

lastminute.com N.V.

(“LMN” or the “Company”)

Explanatory notes (the “Explanatory Notes”)

to the agenda for the Company’s extraordinary general meeting (the “EGM”)

to be held at CitizenM Hotel Schiphol (meeting room no. 6), Jan Plezierweg 2, 1118 BB Amsterdam

on **September 2nd, 2022**, at **10:00** a.m. CET

These Explanatory Notes are made by the Company and are solely provided to the Shareholders to give further information on proposals that will be made during the EGM. These Explanatory Notes constitute the written explanation of the proposals for authorization by the EGM in accordance with best practice provision 4.1.4 of the Dutch Corporate Governance Code 2016 and will be published on the Company’s website.

The information contained herein is complete and accurate as of 5th July 2022, 2022. Please note that the information may change after that date.

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

Explanation to the Shareholders in respect of the agenda for the EGM to be held on September 2nd, 2022.

To the Shareholders:

These Explanatory Notes contain information concerning the items on the agenda for the EGM to be held on September 2nd, 2022 at 10:00 A.M. CET at CitizenM Schiphol Airport Hotel, Jan Plezierweg 2, 1118 BB Schiphol, The Netherlands (SocietyM, meeting room n. 6) . A copy of the agenda for the EGM is annexed hereto as Annex A.

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

All proposed resolutions on the agenda for the EGM require a majority of the votes cast at the EGM.

Cautionary Note Regarding Forward-Looking Statements

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

EXPLANATION OF ITEM 2 OF THE AGENDA FOR THE EGM

(Authorization to purchase up to 22.82% of membership interests in Freesailors Cooperatief U.A. and later to exchange those membership interests for shares in the Company).

Existing Repurchase Authorization

The annual general meeting of the Company’s shareholders held on May 18th, 2022 (the “**2022 AGM**”) approved the authorization for the Board to purchase, on the SIX Swiss Exchange or otherwise, fully paid-up shares in the capital of the Company up to a maximum of 1,166,422 shares (the “**Shares**” or a “**Share**”), for a price per Share not less than the nominal value of EUR 0.01, and not greater than the average price of a Share traded on the SIX Swiss Exchange during the 5 (five) trading days prior to the date of the relevant acquisition plus a 10% premium (the “**Authorization**”). The Authorization will expire at the date which falls 18 months from the date of the 2022 AGM or at the conclusion of the 2023 annual general meeting of the Company (if earlier).

Proposal to Purchase Membership Interests in Freesailors Cooperatief U.A. (“Freesailors”) and to Exchange the Purchased Membership Interests for Shares in the Company.

Description of Proposal

The Company is now proposing to shareholders to provide authorization for the Company to effect the following transactions:

- Purchase (the “**Membership Interest Purchase**”) by the Company, in one or more transactions, of membership interests in Freesailors (“**Membership Interests**”), a 44.58% shareholder of the Company which is controlled by Mr. Fabio Cannavale, and the sole material assets of which consist of shares of the Company, on the following terms:
 - .. the Company would be authorised to purchase up to 22.82% of the total outstanding Membership Interests of Freesailors, corresponding to an indirect 10.17% economic interest in the Company;
 - .. the maximum price payable by the Company for the purchase of a Membership Interest would be equal to (x) the number of shares in the Company represented by such Membership Interest, multiplied by (y) 110% of the average trading price of a share of the Company on the SIX Swiss Exchange during the 5 trading day period preceding the date of the agreement with the seller as to the price of the Membership Interests being sold (the “**5 Trading Day Average Price**”);
 - .. the final decision relating to any purchase of Membership Interests would be taken on behalf of the Company (including in its capacity of general partner of Sealine 2 as referred to below) by those members of the Board of Directors of the Company (the “**Board**”) who do not have any conflict of interest in relation to the purchase of Membership Interests (the “**Non-Conflicted Directors**”). See “**Conflicts of Interest**” below;
 - .. any purchase of Membership Interests which would result in the payment of proceeds to a director or officer of the Company, and which would be for a price per Company share represented by that Membership Interest in excess of the 5 Trading Day Average Price as of the date of the agreement with the seller as to the price of the Membership Interests being sold, would be supported by a valuation, at the expense of the director or officer concerned, by an independent valuator appointed by the Non-Conflicted Directors;
 - .. the authorization to purchase Membership Interests would expire 18 months from the date of this EGM;
 - .. no purchase of Membership Interests held directly or indirectly by Mr. Fabio Cannavale would be permitted;
 - .. the Membership Interests would be purchased pursuant to private negotiations between the Company and the members of Freesailors, or pursuant to one or more offers by the Company directed to members of Freesailors generally, or to specified categories of Freesailors members.

- Shareholders are also being asked to approve the acquisition by the Company, on one or more occasions, of shares in the Company held by Freesailors in exchange for the cancellation of Membership Interests purchased by the Company (the “**Exchange**”), on the following terms:
 - the Exchange must be effected with respect to all Membership Interests purchased by the Company at any time after two years from the date of purchase, subject to an authorization by shareholders to effect the Exchange as provided herein being in effect at the time of effecting the Exchange. Freesailors has undertaken to the Company that it will promptly effect the Exchange of Membership Interests for shares in the Company held by Freesailors, as and when requested to do so by the Company (an “**Exchange Request**”), in one or more transactions, within 3 months from the date of any Exchange Request;
 - all decisions with respect to the Exchange will be taken by the Company’s Non-Conflicted Directors. See “**Conflicts of Interest**” below;
 - the consideration for the acquisition of shares in the Company pursuant to the Exchange will consist of Membership Interests corresponding economically to the number of shares being transferred to the Company;
 - the Exchange will be effected in one or more negotiated transactions, on or off market, depending on the manner in which Freesailors holds the shares in the Company being transferred to the Company in the Exchange;
 - the shares in the Company acquired by the Company will be held as treasury shares which may be reissued by the Company for any purpose for which the Company is allowed to reissue treasury shares under applicable law and stock exchange rules;
 - the authorization to effect the Exchange will expire 18 months after the date of the EGM. The Company expects, however, to renew the request for approval of the Exchange at each subsequent annual general meeting of shareholders of the Company, for as long as the Company holds any Membership Interests.

Factual Background

Freesailors is a Dutch cooperative which currently holds 44.58% of the issued and outstanding shares of the Company (5,200,000 shares).

Freesailors' only material assets are the shares it holds in the Company. The value of a Membership Interest in Freesailors is therefore entirely dependent on the value of the Company's shares.

The Membership Interests in Freesailors are currently held as follows:

- 72.35% of the Membership Interests are held directly or indirectly by Fabio Cannavale;
- 4.83% of the Membership Interests are held by Sealine Investment 2, a Scottish limited partnership ("**Sealine 2**"). The Company is the sole general partner of Sealine 2 and is not entitled to any economic benefit from the Membership Interests in Freesailors held by Sealine 2. The limited partners of Sealine 2 consist of employees and directors of the Company. The limited partners of Sealine 2 are likely to derive an economic benefit from the Membership Interests held by Sealine 2, but existing members will not derive an economic benefit from the additional Membership Interests acquired, unless they are specifically invited by Sealine 2 to increase their stake. Directors and officers of the Company and limited partners of Sealine 2 will in any event be excluded from deriving any economic benefit from the Membership Interest Purchase;
- 17.46% of the Membership Interests of Freesailors are held by Sterling Strategic Value Fund SA-SICAV ("**Sterling**") and
- 5.36% of the Membership Interests are held by other investors.

Direct and indirect holdings of Membership Interests by directors and officers of the Company are listed under "**Conflicts of Interest**" below.

Through his holding of a majority of the Membership Interests of Freesailors, Mr. Fabio Cannavale exercises voting control over Freesailors, and thus also over the 5,200,000 shares in the Company held by Freesailors, representing 44.58% of the issued and outstanding shares of the Company.

Conflicts of Interest

Since the Membership Interest Purchase will eliminate minority interests in Freesailors without (prior to the Exchange of Membership Interests for shares in the Company being effected) reducing Mr. Fabio Cannavale's ability to exercise voting control over the shares in the Company held by Freesailors, Mr. Cannavale will benefit from the Membership Interest Purchase.

Other directors and officers hold Membership Interests directly, or indirectly, as indicated in the table below:

Name of Director/Officer	Number of Membership Interests Held	Indirect Ownership of Shares in the Company
Fabio Cannavale	7,235	32.25%
Roberto Italia	44	0.20%

Directors and officers holding their Membership Interests through Sealine 2 will not be permitted to derive any economic benefit from the Membership Interest Purchase. They thus cannot be viewed as having a conflict of interest with the Company in relation to the proposed Membership Interest Purchase.

Since Mr. Cannavale and Mr. Roberto Italia have a conflict of interest with the Company in relation to the proposed transaction, these members of the Board (the “**Conflicted Directors**”) did not participate in the deliberation and decision-making relating to the decision to propose the approval of the Membership Interest Purchase and the Exchange to shareholders. Such decision was taken at a meeting of the Board held on June 28, 2022, consisting solely of the directors other than the Conflicted Directors.

The Non-Conflicted Directors will be solely authorised to make final decisions relating to individual transactions as entered into by the Company to effect the Membership Interest Purchase and the Exchange. See “**Description of Proposal**” above. Transactions with Conflicted Directors will also be subject to additional safeguards as described at “**Description of Proposal**” above.

Reasons for Proposal

In deciding to recommend the approval of the Membership Interest Purchase and the Exchange to shareholders, the Non-Conflicted Directors took the factors described below into consideration.

The Company expects to derive the following concrete benefits from the Membership Interest Purchase and the Exchange:

By purchasing Membership Interests in Freesailors and then exchanging those Membership Interests for shares in the capital of the Company (see “**Description of Proposal**” above), the Company will obtain shares which it can deliver to participants in the Company’s stock appreciation rights plans adopted on August 3, 2021 (the “**2021 SAR Plan**”) and March 23, 2022 (the “**2022 SAR Plan**”; together with the 2021 SAR Plan, the “**SAR Plans**”) upon exercise by participants of stock appreciation rights (“**SARs**”) granted to them under the SAR Plans.

The Company has authorised a total of 1,852,500 SARs under the SAR Plans to employees and directors of the Company, of which 652,500 SARs (all already granted) have an exercise price of CHF 25 and 1,200,000 SARs (of which 310,000 have already been granted) have an exercise price of CHF 35.90. The SARs do not vest during the initial two (2) year period following the date of assignment to participants of the SARs (the “**Pre-Vesting Period**”). After the end of the Pre-Vesting Period the SARs will vest on a pro rata daily basis over a period of four (4) years following the end of the Pre-Vesting Period (from the end of Year 2 following the assignment of the SARs to the end of Year 4 following the assignment of the SARs) (the “**Vesting Period**”).

Certain SARs will vest only if the Company’s 2 month average per share trading price (the “**2 Month Average Trading Price**”) reaches a specified minimum threshold price (the “**Threshold Price**”) during the Vesting Period and continuing until the end of the Vesting Period. If the Threshold Price requirement for vesting is not met at the end of the Vesting Period, the Vesting Period will be extended by one year during which the relevant SARs will vest if the Threshold Price requirement is satisfied at any time during such extension of the Vesting Period.

With reference to SARs granted under the 2021 SAR Plan (652,500 SARs), the Threshold Price is different depending on the participants. For the first group of participants in the 2021 SAR Plan, the Threshold Price for 35% of these SARs is CHF 40 and the Threshold Price for 25% of these SARs is CHF 60; 40% of these SARs are not

subject to any Threshold Price requirement. For the second group of participants in the 2021 SAR Plan, the Threshold Price for 35% of these SARs is CHF 40 and the Threshold Price for 65% of these SARs is CHF 60.

With reference to the SARs granted under the 2022 SAR Plan (1,200,000 SARs), the Threshold Price for 35% of these SARs is CHF 40 and the Threshold Price for 65% of these SARs is CHF 60.

Upon exercise of vested SARs under the SAR Plans, plan participants are entitled to receive from the Company a payment for each vested SAR equal to the Two Month Average Trading Price as of the date of exercise less the exercise price of the SAR.

Alternatively, the Company can upon exercise of vested SARs elect to deliver to the exercising Plan participant shares in the capital of the Company having a value equal to the cash payment the Company is required to make to the participant.

If, as the Company anticipates, the Company's share price increases substantially in the next few years, the Company would under normal circumstances either have to make a very large cash payment to the participants who exercise SARs, or to effect a capital increase with dilutive effect on shareholders' ownership in order to be able to transfer shares to SAR Plan participants in satisfaction of the Company's obligations to them.

For example, if the Company's share price were to reach CHF 60 in 2026, the Company would potentially have to pay up to CHF 51,757,500 upon exercise in full of all SARs in the year 2026.

By giving the Company the flexibility to negotiate the purchase of Membership Interests in Freesailors which the Company can then later exchange for shares in the Company (see "**Description of Proposal**" above), the Company will be able to acquire treasury shares which it can deliver to SAR participants when they exercise their SARs, instead of making large cash payments to them which would be higher than the amount that would be payable based on present share prices. In addition, transfer of shares acquired upon the Exchange of Membership Interests avoids the need to effect a capital increase in order to obtain the shares needed to satisfy obligations to SAR Plan participants.

The Company anticipates that it will be able to obtain a large number of shares more easily through negotiated purchase of Membership Interests in Freesailors than it could obtain through the Company's normal stock repurchase program.

Obtaining shares in this way avoids any need to satisfy obligations under the SAR Plans either by issuing new shares, which would have a dilutive effect on existing shareholders, or by incurring bank financing which may not be readily available to the Company on acceptable terms, or by depleting the Company's cash reserves.

In reaching their decision to recommend the adoption of this proposal to shareholders, the Non-Conflicted Directors took into account the existence of a conflict of interest between certain directors and officers of the Company in relation to the Membership Interest Purchase and the Exchange. See "**Conflicts of Interest**" above. The Non-Conflicted Directors have proposed certain procedural safeguards to ensure that the adverse consequences of this conflict of interest are minimised. See "**Description of Proposal**".

Taking into account these safeguards, and the expected benefits to the Company from the Membership Interest Purchase and the Exchange, the Non-Conflicted Directors have concluded that it is in the best interest of

the Company for shareholders to approve the Membership Interest Purchase and the Exchange and on that basis have recommended adoption by shareholders at the EGM of the proposal described above.

EXPLANATION OF ITEM 3 OF THE AGENDA FOR THE EGM

(Proposal to purchase 10.87% of membership interests in Freesailors Cooperatief U.A. from Sterling Strategic Value Fund SA-SICAV).

Contingent on the approval of the shareholders of the Membership Interest Purchase and the Exchange, and in light of the factual background, considerations and recommendations outlined in these Explanatory Notes, the Company is further proposing to shareholders to provide specific authorization for the Company to effect the transaction described below with Sterling (the “**Sterling Transaction**”).

Pursuant to the Sterling Transaction the Company will purchase, in one or more transactions, up to 10.87% of the membership interests in Freesailors from Sterling, corresponding to an indirect economic interest of up to 4.85% in the Company, for a price of CHF 18,642.294.

The final decision relating to any purchase of Sterling’s Membership Interests would be taken on behalf of the Company by the Non-Conflicted Directors (excluding Mr. Massimo Pedrazzini).

Sterling holds a 17.46% Membership Interest in Freesailors and has the right under the Membership Agreement of Freesailors to nominate one director of the Company. The representative of Sterling in the Board of Directors of the Company is Mr. Massimo Pedrazzini.

The closing of the Sterling Transaction will occur only in the event that the Company becomes a party to the Members’ Agreement of Freesailors pursuant to which the right of Exchange is granted as per Item 2 above.

Although not required to do so by law, the Company is proposing to have shareholders specifically approve the Sterling Transaction because of the large number of Membership Interests potentially being acquired from Sterling and the fact that Sterling has nominated one representative on the Board of Directors of the Company.

If the proposal to permit the Membership Interest Purchase and the Exchange (Item 2 above) is not approved by shareholders, no vote will be taken on the proposal to approve the Sterling Transaction.

The Sterling Transaction is included as part of the general authorization to effect the Membership Interest Purchase and the Exchange, and will not result in an increase in the number of Membership Interests of Freesailors that can be purchased by the Company, as described at Item 2 above.

If the Sterling Transaction is not approved by shareholders, the Company will not proceed with the Sterling Transaction.

EXPLANATION OF ITEM 4 OF THE AGENDA FOR THE EGM**(Appointment of Mr. Patricio Ohle as additional Non-Executive Director).****Background**

Pursuant to the nomination resolved by the Board of Directors at the meeting held on 28th June 2022, the Company proposes the election of Mr. Patricio Ohle as additional Non-Executive Director of the Company, to serve for a term ending at the close of the annual general meeting of shareholders of the Company to be held in the year 2023.

Biographical information of Mr. Patricio Ohle is set forth below.

Director's Biography

Dott. Patricio Ohle holds a bachelor in Business from the University of Cologne, Master of Finance & Accounting and a PhD in Finance from the University of St. Gallen (Switzerland). He moved to the United States to pursue a Master of Business Administration (MBA) at the University of Chicago. In 1990 he started his career as a manager at A.T. Kearney GmbH in Düsseldorf, where he worked until 1993. Between 1993 and 1998, he held the position of Head Group Controlling and CFO of a subsidiary company in Hungary at Intersnack GmbH & Co. KG, Cologne. He then started working at Bertelsmann Buch AG, Munich with the role of Vice President between 1999 and 2003. From 2003 to 2021 he held the office of Director (CFO) of the Hipp Group, a leading manufacturer of infant nutrition in Europe. He is currently employed at Zetter Management AG, Switzerland (Family Office), starting in July 2021. He has also been carrying out the Family Business CFO Research Group with Prof. T. Zellweger at the University of St Gallen (HSG) since 2005, and he has been teaching "Finance for large family firms" at HSG since 2012. In July 2022 he also founded FBXperts AG, a European CFO network.

EXPLANATION OF ITEM 5 OF THE AGENDA FOR THE EGM**(Approval of the fixed remuneration for the financial year 2022 of the newly appointed Non-Executive Director).**

In accordance with Dutch law and the Articles of Association, the Board - following the Remuneration Policy for Directors - proposes to the EGM to approve the fixed compensation payable to the newly appointed Non-Executive Director in his role of member of the Board, for the financial year 2022 and for an amount in line with the annual general meeting resolutions taken on May 18th, 2022 ("**2022 AGM**") in respect of the annual board membership fee decisions (cf. agenda item no. 7 of the 2022 AGM):

- Annual Board membership fee: EUR 25,000 (gross amount) - due in proportion to the effective period of the position held into the Company (i.e. from EGM date until the close of the annual general meeting of shareholders of the Company to be held in the year 2023) (the "**Fixed Compensation**").

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

ANNEX A

AGENDA FOR 2022 EGM

1. Opening and announcements.
2. Authorization to purchase up to 22.82% of membership interests in Freesailors Cooperatief U.A. and later to exchange those membership interests for shares in the Company*.
3. Proposal to purchase 10.87% of membership interests in Freesailors Cooperatief U.A. from Sterling Strategic Value Fund SA-SICAV*.
4. Appointment of Mr. Patricio Ohle as additional Non-Executive Director*.
5. Approval of the fixed remuneration for the financial year 2022 of the newly appointed Non-Executive Director*.
6. Any other business.
7. Closing.

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