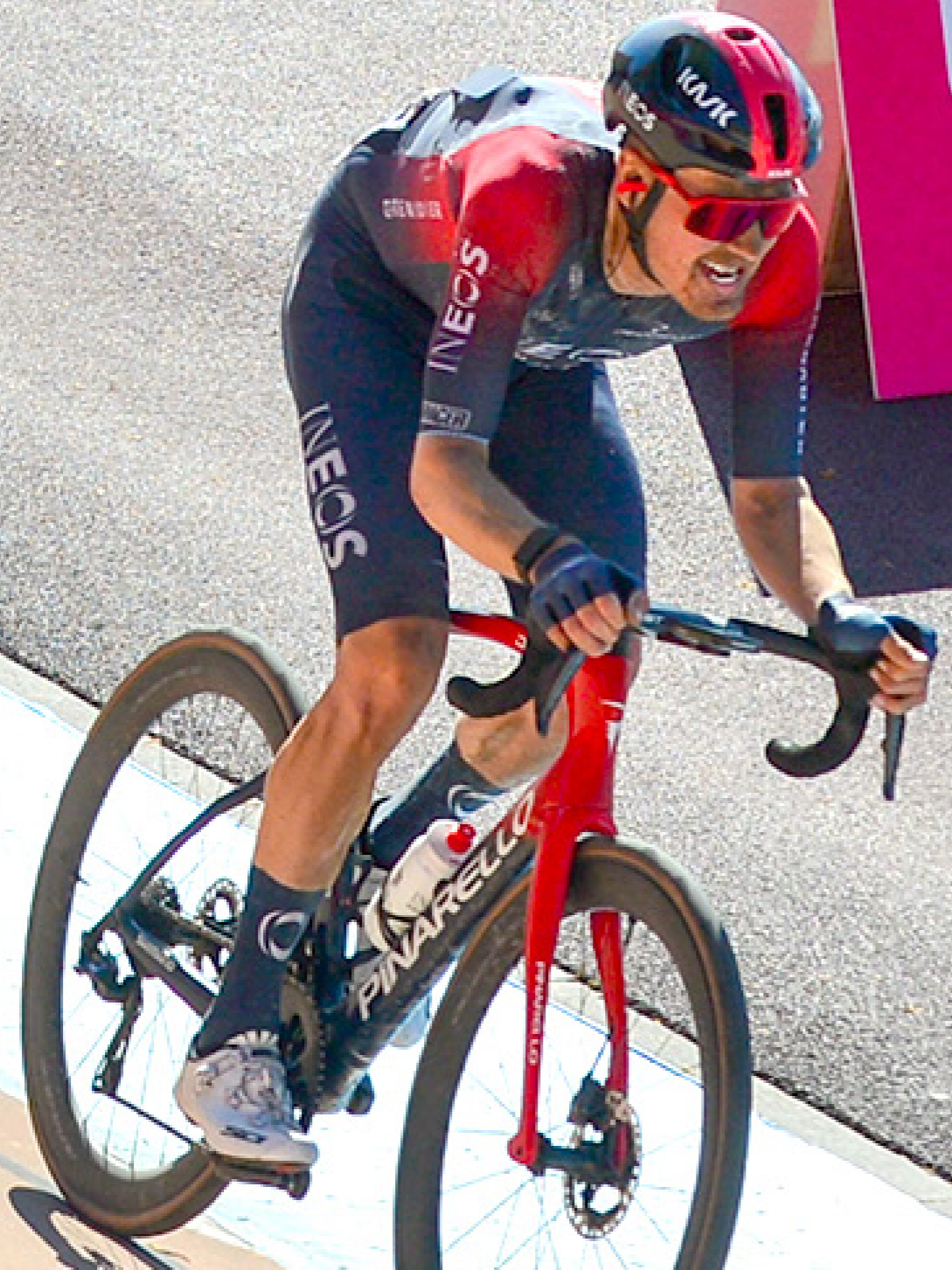


**Interim** report

**2022**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**lastminute.com**



lastminute.com



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OFFICIAL TRAVEL PARTNER

# Interim CEO letter

My recent appointment as interim CEO of lastminute.com has taken place quickly. Thanks to many years of experience in the company and within the travel industry, I am confident in driving the business forward.

I am pleased to share that the first half results are very positive. The consumer appetite for travel is strong with determined travellers looking to make up for the time they have lost.

In H1, we continued to grow our dynamic holiday packages, our core product which generated 64% of our margin contribution and is a new record. Flights continue to be an important piece of the business. They are an entry point for many travellers and provide base leverage in order to sell other products. However, the shift from being a flight-centric company in 2014 to becoming a travel tech company and leader in dynamic holiday packages, which is who we are today, is evident now more than ever.

Our recovery started slowly in January mainly due to the omicron variant which was prevalent. News of the war in Ukraine followed shortly after which had no repercussion on the business but was deeply felt. We saw a wave of growth in April, which continued into May, that was helped by the gradual easing of masks regulations on planes and in airports. The slight slowdown in June, one of our peak months, was countered by moving last-minute demand in August to a later summer in September and October.

Our focus remains on dynamic packages where we differentiate ourselves in the market with a unique distinctive technology that guarantees our customers access to a virtually limited catalogue of holiday combinations. We manage an inventory of millions of products which are often distributed to the market in what we call an opaque way to protect "price integrity" which means our suppliers see lastminute.com as a distribution channel, not a competitor.

Another important channel for distributing our core product through other parties is B2B2C. It's a strategic alliance where we offer our platform branded accordingly to the third-party website, our hotel and airline content, and our customer support. This white label model determines a boost in volumes (in 1H 2022 we reached 47% share of booking volumes) allowing us to gain distance from our competitors.

Whilst the overall travel market is estimated to be worth 300 billion euros, the sector is fragmented in terms of supply and distribution so the expectations for growth are high. Thanks to our unique proposition and the strategy we previously defined, we are in fact riding the recovery of the events we've experienced. We will address this large market opportunity and keep momentum by continuing the development and investment in our Dynamic Package technology.

We were able to diversify our geographical presence which covers the main European countries thanks to organic growth and - above all - the excellent work of M&A activity. Our strategy is to better exploit the share in our five core markets, specifically Germany and UK and also enter new ones.

Our company's main assets are our people and our internal capabilities. Our headquarters in Chiasso, where we will continue to invest in talent, is our primary location in terms of the number of people, but above all, our digital capacity in terms of developers, data scientists, and product & cloud experts, all of which are fundamental for our business.

In the last six months, we've hired more than 400 people within the customer services area, mainly in Spain and India, to provide a better and faster quality of service. We have moved from a predominantly outsourced model to adopt a balance between in-house and external staff with the aim to internalise all activities that can bring a higher added value to our customers.

Even though all sources agree the overall market is still not back to 2019 performance, our results are currently only slightly below pre-pandemic levels and we are now ready to own the recovery ride, with our Dynamic Holiday packages leading the growth.

**Laura Amoretti**

*lastminute.com interim CEO*



# CFO letter

Overall company performance shows very solid results with a historical record on net profits in H1 and an acceleration to record historical revenues and profit in Q2.

After a weak start of the year due to the Omicron variant, business in 2022 took off and brought to closing a first half-year with remarkable results. Revenues of €159.8 million were three times higher compared to 1H 2021 and only -5% lower than 1H 2019. Adjusted EBITDA, despite the weak start, reached €24.5m compared to € 1.6m last year and to €30.1m in 1H 2019. Net Result of €13.2m, negative last year, was +14% above the pre-Covid 1H 2019.

In particular, the second quarter of 2022 showed a strong rebound in lastminute.com's business. Revenues were 2.5x higher than last year, + 8% vs 2019. Adjusted EBITDA double vs last year and in line with 2019. The Net result was €9m, negative in 2021, and + 60% vs 2019.

Considering the impact of the Omicron variant in January, 1H 2022 results are very positive. We currently have a run rate of approximately €4-5million EBITDA adjusted per month, which is consistent with 1H 2019.

We have maintained our cost discipline in the growing market.

While gross HR costs are back to 2019 levels, running costs are still 24% below 2019 thanks to the improved efficiency. With over €150m cash generation in 1H 2022, Gross and Net Cash are at our all-time high, respectively with €220m vs €153m in June 2021 and €157m vs €58m in June 2021, once more showing the financial solidity of the Group.

We have maintained our cost discipline in the growing market. While gross HR costs are back to 2019 levels, running costs are still 24% below 2019 thanks to the improved efficiency. With over €150m cash generation in 1H 2022, Gross and Net Cash are at our all-time high, respectively with €220m vs €153m in June 2021 and €157m vs €58m in June 2021, once more showing the financial solidity of the group”

**Sergio Signoretti**  
*lastminute.com CFO*



# Consolidated financial statements

## 30 June 2022

### Consolidated statement of profit or loss and other comprehensive income (\*)

in '000 EUR (for the six months ended 30 June)	Notes	2022	2021
Revenues	7A	155,315	45,890
Other income from expired refund voucher	7B	8,878	6,958
Marketing costs	8	(70,327)	(16,216)
Personnel costs	8	(29,438)	(20,697)
Other operating costs	8	(36,714)	(23,309)
Amortization and depreciation		(7,075)	(8,135)
Impairment		(1)	-
<b>Operating Profit/(Loss)</b>		<b>20,638</b>	<b>(15,510)</b>
Gains/losses from disposal of inv. and other	8	-	(9)
Finance costs	8	(3,605)	(1,624)
Share of result of equity-accounted investees	8	(202)	(335)
<b>Profit / (Loss) before income tax</b>		<b>16,831</b>	<b>(17,478)</b>
Income tax	9	(3,596)	(174)
<b>Profit / (Loss) for the period</b>		<b>13,235</b>	<b>(17,652)</b>
- thereof attributable to the Shareholders of LASTMINUTE.COM NV	10	13,197	(17,607)
- thereof attributable to non-controlling interest		38	(45)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Remeasurements of the Employee benefits liability		1,494	(349)
Related tax		(329)	79
<b>Items that will never be reclassified to profit or loss</b>		<b>1,165</b>	<b>(269)</b>
<b>Items that are or may be reclassified to profit or loss</b>			
Foreign currency translation differences		(323)	574
<b>Items that are or may be reclassified to profit or loss</b>		<b>(323)</b>	<b>574</b>
<b>Total other comprehensive income for the period, net of tax</b>		<b>841</b>	<b>305</b>
<b>Total comprehensive income</b>		<b>14,076</b>	<b>(17,347)</b>
- thereof attributable to the Shareholders of LASTMINUTE.COM NV		14,038	(17,302)
- thereof attributable to non-controlling interest		38	(45)
<b>EARNINGS PER SHARE</b>			
Basic earnings per share (in EURO)	10	1.20	(1.60)
Diluted earnings per share (in EURO)	10	1.20	(1.60)

(\*) The comparative information related to revenues has been restated due to a change in classification of the other income from expired refund vouchers, that have been disclosed in a separate line item

## Consolidated balance sheet

in '000 EUR	Notes	30 Jun 2022	31 Dec 2021
<b>NON CURRENT ASSETS</b>			
Property plant and equipment	14	2,293	1,860
Right of use Assets	14	9,435	6,225
Intangible assets	14	150,034	147,722
Goodwill		60,424	60,422
Non current financial assets	13	11,421	11,944
Investment in equity accounted investees		1,086	891
Deferred tax assets	14	16,826	18,541
<b>TOTAL NON CURRENT ASSETS</b>		<b>251,519</b>	<b>247,605</b>
<b>CURRENT ASSETS</b>			
Inventories		19	-
Current financial assets	13	9,041	5,666
Current tax assets		932	1,110
Trade and other receivables	14	125,499	39,070
Contract assets	14	6,608	4,018
Cash and cash equivalents	13	219,796	109,664
<b>TOTAL CURRENT ASSETS</b>		<b>361,896</b>	<b>159,528</b>
<b>TOTAL ASSETS</b>		<b>613,415</b>	<b>407,133</b>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	12	117	117
Capital reserves	12	69,055	76,409
Currency translation reserve	12	2,075	2,396
Treasury share reserve	12	(11,449)	(9,062)
Retained earnings/(losses)	12	14,361	(7,354)
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM NV</b>		<b>74,159</b>	<b>62,507</b>
Non-controlling interest	12	592	554
<b>TOTAL EQUITY</b>		<b>74,752</b>	<b>63,061</b>
<b>NON CURRENT LIABILITIES</b>			
Long term employee benefits liabilities	14	8,626	9,795
Long Term Financial Liabilities	13	23,242	26,125
Long Term Lease Liabilities	13	6,682	4,274
Deferred tax liabilities	14	28,919	28,853
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>67,469</b>	<b>69,047</b>

in '000 EUR	Notes	30 Jun 2022	31 Dec 2021
<b>CURRENT LIABILITIES</b>			
Short term employee benefits liabilities	14	7,718	9,821
Current provisions	14	2,595	3,255
Short Term Financial Liabilities	13	39,798	53,483
Short Term Lease Liabilities	13	3,736	2,681
Current tax liabilities		3,418	4,229
Trade and other payables	14	411,700	200,622
Contract liabilities	14	2,230	934
<b>TOTAL CURRENT LIABILITIES</b>		<b>471,194</b>	<b>275,025</b>
<b>TOTAL LIABILITIES</b>		<b>538,663</b>	<b>344,072</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>613,415</b>	<b>407,133</b>

## Consolidated statement of changes in equity

in '000 EUR	Notes	Share capital	Capital Reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings/ (Losses)	Equity attributable to Shareholders of LASTMINUTE.COM NV	Non-controlling interest	TOTAL EQUITY
<b>Balance at 1 January 2022</b>		117	76,409	2,396	(9,062)	(7,354)	62,507	554	63,061
<b>Result for the period</b>		-	-	-	-	13,197	13,197	38	13,235
<b>Other comprehensive income</b>									
- Remeasurements of the Employee benefits liability (net of tax)		-	-	-	-	1,165	1,165	-	1,165
- Foreign currency translation differences	12	-	-	(323)	-	-	(323)	-	(323)
<b>Total other comprehensive income net of tax</b>		-	-	(323)	-	1,165	841	-	841
<b>Total comprehensive income net of tax</b>		-	-	(323)	-	14,362	14,038	38	14,076
<b>Transactions with shareholders</b>									
- Allocation of results 2021	12	-	(7,354)	-	-	7,354	-	-	-
- Share buy back	12	-	-	-	(2,387)	-	(2,387)	-	(2,387)
<b>Total transactions with shareholders</b>		-	(7,354)	-	(2,387)	7,354	(2,387)	-	(2,387)
<b>Balance at 30 June 2022</b>		117	69,055	2,075	(11,449)	14,361	74,159	592	74,752

in '000 EUR	Notes	Share capital	Capital Reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings/ (Losses)	Equity attributable to Shareholders of LASTMINUTE.COM NV	Non-controlling interest	TOTAL EQUITY
<b>Balance at 1 January 2021</b>		117	101,819	1,371	(9,108)	(25,409)	68,790	292	69,082
<b>Result for the period</b>		-	-	-	-	(17,607)	(17,607)	(45)	(17,652)
<b>Other comprehensive income</b>									
- Remeasurements of the Employee benefits liability (net of tax)		-	-	-	-	(269)	(269)	-	(269)
- Foreign currency translation differences	12	-	-	574	-	-	574	-	574
<b>Total other comprehensive income net of tax</b>		-	-	574	-	(269)	305	-	305
<b>Total comprehensive income net of tax</b>		-	-	574	-	(17,876)	(17,302)	(45)	(17,347)
<b>Transactions with shareholders</b>									
- Allocation of results 2020	12	-	(25,411)	-	-	25,411	-	-	-
- Sale of treasury shares	12	-	-	-	46	82	128	-	128
- Transactions with non-controlling interests	12	-	-	-	-	(127)	(127)	127	-
<b>Total transactions with shareholders</b>		-	(25,411)	-	46	25,366	1	127	128
<b>Balance at 30 June 2021</b>		117	76,408	1,945	(9,062)	(17,917)	51,490	373	51,863

## Consolidated cash flow statement

in '000 EUR (for the six months ended 30 June)	Notes	2022	2021
<b>Cash flow from operating activities</b>			
<b>Profit/ (Loss) for the period</b>		13,235	(17,652)
Adjustments for:			
- Amortization and depreciation		7,075	8,135
- Write off of assets		1	-
- Net finance income/costs	8	3,605	1,624
- Gains/losses from disposal of inv. and other		-	9
- Income tax expense	9	3,596	174
- Share of result of equity-accounted investees	8	202	335
Change in trade and other receivables	14	(86,429)	(16,275)
Change in contract assets	14	(2,590)	(244)
Change in trade and other payables	14	211,078	58,309
Change in contract liabilities	14	1,295	-
Change in provisions	14	(659)	(769)
Change in employee benefit liability	14	(1,949)	240
Net interest paid / refunded		(458)	(796)
Net income tax paid / refunded		(2,889)	(329)
<b>Net cash (used in) / from operating activities</b>		145,113	32,764
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	14	(1,088)	(93)
Purchase of intangible assets	14	(6,794)	(3,354)
(Acquisition) / Proceeds of financial assets	13	(5,176)	(6,130)
<b>Net cash (used in)/from investing activities</b>		(13,058)	(9,578)
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	4	14,981	25,200
Repayments of borrowings	4	(31,502)	(30,396)
Repayments of lease liabilities	14	(1,865)	(2,234)
Proceeds from sale of own shares	12	-	128
Share buy back	12	(2,387)	-
<b>Net cash (used in)/from financing activities</b>		(20,773)	(7,302)
<b>Net increase in cash and cash equivalents</b>		110,944	15,884
<b>Cash and cash equivalents at 1 January</b>	13	111,282	137,618
Effects of currency translation on cash and cash equivalents		(1,149)	84
<b>Cash and cash equivalents at 30 June</b>	13	219,796	153,586

# Notes to the consolidated financial statements

## Note 1 - General Information

Lastminute.com N.V. (hereinafter referred to as the “Company”) is a company domiciled in the Netherlands and inscribed in the Netherlands Chamber of Commerce under number 34267347. The address of the Company’s registered office is Basisweg 10, 1043 AP - Amsterdam. The consolidated interim financial statements of the Company as at and for the half-year ended 30 June 2022 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.

The consolidated interim financial statements were approved for issue by the Board of Directors on the 3rd of August.

## Note 2 - Basis of Preparation of Half-year Report

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2022 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021. A number of amendments to standards are effective for annual periods beginning after 1 January 2022. Amendments and interpretations that apply for the first time in 2022 do not have a material impact on the Group financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

The condensed consolidated interim financial statements are not audited.

## Use of judgments and estimates

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

## COVID-19

Since mid January 2022, trading has recovered rapidly from the slowdown caused by the Omicron variant experienced from late 4Q 2021, with Dynamic Holiday Packages continuing to drive the growth. In 1Q 2022 consolidated IFRS revenues reached EUR 69.7M, more than five times higher than in the prior year period and approximately 80% of pre-pandemic first quarter of 2019. In the first quarter of 2022, Adjusted EBITDA was EUR 9.5M and Net Result EUR 4.2M. Considering the impact of the Omicron variant in January, Q1 results have been very positive. The Group had a run rate of approximately EUR 2M Net Income per month, which is consistent with the first quarter of 2019. The Group dealt with fast returning demand and the secular shift to online travel with a lean



infrastructure and a robust balance sheet. The positive contribution of the change in net working capital of the Group's business gives flexibility and resources to be invested. At the end of March 2022 gross cash stood at EUR 152M, similar to the 2021 summer peak, with Net Cash being above EUR 74M.

Recovery has further accelerated in April 2022, fueled by the end of travel restrictions in Europe and overall strong leisure travel demand. The month ended with Revenues at +10% versus April 2019 and approximately six times higher than 2021. As experienced in 1Q 2022, the war in Ukraine and sustained inflationary pressures on consumer demand have not so far had any material impact on lastminute.com current trading performance.

During the last weeks, in particular during the month of June and the beginning of July, the whole travel industry has faced huge challenges to scale back up operations after the pandemic. Airline companies are facing many difficulties, such as internal lack of staff or airport management, leading to higher flight cancellations or delays. Some Airlines have decided to reduce their capacity in order to provide stable operations to their customers. In this scenario, while the number of cancellations has increased, they are nowhere near the volume of cancellations the Group had to process during the Covid pandemic. The group remains committed to serving its customers and is working to increase the customer self-service capabilities.

In this context the Group continued the good performance recorded in the previous months. The entire second quarter is still above 2019 mainly driven by Dynamic Packages, even if the month of June has shown a smooth slowdown compared to pre-pandemic levels. In particular, the Group revenues in the June month only are in line with 2019 figures, while Adjusted EBITDA of the month (EUR 4.1M) is -21% compared to 2019. During the first half year of 2022 the Group was able to generate revenues three times higher than the same period of 2021, from EUR 45,890 thousand in 2021 to EUR 155,315 thousand in 2022. See Note 7A for further details. Revenues in the first half of 2019 (Eur 171,729 thousand) were slightly higher compared with the current results.

From a financial perspective, the good performances recorded in the first quarter but also in the second one have contributed to positive working capital dynamics and good marginality, allowing the Group to generate operating cash. Please refer to the consolidated cash flow statement for further details. The Group reached a high score level of cash in June. Cash available stood at EUR 219.8 million and Net Financial Position reached EUR 156.7 million.

In general, the Group expects to continue with the positive trend in terms of booking in the coming months and even in case of new restrictions, difficulties in the airline industry and the normal seasonality of the business, the Group has enough cash in banks to meet its obligations. The Dynamic Holiday Packages proprietary set of technologies, which the Group has further developed during the pandemic slowdown, will be the key competitive advantage supporting the growth trends, together with the investments in customer experience and post-sales services.

To conclude, the Group will continue, as done during the last years, to focus on cost and cash management in order to preserve a solid financial structure. This will allow the Group to capture investment opportunities which may arise and which the Group is willing and capable to exploit.

#### Other significant events in the current reporting period

##### Epico Viajes SL

In April 2022 the Group acquired a minority stake in Epico Viajes SL, a Spanish start-up whose core activity is to develop a two side marketplace focused on cycling tours. Total consideration paid by the Group is EUR 100 thousand (27% of ownership). Starting from April 2022, Epico Viajes SL investment has been accounted for by applying the equity method.

### Note 3 - Seasonality

In terms of profit and loss performance, the business of the Group does not have wide seasonality swings. Historically, revenues in the first half of the year represented about 45-50% of the total year amount vs. 50-55% in the second half. Within quarters, the second and third quarters are typically the strongest within the year. In terms of cash generation, our business shows significant higher seasonality swings, generating more cash in the months in which more travel products are booked and therefore in the first half of the year.

This is particularly true for hotels, as hotels are typically paid after the guest's check-out date. Please consider that the above considerations are applicable in a stable market environment and not in an extraordinary scenario such as the one the Group has been facing since the beginning of 2020 due to Covid-19 outbreak, where the business has been strongly influenced by extraordinary external factors such as the pandemic waves, the availability of vaccines and government restrictions to travel.

### Note 4 - Financial Instruments

#### Financial Instruments

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

in '000 EUR	30 Jun 2022	31 Dec 2021
Non-current financial assets **	3,698	3,106
Current financial assets (Deposits and other) **	6,479	2,851
Trade and other receivables * (Current and Non Current)	119,219	29,117
Cash and cash equivalents (excl. cash on hand)	219,794	109,661
<b>Total financial assets measured at amortised cost</b>	<b>349,190</b>	<b>144,737</b>
Short term and long term financial liabilities	63,039	79,608
Short term and long term lease liabilities	10,419	6,955
Trade and other payables * (Current and Non Current)	399,847	193,334
<b>Total financial liabilities measured at amortised cost</b>	<b>473,305</b>	<b>279,897</b>
Investments at fair value through profit or loss	10,285	11,653
<b>Total financial assets at fair value through profit and loss</b>	<b>10,285</b>	<b>11,653</b>

(\* ) Trade and other receivables/payables" do not include credit/debit VAT position, and other non-cash items (as liabilities to employees) at 30 June 2022 and 31 December 2021

(\*\*) "Non current financial asset and current financial asset do not include investment at fair value through profit or loss, for an amount of EUR 7,723 for non current financial asset (Freesailors' membership interests) and EUR 2,562 for current financial asset (Destination Italia Spa shares and derivative financial instruments)

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.

#### Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of 30 June 2022, the Group held non current financial assets at fair value through profit or loss for EUR 7,723 thousand and current financial assets at fair value through profit or loss for EUR 2,562 thousand. See Note 14 for further details.

The following table shows the carrying amount of current and non current financial instruments at fair value, including the levels in the fair value hierarchy:

in '000 EUR	Fair Value			
	Level 1	Level 2	Level 3	Total
<b>30 June 2022</b>				
Investments at fair value	2,413	7,723	-	<b>10,136</b>
Derivative financial instrument asset	-	149	-	<b>149</b>
<b>31 December 2021</b>				
Investments at fair value	2,815	8,838	-	<b>11,653</b>

The amount is related to the following:

**Level 1:** the investment held in Destination Italia SpA for a total amount of EUR 2,413 thousand. The investment has been measured at fair value at 30 June 2022, leading to a finance cost for the Group of EUR 402 thousand.

**Level 2:** investment held in Freesailors Coöperatief U.A. (also referred to as "Freesailors"). The membership interests have been purchased in two tranches. The first one in 2021 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. The second tranche has been purchased in 2022.

On 28th of June the Group communicated the decision to acquire approximately 0.32% of the membership interests in Freesailors Coöperatief U.A. from a private investor for a total amount of EUR 559 thousands. As of 30 June 2022 the valuation at fair value of such financial current assets is EUR 7,723 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 of lastminute NV.

**Level 2:** the Group has foreign currency forwards derivative instruments for a total amount of EUR 149 thousand at 30 June 2022. These derivatives financial instruments are classified as current financial assets.

#### Net debt reconciliation

This section sets out an analysis and the movements in financial liabilities:

in '000 EUR	1 Jan 2022	Repayments principal + interest	Interest Charges	Addition	Other non cash movements	30 Jun 2022	Currency	Year of maturity
Uncommitted bank loans/overdraft	28,521	(23,224)	196	14,042	1	<b>19,536</b>	EUR	2022
Committed bank loans	17,485	(2,059)	146	-	-	<b>15,572</b>	EUR	2022_2023
Covid 19 government secured bank loan	31,586	(4,895)	130	-	569	<b>27,390</b>	EUR_CHF	2024_2027
Other Financial liabilities	2,016	(1,782)	-	939	(632)	<b>541</b>	EUR	2022
<b>Total</b>	<b>79,608</b>	<b>(31,960)</b>	<b>472</b>	<b>14,981</b>	<b>(62)</b>	<b>63,039</b>		

#### Note 5 - Business Combinations

The net decrease in financial liabilities is the combination of the renewal and repayment of uncommitted loans, the beginning of the repayment of loans granted by the Government obtained in the previous years in order to mitigate the effects of Covid-19 and the repayment of committed loans based on the repayment schedules. Financial liabilities are related to loans granted by top rated European financial institutions.

The interest accrued and paid 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 30 June 2022, the total amount of unused available cash credit lines for the Group was EUR 14,000 thousand (EUR 5,000 thousand at 31 December 2021).

#### Financial year 2022

During the period there were no business combinations.

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

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

Management is determining operating segments based on the information reviewed by the Group CEO. Starting from 2022 the Group modified its segment reporting and decided to include the Media business within the OTA, considering Media as a product of the OTA. Media business operates as a seller of web based advertising spaces and media contents primarily on the proprietary OTA platforms and web sites and, to a lesser extent, on third party partners' available spaces. The Group considers the Media business still strategic but, given some changes in the management structure and the dependency with the OTA, decided to report Media figures together with the OTA ones (in accordance with IFRS 8.5). According to this, the information related to 2021 have been restated.

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

- **OTA ("Online Travel Agency")**, which represents the core and traditional business of the Group.
- **Metasearch**, which includes the business generated in our websites focused on directing traffic, in exchange for a commission, to the sites of OTAs and airlines and other direct providers.
- **Other segments**, which includes the other businesses and ventures that individually and collectively do not constitute a separate operating segment (i.e. Cruise).

Other information that is not reportable has been combined and disclosed within "non reconciling items" which mainly includes intersegment revenues and corporate costs that cannot be allocated to segments.

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

in '000 EUR	30 Jun 2022					30 Jun 2021				
	OTA	Metasearch	Other segments	Non reconciling items	Total	OTA	Metasearch	Other segments	Non reconciling items	Total
<b>Managerial Revenues</b>	<b>145,330</b>	<b>17,223</b>	<b>1,796</b>	<b>(4,504)</b>	<b>159,845</b>	<b>44,024</b>	<b>6,482</b>	<b>862</b>	<b>(1,172)</b>	<b>50,196</b>
Previous year adjustments					<b>1,442</b>					<b>2,005</b>
Covid-19 impact					<b>(6,873)</b>					<b>(6,388)</b>
Other costs/income incidental to operating activities					<b>1,477</b>					<b>(893)</b>
Government grants					-					<b>970</b>
Expired voucher not covid related					<b>(576)</b>					-
<b>Consolidated Revenues</b>	<b>136,726</b>	<b>17,207</b>	<b>1,382</b>	<b>-</b>	<b>155,315</b>	<b>40,872</b>	<b>5,209</b>	<b>(191)</b>	<b>-</b>	<b>45,890</b>

in '000 EUR	30 Jun 2022					30 Jun 2021				
	OTA	Metasearch	Other segments	Non reconciling items	Total	OTA	Metasearch	Other segments	Non reconciling items	Total
<b>Consolidated EBITDA Adjusted*</b>	<b>25,393</b>	<b>3,217</b>	<b>485</b>	<b>(4,551)</b>	<b>24,544</b>	<b>2,513</b>	<b>1,331</b>	<b>360</b>	<b>(2,650)</b>	<b>1,554</b>
Previous year adjustments					578					1,665
Long term incentive plans and related consultancy fees					2,104					(2,808)
Other costs/income incidental to operating activities					(502)					498
Restructuring costs					(456)					(2,395)
Governments grants					-					970
Bad debt not ordinary					-					(6,000)
Expired voucher not Covid related					8,303					1,292
Covid-19 impact					(8,722)					(4,385)
IFRS 16					1,865					2,234
<b>Consolidated EBITDA IFRS</b>					<b>27,714</b>					<b>(7,375)</b>
Depreciation, Amortization and impairment					(7,076)					(8,135)
<b>Operating profit / (loss)</b>					<b>20,638</b>					<b>(15,510)</b>

\* In 2021, the Group modified the way it determines "Adjusted Ebitda". 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).

Please consider that the comparative information related to consolidated revenues presented in this Note has been restated 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 7a and 7b for further details.

## Note 7A - Revenues

The Group's operations and main revenue streams are those described in the last annual financial statements. In the first six months of 2022, total revenues increased by EUR 109,425 thousand (>100%) to EUR 155,315 thousand from EUR 45,890 thousand in the same period of 2021. The comparative information included in this Note has been restated 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.

in '000 EUR	30 Jun 2022	30 Jun 2021
Revenue from sales of travel services	28,563	10,137
Revenue from overcommission, kickback and rebates	29,396	7,933
Other revenues	396	1,353
Revenue from advertising services	6,634	2,282
Revenue from ancillaries	88,172	23,039
Revenue post sales	2,154	1,146
<b>Total</b>	<b>155,315</b>	<b>45,890</b>

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).

The increase in revenues is also driven by the high incidence of travel insurance products sold during the period.

Especially in the Flight business where the commissions are quite marginal, the profitability is driven by the ancillary products. In the following tables, revenues are disaggregated by primary geographical market and major products/service lines.

The tables also include a reconciliation of the disaggregated revenues with the Group's strategic divisions, which are its reportable segments:

in '000 EUR	30 Jun 2022				30 Jun 2021			
	OTA	Meta-search	Other segments	Total	OTA	Meta-search	Other segments	Total
Italy	17,091	1,120	981	19,192	7,470	183	(135)	7,518
Spain	11,895	1,193	373	13,461	4,581	223	(52)	4,752
UK	34,181	1,810	-	35,992	7,665	141	-	7,806
France	24,474	3,719	28	28,220	8,700	1,244	(5)	9,939
Germany	33,771	1,331	-	35,102	11,039	241	-	11,280
Others	15,314	8,034	-	23,349	1,417	3,177	1	4,595
<b>Total</b>	<b>136,726</b>	<b>17,207</b>	<b>1,382</b>	<b>155,315</b>	<b>40,872</b>	<b>5,209</b>	<b>(191)</b>	<b>45,890</b>

in '000 EUR	30 Jun 2022				30 Jun 2021			
	OTA	Meta-search	Other segments	Total	OTA	Meta-search	Other segments	Total
Flight	51,924	-	-	51,924	21,501	-	-	21,501
Dynamic Holiday Packages	55,963	-	-	55,963	8,775	-	-	8,775
Hotel	6,790	-	-	6,790	2,443	-	-	2,443
Tour operator	11,364	-	-	11,364	3,365	-	-	3,365
Cruises	-	-	1,382	1,382	-	-	(191)	(191)
Metasearch	-	17,207	-	17,207	-	5,209	-	5,209
Media	5,832	-	-	5,832	2,058	-	-	2,058
Other revenue	4,853	-	-	4,853	2,730	-	-	2,730
<b>Total</b>	<b>136,726</b>	<b>17,207</b>	<b>1,382</b>	<b>155,315</b>	<b>40,872</b>	<b>5,209</b>	<b>(191)</b>	<b>45,890</b>

## Note 7B - Other income from expired refund vouchers

in '000 EUR	2022	2021
Other income from expired refund vouchers	8,878	6,958

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 years due to the spread of Covid-19 and subsequent restrictions in travel but not used by the customers, for a total amount of EUR 8,878 thousand at 30 June 2022, compared to EUR 6,958 thousand at 30 June 2021.

## Note 8 - Other Costs

### Marketing costs

Marketing costs increased by EUR 54,111 thousand (>100%) from EUR 16,216 thousand in the first half-year 2021 to EUR 70,327 thousand in the first half-year 2022 mostly as a result of the revenue increase compared to the first six months of 2021. Marketing costs as percentage of revenues increased in 2022 compared to 2021 (45.3% vs 35.3%). The increase in off-line costs is primarily due to the launch of offline brand initiatives including the sponsorship contract with Tour de France.

### Personnel costs

Personnel costs increased by EUR 8,741 thousand (42.2%) from EUR 20,697 thousand in the first half-year 2021 to EUR 29,438 thousand in the first half-year 2022.

The increase of personnel cost compared to the first six months of 2021 is due to the combination of the increase in the headcount and the stopping of working hours reduction compensation measures granted by the several Governments where the Group operates. It should be noted that personnel cost include the effects of the remeasurement of the liability towards employees for the incentive plans in scope, with a positive impact of EUR 2,104 thousand at 30 June 2022. Please refer to Note 11 for further details.

Personnel costs as a percentage of revenues decreased in 2022 compared to 2021 (19.0% vs 45.1%).

### Other operating costs

Other operating costs increased by EUR 13,405 thousand (57.5%) from EUR 23,309 thousand in the first half-year 2021 to EUR 36,714 thousand in the first half-year 2022 mostly due to the recovery of the business.

The cost increase is mainly driven by higher credit card processing fees (variance of EUR 9,360 thousand), service costs (variance of EUR 5,117 thousand), call center operation costs (variance of EUR 1,718 thousand), and a general increase of consultancy costs, IT fixed costs, operating lease costs and office fix costs (variance of EUR 1,759 thousand as a whole). The increase is partially compensated by the reduction in overhead (variance of EUR -4,550 thousand) mainly due to a lower bad debt provision on flight/hotel suppliers compared to last year.

### Net Financial result

The net financial cost increased by EUR 1,839 thousand (>100 %) from EUR 1,968 thousand in the first half-year 2021 to EUR 3,807 thousand in the first half-year 2022.

in '000 EUR	30 Jun 2022	30 Jun 2021	Delta	Delta %
Gains/losses from disposal of inv. and other	-	(9)	9	-100.0%
Net Gain/losses on investments classified as at fair value through profit or loss	(2,415)	-	(2,415)	100.0%
Net interest effects	(819)	(917)	98	-10.7%
Net FX Exchange effects	(267)	(696)	429	-61.6%
Other	(105)	(11)	(94)	>100%
Share of result of equity-accounted Investees	(202)	(335)	133	-39.8%
<b>Net financial result</b>	<b>(3,807)</b>	<b>(1,968)</b>	<b>(1,839)</b>	<b>93.4%</b>

Net losses on investment classified as at fair value through profit or loss increased by EUR (2,415) thousand due to the combination of devaluation of Freesailors' membership interests for an amount of EUR (2,013) thousand and devaluation of Destination shares for amount of EUR (402) thousand during the first half of 2022.

Net FX exchange effects decreased by EUR 429 thousand, from EUR (696) thousand in 2021 to EUR (267) thousand in the first half-year 2022, mainly due to the positive effects of the recognition of the derivative fair value which have compensated the negative effects of bank accounts held in currency different than Euro.

Net interest costs decreased by EUR 98 thousand, from EUR (917) thousand in 2021 to EUR (819) thousand in 2022, due to the reduction of the interests accrued for the Group financial loans partially reimbursed during the first half of 2022.

Share of result of equity-accounted investees decreased by EUR 133 thousand and is related to the finance costs connected with the equity method application for those investments that are not consolidated by the Group.

### Foreign exchange impact

Since the result of the Group is expressed in Euro, the Group's exposure to movements in foreign currencies has an impact on consolidated statements of profit and loss. Below a table summarising the key figures:

	30 Jun 2022	Average to 30 June 2022	30 Jun 2021	Average to 30 June 2021
1 CHF	0.99	1.03	1.10	1.09
1 GBP	0.86	0.84	0.86	0.87
1 INR	82.11	83.32	88.32	88.41
1 USD	1.04	1.09	1.19	1.21

Starting from January 2022 the British Pound has lost value against the Euro. The exchange rate GBP/ EUR has weakened from 0.83 at the beginning of January to 0.86 at the end of June. This change, with the combination of the decrease of trade and financial assets held in GBP has led to a negative impact in the Consolidated statement of profit and loss of about EUR 1,457 thousand.

## Note 9 - Taxes

The Group's interim consolidated income taxes charge amounted to EUR 3,596 thousand as at 30 June 2022, compared with EUR (174) thousand at the end of June 2021 with an increase of EUR 3,770 thousand, due to the positive results of the Group in the first six months of the year.

As of 30 June 2022 management has recognised deferred tax assets on losses carryforward for EUR 15,680 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.

## Note 10 - Earnings 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 the first half of 2022 and 2021:

in '000 EUR ( for the six months ended 30 June)	2022	2021
Profit/ (Loss) for the period attributable to the shareholders of LMN Group NV (in EURO/000)	13,197	(17,607)
Weighted-average number of ordinary shares outstanding during the year (in thousand)	11,008	11,017
<b>Basic profit/(loss) per share (in EUR)</b>	<b>1.20</b>	<b>(1.60)</b>

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

Number of shares	2022	2021
Issued ordinary shares at 1 January	11,664	11,664
Treasury shares hold	(644)	(647)
<b>Ordinary shares outstanding at 1 January</b>	<b>11,020</b>	<b>11,017</b>
Effects of sales of own share	1	-
Effects of shares buy back of the year	(13)	-
<b>Weighted-average number of shares (Basic) at 30 June</b>	<b>11,008</b>	<b>11,017</b>

#### 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 the first half of 2022 and 2021:

in '000 EUR ( for the six months ended 30 June)	2022	2021
Profit/ (Loss) for the period attributable to the shareholders of LMN Group NV (in EURO/000)	13,197	(17,607)
Weighted-average number of ordinary shares outstanding during the year (in thousand)	11,008	11,017
<b>Diluted profit/(loss) per share (in EUR)</b>	<b>1.20</b>	<b>(1.60)</b>

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

Number of shares	2022	2021
Weighted-average number of ordinary shares (Basic)	11,008	11,017
Effect of share options in issue	-	-
<b>Weighted-average number of shares (Diluted) at 30 June</b>	<b>11,008</b>	<b>11,017</b>

#### Note 11 - Share-Based Payment Arrangements

##### Employee share option plan

No employee share option plans are in place as of 30 June 2022 and 30 June 2021.

##### Cash settled share-based plan

As of 30 June 2022, the Group had in place the following share-based payment arrangements

in '000 EUR	1 Jan 2022	Measurement and remeasurement	Actual cost for exit of former participants	Payments for cash-out during the year	Currency translation differences	30 Jun 2022
LTIP 1	10,315	(2,734)	632	(723)	165	7,655
LTIP 2	3,393	(195)	-	-	361	3,559
SAR 1	725	160	-	-	-	885
SAR 2	-	34	-	-	-	34
<b>Total</b>	<b>14,433</b>	<b>(2,769)</b>	<b>632</b>	<b>(723)</b>	<b>526</b>	<b>12,134</b>

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 positive effect recorded in the first six months of 2022 is disclosed within Personnel costs and is a consequence of the drop in the share price when compared to previous valuation;
- Actual cost for exit of former participants: includes the cost recognised for the exit of some employees during the period. This cost is included within Personnel costs;
- Payments for cash-out during the year: is related to the amounts paid for the exit of employees during the year;
- Currency translation differences: includes the effects of the conversion of the plans from CHF to EUR

##### 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. Further information of the terms of the plan can be found in the Group's 2021 year end consolidated financial statements.

As at 30 June 2022, the liability recorded in relation to the cash settled obligation in relation to the plan amounted to EUR 7,655 thousand (year end 2021: EUR 10,315 thousand), while the current and non-current receivables recorded in relation to the personal loans granted to limited partners amounted to EUR 1,124 thousand (year end 2021: EUR 1,267 thousand). The liability is included in the Employee benefits liability line within the consolidated balance sheet. The receivables related to the share-based plan are included in the current and non current financial assets line within the consolidated balance sheet.

The liability value was assessed taking into consideration the fair value of the underlying shares considering the vesting period of 4 years and other conditions, as well as the required interest payable on the company's portion of the contribution. The Group re-measures the liability at each subsequent reporting date in order to be consistent with the IFRS. Being the shares purchased under the terms of the plan exclusively Lastminute.com Group shares, the overall value of the Group divided by the number of such shares can clearly represent the present value of the investment plan.

The fair value measurement of the assigned rights was carried out on the basis of the following market data as at 30 June 2022:

- Price of the underlying share as at 30 June 2022 (last date of detection of the price), equal to 30.6 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;
- 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 months;
- 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).

##### 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. Further information of the terms of the plan can be found in the Group's 2021 year end consolidated financial statements.

As at 30 June 2022, the liability recorded in relation to the plan amounted to EUR 3,559 thousand. (year end 2021: EUR 3,393 thousand) The liability is included in the Employee benefits liability line within the consolidated balance sheet. The related cost/income is accounted for as Personnel cost within the consolidated statement of profit and loss. As at 30 June 2022, the current and non-current receivables recorded in relation to the personal loans granted to limited partners amounted to EUR 794 thousand (year end 2021: EUR 697 thousand).

The receivables related to the share-based plan are included in the current and non current financial assets line 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 30 June 2022:

- Price of the underlying share as at 30 June 2022 (last date of detection of the price), equal to 30.6 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;
- 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 months;
- Exit rate equal to 33% calculated based on the historical trend of resignation of employees participating in other share-based payment arrangements.

### Stock Appreciation Rights Plan 1 ("SAR 1" 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. Further information of the terms of the plan can be found in the Group's 2021 year end consolidated financial statements.

On 1st of January 2022 additional 33,000 thousand SARs were assigned. As of 30 June 2022, total SARs allocated are 655,500. SARs assigned belong to three different groups which differ for vesting conditions.

#### SAR 1 assigned in 2021

Type	# of SARs	Exercise Price	Threshold Price	Grant Date	Expiry	Start Vesting Period	End Vesting Period
Gate 1	169,000	25 CHF	n/a	01/07/2021	01/07/2028	01/07/2023	01/07/2025
Gate 2	217,875	25 CHF	40 CHF	01/07/2021	01/07/2028	01/07/2023	01/01/2026
Gate 3	235,625	25 CHF	60 CHF	01/07/2021	01/07/2028	01/07/2023	01/01/2026
<b>Total</b>	<b>622,500</b>						

#### SAR 1 assigned in 2022

Type	# of SARs	Exercise Price	Threshold Price	Grant Date	Expiry	Start Vesting Period	End Vesting Period
Gate 1	13,200	25 CHF	n/a	01/01/2022	01/01/2029	01/01/2024	01/01/2026
Gate 2	11,550	25 CHF	40 CHF	01/01/2022	01/01/2029	01/01/2024	01/07/2026
Gate 3	8,250	25 CHF	60 CHF	01/01/2022	01/01/2029	01/01/2024	01/07/2026
<b>Total</b>	<b>33,000</b>						

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:

#### SAR 1 assigned in 2021

Type	Underlying Price (CHF)	Exercise Price (CHF)	Volatility	Dividend Yield	Risk-Free Rate	Vesting Probability	Cumulative Exit Rate
Gate 1	30.60	25.00	43.5%	0.0%	1.4%	100.0%	33%
Gate 2	30.60	25.00	43.5%	0.0%	1.4%	44.8%	33%
Gate 3	30.60	25.00	43.5%	0.0%	1.4%	20.9%	33%

#### SAR 1 assigned in 2022

Type	Underlying Price (CHF)	Exercise Price (CHF)	Volatility	Dividend Yield	Risk-Free Rate	Vesting Probability	Cumulative Exit Rate
Gate 1	30.60	25.00	43.5%	0.0%	1.5%	100.0%	33%
Gate 2	30.60	25.00	43.5%	0.0%	1.5%	48.5%	33%
Gate 3	30.60	25.00	43.5%	0.0%	1.5%	26.1%	33%

As of 30 June 2022, the liability recorded in relation to the SAR Plan amounted to EUR 885 thousand (year end 2021: EUR 725 thousand) and is related to the remeasurement of the liabilities towards the employees. The liability is included in the Employee benefits liability line within the consolidated balance sheet. The related cost/income is accounted for as Personnel cost within the consolidated statement of profit and loss.

### Stock Appreciation Rights Plan 2 ("SAR 2" plan)

On March 23, 2022, the SAR Committee and the Board of Directors of lastminute.com N.V. resolved in favour of a new incentive plan addressed to some key employees and Executives Directors. Under the Plan a maximum of 1,200,000 Stock Appreciation Rights could be assigned to beneficiaries with exercise price of 35.9 CHF as the previous 14 days average.

Right of access to SARs is subject to the following key conditions: i) period of time of 4 years (Pro rata from the end of Year 2 to Year 4) and ii) lastminute.com minimum threshold stock price levels: 1. 35% of the SARs subject to a Price Threshold equal or higher than CHF 40; 2. 65% of the SARs subject to a Price Threshold equal or higher than CHF 60. As of 30 June 2022, the SARs allocated are 300,000.

See below for further details:

Type	# of SARs	Exercise Price	Threshold Price	Grant Date	Expiry	Start Vesting Period	End Vesting Period
Gate 1	35,000	35.9	40	01/04/2022	01/04/2029	01/04/2024	01/10/2026
Gate 2	65,000	35.9	60	01/04/2022	01/04/2029	01/04/2024	01/10/2026
Gate 1	70,000	35.9	40	01/06/2022	01/06/2029	01/06/2024	01/12/2026
Gate 2	130,000	35.9	60	01/06/2022	01/06/2029	01/06/2024	01/12/2026
<b>Total</b>	<b>300,000</b>						

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	30.60	35.90	43.5%	0.0%	1.5%	50.7%	33%
Gate 2	30.60	35.90	43.5%	0.0%	1.5%	29.3%	33%
Gate 1	30.60	35.90	43.5%	0.0%	1.5%	51.5%	33%
Gate 2	30.60	35.90	43.5%	0.0%	1.5%	30.6%	33%

As of 30 June 2022, the liability recorded in relation to the SAR Plan amounted to EUR 34 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. The related cost/income is accounted for as Personnel cost within the consolidated statement of profit and loss.

## Note 12 - Shareholders' Equity

The table below shows Shareholders' Equity as of 30 June 2022 and 31 December 2021:

in '000 EUR	30 Jun 2022	31 Dec 2021
Share capital	117	117
Capital reserves	69,055	76,409
Currency translation reserve	2,075	2,396
Treasury share reserve	(11,449)	(9,062)
Retained earnings / (losses)	14,361	(7,354)
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM NV</b>	<b>74,159</b>	<b>62,507</b>
Non-controlling interest	592	554
<b>Total Equity</b>	<b>74,752</b>	<b>63,061</b>

### Capital reserves

As approved during the annual shareholder meetings the Capital reserves decreased for the allocation of a portion of the results of the financial year ended 31 December 2021 for a total amount of EUR 7,354 thousand.

### Currency translation reserve

The translation reserve includes all the foreign currency differences arising from the translation of the Group's subsidiaries with functional currencies different from the presentation currency (EUR).

### Treasury share reserve

The reserve for the Group's treasury share comprises the cost of the shares held by the Lastminute.com Group. As of 30 June 2022, the Group held 711 thousand shares for the total value of EUR 11,449 thousand (644 thousand shares as of 31 December 2021). During the period the group announced a share buy-back plan to purchase shares of lastminute.com N.V. Total number of shares purchased was 66 thousand, for a total amount of EUR 2,387 thousand, as disclosed in the consolidated statement of changes in equity.

### Retained earnings / (losses)

Retained earnings / (losses) as of 30 June 2022 amounted to EUR 14,361 thousand compared to EUR (7,354) thousand at 31 December 2021. They include the profit related to the current period as well as the amounts booked in relation to the remeasurements of the employee benefits liabilities.

As approved during the annual shareholder meeting, a portion of the results of the financial year ended 31 December 2021, for a total amount of EUR (2,259) thousand, has been allocated to retained earnings / (losses).

### Dividends

During the first half of 2022 and 2021 no dividends were paid by the Group.

### Capital management

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

### Non controlling interests

The difference on Non controlling interests, from EUR 554 thousand at 31 December 2021 to EUR 592 thousand at 30 June 2022 is related to the profit of the period pertaining to Non controlling interests for EUR 38 thousand.

## Note 13 - Net Financial Position

The table below represents the net financial position for the Group as of 30 June 2022 and 31 December 2021:

in '000 EUR	30 Jun 2022	31 Dec 2021
Current financial assets (*)	6,629	2,851
Cash and cash equivalents	219,796	109,664
Short Term Financial Liabilities	(39,798)	(53,483)
Short Term Lease Liabilities	(3,736)	(2,681)
<b>Net Financial Position within 12 months</b>	<b>182,891</b>	<b>56,351</b>
Non current financial assets (**)	3,697	3,106
Long Term Financial Liabilities	(23,242)	(26,125)
Long Term Lease Liabilities	(6,682)	(4,274)
<b>Net Financial Position over 12 months</b>	<b>(26,227)</b>	<b>(27,294)</b>
<b>Total Net Financial Position</b>	<b>156,664</b>	<b>29,058</b>

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

\*\* Non current financial assets don't include Freesailors' membership interests that for their nature are not included in the NFP. See Note 4 for further information

The Net Financial Position for the Group was respectively EUR 156,664 thousand at 30 June 2022 and EUR 29,058 thousand at 31 December 2021.

When calculating the Net Financial Position, the Group does not include the Destination Italia Spa shares and Freesailors' membership interests acquired in 2021 and 2022 and included respectively in Current and Non current financial assets. The fair value of the above-mentioned shares at 30 June 2022 is EUR 10,136 thousand. See Note 4 and 14 for further details.

Cash and cash equivalents increased during the first six months of 2022 due to the positive effect on the change in net working capital coming from the good performance of the business, partially compensated by net cash out from financing and investing activities. The negative working capital is inherent in the merchant model of the 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. For further information please refer to the Consolidated Cash flow statement and the comment on Group's trade position included in the Note 14 - Balance sheet.

Group's financial liabilities in the first six months of the year have been affected by the repayment of financing obtained in the previous years partially compensated by the credit lines drawn during the period.

## Note 14 - Balance Sheet

In the first six months of the year compared with year-end 2021, Intangible Assets increased by EUR 2,312 thousand (1.6%) from EUR 147,722 thousand at 31 December 2021 to EUR 150,034 thousand at 30 June 2022. The additions of the period, mainly represented by internal development costs, have been partially compensated by the amortisation throughout the first six months of the year.

The latest impairment test on goodwill and other intangible assets was performed as of 31 December 2021. No impairment losses were recognized as a result of this test. The Group management did not identify any impairment indicators in the first half of 2022. The final Impairment Test exercise on goodwill and indefinite life intangible assets will be performed at year end 2022.

Property plant and equipment increased by EUR 433 thousand (23.3%) mainly due to the additions of the period, partially compensated by depreciation of the period.

Right-of-use assets increased by EUR 3,210 thousand (51.6%), mainly due to the addition of new contracts and modifications of already existing contracts partially off-set by the depreciation of the first six month of the year. The main addition is related to the renewal of a hosting contract.

Non-current financial assets decreased by EUR 523 thousand (-4.4%) mainly due to the net negative effect of the remeasurement of Freesailors' membership interests partially compensated by the increase in long-term deposits and other long-term financial assets.

Current financial assets increased by EUR 3,375 (59.6%) thousand from EUR 5,666 thousand at 31 December 2021 to EUR 9,041 thousand at 30 June 2022, mainly linked to the increase in acquirer deposits and liquidity investments with banks.

For further information about the movements in Financial Assets (current and non current) and Cash and cash equivalents please refer to the Consolidated Cash Flow Statement for the six months ended 30 June 2022 and Note 13.

Deferred tax assets decreased by EUR 1,714 (-9.2%) thousand from EUR 18,541 thousand at 31 December 2021 to EUR 16,826 thousand at 30 June 2022. The difference is mainly explained by the utilisation of deferred tax assets on losses, partially compensated by the recognition of additional deferred tax assets.

The Group's net negative trade position, which is the net amount of trade and other receivables, contracts assets, trade and other payables and contract liabilities, increased by EUR 123,355 thousand (77.8%) from EUR (158,468) thousand as of 31 December 2021 to EUR (281,822) thousand as of 30 June 2022. The increase is mainly due to the restart of the business compared to last year, which led to an increase in payables and a corresponding increase in cash and cash equivalents, as explained in Note 13.

As of 30 June 2022 the Group has an exposure towards airlines and hotels companies for EUR 3,539 thousand booked as trade receivables, slightly increased when compared to 31 December 2021 where the Group had an exposure of EUR 1,275 thousand. The reduction of the cancellations has also positively impacted the liabilities towards the Group's customers for travel vouchers issued but not yet used for an amount of EUR 25,100 thousand as of 30 June 2022 (EUR 47,216 thousand as of 31 December 2021).

Long term financial liabilities, amounting to EUR 23,242 thousand, include the non current portion of the borrowings received in the past years. For more information see Note 13.

Short and long term employee benefits liabilities decreased from EUR 19,615 thousand at 31 December 2021 to EUR 16,344 thousand at 30 June 2022. The decrease is mainly due to the remeasurement of the liability towards

employees for the incentive plans in scope, mainly linked to the drop of the share price. Please make reference to Note 11 for further details.

Current provision decreased by EUR 659 thousand from EUR 3,255 thousand as of 31 December 2021 to EUR 2,595 thousand as of 30 June 2022 mainly due to the reduction in provision for fraudulent credit card transactions that has been partially compensated by the increase of the accrual made for future cancellations for EUR 593 thousand.

Short term financial liabilities decreased by EUR 13,685 thousand from EUR 53,483 thousand to EUR 39,798 thousand. The reduction is linked to the net effects of additions and reimbursement of the period. For more information see Note 4 and Note 13.

Long and short-term lease liabilities increased by EUR 3,463 thousand (49.8%) mainly due to the addition of new contracts and modifications of already existing contracts partially off-set by the repayments of the first six month of the year.

## Note 15 - Subsequent Events

### Local investigation in Chiasso

On 19th of July 2022, the Public Prosecutor's Office of the Canton Ticino conducted searches at the business premises of certain Swiss subsidiaries of lastminute.com N.V. (the "Company") in connection with the investigation for the suspicion of fraud (146 Swiss Criminal Code, the "SCC"), unlawful claim for social insurance or social assistance benefits (148a SCC) and breach of the Swiss Unemployment Insurance Act (Art. 105 SUIA).

The investigation aims to assess a possible situation of abuse in connection with claims and withdrawals of Covid-19 related short-time work allowances by the Swiss subsidiaries BravoNext SA, BravoMeta CH SA and LMNext CH SA.

The aggregate benefits received by the above-mentioned Swiss subsidiaries in the period from March 2020 to February 2022 with respect to their 500 employees amount to CHF 28.5M.

The individuals subject to the investigation are certain current and former executives and members of the corporate bodies of the Company's relevant subsidiaries.

The above mentioned Swiss legal entities are not investigated and they have not received any order or act to limit their operational or financial capacity except for 7 million CHF funds held in certain bank accounts which have been blocked.

The Company has already taken measures to safeguard adequate continuity of the concerned subsidiaries.

In addition to the above, on 24th of July, The Board of Directors of lastminute.com N.V. has appointed Laura Amoretti as interim CEO.

With immediate effect Laura Amoretti assumes the duties originally assigned to the lastminute.com founder & CEO and lastminute.com CEO & COO in the Compan. The Board has resolved to suspend the powers delegated to both of them for a period of three months in connection with the ongoing investigation of the Public Prosecutor's Office of the Canton of Ticino. She will also replace them in their respective positions in the subsidiaries. The Board has also resolved to launch a CEO search for a permanent replacement.

At this stage the outcome of the investigation cannot be determined. The management has already taken all the necessary actions and doesn't see any risk of business continuity, considering also the solid financial structure of the Group.



**Purchase of membership interests in Freesailors Coöperatief U.A**

The Company will support the public prosecutor's office in its investigation.

In addition to the acquisition of membership interests completed in June and described in the Note 4, on 28th of June the Board of Directors of the Company resolved, subject to shareholder meeting approval:

- to purchase of up to 22.82% Freesailors' membership interests;
- to exchange, after 2 years from the date of the purchase, upon the Company's request, any membership interests in Freesailors purchased by the Company for lastminute.com shares (Freesailors Transaction).

Contingent on the approval of the shareholders of the Freesailors Transaction, and in light of the same factual background, the Company is further proposing to shareholders to provide specific authorization to purchase of 10.87% Freesailors' membership interests from Sterling Active Fund for a total amount of CHF 18,642 thousand.

Moreover, in case of shareholders approval of the Freesailors Transaction, the Company will purchase from other minor investors, with immediate effect since the date of the approval, from other minor investors a further 3.3 membership interests in Freesailors Coöperatief U.A for a total amount of CHF 4,385,705.39.

Freesailors Coöperatief U.A is a holding company which has no material assets other than a controlling stake in lastminute.com NV. Its participation in lastminute.com NV is 44.58%, corresponding to 5,200,000 lastminute.com NV bearer shares.

If and when executed, the membership interests to be purchased will be accounted for as financial assets in the consolidated balance sheet and measured at fair value through profit and loss, consistently with the ones already purchased in 2021 and in the first months of 2022 and described in the Note 4.

No additional subsequent events occurred since 30 June 2022, which would change the financial position of the Group or which would require additional disclosures in these consolidated interim financial statements.

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