financial year 2020
Business combinations

Acquisition of HolidayiQ
On 9th January 2020, the Group finalised the acquisition of 100% of HolidayiQ Pte Ltd. Total consideration was EUR 2,031 thousand, to be paid in cash in three tranches. The first tranche of the consideration for EUR 1,632 thousand was paid at the closing date.
Moreover, the company has control over the subsidiary Leisure and Lifestyle Information Service Pvt. Ltd, which is the company running the business.

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

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

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

After the completion of the purchase price allocation exercise the Group recognised the fair value of the trade-name for EUR 888 thousand. The valuation techniques used for measuring the fair value of tradename acquired are the relief-from-royalty method and multi-period excess earnings method. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the asset being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

HolidayiQ has developed an automated engine (Prospect Engine) that enables attracting top-of-funnel traffic from social media and user base & converting them into prospects. In this engine, content is used, especially user-generated content from travellers to create blogs and posts which are promoted on social media. Capitalised external development costs for EUR 463 thousand are related to the platform previously mentioned.

Note 6 - Segment Information

As defined by IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed at the entity's chief operating decision maker;
- for which discrete financial information is available.

Management is determining operating segments based on the information reviewed by the Group CEO. The Group has defined the following operating segments:

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

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

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

in '000 EUR	31 Dec 2021						31 Dec 2020					
	OTA	Metasearch	Media	Other segments	Non reconciling items	Total	OTA	Metasearch	Media	Other segments	Non reconciling items	Total
Managerial Revenues	**127,547**	**12,982**	**7,563**	**1,957**	**-**	**150,049**	**108,122**	**14,837**	**7,544**	**2,989**	**-**	**133,492**
Previous year adjustments						**1,960**						**5,591**
Covid-19 impact						**4,368**						**(24,305)**
Other costs/income incidental to operating activities						**1,400**						**(10,137)**
Government grants						**5,073**						**-**
Consolidated Revenues	**120,826**	**12,950**	**8,361**	**470**	**-**	**142,607**	**81,161**	**14,933**	**7,010**	**1,537**	**-**	**104,641**

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in '000 EUR	31 Dec 2021						31 Dec 2020					
	OTA	Metasearch	Media	Other segments	Non reconciling items	Total	OTA	Metasearch	Media	Other segments	Non reconciling items	Total
Consolidated EBITDA Adjusted*	**19,658**	**4,519**	**244**	**289**	**(5,672)**	**19,038**	**1,407**	**2,650**	**(1,935)**	**(3,220)**	**(5,100)**	**(6,198)**
Previous year adjustments						2,967						1,100
Long term incentive plans and related consultancy fees						(13,035)						-
Costs related to acquisition and integration of subsidiaries						(834)						(1,306)
Other costs/income incidental to operating activities						(961)						(459)
Restructuring costs						(2,264)						(3,100)
Governments grants						5,073						-
Bad debt not ordinary						(16,578)						(5,254)
Expired voucher not Covid related						1,748						(2,800)
Covid-19 impact						1,083						(33,107)
IFRS 16						3,856						6,200
Consolidated EBITDA IFRS						**92**						**(44,924)**
Depreciation, Amortization and impairment						(17,043)						(21,411)
Profit/(loss) before Interest and Income Tax						**(16,951)**						**(66,334)**

** In 2021, the Group modified the way it determines "Adjusted Ebitda". The 2020 figures have been restated according to the new definition. The Group defines "Adjusted Ebitda" as Ebitda IFRS (Earnings before interest and income tax plus depreciation and amortisation) adjusted for the effects of cancellations, vouchers not redeemed, not recurring bad debts, long term incentive plan costs and other income and costs considered by management as incidental to operating activities, such as those related to acquisitions, litigations and restructuring. The reconciling amounts include also the accounting effects of IFRS principles (i.e. IFRS 16, IFRS 2, IAS 19) and previous year adjustments (that were previously included within the former non gaap definition of Adjusted Ebitda). The effect of margin coming from bookings made with vouchers, previously disclosed as a reconciling item between Ebitda IFRS and Ebitda Adjusted, is now included within the Adjusted Ebitda. In line with the new reporting framework explained above, please make reference to the table above for the reconciliation between managerial revenues and IFRS consolidated revenues.*

The comparative information related to consolidated revenues has been re-presented due to a change in classification of the other income from expired refund vouchers, that have been disclosed in a separate line item within the Consolidated statement of profit and loss. See Note 7b for further details.

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

The main effects of Covid-19 on the consolidated financial statements are related mainly to revenue (including other income from expired refund vouchers) and personnel costs. Cancellations collected during the year had an impact of EUR 1,083 thousand on the consolidated income statements, with main effects on revenues and other operating costs. The amount of EUR 1,083 thousand includes the effects of covid vouchers expired not redeemed (EUR 19,263 thousand), partially offset by the other Covid-19 cancellations effects (in particular, EUR 9,687 thousand related to cancellations from 2020 and 2021 via cash or voucher, EUR 2,349 thousand related to personnel variable cost, EUR 4,250 thousand related to other Covid-19 related effects, EUR 1,273 thousand related to Fullflex and EUR 664 thousand related to provision for future cancellations). The effect on personnel costs is driven by the benefit related to the working hours reductions plans granted by the Governments in the core markets where the Group operates. Please refer to Note 9 for further details. With reference to other operating costs, the main impact is related to the losses on irrecoverable trade receivables recognised during the year. Please refer to Note 10 for further details.

With reference to the other reconciling items between Adjusted Ebitda and Consolidated Ebitda IFRS, please find below a detailed breakdown:

- Previous year adjustments are related to the net effects of income and costs accounted for in 2021 which had been provided in the previous years on an accrual basis;
- Long term incentive plans and related consultancy costs are related to incentive plans in place, for which reference should be made to Note 16;
- Bad debt not ordinary is related to the effects on the Group consolidated statement of profit or loss for losses on flight and hotels receivables;
- Government grants are related to subsidies obtained from the governments in the main countries where the Group operates. Please refer to the Note 7a for further details;
- IFRS 16 is related to the reversal of other operating costs in accordance with the applicable accounting standard. Reference should be made to Note 17.

The tables below describe the Group's non-current assets, excluding right-of-use assets, financial instruments, investments in equity accounted investees and deferred taxes, based on the geographic location and operating segments of the assets as of 31 December 2021 and 2020:

in '000 EUR	2021	2020
Spain	78,341	78,662
France	37,762	37,830
Switzerland	61,224	65,554
Germany	13,585	14,148
Others	14,443	14,725
UK	4,648	4,623
Total	**210,003**	**215,541**

in '000 EUR	2021	2020
OTA	151,898	156,392
META	38,149	38,857
MEDIA	13,688	13,728
OTHER	6,268	6,564
Total	**210,003**	**215,541**

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

in '000 EUR	2021	2020
Property, plant and equipment	1,860	2,902
Intangible assets	147,722	152,228
Goodwill	60,422	60,412
Sub-total	**210,003**	**215,541**
Right-of-use assets	6,225	11,293
Non-current financial assets	11,944	1,336
Investments in equity accounted investees	891	872
Deferred tax assets	18,541	14,000
Total non-current assets	**247,605**	**243,042**

Note 7a - Revenues

The table below shows Revenues for 2021 and 2020:

in '000 EUR	2021	2020
Revenue from sales of travel services	37,954	29,236
Revenue from overcommission, kickback and rebate	21,899	20,582
Other revenues	7,364	1,603
Revenue from advertising services	8,357	7,539
Revenue from ancillaries	62,315	38,927
Revenue post sales	4,718	6,755
Total	**142,607**	**104,641**

In 2021 total revenues increased by EUR 37,966 thousand, or 36.3 %, from EUR 104,641 thousand to EUR 142,607 thousand.

The comparative information has been re-presented due to a change in classification of the other income from expired refund vouchers, that have been disclosed in a separate line item within the Consolidated statement of profit and loss. See Note 7b for further details.

The positive variation is driven by the increase in volumes, mainly during the summer period, linked to margins generated through new bookings and bookings made with vouchers previously issued (also called rebookings). Infact, based on the applicable accounting standard (IFRS 15) margins from voucher utilisation are recognised at the time of the new booking. Anyway, despite the good performance registered in the summer season, as a result of new restrictions and the drop in travellers' confidence, the Group has experienced a slowdown over the winter season, in particular at the end of November and during the month of December.

The increase in other revenues is mainly due to government subsidies obtained during the year for a total amount of EUR 5,073 thousand, as already disclosed in Note 6.

The increase in revenues from ancillaries is mainly linked to a higher incidence of insurance products sales during the year, compared to 2020.

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

in '000 EUR	OTA		META		MEDIA		OTHER SEGMENT		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Primary geographical markets										
Italy	19,931	12,123	602	950	887	1,292	327	848	21,748	15,213
Spain	13,741	8,506	946	936	1,047	983	127	182	15,861	10,608
UK	21,799	21,371	774	1,301	2,779	2,244	-	11	25,352	24,926
France	26,332	17,137	3,094	4,404	1,398	1,390	16	21	30,840	22,952
Germany	30,420	14,333	860	783	1,307	1,009	-	1	32,587	16,126
Others	8,603	7,691	6,674	6,558	943	92	-	474	16,220	14,815
Total	**120,826**	**81,161**	**12,950**	**14,933**	**8,362**	**7,010**	**470**	**1,537**	**142,607**	**104,641**
Major products/service lines										
Flight	41,715	47,611	-	-	-	-	-	-	41,715	47,611
Dynamic Holiday Packages	46,606	20,540	-	-	-	-	-	-	46,606	20,540
Hotel	11,478	5,299	-	-	-	-	-	-	11,478	5,299
Tour operator	15,617	3,098	-	-	-	-	-	522	15,617	3,621
Cruises	-	-	-	-	-	-	470	976	470	976
Other OTA services	5,412	4,085	-	-	-	-	-	-	5,412	4,085
Metasearch	-	-	12,950	14,933	-	-	-	-	12,950	14,933
Media	-	-	-	-	8,362	7,010	-	-	8,361	7,010
Other revenue	(3)	527	-	-	-	-	-	39	(3)	566
Total	**120,826**	**81,161**	**12,950**	**14,933**	**8,362**	**7,010**	**470**	**1,537**	**142,607**	**104,641**

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

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

Note 7b - Other income from expired refund vouchers

in '000 EUR	2021	2020
Other income from expired refund vouchers	21,991	424

The line includes the revenues related to vouchers issued and expired but not used by the customers. Only vouchers with no cashback conversion have been released to profit and loss. As requested by the applicable accounting standard (IFRS 15), the release of the liability for vouchers not used by customers is booked only at the date of expiration of the voucher and if the voucher doesn't have the right of cashback.

The increase in expired refund voucher line item is mainly linked to the misredemption of the vouchers issued last year due to the spread of Covid-19 and subsequent restrictions in travel but not used by the customers, for a total amount of EUR 21,991 thousand at 31 December 2021 (of which EUR 19,263 thousand related to Covid-19 vouchers), compared to EUR 424 thousand at 31 December 2020.

Note 8 - Marketing Costs

The table below shows Marketing costs for the Group for 2021 and 2020:

in '000 EUR	2021	2020
Online costs	50,476	45,666
Offline costs	1,467	3,427
Total	**51,943**	**49,093**

Marketing costs increased by EUR 2,850 thousand (5.8%) from EUR 49,093 thousand in 2020 to EUR 51,943 thousand in 2021. Despite the market condition didn't reach pre Covid level, the recovery is progressing and the Group was able to increase the amount of resources available for investments in online marketing.

Marketing costs as a percentage of revenues decreased in 2021 compared to 2020 (36.4% in 2021 versus 46.9% in 2020). The decrease in the contribution on revenue is mainly due to the effects of higher volumes during 2021 and not proportional increase of marketing costs.

Note 9 - Personnel Costs

The table below shows Personnel costs for the Group for 2021 and 2020:

	2021	2020
Wages and salaries	28,817	32,790
Social security charges	8,313	9,223
Expenses relating to defined benefit plans	1,232	1,889
Other personnel costs	2,518	3,088
Share-based payments	13,035	324
Total	**53,915**	**47,314**

Personnel costs increased by EUR 6,601 thousand (14.0%) from EUR 47,314 thousand in 2020 to EUR 53,915 thousand in 2021. The variance is due to the combined effects of a decrease in wages, salaries and social security charges linked to the working hours reduction compensation measures granted by the Governments and an increase due to the measurement and remeasurement of the liability towards employees for the incentive schemes. Please refer to Note 16 for further details. During 2021 a total amount of EUR 13,872 thousand (EUR 16,975 thousand in 2020) has been received by the Group as working hour reduction benefits.
Personnel costs as a percentage of revenues in 2021 decreased compared to 2020 (37.8% vs 45.2%).

Costs for wages and salaries of EUR 5,524 thousand (2020: EUR 6,140 thousand) have been capitalised as development costs (refer to Note 19 for further details). Wages and salaries capitalised as development costs refer specifically to employees working on the Group's platforms development.
Expenses relating to defined benefit plans decreased by EUR 657 thousand (-34.8%) from EUR 1,889 thousand in 2020 to EUR 1,232 thousand in 2021.
Details about expenses relating to defined benefit plans under the scope of IAS 19 are disclosed in Note 15, including an amount of EUR 581 thousand for the effects of IAS 19 valuation. The remaining amount of EUR 651 thousand accounted for in the consolidated statement of profit or loss as Personnel cost is related to both unfunded employee benefit liabilities and pension scheme costs not qualified as defined benefit plans under the scope of IAS 19.
Other personnel costs decreased by EUR 570 thousand (-18.4%) from EUR 3,088 thousand in 2020 to EUR 2,518 thousand in 2021. The variance is mainly due to the effects of the decrease of restructuring costs.
Share-based payments for the amount of EUR 13,035 thousand are mainly related to the exit of some employees during the year (EUR 3,228 thousand), the remeasurement of the existing liability towards employees and the measurement for the new incentive schemes introduced during 2021 (EUR 9,229 thousand). For further details on expenses related to cash settled share-based payment liabilities please refer to Note 16.
The average number of staff employed by the Group in 2021 amounted to 1,126 headcounts (2020: 1,295).

The table below shows the Group's headcount split at the end of 2021 and 2020:

Units	2021	2020
IT	374	379
Sales	173	187
Administrations	180	189
Marketing	110	119
Operations	311	272
Management	2	4
Total	**1,150**	**1,150**

Note 10 - Other operating costs

The table below shows other operating costs for the Group for 2021 and 2020:

in '000 EUR	2021	2020
Credit card processing fee	8,656	7,344
Fees for advisory, legal and other services	7,096	7,859
Call center operation costs	6,051	9,556
Expense for operating leases	110	348
IT fix costs	778	1,246
Office fix costs	568	1,435
Overhead	2,474	1,653
Service costs	13,453	14,434
Other operation costs	1,347	1,337
Losses and allowance for doubtful accounts	18,114	8,369
Total	**58,648**	**53,582**

Total other operating costs increased by EUR 5,066 thousand (9.5%) from EUR 53,582 thousand in 2020 to EUR 58,648 thousand in 2021. The increase in other operating costs is mostly due to the losses on trade receivables recognised during the year partially offset by the cost reduction actions put in place by the Group management to reduce the effects of the Covid-19 crisis.

See below the explanations split by categories:
"Credit card processing fee" increased by 1,312 thousand (17.9%) from EUR 7,344 thousand in 2020 to EUR 8,656 thousand in 2021 due to higher transaction volumes processed during 2021.

"Fees for advisory, legal and other services" decreased by EUR 763 thousand (-9.7%) from EUR 7,859 thousand in 2020 to EUR 7,096 thousand in 2021. Most of the decrease is related to lower non-recurring advisory and legal costs.

"Call Center operation costs" decreased by EUR 3,505 thousand (-36.7%) from EUR 9,556 thousand in 2020 to EUR 6,051 thousand in 2021 due to the internalisation of the call center activities.

"Expense for operating leases" decreased by EUR 238 thousand (-68.3%) from EUR 348 thousand in 2020 to 110 thousand in 2021.

"IT fix costs" decreased by EUR 468 thousand (-37.5%) from EUR 1,246 thousand in 2020 to EUR 778 thousand in 2021. The decrease is mainly due to the reduction in Hosting & Infrastructure costs.

"Office fix costs" decreased by EUR 867 thousand (-60.4%) from EUR 1,435 thousand in 2020 to 568 thousand in 2021. The reduction is mainly linked to remote working.

"Overhead costs" increased by EUR 821 thousand (49.7%) from EUR 1,653 thousand in 2020 to EUR 2,474 thousand in 2021. These costs are mainly referred to insurance costs, travel expenses and other taxes not related to income.

"Services costs" decreased by EUR 981 thousand (-6.8%) from EUR 14,434 thousand in 2020 to EUR 13,453 thousand in 2021 and are mainly referred to licence costs.

"Other operation costs" increased by EUR 10 thousand (0.7%) from EUR 1,337 thousand in 2020 to EUR 1,347 thousand in 2021 and include residual costs incidental to the business but also the allowance and the release for other provisions.

"Losses and allowance for doubtful accounts" increased by EUR 9,745 thousand (>100%) from EUR 8,369 thousand in 2020 to EUR 18,114 thousand in 2021. The variance is mainly due to the losses on trade receivables accounted for in 2021 against receivables positions (and not against bad debt provision) for a total amount of EUR 18,223 thousand. These receivables have been written-off after an internal assessment over the recoverability of such positions, considering the difficult business environment in which our customers in some cases are operating. The residual amount is related to the net effect of the movements in bad debt provision of the period, please refer to Note 23 for further details.

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

The table below shows the gain / (loss) from disposal on investments and others for the Group in 2021 and 2020:

in '000 EUR	2021	2020
Net loss on investments	-	(1,329)
Net loss from disposal of assets	(9)	(1,728)
Net gain from disposal of assets	-	12
Total	**(9)**	**(3,045)**

The main difference when compared to 2020 is due to the following factors. During 2020, as a result of the deconsolidation of Destination Italia Spa, the Group has accounted for at fair value a loss from disposal of investment for a total amount of EUR 1,329 thousand. On the other hand, the main difference on net loss from disposal of assets refers to the disposals, in 2020, of the cash pooling receivables and other receivables related to the de-consolidated entities.

Note 12 - Finance income and costs

The table below shows the net Finance income and costs for the Group in 2021 and 2020:

in '000 EUR	2021	2020
Net FX exchange income	-	2,623
Other finance income	6,147	-
Total Finance Income	**6,147**	**2,623**
Interest expenses	(1,634)	(1,449)
Net FX exchange losses	(685)	-
Other finance costs	-	(288)
Total Finance Cost	**(2,319)**	**(1,737)**
Total Finance Income and Costs	**3,828**	**885**

In 2021 total net finance income and costs increased from EUR 885 thousand to EUR 3,828 thousand. The most significant variation is linked to other finance income, that mainly includes the revaluation of the investment in Destination Italia, as disclosed in Note 5, for EUR 2,815 thousand and the revaluation of the investment in Freesailors, as explained in Note 4, for EUR 3,385 thousand.

Furthermore, the unfavourable exchange rate brought to a total FX cost of EUR (685) thousand mainly due to the weakening of the Euro against GBP.

Note 13 - Income Taxes

Components of income tax expenses
The table below shows the composition of Income tax expenses / (income) for 2021 and 2020:

in '000 EUR	2021	2020
Current income taxes	978	1,345
Deferred taxes	(4,624)	(7,883)
Total	**(3,646)**	**(6,538)**

In 2021 the Group's consolidated income tax amounted to positive EUR 3,646 thousand, compared to positive EUR 6,538 thousand in 2020 with a variation of EUR 2,892 thousand. The difference is mainly due to lower recognition of deferred tax assets on losses of the period thanks to lower losses before taxes.

Income taxes recognised in other comprehensive income (OCI)
The table below shows the composition of income tax expense/(income) recognised in other comprehensive income (OCI) for 2021 and 2020:

in '000 EUR	2021	2020
Income taxes on remeasurements of the Employee benefits liability	581	(148)
Total income taxes recognized in the period in OCI	**581**	**(148)**

Reconciliation of effective income tax expenses
The table below shows the Group tax rate reconciliation for 2021 and 2020:

in '000 EUR	2021 (%)	2021	2020 (%)	2020
Profit (loss) before taxes from continuing operations		(13,215)		(68,586)
The Group's expected weighted average rate is 18.0% (2020: 21.9%)				
Income tax based on the Group's expected weighted average tax rate	17.9%	2,367	21.9%	15,008
Difference in overseas tax rates	0.1%	9	-0.1%	(42)
Current-year tax losses for which no deferred tax assets are recognized	-13.3%	(1,757)	-9.0%	(6,205)
Non deductible expenses	0.0%	(4)	-0.1%	(53)
Tax-exempt income	6.7%	887	0.1%	55
Tax incentives	1.8%	231	0.0%	-
Effect of change in tax rate on deferred taxes	2.2%	289	0.0%	-
Utilisation of previously unrecognised tax losses	16.5%	2,181	0.0%	27
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	0.0%	-	0.2%	155
Recognition of tax effect of previously unrecognised tax losses	0.0%	-	2.20%	1,541
Changes in estimates related to prior years	-4.2%	(557)	-1.20%	(812)
Write off of DTA previously recognised	0.0%	-	-4.60%	(3,136)
Income Tax (expense)/benefit for the Group		**3,646**		**6,538**

Deferred tax assets & liabilities
In respect of unrecognised deferred tax assets, as of 31 December 2021, tax losses carried forward of around EUR 55,397 thousand exist (2020: EUR 55,059 thousand). These losses can be offset against future operating profits. EUR 9,270 thousand will expire within 6 years, EUR 10,442 thousand will expire within 9 years, while the remaining part has no expiring date.

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

Deferred tax assets and liabilities accounted for in the balance sheet are attributable to the following categories:

in '000 EUR	31 Dec 2021		31 Dec 2020	
	Asset	Liabilities	Asset	Liabilities
Trade receivables	-	(562)	-	(201)
Property, plant and equipment	29	-	54	-
Intangible assets	-	(28,291)	-	(28,065)
Employee benefits liability	1,098	-	1,469	-
Provision	24	-	4	-
Losses carry-forward	17,241	-	12,374	-
Other	147	-	98	-
Deferred Tax assets (liabilities)	**18,541**	**(28,853)**	**14,000**	**(28,266)**

In 2021 compared to 2020, deferred tax assets increased by EUR 4,541 thousand mainly due to the recognition of deferred tax assets on losses of the period.

As of 31 December 2021 management recognised deferred tax assets on losses of the period for EUR 17,241 thousands based on its estimates of future taxable profits. Management considers it probable that future taxable profits will be available against which such losses can be used.

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

Deferred tax liabilities increased during 2021 by EUR 587 thousand mainly due to temporary differences on amortisation of intangible assets.

The movement in the net deferred tax assets / (liabilities) during 2021 and 2020 was as follows:

in '000 EUR	1 Jan 2021	Recognized in Profit or Loss	Recognized in OCI	Recognized directly in Equity	Business combination	Other movements	31 Dec 2021
Net deferred tax assets/ (liabilities)	(14,266)	4,624	(581)	-	-	(88)	(10,312)
Total	**(14,266)**	**4,624**	**(581)**	**-**	**-**	**(88)**	**(10,312)**

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

Current tax assets & liabilities
As of 31 December 2021, the total net position relating to “Current tax assets & liabilities” amounts to a liability of EUR 3,119 thousand (2020: EUR 4,536 thousand). Tax liabilities may arise also in the Countries where the Group recognised deferred taxes on losses carried forward because of specific thresholds that limit the utilisation of those losses.

Note 14 - Earning per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.
The table below shows basic earnings per share for 2021 and 2020:

in '000 EUR	2021	2020
Profit /(Loss) for the period attributable to the shareholders of LMN Group NV (in Eur/000)	(9,613)	(61,208)
Weighted-average number of ordinary shares outstanding during the year (in thousand)	11,020	11,016
Basic earnings /(loss) per share	**(0.87)**	**(5.56)**

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

Number of shares (in thousand of units)	2021	2020
Issued ordinary shares at 1 January	11,664	11,664
Treasury shares hold	(648)	(648)
Ordinary shares outstanding at 1 January	**11,016**	**11,016**
Effects of sales of own shares	3	-
Weighted-average number of shares (Basic) at 31 December	**11,020**	**11,016**

Diluted earnings per share
Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of ordinary shares outstanding during the period plus the effect of the share options in issue.

The table below shows diluted earnings per share for 2021 and 2020:

in '000 EUR	2021	2020
Profit /(Loss) for the period attributable to the shareholders of LMN Group NV (in Eur/000)	(9,613)	(61,208)
Weighted-average number of ordinary shares outstanding during the year (in thousand)	11,020	11,016
Diluted earnings per share	**(0.87)**	**(5.56)**

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

Number of shares (in thousand of units)	2021	2020
Weighted-average number of ordinary shares (Basic)	11,020	11,016
Effect of share options in issue	-	-
Weighted-average number of shares (Diluted) at 31 December	**11,020**	**11,016**

Note 15 - Employee benefits

The table below shows employee benefits liabilities as of 31 December 2021 and 2020 for the Group:

in '000 EUR	Notes	31 Dec 2021	31 Dec 2020
Net defined benefit liabilities	15	5,182	7,280
Cash-settled share-based payment liabilities	16	14,433	1,637
Total employee benefit liabilities (short and long term)		**19,615**	**8,917**

The increase of cash-settled share-based payment liabilities is mainly related to the remeasurement of the liability towards employees for the existing and the measurement for the new long-term incentive plans.
For further information see Note 16.

The decrease in Net defined benefit liabilities is mainly related to the change in conversion rates applied to pension plans valuation. See below for further details.

Net defined benefit liabilities are described as follows.

Characteristics of defined benefit plans and risks associated with them

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

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

The most senior governing body of the collective foundation is the Board of Trustees. All governing and administration bodies have an obligation to act in the interests of the plan participants.

Plan participants, their spouse and children are insured against the financial consequences of old age, disability and death. Their benefits are defined in pension plan rules compliant with the BVG, which is specifying the minimum benefits that are to be provided. Retirement benefits are based on the accumulated retirement capital which can either be drawn as a life-long annuity or as a lump sum payment. The annuity is calculated by multiplying the retirement capital with the currently applicable conversion rate. The accumulated retirement capital is made of the yearly contributions towards the old age risk by both employer and employee and the interest thereon until retirement. Contributions towards the old age risk are based on the rules defined by the Board of Trustees of the collective foundation. Minimum contributions and interest are defined by the BVG and the Swiss Parliament. In 2021 the minimum interest was 1.0% (1.0% in 2020).

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

The insurance company bearing the investment risk is also making these investments on behalf of the collective foundation. As a result, the assets of the Swiss plan consist of receivables from the insurance policy.

In France, employees benefit from the "Indemnités de Fin de Carrière" defined in the "Convention Nationale Collective du Travail du personnel des Agences de Voyages et du Tourisme" (number 3061). The rights correspond to 15% of the monthly salary per year of seniority in the company. According to IAS 19, the French pension plan is classified as a "defined benefit" plan.

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

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

Movement in net defined benefit liability

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

in '000 EUR	31 Dec 2021	31 Dec 2020
Funding of the defined benefit plan		
Present value of unfunded obligations	417	334
Present value of funded obligations	13,638	14,357
Total present value of obligations	**14,055**	**14,691**
Fair Value of plan assets	8,873	7,411
Pension liability recognized in balance sheet	**5,182**	**7,280**

in '000 EUR	2021	2020
Reconciliation of the defined benefit obligation		
Defined Benefit Obligation at 1.1	**14,691**	**12,011**
Current service cost (employer)	2,607	2,254
Past service cost/(income)	(808)	(11)
Interest expense on defined benefit obligation	29	39
Contributions by plan participants	999	1,039
Administration cost	7	5
Benefits (paid)/deposited	(1,156)	(1,036)
Effect of business combination	-	(367)
Actuarial (gain) / loss on DBO	(2,924)	744
Other	22	-
Exchange rate effect	588	13
Defined Benefit Obligation at 31.12	**14,055**	**14,691**

in '000 EUR	2021	2020
Reconciliation of the fair value of plan assets		
Fair Value of plan assets at 1.1	**7,411**	**5,764**
Interest income on plan assets	14	20
Contributions by the employer	1,065	1,112
Contributions by plan participants	999	1,039
Benefits (paid) / deposited	(1,079)	(583)
Other	10	-
Return on plan assets excl.interest income	65	46
Exchange rate effect	388	13
Fair Value of plan assets at 31.12	**8,873**	**7,411**

Reconciliation of the recognized net pension liability

in '000 EUR	2021	2020
Net liability at the beginning of the period	**7,280**	**6,247**
Expense/(revenue) recognized in profit or loss	2,020	2,267
Expense/(revenue) recognized in other comprehensive income	(2,989)	697
Contributions by the employer	(1,065)	(1,112)
Effect of business combination	-	(367)
Other	13	-
Benefits paid by unfunded defined benefit plans	(78)	(453)
Net liability at the end of the period	**5,182**	**7,280**

in '000 EUR	2021	2020
Pension expense recognised in profit or loss		
Current service cost (employer)	2,607	2,254
Net interest cost	15	19
Administration cost	7	5
Past service cost/(income)	(808)	(11)
Exchange rate effect	200	-
Expense recognized in profit or loss	**2,020**	**2,267**

in '000 EUR	2021	2020
Amount recognised in other comprehensive income		
Return on plan assets excl.interest income	(65)	(46)
Remeasurements (gain)/loss:		
Actuarial (gain)/loss arising from financial assumptions	(902)	400
Actuarial (gain)/loss arising from demographic assumptions	(979)	119
Actuarial (gain)/loss arising from experience adjustment	(1,043)	224
Total amount recognized in other comprehensive income	**(2,989)**	**697**

Actuarial assumptions for the defined benefit obligations

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

Swiss plan

Actuarial Assumptions	31 Dec 2021	31 Dec 2020
Discount rate	0.48%	0.18%
Future salary increases	1.00%	1.00%
Mortality table	BVG2020-CMI	BVG2015-CMI

As of 31 December 2021, the weighted-average duration of the defined benefit obligation was 18.6 years (2020: 22.6 years).

French plan

Actuarial Assumptions	31 Dec 2021	31 Dec 2020
- Discount rate	0.80%	0.35%
- Future salary increases	3.00%	3.00%
- Mortality table	TGH05/TGF05	TGH05/TGF05

As of 31 December 2021, the weighted-average duration of the defined benefit obligation was 23.2 years (2020: 21.2 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:

	2021		2020	
in '000 EUR	Increase	Decrease	Increase	Decrease
Discount rate (0.25%)	(603)	660	(754)	828
Future salary growth (0.25%)	183	(184)	241	(234)
Future mortality (1 year)	181	(180)	220	(219)

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

Plan assets

The fair value of plan assets for the Swiss plan as of 31 December 2021 of EUR 8,873 thousand (2020: EUR 7,411 thousand) consists of a receivable from the insurance company, see above.

Expected contributions in 2022

The Group contributions paid to the defined benefit plans amounts to EUR 1,065 thousand in 2021 (the expected contribution for 2021 was EUR 1,162). The Group expects to pay contributions to the defined benefit plans in the amount of EUR 1,104 thousand in 2022.

Note 16 - Share-based payment arrangements

Employee share option plan

No employee share option plans are in place as of 31 December 2021 and 2020.

Cash settled share-based plan

The table below shows share-based payment arrangements liabilities as of 31 December 2021 for the Group:

in '000 EUR	1 Jan 2021	Measurement and remeasurement	Actual cost for exit of former participants	Employee contribution for new rights granted	Payments for cash-out during the year	Other non cash-items due to exit of participants	Currency translation differences	31 Dec 2021
LTIP 1	1,637	7,663	3,228	1,531	(2,636)	(1,122)	14	**10,315**
LTIP 2	-	844	-	2,549	-	-	-	**3,393**
SAR	-	722	-	-	-	-	3	**725**
Total	**1,637**	**9,229**	**3,228**	**4,080**	**(2,636)**	**(1,122)**	**17**	**14,433**

With reference to the table above, please find below further details

- Measurement and remeasurement: includes the impact in the consolidated statement of profit or loss of the fair value valuation of the plans in scope. The effects are disclosed within Personnel costs, see Note 9 for further details. A portion of this effect is related to key management personnel, as disclosed in Note 31;
- Actual cost for exit of former participants: includes the cost recognised for the exit of some employees during the year. This cost is included within Personnel costs, see Note 9 for further details;
- Employee contribution for new rights granted: is related to the increase in employee benefit liability for the entrance of new participants to the plan during the year;
- Payments for cash-out during the year: is related to the amounts paid for the exit of employees during the year;
- Other non cash-items due to exit of participants: includes all the other non-cash effects of the movements in liability during the year, such as repayment on interests on loans granted by the Group.

As of 31 December 2021, the Group had in place the following share-based payment arrangements.

Long Term Investment Plan 1 (“LTIP 1”)
On 26 March 2015, the Group established a cash-settled share-based payment arrangement. Directors and selected key employees were offered the opportunity to participate through recurring entry windows. 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 Investments LP) which is consolidated by the Group. The Group offers to Limited Partners the possibility to obtain a personal loan to finance up to 85% of the initial contribution (in Window 9 up to 90%). Under the terms of the plan, the Group contributes an amount equal to three times the initial capital 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 agreed 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 CHF 3m + 1% p.a. by way of redemption of the outgoing limited partner’s membership. After the expiry period of 4 years, the LP has the right to extend for an additional 4-year period, keeping the options already vested but having the chance to exit at any time.

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 CHF 3m + 1% 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. (LIBOR + 2% for the 2021 window) 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.

In April 2021 the possibility to enter into the plan has been extended also to middle management. As a consequence, 52 employees joined the partnership and their qualifying period will end in April 2025.

As at 31 December 2021, the overall liability of the plan recorded in relation to the cash settled obligation amounted to EUR 10,315 thousand (2020: EUR 1,637 thousand). During the year, the liability increased by an amount of EUR 8,678 thousand. The increase in the liability is due to the higher price of the lastminute.com share compared to last year and to the obligations towards the new participants who joined in April 2021.

The liability is included in the Employee benefits liability line within the consolidated balance sheet, as disclosed also in Note 15. As at 31 December 2021, the receivables recorded in relation to the financing part granted to limited partners amounted to EUR 1,267 thousand (2020: EUR 1,807 thousand). The receivables related to the share-based plan are included in the current (EUR 600 thousand) and non-current financial assets line (EUR 667 thousand) within the consolidated balance sheet. The liability value was assessed taking into consideration the fair value of the underlying shares considering the vesting period of 4 years and other conditions, as well as the required interest payable on the company’s portion of the contribution. Rights belonging to expired windows, as the term of 4 years from the date of subscription has expired of the agreement, were valued as the intrinsic value of the option (differential between the price of the underlying on the date of valuation and strike price). Rights belonging to the not vested windows have been valued as call options with expiry date equal to 4 years at the date of agreement with a Black Scholes model.

The fair value measurement of the assigned rights was carried out on the basis of the following market data as at 31 December 2021:
- Price of the underlying share as at 30 December 2021 (last date of detection of the price), equal to 38.9 CHF;
- Strike Price defined on the date of signing the agreement and variable for each window;
- Historical volatility calculated over a time horizon of 4 years based on the historical returns of the underlying share traded on the SWISS Stock Exchange. The result is equal to a value of 47.96%
- Dividend Yield as of the date of valuation, the expected dividend parameter is 0;
- Risk Free Rate: was interpolated from the risk free CHF rate curve with a tenor of 6 M
- Exit rate equal to 33% calculated based on the historical trend of resignation of employees participating in previously vested windows (from window 1 to 6).

Treasury shares held by the Group to hedge its potential obligation arising from the cash-settled share-based payment arrangement amount to around 598 thousand of shares for a total investment of EUR 8,419 thousand (see Note 26 for additional details).

Long Term Investment Plan 2 ("LTIP 2")

On 29 September 2021, the Group established a second 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") or through personal loan as limited partners of a limited partnership entity (Sealine Investments 2 LP) which is consolidated by the Group. The Initial Capital Contribution and eventual additional funding are used to purchase memberships in Freesailors Cooperatief UA, and these Freesailors Memberships will be allocated to Limited Partner's partnership account. Please refer to Note 31 for further details.

The Partnership includes three types of Limited Partners: Limited Partner A (LPA), Limited Partner B (LPB) and Limited Partner C (LPC). When the limited partner enters the plan, he contributes funds to the Partnership with an initial capital contribution.

Depending on Limited Partner's categories, there are different lock-ins, mechanics and exit rules. For LPA, the lock-in period is 1 year, there's no leverage and if the LPA asks to exit from the partnership, the Group must buy back its interests in the partnership. For LPB, the lock-in period is 4 years, with leverage and the way out is linked to the exit of Freesailors Cooperatief UA from the Group. For LPC, the lock-in period is 2 years, there's no leverage and the exit, as for LPB, is linked to the exit of Freesailors Cooperatief UA from the Group.

In relation to the capital contribution of the Limited Partner B only, under the terms of the plan, the Group contributes an amount equal to three times the initial capital contribution ("the LMN contribution"). The initial capital contribution and the additional funding are used to purchase shares and these shares will be allocated to Limited Partner B partnership account. The Limited Partner B will not have any further liability to repay the loan funds or otherwise beyond his initial capital contribution to Sealine 2.

As at 31 December 2021, the liability recorded in relation to the cash settled obligation in relation to the plan amounted to EUR 3,393 thousand. The liability is included in the Employee benefits liability line within the consolidated balance sheet, as disclosed also in Note 15. The related cost is accounted for as Personnel cost within the consolidated statement of profit and loss. As at 31 December 2021, the receivables recorded in relation to the financing part granted to limited partners amounted to EUR 697 thousand. The receivables related to the share-based plan are included in the current (EUR 139 thousand) and non-current financial assets line (EUR 558 thousand) within the consolidated balance sheet.

The fair value of the liability was determined based on methods adapted to the characteristics of the plans. The liability is valued using the Black Scholes model.
The fair value measurement of the assigned rights was carried out on the basis of the following market data as at 31 December 2021:

- Price of the underlying share as at 30 December 2021 (last date of detection of the price), equal to 38.9 CHF;
- Strike Price defined on the date of signing the agreement and variable for each type of Limited Partners;
- Historical volatility calculated over a time horizon between 1.5 and 3.5 years based on the historical returns of the underlying share traded on the SWISS Stock Exchange. The result is equal to a value of between 47.93% and 51.5%;
- Dividend Yield as of the date of valuation, the expected dividend parameter is 0;
- Risk Free Rate: was interpolated from the risk free CHF rate curve with a tenor of 6 M
- Exit rate equal to 33% calculated based on the historical trend of resignation of employees participating in other share-based payment arrangements.

At the valuation date, the value varies according to the maturity of the plan. For LPB/LPC only, three options were calculated linked to the occurrence of the liquidating event (exit of Sealine Investments 2 LP from the shareholding in lastminute.com NV) on the basis of time windows agreed with the management of the Company.

Stock Appreciation Rights Plan ("SAR" plan)

In July 2021, the Group launched a new incentive scheme for its employees, known as "SAR" plan. SAR is a compensatory award granted by the Group to its management or employees. On exercise of a SAR, the participant is entitled to receive an amount equal to the appreciation in the value of the underlying company share above the exercise price at the time the SAR is exercised. SARs are settled in cash.

The Group SAR plan introduces 750.000 "SARs" to be granted. The right of accessing the SARs is subject to specific conditions: period of time of 4 years (pro rata from end of year 2 to end of year 4) and lm stock price levels (only in case stock price will be equal or above a certain threshold). Once vested, SARs will be exercisable at the same strike price of 25 CHF and the relevant cash value is paid to the participating employees in cash.

With reference to the accounting implications, a liability should be recognised over the vesting and grace period for costs payable in respect of SARs to be exercised. The amount of the liability will depend on the number of SARs that are expected to be exercised. All SARs granted under the plan will be subject to vesting and, in the case of Gate 2 and 3 SARs, the achievement of the threshold price.

If any SARs, which are included in Gate 2 or 3, have not vested within the vesting period, all such invested SARs shall immediately vest, in a catch up vesting, on the first date on which the threshold price is reached or exceeded during the grace period (the six month period commencing on the day after the expiry of the vesting period.

As of 31 December, the SARs allocated are 626,500. SARs assigned belong to three different groups which differ for vesting conditions. See below for further details:

Type	# of SARs	Exercise Price	Threshold Price	Grant Date	Expiry	Start Vesting Period	End Vesting Period
Gate 1	170,600	25 CHF	n/a	01/07/2021	01/07/2028	01/07/2023	01/07/2025
Gate 2	219,275	25 CHF	40 CHF	01/07/2021	01/07/2028	01/07/2023	01/01/2026
Gate 3	236,625	25 CHF	60 CHF	01/07/2021	01/07/2028	01/07/2023	01/01/2026
Total	**626,500**						

From a financial perspective, SARs are similar to "call options", whose underlying element is the share quoted price. The fair value of the liability was determined based on methods adapted to the characteristics of the plans. The liability is valued using the Black Scholes model. The inputs used in the measurement of the fair values at measurement date of the SARs were as follows:

Type	Underlying Price (CHF)	Exercise Price (CHF)	Volatility	Dividend Yield	Risk-Free Rate	Vesting Probability	Cumulative Exit Rate
Gate 1	38.90	25.00	43.6%	0.0%	-0.2%	100.0%	33%
Gate 2	38.90	25.00	43.6%	0.0%	-0.2%	61.7%	33%
Gate 3	38.90	25.00	43.6%	0.0%	-0.2%	38.5%	33%

As of 31 December 2021, the liability recorded in relation to the SAR Plan amounted to EUR 725 thousand and is related to the measurement of the liabilities towards the employees. The liability is included in the Employee benefits liability line within the consolidated balance sheet, as disclosed also in Note 15. The related cost is accounted for as Personnel cost within the consolidated statement of profit and loss.

Note 17 - Leases

Right-of-use assets

The tables below show the movement schedule of the right-of-use assets during 2021 and 2020:

in '000 EUR (2021)	Building	Hosting	Car	Other	Total
Balance at 1 January	**4,787**	**6,114**	**389**	**4**	**11,293**
Depreciation charge for the year	(1,400)	(2,271)	(218)	(3)	(3,891)
Additions to right-of-use assets	-	-	156	-	156
Derecognition of right-of-use assets	(244)	(39)	(7)	-	(290)
Remeasurement of right-of-use assets	(716)	(340)	13		(1,043)
Balance at 31 December	**2,427**	**3,464**	**333**	**1**	**6,225**

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

Most significant additions of the period relate to new lease contracts the Group entered in, such as new leased cars for employees. Main disposals of the period are related to the closing of some office spaces in the operating headquarters. In relation to remeasurement EUR 1,043 thousand, the amount is mainly related to the fee negotiation for the office spaces.

With reference to depreciation charge for right-of-use assets, EUR 1,400 thousand is related to buildings, EUR 2,271 to hosting, EUR 218 thousand to cars and EUR 3 thousand to other contracts.

The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. Expenses related to low value and short-term leases not capitalised as finance lease are EUR 110 thousand. See Note 10 for further details.

Lease liabilities

The table below shows the lease liabilities as of 31 December 2021 and 31 December 2020:

in '000 EUR	31 Dec 2021	31 Dec 2020
Short term Lease liabilities	2,681	4,980
Long term Lease liabilities	4,274	6,767
Total Lease liabilities	**6,955**	**11,747**

The tables below show the movement schedule of the lease liabilities during 2021 and 2020:

in '000 EUR	1 Jan 2021	Repayments	Additions	Disposals	Remeasurement	Interests charges	31 Dec 2021
Lease liabilities	**11,747**	(3,856)	156	(290)	(1,043)	241	**6,955**

in '000 EUR	1 Jan 2020	Repayments	Additions	Disposals	Remeasurement	Interests charges	31 Dec 2020
Lease liabilities	**13,301**	(6,212)	7,777	(1,908)	(1,471)	260	**11,747**

The lease liabilities are secured by the related underlying assets. The discounted maturity analysis of lease liabilities at 31 December 2021 is as follows:

in '000 EUR	Amount
Within 1 year	2,681
Between 1 and 5 years	4,274
More than 5 years	-
Total lease liabilities	**6,955**

Note 18 - Property Plant and Equipment

The tables below show Property, Plant & Equipment movements during 2021 and 2020:

in '000 EUR	Furniture	IT Equipment	Other tangible assets	Total
Historical Cost				
Balance at 1 January 2021	**450**	**9,014**	**2,420**	**11,884**
Addition	7	340	1	348
Disposal	(13)	(134)	(48)	(195)
Currency translation differences	3	23	55	81
Balance at 31 December 2021	**447**	**9,243**	**2,428**	**12,118**
Cumulated Depreciation				
Balance at 1 January 2021	**360**	**6,753**	**1,869**	**8,982**
Depreciation for the year	43	1,053	291	1,386
Disposal	(2)	(134)	(48)	(183)
Currency translation differences	2	17	55	74
Balance at 31 December 2021	**403**	**7,689**	**2,166**	**10,258**
At 1 January 2021	**90**	**2,261**	**551**	**2,902**
At 31 December 2021	**44**	**1,554**	**262**	**1,860**

→

in '000 EUR	Furniture	IT Equipment	Other tangible assets	Total
Historical Cost				
Balance at 1 January 2020	**907**	**9,101**	**2,726**	**12,733**
Addition	49	1,781	130	1,961
Disposal	(474)	(1,839)	(245)	(2,557)
Acquisitions from business combinations	6	9	-	15
Deconsolidation	(27)	(13)	(131)	(171)
Currency translation differences	(11)	(26)	(61)	(98)
Balance at 31 December 2020	**450**	**9,014**	**2,420**	**11,884**
Cumulated Depreciation				
Balance at 1 January 2020	**719**	**7,414**	**1,769**	**9,902**
Depreciation for the year	70	1,184	338	1,592
Disposal	(423)	(1,826)	(180)	(2,429)
Currency translation differences	(6)	(20)	(59)	(84)
Balance at 31 December 2020	**360**	**6,753**	**1,869**	**8,982**
At 1 January 2020	**187**	**1,686**	**958**	**2,831**
At 31 December 2020	**90**	**2,261**	**551**	**2,902**

Investments in 2021 and 2020

In 2021 and 2020 the Group made additions to Property Plant and Equipment of EUR 348 thousand and EUR 1,961 thousand respectively. The additions in 2021 were mainly related to IT equipment for EUR 340 thousand and furniture for EUR 7 thousand.

Capital Commitments

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

Note 19 - Intangible Assets

The tables below show Intangible assets (Capitalised development costs, trademarks and other intangibles) and Goodwill movements during 2021 and 2020:

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2021	**101,360**	**942**	**129,771**	**232,073**	**60,412**	**292,485**
Additions - internally developed	5,524	-	-	5,524	-	5,524
Addition- external supplier	1,603	-	-	1,603	-	1,603
Impairment	(53)	-	-	(53)	-	(53)
Currency translation differences	95	160	-	255	10	264
Balance at 31 December 2021	**108,528**	**1,102**	**129,771**	**239,402**	**60,422**	**299,823**
Cumulated amortisation						
Balance at 1 January 2021	**79,659**	**185**	**1**	**79,845**	**-**	**79,845**
Currency translation differences	7	102	-	109	-	109
Amortisation	11,649	75	-	11,724	-	11,724
Balance at 31 December 2021	**91,315**	**363**	**1**	**91,679**	**-**	**91,679**
At 1 January 2021	**21,700**	**758**	**129,770**	**152,228**	**60,412**	**212,640**
At 31 December 2021	**17,213**	**739**	**129,770**	**147,722**	**60,422**	**208,144**

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

Investments in 2021 and 2020

During 2021 additions related to capitalised development costs amounted to EUR 7,127 thousand (2020: EUR 9,085 thousand).

Capitalised development costs

The capitalised development costs relate to internal and external expenditures in connection with the development of significantly new features on the webpages of the Group. As of 31 December 2021 capitalised development costs not yet available for use were EUR 5,074 thousand (2020: EUR 2,103 thousand).

Trademarks

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

in '000 EUR	Segment	31 Dec 2021	31 Dec 2020
lastminute.com	OTA and Media	44,704	44,704
Rumbo	OTA and Media	58,900	58,900
Weg.de (Comvel)	OTA and Media	6,089	6,089
Wayn	OTA	230	230
Bravonext SA	OTA	10	10
Madfish	Media	1,316	1,316
Jetcost	Metasearch	15,385	15,385
HolidayiQ	Metasearch	888	888
Pigi Shipping	Other segment	2,248	2,248
Total Trademarks		**129,770**	**129,770**

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

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

Note 20 - Goodwill

For the purpose of impairment testing, goodwill is allocated to the cash generating unit OTA, to the cash generating unit Metasearch and to the cash generating unit Media.

The aggregate amount of goodwill allocated to each segment is as follows at each reporting date:

in '000 EUR	Segment	31 Dec 2021	31 Dec 2020
	OTA	33,761	33,751
	Metasearch	20,830	20,830
	Media	3,248	3,248
	Other Segment	2,583	2,583
Total		**60,422**	**60,412**

The Group performed an impairment analysis for the CGUs that contain material indefinite life intangible assets and goodwill as of 31 December 2021 and 2020. It was determined that no impairment is to be recognised in the consolidated financial statements as of 31 December 2021 and 2020.

The Other Segment includes the goodwill related to Cruise business. During 2021 the Group performed an impairment analysis over it and it was determined that no impairment is to be recognised in the consolidated financial statements.

For evidence of the goodwill movement schedule please refer to Note 19.

OTA
Goodwill amounts to EUR 33,761 thousand for the OTA segment, see details in table above. The impairment test was based on an estimate of value in use and did not result in any recognition of impairment losses.

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

	31 Dec 2021	31 Dec 2020
Weighted average cost of capital (WACC)	13.0%	12.3%
Long-term growth rate (g)	2.0%	1.8%
Revenues growth rate (average of next four years)	35.2%	32.0%
EBITDA growth rate (average of next four years)	52.4%	>100%

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

Sensitivity analysis
A sensitivity table to the discount rate and long-term growth rate for 2021 and 2020 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the OTA CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below (in million Euro):

OTA 2021	Eur/mil	LONG-TERM GROWTH RATE			
		1.50%	**2.00%**	2.50%	3.00%
WACC	12.50%	568.7	591.0	615.6	642.8
	12.80%	556.9	578.2	601.6	627.3
	13.00%	545.7	**565.9**	588.1	612.5
	13.30%	534.9	554.2	575.3	598.5
	13.50%	524.5	543.0	563.1	585.1

OTA 2020	Eur/mil	LONG-TERM GROWTH RATE			
		1.30%	**1.80%**	2.30%	2.80%
WACC	11.80%	401.7	419.7	439.6	461.8
	12.00%	390	407	425.8	446.6
	12.25%	378.8	**394.9**	412.6	432.2
	12.50%	368.1	383.4	400.1	418.5
	12.80%	357.9	372.3	388.2	405.6

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

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

	31 Dec 2021	31 Dec 2020
Weighted average cost of capital (WACC)	13.0%	12.5%
Long-term growth rate (g)	2.0%	1.8%
Revenues growth rate (average of next four years)	27.0%	38.4%
EBITDA growth rate (average of next four years)	29.5%	62.9%

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

Sensitivity analysis
A sensitivity table to the discount rate and long-term growth rate for 2021 and 2020 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 (in million Euro):

META 2021	Eur/mil	LONG-TERM GROWTH RATE			
		1.50%	**2.00%**	2.50%	3.00%
WACC	12.50%	13	14.4	16	17.7
	12.80%	11.9	13.3	14.8	16.4
	13.00%	10.9	**12.2**	13.6	15.2
	13.30%	10	11.2	12.5	14
	13.50%	9.1	10.2	11.5	12.9

META 2020	Eur/mil	LONG-TERM GROWTH RATE			
		1.30%	**1.80%**	2.30%	2.80%
WACC	12.00%	65.9	69.4	73.4	77.7
	12.30%	63.4	66.7	70.4	74.5
	12.50%	61	**64.1**	67.6	71.5
	12.80%	58.7	61.7	65	68.6
	13.00%	56.5	59.3	62.4	65.9

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

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

	31 Dec 2021	31 Dec 2020
Weighted average cost of capital (WACC)	10.5%	9.25%
Long-term growth rate (g)	1.9%	1.8%
Revenues growth rate (average of next four years)	25.6%	35.3%
EBITDA growth rate (average of next four years)	>100%	>100%

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

Sensitivity analysis
A sensitivity table to the discount rate and long-term growth rate for 2021 and 2020 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the MEDIA CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below (in million Euro):

MEDIA 2021	Eur/mil	LONG-TERM GROWTH RATE			
		1.40%	**1.90%**	2.40%	2.90%
WACC	10.00%	23.7	25.3	27.1	29.2
	10.30%	22.6	24.1	25.8	27.7
	10.50%	21.5	**22.9**	24.5	26.3
	10.80%	20.5	21.8	23.2	24.9
	11.00%	19.5	20.7	22.1	23.6

MEDIA 2020	Eur/mil	LONG-TERM GROWTH RATE			
		1.30%	**1.80%**	2.30%	2.80%
WACC	8.80%	15.4	17	18.8	21
	9.00%	14.2	15.7	17.4	19.4
	9.25%	13.2	**14.5**	16.1	17.9
	9.50%	12.2	13.4	14.9	16.5
	9.80%	11.2	12.4	13.7	15.2

Note 21 - Financial Assets

The table below shows financial assets for the Group as of 31 December 2021 and 2020:

in '000 EUR	31 Dec 2021	31 Dec 2020
Long-term Deposits	1,148	1,086
Investments in other companies shares	8,838	-
Loans granted to other companies	800	250
Other non-current financial assets	1,158	-
Total non-current financial assets	**11,944**	**1,336**
Short term deposits	1,890	491
Investments in other companies shares	2,815	-
Loans granted to other companies	104	-
Other current financial assets	858	1,807
Total current financial assets	**5,666**	**2,299**

Reference should be made to Note 4 for evidence of the financial asset measurement arranged according to the categories defined by IFRS 9.

Non-Current financial assets
Total non-current financial assets increased by EUR 10,608 thousand (>100%) from EUR 1,336 thousand in 2020 to EUR 11,944 thousand in 2021. This variation is mainly due to the acquisition of the minority stake of Fedro S.A. in Freesailors Coöperatief U.A. in the context of the new share-based payment arrangement. The cash out for the acquisition amounted to EUR 5,122 thousand as disclosed in the cash flow statement, within the line related to the acquisition of financial assets. The fair value of the investment at year end is EUR 8,838 thousand, with a revaluation effect of EUR 3,716 thousand. See Note 16 and 31 for further details. Other cash movements in Non-current financial assets amounting to EUR 62 thousand are related to long term deposits. The increase in loans to other companies is linked to additional funding granted to the company constituted for the Destination MBO. The cash out during the period amounted to EUR 550 thousand. The line also includes the non-current portion of receivables related to the share-based plan ("LTIP 1" and "LTIP 2") for EUR 1,158 thousand, see Note 16 for further details on share-based payment plans.

Current financial assets
Total current financial assets increased by EUR 3,367 thousand (>100%), from EUR 2,299 thousand in 2020 to 5,666 thousand in 2021. The variation is mainly linked to the revaluation at fair value of the investment in Destination Italia, following the IPO and the change in % of ownership, as explained in Note 4 and 5, for a total amount of EUR 2,815 thousand. The line also includes the current portion of receivables related to the share-based plan ("LTIP 1" and "LTIP 2") for EUR 806 thousand (disclosed within other current financial assets), see Note 16 for further details. The increase in loans to other companies is linked to the funding granted to the new start-up in Israel StarNext Israel Ltd. As disclosed in the cash flow statement the cash out during the year are mainly related to EUR 1,399 thousand for short term deposits and EUR 104 thousand related to the increase of the loan to StarNext Israel Ltd.

Note 22 - Investment in equity accounted Investees

Investment in equity accounted investees amounted as of 31 December 2021 to EUR 891 thousand and consists of the investments in URBANnext SA and InstaGo Sagl (2020: EUR 872 thousand and consists of the investments in URBANnext SA, InstaGo Sagl and Destination SpA).

In October 2021, Destination Italia Spa launched an IPO. After the IPO, the % of ownership held by the Group has been diluted from 24.9% to 17.45%. Based on the applicable accounting standards the investment at year end has been accounted for at fair value through profit and loss and the use of the equity method has been discontinued. For further information please refer to Note 21, Note 12 and Note 5.

In addition, starting from January 2021, StarNext Israel Ltd investment has been accounted for by applying the equity method.

Moreover, in October 2021, BravoStar Israel Ltd was incorporated. The Group indirectly holds 35% of ownership in the company. At the date of this report, the company is inactive so no impacts on the Group profit and loss statement.

All the investments in equity accounted investees are companies operating in the tourism industry with which the Group has signed or will sign service agreements.

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

URBANnext SA

Opening balance at 1 January	**561**
Share of result	(56)
Closing balance at 31 December	**505**

InstaGo Sagl

Opening balance at 1 January	**281**
Share of result	105
Closing balance at 31 December	**386**

Destination SpA

Opening balance at 1 January	**30**
Other movements	(30)
Closing balance at 31 December	**-**

Please find below a reconciliation of the opening and closing balance of the liability for investments in equity accounted investees (when the investment accounted for at equity method is negative), included in trade and other payables within the consolidated balance sheet:

Opening balance at 1 January	**-**
Share of result of StarNext	(131)
Closing balance at 31 December	**(131)**

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

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

in '000 EUR	2021	2020
	URBANnext SA	URBANnext SA
Percentage ownership interest	***25%***	***25%***
Non-current assets	902	774
Current assets*	466	726
Non-current liabilities	(1,609)	(1,263)
Current liabilities	(458)	(439)
Net assets (100%)	**(699)**	**(202)**

**Cash and cash equivalents are included in current assets for a total amount of EUR 38 thousand at 31 December 2021 and EUR 223 thousand at 31 December 2020.*

in '000 EUR	2021	2020
	URBANnext SA	URBANnext SA
Percentage ownership interest	***25%***	***25%***
Revenues	834	745
Costs	(960)	(843)
Amortisation and depreciation	(264)	(270)
Finance income / (costs)	170	80
Income taxes	(3)	2
Profit / (Loss)	**(223)**	**(286)**
Effects of OCI adjustment	-	-
Total comprehensive income	**(223)**	**(286)**

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

in '000 EUR	2021	2020
	InstaGo SAGL	InstaGo SAGL
Percentage ownership interest	***30.04%***	***30.04%***
Non-current assets	3	9
Current assets*	776	280
Non-current liabilities	-	-
Current liabilities	(152)	(37)
Net assets (100%)	**627**	**252**
Revenues	628	84
Costs	(320)	(209)
Amortisation and depreciation	-	-
Finance income / (costs)	-	(1)
Income taxes	(55)	-
Profit / (Loss)	**253**	**(126)**
Effects of OCI adjustment	-	-
Total comprehensive income	**253**	**(126)**

**Cash and cash equivalents are included in current assets for a total amount of EUR 261 thousand at 31 December 2021 and EUR 273 thousand at 31 December 2020.*

StarNext Israel Ltd is a company formed in Israel, focused on the distribution of flights through meta channels. The Group has minor operational transactions with the entity. Please refer to Note 31 for further details.

in '000 EUR	2021
	StarNext Ltd
Percentage ownership interest	***35%***
Non-current assets	53
Current assets*	1,117
Non-current liabilities	-
Current liabilities	(1,577)
Net assets (100%)	**(407)**
Revenues	173
Costs	(605)
Amortisation and depreciation	(21)
Finance income / (costs)	76
Income taxes	-
Profit / (Loss)	**(377)**
Effects of OCI adjustment	-
Total comprehensive income	**(377)**

**Cash and cash equivalents are included in current assets for a total amount of EUR 136 thousand at 31 December 2021.*

Total effects with equity method investments have been included in profit and loss in the "Share of result of equity-accounted investees" line for a total loss of EUR 83 thousand (2020: EUR 93 thousand).

Note 23 - Trade and other receivables

The table below shows Trade and other receivables as at 31 December 2021 and 2020 for the Group:

in '000 EUR	31 Dec 2021	31 Dec 2020
Trade receivables	27,494	43,621
Receivables from shareholder	11	1
Other receivables	9,952	6,550
Accrued income and deferred expenses	1,613	1,550
Total Trade and other current receivables	**39,070**	**51,722**

Trade receivables decreased by 16,128 (-36,9%) from EUR 43,621 thousand in 2020 to EUR 27,494 thousand in 2021.

In 2021 the majority of trade receivables positions are related to receivables towards airlines and hotels, Global Distribution System ("GDS") partners and those customers that have chosen the deposit plus balance as method of payment and still have to complete the payment process.

Other receivables include VAT receivables and receivables related to working hour reduction but also other trade receivables. The increase of other receivables within the period is mainly due to an increase of contribution for working hour reduction plan and government grants.

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

in '000 EUR	31 Dec 2021	31 Dec 2020
Not past due	35,079	20,186
Past due 0-30 days	2,185	2,005
Past due 31-90 days	1,415	3,301
Past due 91-180 days	391	14,030
Past due 181-360 days	-	12,192
Past due 361 and over	-	9
Total	**39,070**	**51,722**

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

in '000 EUR	31 Dec 2021	31 Dec 2020
Balance at 1 January	12,028	4,927
Additions during the year	683	9,971
Used during the year	(7,265)	(543)
Effect of business combination	-	31
Released during the year	(842)	(2,257)
Deconsolidation	-	(85)
Currency translation difference	35	(15)
Balance at 31 December	**4,639**	**12,028**

During the year, the Group has accrued EUR 683 thousand to bad debt provision. Moreover, an amount of EUR 7,265 thousand has been used during the year. The usage is related to positions provided last year for an amount of EUR 5,004 towards our suppliers (hotels and airlines) and for an amount of EUR 2,261 thousand towards other customers. The release of EUR 842 thousand is the result of the credit collection activities carried out during the period.

Moreover, during the year the Group accounted for losses on trade receivables against receivables positions (and not against bad debt provision) for a total amount of EUR 18,223 thousand. Please refer to Note 10 for further details.

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

Note 24 - Contract assets and contract liabilities

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

in '000 EUR	31 Dec 2021	31 Dec 2020
Contract assets	4,018	2,138
Contract liabilities	(934)	(550)

Contract assets are related to over-commissions and other incentives on flights. Contract assets have increased in 2021 due to the Group's increase in flight volumes leading to an increase in flights over-commissions. Contract liabilities are related to advance payments from customers and have increased in 2021 due to the good performance of Dynamic Packages compared to last year. For further details refer to Note 7a.

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

Note 25 - Cash and cash equivalents

The table below shows Cash and cash equivalents as of 31 December 2021 and 2020:

in '000 EUR	31 Dec 2021	31 Dec 2020
Cash on hand	2	3
Bank accounts	105,104	134,433
Credit Card accounts	4,557	3,182
Total	**109,664**	**137,618**

Bank accounts
The interest rates applied to Group's bank accounts are between -0.85% and 1.05% in 2021 (2020: nil). Bank overdrafts bearing variable interest rates are between 0% and 2.20% in 2021 (2020: between 0% and 2.20%). For further information refer to the Consolidated Cash Flow Statement.

Credit card accounts
Credit card accounts of EUR 4,557 thousand (2020: EUR 3,182 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 2021 and 2020:

In '000 EUR	31 Dec 2021	31 Dec 2020
Share capital and reserves		
Share capital	117	117
Capital reserves	76,409	101,819
Treasury share reserve	(9,062)	(9,108)
Currency translation reserve	2,396	1,371
Retained earnings / (losses)	(7,354)	(25,409)
Equity attributable to shareholders of lastminute.com NV	**62,507**	**68,790**
Non-controlling interest	554	292
Total equity	**63,061**	**69,082**

Share capital
As of 31 December 2021 the number of ordinary shares is 11,664,219 (same as of 31 December 2020) for a nominal value per share of EUR 0.01 (2020: EUR 0.01).

Capital reserves
As of 31 December 2021 capital reserves, including share premium reserves, amount to EUR 76,409 thousand (2020: EUR 101,819 thousand). The variation is linked to the attribution of previous year's losses to capital reserves for EUR 25,409 thousand.

There are restrictions for the distribution of capital reserves, refer to Note 7 of the company financial statements.

Treasury share reserve
The reserve for the Group's treasury share comprises the cost of the shares held by lastminute.com Group. At 31 December 2021 the Group held 644 thousand shares for the total value of EUR 9,062 thousand (648 thousand shares as of 31 December 2020 for a total value of EUR 9,108 thousand).

During 2021 the Group sold 4 thousand shares (for a book value of EUR 46 thousand) for a total value of EUR 128 thousand, leading to EUR 82 thousand of finance income reclassified to retained earnings as requested by the applicable accounting standards. Please refer to the consolidated statement of changes in equity for evidence.

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

Retained earnings/(losses)
Retained earnings/(losses) as of 31 December 2021 amounted to EUR (7,354) thousand (2020: EUR -25,409 thousand) and include the result related to current year and accumulated results generated in previous years by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liability.

The 2021 retained earnings was mainly impacted by the negative results realised by the Group.

Dividends
No dividends were paid by the Group during 2021.

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

Non-controlling interests
The difference on Non-controlling interests, from EUR 292 thousand in 2020 to EUR 554 thousand in 2021, is mainly related to the following effects:

- the profit of the period pertaining to Non-controlling interests for EUR 44 thousand;
- Decrease of non-controlling interests (LM Forward, Madfish and Smallfish at year end are fully controlled by the Group, please refer to Note 5) with a positive effect of EUR 218 thousand. The cash out for the acquisition was equal to EUR 2 thousand as disclosed in the Cash Flow Statement.

The table below shows the number of shares and total issued capital as of 31 December 2021 and 2020:

Issued Capital	31 Dec 2021	31 Dec 2020
Number of ordinary shares	11,664,219	11,664,219
Nominal value per share (EUR)	0,01	0.01
Total amount (EUR)	**116,642**	**116,642**

Note 27 - Provisions

The table below shows the movements in Provisions for 2021 and for 2020:

Provisions 2021

in '000 EUR	1 Jan 2021	Addition	Release	Use	Currency translation difference	31 Dec 2021
Provision for fraudulent credit card transactions and chargebacks	2,331	1,706	-	(2,308)	-	1,729
Other provisions	1,414	790	(253)	(430)	-	1,521
Provision for tax risks	111	5	-	(111)	-	5
Total	**3,856**	**2,501**	**(253)**	**(2,849)**	**-**	**3,255**
Non current	-	-	-	-	-	-
Current	3,856	2,501	(253)	(2,849)	-	3,255
Total	**3,856**	**2,501**	**(253)**	**(2,849)**	**-**	**3,255**

Provisions 2020

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

Provision for fraudulent credit card transactions and chargebacks
Provision for fraudulent credit card transactions and chargebacks, for an amount of EUR 1,729 thousand (2020: EUR 2,331 thousand), refer to transactions completed in the year before the reporting date and likely to be disputed by the customer in the following year. The decrease is mainly due to the reduced number of chargebacks as a direct consequence of the lower booking cancellations compared to 2020.

Provision for tax risks
Provision for tax risks, for an amount of EUR 5 thousand (2020: EUR 111 thousand), refers to minor risks for which the Group expects to have a cash out flow in the coming years. The reduction in the year is linked to utilisation of non deductible VAT provision previously accrued in 2020.

Other provisions
As of 31 December 2021, other current provisions amounted to EUR 1,521 thousand (2020: EUR 1,414 thousand) and they are mainly referred to:

- a provision for fine levied by the Italian antitrust authority in December 2017. Originally the Group booked a provision of EUR 2,400 thousand, the entire amount of the fine. The first instance judicial proceedings ended with TAR Lazio recognizing the Group's position and reduced the amount of the fine imposed by EUR 772 thousand. A total amount of EUR 1,628 thousand had been paid by the Group during 2019. Following the delivery of the above judgement the Group filed the appeal to require the Council of State ("Council of State"). Through its final judgement dated 15 October 2020 the Council of State disposed of a reduction to EUR 400 thousand of the overall amount of the fine, that represents the amount at 31 December 2020. The amount has been increased in 2021 for EUR 30 thousand. In April 2021 the Group had to pay EUR 430 thousand after the final decision of the Italian antitrust authority. The provision at 31 December 2021 related to this fine is nil.

- a provision for future cancellations for EUR 664 thousand. Considering that holidays business will be impacted by the pandemic also during next year, either directly due to travel restrictions or indirectly due to cancellation of flights scheduled, the Group management has estimated a provision to cover losses coming from cancellations that will happen in 2022 related to bookings already accounted for in 2021. The basis of the calculation is the backlog of bookings not yet cancelled at the end of the year with a future departure. Cancellation percentage estimation is based on the latest trends. The first quarter of 2022 is expected to be more impacted and the effect is expected to decrease from the second quarter bringing the trend to levels very similar to the pre pandemic ones at the end of 2022. Total provision accrued for DP business is EUR 377 thousand and EUR 87 thousand related to Hotels. With reference to Tour Operator business a provision of EUR 199 thousand has been accrued. Flight category does not bring negative effects from cancellation thanks to positive contribution of the administration fees applied where refund is done by cash and the huge effect of misredemption of voucher or positive contribution margins from future bookings made with vouchers that more than compensates any negative effects coming from the cancellation itself.

- a provision for litigation and other risks in Germany for EUR 364 thousand.

- a redundancy provision for EUR 174 thousand, related to the exit of employees in the next year.

- a provision for other risks in France that has partially been released during the year for EUR 200 thousand.

Note 28 - Net Financial Position

The table below represents the net financial position for the Group as of 31 December 2021 and 2020:

in '000 EUR	31 Dec 2021	31 Dec 2020
Current financial assets (*)	2,851	2,299
Cash and cash equivalents	109,664	137,618
Short term financial liabilities	(53,483)	(67,236)
Short term lease liabilities	(2,681)	(4,980)
Net Financial Position within 12 months	**56,351**	**67,701**
Non-current financial assets (**)	3,106	1,336
Long term financial liabilities	(26,125)	(28,721)
Long term lease liabilities	(4,274)	(6,767)
Net Financial Position over 12 months	**(27,294)**	**(34,152)**
Total Net Financial Position	**29,058**	**33,549**

** Current financial assets don't include Destination shares, that for their nature are not included in the NFP. See Note 4, 5, 21 for further information*

*** Non-Current financial assets don't include Freesailors shares acquired during the year that for their nature are not included in the NFP. See Note 4, 21 and 31 for further information*

The Net Financial Position for the Group was EUR 29,058 thousand in 2021, compared to EUR 33,549 thousand in 2020.

The changes in the composition of the net financial position as of 31 December 2021 compared to December 2020 can be mainly explained by the following:

- lower cash and cash equivalents by EUR (27,954) thousand due to the effect of repayment of financing and the capital expenses, partially compensated by the positive effects of the operating cash flow during the year;

- decrease in Financial Liabilities by EUR (16,349) thousand. Financial liabilities movements are mainly related to the reimbursement of loans granted by top rated European banks.

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

Note 29 -Trade and other payables

The table below shows "Trade and other payables" as of 31 December 2021 and 2020:

in '000 EUR	31 Dec 2021	31 Dec 2020
Trade payables	95,188	78,665
Credit card payables	38,170	8,277
Other payables	7,288	8,221
Accrued expenses and deferred income	59,976	118,744
Total Current	**200,622**	**213,908**
Total Trade and other payables	**200,622**	**213,908**

The most significant creditors of the Group, included in the total trade payables at 31 December 2021, are related to marketing service providers and to the International Air Transport Association (IATA).

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

in '000 EUR	31 Dec 2021	31 Dec 2020
Not past due	188,921	204,406
Past due 0-30 days	9,659	6,400
Past due 31-90 days	626	1,231
Past due 91-180 days	71	704
Past due 181-360 days	140	959
Past due 361 and over	1,205	207
Total	**200,622**	**213,908**

With reference to past due 361 and over trade payables, the increase is due to the delay that the Group is facing due to Covid-19 in managing the compensation between receivable and payable amounts.

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 2021 increased by EUR 29,893 compared to the previous year. On 31 December 2021, the Group increased the credit card plafond to a total amount of EUR 73,294 thousand (2020: EUR 54,537 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 2021 decreased by EUR 933 thousand compared to 2020.

Accrued expenses and deferred income

The accrued expenses and deferred income decreased by EUR 58,768 thousand, from EUR 118,744 thousand in 2020 to EUR 59,976 thousand in 2021. The most relevant component included in this line is related to the liabilities towards the customers for vouchers issued in relation to the cancellations of bookings when the customers choose this option as a method of refund. At year end total voucher refund provision amounted to EUR 47,218 thousand, compared to EUR 108,172 thousand in 2020.

Note 30 - Contingent Liabilities

Switzerland

Proceedings against Ryanair Ltd now Ryanair DAC

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

On 8th May 2019 Bravonext SA received the Court decision. Pretura of Lugano rejected Ryanair requests and decided the first grade in Bravonext SA favour. Ryanair has appealed the decision. The Group received the appeal of Ryanair and answered with a counter-appeal on 13th December 2019.

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

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

According to the information available, BravoNext should receive from Ryanair as an indemnification, net of any payment still due to the courts by BravoNext, approximately CHF 295 thousand.

Taking in consideration the positive outcome of the first and the second grade of the court, management believes that no liability is required at the balance sheet date. The amount of CHF 295 thousand has not been booked as a contingent asset in the financial statements.

Considering a new case law deriving from a recent judgement of the Federal Court, in December 2021 Bravonext also requested that, in spite of the appeals being pending before the Federal Court, the first instance court and the cantonal Court of Appeal already release in favour of Bravonext the amounts that had been paid by Ryanair as security for costs before the two instances.

The total amount that was requested to be released is CHF 138,500, being only a part of the amount that Bravonext should be entitled to receive from Ryanair as an indemnification. The total amount due for the two phases (i.e. without considering the pending procedures before the Federal Court) should be approximately CHF 295,000.

The request of release sent by Bravonext was then served to Ryanair by the respective courts and Ryanair was granted a deadline that expired around January 10, 2022 to file their comments.

On 7 February 2022, Bravonext received the decision of the courts which ordered the release of deposits totalling CHF 93,500. The decision of the court for the amount of CHF 45,000 is still pending. The decision should therefore also be the same for the court.

Italy

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

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

On 13 November 2019 the Court of Cassazione decided to accept all grounds of appeal proposed by Viaggiare Srl and to reject all the Ryanair's argumentation. Particularly in regard with the abuse of dominant position, the Highest Court said that the Appeal court didn't properly apply the criteria to exclude or declare the abuse of dominant position of Ryanair.

The Group has gone back to the Appeal court asking for a new decision on this point.

On 7 January 2022, the Group received the orders of the Court of Appeal which, in essence, granted the Group's request for remand for investigation, with an order for Ryanair to produce various documents relating to its market position and a technical consultant on the subject. The time limits of the proceedings are as follows: Ryanair until 1st March to produce the documents; to the parties until 25th of March for the proposal of expert questions. The next hearing will be on the 6th of April 2022.

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 judgement was appealed by the airline in June 2013. In March 2015 the proceeding was transferred to LMnext CH SA due the transfer of going concern between lastminute.com Srl and Lmnext CH SA. In July 2015 the second instance court decided in favour of LMnext CH even if Ryanair has not been recognised as dominant in the market. Ryanair appealed the decision before the third level Court of "Cassazione".

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

On 7 January 2022, the Group received the orders of the Court of Appeal which, in essence, granted our request for remand for investigation, with an order for Ryanair to produce various documents relating to its market position and a technical consultant on the subject. The time limits of the proceedings are as follows: Ryanair until 1st March to produce the documents; to the parties until 25th of March for the proposal of expert questions. The next hearing will be on the 6th of April 2022.

France

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

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

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

The oral hearings took place on October 21, 2021. The decision, initially expected by February 2022, has now been postponed due to further questions by the court to the parties.

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

Germany/Switzerland

LMnext DE GmbH and BravoNext SA were in a dispute against Ryanair DAC. In February 2021, Ryanair sent a warning letter to BravoNext SA and LMnext DE GmbH alleging that the practice of replacing the actual email addresses of customers making a booking for a Ryanair flight on the Company's website with a virtual email address when communicating with Ryanair is illegitimate. Ryanair alleged that BravoNext and LMnext DE GmbH are misleading their customers and Ryanair itself with this practice and are unfairly inhibiting Ryanair's business. Ryanair demanded BravoNext SA and LMnext DE GmbH to cease and desist from this practice. The court rejected the request and condemned Ryanair to pay the court's expenses. The Group considers this legal claim closed.

Note 31 - Related Parties

The Group is controlled by Freesailors Coöperatief U.A (incorporated in the Netherlands), which is controlled by Mr. Fabio Cannavale. Freesailors Coöperatief U.A owns 44.58% (2020: 44.58%) of the shares of the Company. The remaining 55.42% (2020: 55.42%) of the shares are widely held.

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

Receivables from shareholders
During the year and as of 31 December 2021 there were no outstanding amounts between the Group and its shareholders.

Key management personnel compensation
In 2021 the key management consisted of 3 members, being Mr. Fabio Cannavale (lastminute.com founder & CEO), Mr. Andrea Bertoli (lastminute.com CEO & COO) and Mr. Sergio Signoretti (CFO).

The details of the approved remuneration for the three managers, excluding the post employment benefits, are the following:

Qualification	Fixed Remuneration	Bonus	Total compensation	Variable on Total Compensation (%)	Fair value of SAR	Fair value of SAR (Proportioned to vesting) (**)
Executive Director, CEO lastminute	100	550	650	85%	-	-
Executive Director, lastminute.com CEO & COO	290	360	650	55%	1,408	157
CFO	210	60	270	22%	430	53
Total	**600**	**970**	**1,570**		**1,838**	**210**

The key management personnel compensation accounted for in 2021 and 2020 is presented in the table below:

in '000 EUR	2021	2020
Short-term employee benefits	944	451
Post employment benefits	45	16
Fair value of Equity Remuneration* (Estimated Potential Value)	1,838	-
Total	**2,827**	**467**

The amount for 2021 is EUR 2,827 thousand which includes the fixed remuneration (100%) and the variable remuneration (35% of the total approved amount), the post-employment benefits and the fair value of the equity remuneration (LTIP and SAR, for which reference should be made to Note 16). The bonuses are linked to the performance targets defined by the Board of Directors and accordingly their payment is due if the target is reached. The actual compensation recorded in 2021 financial statements is EUR 944 thousand and it is related to the fixed remuneration and the actual variable compensation. The actual compensation recorded in 2020 financial statements was EUR 467 thousand and it was related only to the fixed remuneration and to post-employment benefits.
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Transactions with associates
The tables below provide summarised financial information with reference to the transactions with associates:

in '000 EUR	31 Dec 2021		31 Dec 2020	
	Assets	Liabilities	Assets	Liabilities
URBANnext SA	23	-	47	-
Instago SAGL	-	97	-	-
Total	**23**	**97**	**47**	**-**

** BravoStar is inactive at 31 December 2021, no receivables or payables with StarNext*

in '000 EUR	2021		2020	
	Costs	Revenues	Costs	Revenues
URBANnext SA	-	14	-	83
Instago SAGL	220	-	143	-
Total	**220**	**14**	**143**	**89**

** BravoStar is inactive at 31 December 2021, no revenues or costs with StarNext*

Other transactions
In April, the Group completed the acquisition of a minority stake in Freesailors Coöperatief U.A from Fedro S.A for a total amount of EUR 5,122 thousand (2.01%), as disclosed in Note 21. The investment at year end has been accounted for at fair value through profit and loss. For evidence of the effects of the revaluation reference should be made to Note 12. The shares have been purchased by the vehicle (Sealine Investments 2 LPs) used by the Group to run a new cash-settled share-based payment arrangement for employees and directors which expressed the intention to invest in the business. For further details on the new scheme ("LTIP 2") reference should be made to Note 16.

During the year there were no significant other transactions with related parties.

Note 32 - Bank Guarantees

As of 31 December 2021, financial institutions had issued bank guarantees to third parties on behalf of the Group for a total amount equal to EUR 46,202 thousand (2020: EUR 50,790 thousand), of which EUR 16,513 thousand relate to a bank guarantee for the IATA, ABTA and ATOL and EUR 10,000 thousand for APST (Association Professionnelle de Solidarité du Tourisme).

Note 33 - Group Companies

The table below shows the Group 's structure as of 31 December 2021 and 2020:

Name	Place of business	Consolidated for 2021	Ownership interest	
			2021	2020
lastminute.com N.V.	Amsterdam, Netherlands	-	Parent Company	Parent Company
Bravonext SA	Chiasso, Switzerland	Fully	100.00%	100.00%
Viaggiare S.r.l.	Milan, Italy	Fully	100.00%	100.00%
LMnext US INC	Wilmington, USA	Fully	100.00%	100.00%
LMnext DE Gmbh	Munich, Germany	Fully	100.00%	100.00%
LMnext Services Ltd	London, UK	Fully	100.00%	100.00%
LMnext UK Ltd	London, UK	Fully	100.00%	100.00%
Bravoventure India Private lmt	Bangalore, India	Fully	100.00%	100.00%
Sealine Investments LP	Edinburgh, UK	Fully	0.10%	0.10%
Blue Sas - JetCost	Paris, France	Fully	98.40%	98.40%
Pigi Shipping & Consulting S.r.l.	Milan, Italy	Fully	100.00%	100.00%
Bravoventure Spain SLU	Madrid, Spain	Fully	100.00%	100.00%
Rumbo SA	Madrid, Spain	Fully	100.00%	100.00%
Webnext Limited	Valletta, Malta	Fully	100.00%	100.00%
LMnext CH SA	Chiasso, Switzerland	Fully	100.00%	100.00%
URBANnext SA	Chiasso, Switzerland	Equity	25.00%	25.00%
Cruiseland S.r.l.	Milan, Italy	Fully	100.00%	100.00%
LMnext FR SASU	Paris, France	Fully	100.00%	100.00%
Bravometa CH SA	Chiasso, Switzerland	Fully	98.40%	98.40%
Bravoventure Poland Spolka	Szczecin, Poland	Fully	100.00%	100.00%
Destination Italia SpA	Milan, Italy	n/a	*	24.90%
Destination 2 Italia Srl	Milan, Italy	n/a	*	24.90%
Lmnext UK Ltd (incorporated in England and Wales) Branch	London, UK	Fully	100.00%	100.00%
Comvel Gmbh	Munich, Germany	Fully	100.00%	100.00%
Bravolivia Sl	Madrid, Spain	Fully	100.00%	100.00%
InstaGo SAGL	Chiasso, Switzerland	Equity	30.04%	30.04%
LM Forward Ltd	London, UK	Fully	100.00%	83.00%
QT Mobilitatsservice Gmbh	Munich, Germany	Fully	100.00%	100.00%

** Accounted for as financial investments in 2021*

Name	Place of business	Consolidated for 2021	Ownership interest	
			2021	2020
Madfish Srl	Milan, Italy	Fully	100.00%	83.00%
Smallfish Srl	Madrid, Spain	Fully	100.00%	83.00%
HolidayiQ Pte Ltd	Singapore	Fully	100.00%	100.00%
Leisure and Lifestyle Information Service Pvt Ltd	Bangalore, India	Fully	100.00%	100.00%
Sealine Investments 2 LP	Edinburgh, UK	Fully	0.10%	0.00%
StarNext Israel Ltd	Israel	Equity	35.00%	0.00%
BravoStar Israel Ltd	Israel	Equity	35.00%	0.00%
StarTech Srl	Milan, Italy	Fully	100.00%	0.00%

Note 34 - Subsequent Events

Update on financing
In February 2022, the Group renegotiated sources of financings, whose deadline was expected to be at the end of the month, with major financial institutions. In this context, when applicable, the underlying covenants have been reviewed taking into account the business environment in which the Group operates.

Accounting Implications of the Ukraine crisis
On 21 February 2022, Russian President Putin formally recognized the separatist republics Donetsk and Luhansk in east Ukraine as independent states. On 22 February 2022, the US, Europe, the UK, Canada, Japan and Australia announced a first tranche of sanctions to serve as a deterrent to a further escalation of the conflict. Sanctions remained on the moderate side. On 24 February 2022, Russian troops started invading Ukraine. In response, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus.

With reference to the current situation of war in Ukraine, the Group management is evaluating and monitoring on a timely basis the potential impacts of this conflict on its operations.

The weight of the bookings from and to the affected countries is not material in any meaningful way, corresponding to 1.29% of the booking in 2020 and 1.45% of the booking in 2021. Until the date of the publication of this report the weight of the bookings made in 2022 from and to the affected countries is only 0.7% of the total and will remain likely identical for a certain period.

With reference to its employees, the Group has a few people from the Technology department working from Ukraine in full remote mode. Most of these people have been safely relocated either in Poland, Romania or in Switzerland. The Group did not employ anyone in Russia or Belarus.

With reference to the Group operations, one of the main impacts could be the increase in the price of flight tickets as a result of the growth of the oil price for airlines. However, considering that there is a massive amount of demand in the market and reduced capacity, at least in the short term this should not create significant slowing in current trading. The Group has non significant providers established in Russia and Belarus and non-material contracts signed with the local airline companies. Furthermore, the Group doesn't have material assets in the countries involved in the conflict whose valuation could lead to future impairment losses.

In general, the main actions taken by the Group management to react to the situation have been:

- blocking all Dynamic Packages sales to Russia, Belarus, Ukraine and Moldova, due to air space closure or sanctions being imposed
- removing all hotel only sales to Russia and Belarus from the website
- stopping all flight only sales to/from Russia, Belarus, Ukraine and Moldova for departures until 31 March 2022 initially, then extended to 30 April 2022.

In terms of customer management, the Group is managing all flight only and standalone accommodation sales as per the supplier policy, as these services are not regulated. The Group will refund customers if able to receive a refund itself. For flights the Group is asking customers to check directly with their airline as the Group has no indication at this point how long this will go on and what refund policy, if any, airlines will allow the Group to do (referring to Russian, Belarus and Ukrainian airlines in this specifically). In terms of holiday package sales, which are historicaly not significant, the Group is following the Package Travel Regulation, which means the Group needs to refund the customer in full, if there is a travel restriction in place by the authorities.

Considering the indirect impact of the current situation on future business and operations, should the conflict last longer than expected, there could be an indirect effect on the spending possibilities of those families who will see their purchasing power reduced and who may have less savings to devote to holidays in favour of basic needs.

In general the political and economic consequences of the Ukraine conflict could affect the Group's business performance in ways that cannot yet be estimated

To conclude on the above, for the reporting date 31 December 2021, the financial statement impacts of the events and the market conditions arising from the conflict are considered as non-adjusting events. At the date of the publication of this report some uncertainties remain but based on the current figures, it appears clear that there is no impact on the 2021 consolidated financial statements as well as on the group current trading.

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

CORPORATE GOVERNANCE
report 2021

Preliminary remarks

lastminute.com's Corporate Governance Report 2021 follows the SIX Swiss Exchange Directive on Information relating to Corporate Governance entered into force on 1 October 2021 and takes into account the Swiss Code of Best Practice for Corporate Governance and the Dutch Corporate Governance Code. Please note that the Company, being Dutch, is not subject to the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC).

All disclosures required by the Dutch Corporate Governance Code are included in the documents hereby, Consolidated Financial Statements, Directors' Report and available on the Company's corporate website. To avoid duplication of information, cross-referencing to other reports is made in some sections, namely: the Annual Report 2021, the Consolidated Financial Statements 2021 of lastminute.com NV, as well as the Articles of Association of lastminute.com NV.

The Dutch Corporate Governance code can be found on www.MCCG.nl.

The Consolidated and the Company's Financial Statements of lastminute.com NV 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and in accordance with book 2, part 9 of the Dutch Civil Code.

Where necessary, these disclosures have been extended to comply with the requirements of the SIX Swiss Exchange Directive Financial Reporting.

1 - Group structure and shareholders

1.1 Group structure

Management is determining operating segments based on the information reviewed and managed by the Group chief operating decision maker.
On this basis, the Group has defined the main following operating segments:

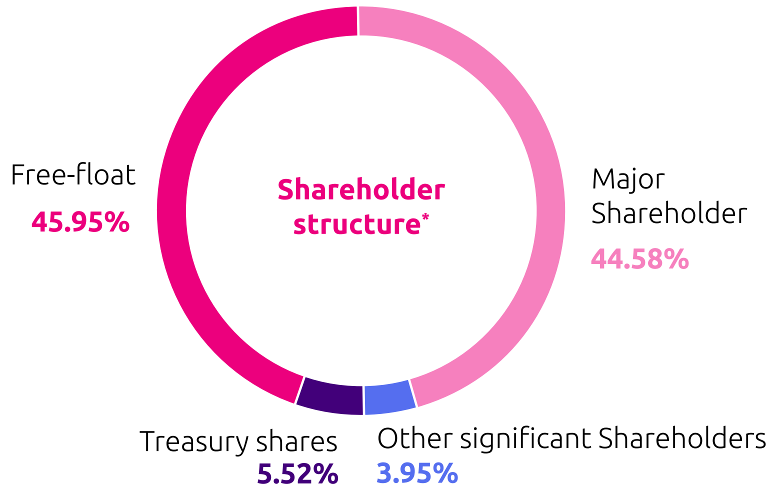
- Online Travel Agency (OTA), which includes the intermediation of touristic services and organization of dynamic packages. It represents the traditional business of the Group.
- Meta-search (META), which includes the business generated in our websites focused on directing traffic, in exchange for a commission, to the sites of OTAs, airlines, hotel providers and other direct providers.
- Media, which includes the sale of online advertising primarily on the proprietary OTA and META websites and database and, to a lesser extent, on third party partners' available spaces.

Group subsidiaries are listed in Note 33 of the Consolidated Financial Statements.

lastminute.com NV is registered in The Netherlands, with its statutory seat at Basisweg 10, 1043 AP, Amsterdam. lastminute.com's shares are listed on the SIX Swiss Exchange (ISIN code: NL0010733960) in Zurich. On 31 December 2021, the market capitalization of LMN was CHF 453,738,119. For further information, refer to our website on https://lmgroup.lastminute.com/investor-relations/share-information.aspx.
No other Group's affiliated or associated companies are listed as of 31 December 2021.

Significant shareholders and significant groups of shareholders as of 31 December 2021 are reported below:

1.2 Significant shareholders



In April 2021, Fedro SA sold its entire stake in Freesailors Coöperatief U.A. ("**Freesailors**") - the investment vehicle controlling the Company - to (i) Sterling Active Fund, (ii) some other private investors (hereinafter, the above investors the "**Group of Private Investors**") and (iii) a number of the Group's top managers through Sealine Investments 2 LP, a Scottish limited partnership governed by the Company (hereinafter, the Group of Private Investors and Sealine Investments 2 LP, the "**Other Investors**"). Freesailors' membership's structure results to be composed by (i) Fabio Cannavale (72.43%, directly and indirectly), (ii) Sterling Active Fund (17.45%) and (iii) the Other Investors (10.12%). In particular, among the Other Investors, the Company indirectly owns through Sealine Investments 2 LP, the equivalent of 2.01% of the Company's shares.
All the above investors signed a Shareholders Agreement. Freesailors still holds 44.6% of the Company. Moreover, certain Freesailors' investors own, out of the Shareholders Agreement, an additional 5.99% of the Company's shares, among which the Company owns 5.52% as treasury shares.
Further disclosures have been published on the reporting and publication platform of the Disclosure Office of SIX Swiss Exchange pursuant to art. 120 of the Financial Market Infrastructure Act and the corresponding provisions of the FINMA Financial Market Infrastructure Ordinance and can be accessed through the following link: https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

As of 31 December 2021, the Group held 644,123 own shares. For more details, please refer to Note 26 of the Consolidated Financial Statements.

There are no cross-shareholdings.

2 - Capital structure

As of 31 December 2021, the Company has an issued share capital of EUR 116,642.19 divided into 11,664,219 fully-paid bearer shares with a nominal value of EUR 0.01 each.

Under Dutch law, a company's authorized share capital sets out the maximum number of shares that the company may issue without amending its articles of association. Under the Articles of Association, the Company's authorized capital amounts to EUR 181,100 and is divided into 18,110,000 Shares, each with a nominal value of EUR 0.01. The concept of conditional share capital is not known under Dutch law and thus there is no conditional share capital. Further, also the concept of authorized share capital as known under Swiss law deviates from the concept applicable under Dutch law.
In accordance with Dutch law and the Articles of Association, Shares shall be issued pursuant to a resolution passed by the Company's general meeting of shareholders, upon the proposal of the Board of Directors containing the price and further terms and conditions of the issue. Under the Articles of Association, the Company's general meeting of shareholders may delegate the authority to issue Shares to the Board of Directors, for a fixed period not exceeding five years and in a resolution specifying the number of Shares that may be issued and any further conditions. Such designation may be renewed each time for a period not exceeding five years.

In order to provide the Company with sufficient flexibility to issue Shares and grant rights to subscribe for Shares, the Annual General Meeting (AGM) held on 22 June 2021 authorized the Board, for a period of five years from the date of the AGM (i.e. until June 22nd, 2026) to (i) issue Shares and grant rights to subscribe for Shares up to a maximum number equal to 10% of the issued share capital of the Company as of the date of the AGM and (ii) restrict or exclude pre-emptive rights in connection with such issue of Shares or grant of rights to subscribe for Shares. The Shares will be issued at such price and upon such terms and conditions as the Board deems appropriate based on the Board's determination of what is in the best interests of the Company, taking into account the interests of the Company's stakeholders, at the relevant time. Any issuances of Shares and/or grants of rights to subscribe for Shares by the Company will be published on the Company's website (https://lmgroup.lastminute.com/). Within eight days after the end of each calendar quarter, the Company shall further register the relevant issuances of Shares effectuated in such quarter with the Dutch Trade Register.

Movement in recognized amounts are detailed in Note 26 of the Consolidated Financial Statements.

All shareholders have the right to receive, pro-rata to their shareholding, any dividend, participation on available earnings or any liquidation proceeds following the repayment of the share capital. There are no participation or profit-sharing certificates.

As of 31 December 2021, there are no outstanding bonds and bonds convertible into, or options to acquire, shares. See Note 16 of the Consolidated financial statements for further information.

No stock option programs have been in place throughout the year, but a stock appreciation rights plan (the "**SAR**") has been approved with the following features:

- a maximum of 750.000 options could be assigned to key employees and Executive Directors;
- strike price: 25 CHF;
- right of accessing the stocks ("Vesting") is subject to specific conditions:
  i) period of time of 4 years (Pro rata from Year 2 to Year 4); and
  ii) lm stock price levels (the "**Price' Thresholds**") - only in case stock price will be equal or above a certain threshold.
- With reference to the Price Threshold has been defined differently depending if the beneficiary is part of Group A (all the selected employees) or Group B (the executives directors). In particular, the Price Thresholds are the following:
  Group A
  i) 40% of the options are not subject to any Threshold
  ii) 35% of the options subject to a Price Threshold equal or higher than CHF 40;
  iii) 25% of the options subject to a Price Threshold equal or higher than CHF 60;
  Group B
  iv) 35% of the options subject to a Price Threshold equal or higher than CHF 40;
  v) 65% of the options subject to a Price Threshold equal or higher than CHF 60;
- having the Board of Directors resolved for a SAR plan, no capital increase has been required for its financing. Moreover, the company maintains the discretionary right to ask the AGM approval in case in the future it would change the financing source from cash payment to shares payment.

Non-voting equity securities do not exist for a Dutch public limited company.

The Shares may be transferred as book-entry securities. Under Swiss law, the booking of the Shares in the share account of the acquirer is sufficient for the transfer of the Shares. The Shares are freely transferable and no limitations on transfer and no voting right restrictions apply. Being the Company listed in Switzerland, the regulatory law that is applicable for managing the shares is the Swiss law.

Further information on the Capital Structure is provided in Note 26 of the Consolidated Financial Statements and in the Articles of Association currently in force, refer to: https://res.cloudinary.com/lastminute-contenthub/image/upload/DAM/Artwork/lmgroup/documents/governance-documents/2020/article-of-association-31-july-2020.pdf

3 - Board of Directors

The Company has a one-tier board structure with a board of directors (the "**Board of Directors**" or the "**Board**") consisting of executive directors and non-executive directors. The Board shall consist of at least one Executive Director and at least two Non-Executive Directors. The majority of the Board shall be composed of Non-Executive Directors. All the Non-Executive Directors meet the independence requirements established by the Dutch Corporate Governance Code.
The Board believes that it should generally consist of no fewer than three and no more than nine members. This range permits diversity of experience without hindering the effective discussion or diminishing individual accountability. The chairman of the Board (the "**Chairman**") shall be a Non-Executive Director. The new directors, independently from their gender, have been selected due to their skills and support to strategic decisions that they can afford during the year. Gender diversity will be one of the criteria of selection for future replacement of directors.

The table below lists the composition of the Board as of 31 December 2021:

Name	Year of birth	Gender	Nationality	Qualification	1st Election	Expires
Laurent Foata	1971	Male	French	Non-executive Director, Chairman of the Board of Directors	2018	2022
Fabio Cannavale	1965	Male	Italian	Executive Director, CEO	2013	2022
Andrea Bertoli	1964	Male	Italian	Executive Director, COO	2021	2022
Roberto Italia	1966	Male	Italian	Non-executive Director	2013	2022
Paola Garzoni	1967	Female	Swiss	Non-executive Director	2021	2022
Massimo Pedrazzini	1963	Male	Swiss	Non-executive Director	2021	2022
Javier Perez Tenessa	1967	Male	Spanish	Non-executive Director	2021	2022

Unless otherwise stated, the non-executive members of the Board of Directors have no significant business relationships with lastminute.com. Mr. Fabio Cannavale and Mr. Andrea Bertoli act as directors in certain subsidiaries of the Group. Transactions of significance to the Company with major shareholders (more than 10%) require approval of the non-executive directors and are agreed on terms customary in the market. No Non-executive director has been a member of the management of the Company or one of the Company's subsidiaries in the three financial years preceding the period under review.
In accordance with article 14 of the Articles of Association, the Board may agree on a division of the duties of the Board between one or more Non-Executive Directors and one or more Executive Directors.
The duty to supervise the performance of duties by the Executive Directors cannot be taken away from the Non-Executive Director by a division of duties. The chairmanship of the Board, the making of proposals for the appointment of a Director and the adoption or the assessment of the remuneration of the Executive Directors may not be assigned to an Executive Director.
In case of a Director's absence, his duties and powers shall be carried out by the other Directors. In the event that all Directors are absent, their duties and powers shall be temporarily entrusted to a person designated by the general meeting of shareholders of the Company (the "General Meeting").

3.1 Professional background and other activities and functions

Laurent Foata
Non-executive Director, Chairman of the Board of Directors
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.

Fabio Cannavale
Executive Director, founder & CEO
Fabio Cannavale holds a Diploma in Engineering from Politecnico di Milano as well as an MBA from INSEAD, Fon-

tainebleau, France. He co-founded Volagratis with Marco Corradino in 2004 and became Chairman of Bravofly Rumbo Group and now lastminute.com CEO. 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.

Andrea Bertoli

Executive Director, CEO & COO

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

Roberto Italia

Non-executive Director

Roberto Italia graduated in Economics from LUISS University Rome, and holds an MBA from INSEAD, Fontainebleau, France. He has been a member of Bravofly Rumbo Group, now lastminute.com group, since 2013. Between 1990 and 1994, he has worked at Telecom Italia Group, from 1994 to 2002 held the function of Associate to Partner with Warburg Pincus and between 2003 and 2004 acted as Partner for Henderson Private Capital. Between 2005 and 2013, he has been a Partner at Cinven and since 2013 acts as Senior Advisor to Cinven, also chairing Cinven's Advisory Unit in Italy. Currently, he is Chairman of Space Holding SrL, Chief Executive Officer of Space SpA, and a Board Member of Avio SpA, Redbrick Capital Partners Srl, Red Black Capital SA, Cinven Luxco 1 SA, Cinven Luxco 2 SA and FCP Manco Sarl and websites. He has over a decade of experience as an entrepreneur in the internet world.

Paola Garzoni

Non-executive Director

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

Massimo Pedrazzini

Non-executive Director

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

Javier Perez-Tenessa

Non-executive Director

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

The above profiles of the members of the Board of Directors provide information on their activities and commitments in addition to their functions at the lastminute.com group. Other than as described above, the members of the Board of Directors do not engage in any other activities or perform any other functions which are significant to the Group.

3.2 Elections, terms of office and areas of responsibility

The members of the Board of Directors are individually elected and appointed by the Company's general meeting of shareholders. A resolution of the Company's general meeting of shareholders to appoint a director may be passed by an absolute majority of the valid votes cast.

Directors are appointed for a period of one year starting on the day after the day of the annual general meeting of the Company's shareholders in which they are appointed and ending on the day of the subsequent annual general meeting of the shareholders that will be held in the year following the year of their appointment. Directors may immediately be reappointed.

The Company's general meeting of shareholders may at any time suspend or remove any director. A resolution to remove or suspend a director may be passed by an absolute majority of the valid votes cast. The Board of Directors may also suspend any executive director. If a director is suspended, the Company's general meeting of shareholders shall within three months of the date on which suspension has taken effect resolve either to dismiss such director, or to terminate or continue the suspension (which resolution to continue the suspension may be adopted only once and for a maximum period of three months), failing which the suspension shall lapse.

The Selection, Appointment and Remuneration Committee is responsible for seeking and evaluating individuals qualified to become Directors, reviewing background checks respecting such individuals, and selecting or recommending that the Board selects the Director nominees for the next Annual General Meeting. Any group of shareholders representing at least 3% of the capital of the Company may request the Board of Directors in writing to include additional Director nominees, at least sixty days before the date on which the meeting is convened.

The Board of Directors is the ultimate governing body of the Group. It is responsible for the ultimate supervision of the Group. The Board attends to all matters which are not reserved for the General Meeting or another governance body of the Group by law, the Articles of Association or specific regulations issued by the Board of Directors.

The Board has the following main duties:

a) the ultimate direction of the Group, in particular the conduct, management and supervision of the business of the Group, and the provision of necessary directions;
b) the determination of the Group's organisation;
c) the determination of accounting and financial control principles, as well as the principles of financial planning;
d) the appointment and removal of the Committees' members;
e) the ultimate supervision of the Chairman, in particular with respect to his compliance with the law, the Articles of Association, instructions given from time to time by the Board;
f) the preparation of the Annual Report, the General Meeting and execution of its resolutions;
g) the notification of the court in the event of over indebtedness;
h) the discussion and approval of:
   – the Group's long-term strategy and annual investment budget;
   – major financial operations;
   – any significant policy issue dealing with the Group's or the Group's general structure or with financial, commercial and industrial policy;
   – Corporate Governance Principles of the Group;
   – the review of and decision on any report submitted to the Board;
   – the Group's annual risk assessment.

3.3 Internal organisational structure

3.3.1 Allocation of tasks within the Board of Directors

Name	Board of Directors	SAR Committee*	Audit Committee	Risk Supervisory Committee
Laurent Foata	Chair	Chair	-	-
Fabio Cannavale	Member	-	-	-
Andrea Bertoli	Member	-	-	-
Roberto Italia	Member	Member	Chair	Member
Paola Garzoni	Member	Member	-	Member
Massimo Pedrazzini	Member	-	Member	Chair
Javier Perez-Tenessa	Member	-	-	-

* Selection, Appointment and Remuneration Committee.

3.3.2 Tasks and area of responsibility for each Committee of the Board of Directors

The powers and responsibilities of each Committee are established in the applicable Committee Charter, which is approved by the Board. Each Committee is entitled to engage external counsels.
The members of the Board (each a "Director") are collectively responsible for the management of the Group. The Board shall review and regularly monitor the effectiveness of the Group's fundamental operating, financial and other business plans, policies and decisions, including the execution of its strategies and objectives. The Board shall seek to enhance long-term shareholder value.
The Executive Directors are responsible for the day-to-day management of the Group.
The Non-Executive Directors are responsible for proper and independent supervision of the performance of duties by the Executive Directors.
The Chairman shall ensure the proper and independent functioning of the Board.
The Board of Directors is charged with the management of the Group, subject to the restrictions contained in the Articles of Association. Each Director owes a duty to the Group to properly perform the duties assigned to him or her and to act in the corporate interest of the Group. Under Dutch law, the corporate interest extends to the interests of all corporate stakeholders, such as stockholders, creditors, employees, customers and suppliers.

The members of the Board of Directors are appointed by the general meeting of shareholders. A resolution of the general meeting of shareholders to appoint a director may be passed by an absolute majority of the valid votes cast. Directors are appointed for a period of one year.

In accordance with the Articles of Association and the Dutch Corporate Governance Code, the Board of Directors has installed the following internal Committees with consultative and advisory duties:

- Selection, Appointment and Remuneration Committee ("SAR Committee");
- Audit Committee
- Risk Supervisory Committee ("RS Committee")

in each case consisting of non-executive directors only.

SAR Committee
The SAR Committee is an expert committee supporting the Board of Directors in the performance of its duties; pursuant to the applicable terms of reference adopted by the Boards of Directors, the SAR Committee has the following duties:

a) drafts selection criteria and appointment procedures for non-executive directors;
b) periodically assesses the size and composition of the Board of Directors and proposes a composition profile of the Board of Directors, including monitoring and assessment of trends in the area of corporate governance;
c) at least once a year assesses the performance of the CEO, other executives and individual directors, reports their findings to the Board of Directors and sets the CEO's and the directors' compensation levels based on this evaluation;
d) formulates proposals for appointments and reappointments to the Board of Directors, and prepares a description of the role and capabilities required for a particular appointment;
e) supervises the policy of the Board of Directors on the selection criteria and appointment procedures for senior management;
f) formulates proposals for the Board of Directors concerning the remuneration policy for the members of the Board of Directors, the committees and the management, and proposes remuneration of the individual members of the Board of Directors, committees and the management within the framework of that remuneration policy (as adopted by the Company's general meeting of shareholders), which are submitted to the Company's general meeting of shareholders for approval;
g) oversees the implementation and administration of the Company's compensation and benefit plans, in particular the incentive compensation and equity-based plans of the Company (and, to the extent appropriate, the significant subsidiaries of the Company);
h) prepares the remuneration report on the remuneration of the Board of Directors; and
i) develops and recommends to the Board of Directors the criteria for selecting directors and assessing director independence, seeks and evaluates individuals qualified to become directors, reviews background checks and selects or recommends that the Board of Directors selects the director nominees.

In 2021, the SAR Committee has performed its duties in accordance with its duties as set out above.

Audit Committee
Pursuant to the applicable terms of reference for the audit committee adopted by the Boards of Directors, the Audit Committee has the following duties:

a) advises the Board of Directors on financial reporting, risk management, group-wide compliance with relevant legislation, articles of association, rules and group instructions;

b) establishes, reviews and updates periodically a code of conduct and ensures that the management has created a system to enforce such code;
c) supervises the preparation of the Company's financial statements, the Company's financial reporting process and system of internal business controls and risk management;
d) supervises the Company's internal and external audit process and its internal and external auditor's qualifications, independence and performance;
e) obtains timely reports from the independent auditor and reviews them regarding critical accounting policies as well as treatments of financial information within the IFRS that have been discussed with management; and
f) reviews the Company's annual and interim financial statements and other public disclosures, prior to publication.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the Company.
The Committee shall meet at least four times annually, or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Committee will maintain minutes of meetings and reports activities, their findings and recommendations to the plenary Board of Directors on a regular basis. The Committee shall meet privately in separate sessions at least annually with management, the director of the internal auditing department, the independent auditors, and as a committee to discuss any matters that the Committee believes should be discussed, such as a significant financial risk exposure and the step management has taken to monitor, control and report such exposures. In addition, the Committee, or its Chair, will communicate with management and the independent auditors to review the Company's financial statements and significant findings prior to the filing of such statements with the SIX Swiss Exchange.

The independent auditors are ultimately accountable to the Committee. The Committee shall have the ultimate authority to select, evaluate and, where appropriate, replace the independent auditors. The external auditor is generally expected to attend the relevant meetings of the audit committee. The findings of the external auditor, the audit approach and the risk analysis are also discussed at these meetings.

In 2021 the Audit Committee has performed his duties in accordance with the duties as set out above and the requirements of the Dutch Corporate Governance Code.

Risk Supervisory Committee
The Risk Supervisory Committee makes all necessary preparations in order to facilitate the decision-making process by the Board in relation to obligations arising from the EU Regulation 2016/679 ("GDPR") as well as other national or European Union data protection legislation; pursuant to the applicable terms of reference adopted by the Boards of Directors, the Risk Supervisory Committee has the following duties:
a) support and audit the Group Data Protection Officer ("DPO") in the context of providing advice to the Group companies as well as to their employees on obligations arising from GDPR rules, as well as other national or European Union data protection provisions;
b) monitor the compliance with GDPR rules and the other national or EU provisions relating to data protection and the data protection policies of the Group, including the assignment of responsibilities, awareness and training of personnel who participates in the data processing activities and related control activities;
c) collect information to identify the processing activities performed by the Group, analyze and verify the processing in terms of the compliance with GDPR rules and carry out any activity of information, advice and direction towards the Group;
d) review the qualifications, performance and independence of the operation of the Company's internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;
e) supervise the provision of DPO (choice of policies, application and assessment of the effects of new rules, information about the handling of estimated items, etc.);
f) each year evaluating its own performance and the adequacy of its Terms of Reference.

In 2021, the RS Committee has performed its duties in accordance with its duties as set out above.
Table below shows frequency of meetings during the year 2021:

Meetings held in 2021	Frequency	Avarage duration
Board of Directors	Bimestrial	4 hours
SAR Committee	Yearly	1.5 hours
Audit Committee	Quarterly	1.5 hours
RS Committee	Quarterly	1 hour

In 2021, all board members attended all the Board of Directors meetings, while the Committees meetings were held with full or majority attendance of the relevant members. In particular, Mr. Ottonel Popesco, passed away in February 2021, has been recorded as absent at the Committee meetings held in the same period, but it has not affected the majority of the attendances at each meeting.

3.3.3 Work methods of the Board of Directors and its Committees

The Board expects to have at least four regularly scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the Group's business. At least annually, the Board shall devote a meeting to a review of the Group's long-term strategic and business plans.
The Chairman shall establish and distribute in advance the agenda for each Board meeting. Any director is free to suggest potential items for the agenda.
Attendance by any non-Director at Board meetings is subject to the discretion of the Board, however, the Board encourages management to bring officers and managers into Board meetings from time to time, when such managers can provide additional insight into the matters being discussed and/or have potential as future members of senior management. Board approval should be sought if the Chairman or Chief Executive Officer (CEO) wishes to add additional personnel as attendees at Board meetings on a regular basis.
Board resolutions shall be passed and elections shall be carried by the absolute majority of votes cast. In the event of equality of votes, the Chairman shall have the casting vote.
Resolutions may be taken in written form, by way of a telephone, or video conference. A Board member that cannot attend the Board meeting can express its vote by email addressed to the Chairman.
An Executive Director may grant another Executive Director a written proxy to represent him at a Board meeting. A Non-Executive Director may grant another non-Executive Director a written proxy to represent him at a Board meeting.
The discussions and resolutions shall be reported in minutes of the meeting and such minutes shall be signed by the Chairman and the meeting's secretary. The minutes shall be approved by the Board at its next meeting. Resolutions approved by email must be included in the minutes of the next meeting of the Board.
The above mentioned operational rules may be applied on the Committees.

3.4 Information and control systems of the board vis-à-vis management

The Board of Directors is informed on a regular basis about significant matters involving the Group and the Group's business.
The Chairman and the CEO ensure the proper information flow between the Management and the Board of Directors. The Board of Directors receives regular and ad-hoc reports from the Board's Committees, the Chairman and the CEO. The minutes of Committees' meetings are made available to the full Board.

Furthermore, the Audit Committee reviews the financial performance and assesses the effectiveness of the internal and external audit processes as well as the internal risk management organisation and processes.
The role of the external and internal auditors is as follows:

- external auditors (KPMG Netherlands) who conduct their audit of lastminute.com NV and the Group in compliance with Dutch law including Dutch Standards on Auditing;
- external auditors (KPMG Switzerland) who (i) conduct the audit of the Swiss companies in compliance with Swiss law and in accordance with Swiss Auditing Standards and with International Standards on Auditing and (ii) act as point of reference for all the local audit components responsible for the audit of the Group subsidiaries;
- Group internal auditors which have a direct reporting line to the Audit Committee. It comprises people with significant experience travelling worldwide and completing audit assignments.

4. Executive Management

In 2015, a management body was formally established (Executive Management) and it consists of all corporate managers with strategic responsibility for the Group. The table below shows the composition of the Executive Management as of 31 December 2021.

4.1 Members of the Executive Management

Name	Year of birth	Nationality	Current Function
Fabio Cannavale	1965	Italian	Executive Director, CEO
Andrea Bertoli	1964	Italian	Executive Director, COO
Sergio Signoretti	1964	Italian	Chief Financial Officer

4.2 Professional background and other activities and functions

Fabio Cannavale
lastminute.com founder & CEO – Executive Director
Please refer to section 3.1 of this corporate governance report.

Andrea Bertoli
lastminute.com COO & CEO – Executive Director
Please refer to point 3.1 of this corporate governance report.

Sergio Signoretti
Chief Financial Officer / CFO
Sergio Signoretti is a chartered accountant and graduated in Economics at the State University in Rome. Sergio has extensive experience in the financial services industry, having managed as CEO of CartaLis (IGT-Lottomatica group) the startup of the initiative and led the development of the current second issuer of prepaid cards in Italy. Formerly he was CEO of Lottomatica Videolot Rete (IGT- Lottomatica Group) and he held positions as Head of planning and control in diversified multinational contexts (manufacturing, telco, gaming) among which Omnitel Vodafone and Lottomatica. He is an Angel Investor member of Italian Angels for Growth, an association of Italian and foreign investors in start-up capital ventures.

4.3 Management contracts

lastminute.com does not have management contracts delegating portions of its management to third parties not belonging to the Group.

5 - Compensation, shareholdings and loans

Please refer to the Compensation Report 2021.

6 - Shareholders' participation

The participatory rights of shareholders are defined in LM's Articles of Association. Each share of the Company carries one vote and is entitled to vote on any shareholders' meeting of the Company. The Company's shareholders are only entitled to attend the general meeting in person, or represented by a person holding a written proxy, to address the meeting and to vote at the meeting, if the shareholder has lodged documentary evidence to the Board of Directors of his voting rights. The requirement for a written proxy is also met if the proxy is recorded electronically.
The registration process is described in the notice for the general meeting.
One or more shareholders of the Company, entitled to make such a request according to the law, may request the Board of Directors in writing to include items for the meeting in the agenda, at least sixty days before the date on which the meeting is convened.

Unless another majority is prescribed under Dutch law or in the Articles of Association (art. 21), resolutions of the Company's general meeting of shareholders shall be adopted by an absolute majority of votes cast in a meeting at which at least one third of the issued capital is represented.

Extraordinary general meetings of the Company's shareholders shall be convened as often as deemed necessary by the Board of Directors or at the request to the Board of Directors by one or more shareholders jointly representing at least one-tenth of the issued share capital.

For details concerning convocation and notification of the General Meeting please see from art. 16 to 19 of the Articles of Association, refer to:
https://res.cloudinary.com/lastminute-contenthub/image/upload/DAM/Artwork/lmgroup/documents/governance-documents/2020/article-of-association-31-july-2020.pdf

No voting rights may be exercised for any shares held by the Company or its subsidiaries. The Company or its subsidiaries may not exercise voting rights in respect of shares for which it or its subsidiaries have a right of usufruct or a pledge. No other voting right restrictions apply to the shares of the Company. Furthermore, there are no procedures or conditions for abolishing voting rights restrictions laid down in the Articles of Association.

7 - Change of control and defence measures

7.1 Duty to make an offer

Pursuant to the applicable provisions of the Financial Market Infrastructure Act, FMIA, if a person acquires shares of a company with its primary listing at a Swiss stock exchange, whether directly or indirectly or acting in concert with third parties, which, when added to the shares already held by such person, exceed the threshold of 33 1⁄3% of the voting rights (whether exercisable or not) of such company, that person must make a bid to acquire all of the listed shares of the company. A company's articles of association may either eliminate this provision of the FMIA or may raise the relevant threshold to up to 49% (''opting-out'' or ''opting-up'' respectively). The Articles of Association do not contain an opting-out or an opting-up provision.

There is no obligation to make a bid under the foregoing rules if the voting rights in question are acquired as a result of a gift, succession or partition of an estate, a transfer based upon matrimonial property law, or execution proceedings.

These rules apply to the Company and its shareholders despite the Company being incorporated in the Netherlands. Since the Dutch rules on public takeovers and mandatory bid rules do not apply to a Dutch company listed at SIX Swiss Exchange, no exception applies to the application of Swiss takeover rules and, consequently, mandatory bid rules.

7.2 Clauses on change of control

There are no change-of-control clauses benefiting Board members or members of the management. Under certain scenarios, a change in control would result in the accelerated vesting of pre-existing employee stock options so that all such options could be exercised immediately.

8 - Auditors

During the annual general meeting held on 22 June 2021 ("AGM") the shareholders of the Company resolved upon the appointment of KPMG Accountants N.V. ("KPMG") to provide the Company with financial audit services for the accounting reference year 2021.

8.1 Duration of the mandate and term of office of the lead auditor

8.2 Auditing fees

The total of the auditing fees for the auditors in 2021 amounts to EUR 660 thousand, of which KPMG, including network firms, in their capacity as Group auditors, received EUR 583 thousand.

8.3 Additional fees

Additional fees of EUR 5 thousand were paid to the auditors (other than KPMG Netherlands) for 2021 audit related services.

8.4 Information instruments pertaining to the external audit

KPMG presents to the Audit Committee a detailed report on the conduct of the Financial Statements audit, the findings on significant financial accounting and reporting issues together with the findings on the internal control system as well as an overview of issues found during the interim audit.
The Audit Committee reviews annually the appropriateness of retaining KPMG as the auditor of lastminute.com, prior to proposing to the Board and to the Annual General Meeting of LMN the election of KPMG as auditors. The Audit Committee assesses the effectiveness of the work of the auditors in accordance with Swiss and Dutch law, based on their understanding of the Group's business, control, accounting and reporting issues, together with the way in which matters significant at Group level or in the statutory accounts are identified and resolved. The Audit Committee is also informed on the work of KPMG through regular briefings and information presented by the head of the Internal Audit Department. The lead auditor is rotated every seven years in accordance with Dutch law. Audit fees are ultimately approved by the Audit Committee.
The Group and KPMG have agreed on clear guidelines as to audit services which it is appropriate for KPMG to provide. These guidelines ensure KPMG's independence in their capacity as auditors to the Group. KPMG monitors its independence throughout the year and confirms its independence to the Audit Committee annually.

8bis. Internal control and risk management system

8.1bis Principles of the internal control and risk management system

The Group has adopted and is committed on promoting and maintaining an internal control and risk management system, to be understood as a set of all of the processes, procedures and tools necessary or useful in order to manage and monitor business activities with the objective of ensuring compliance with laws, protecting corporate assets, managing activities in the best and most efficient manner and providing accurate and complete accounting and financial data, including financial reporting.

The Board of Directors approved the "Guidelines of the Board of Directors on Internal Auditing" (the "Guidelines") that define the system of internal control and risk management as a set of organisational structures, rules and procedures to enable the identification and management of the risks in line with the Group's objectives. An effective system of internal control and risk management assists in leading the Group in line with pre-established goals, promoting reasoned decision-making. The Group's Board of Directors has identified the Audit Committee as responsible for the supervising of the internal control and risk management system. The Audit Committee defines the guidelines for the internal control and risk management system and annually reviews the operation of the Group's internal risk management and control systems with regard to the characteristics of the Group and the risk profile assumed, as well as its efficacy, so that the main risks facing the Group and its subsidiaries can be correctly identified and adequately measured, managed and monitored. During 2019, the internal control and risk management system has been integrated with new framework, rules and procedures in order to ensure the compliance with the obligations arising from GDPR rules, as well as other national or European Union data protection provisions.

The Group's internal control and risk management system is based on a set of integrated controls. Management is primarily responsible for applying the internal control and risk management system, since control activities are an integral part of management processes. Management must therefore foster an environment positively oriented that promotes to the controls and must specifically manage "line controls", consisting of all the control activities that individual operating units or companies perform on their own processes. There are various operating units involved in the internal control and risk management system, based on specific allocations of responsibility. These units are set within the corporate structure at three different levels of the corporate structure, and they interact as shown in the diagram below. Specifically, LMN's risk management system comprises the following three levels of internal control:

- **Level One:** identification, evaluation and monitoring of risks inherent to the individual Group processes. The Group departments that bear the individual risks, and are responsible for identifying, measuring and managing them as well as for implementing the necessary controls, are located at this level;
- **Level Two:** monitoring of the main risks to ensure that they are effectively and efficiently managed and processed, and monitoring of the adequacy and functioning of the controls put in place to protect against the main risks; support for Level One in defining and implementing adequate management systems for the main risks and related controls. This level contains Group personnel charged with coordinating and managing the main control systems. The functions mainly involved are Corporate Operating Office and DPO, People Office and Security;
- **Level Three:** independent and objective verification of the operating effectiveness and adequacy of Levels One and Two, and in general of all risk management methods. This activity is performed by the Internal Audit Department, which performs his activity under the direction and guidance of the Guidelines.

Internal representations received from management, management reviews, reviews of the design and effectiveness of the internal controls and reviews are integral parts of LMN's risk management approach. On the basis thereof, it can be stated that LMN's internal controls over financial reporting provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies, based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis and confirms that these controls have functioned properly in the financial year 2021.

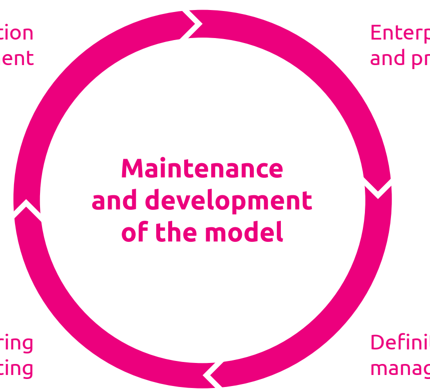
In accordance with best practice 1.4.3 of the Dutch Corporate Governance Code dated December 2016, the board of directors confirms that:

- this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis;
- this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

8.2bis Risk Management System

The Group has adopted rules, procedures and organisational structures to identify and manage the main risks that could affect the achievement of its strategic objectives.
The main risks and the relevant plans for managing said risks are submitted to the Audit and/or the Risk Supervisory Committees or, if the case may be, directly to the Board of Directors.
The scope of the risks identification phase is to point out any dangerous event both pertaining to the corporate processes of the Group and external to them that may affect the achievement of the corporate objectives. Risks

are measured by way of defined grading scales of probability and impacts that concerns, both quantitative (e.g. economic and financial impacts) and more qualitative and intangible (e.g. reputational impact, health, safety-related) aspects.
Management actions and possible specific interventions are identified for all risks, with the relevant implementation timeframes, associated with a type of risks' management among those codified.
Below is a graphical representation of how the Group's risk management process works:



The main risks identified, monitored and managed by the Group are the following:

- Business Risk, being the risk arising from increased competition with possible subsequent loss of market share in comparison with other market players;
- Financial Risk, being the risk associated with financing operations, financial transactions and the risk of fulfilling the obligation linked to loans;
- Fraud Risk, being the risk arising from illegal or wrongdoing acts committed on the organization or by the organization or for the organization by internal or external sources;
- Cyber Security Risk, being the risk resulting from breakdowns in internal procedures, processes, people and systems; and
- Compliance Risk, being the risk resulting from changes in laws and regulations applicable to the Group (e.g. Tax law, GDPR and other material applicable laws).

8.3bis Internal Audit

The role, duties and responsibilities of the Internal Auditor are defined and formalised by the Board of Directors in the Guidelines.
The Board of Directors appoints the Internal Auditor. The Internal Auditor is appointed for an unlimited term and may be dismissed by the Board of Directors. At least once during the course of the mandate granted to it by the Shareholders' Meeting, the Board of Directors assesses whether to reappoint the Internal Auditor, basing its decision on factors including rotation criteria.
The Board of Directors has appointed Mr. Paolo Vassallo as Head of the Internal Audit Department.
The Internal Audit Department performs audit activities in full independence in accordance with the instructions of the Board of Directors; the Audit Committee oversees the activities of the Internal Audit Department.
The Internal Audit Department activities are carried out ensuring the maintenance of the necessary conditions for independence and the necessary objectivity, competence and professional diligence provided for in the international standards for the professional practice of the Internal Audit and in the code of ethics issued by the Institute of Internal Auditors.

Within the process of approving the audit schedule, once a year the Board of Directors approves the budget required for the Internal Audit department to perform its responsibilities. According to the Guidelines, the Internal Audit has autonomous spending powers to assess, analyse and evaluate the internal control and risk management system and/or the related activities, and, in an exceptional and urgent circumstances that requires additional funds, it may ask the Board of Directors to extend the budget for the purposes of fulfilling its duties.

The Internal Audit Department: (i) verifies, both on a continual basis and in relation to specific requirements, in compliance with international standards, the functioning and suitability of the internal control and risk management system via an audit schedule, approved by the Board of Directors, after consultation with the Audit Committee, based on a structured process of analysing and prioritising the main risks; (ii) is not responsible of any operational area, and has direct access to all information that is useful for carrying out its duties; (iii) prepares periodic reports containing appropriate information on its work, on how risks are managed and on compliance with the plans set up to limit them. These reports contain an evaluation of the suitability of the internal control and risk management system; (iv) prepares timely reports on events of particular importance; (v) submits the reports to the Audit Committee and the Board of Directors; and (vi) verifies, in the context of the audit schedule, the reliability of the IT systems used, including the accounting systems.
Audit work are performed by the Internal Audit Department using an integrated approach, focusing on:

- Operational aspects: effectiveness and efficiency of business processes;
- Compliance aspects: compliance with laws and Group policies and procedures;
- Financial aspects: reliability of financial reporting.

In relation to compliance aspects, it should be noted that during 2019 the Internal Audit Function has been appointed as responsible for carrying out control activities on GDPR / Privacy topics, according to a 3 years GDPR Audit Plan approved by the Audit Committee. The focus of the GDPR audit is to determine whether the organisation has implemented adequate policies and procedures to regulate the processing of personal data and adequate security measures to mitigate the potential risk connected to processing of personal data. The scope of the GDPR audit is agreed in consultation with the relevant stakeholders (DPO) to identify relevant data protection risks within the organisation. The 3 years audit plan can be divided into three main pillars:

- Compliance Audit, in order to have an initial complete audit to verify that all components are correctly set up (fully done in 2019);
- Data Audit, in terms of audit on personal data management process (started in 2019 and to be completed during the three-years period);
- Audit on outsourcers, checks on processing activities entrusted to third parties (started in 2019 and to be completed during the three-year period).

8.4bis. The Group's internal regulatory system

In accordance with the evolving process aimed at continually improving the effectiveness and efficiency of its internal control and risk management system, lastminute.com group has adopted its own Regulatory System. The base of the Group's internal regulatory system is represented by the Code of Conduct, adopted by the Board of Directors on 14 April 2014. The Code of Conducts explicitly states the ethical guidelines, values and responsibilities that the Group acknowledges, accepts, shares and assumes, both within and outside the business.
The values stated in the Code form a shared system that expresses lastminute.com group's culture of corporate ethics and inspires the strategic thinking and performance of corporate activities that have to be carried out in a transparent, honest and fair way, in good faith, and in full compliance with competition protection rules. All that in respect of the legitimate interests of every stakeholder.

The Group's regulatory system comprises the following levels: (i) Group's Policies (Level 1), (ii) Procedures (Level 2).

Group's Policies are indicated below:
- Code of Conduct;
- Whistle-blower Rules;
- Remuneration Policy;
- Dividend Policy;
- Privacy Policy;
- Insider Regulations;
- Power of Attorney Policy;
- GDPR and Security Policies;
- Modern Slavery Act Policy;
- Related Parties Transactions Policy; and
- Policy on Transactions of Directors and Management.

9 - Information policy

9.1 Investor Relations – guiding principles

The Group is committed to managing an open and consistent communication policy with shareholders, potential investors and other interested parties. The objective is to ensure that the perception of those parties about the historical record, current performance and future prospects of the Group is in line with management's understanding of the actual situation of the Group. The guiding principles of this policy are that the Group gives equal treatment to shareholders in equal situations, that any price-sensitive information is published in a timely fashion and that the information is provided in a format that is as full, simple, transparent and consistent as possible.

9.2 Methodology

The Group prepares detailed audited Financial Statements and the Annual Report, in order to communicate the results of the business. These are complemented by the Half-Yearly Report. It also publishes quarterly press releases including unaudited business results, moreover it publishes press releases at the time of any potentially price-sensitive event. Major announcements could be accompanied by a presentation which anyone can choose to access, whether or not that person is a shareholder. Furthermore, the Group has an active investor relations program, including both group meetings and one-to-one meetings. This includes presentations at the time of the Group's full-year and half-year results. The Group also has a programme of roadshows, which take place primarily across Europe, and hosts themed events for institutional investors and investment analysts at which members of the management give an overview of their particular areas of responsibility.
These meetings focus either on recently announced financial results, recent corporate activity or the longer-term strategy of the Group and pertain to disclosable information only, in order to guarantee symmetry to the Market. The Group utilises its website https://corporate.lastminute.com/ to ensure a rapid and equitable distribution of information. There are links to non-financial information that may be of interest to investors, such as the Articles of Association, Code of Conduct, Whistle-blower Rules, Dividend and Remuneration policy.
A Group calendar of relevant dates is displayed on website (https://corporate.lastminute.com/investors/investors-hub/financial-calendar/upcoming-events/).
The Investor Relations Department can be contacted, either through the Web site or e-mail.

Link to push service: https://corporate.lastminute.com/email-alerts/
Link to pull service: https://corporate.lastminute.com/media/

10 - Non-applicability/ negative disclosure

It is expressly noted that any information not contained or mentioned herein is either non-applicable or its omission is to be construed as a negative declaration (as provided in the SIX Swiss Exchange Corporate Governance Directive and the Commentary thereto).

2021 organizational structure:

Amsterdam, 23 March 2022

The Board of Directors,
Executive Board Members
Mr. Fabio Cannavale
Mr. Andrea Bertoli

Non-Executive Board Members
Mr. Roberto Italia
Ms. Paola Garzoni
Mr. Laurent Foata
Mr. Massimo Pedrazzini
Mr. Javier Perez-Tenessa

Annex 1: Definitions

In this Annual Report, the terms in capitalized form shall have the following meaning:

- "**Company**" shall refer to lastminute.com NV, with a registered seat based in Amsterdam (The Netherlands), Basisweg, 10.
- "**Board**" and/or "**Board of Directors**" shall refer to the Company's board of directors.
- "**CEO**" shall mean chief executive officer.
- "**lastminute.com**" shall refer to the Company and all of its direct and indirect subsidiaries.
- "**Media**" shall mean the sale of online advertising primarily on the proprietary OTA and META websites and database and, to a lesser extent, on third party partners' available spaces.
- "**META**" **(Meta-search)** shall mean the business generated in the Group websites focused on directing traffic, in exchange for a commission, to the sites of OTAs, airlines, hotel providers and other direct providers.
- "**OTA**" **(Online Travel Agency)** shall mean the intermediation of touristic services and organisation of dynamic packages. It represents the traditional business of the Group.

Contacts

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