lastminute.com

2022 Integrated Annual Report

A - *About this report:*

[A - Intro]

NOTE ON PRESENTATION

The information disclosed in this annual report includes lastminute.com N.V. (hereinafter referred to as the "Company") and its subsidiaries (together referred to as "lastminute.com Group", the "Group" and individually as "Group entities").

The annual report, which ended 31 December 2022, was prepared following the International Financial Reporting Standards ('IFRS'), issued by the International Accounting Standards Board ('IASB'), as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

The designation IFRS also includes International Accounting Standards ('IAS') as well as all the interpretations of the International Financial Reporting Standards Interpretation Committee ('IFRS IC'), formerly the Standard Interpretations Committee ('SIC').

The Sustainability Report has been written following the GRI Sustainability Reporting Standards published in 2021 by the Global Reporting Initiative (GRI), "with reference to the GRI Standards". The choice of the GRI indicators disclosed in this document was made considering the importance of the various material topics that lastminute.com has identified.

FORWARD-LOOKING STATEMENTS

The lastminute.com Group's annual report contains forward-looking statements that reflect management's current view of future development. All statements other than statements of historical fact set forth in this annual report regarding lastminute.com Group's business strategy, such as future operations and businesses, management's plans and objectives, are forward-looking statements. In some cases, words such as 'may', 'will', 'expect', 'could', 'should', 'intend', 'estimate', 'anticipate', 'believe', 'outlook', 'continue', 'remain', 'on track', 'design', 'target', 'objective', 'goal', 'plan' and similar expressions are used to identify forward-looking statements that contain risks and uncertainties that are beyond the control of the Group and call for significant judgement. Should the underlying assumptions turn out to be incorrect or if the risks or opportunities described materialise, the actual results and developments may materially deviate (negatively or positively) from those expressed by such statements.

The outlook is based on estimates lastminute.com has made on the basis of all the information available at the time of completion of this annual report. Factors that could cause the actual results and developments to differ from those expressed or implied by the forward-looking statements are included in the section 'Risk management and Internal Control System' of this annual report. These factors may not be exhaustive and should be read in conjunction with the other cautionary statements included in this report. Forward-looking statements made in this annual report shall be evaluated in the context of these risks and uncertainties.

lastminute.com Group does not assume any obligations or liability in respect of any inaccuracies in the forward-looking statements made in this annual report or for any use by any third party of such forward-looking statements. lastminute.com Group does not assume any obligation to update any forward-looking statements made in this annual report beyond statutory disclosure requirements.

INFORMATION ON THE FIGURES PRESENTED

All references in this annual report are expressed in 'Euro', 'EUR' or '€'. For ease of reference, all the figures in this annual report are expressed either in thousands or millions of Euros, whereas the original data is recorded and consolidated by the Group in Euro. Similarly, all percentages relating to changes between two periods or to percentages of net sales or other indicators are always calculated using the original data in Euro. The use of values expressed in thousands of Euros may therefore result in apparent discrepancies in both absolute values and data expressed as a percentage.
The language of this annual report is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

[A1 - Chairman and CEO letter]

Dear all,

We are pleased to present the 2022 annual report for lastminute.com.

Following two years of Covid-related challenges, the industry is on its way to bouncing back to 2019 numbers. lastminute.com remains a strong European leader thanks to its superior technology, vast and exclusive product offering and Dynamic Package focus. Our flexibility has allowed us to downsize in more difficult times. Now we are travelling on a trajectory of profitable growth.

Our key figures show positive development, with revenues and adjusted EBITDA (EUR 37.7M) both doubling versus the previous year, with Gross Travel Value reaching an all-time high of EUR 3,215.7 million (up 145%). Our firm foundations again gave us a solid gross cash and net financial position.

What sets us apart

If the last few years have taught us anything, the human need to travel and experience new things is stronger than ever. lastminute.com remains the best place to take advantage of this pent-up travel demand as the European Travel Tech leader.

Our Digital DNA has allowed us to gradually build competitive advantages that separate us from other industry players: a data-fuelled technology platform, an extensive inventory for flights and accommodation and commercial relationships with suppliers that enable exclusive deals for our customers. Our dynamic packaging business, for example, drove growth from opening seven new markets in 2022.

Our diversified risk profile across channels, clients and countries mean we operate in the sweet spot between the industry mega giants and niche start-ups. We are fully licensed to sell holiday packages with customer protection in the top five European countries, perfectly positioned to capture market movements and trends there.

We also prioritised investment in people; we significantly increased the headcount in our core technology area to consolidate and extend our leadership. We also decided to grow our customer care area, furthering the support to our customers.

New Governance and corporate culture

While the financial results are testimony to the underlying strengths of lastminute.com, 2022 was marked by the investigation into the working hour reduction subsidies received by the Swiss subsidiaries. This did have a disruptive impact on the company's governance. Following the resignation of several members of the previous Board of Directors, including the Chief Executive Officer and Chief Operating Officer, a new Board of Directors and a new CEO were elected in December.

The administrative proceedings have ended, and a new and stronger Corporate Governance is now in place. The risk management function has been reinforced with the ad-hoc independent audit function reporting to the Board. Additional Committees have been created and we are working to develop a culture and governance, where ownership, empowerment, and autonomy are facilitated within a controlled framework.

Looking ahead

The future looks bright as we address a huge, fast-growing but very fragmented market with consumers embracing digital more than ever.

The cornerstone of our strategy will be based on the Group's competitive strengths, including the proprietary Dynamic Holiday Packages technology (see management report), our market-leading product.

Our capital allocation policy and approach to growth are being reviewed and refined with financial rigour applied to all investments. We will look at operating leverage from cost discipline and targeted tech investments, from cloud-based technology to increased AI/Chatbot automation, to smart cash flow generation.

We strongly believe in principles of environmental, social, and governance stewardship (ESG) with governance from the dedicated Board committee, which will embed sustainability principles across the business. Please read our first ESG report to explore our ambition.

The forecast for 2023 begins with strong tailwinds thanks to good momentum in our core leisure market and the Company expects to grow significantly this year. Our laser focus will be on ensuring a profitable year.

We thank our stakeholders and network of business partners for their support during this extraordinarily challenging year. Our special thanks go to the employees who have shown dedication throughout.

We are in the right place to deliver profitable growth and we thank you for your continued support of lastminute.com.

Sincerely,

Yann Rousset	Luca Concone
Chairman	Chief Executive Officer

B - MANAGEMENT REPORT

[B1 - General Information]

B1.1 - Mission and Strategy

Our mission
To lead the travel industry by leveraging technology to simplify, personalise, and enhance our customers' travel experience.

Strategy
Over its history, lastminute.com has built an enviable position in the European travel space. We have been able to develop our organisation and become one of the leading players in the European travel tech arena.

Today, our Company provides solutions to thousands of customers every day leveraging on its unique data platform, extensive inventory, its cutting edge Dynamic Packaging engine, vast inventory and supply and the regulatory advantage of being a fully licensed player to act as a tour operator on a pan-European level.

Our proven results and strong partnerships mean we can distribute our products through the main B2C digital channels as well as through B2B agreements where we are reliable key partners for other small and large travel and non-travel industry players.

This unique positioning gives us a strong and healthy foundation from which to continue innovating in 2023 across all the companies' key strategic capabilities:

- **Further developing our technology and data platform** by a stronger leverage of AI technologies (e.g. in our pricing, recommendation and service chatbot engines) and a complete API tech stack enabling a mobile-first approach enabling a further extension of our B2B partnership landscape as well as a state-of-the-art Cyber Security Framework.
- **Continue to expand our supply** optimising our modern and flexible connectivity technology while our market teams increase the sourcing of unique deals to enhance customer value.
- **Leveraging our brand portfolio** to tackle different audiences with different propositions.
- **Enhancing product excellence** in order to boost our customer-centric approach to secure customer satisfaction.

lastminute.com has developed a carefully diversified risk profile across brands, distribution channels, clients and markets and follows a hybrid expansion strategy in terms of product investments and market coverage.
Applying a rigorous financial and investment discipline will allow us to accelerate our innovation cycle plans while increasing operating leverage and cash flow expansion. Our aim is to generate momentum in these areas by refocusing our investments and resources on our top priorities (e.g. Dynamic Packages), using a targeted and scalable investment approach into tech and automation improvements paired with a smart cash flow generation and management (e.g. driving pre-payments).

We are confident that this lean, focused and differentiated strategy will lead to profitable and sustainable growth for lastminute.com.

B1.2 - Markets, Products and Brands

We have a comprehensive and distinctive audience-centric business model with travel products at its heart.

- Our Online Travel Agent (OTA), is fully licensed and bonded to sell a wide variety of relevant travel solutions at every step of the customer journey.
- Our META business attracts searchers using pure marketing technology with the aim of turning them into bookers.

Our flagship OTA

Our relentless focus on enhancing user experience means we provide travellers with the most flexible and easy-to-book holiday products, offering everything they need in our one-stop platform.

We inspire our customers on where to go and provide them with relevant choices and flexible options through our diversified portfolio of products and services, such as holiday packages, flights, accommodation (hotels or apartments) or other travel and leisure products, such as cruises or car rentals. Leveraging our lean platform, which reduces friction and complexity in this process, we ensure that our customers can take their booking decision effectively and efficiently.

Our proprietary Dynamic Holiday Packages technology ensures access to millions of possible combinations of travel solutions in real-time. Paired with flexible and scalable technology we can increase our coverage to new markets without any inventory risk.

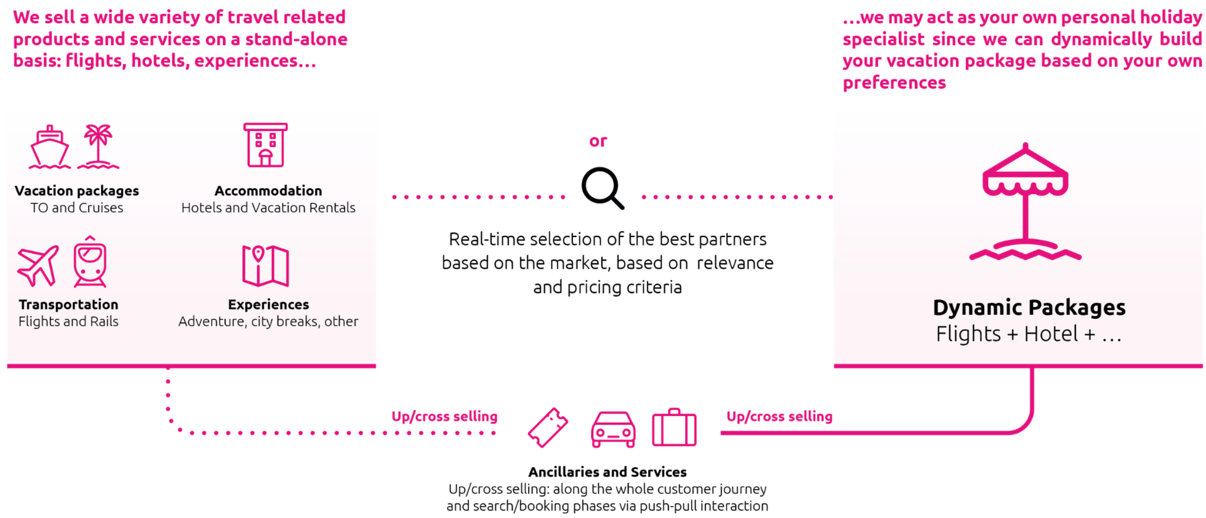
It provides customers not only with a single point of contact for their holiday arrangements but also with a financial guarantee in case of any cancellations. Apart from that, it also offers huge benefits for the suppliers and substantial profit generation for the Company, matching endless supply with demand and creating value for customers and partners in a niche that is less exploited by large competitors.

Furthermore, we are able to customise and upsell additional ancillary products and services, such as travel-related insurance and car rentals, throughout the customer journey.

We can offer a variety of payment arrangements so that customers can defer or pay for their holiday packages in instalments. Once a booking is made, we continue to accompany our customers by offering strong post-sale assistance, on a needs basis.

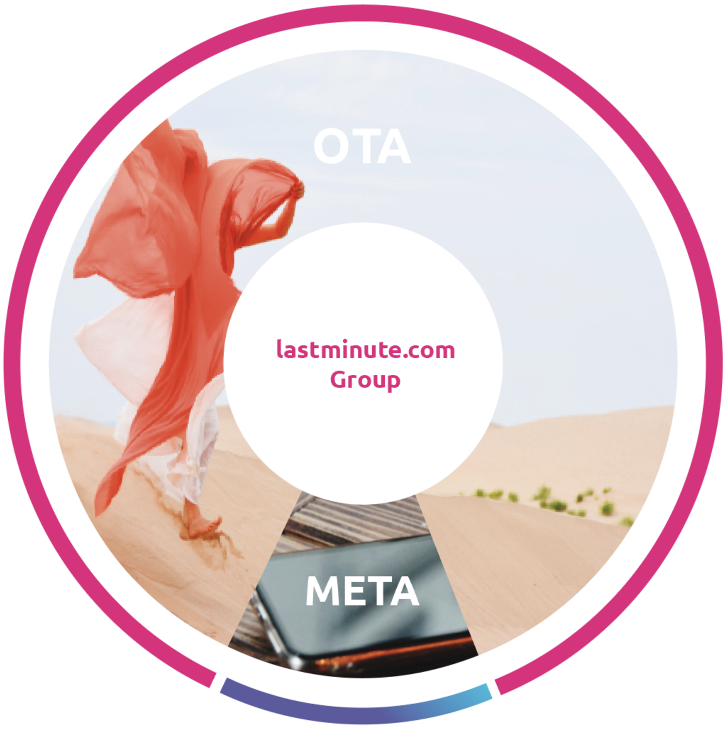
In Italy, Spain and France, we have a web platform entirely dedicated to the world of cruises, giving customers the possibility to compare different options from the type of cabins to the itineraries.

This all-encompassing yet modular approach, supported by technology, is a source of sustainable competitive advantage as it underpins the flexibility of the platform to rapidly create new products and services that deliver significant value to the end customer, and improves lastminute.com's return on investment. It is supported by our extensive experience adapting our solutions to the regulatory landscape of the multiple markets in which we operate.



Our META business

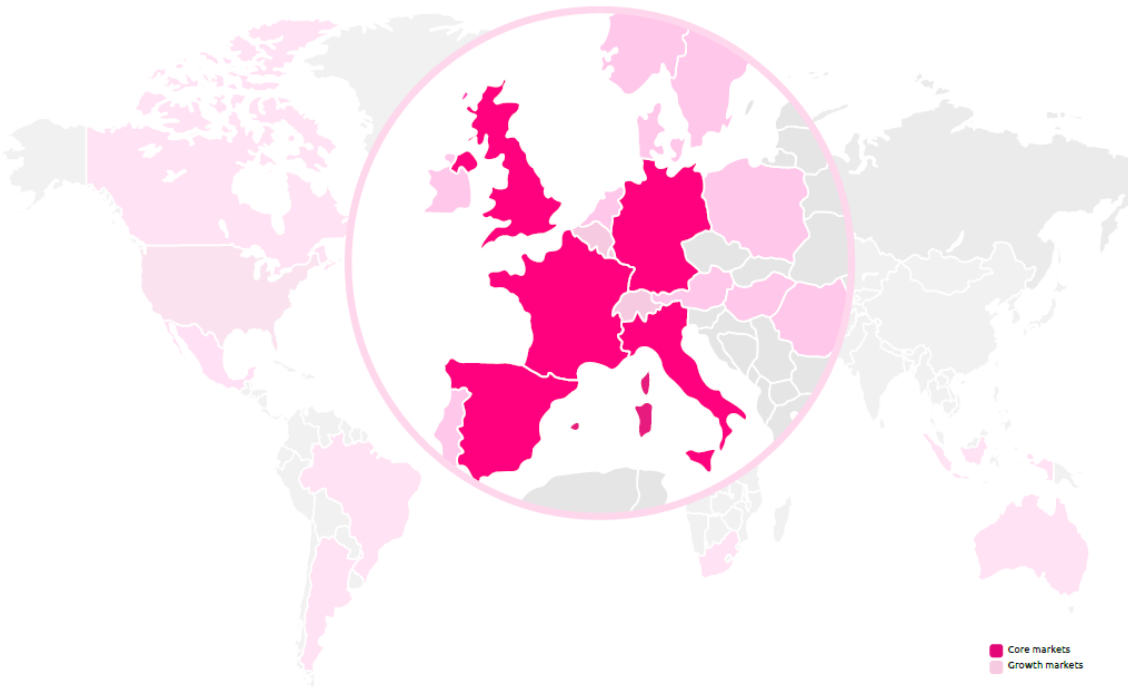
To complement this, our meta businesses (Jetcost and Hotelscan) efficiently redirect the user to the selected OTA or other travel product providers. Additionally, our OTA and meta-search websites also generate revenue by selling advertising space and we have a media business that offers digitally integrated marketing campaigns to connect brands with travel audiences.



Our Brands

Our multi-brand multi-national strategy gives us coverage across Europe's main countries, where we are fully licensed and bonded to sell holiday packages with proper customer protection in our five European core markets - UK, Germany, France, Italy and Spain - and in nine other markets.

Our international footprint in these core markets help with fluctuating demand, with the UK, Germany and France interchanging as our largest revenue market over the last few years. This flexibility means we can adapt our marketing strategies and resources to tap into the countries with the biggest demand at the right times.



Our OTA brands

lastminute.com
lastminute.com is an iconic brand with emotional resonance and unrivalled brand awareness across Europe. lastminute.com has operated since 1998 with the aim to give people five-star experiences at a three-star price. The lastminute.com website provides customers with an extensive offer focusing on hotels, flights, spa days, and city breaks.

Volagratis
Founding member of our current group of consolidated brands, Volagratis, the first flight search engine launched in Italy, is perceived as a leading brand in the Italian market and it is also known outside Europe. The Volagratis website offers a complete and extensive range of travel products and services, from holiday packages and cruise vacations to flights and hotel reservations, that users can source and book with just a few clicks.

weg.de
weg.de is one of Germany's best-known online travel sites offering its customers an entire range of travel options, with a primary focus on package holidays and all-inclusive vacations.

Bravofly
Founded in Italy in 2006 as a springboard for the international expansion of the group, Bravofly specialises in flight search and comparison, drawing on offerings from traditional and low-cost airlines. The Bravofly.com website also integrates a variety of travel products and services, such as hotel reservations and car rentals for international travellers.

Rumbo

Rumbo is a full-service travel website launched in Spain in 2000. The brand became part of the lastminute.com Group when it acquired Rumbo in 2012. Its extensive offering comprises flight tickets, package holidays and cruises, hotels and rental cars, as well as bus and railway tickets. The brand Rumbo is perceived as a leading OTA in particular in Spain and South America.

Crocierissime
Crocierissime is the first website on the Italian market to specialise in online cruise booking. It offers access to deals from top Italian and other cruise lines, including Msc Crociere, Costa Crociere, Norwegian Cruise Line and Royal Caribbean. The website provides real-time updates on available offers and fares.

fwd (forward)
Forward is lastminute.com's digital media agency and consultancy, focusing on supporting not only its platforms with advertising content but also creating digital and influencer campaigns for external clients, including tourist boards.

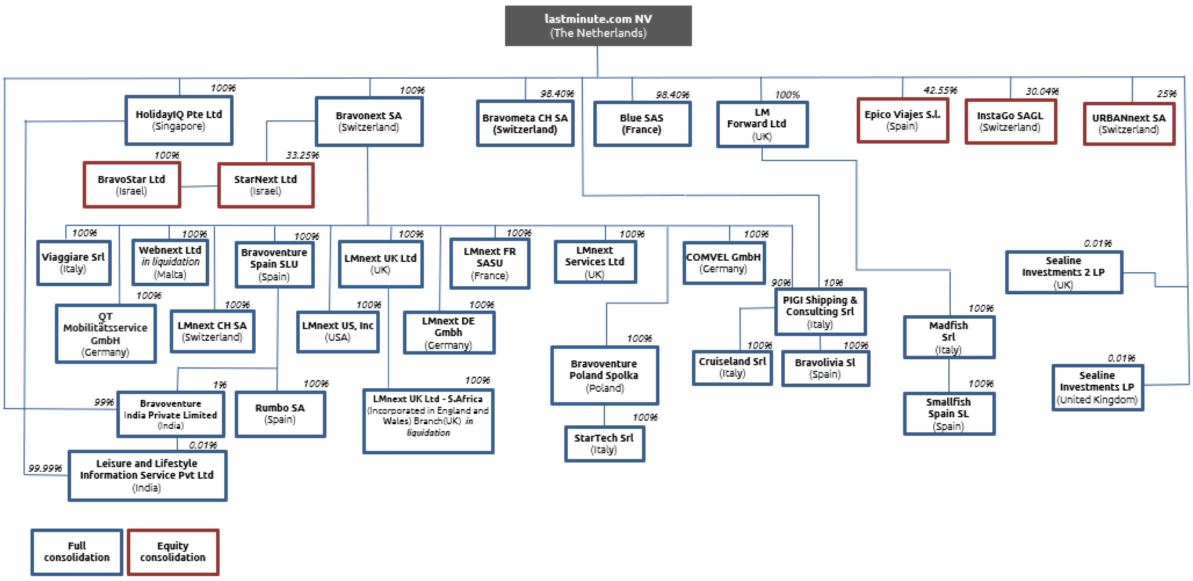
Our META brands

Jetcost
Jetcost is a French meta-search operator. Its primary market is France, and it is very well established in Europe and North America.

Hotelscan
Hotelscan is a Swiss meta-search operator specialising in hotels. It is very well established across Europe.

B1.3 - Legal Group Structure

The following chart shows the structure of the lastminute.com Group as of 31 December 2022:



The Group's parent company, lastminute.com N.V., is headquartered in the Netherlands and has been listed on the SIX Swiss Exchange since 2014. It holds direct or, via affiliates, indirect interests in the principal Group companies conducting the Group's operating business in individual countries. For details on principles and methods underlying the consolidated financial statements please refer to Note 2 of the consolidated financial statements.

lastminute.com N.V. has a one-tier board structure. For further details refer to the Corporate Governance report.

[B2 - Financial information]

2022 Gross Travel Value ("GTV") and Bookings

Gross Travel Value rose strongly compared to last year and during the full year 2022 reached an all-time high of EUR 3,215.7 million, up 145% year-on-year.
Bookings almost doubled compared to 2021 with all-time record GTV.

in EUR M (where not otherwise specified)	2022	2021	Var	Var %
GTV (EUR M)	3,216	1,314	1,902	145%
Bookings (thousands)	4,299	2,340	1,959	84%
Average Ticket value - GTV/Bookings (EUR)	*748*	*562*	*187*	33%

2022 Profit and Loss

in EUR M (where not otherwise specified)	2022	2021	Var	Var %
Revenue (1)	**304.9**	**150.0**	**154.9**	**103%**
Thereof OTA	*279.8*	*136.8*	*143.0*	*105%*
Thereof META	*25.1*	*13.2*	*11.9*	*90%*
Variable costs	(193.4)	(81.2)	(112.2)	*138%*
Gross Profit	**111.5**	**68.8**	***42.7***	***62%***
% on revenues	*37%*	*46%*		
Thereof OTA	*102.8*	*62.9*	*39.9*	*63%*
Thereof META	*8.7*	*5.9*	*2.8*	*47%*
Fixed costs	(73.8)	(49.8)	(24.0)	*48%*
EBITDA Adjusted (2)	**37.7**	**19.0**	***18.7***	***98%***
% on revenues	12%	13%		
EBITDA Adjusted net of government subsidied	**36.5**	**4.1**	***32.4***	***790%***
Adjusting items	2.0	(18.9)	20.9	*-111%*
EBITDA IFRS pre-investigation costs and net of subsidies	**38.5**	**(14.8)**	***53.3***	***-360%***
Investigation costs and government subsidies	(33.8)	14.9	(48.7)	*-327%*
EBITDA IFRS	**4.7**	**0.1**	***4.6***	***4600%***
Depreciation & Amortisation	(15.3)	(17.0)	1.7	*-10%*
EBIT	**(10.6)**	**(16.9)**	***6.3***	***-37%***
Net Financial Result	(3.2)	0.0	(3.2)	-
Taxes	(1.3)	3.6	(4.9)	*-136%*
Net Result Reported	**(15.1)**	**(13.3)**	**(1.8)**	***14%***
Net Result without investigation costs and net of subsidied	**17.2**	**(25.2)**	**42.4**	***-168%***

Highlights FY 22 Profit and Loss

- **Revenue**[1] more than doubled compared to last year. In 2022, the Dynamic Packaging Business increasingly contributed to the revenue development and seven new markets were opened with a total of 18 markets covered by the service, directly and through white-label partnerships.

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[1] *Revenue refer to 'Core managerial revenues' which differ from IFRS revenues as they do not include cancellations related items as well as voucher misredemption and government subsidies.*

- **Gross profit** grew by 62%, impacted by higher marketing spend to drive volume recovery as well as higher customer care spending.
- Net of government subsidies received, **EBITDA adjusted**[2] in 2022 showed a strong increase compared to 2021 (the latter included working hour reduction subsidies for EUR 14.9 million).
- **EBITDA IFRS** reported after costs connected to the investigation for EUR 35 million and including EUR 1.2 million subsidies in 2022.
- With regard to the **Net financial result**, in 2022 forex effects had a negative impact of EUR 1.5 million due to the weakening of the Euro against the Swiss Franc, while 2021 was affected positively by the evaluation of the investment in Destination Italia for EUR 2.8 million.
- **Tax** effects on profitable legal entities are not offset by any activation of deferred income taxes on Swiss subsidiaries.

One-off costs connected to the investigation converted the positive **Net Result** of EUR 17.2 million into a negative EUR 15.1 million.

2022 Balance Sheet

in EUR M	31 Dec 2022	31 Dec 2021 (3)
Fixed assets	232.1	217.1
Deferred tax assets	19.6	18.5
Total fixed assets	**251.7**	**235.7**
Trade and other receivables	96.8	43.1
Trade and other liabilities	(332.8)	(201.6)
Total Net working capital	**(236.0)**	**(158.5)**
Other assets and liabilities	**(47.7)**	**(54.8)**
Total capital Employed	**(32.0)**	**22.3**
Financial assets	17.3	6.0
Cash and cash equivalents	118.5	109.7
Financial liabilities	(79.8)	(79.6)
Lease liabilites	(14.4)	(7.0)
Total Net Financial Position	**41.7**	**29.1**
Financial assets at fair value	**2.3**	**2.8**
Share capital and reserves	(70.7)	(78.9)
Other reserves	24.7	0.0
Treasury share reserve	17.7	14.2
Retained earnings	17.0	11.1
Non Controlling Interests (NCI)	(0.6)	(0.6)
Total Equity	**(12.0)**	**(54.2)**
Total Capital Invested	**32.0**	**(22.3)**

Highlights FY 22/21 Balance sheet

- Total **fixed assets** increased mainly as a result of the internal capitalisation and external acquisitions of assets for EUR 18.8 million, offset by the depreciation and amortisation accounted for in the year for EUR 15 million.

[2] *Adjusted EBITDA means operating profit / loss before depreciation and amortisation, impairment, accounting effects related to restructuring expenses, Covid cancellations effects and other income, investments/incentive plans for directors and employees, and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted EBITDA provides the reader a better view about the ongoing EBITDA generated by the Company.*

- In 2022, compared to 2021[3], **Deferred tax assets** increased by EUR 1.1 million mainly due to the recognition of deferred tax assets on losses of the period.

- **Negative working capital** increased mainly as a result of higher volumes in the last months of the year compared to December 2021. Negative working capital is inherent in the business model of online travel agencies (OTA). The gross amount of the travel services rendered to customers is cashed at the time of the booking through credit cards, while the corresponding amounts net of the OTA's margin is payable later.

- **Net financial position** increased by EUR 12.7 million compared to December 2021. Cash and cash equivalents increased by EUR 8.8 million due to the positive operating cash flow during the year, partially compensated by the effect of repayment of financing and capital expenses. Net financial liabilities are in line with last year, due to the combined effect of the reimbursement of loans granted by top-rated European banks and the financial liabilities posted in connection with the Freesailors Transaction, for which reference should be made to Note 34 of the consolidated financial statements.
- **Equity**: the variation in the **Other reserves** during the year is mainly linked to the Freesailors Transaction (increase of EUR 24.7 million) described in Note 34 of the consolidated financial statement. The variation in **Treasury share reserve** is mainly linked to the share buyback plan (EUR 2.9 million). In addition, the comparative figures on treasury share reserve have been restated according to the following: as of 31 December 2021, the Group reclassified from financial asset to treasury share reserve an amount of EUR 5.1 million, corresponding to 235 thousand shares. The restated number of treasury shares held as of 31 December 2021 is 879 thousand, for a total value of EUR 14.2 million. For further information, refer to Note 3 of the consolidated financial statements. The restatement described above has also impacted **Retained earnings**, for a total amount of EUR 3.7 million, linked to the reversal of the revaluation of the shares accounted for last year as financial assets. The variation in retained earnings is also linked to the negative results of the period for EUR 15.1 million.

Adjusted equity and pro-forma Net Financial Position ("NFP")

As announced on 29 March 2023, on the same date the Freesailors Transaction described in detail in Note 34 of the consolidated financial statements is from a legal point of view null and void *ab initio*. Considering the above, the above described effects on equity have been reversed and restored to their original values. See below the Adjusted equity as of 31 December 2022 (accounting signs):

in EUR M	31 Dec 2022	Adjusted equity as of 31 Dec 2022
Share capital and reserves	(70.7)	(70.7)
Other reserves	24.7	0.0
Treasury share reserve	17.7	17.7
Retained earnings	17.0	17.0
Non Controlling Interests (NCI)	(0.6)	(0.6)
Total Equity	**(12.0)**	**(36.6)**

Considering the annulment, the restored pro-forma Net Financial Position ("NFP") of the Group as of 31 December 2022 (accounting signs) is reported in the table below:

[3] *Comparative figures have been restated according to the disclosure provided in Note 3 of the consolidated financial statements*

in EUR M	31 Dec 2022	Restored pro forma balance as of 31 Dec 2022
Financial assets	17.3	32.7
Cash and cash equivalents	118.5	118.5
Financial liabilities	(79.8)	(70.4)
Lease liabilites	(14.4)	(14.4)
Total Net Financial Position	**41.7**	**66.4**

Reference should be made to Note 34 of the consolidated financial statements for further background on the Freesailors Transaction and the events that led to the annulment of the same in 2023.

2022 Cash flow

in EUR M	2022	2021 (4)
Consolidated Ebitda IFRS	4.7	0.1
Change in net working capital	77.6	(2.1)
Change in other assets and liabilities	(9.2)	9.7
Net cash (used in) / from operating activities	**73.1**	**7.6**
Capitalisation of tangible and intangible assets	(18.7)	(7.5)
(Acquisition) / proceeds of financial assets	(11.4)	(3.0)
Net cash (used in) / from investing activities	**(30.1)**	**(10.5)**
Net debt repayment	(10.0)	(16.6)
Indirect purchase of shares from minority investors	(15.3)	0.0
Repayment of lease liabilities	(4.1)	(3.9)
Treasury shares acquisition	(3.5)	(5.1)
Other movements	0.0	0.1
Net cash (used in) / from financing activities	**(33.0)**	**(25.5)**
Net increase / (decrease) in cash and cash equivalents	**10.0**	**(28.3)**
Cash and cash equivalents at 1 January	**109.7**	**137.6**
Effects of currency translation on cash and cash equivalents	(1.1)	0.4
Cash and cash equivalents at 31 December	**118.5**	**109.7**

Highlights FY 22/21[4] Cash flow

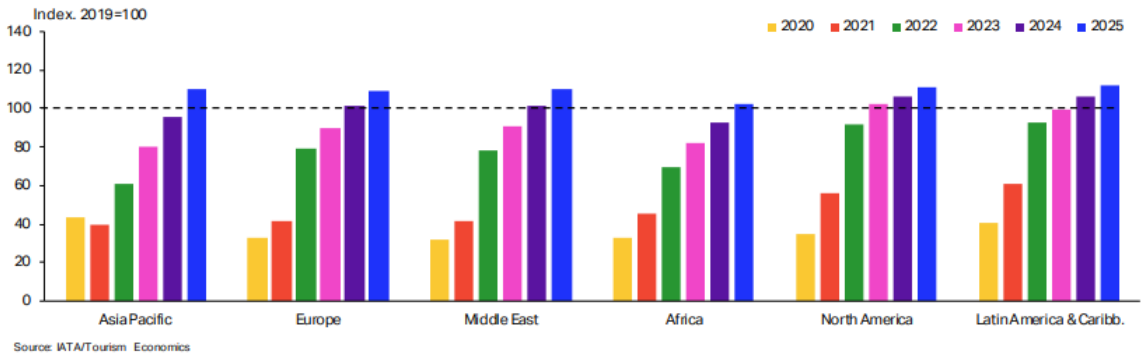
- **Operating activities** generated EUR 73.1 million of cash during the year mainly due to the positive change in net working capital. The increase was driven by the higher volumes processed by the Group during the year (See Note 2 of the consolidated financial statement, section Business update & outlook).
- Cash flow from **Investing activities** was mainly impacted by the higher capitalised development costs compared to last year and the reclassification to financial asset of the restricted cash linked to the investigation on Swiss subsidiaries of the Group (reference should be made to Note 21 of the consolidated financial statements;
- Cash flow from **Financing activities** reflects the accounting effects of the Freesailors Transaction described in Note 34 of the consolidated financial statements. In addition it includes the net repayment of loans according to the payment plans and the share buyback completed during the year (refer to Notes 4, 26 and 28 of the consolidated financial statements)

4 *Comparative figures have been restated according to the disclosure in Note 3 of the Consolidated financial statements*

[B3 - Market Outlook]

Without a doubt, the recovery from the Covid-19 pandemic is still ongoing in the global travel markets, albeit with different regional patterns and characteristics. In December 2022, Skift's global Travel Health Index was still 15% below 2019[5]. While demand is showing to be strong, geopolitical uncertainties, capacity disruptions and inflation are dragging the full recovery out, especially in Europe. IATA forecasts predict regional passenger traffic levels for Europe to recover to pre-pandemic levels in 2024.

Passenger traffic forecast and estimated year of recovery to 2019 levels[6]



Estimated year of recovery to 2019 passenger traffic levels

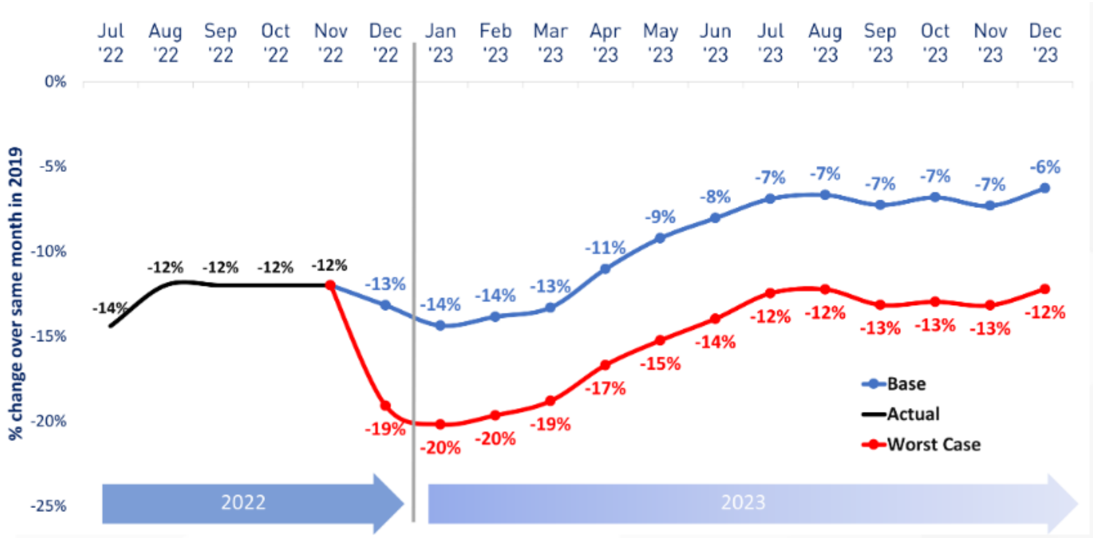
Africa	Asia Pacific	Europe	Latin America & Caribbean	Middle East	North America	World
2025	2025	2024	2024	2024	2023	2024

In 2023, global travel will not only be marked by this ongoing recovery, but also benefiting from underlying megatrends, such as the continuous shift from offline to online travel, the wealth gain of the global population or increasing "flexible working" policies of companies. The pace of a possible re-opening of China on the horizon and subsequently, of the return of the larger travel flows from and to Asia will also impact the momentum of the 2023 travel industry.

In their base case scenario, the ACI (Airports Council International) Europe forecasts European passenger traffic to continue to recover throughout 2023, but still close the year 6% below December 2019.

[5] Source: Skift (https://research.skift.com/recovery/december-2022-highlights/)
[6] Source: IATA Quarterly Air Transport Chartbook Q4 2022 (https://www.iata.org/en/iata-repository/publications/economic-reports/quarterly-air-transport-chartbook---q4-2022/)

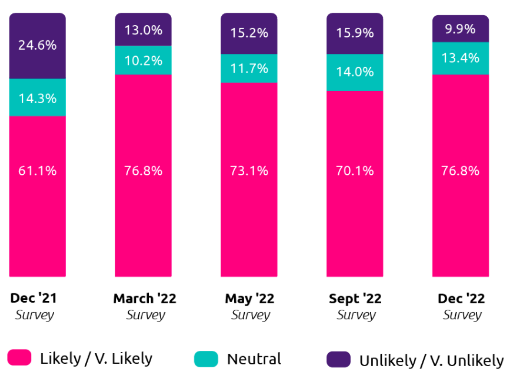
European Airport Passenger Traffic Forecast vs 2019[7]



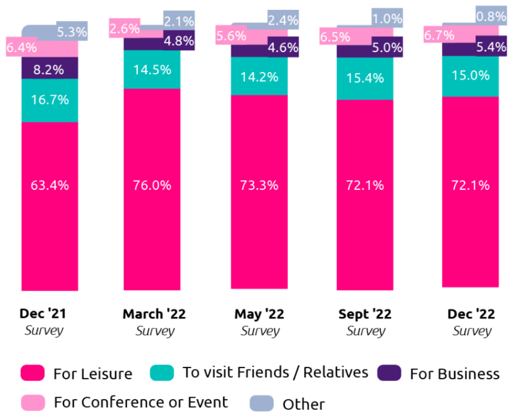
2023 is likely to bring further price increases for travellers as well. CWT and the Global Business Travel Association (GBTA) estimate in their 2023 Global Business Travel Forecast that air fares will increase a further 8.5% year-on-year while hotel rates will see an 8.2% rise[8].

Despite the above estimations, consumer sentiment looks promising. The European Travel Commission has been monitoring travel sentiment among European consumers since September 2020. In its latest survey, as of December 2022, 77% of respondents claimed that they plan to travel in the next 6 months with leisure travel being the undisputed favourite in terms of purpose[9].

Intention to travel in the next 6 months



Purpose of travel for respondents most likely to travel



This shows a 16% increase over December 2021 and sets the tone for a good start into 2023 and further progress on the road to a full post-pandemic recovery, especially when considering that the

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[7] Source: ACI Europe (https://www.aci-europe.org/economic-forecasts.html)
[8] Source: CWT and GBTA (https://www.mycwt.com/global-business-travel-forecast/#pdf)
[9] Source: European Travel Commission (https://etc-corporate.org/uploads/2023/02/2023_ETC_MSIET_Results_Wave_14.pdf)

majority of respondents planned more than one trip and only 25% of those respondents eager to travel had already booked all travel and accommodation components for their trip.

However, uncertainties remain. While consumers currently seem to prioritise travel despite pressure on their personal finances, this may change if a stronger recession hits the global economies. Also, increasing regulatory pressure on airlines to offset or reduce carbon emissions is likely to increase flight fares even further in the not so distant future. Besides financial worries, the war in Ukraine and the resulting geopolitical uncertainties continue to have an impact on consumer behaviour, with 31% of respondents in the ETC survey stating they have made some changes to their upcoming travels due to the conflict.

B3.1 - Group Outlook

After a somewhat softer end to 2022, the first quarter of 2023 looks promising. Booking numbers for the first two months of 2023 showed an increase of 24% and Revenues of 50% compared to January and February 2022. The Company expects to grow significantly in 2023 and will focus on ensuring a profitable year.
As explained further in the Sustainability Report, lastminute.com truly believes that people are the central axis of the Group's business model. They are the growth-drivers, as their thoughts and ideas are a constant source of progress. In 2022 the Group invested a lot in human capital reaching an adequate level of staffing to support the business growth and the customer experience, investments that will be kept in 2023. The key focus of 2023 will be the high qualification of the employees and a better level of post sales service for the Group's customers.
Moreover, the Group's research and development activities will be focused on the introduction of new technologies and solutions that will enhance and simplify the customer experience, investing time and resources in AI technologies and features to personalise the Dynamic Package engine.
In conclusion, as the Group is positive about the growth in the consumer demand, the investments in the near future will be related to capitalised development costs, both from internal employees and external suppliers, in order to boost the technology and keep the rhythm of a fast-paced industry.

[B4 - Risk Management & Internal Control System]

The Group has adopted and is committed to promoting and maintaining an internal control and risk management system. This includes all of the processes, procedures and tools necessary or useful to manage and monitor the Group's activities. The objective is to ensure compliance with laws and protect corporate assets by managing activities and providing accurate and complete accounting and financial data, including financial reporting. It will also help keep the Group in line with pre-established goals and promote reasoned decision making.

The Group's Board of Directors has identified the Audit Committee as responsible for supervising this area. The Audit Committee will define the guidelines and annually review these systems with regard to the Group characteristics and the risk profile assumed, as well as its efficacy. This means the main risks facing the Group, and its subsidiaries, can be correctly identified and adequately measured, managed and monitored.

Development of the system

During 2019, the internal control and risk management system were integrated with a new framework, rules and procedures in order to ensure compliance with the obligations arising from GDPR rules, as well as other national or European Union data protection provisions.

In October 2022, the Board approved the establishment of a new internal control function for the management of risks in order to (i) complement existing work by the audit committee and by the internal and external auditors and (ii) focus on improving adequate and centralised processes, controls and risk evaluation procedures across the Group.

In 2023, in order to strengthen the coverage of control and risk management, it has been decided to split the risk management activities from the internal control ones, assigning the responsibility of the risk management to the new Enterprise Risk Management Function and maintaining control activities under the responsibility of the Internal Audit Department.

Starting from the establishment of the new Risk & Finance Committee, the responsibility for supervising the risk management system from the beginning of the 2023 financial year will be carried out jointly by the Risk & Finance Committee and the Audit Committee.

How it will work

The current Group's internal control and risk management system is a set of integrated controls led by Management. Management are charged with fostering a positive environment which promotes the controls and must specifically manage "line controls'', consisting of all the control activities that individual operating units, or companies, perform.

Each control operating unit has a specific responsibility, set within the corporate structure at three different levels (see diagram below). These are:

- **Level One:** identification, evaluation and monitoring of risks inherent to the individual Group processes. Includes departments that bear individual risks, and are responsible for identifying, measuring and managing them as well as for implementing the necessary controls;
- **Level Two:** ensuring the main risks are effectively and efficiently managed and processed, and controls put in place are fit for purpose and support for Level One in defining and implementing adequate management systems for the main risks and related controls. Functions involved include Corporate Operating Office and DPO, People Office, Finance and Security;
- **Level Three:** independent and objective verification of the operating effectiveness and adequacy of Levels One and Two, and in general of all risk management methods. The Internal Audit Department covers this following the Guidelines.

Reviews and feedback are integral parts of lastminute.com's risk management approach. As it stands lastminute.com's internal controls for financial reporting provide a reasonable level of assurance and do not contain any material inaccuracies. Financial reporting is prepared on a going concern basis and we confirm these controls have been in place in the financial year of 2022.

Per best practice 1.4.3 of the Dutch Corporate Governance Code dated December 2016, the board of directors confirms that:
- this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on an ongoing concern basis;
- this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

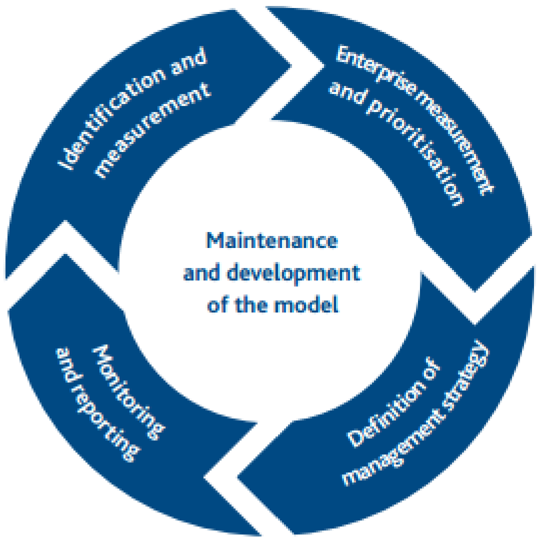
Risk Management System

The Group has adopted rules, procedures and organisational structures to identify and manage the main risks that could affect the achievement of its strategic objectives. These are submitted to the Audit Committee or, if the case may be, directly to the Board of Directors.

The scope of the risk identification phase is to highlight any dangerous event, from either internal corporate processes or external ones, that may affect the achievement of the corporate objectives. Risks are measured by defined grading scales of probability and impact from both quantitative (e.g. economic and financial impacts) and more qualitative and intangible (e.g. reputational impact, health, safety-related) aspects.

Management actions and specific interventions are identified for all risks, with the relevant implementation timeframes, associated with a type of risk management, among those codified.

How the Group's risk management process works:



Risk Assessment

The main categories of risks identified, monitored and managed by the Group are detailed in the next paragraphs.

Strategic Risk

Risks that may jeopardise the achievement of the Group's strategic objectives or may lead to a significant change in the business model or the effective implementation of the defined strategy:

- **Ukraine War:** on 24 February 2022, Russia invaded Ukraine and war was declared; a task force of key stakeholders within the business was created to manage that risk. The knock-on effect of the war on sustained inflationary pressures on consumer demand, had no material impact on trading performance.
- **People retention:** Employees are crucial and key personnel are important to the achievement of strategic objectives. In addition, it is really important to attract and retain skilled staff. If those key personnel were unable to carry out their role, this could have a material effect on the Group's business. The Group strives to provide its employees with an excellent working environment and a constructive, informal and open culture; these values contribute to retainment and recruitment. The Group is also working on a dedicated tech talent development plan to reduce risk. For example, in 2022 the Group undertook the

biggest recruitment drive in the Group's history focusing on developers and engineers to bolster our technology offering;
- **Dependence on significant partner relationships:** As the European market leader in the dynamic package market, traffic generation is a key factor in this strategy. The Group relies on key partnerships for Dynamic Packages (such as Booking.com) with a high bargaining power. Therefore, work is ongoing to (i) diversify traffic sources and (ii) increase sales from organic traffic;
- **Dynamic Package Liability:** when lastminute.com is the organiser of a Dynamic Package, the Group is responsible, among others, for managing and directly refunding the customer if the booking is cancelled. The Group has to manage large numbers of customer refunds, even when funds from the suppliers are slow, or sometimes, never received. To mitigate cash outflow risk , the Group incentivises the customer to opt for a voucher refund, as it also might lead to additional future bookings. As of 31 December 2022, the total outstanding receivables from airline and hotel providers is EUR 922,000, and specific considerations have been taken for recoverability. (Refer to Note 4 of the consolidated financial statements). Customers are at the heart of what we do so we have a robust refunds management system in place and work with suppliers to ensure that customers are reimbursed on time and according to the terms and conditions.

Financial Risk

Risks that are either linked to the financial environment or to financial decisions enacted by the Group that could lead to financial losses. The categories of risks classified as financial are (i) Credit Risk, (ii) Liquidity Risk and (iii) Market Risk. (see Note 4 of the consolidated financial statements for further information).

Operational Risk

Risks associated with the performance of business activities and the related operational processes, impacting the Group's operating effectiveness and/or efficiency, thus limiting value creation and/or the achievement of the sustainability objectives:
- We are primarily an online business. We are at risk from connectivity issues, malfunctions, malware attacks and other technical problems on our websites and on the websites of the travel product providers we access to make bookings;
- We rely on third parties for certain services and systems. Any disruption or adverse change in their businesses could have a material adverse effect on our business;
- Climate Change: The Group's business model is highly dependent on a healthy operating environment and functioning markets. However, extreme weather events and natural disasters resulting from global warming, such as hurricanes, tsunamis, forest fires, and extreme heat are becoming more frequent. This may disrupt travel, limit the ability or willingness of travellers to visit certain locations, affect our supply chain due to damaged infrastructure, or affect the productivity of our employees due to personal discomfort (heat) or trauma experienced (natural disasters). The Group is investigating the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations to accurately analyse and report on those risks;
- Energy transition: risks associated with a successful transition to a low-carbon economy are diverse and far-reaching. However, most relevant is the potential increase in the price of airline fuel prices due to carbon taxes or other emission-related fees, and the potential restrictions related to the European Green Deal like bans on certain short-haul flight routes. Growing environmental awareness among stakeholders could also result in momentum of the flight shaming movement, leading to indirect damage to our business. Furthermore, higher costs for transition to more sustainable energy resources as well as a potential need for further green certifications (e.g. for data centres, office buildings etc.) may imply rising costs. The ability of the Group to plan adequate actions to mitigate these risks - such as providing alternative mobility options to short-haul flights, or adequately planning for potential rising costs - is essential.

Compliance Risk

Risks related to current national and international regulations/internal policies and procedures (e.g. Tax law, GDPR and other material applicable laws).

The Group's business is highly regulated and subject to complex rules, both in relation to travel services and general compliance (i.e. GDPR). A failure to observe laws, regulations and directly applicable rulings of Supervisory Authorities, or self-regulation (e.g. codes of conduct or internal policies) runs the risk of incurring judicial or administrative sanctions, losses or reputational damage. The Group has a specialised internal legal team and external legal advisers to advise the Group on current and forthcoming legal requirements and to manage legal and regulatory issues associated with business compliance.

In the e-commerce world we operate in, the processing, use and disclosure of personal data could give rise to liabilities as a result of governmental or industry regulations, conflicting law requirements, differing views of personal privacy rights or security breaches. A detailed GDPR Privacy framework to monitor and manage all risks related to the processing of data was adopted in 2018.

Other vertical needs of compliance (ex. Labour compliance) are covered by dedicated functions with support from specialists and external advisors.

In November 2022 the Swiss State Secretariat for Economic Affairs (SECO) launched an administrative procedure which involved the Swiss legal entities of the Group. SECO notified the company's subsidiaries that total benefits, amounting to approximately CHF 30,265 thousand (EUR 29,386 thousand at year end exchange rate) ,must be repaid in full by the concerned Swiss subsidiaries because the company didn't adopt all formal requirements that the law establishes to access such subsidies, highlighting a regulatory breach. In particular, the argument on which SECO based its ruling is that the system that the Swiss subsidiaries had in place to monitor the hours worked in the period under review did not meet all the necessary requirements.

In December 2022, the Board acknowledged and approved the decisions of its Swiss subsidiaries to not appeal the ruling of the Swiss State Secretariat for Economic Affairs (SECO). The benefits received by the Swiss subsidiaries involved will be repaid, thus ending the procedure with SECO. The subsidiaries have liaised with SECO to organise the payment of the requested amount by 31 December 2023 (refer to note 2 of the consolidated financial statements).

[B5 - Key Non-Financials]

Non-financial KPIs give an important overview of our Group's strengths and opportunities.

Ahead of our first Sustainability Report, you will find a preview of our materiality analysis, an overview of our most important asset, our People, and our first-ever emissions calculation at Group level.

Materiality Analysis

This is an overview of the sustainability issues considered the highest priority - both for the organisation and its relevant stakeholders - related to the economy, environment, people and human rights.

We have linked our material topics to the UN Sustainable Development Goals, to correspond with current global initiatives, prioritising SDGs 4, 8, 9, 10, 12 and 16.

Material topic	Correlated SDG
Compliance, ethics and integrity	

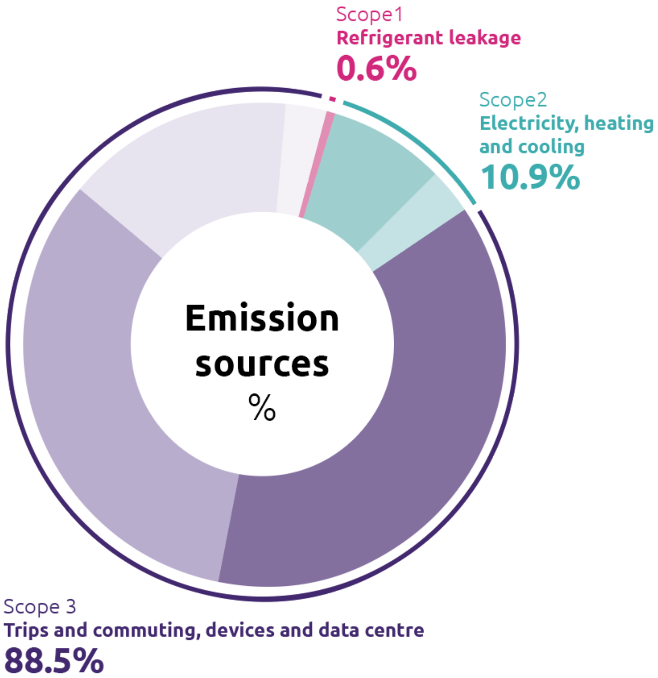
Diversity, Inclusion and equal opportunities	10 REDUCED INEQUALITIES
Health, Safety and Wellbeing of workers	8 DECENT WORK AND ECONOMIC GROWTH
Training and Development	4 QUALITY EDUCATION
Privacy and security	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Customer management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Energy and emissions management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Promoting sustainable tourism	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Employees

Group's emission data

Our path through emissions reduction
Our journey aimed at reducing our direct and indirect emission kicked-off by quantifying the emissions connected to our operations and will continue with the definition of specific reduction targets for future years and related KPIs to monitor the process.

The calculations are based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) guidelines.



EMISSION SOURCES	tCO_2e in kg	%
Scope 1	**33**	**0.6**
Refrigerant leakage	33	0.6
Scope 2	**572**	**10.9**
Purchased electricity for own use	408	7.8
Purchased heating, steam, and cooling	164	3.1
Scope 3	**4,654**	**88.5**
Business travel	1,977	37.6
Employee commuting and home office	1,730	32.9
External data centers and electronic devices	804	15.3
Upstream emissions	142	2.7
Total emissions	**5,259**	**100**

[B6 - Definitions and Reconciliation of Non Gaap to Gaap measures]

This paragraph presents and comments on certain financial performance measures that are not defined in the IFRS (non-GAAP measures).
These measures, which are described below, are used to analyse the Group's business performance “Management report’ and “Consolidated financial statements” sections and comply with the Directive Alternative Performance Measures “DAPM” issued by SIX.

The alternative performance measures listed below should be used to supplement the information required under IFRS to help readers of the annual report to gain a better understanding of the Group's economic, financial and capital position.

GROSS TRAVEL VALUE ("GTV") defined as the value of the travel products purchased by the Group's clients using the Group's platforms, including agency fees, insurance and gross of any discounts and cancellations.

EBITDA defined as Earnings Before Interest, Tax, Depreciation and Amortisation accounted for in accordance with IFRS principles.

ADJUSTED EBITDA defined as Ebitda IFRS 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.

NET FINANCIAL POSITION defined as the arithmetic sum of the cash and cash equivalents, short and long term financial assets and liabilities (including lease liabilities), excluding the financial assets at fair value.

C - CORPORATE GOVERNANCE

Preliminary remarks

lastminute.com's Corporate Governance Report 2022 follows the SIX Swiss Exchange Directive on Information relating to Corporate Governance entered into force on 1 January 2023 and takes into account the Swiss Code of Best Practice for Corporate Governance and the Dutch Corporate Governance Code. Please note that the Company, being Dutch, is not subject to the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC).
All disclosures required by the Dutch Corporate Governance Code are included in the consolidated financial statements, the Directors' Report and available on the Company's corporate website.
The Dutch Corporate Governance code can be found on www.MCCG.nl.
The consolidated and the Company's financial statements of lastminute.com N.V. 2022 have been prepared per International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and per book 2, part 9 of the Dutch Civil Code.
Where necessary, these disclosures have been extended to comply with the requirements of the SIX Swiss Exchange Directive Financial Reporting.

[C1 - Group structure and shareholders]

1. Group structure and shareholders

1.1 Group structure
The Group has defined the following operating segments:

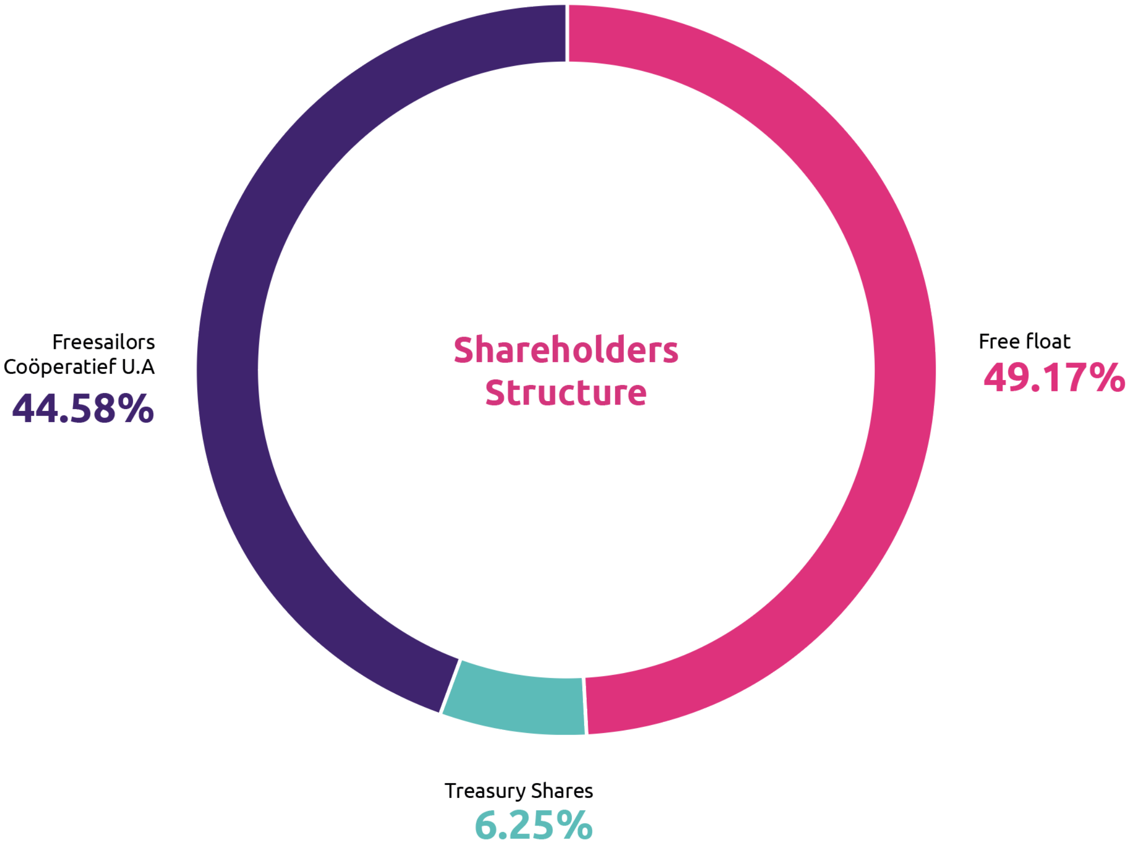
- Online Travel Agency (OTA), which includes the intermediation of tourism services and organisation of dynamic packages. It represents the traditional business of the Group.
- Meta-search (META), which is business generated by directing traffic, in exchange for commission, to the sites of OTAs, airlines, hotel providers and other direct providers.

Group subsidiaries are listed in Note 33 of the consolidated financial statements.

lastminute.com N.V. is registered in The Netherlands, with its statutory seat at Basisweg 10, 1043 AP, Amsterdam. lastminute.com's shares are listed on the SIX Swiss Exchange (ticker symbol: LMN, ISIN code: NL0010733960) in Zurich. On 31 December 2022, the market capitalisation of LMN was CHF 236,783,645.70.
For further information, refer to our website on:
https://corporate.lastminute.com/investors/investors-hub/share-information/share-performance

No other Group's affiliated or associated companies are listed as of 31 December 2022.

1.2 Significant shareholders
Significant shareholders and significant groups of shareholders as of 31 December 2022 are reported below:



Freesailors Coöperatief U.A. ("Freesailors") membership's structure results to be composed of (i) Fabio Cannavale, who directly and indirectly owns the majority in Freesailors, (ii) Sterling Active Fund who is the second largest single shareholder and (iii) other investors. In particular, among the other investors, the Company indirectly owns through Sealine Investments 2 LP, the equivalent of 2.1501% of the Company's shares. The value position of Sealine Investment 2 LP increased in June 2022 upon the acquisition of 0,32% of Freesailors membership interests from Paola Garzoni.

In April 2021, all Freesailors' members signed a membership interest agreement (the "Shareholders Agreement").

Freesailors still hold 44.58% of the Company. Moreover, certain Freesailors' investors own, out of the Shareholders Agreement, about 8.5% of the Company's shares, among which the Company owns 6.25% as treasury shares.

Further disclosures have been published on the reporting and publication platform of the Disclosure Office of SIX Swiss Exchange pursuant to art. 120 of the Financial Market Infrastructure Act and the corresponding provisions of the FINMA Financial Market Infrastructure Ordinance and can be accessed through the following link:
https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

As of 31 December 2022, the Company held a total amount of 980,497 own shares (see Note 26 of the consolidated financial statements) directly and indirectly through its vehicles plus 771,707 indirect shares on which there was a legal obligation to purchase at the end of the year.

There are no cross-shareholdings.

[C2 - Capital structure]

2. Capital structure

As of 31 December 2022, the Company has an issued share capital of EUR 116,642.19 divided into 11,664,219 fully-paid bearer shares with a nominal value of EUR 0.01 each.

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

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

In accordance with the Authorisation, on 13 July 2021 the Board launched a share buyback program ("SBB"); as of 15 April 2022, the Company purchased 38,394 Shares. The Authorisation would have expired on the date of the Company's annual general meeting held in 2022 ("2022 AGM"), as per 2021 AGM resolutions. On 7 April 2022, the Board resolved to propose at the 2022 AGM the renewal of the Authorisation, with the aim of continuing to purchase the remaining shares, until the earlier of the conclusion of the subsequent year's annual general meeting of the Company or the date which falls 18 months from the 2022 AGM. At the 2022 AGM, the shareholders approved the proposal of the Board to renew the Authorisation within the explained terms.

Movement in recognised amounts are detailed in Note 26 of the consolidated financial statements.

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

As of 31 December 2022, there are no outstanding bonds and bonds convertible into, or options to acquire, shares. See Note 16 of the consolidated financial statements for further information.

No stock option programs have been in place throughout the year, but two stock appreciation rights plans (the "SAR1" and the "SAR2" as described below) have been in place with the following features:

SAR1 - launched and approved on 3 August 2021

- a maximum of 750,000 options could be assigned to key employees and Executive Directors ("SAR1");
- strike price: CHF 25;
- right of accessing the stocks ("Vesting SAR1") is subject to specific conditions:
  i) period of time of 4 years (Pro rata from Year 2 to Year 4); and
  ii) lastminute.com stock price levels (the "Price Thresholds SAR1") - only in case stock price will be equal or above a certain threshold.
- with reference to the Price Threshold SAR1 has been defined differently depending if the beneficiary is part of Group A (all the selected employees) or Group B (the Executive Directors). In particular, the Price Thresholds are the following:
  Group A SAR1
  i) 40% of the options are not subject to any Threshold
  ii) 35% of the options subject to a Price Threshold equal or higher than CHF 40;
  iii) 25% of the options subject to a Price Threshold equal or higher than CHF 60;
  Group B SAR1
  iv) 35% of the options subject to a Price Threshold equal or higher than CHF 40;
  v) 65% of the options subject to a Price Threshold equal or higher than CHF 60;
- having the Board of Directors resolved for a SAR plan, no capital increase has been required for its financing. Moreover, the Company maintains the discretionary right to ask the AGM approval in case in the future it would change the financing source from cash payment to shares payment.
- on 23 March 2022 the Board acknowledged that there were 97,500 SARs which were not assigned as of then (the "Outstanding SARS1") and resolved to cancel the Outstanding SARS1.

SAR2 - approved and launched by the Board on 23 March 2022

- a maximum of 1.200.000 stock appreciation rights could be assigned to key employees and Executive Directors ("SAR2")
- strike price: 35.90 CHF
- right of accessing the stocks ("Vesting SAR2") is subject to specific conditions:

  (i) period of time of 4 years (Pro rata from the end of Year 2 to Year 4); and
  (ii) lastminute.com stock price levels (the "Price Thresholds SAR2") - only in case stock price will be equal or above a certain threshold.

- the Price Thresholds SAR2 are the following:
  (i) 35% of the SARs subject to a Price Threshold SAR2 equal or higher than CHF 40;
  (ii) 65% of the SARs subject to a Price Threshold SAR2 equal or higher than CHF 60;

- having the Board of Directors resolved for a SAR plan, no capital increase has been required for its financing. Moreover, the Company maintains the discretionary right to ask the AGM approval in case in the future it would change the financing source from cash payment to shares payment.

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

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

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

On 28 June 2022 the Board resolved to propose to shareholders to provide authorisation for the Company certain interests in Freesailors to obtain shares which it can deliver to participants in the Company's stock appreciation plans, subject to the approval of the general shareholders meeting. More details on the original proposal can be found on the website (reference to the original press release https://res.cloudinary.com/lastminute-contenthub/image/upload/v1680108621/DAM/Artwork/lastminute.com/press_release/2023/20230329_PR_lastminute.com%20Freesailors%20transaction_EN-clean-postponement-final.pdf).

As announced on 29 March 2023, all involved parties agreed that such transaction is from a legal point of view null and void *ab initio* (Annulment) and therefore this originally intended proposed transaction will not be submitted to the general shareholders meeting for approval. Unless the Annulment, from an accounting perspective the transaction will be considered a subsequent event in accordance with the international accounting standard IAS 10.

[C3 - Board of Directors]

3. Board of Directors

The Company has a one-tier board structure with a board of directors (the "Board of Directors" or the "Board") consisting of Executive directors and Non-Executive directors. The Board shall consist of at least one Executive Director and at least two Non-Executive Directors. The majority of the Board shall be composed of Non-Executive Directors. All the Non-Executive Directors meet the independence requirements established by the Dutch Corporate Governance Code.

The Board believes that it should generally consist of no fewer than three and no more than nine members. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. The chairman of the Board (the "Chairman") shall be a Non-Executive Director. The new directors have been selected due to their skills and support to strategic decisions. Gender diversity will be one of the selection criterias for future replacement of directors.

On 18 May 2022 the AGM (the "**AGM 2022**") approved the appointment of the following board members:

Name	Year of birth	Gender	Nationality	Qualification	1st Election
Laurent Foata	1971	Male	French	Non-Executive Director, Chairman of the Board of Directors	2018
Fabio Cannavale	1965	Male	Italian	Executive Director, founder & CEO	2013
Andrea Bertoli	1964	Male	Italian	Executive Director, CEO & COO	2021
Paola Garzoni	1967	Female	Swiss	Independent Non-Executive Director	2021

Roberto Italia	1966	Male	Italian	Independent Non-Executive Director	2013
Massimo Pedrazzini	1963	Male	Swiss	Independent Non-Executive Director	2021
Javier Pérez-Tenessa	1967	Male	Spanish	Independent Non-Executive Director	2021

Fabio Cannavale and Andrea Bertoli acted as directors in certain subsidiaries of the Group.

On 24 July 2022 the Board resolved to suspend the powers delegated to the Executive Directors, being Fabio Cannavale and Andrea Bertoli, for a period of three months in connection with the ongoing investigation of the Public Prosecutor's Office of the Canton of Ticino, as disclosed by the Company via press release starting from 20 July 2022. In the same context, the Board appointed Laura Amoretti as Interim CEO, who assumed the duties originally assigned to the Executive Directors in the Company with immediate effect.

In October 2022, the Executive Directors informed the Board that they were temporarily unavailable to perform their duties, as a consequence the suspension remained in force.

On 17 November 2022 all the Board members resigned, certain with immediate effect and others with effect from the subsequent Extraordinary General Meeting to be called by the Board (the "**EGM 2022**"), except for Massimo Pedrazzini.

On 21 December 2022 the EGM 2022 took place and appointed a new board of directors; the table below lists the composition of the Board as of 31 December 2022:

Name	Year of birth	Gender	Nation ality	Qualification	1st Election	Expires
Yann Rousset	1983	Male	French & USA	Independent Non-Executive Director, Chairman of the Board of Directors	2022	2023
Luca Concone	1966	Male	Italian	Executive Director & CEO	2022	2023
Massimo Pedrazzini	1963	Male	Swiss	Independent Non-Executive Director	2021	2023
Valentin Pitarque	1973	Male	Spanish	Independent Non-Executive Director	2022	2023
Maria Teresa Rangheri	1969	Female	Italian	Independent Non-Executive Director	2022	2023
Cyril Ranque	1969	Male	French	Independent Non-Executive Director	2022	2023

Luca Concone acts as director in certain subsidiaries of the Group.

Unless otherwise stated, the Non-Executive members of the Board of Directors have no significant business relationships with lastminute.com.

Transactions of significance to the Company with major shareholders (more than 10% of ownership) require approval of the Non-Executive Directors and are agreed on terms customary in the market.

No Non-Executive Director has been a member of the management of the Company or one of the Company's subsidiaries in the three financial years preceding the period under review.

In accordance with article 14 of the Articles of Association, the Board may agree on a division of the duties of the Board between one or more Non-Executive Directors and one or more Executive Directors.

The duty to supervise the performance of duties by the Executive Directors cannot be taken away from the Non-Executive Director by a division of duties. The chairmanship of the Board, the making of proposals for the appointment of a Director and the adoption or the assessment of the remuneration of the Executive Directors may not be assigned to an Executive Director.

Where one or more Directors are absent or prevented from acting, the remaining Director(s) shall be charged with the entire management of the Company. In the event that all Executive Directors are absent or prevented from acting, a person to be appointed for that purpose by the Non-Executive Directors, shall be temporarily entrusted with the duties of the Executive Directors. In the event that all Non-Executive Directors are absent or prevented from acting, a person to be appointed for that purpose by the General Meeting shall temporarily be entrusted with the duties of the Non-Executive directors.

3.1 Professional background and other activities and functions

A) Directors appointed by the AGM 2022

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

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

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

Paola Garzoni
Independent Non-Executive Director
Paola Garzoni holds a BA in Architecture from ETH Zürich (Swiss Institute of Technology), then moved to New York to pursue a Master in Real Estate Development from Columbia University. In 1991, she founded and still runs LaSeven Inc., a real estate service company in New York City, which focuses on management, turn rounds of distressed assets, asset optimisations and acquisitions, which expanded into a large ultra-high network of international clients. In 1998, Paola co-funded

Premier Relocation Solution, an innovative provider of short-term fully furnished apartments in New York and New Jersey, and successfully sold her company in 2010 to Weichert, a US nationwide provider and consolidator. In 1999, Paola also co-founded Book-a-Home in NY, a precursor of online service for short-term rentals of private homes. In 2010, she returned back to Switzerland, to focus on her family's real estate businesses active in Switzerland, USA and UK. In 2011, Paola joined YPO, a worldwide leading organisation to build better leaders, and in 2015 became Chair of the Italian chapter. In 2020 she co-founded Fondazione Angeli di L.U.C.A., a not for-profit organisation.

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

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

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

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

B) Directors appointed by the EGM 2022

Yann Rousset
Independent Non-Executive Director, Chairman of the Board of Directors
Yann Rousset has been in US & Swiss banking and capital management for over fifteen years advising family offices, corporate institutions and fiduciary organisations on capital management, governance matters and strategic guidance. Graduating in Finance from Bentley University in 2005, he started at UBS Financial Services Inc, New York City in 2006. Soon after, he worked at Citigroup Global Markets Ltd in London before joining the founders of Maseco LLP in 2009 as Executive

Director to lead and establish the Swiss expansion. He completed the Swiss acquisition and founded Pilotage Private Wealth AG in Switzerland in 2013. He is currently the CEO, with a focus on wealth, asset and capital management. In 2019 he founded Pilotage Private Office AG and is the Chairman with a focus on financing structures, corporate and capital market advisory and governance.

Luca Concone
Executive Director & CEO
Luca Concone graduated in Technological Engineering from Politecnico di Milano. In the early 1990s, Luca focused on a consulting career with A.T. Kearney and McKinsey & Co., specialising in financial institutions and technology. In the 2000s, he became deputy CEO of one of the largest banks in Italy (Gruppo UBI) and CEO of a significant bank in the United Kingdom (Capital One). He supported the founders of Volagratis brand (now belonging to lastminute.com Group) in the context of the corporate legal entities establishment since the beginning. In 2006, he became CFO of the City of Milan under mayor Letizia Moratti. In 2009, Luca started his own renewable energy fund and invested over EUR 200 million; he was appointed Chairman and CEO of the fund and, as of today, he retains a Director position. He has over a decade of experience as entrepreneur, angel investor and senior advisor to many technology and internet industry companies.

Massimo Pedrazzini
Independent Non-Executive Director
See previous C.V. above (AGM 2022)

Valentin Pitarque
Independent Non-Executive Director
Valentin Pitarque graduated in Engineering in 1997 and, subsequently, he studied at The University of Chicago Graduate School of Business, where he graduated with an MBA in 2005, as well as at Keio University in Tokyo, where he graduated in 2004. Valentin started working at Cisco designing telecommunication networks in Europe and Latam. Thereafter, he joined Telefonica, where he developed several roles, ultimately leading the strategic planning process of the company in Latam and supporting several strategic and M&A initiatives. Valentin joined Goldman Sachs in the Technology, Media, and Telecoms Investment Banking group in London in 2005, from where he led different landmark corporate finance transactions in EMEA. He then joined Goldman Sachs's West Coast office from where he invested Goldman Sachs capital in strategic startups and co-led some of Goldman's global Investment Banking Technology teams. After retiring from Goldman Sachs, Valentin founded Digital Aura Ventures to invest globally in early and growth-stage startups. Valentin has also continued advising a number of CxOs and Boards on investments, strategy, technology, and governance.

Maria Teresa Rangheri
Independent Non-Executive Director
Maria Teresa Rangheri graduated in Law and in Psychological Sciences and Techniques and has been a professional journalist for over 20 years. She held positions of responsibility in the field of communication and marketing in various sectors, from telecommunications (Infostrada and Wind) to banks (Banca Popolare di Lodi and Intesa Sanpaolo) and non-profit organisations (FAI). During these experiences she has been in charge of corporate culture projects, in phases of corporate transformation. From 2008 to 2017 she was part of the team that led the growth of the lastminute.com Group. Within the Group, she has been first Marketing Director and then Head of Leisure, Travel & Tourism and Chief Communication officer. She set up the Lastminute Foundation and from 2017 to 2019 she was CEO of Bheroes Società Benefit, dedicated to the growth of the startup ecosystem in Italy. In 2020 she attended the training course: "Induction Session for directors and auditors of listed companies" by Assogestioni and Assonime. Since December 2020 she has worked as Chief of Communications in e-Novia, an Italian Startup Studio. Currently she is a Board Member of Fondazione Bagatti Valsecchi (nominated by Comune di Milano) and Kaaja srl.

Cyril Ranque
Independent Non-Executive Director
Cyril Ranque was lastly President of the Travel Partners Group, Expedia, for more than 15 years. In this role, he was responsible for the integration of all travel partners through the marketing, distribution, data and technology solutions of the Expedia Group platform. Prior to joining Expedia Group, Cyril was Vice President Marketing & Distribution for Louvre Hotels, having advised the

Taittinger Group when the company was founded in early 2004. Previously, he was co-founder of Educastream.com, an online education startup, head of the French CRM practice for AT Kearney, CRM consultant at Accenture, investment banker at Morgan Stanley in London and financial analyst at LVMH in Tokyo. He is currently a board member of the Ritz Paris Hotel and he was, until its sale to Trip.com, a board member of the Chinese OTA eLong. Cyril holds a master's degree from ESSEC Graduate School of Business in Paris, with a specialisation in finance and strategy, and he currently lives with his wife in Geneva.

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

3.2 Elections, terms of office and areas of responsibility

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

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

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

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

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

The Board has the following main duties:

a) the ultimate direction of the Group, in particular the conduct, management and supervision of the business of the Group, and the provision of necessary directions;
b) the determination of the Group's organisation;
c) the determination of accounting and financial control principles, as well as the principles of financial planning;
d) the appointment and removal of the Committees' members;
e) the ultimate supervision of the Chairman, in particular with respect to his compliance with the law, the Articles of Association, instructions given from time to time by the Board;
f) the preparation of the Annual Report, the General Meeting and execution of its resolutions;
g) the notification of the court in the event of over indebtedness;
h) the discussion and approval of:
   – the Group's long-term strategy and annual investment budget;
   – major financial operations;

– any significant policy issue dealing with the Group's or the Group's general structure or with financial, commercial and industrial policy;
– Corporate Governance Principles of the Group;
– the review of and decision on any report submitted to the Board;
– the Group's annual risk assessment.

3.3 Internal organisational structure

3.3.1 Allocation of tasks within the Board of Directors

A) Since AGM 2022

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

*Selection, Appointment and Remuneration Committee.

B) Since EGM 2022 (composition as of 31 December 2022)

Name	Board of Directors	SAR Committee*	Audit Committee	Risk Supervisory Committee
Yann Rousset	Chair	-	Member	Member
Luca Concone	Member	-	-	-
Massimo Pedrazzini	Member	Member	-	Member
Valentin Pitarque	Member	-	Chair	-
Maria Teresa Rangheri	Member	Chair	Member	-
Cyril Ranque	Member	Member	-	Chair

*Selection, Appointment and Remuneration Committee.

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

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

the corporate interest extends to the interests of all corporate stakeholders, such as stockholders, creditors, employees, customers and suppliers.

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

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

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

in each case consisting of Non-Executive directors only.

SAR Committee

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

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

In 2022, the SAR Committee has performed its duties in accordance with the above mentioned areas of responsibilities.

Audit Committee

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

(a) advises the Board of Directors on financial reporting, risk management, group-wide compliance with relevant legislation, articles of association, rules and group instructions;
(b) establishes, reviews and updates periodically a code of conduct and ensures that the management has created a system to enforce such code;
(c) supervises the preparation of the Company's financial statements, the Company's financial reporting process and system of internal business controls and risk management;

(d) supervises the Company’s internal and external audit process and its internal and external auditor’s qualifications, independence and performance;
(e) obtains timely reports from the independent auditor and reviews them regarding critical accounting policies as well as treatments of financial information within the IFRS that have been discussed with management; and
(f) reviews the Company’s annual and interim financial statements and other public disclosures, prior to publication.

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

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

In 2022, the Audit Committee met twice instead of four times as per the relevant terms of reference conditions. Apart from this exception, the Audit Committee has performed its duties in accordance with the relevant terms of reference and the requirements of the Dutch Corporate Governance Code.

Risk Supervisory Committee

The Risk Supervisory Committee makes all necessary preparations in order to facilitate the decision-making process by the Board in relation to obligations arising from the EU Regulation 2016/679 (“GDPR”) as well as other national or European Union data protection legislation; pursuant to the applicable terms of reference adopted by the Boards of Directors, the Risk Supervisory Committee has the following duties:

(a) support and audit the Group Data Protection Officer (“DPO”) in the context of providing advice to the Group companies as well as to their employees on obligations arising from GDPR rules, as well as other national or European Union data protection provisions;
(b) monitor the compliance with GDPR rules and the other national or EU provisions relating to data protection and the data protection policies of the Group, including the assignment of responsibilities, awareness and training of personnel who participates in the data processing activities and related control activities;
(c) collect information to identify the processing activities performed by the Group, analyse and verify the processing in terms of the compliance with GDPR rules and carry out any activity of information, advice and direction towards the Group;
(d) review the qualifications, performance and independence of the operation of the Company's internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;
(e) supervise the provision of DPO (choice of policies, application and assessment of the effects of new rules, information about the handling of estimated items, etc.);
(f) each year evaluating its own performance and the adequacy of its Terms of Reference.

In 2022, the Risk Supervisory Committee met three times instead of four as per the relevant terms of reference conditions. Apart from this exception, the Risk Supervisory Committee has performed its duties in accordance with the above mentioned areas of responsibilities.

Table below shows frequency of meetings during the year 2022:

Meetings held in 2022	**Number**	**Average duration**
Board of Directors	Eleven	4 hours
SAR Committee	Two	1.5 hours
Audit Committee	Two	1 hour
Risk Supervisory Committee	Three	1 hour

In 2022, the majority of the board members attended all the Board of Directors meetings; the Committees meetings were held with full or majority attendance of the relevant members.

3.3.3 Work methods of the Board of Directors and its Committees

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

***

In February 2023, the Board resolved upon certain changes and updates in relation to the Company's Committees, in particular:
(i) the change of the Risk Supervisory Committee's name into "*Data Privacy Committee*";
(ii) the composition of 2023 Committees; and
(iii) the establishment of new Committees being the Ethics and ESG Committee, the Risk & Finance Committee and the Strategy Committee.

The table below lists the composition of the Committees members since February 2023:

Name	SARC	Audit Committee	DATA Privacy Committee*	Ethics & ESG Committee	Risk & Finance Committee	Strategy Committee
Yann Rousset	Member	Member	Member		Chair	
Luca Concone					Member	Chair
Massimo Pedrazzini			Chair	Member		Member
Valentin Pitarque	Chair	Chair			Member	
Maria Teresa Rangheri	Member			Chair		
Cyril Ranque		Member	Member	Member		Member

**former Risk Supervisory Committee*

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

The Board of Directors is informed on a regular basis about significant matters involving the Group and the Group's business.
The Chairman and the CEO ensure the proper information flow between the Management and the Board of Directors. The Board of Directors receives regular and ad-hoc reports from the Board's Committees, the Chairman and the CEO. The minutes of Committees' meetings are made available to the full Board.
Furthermore, the Audit Committee reviews the financial performance and assesses the effectiveness of the internal and external audit processes as well as the internal risk management organisation and processes.
The role of the external and internal auditors is as follows:

- external auditors (KPMG Netherlands) who (i) conduct their audit of lastminute.com N.V. and the Group in compliance with Dutch law including Dutch Standards on Auditing and with International Standards on Auditing (ii) perform audit procedures for Group components (iii) are the lead auditors and sign the Integrated annual report (iv) are assisted by KPMG Switzerland for Group audit procedures;

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

[C4 - Executive Management]

4. Executive Management

In 2015, a management body was formally established (Executive Management) and it consists of all corporate managers with strategic responsibility for the Group. The tables below show the composition of the Executive Management during 2022.

4.1 Members of the Executive Management

A) From 1 January 2022 until 24 July 2022:

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

B) From 25 July 2022 until 21 December 2022:

Name	Year of birth	Nationality	Function
Laura Amoretti	1978	Italian	Interim CEO
Sergio Signoretti	1964	Italian	Chief Financial Officer

C) From 22 December 2022 (as of 31 December 2022)

Name	Year of birth	Nationality	Function
Luca Concone	1966	Italian	Executive Director & CEO
Sergio Signoretti	1964	Italian	Chief Financial Officer
Laura Amoretti	1978	Italian	Interim COO

On 6 February 2023, the Board decided to streamline the Executive Management of the Company, reducing the Executive Management Team to CEO and CFO, eliminating the COO position.

4.2 Professional background and other activities and functions

Luca Concone *(22 - 31 December 2022)*
Chief Executive Officer / CEO – Executive Director

Please refer to section 3.1 of this corporate governance report.

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

Laura Amoretti *(24 July - 31 December 2022)*
Interim CEO / COO
Laura Amoretti has been the Group's Chief Customer Officer since 2019. In such capacity, she has been managing the group's largest unit in terms of people and the unit which interfaces all other units. She has also been acting as director in a number of the group's subsidiaries for several years. Laura joined the group in 2010 as Managing Director of its cruise business and, prior to joining, she was with a leading European online travel agency. Laura completed her degree in law at the University of Genoa in Italy, was admitted to the Italian bar in 2006 and in 2019 earned her EMBA from Esade, Spain.

Fabio Cannavale *(1 January - 24 July 2022)*
lastminute.com Founder & CEO – Executive Director
Please refer to section 3.1 of this corporate governance report.

Andrea Bertoli *(1 January - 24 July 2022)*
lastminute.com CEO & COO – Executive Director
Please refer to point 3.1 of this corporate governance report.

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

[C5 - Remuneration report]

5. Remuneration Report

Governance

The Board of Directors has the overall responsibility for defining the compensation principles used in the Group. It approves the compensation of the members of the Board, it is Chairman and the Executive Management.

The Board of Directors adopted a Remuneration Policy as per the suggestion of the SAR Committee ("SARC"). (Please see the Corporate Governance Report for details).

The goal of this Remuneration Policy is to recruit, retain and motivate high-quality directors. The Group is committed to providing a total remuneration package that is consistent with sound industry practice and reflects the individual country practises, job market and geographic differences. The Group has a strong orientation toward achieving overall Group and personal goals. The SARC shall annually evaluate the performance of each Executive director and each member of the Executive management against these goals.

The Group believes that the amount and structure of the remuneration paid to Executive directors and Executive management shall be such that any independent and external company is willing to pay a qualified and expert manager to run the business. The remuneration package shall include a fixed and a variable component. The level and structure of the remuneration package are determined in the light of, among other things, an Executive Director's professional experience in so far as it is relevant to the performance of his or her duties, Executive experience, experience in corporate governance of large companies, experience in the Group industry, specific know-how with respect to the business and corporate policy of the Group, specific competences in areas of management, finance and reporting. The remuneration policy may also be determined in relation to the Group's results, share price performance, and other relevant developments.

The remuneration of the Non-Executive Directors, based on SARC discretion, consists of fixed fees and is paid out in cash.
The remuneration of the Executive Directors,based on SARC discretion, consists of fixed and variable fees and is paid out in cash.

The Remuneration Policy is published on the Group's website: https://res.cloudinary.com/lastminute-contenthub/image/upload/v1592552269/DAM/Artwork/lmgroup/documents/governance-documents/2020/lm-group-remuneration-policy-2020.pdf.

In July 2022, the Board proposed the amendment of the current Remuneration Policy subject to the general meeting approval.

Principles of compensation for the Board of Directors and Executive Management

The remuneration of the members of the Board of Directors and the Executive Management is set to attract and retain highly qualified individuals. The level of remuneration reflects (i) the time and effort required from the members in fulfilling their responsibilities and (ii) the level of skills and experience of each member. The pay structure is designed to ensure the Board and management's focus on the long-term success of the Group.
The remuneration package for the Executive directors and for the members of the Executive management shall also take into account any division of duties within the Board. The remuneration package and its structure shall also take into account any remuneration an individual Executive director may receive (based on employment or non-employment status or based on consultancy services agreement) from the Group or any of its direct and indirect subsidiaries (each a "Group").
If members of the Board receive remuneration for consultancy services provided to the Group, such remuneration shall be at arm's length conditions and must be approved by the SARC and by the Board of Directors.
The competent body in charge for the determination of the compensation of the members of the Board of Directors and the Executive Management is the SARC. Normally, the SARC provides to review and recommend changes to the remuneration of the members of the Board of Directors and the Executive Management once a year, during its first reunion of the year. The SARC's role is to ensure that remunerations are at an appropriate level, effectively managed, to best match the business objectives of the Group reflecting competencies and market conditions in the various countries where the Group is operating. SARC also assists the Board in the approval of remuneration policies and practices and in the approval of the remuneration itself.
Members of the SARC whose remuneration is proposed by the SARC have the right to attend the meeting during which remunerations are discussed, but they don't have any voting right about the decisions.
To ensure the integrity and independence of the choices of the SARC, all the meetings of the committee are attended by guests qualified to represent the interests of the Group and stakeholders, such as the senior manager of the People Department of the Group.

The Code requires that the Non-Executive Directors of the Board shall analyse possible outcomes of the variable income components on Executive Directors' remuneration. A high-level scenario analysis is included in the annual determination of the variable element of Executive Directors' remuneration by the Non-Executive directors of the Board.

In addition to the above, as already done last year, during 2022 the Group has based its criteria for defining the remuneration of the Executive Management also taking into account the survey conducted by an international external consultant (Willis Towers Watson), which provided an

external and fair benchmark related to remuneration system in high tech companies existing actually.
Willis Towers Watson is one of the leading consultants for the People Department, particularly for the compensation area and for comparison with the existing benchmarks in the market.
In 2020 the Group chose Willis Towers Watson for various reasons including:

- the flexible methodology taking into consideration the Group's organisation;
- physical presence in all countries where lastminute.com operates;
- the number of high tech companies participating in the annual survey.

During the last years, the Group used this approach in order to map the first and second lines and some key roles. The results of the surveys and the benchmark against the market are helpful for top management and HR strategy, in order to (i) have an important idea on how the external market works, (ii) create career paths for the people, (iii) use the external market to retain and to better reward deserving people, (iv) give to new people a better compensation scheme as the role needs.
The Group decided to have a comparison with the High Tech market because it is the most similar with the Group's business profile and roles and used determined percentages to calibrate the amount of the survey depending on the city where the Group's companies are based.

Compensation 2022 for the members of the Board of Directors and Executive Management

Board membership fees and allowances
The 2022 Annual General Meeting held on 18 May 2022 and the Extraordinary General Meeting held on 21 December 2022 approved the remuneration proposals for the board of director's members who covers the office during 2022 as follows:

In '000 Eur

Name	Qualification	Office period	Fixed Remuneration	Bonus	Other	Total Compensation	Variable on Total Compensation (%)	Fair value of SAR (Estimated Potential Value) (*)	Fair value of SAR (Proportioned to vesting) (**)	Long Term Investment Plan
Fabio Cannavale	Executive Director, founder & CEO	01/01/2022 - 24/07/2022	162	-	-	162	0%	-	-	-
Andrea Bertoli	Executive Director, CEO & COO	01/01/2022 - 24/07/2022	290	-	-	290	0%	132	44	813
Roberto Italia	Non-executive director	01/01/2022 - 21/12/2022	48	-	-	48	0%	-	-	-
Massimo Pedrazzini	Non-executive director	01/01/2022 - 31/12/2022	40	-	-	40	0%	-	-	-
Paola Garzoni	Non-executive director	01/01/2022 - 21/12/2022	34	-	-	34	0%	-	-	-
Laurent Foata	Non-executive director	01/01/2022 - 21/12/2022	39	-	-	39	0%	-	-	-
Javier Perez Tenessa	Non-executive director	01/01/2022 - 21/12/2022	24	-	-	24	0%	-	-	-
Luca Concone	Executive Director, CEO	21/12/2022 - 31/12/2022	7	7	-	14	50%	-	-	-
Yann Rousset	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%	-	-	-
Maria Teresa Rangheri	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%		-	-
Valentin Pitarque	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%		-	-
Cyril Ranque	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%		-	-
Total remuneration to Board of Directors			**652**	**7**	**-**	**659**		**132**	**44**	**813**

(*) reported as the potential Fair Value of the total options granted valued as of 31 December 2022 regardless of the vesting period.
(**) reported as Fair Value of the total option recognised pro quota in 2022 profit & loss, in accordance with IFRS principles even if different vesting conditions apply.

As regards the Variable on Total Compensation (%) calculation, it does not include neither the estimated potential fair value nor the proportioned to vesting fair value of the consideration resulting from the granted SAR.

In reference to the SAR plan launched in 2021 ("SAR1"), Andrea Bertoli has been granted with number 200,000 SAR with strike price of 25 CHF and subject to the following vesting conditions:
i) period of time: 4 years Pro rata from Year 2 to Year 4; and
ii) Company's stock price levels (the "Price Thresholds SAR1"): (a) 35% of the SAR subject to a Price Threshold SAR1 equal or higher than CHF 40; (b) 65% of the SAR subject to a Price Threshold SAR1 equal or higher than CHF 60.
Despite at the end of 2022 Andrea Bertoli is no longer an active Director of the Company, he is still included in the SAR1 plan because he is still an employee of a subsidiary of the Company.

In reference to the new SAR plan granted in 2022 ("SAR2"), Fabio Cannavale has been granted with no. 200,000 SAR with strike price of 35.9 CHF and subject to the following vesting conditions:

ii) Company's stock price levels (the "Price Thresholds SAR2"): (a) 35% of the SAR subject to a Price Threshold SAR2 equal or higher than CHF 40; (b) 65% of the SAR subject to a Price Threshold SAR2 equal or higher than CHF 60.
Based on the fact that:

- Mr. Fabio Cannavale resigned in November 2022 (the "Resignation Event");
- the inclusion in the plan was linked to the quality of Director of the Company; and
- No options were vested since the granting date and the Resignation Event,

as of 31 December 2022 no costs have been recorded at the end of 2022.

In addition to the remuneration proposed for the board of directors, some loan agreements ("Loans") with the Company has been signed by:

- Fabio Cannavale and Andrea Bertoli in the contest of adherence to the Long Term Investment Plan dated 2014 ("LTIP"); and
- Andrea Bertoli in the contest of the Long Term Investment Plan, dated 2021 ("LTIP2").

LTIP is an investment scheme ("Scheme") for employees and directors of lastminute.com. The Scheme has been set up using a Scottish Limited Partnership structure, called Sealine Investments Limited Partnership (the "Partnership"). The Partnership is governed by an agreement which sets out the rights and obligations of the General Partner, lastminute.com N.V., and the limited partners (LP). When the LP enters the Scheme, he contributes funds to the Partnership – this is known as "Initial Capital Contribution" and the Partnership allocates to the LP membership account a portion of its loan funds equal to three times the Initial Capital Contribution ("Additional Funding"). Such funding will either be loaned to the Partnership by the Company, or through a bank loan secured by the Company. The Loan is subject to Saron CHF 3m plus 1% of interest. The Initial Capital Contribution and the Additional Funding are used to purchase shares in lastminute.com N.V. ("LM Shares"), and these LM Shares will be allocated to LP partnership account. The LP will not have any further liability, to repay the loan funds or otherwise, beyond his Initial Capital Contribution to the Partnership.

LTIP 2, instead, is an investment scheme ("Scheme 2") for employees and directors of lastminute.com. The Scheme 2 has been set up using a Scottish Limited Partnership structure, called Sealine Investments 2 Limited Partnership (the "Partnership 2"). The Partnership 2 is governed by a partnership agreement which sets out the rights and obligations of the General Partner, the Company, and the limited partners (LP). The Partnership includes three types of limited partners: Limited Partner A, Limited Partner B and Limited Partner C. When the limited partner enters the Scheme2, he contributes funds to the Partnership – this is known as "Initial Capital Contribution". In relation to the Capital Contribution of the Limited Partner B only, the Partnership 2 allocates to the Limited Partner B's membership account a portion of its loan funds equal to three times the Initial Capital Contribution ("Additional Funding"). Such funding will either be loaned to the Partnership 2 by the Company, or through a bank loan secured by the Company. The Loan is subject to SaronCHF 3m plus 1% of interest. The Initial Capital Contribution and eventual Additional Funding are used to purchase memberships in Freesailors Cooperatief UA ("Freesailors' Memberships"), and these Freesailors Memberships will be allocated to Limited Partner's partnership account. The Limited Partner B will not have any further liability, to repay the loan funds or otherwise, beyond his Initial Capital Contribution to the Partnership 2. Freesailors Cooperatief UA only assets are the Company's shares.

Fabio Cannavale exited the LTIP on 21 December 2022. The cost recorded in the Company's profit and loss for the year 2022 is Eur 813 thousand. The total fair value of the liability as of 31 December 2022 is Eur 902 thousand.

The total investment of Andrea Bertoli in LTIP is for a total value of Euro 2,294 thousand, corresponding to a total Fair Value as of 31 December 2022 of Euro 2,768 thousand and a related loan of Euro 2,382 thousand. The investment of Andrea Bertoli as Limited Partner B in LTIP 2 is for a total value of Euro 2,437 thousand, corresponding to a Fair Value as of 31 December 2022 of Euro 2,062 thousand and a related loan of Euro 2,400 thousand.

Javier Perez Tenessa has been part of the Partnership 2 as Limited Partner A until 21 December 2022. The total fair value of the relevant liability as of 31 December 2022 is Eur 1,059 thousand.

The remuneration of Mr. Fabio Cannavale and Mr. Andrea Bertoli is related to their role as members of the Executive Management. The remuneration of the other members of the Board reflects the time and effort required from the members in fulfilling their Board and Committee responsibilities.

The overview of the compensation of the Non-Executive Directors during the last 5 years is the following is represented in the table below. For a better and fair comparison throughout the years it has been presented the deliberated annual compensation regardless of the effective cost matured during the year in case of overlap of governance bodies.

in '000 Eur

Name / Year	**Office period**	**2018**	**2019**	**2020**	**2021**	**2022**
Roberto Italia (until 21/12/22)	01/01/2022 - 21/12/2022	40	45	40	40	50
Paola Garzoni	01/01/2022 - 21/12/2022	N/A	N/A	N/A	30	35
Laurent Foata	01/01/2022 - 21/12/2022	25	25	30	45	40
Javier Perez Tenessa	01/01/2022 - 21/12/2022	N/A	N/A	N/A	20	25
Massimo Pedrazzini (until 21/12/22)	01/01/2022 - 21/12/2022	N/A	N/A	N/A	35	40
Massimo Pedrazzini (from 21/12/22)	21/12/2022 - 31/12/2022	N/A	N/A	N/A	35	50
Yann Rousset	21/12/2022 - 31/12/2022	N/A	N/A	N/A	N/A	70
Maria Teresa Rangheri	21/12/2022 - 31/12/2022	N/A	N/A	N/A	N/A	65
Valentin Pitarque	21/12/2022 - 31/12/2022	N/A	N/A	N/A	N/A	65
Cyril Ranque	21/12/2022 - 31/12/2022	N/A	N/A	N/A	N/A	65

The table below represents the compensation of each position based on the deliberated amounts and not proportional to the timing of the service:

in '000 Eur

Office / Year	**2018**	**2019**	**2020**	**2021**	**01/01/2022 - 31/12/2022**	**21/12/2022 - 31/12/2022**
Non-executive director	20	20	20	20	25	50
Chairman of the Board of Directors	35	35	35	35	35	60
Member of SARC	5	5	5	5	5	5
Chairman of SARC	10	10	10	10	10	10
Member of Audit Committee	5	5	5	5	5	5
Chairman of Audit Committee	10	10	10	10	10	15
Member of RS Committee	N/A	5	5	5	5	5
Chairman of RS Committee	N/A	10	10	10	10	10

Compensation for Members of the Executive Management

In 2022 the executive management consisted of several members who succeeded each other over the period, being Mr. Fabio Cannavale, Mr. Andrea Bertoli, Mr. Sergio Signoretti, Ms. Laura Amoretti and Mr. Luca Concone.

The aggregate approved compensation, including bonuses, social security and pension contributions and other cost of compensation for the Group, for members of the Executive Management for the financial year 2022 is EUR 1,643 thousand.

Name	Qualification	Office period	Fixed Remuneration	Bonus	Other	Total Compensation	Variable on Total Compensation (%)	Fair value of SAR (Estimated Potential Value) (*)	Fair value of SAR (Proportioned to vesting) (**)	Long Term Investment Plan
Fabio Cannavale	Executive Director, founder & CEO	01/01/2022 - 24/07/2022	162	-	-	162	0%	-	-	813
Andrea Bertoli	Executive Director, CEO & COO	01/01/2022 - 24/07/2022	290	-	-	290	0%	132	44	-
Sergio Signoretti	Executive Manager, CFO	Full year	284	55	-	339	16%	129	8	-
Laura Amoretti	Executive Manager, Interim CEO	24/07/2022 - 21/12/2022	173	150	-	323	46%	53	3	-
Luca Concone	Executive Director, CEO	21/12/2022 - 31/12/2022	7	7	-	14	50%			
Total remuneration of executive management			**916**	**212**	**-**	**1,128**		**314**	**55**	**813**

The highest individual compensation is related to Sergio Signoretti, CFO of lastminute.com Group, for an amount of EUR 339 thousand. This amount does not include neither the estimated potential fair value nor the proportioned to vesting fair value of the consideration resulting from the shadow stocks granted under the SAR as they cannot be exercised yet.

The internal pay ratio between the average annual compensation of the Executive Directors and the average annual compensation of a Group's employee was 4.34:1 (2021: 6.89:1). The internal pay ratio does not include neither the estimated potential fair value nor the proportioned to vesting fair value of the consideration resulting from the granted SAR.

The bonuses are linked to the performance targets defined by the Board of Directors and accordingly their payment is due if the target is reached. The actual compensation recorded in 2022 does not include any variable compensation for the former Executive Directors Fabio Cannavale and Andrea Bertoli because it was subject to certain objectives which have not been reached.

In relation to performance-related remuneration, all the eventual bonuses expected for the members of the Executive Management are paid in cash. The base salary is paid in monthly instalments or *una tantum* solution in cash. Performance-related remunerations are established and paid on the basis of financial parameters for 100% of the total variable remuneration; financial parameters are divided into Group objectives (i.e. Adjusted EBITDA and Gross margin of OTA segment). The variable compensation for the Members of the Executive Management being equal to EUR 212 thousand will be paid based on targets achieved in 2022 for a total value of EUR 212 thousand and it is recorded in 2022 financial statements accordingly.

The table below reflects the actual total compensation of the Executive Directors with the main financial performance indicators of the Group (Revenue and EBITDA):

In '000 Eur	2018	2019	2020	2021	2022
Group Revenues	290,511	349,045	105,065	142,876	294,360
Group EBITDA	27,255	55,348	-44,923	222	4,719
Founder & CEO	600	100 (**)	100	293	176
Compensation Over Revenues (%)	0.21%	0.03%	0.10%	0.21%	0.06%
Compensation Over EBITDA (*) (%)	2.20%	0.18%	-0.22%	131.98%	3.73%
CEO & COO & interim CEO	520	100 (***)	290	416	290
Compensation Over Revenues (%)	0.18%	0.03%	0.28%	0.29%	0.10%
Compensation Over EBITDA (*) (%)	1.91%	0.18%	-0.65%	187.39%	6.15%

(*) EBITDA defined as Earnings Before Interest, Tax, Depreciation and Amortisation accounted for in accordance with IFRS principles.
(**) on 11 November 2021 the former CEO Fabio Cannavale waived to receive the bonus of 500,000 euro decided by the AGM in May 2019 and subject to the achievement of results.
(***) on 1 April 2021 the former COO Marco Corradino of the Group waived to receive the bonus of 750,000 euro decided by the AGM in May 2019 and subject to the achievement of results.

In reference to the SAR plan granted in 2021 (SAR1), Sergio Signoretti has been granted with no. 40,000 SAR with strike price of 25 CHF and subject to the following vesting conditions:
i) period of time: 4 years Pro rata from Year 2 to Year 4; and
ii) Company's stock price levels (the "Price Thresholds SAR1"): (a) 40 % of the SAR without Price Threshold SAR1 b) 35% of the SAR subject to a Price Threshold SAR1 equal or higher than CHF 40; (c) 25% of the SAR subject to a Price Threshold SAR1 equal or higher than CHF 60.

In reference to the SAR plan granted in 2022 (SAR2), Sergio Signoretti has been granted with no. 10,000 SAR with strike price of 35.9 CHF and subject to the following vesting conditions:
i) period of time: 4 years Pro rata from Year 2 to Year 4; and
ii) Company's stock price levels (the "Price Thresholds SAR2"): (a) 35% of the SAR subject to a Price Threshold SAR2 equal or higher than CHF 40; (b) 65% of the SAR subject to a Price Threshold SAR2 equal or higher than CHF 60.
Further the above Sergio Signoretti signed a partnership loan agreement with the company in the contest of the adherence to the LTIP. The total investment of Sergio Signoretti is for a total value of Euro 564 thousand, corresponding to a total. The Fair Value as of 31 December 2022 of Euro 501 thousand. The related loan in favour of Sergio Signoretti is for an amount of Euro 512 thousand.

In reference to the SAR plan granted in 2021 (SAR1), Laura Amoretti has been granted with no. 15,000 SAR with strike price of 25 CHF and subject to the following vesting conditions:
i) period of time: 4 years Pro rata from Year 2 to Year 4; and
ii) Company's stock price levels (the "Price Thresholds SAR1"): (a) 40 % of the SAR without Price Threshold SAR1 b) 35% of the SAR subject to a Price Threshold SAR1 equal or higher than CHF 40; (c) 25% of the SAR subject to a Price Threshold SAR1 equal or higher than CHF 60.
Further the above Laura Amoretti signed a partnership loan agreement with the Company in the contest of the adherence to the LTIP. The total investment of Laura Amoretti is for a total value of Euro 249 thousand, corresponding to a total of Fair Value, as of 31 December 2022, of Euro 256 thousand. The related loan in favour of Laura Amoretti is for an amount of Euro 207 thousand.

In addition to the remuneration mentioned above, members of the Executive Management were entitled to certain fringe benefits including arrangements related to health insurance and occupational disability, personal accident insurance, company car scheme and a directors and officer's liability insurance against damage resulting from their conduct when acting in the capacities as member of the Executive Management.

Additional fees and remuneration of the Board of Directors and Executive Management

There are no additional fees and remuneration granted to the Directors.

[C6 - Shareholders' participation]

6. Shareholders' participation

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

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

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

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

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

[C7 - Change of control and defence measures]

7. Change of control and defence measures

7.1 Duty to make an offer

Pursuant to the applicable provisions of the Financial Market Infrastructure Act, FMIA, if a person acquires shares of a company with its primary listing at a SIX Swiss Exchange, whether directly or indirectly or acting in concert with third parties, which, when added to the shares already held by such person, exceed the threshold of 33 ⅓% of the voting rights (whether exercisable or not) of such company, that person must make a bid to acquire all of the listed shares of the company. A company's articles of association may either eliminate this provision of the FMIA or may raise the relevant threshold to up to 49% (''opting-out'' or ''opting-up'' respectively). The Articles of Association do not contain an opting-out or an opting-up provision.

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

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

7.2 Clauses on change of control

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

[C8 - Auditors]

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor
During the annual general meeting held on 18 May 2022 ("AGM") the shareholders of the Company resolved upon the appointment of KPMG Accountants N.V. ("KPMG") to provide the Company with financial audit services for the accounting reference year 2022.

8.2 Auditing fees
The total of the auditing fees for the auditors in 2022 amounts to EUR 823 thousand, of which KPMG, including network firms, in their capacity as Group auditors, received EUR 704 thousand.

8.3 Additional fees
Additional fees of EUR 32 thousand were paid to the auditors (other than KPMG Netherlands) for 2022 audit related services.

8.4 Information instruments pertaining to the external audit
KPMG presents to the Audit Committee a detailed report on the conduct of the financial statements audit, the findings on significant financial accounting and reporting issues together with the

findings on the internal control system as well as an overview of issues found during the interim audit.
The Audit Committee reviews annually the appropriateness of retaining KPMG as the auditor of lastminute.com, prior to proposing to the Board and to the Annual General Meeting of LMN the election of KPMG as auditors. The Audit Committee assesses the effectiveness of the work of the auditors in accordance with Swiss and Dutch law, based on their understanding of the Group's business, control, accounting and reporting issues, together with the way in which matters significant at Group level or in the statutory accounts are identified and resolved.
The Audit Committee is also informed on the work of KPMG through regular briefings and information presented by the head of the Internal Audit Department. The lead auditor is rotated every seven years in accordance with Dutch law. Audit fees are ultimately approved by the Audit Committee.
The Group and KPMG have agreed on clear guidelines as to audit services which it is appropriate for KPMG to provide. These guidelines ensure KPMG's independence in their capacity as auditors to the Group. KPMG monitors its independence throughout the year and confirms its independence to the Audit Committee annually.

[C8bis.] Internal Audit

8.1bis Internal Audit

The role, duties and responsibilities of the Internal Auditor are defined and formalised by the Audit Committee with the approval of the Board of Directors.
The Audit Committee appoints the Internal Auditor upon the Board of Directors approval. The Internal Auditor is appointed for an unlimited term and may be dismissed upon the Board of Directors request to be approved by the Audit Committee. The Board of Directors, in accordance with the instruction given by the Audit Committee, has appointed Mr. Paolo Vassallo as Head of the Internal Audit Department.
The Internal Audit Department performs audit activities in full independence in accordance with the instructions of the Audit Committee. The Internal Audit Department activities are carried out ensuring the maintenance of the necessary conditions for independence and the necessary objectivity, competence and professional diligence provided for in the international standards for the professional practice of the Internal Audit and in the code of ethics issued by the Institute of Internal Auditors.

Within the process of approving the audit schedule, once a year the Audit Committee approves the budget required for the Internal Audit department to perform its responsibilities. According to the Guidelines, the Internal Audit has autonomous spending powers to assess, analyse and evaluate the internal control and risk management system and/or the related activities, and, in an exceptional and urgent circumstances that requires additional funds, it may ask the Audit Committee to extend the budget for the purposes of fulfilling its duties.

The Internal Audit Department: (i) verifies, both on a continual basis and in relation to specific requirements, in compliance with international standards, the functioning and suitability of the internal control and risk management system via an audit schedule, approved by the Audit Committee, based on a structured process of analysing and prioritising the main risks, then it is submitted to the Board of Directors; (ii) is not responsible of any operational area, and has direct access to all information that is useful for carrying out its duties; (iii) prepares periodic reports containing appropriate information on its work, on how risks are managed and on compliance with the plans set up to limit them. These reports contain an evaluation of the suitability of the internal control and risk management system; (iv) prepares timely reports on events of particular importance; (v) submits the reports to the Audit Committee and the Board of Directors; and (vi) verifies, in the context of the audit schedule, the reliability of the IT systems used, including the accounting systems.

Audit work are performed by the Internal Audit Department using an integrated approach, focusing on:

- operational aspects: effectiveness and efficiency of business processes;
- compliance aspects: compliance with laws and Group policies and procedures;
- financial aspects: reliability of financial reporting.

In relation to compliance aspects, it should be noted that during 2019 the Internal Audit Function has been appointed as responsible for carrying out control activities on GDPR / Privacy topics, according to a 3 years GDPR Audit Plan approved by the Audit Committee. The focus of the GDPR audit is to determine whether the organisation has implemented adequate policies and procedures to regulate the processing of personal data and adequate security measures to mitigate the potential risk connected to processing of personal data. The scope of the GDPR audit is agreed in consultation with the relevant stakeholders (DPO) to identify relevant data protection risks within the organisation. The 3 years audit plan can be divided into three main pillars:

- Compliance Audit, in order to have an initial complete audit to verify that all components are correctly set up (fully done in 2019 with a yearly follow up);
- Data Audit, in terms of audit on personal data management process (started in 2019 and to be completed during the three-years period);
- Audit on outsourcers, checks on processing activities entrusted to third parties (started in 2019 and to be completed during the three-year period).

[D8.2bis.] The Group's internal regulatory system

In accordance with the evolving process aimed at continually improving the effectiveness and efficiency of its internal control and risk management system, lastminute.com Group has adopted its own Regulatory System. The base of the Group's internal regulatory system is represented by the Code of Conduct, adopted by the Board of Directors on 14 April 2014 and reviewed on March 18, 2020. The Code of Conduct explicitly states the ethical guidelines, values and responsibilities that the Group acknowledges, accepts, shares and assumes, both within and outside the business.
The values stated in the Code form a shared system that expresses lastminute.com Group's culture of corporate ethics and inspires the strategic thinking and performance of corporate activities that have to be carried out in a transparent, honest and fair way, in good faith, and in full compliance with competition protection rules. All that in respect of the legitimate interests of every stakeholder.

The Group's regulatory system comprises the following levels: (i) Group's Policies (Level 1), (ii) Procedures (Level 2).
Group's Policies (available on the Corporate website) are indicated below:

- Code of Conduct;
- Whistleblower Rules;
- Remuneration Policy;
- Dividend Policy;
- Privacy Policy;
- Insider Trading Regulations;
- Power of Attorney Policy;
- GDPR and Security Policies;
- Modern Slavery Act Policy;
- Related Parties Transactions Policy;
- Policy on Transactions of Directors and Management;
- Policy on bilateral contacts with shareholders; and
- Anti-Corruption, anti-bribery and anti-money laundering policy

[C9 - Information policy]

9. Information policy

9.1 Investor Relations – guiding principles

The Group is committed to managing an open and consistent communication policy with shareholders, potential investors and other interested parties. The objective is to ensure that the perception of those parties about the historical record, current performance and future prospects of the Group is in line with management's understanding of the actual situation of the Group. The guiding principles of this policy are that the Group gives equal treatment to shareholders in equal situations, that any price-sensitive information is published in a timely fashion and that the information is provided in a format that is as full, simple, transparent and consistent as possible.

9.2 Methodology

The Group prepares detailed audited Financial Statements and the Annual Report, in order to communicate the results of the business. These are complemented by the Half-Yearly Report. It also publishes quarterly press releases including unaudited business results, moreover it publishes press releases at the time of any potentially price-sensitive event. Major announcements could be accompanied by a presentation which anyone can choose to access, whether or not that person is a shareholder. Furthermore, the Group has an active investor relations program, including both group meetings and one-to-one meetings. Presentations with Q&A sessions are held at the time of the Group's full-year, quarterly and half-year results. The Group also has a programme of roadshows, which take place primarily across Europe, and hosts themed events for institutional investors and investment analysts at which members of the management give an overview of their particular areas of responsibility.

These meetings focus either on recently announced financial results, recent corporate activity or the longer-term strategy of the Group and pertain to disclosable information only, in order to guarantee symmetry to the Market.

The Group utilises its website https://corporate.lastminute.com/ to ensure a rapid and equitable distribution of information. There are links to non-financial information that may be of interest to investors, such as the Articles of Association, Code of Conduct, Whistle-blower Rules, Dividend and Remuneration policy.

A Group calendar of relevant dates is displayed on the website (https://corporate.lastminute.com/investors/investors-hub/financial-calendar/upcoming-events/).

The Investor Relations Department can be contacted, either through the Web site or e-mail.

Link to push service: [https://corporate.lastminute.com/email-alerts/]

Link to pull service: [https://corporate.lastminute.com/media/]

[C10] Non-applicability/negative disclosure

It is expressly noted that any information not contained or mentioned herein is either non-applicable or its omission is to be construed as a negative declaration (as provided in the SIX Swiss Exchange Corporate Governance Directive and the Commentary thereto).

D - SUSTAINABILITY REPORT

[D0 - Letter to stakeholders]

Dear all,

I cannot imagine a world without travel. Travel is good for the soul, taking us out of our comfort zone, and inspiring us to try new things and experience different cultures. We have all now lived in a lifetime when it was not possible, with borders shut. We felt that loss deeply.

So as human beings who long to explore, how can we do more to protect the planet and its inhabitants? It is a question facing the world right now. What does it mean for lastminute.com and its people who work to help people live their travel dreams?

Collaboration is crucial

We need to build from the inside by fostering an environment where our people can do the best work with a commitment to inclusion across race, gender and age. Because to be the most relevant and inspiring digital travel company, we need people who reflect the communities we serve globally.

We cannot do this alone. Imagining a more sustainable future for the travel tech industry must be a joint effort. We need to work with other companies with a similar commitment and care for sustainability and work more with the destinations we service to help them preserve their culture for future generations. And to do it, we need to return to the heart of lastminute.com's culture: innovation.

As an asset-light company with a "digitally-native" approach to our operations and smart-working policy, our direct environmental impact might not be as heavy as others in the industry. However, our beliefs mean we still need to consider the environmental impact of our choices. It is the right thing to do.

Getting our governance right

There can be no quick fix for this, so in 2022, we started laying down the fundamentals to give us a baseline to make change happen. In this first edition of the lastminute.com Sustainability Report, you will find the first steps in this endeavour. Because we believe transparency matters, we publish this voluntary disclosure. You will discover our commitment to transparent reporting on our environmental, social, and governance performance.

We believe that sustainability is our ability to create long-term value and profitability for all its stakeholders and society and to set our business vision. Because it is intrinsic to corporate strategy, we've created the first-ever lastminute.com Ethics and ESG Committee. I'm proud to be its first chairperson with a clear mandate to focus on articulating our durable, value proposition for 2023 and beyond.

To successfully implement our sustainability strategy, we created our first dedicated in-house team and governance in 2022 to lead the transformation and embed sustainability principles across the business.

In the last 25 years, we've helped millions of holidaymakers create moments that matter. And we want to ensure that in the next 25 years, the next generation has all the options available to make sustainable travel choices. Every journey has to start somewhere. We can't wait to continue ours together.

Maria Teresa Rangheri
Non-Executive Board Member
Chairperson of the Ethics & ESG Committee

[D1 - Methodological note]

The aim of this Sustainability Report

Our purpose is to provide our external and internal stakeholders an overview of the current situation and plans concerning Environmental, Social, and Governance actions and performance. This disclosure is our first formal act to introduce a continuous improvement process, defining the qualitative and quantitative information to evaluate the Group performances in the long term and set the targets on sustainability issues.

Document drafting process and standards of reporting

The process of drafting the Sustainability Report and collecting data fully involved the Management in the following activities:

- identification of the scope of reporting and the relevant stakeholders;
- preparation of the materiality analysis;
- definition of the non-financial indicators to be reported and the timing of the information reporting process;
- identification of the referents to be involved;
- collection and consolidation of qualitative and quantitative data to be included in the document;
- preparation of the Sustainability Report document to be submitted for validation by the Board of Directors

The Sustainability Report was written following the GRI Sustainability Reporting Standards published in 2021 by the Global Reporting Initiative (GRI), "with reference to the GRI Standards". The choice of the GRI indicators disclosed in this document was made considering the importance of the various material topics that lastminute.com has identified. For further details, please consider the "Materiality Analysis" section of this report.

For the drafting of the document, the GRI reporting principles were considered as a guideline:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

This voluntary report was not subjected to third-party assurance.

Reporting period and perimeter in scope

The reporting perimeter refers to the parent company, lastminute.com N.V., and its fully consolidated subsidiaries (see "Management Report - General Information"). The information and data in this initial publication pertain to the fiscal year 2022 (from 1 January to 31 December).

Any exceptions are made explicit within the text.

Data reporting is provided on an annual basis. The use of estimates has been kept to a minimum to accurately depict performance and ensure the validity of the data; where estimates are used, they are identified as such and the reasoning behind them is explicit.

In the “GRI Content Index” section, it is possible to see a breakdown of the information reported according to the performance indicators defined by the GRI.

For a complete understanding of the document, a “Glossary” has been included as an appendix: this contains definitions of the terms most frequently used by lastminute.com.

On 12 April 2023, the Board of Directors of lastminute.com N.V. approved the Report. The publication was on 13 April 2023 and the document is accessible on our Corporate Website, in the Media section.

For any information about the Sustainability Report, please email sustainability@lastminute.com.

[D2 - Materiality Analysis]

Our stakeholders and how we interact with them

At lastminute.com we aim to create long-term value for all our stakeholders, including customers, employees, investors, partners, communities, and governments. We strive to build value across our operating regions while producing profitable, sustainable growth. It is key to ensure constant communication with these stakeholders and give the highest priority to our relationship with them.

Stakeholders	**Why they are part of the Pink family**	**How we create value for them**	**Channels of Engagement**
Customers	Our customers drive our business forward with their appetite for travel and digital solutions, letting us anticipate the trends in the industry. In addition to our travellers, a good part of our customers are other travel and non-travel businesses who have chosen to work with us to provide a unique travel experience to their customers.	We strive to be the leading company in product excellence and customer satisfaction. Not only do we constantly work to add new travel options and thus broadening our offering, but we are also continuously investing in our websites and apps to take the customer experience to the next level. To support this, we have made significant investments in Tech and Customer Care headcount in 2022.	Social Media, Newsletters, Customer Care, Surveys, Events
Employees	Our 100% digital business model puts our employees at the heart of our thinking. They deliver our vision and underpin our core values through their daily work	We constantly strive to make our working model smarter in compliance with local regulations, increasing efficiency while ensuring flexibility and work-life balance to our people. We promote personal growth, empowerment	Corporate Social Media, Surveys, Events

		and accountability investing in talent retention initiatives, leveraging advanced learning and development tools, and fostering an open-minded, inclusive culture.	
Shareholders	Our listing at the SIX Swiss Exchange gives us the opportunity to engage with investors from all over the world to access equity capital.	We continue to increase our outreach to institutional investors and stock analysts through conferences and roadshow participation.	Conferences, Roadshows, Investor calls
Financial Institutions	A number of banks and financial institutions partner with us in managing the significant cash turnaround of our business.	We maintain an active and continuous dialogue with banks and financiers.	Financiers relationship management
Suppliers and partners	We have a wide range of different suppliers and constantly seek new potential ones to further increase and strengthen our supplier base. Among our core suppliers are the content providers for all the travel services we offer - Holiday Packages, flights, hotels. Working with them, we are able to secure a virtually unlimited inventory of experiences for our customers. Being a digital company, technology suppliers and consultants are a further pillar of our offering, as well as the call centres supporting our Customer Care team.	Reaching a large consumer base every day, we provide a significant distribution channel for our suppliers - be it travel product suppliers, financial services suppliers or non-travel suppliers in the B2B space. Moreover, through our unique DP technology, we provide some of our suppliers with the price opacity they need to efficiently manage their inventory while at the same time offer a competitive pricing to the customer.	Commercial relationship management
Governments, Institutions and Supervisory Authorities	As an international online travel services provider who operates in regulated markets we are licensed, bonded and supervised in many different jurisdictions to safeguard our financial liability with our customers and suppliers. Processing customer data online, we need to adhere to strict data protection policies. As a	We closely cooperate with all regulatory bodies and authorities on all legal matters.	Monitoring and analysis of the regulatory context evolution where the Group operates.

	listed company, we are subject to capital market laws as well as listing rules and regulations.		
Local Communities	Despite growing from a small start-up to an established international holiday provider, we've never forgotten where we started. We've always had the idea of thinking globally and acting locally, and as a travel tech company sending people all over the world we feel our responsibility reaches further than just where our offices are based.	We engage in different local projects, from beach cleanups to recycling, to support local communities in their efforts to protect the environment. We've worked with local charities via volunteering activities and also local entities such as trade unions to protect jobs.	Volunteering activities, sponsorship projects, trade unions
Environment	While our carbon footprint as a digital company is relatively small, we sell travel, which of course has a significant impact on global climate change. This is why we put a strong focus on our ESG efforts.	While on the one hand we strive to reduce our own carbon footprint even further, we also work on initiatives to invite our customers to reduce their footprint when travelling.	Support of recognized consultancy teams to ensure proper evaluation on the impact and consultancy on reduction activities

Identification of the main sustainability topics and materiality analysis

The identification of the Company's material topics, and the related qualitative and quantitative information, are the basis for structuring the sustainability disclosure. We began by identifying the sustainability issues related to the economy, environment, people, and human rights which are considered the highest priority for both the organisation and its relevant stakeholders.

As it's our first year of reporting, we have chosen to carry out this activity without active stakeholder involvement, but through the involvement of the relevant internal business functions to structure a gradual process of involving stakeholders for 2023.

In 2022, we performed our first group sustainability materiality analysis using a staged internal analysis approach. During the first stage, we identified potentially relevant sustainability topics through a research on industry priorities, a benchmarking analysis on peers and competitors, pertinent media themes, company initiatives and strategies, and issues that were brought up by stakeholders. This analysis helped us identify the issues that are most impacted by lastminute.com's economic, social, and environmental performance and that may have an impact on how stakeholders evaluate and make decisions.

In the second stage, we organised an internal workshop to prioritise issues identified in the materiality analysis. Leaders and managers of the company who frequently deal with one, or more, of the identified stakeholders, were involved. They played a double role in the materiality assessment, as they were asked to represent both the internal point of view of the organisation and of their stakeholders.

They were asked to evaluate the list of proposed topics as follows:

1. a prioritisation based on lastminute.com's business strategy and its impacts (both positive and negative) corresponding to the selected topics;
2. a prioritisation considering the point of view of the stakeholders they interact with.

In a final phase, the results of the materiality exercise were later reviewed by the Executive Management and narrowed down to a shortlist of **eight material sustainability topics**.

Dimension	Material topic	Description
GOVERNANCE	**Compliance, ethics and integrity**	lastminute.com's commitment to ensure compliance with laws and regulations while conducting its business with ethics and integrity in all activities.
	Privacy and security	The necessary protection of subjects' rights in terms of personal data management and the application of the most advanced best practices in terms of cybersecurity.
SOCIAL	**Diversity, Inclusion and equal opportunities**	Encouraging diversity and inclusion of underrepresented groups in the workforce. The term "diversity" can relate to many characteristics, including age, gender, religion, ethnicity and disability.
	Health, Safety and Wellbeing of workers	Creating an environment that promotes our employees' mental and physical well-being.
	Training and Development	Promoting the growth of technical and soft skills within the Group, as well as attracting and retaining talent.
	Customer management	Taking care of our customers before, during and after their trip, providing a high-quality experience throughout the overall customer journey.
ENVIRONMENTAL	**Energy and emissions management**	Active management and reduction of negative environmental impact related directly and indirectly to company activities.
	Promoting sustainable tourism	Actively reducing the negative environmental and social impact of tourism through the promotion of alternative ways of travelling and collaboration with more sustainable business partners.

These material topics will be disclosed within the document, along with issues that are relevant, but were not found to be material:

Innovation	The ability of lastminute.com to meet and anticipate consumers' and partners' evolving demand through innovation of products and processes.

Human Rights	Awareness and active safeguarding of human rights in all operations conducted by lastminute.com and its business partners and suppliers.
Circular economy & waste management	Assessment of direct impact lastminute.com can have on ecosystems and biodiversity through its actions and business activities, and waste generated by the operations. The aim is to reconsider ways to foster reduction, recycling, and reusing of waste.
Suppliers, investors and partners	Maintaining a proficuous and mutually beneficial relationship with suppliers, investors and business partners the Group engages with.
Relationship with local communities and territories	The impact lastminute.com has on communities and territories through donations, volunteering activities and environmental and social initiatives.

lastminute.com and the UN Agenda 2030 for Sustainable Development

In 2015, the United Nations launched the 2030 Agenda, a plan of action for people, planet, and prosperity. It sets out 17 Sustainable Development Goals (SDGs) which include 169 targets. Implementing the SDGs targets requires strong involvement from all components of society, including Institutions, Governments, Citizens, and Businesses.

To ensure our ESG strategy and materiality analysis are in line with current global priorities, each of our material Sustainability topics is linked to a UN Sustainable Development Goal. SDGs 4,8,9,10,12 and 16 have been prioritised due to the strong connection between these targets and our own material concerns.

Below are the 6 SDGs identified by the Company and the association with the material issues.

Material topic	Correlated SDG	Targets to which the group can contribute
Compliance, ethics and integrity	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Target 16.5. Substantially reduce corruption and bribery in all their forms.
Diversity, Inclusion and equal opportunities	10 REDUCED INEQUALITIES	Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
Health, Safety and Wellbeing of workers	8 DECENT WORK AND ECONOMIC GROWTH	Target 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
Training and Development	4 QUALITY EDUCATION	Target 4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
Privacy and security	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Target 16.3. Promote the rule of law at national and international levels and ensure equal access to justice for all.
Customer management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Target 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
Energy and emissions management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Promoting sustainable tourism		Target 12.8b. Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.

[D2bis - Sustainability Governance, Ethics, and Compliance]

Material Topics Addressed in this chapter

Compliance, ethics and integrity	lastminute.com's commitment to ensure compliance with laws and regulations while conducting its business with ethics and integrity in all activities.
Privacy and security	The necessary protection of subjects' rights in terms of personal data management and the application of the most advanced best practices in terms of cybersecurity.

Ethics and Compliance

Our values guide our actions, and there are high expectations for moral conduct. We are constantly committed to improving, encouraging ethical behaviour and accountability and establishing clear expectations through our internal policies and training.

However, in the second half of 2022, ethics, and compliance, were tested. An investigation began in July 2022 into the working hour reduction subsidies received by our Swiss subsidiaries and prompted a comprehensive review of our governance procedures.

We strengthened our corporate governance by appointing a new Board of Directors and CEO and establishing new board committees (see the Corporate Governance chapter - section Board of Directors). Risk management was improved, and an audit function was introduced to drive ownership and empowerment within a controlled framework (see the "Risk Management & Internal Control System" section).

Supporting our employees at this difficult time was the top priority. As our previous CEO and COO were affected by the proceedings, we appointed interim leaders for business continuity and to steer the company through these turbulent times. We kept our people informed and reassured via punctual communications as it followed two years of disruption caused by the pandemic. Uncertainty related to the Investigation put an additional psychological strain on our workforce, so we decided to offer Mental Health support to our people in Chiasso, who were directly affected. This service, provided by a dedicated platform, is free, anonymous and completely confidential.

At the same time, being a listed company, it was also crucial to share timely updates externally to the market and shareholders, keeping them up to date with the latest news on the Investigation and business news. (Press releases related to the Investigation are available on the corporate website in the Media section).

Last but not least, we would like to leverage more on our Code of Conduct to ensure our principles, that have always inspired the work of lastminute.com, are shared inside the company at all levels. We also aim to evolve this into a comprehensive Code of Ethics to be shared with our external stakeholders to ensure our business decisions align with the guiding principles.

Sustainability Governance

In 2022 we created our first in-house team leading the sustainability strategy implementation, which reports directly to the Chief Financial Officer. We also created an Executive Committee composed of the CFO, the Interim CEO and the Chief Culture Officer to support and give direction to the team while taking the first steps.

We addressed one major step in the evolution of the sustainability governance structure in early 2023 with a dedicated Board committee. Its purpose is to review and recommend objectives, policies, and procedures to the management and board of directors.

The committee will be required to oversee and formally approve the sustainability strategy definition following the Group vision and mission, monitor the compliance with applicable regulations, suggest the adoption of any relevant governance framework needed, and review the performance of strategic sustainability initiatives and/or targets to contribute to the Sustainable Development Goals agenda.

As reported in the "Risk Management and Internal Control System" section, we also plan to improve our risk management by extending our climate-related risk analysis in our business. We are willing to maintain a proactive approach to risk management and anticipate non-financial reporting normative requests of the countries where lastminute.com operates.

The Group will indeed start a path of alignment to the reporting guidelines of the Task Force on Climate-Related Financial Disclosure (TCFD[10]) and the changes expected to be introduced by the European Union with the adoption of the Corporate Sustainability Reporting Directive (CSRD[11]). Such a directive incorporates the concept of "double materiality[12]", which will impact how organisations report non-financial information.

The importance of data protection and cybersecurity

As a technology company handling large volumes of client data, cybersecurity and data privacy are of utmost significance to us. We collect and process millions of consumer personal data, such as names, payment card numbers, email addresses, and travel locations. Customers trust us with their personal information, knowing that it would be properly protected from misuse or unauthorised processing. The potential data breach and consequent losses suggest severe consequences for our

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[10] The TCFD has been established by the Financial Stability Board (FSB) to help investors, lenders, and insurance underwriters properly assess and price a particular
set of risks related to climate change. The TCFD published recommendations for financial disclosure connected to climate change in 2017 with the goal of assisting businesses in providing better data to support wise capital allocation.

[11] On December 16, 2022, Directive 2022/2464 of the European Parliament and of the Council of December 14, 2022, amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU, regarding Corporate Sustainability Reporting Directive (CSRD) was published in the Official Journal of the European Union. The Group will monitor how member states will transpire the Directive into national legislation.

[12] Reporting organisations will need to provide the information necessary to understand both the company's impact on key sustainability issues (impact materiality, so-called "inside-out" perspective) and how these issues affect the company's development, performance and positioning (financial materiality, so-called "outside-in" perspective).

clients, business partners, and ourselves. We are steadfastly devoted to protecting these as effectively as we can through a series of measures in compliance with the General Data Protection Regulation[13] ("GDPR"), and all other applicable laws such as:

- Implementation of data protection policies and security mechanisms.
- Introduction of guidelines about how employees must treat personal data.
- Setting of data protection contracts with third-party processors.
- Documentation of the company data processing activities.
- The recording, management and reporting of personal data breaches.
- The implementation of data protection impact assessments.

With the aim of ensuring our commitment to privacy and data protection across all the organisation, we have created an internal governance composed by different layers:

- THE DATA PRIVACY COMMITTEE (former THE RISK SUPERVISORY COMMITTEE) - It is the Board Committee appointed to finally oversee and approve processes and actions proposed and implemented by the Data Protection Officer ("DPO"), aimed at promoting data protection at Group level, in compliance with all applicable legislation and regulations.

- THE DPO OFFICE - This is a dedicated team of multidisciplinary experts led by the Data Protection Officer. It ensures that privacy risks are under control and that GDPR is implemented with continuous internal process improvements.
- THE GDPR CORE COMMITTEE - Composed by company leaders, it is in charge of supporting the DPO Office ensuring GDPR-related topics prioritisation company-wide, monitoring the GDPR Roadmap achievement, discussing strategies, and approving Policies related to personal data.
- THE PRIVACY CHAMPIONS TEAM - It is a cross-functional team. In all departments, there is at least one person with an in-depth knowledge of Privacy regulation (called "Champion") that helps the DPO office in the implementation of GDPR-related essential actions across the whole organisation.
- THE PRIVACY CUSTOMER CARE TEAM - It specialised in handling customers' privacy requests. It works in synergy with the DPO Office to satisfy every query and Data Subject Rights Request with a very tight and mandatory deadline to comply.

The Group has also developed a series of policies related to data privacy, which are detailed below:

- GDPR Policy
- GDPR Audit Policy
- Privacy by Design and default Policy
- Data Retention Policy
- Data Protection Master Policy
- Supplier Management Policy
- Technical security measures policy
- Risk Assessment policy
- Internet Network & Equipment Usage Policy
- Information systems access policy
- Physical Access Policy
- Incident Management policy
- Building Security standards
- Data Transfer Policy Ex EU Policy

The DPO Office is responsible for possible data breaches and reports them to the Data Privacy Committee. Warnings may come internally and externally (i.e. if a supplier does not respect Data Processing Agreements) and - as requested by GDPR - incidents are processed within 72 hours with

[13] General Data Protection Regulation (GDPR) - Regulation (EU) 2016/679

the help of any relevant department or external supplier involved. After the investigation is carefully carried out, and based on the severity assessment, the DPO Office decides whether to involve authorities.

In 2022, no identified incidents needed reporting to data protection authorities.

When issues are resolved, we use them as a lesson-learned to identify patterns and improve processes to develop long-term solutions. We worked on a dedicated program led by the DPO Office and overseen by the Data Privacy Committee to keep improving in this respect.

Beyond being compliant with local privacy regulations, including GDPR, we address the data privacy issue with our suppliers and in our training programs.

To guarantee control over how our suppliers manage personal data, we perform audits on the processes related to suppliers with a specific questionnaire both during the onboarding of suppliers and during regular activities. These also include security reviews and a Data Protection Impact Assessment (DPIA) is performed when necessary. (Refer to "Relationship with suppliers and business partners").

Moreover, we believe that prevention through awareness is at the core of data protection. For this reason, full privacy training has been developed and has become mandatory at least twice a year for all agents, internal and external. The course focuses on:

- how to perform an identity check
- how to recognise and manage Data Subjects Rights
- how to recognise and manage a potential data incident.

Moreover, all employees receive training on the main measures regarding privacy and information security, as well as cybersecurity. Not only do we provide training courses requested by law, but we also create bespoke training.

Cybersecurity

Cybersecurity is a fundamental ally of Data Privacy, because a safe cyber environment makes it harder for attackers to enter IT systems and cause damages such as data leakage. When it comes to cybersecurity governance, the Security Engineering Team is in charge of coordinating all cybersecurity activity, based on the principles of prevention, detection, and response, in collaboration with the DPO Office and all the other IT Teams.

IT Security objectives:

- Data protection: we safeguard our data at rest by tokenising any personal information kept in our databases, keeping track of permitted user access and activity, and examining both internal and external processes involved in data processing.
- Application and infrastructure protection: business services continuity is determined based on the level of cybersecurity guaranteed by the security measures implemented for applications and infrastructure.
- Internal/External fraud prevention: digital investigations to identify the underlying causes and strengthen the procedures to avoid the recurrence of financially significant frauds.
- Brand security reputation protection: monitor information that is available to the public (security indicators, social commentary, dark web discoveries, publicly accessible vulnerabilities, etc.) to ensure that none of our property or that of our partners can reveal problems that could jeopardise our security credibility.

As of 2022, our cybersecurity services are divided into three main categories:

- reactive services (i.e. Incident handling support 24/7, Remediation plan definition support, Malware and Phishing analysis, Digital Forensic and Incident Response support, Alerts triage and analysis)

- proactive services (i.e. Monitoring of the Exposed surface and Internal systems, Monitoring Threats actors and Vulnerabilities, Monitoring Cyber Security Reputation (3rd parties), Define/Support Roadmap for security improvement, Secure Development and Awareness Trainings)
- risk management and governance (i.e. Policies definition, Processes and Procedures reviews, Control Matrix, Regulatory Compliance, Internal Audit fulfilment and External Audit support, Strategic Planning)

Whistleblowing

In 2022 we improved our Whistleblowing process by adopting a new advanced system. Thanks to this tool - accessible through our corporate website in the Investors' section, Governance Documentation tab - it is now possible for every internal or external stakeholder to report any suspected illicit behaviour of public interest anonymously. The reporting person will be informed of the Board's position regarding the suspected irregularity within four weeks from the date of the internal report.

There were no incidents of corruption in 2022.

[D3 - Employees]

Diversity, Inclusion and Equal opportunities	Encouraging diversity and inclusion of underrepresented groups in the workforce. The term "diversity" can relate to many characteristics, including age, gender, religion, ethnicity and disability.
Health, Safety and Wellbeing of workers	Creating an environment that promotes our employees' mental and physical well-being.
Training and Development	Promoting the growth of technical and soft skills within the Group, as well as attracting and retaining talent.

Our people are the central axis of lastminute.com's business model. They are growth-drivers, as their thoughts and ideas are a constant source of progress.
As reported in our Code of Conduct, to support our people and their own individuality, we are following our company values:

- **Be Bold:** Make every second count. Grasp opportunities and take a chance.
- **Own it:** Do your best and don't be afraid of mistakes, embrace and learn from them. Then try again.
- **Be Yourself:** Celebrate your individuality and use it to create and inspire others around you.

"Engagement" in the workplace is an umbrella term to describe **the motivation**, **commitment**, **satisfaction** and **willingness** the employees feel towards their job and the organisation as a whole. A common belief is that engagement makes you likely to be **happier**, **healthier** and more **fulfilled** and more likely to deliver **better performance**, **contribution** and **innovation**. Engagement improves morale, reduces absenteeism, increases productivity and helps retain talent. It is not about benefits and bonuses, it **is feeling part of a successful business and** strengthening our culture to become the best company we can be.

On 31 December 2022, the lastminute.com Group workforce had **1587 employees** representing **59 different nationalities**, with **almost a 50/50 split of men and women**. We have always favoured creating enduring and reliable working connections; nearly all of our people **(99%) have permanent contracts**, and **97% work full-time.** This demonstrates our commitment to job stability and quality of work.

Our international footprint (shown in the following table) sees employees split across eight countries. A total of 64[14] workers who are not employees have worked for the lastminute.com Group across Europe (specifically in Germany, Italy, Poland, Spain and, most of all, Switzerland).

Employees[15] divided by type of contract (permanent/fixed term[16]), gender and geographical regions for FY 2022

	Women			Men			Grand Total
Country	**Permanent**	**Fixed-Term**	**Total**	**Permanent**	**Fixed-Term**	**Total**	
France	16	-	16	9	-	9	**25**
Germany	31	3	34	30	-	30	**64**
India	115	-	115	172	-	172	**287**
Italy	51	4	55	86	2	88	**143**
Poland	16	-	16	30	-	30	**46**
Spain	312	3	315	179	1	180	**495**
Switzerland	187	-	187	285	-	285	**472**
UK	32	-	32	23	-	23	**55**
Grand Total	**760**	**10**	**770**	**814**	**3**	**817**	**1587**

Employees[17] divided by type of contract (full/part time), gender and geographical regions for FY 2022

	Women			Men			Grand Total
Country	**Full-Time**	**Part-Time**	**Total**	**Full-Time**	**Part-Time**	**Total**	
France	16	-	16	9	-	9	**25**
Germany	28	6	34	29	1	30	**64**
India	115	-	115	172	-	172	**287**
Italy	48	7	55	88	-	88	**143**
Poland	16	-	16	30	-	30	**46**
Spain	301	14	315	179	1	180	**495**
Switzerland	176	11	187	282	3	285	**472**
UK	28	4	32	22	1	23	**55**
Grand Total	**728**	**42**	**770**	**811**	**6**	**817**	**1587**

[14] Data at 31.12.2022. The data involves interns, agency workers and consultants. Data related to outsourced agents are omitted due to unavailability: our agreement with outsourcers, in fact, is not based on headcounts but on service coverage.
[15] Head count at 31.12.2022. External workers are not counted.
[16] Temporary employees as defined by GRI Standards 2021. In the course of FY 2022, the category of contract non-guaranteed hours employees has not been found for any entity belonging to lastminute.com group.
[17] Head count at 31.12.2022. External workers are not counted.

Diversity, Inclusion and Equal opportunities

As mentioned, one of our main values is "Be Yourself", which means celebrating diversity and individuality, and treating everyone as equal. We are proud to be an international business with a variety of different people, languages, and cultures.

We want to create a network of diverse talent that is able to understand consumer needs, innovate, and steer the industry's evolution. For all these reasons, diversity, equity, and inclusion are vital pillars of the lastminute.com corporate culture.

DIVERSITY
Refers to anything that sets one individual apart from another. In the workplace, it means that the workforce is composed of people with different backgrounds and characteristics.
A company that embraces diversity works against discriminatory practices and guarantees equal opportunities for its employees, regardless of who they are.

EQUITY
This means providing everyone fair access, equal opportunities, resources and a chance to thrive in a respectful environment. At the workplace, equity offers people the same chances to develop and contribute — regardless of their identity.

INCLUSION
There are typically three elements of inclusion, especially in a work environment: belonging, respect, and support. Belonging is one's perception of acceptance, respect is the extent to which someone feels they are being treated with civility, and support is the level at which one is provided the means to achieve their full potential.

We welcome and celebrate differences. In a complicated, global, and interconnected world, we see distinctions based on gender, age, culture, ethnicity, sexual orientation, and other diversities as powerful advantages that enrich our company culture and principles and serve as a business necessity.

We believe that stereotypes adversely affect people in the working environment and can prevent everyone from achieving their full potential. At lastminute.com, our annual survey focuses on employee engagement and well-being.

In 2022 we included "Diversity, Equity, and Inclusion", for the first time. The DE&I questions aimed to understand employees' perception of such a complex topic and their opinion on how lastminute.com was managing it, to identify our rooms for improvement. The results were very positive. The majority expressed a favourable opinion towards how diversity, equity, and inclusion were integrated into the company culture. We take these results as a springboard for proactively developing new DE&I actions in the future.

While the presence of men and women within our Group is almost 50/50, the gender distribution varies significantly across different professional categories. For example, Product, Tech & Data are predominantly composed of men (over 80%), while women represent a majority of the workforce in all the other categories. This has occurred naturally following trends in the labour market where technology and development roles historically have more male applicants with an academic and professional background in line with selection requirements.

Travel technology is our core business, so hiring highly professional talent with cutting-edge skills is paramount. With Tech skills scarce, employees specialising in this area have a higher average remuneration compared to other roles with the same seniority. Market dynamics, coupled with the scarcity of female candidates described above, affect our Group's overall gender pay gap.

Executives & Business Leaders data shows a gender pay gap due to a combination of factors: geographical distribution, seniority and career level, and the breadth of responsibilities in some posts, currently held by men.

A negative gender pay gap is visible in the Customer Care professional category, mainly due to the geographical distribution of the employees, as many men were hired in a country with lower average remuneration.

Regarding the employees' distribution by age group, we have a very diversified workforce with a majority of employees (55%) under 35. We strongly support the growth of talented people in our business, as reflected by the fact that 71% of our business leaders are under the age of 45.

Employees[18] divided by professional category, gender and age group for FY 2022 [in n]

Professional category	By gender		By age group					Grand Total
	Women	Men	Below 25	25-35	36-45	46-55	Over 56	
Employees & Middle Managers*	**742**	**747**	**115**	**756**	**481**	**124**	**13**	**1489**
Business Units	245	137	21	200	123	35	3	**382**
Corporate & Staff Functions	127	68	3	89	77	25	1	**195**
Customer Care	290	207	77	239	134	40	7	**497**
Product, Tech & Data	80	335	14	228	147	24	2	**415**
Executives & Business Leaders**	**28**	**70**	**0**	**10**	**60**	**20**	**8**	**98**
Business Units	9	14	0	6	12	4	1	**23**
Corporate & Staff Functions	12	17	0	1	18	4	6	**29**
Customer Care	2	1	3	0	1	2	0	**3**
Product, Tech & Data	5	38	0	3	29	10	1	**43**
Total	**770**	**817**	**115**	**766**	**541**	**144**	**21**	**1587**

*The category includes employees with junior to middle management roles
**The category includes senior and top managers and senior professionals with relevant roles in defining and coordinating the implementation of the Group strategy

Employee[19] rate on total divided by professional category, gender and age group for FY 2022 [in %]

Professional category	By gender		By age group					Total
	Women	Men	Below 25	25-35	36-45	46-55	Over 56	
Employees & Managers	49.8	50.2	7.7	50.8	32.3	8.3	0.9	100.0

[18] Head count at 31.12.2022. External workers are not counted.
[19] Head count at 31.12.2022. External workers are not counted.

Business Units	64.1	35.9	5.5	52.4	32	9.2	0.8	100.0
Corporate & Staff Functions	65.1	34.9	1.5	45.6	39.5	12.8	0.5	100.0
Customer Care	58.4	41.6	15.5	48.1	27.0	8.0	1.4	100.0
Product. Tech & Data	19.3	80.7	3.4	54.9	35.4	5.8	0.5	100.0
Executives & Business Leaders	28.6	71.4	0.0	10.2	61.2	20.4	8.2	100.0
Business Units	39.1	60.9	0.0	26.1	52.2	17.4	4.3	100.0
Corporate & Staff Functions	41.4	58.6	0.0	3.4	62.1	13.8	20.7	100.0
Customer Care	66.7	33.3	0.0	33.3	66.7	0.0	0.0	100.0
Product. Tech & Data	11.6	88.4	0.0	7.0	67.4	23.3	2.3	100.0
Total	48.5	51.5	7.2	48.3	34.1	9.1	1.3	100.0

Employees[20] Gender Pay Gap for FY 2022

Professional category	Pay Gap*
Employees & Middle Managers	**24%**
Business Units	15%
Corporate & Staff Functions	10%
Customer Care	-34%
Product, Tech & Data	21%
Executives & Leaders	**24%**
Business Units	23%
Corporate & Staff Functions	33%
Customer Care	42%
Product, Tech & Data	35%

[20] Head count at 31.12.2022. External workers are not counted.

Grand Total	**31%**

*Calculated by dividing the difference between women's average salary and men's average salary for men's average salary, and the result was multiplied for 100. The salary includes the base remuneration plus bonus.

Health, Safety and Wellbeing

Ensuring health and safety to our employees working from anywhere in the world is a top priority. All employees receive mandatory training as requested by law in the countries where we operate. We also make specific informative material (e.g. absences due to sickness, injuries and needed assistance) accessible in the Group Intranet. This aspect is particularly important as our workforce is mostly hybrid and in certain cases full-remote.

We ensure that all our employees are covered by accident insurance, complying to all local regulations. We also provide our staff global travel insurance when they are travelling in their free time.

Despite our business not being particularly subject to work injuries, due to its office-based nature, in the next year lastminute.com Group will implement improvement to harmonise quantitative data management at Group level. During FY 2022, this was managed by local Health & Safety functions.

Welfare

Wellbeing has a strong influence on productivity, and a strong dependency on belonging and engagement. Our employees can take advantage of some exclusive benefits, such as:

- Our entire collection of flights and hotels with zero commission.
- Flash exclusive staff fares on flights, hotel stays and flight + hotel dynamic packaging bookings.
- Great savings on products like priority boarding and insurance.
- Package prices - without the package - for flights and hotels.

These offers are also valid for employees' families (unlimited commission-free travel bookings) and friends (ten commission-free travel bookings). Moreover, we give our employees the chance to take advantage of our partners and ancillaries' deals on airlines and hotel chains, car rental and transfers, travel insurance. We also offer free and discounted tickets for a spin on the London Eye and various local offers, such as gyms, physiotherapy, airport parking and more.

Remote working

The way companies work has radically changed in the last three years. As an agile and international group, we have been pioneers of smart-working. Our employees already used to work-from-home before then. When the pandemic hit, we scaled up working from home overnight with no loss of productivity. This agility also helped us navigate this whole new way of working.
For all our efforts in this sense, we won the Remote Working Award from Workplace by Meta in 2020, thanks to our ability to keep our pink people engaged and committed wherever they were in the world. This is the attitude we are taking forward.

For us, smart working means adopting a comprehensive and strategic approach to flexibility that prioritises autonomy and a result-driven management style. Our aim is to grow into an even better workplace, promoting engagement and productivity to keep attracting and retaining a large and varied talent pool.

All this can be achieved by striking a balance between promoting meaningful in-person moments and giving our people the chance to choose where, when and how they want to work.

In compliance with local laws, our employees can choose to work onsite (Full Office Working), to balance home working with office days (Hybrid Working) or Full Remote Working.

Regarding Full Remote Working, we have developed an ad hoc policy. According to such policy, Full Remote Working is a permanent, contractual arrangement allowing employees to work from their home address or another agreed specified location. When working remotely, however, the employee must guarantee company data security, take all reasonable steps to ensure the confidentiality and security of lastminute.com information as outlined in the **Smart Working Security Policy** and take care of their own health and safety, agreeing to the practices and requirements stated by the contracted country.

Health and safety practices also have a mental dimension. Remote employees may feel isolated from the rest of the company, as the common sense of belonging and shared purpose can easily get lost when working far from the office. Moreover, remote-hybrid work brings the need for individualised support to the forefront, and the managers are best positioned to provide this kind of support by providing clarity on priorities.

We want our employees to feel good and care about their mental health and we really want them to rely on us: we strongly recommend talking with our HR People Team about any negative feelings related to home working, so we can provide support. Furthermore, we provide tips about mental health and wellbeing on our Group Intranet.

Performance Management & Training and Development

Our people are the real engine of our growth: we want to keep empowering them - both those working remotely and in-person - to improve and succeed. We value training and development and promote performance management, as developing new skills and feeling recognised are powerful motivators. We believe it is essential to provide room for self-growth, set clear expectations, smart goals and continuous feedback.

We are promoting continuous improvements in this respect, as further explained below.

Talent acquisition

We want our people to share their own expertise also externally, so we are always eager to take part in relevant events, both as sponsors and as guests, such as university career days, industry conferences, and tech seminars. These are all great occasions both to present our brand and our company as a potential good employer.

When the travel sector started to get back to pre-covid levels, our hiring rate boosted. In 2022 we registered 754 new hires and 326 terminations. This latter category includes employees who left the group voluntarily, those whose contract expired, those who were dismissed, who failed to pass the probation period or retired. This gives our group an incoming rate of 47,5%, which is higher than the outgoing rate (20,5%).

New hires[21] divided by gender, age group and geographical region for FY 2022

New hires [n]								
Country	By gender		By age group					Total
	Women	Men	Below 25	25-35	36-45	46-55	Over 56	

[21] External workers are not counted.

France	1	3	1	2	1	0	0	**4**
Germany	16	9	1	11	8	3	2	**25**
India	109	153	99	135	26	2	0	**262**
Italy	44	64	4	62	35	7	0	**108**
Poland	6	10	3	7	6	0	0	**16**
Spain	208	74	34	147	77	21	3	**282**
Switzerland	17	35	5	36	10	0	1	**52**
UK	3	2	0	2	0	3	0	**5**
Total	**404**	**350**	**147**	**402**	**163**	**36**	**6**	**754**

Outgoing employees[22] divided by gender, age group and geographical region for FY 2022

Turnover [n]								
Country	**By gender**		**By age group**					**Total**
	Women	**Men**	**Below 25**	**25-35**	**36-45**	**46-55**	**Over 56**	
France	3	3	0	4	1	0	1	**6**
Germany	10	5	0	9	2	2	2	**15**
India	25	26	17	29	4	0	1	**51**
Italy	18	12	2	14	12	2	0	**30**
Poland	2	6	1	1	5	1	0	**8**
Spain	115	40	11	73	51	18	2	**155**
Switzerland	10	40	1	30	15	4	0	**50**
UK	4	7	0	5	3	3	0	**11**
Grand Total	**187**	**139**	**32**	**165**	**93**	**30**	**6**	**326**

[22] External workers and internal transfers were excluded.

New Hires rates[23] divided by gender, age group and geographical region for FY 2022

New Hires rate [%]								
Country	By gender		By age group					Total
	Women	Men	Below 25	25-35	36-45	46-55	Over 56	
France	6.3	33.3	N/A	20.0	8.3	0.0	N/A	16.0
Germany	47.1	30.0	100.0	40.7	29.6	42.9	100.0	39.1
India	94.8	89.0	125.3	83.3	61.9	50.0	N/A	91.3
Italy	80.0	72.7	400.0	86.1	64.8	46.7	0.0	75.5
Poland	37.5	33.3	60.0	29.2	42.9	0.0	0.0	34.8
Spain	66.0	41.1	141.7	63.9	43.3	36.8	50.0	57.0
Switzerland	9.1	12.3	100.0	16.1	5.3	0.0	12.5	11.0
UK	9.4	8.7	N/A	11.8	0.0	30.0	0.0	9.1
Total	52.5	42.8	127.8	52.5	30.1	25.0	28.6	47.5

Turnover rates[24] divided by gender, age group and geographical region for FY 2022

Turnover rate [%]								
Country	By gender		By age group					Total
	Women	Men	Below 25	25-35	36-45	46-55	Over 56	
France	18.8	33.3	N/A	40.0	8.3	0.0	N/A	24.0
Germany	29.4	16.7	0.0	33.3	7.4	28.6	100.0	23.4
India	21.7	15.1	21.5	17.9	9.5	0.00	N/A	17.8
Italy	32.7	13.6	200.0	19.4	22.2	13.3	0.0	21.0
Poland	12.5	20.0	20.0	4.2	35.7	50.0	0.0	17.4
Spain	36.5	22.2	45.8	31.7	28.7	31.6	33.3	31.3

[23] The New Hires rates are calculated by dividing the number of new hires recorded in 2022, by the number of employees, by gender and geographical area at 31 December 2022

[24] The turnover rates are calculated by dividing the number of terminations recorded in 2022, by the number of employees, broken down by gender and geographical area at 31 December 2022.

Switzerland	5.3	14.0	20.0	13.4	7.9	8.7	0.0	10.6
UK	12.5	30.4	N/A	29.4	12.0	30.0	0.0	20.0
Total	24.3	17.0	27.8	21.5	17.2	20.8	28.6	20.5

Performance management

Creating opportunities for personal growth and development is key to making our people feel empowered to succeed. Our 'Power Up' performance management process goes in this direction, asking our employees to set their main goals and to set-up regular conversations around personal performance and development with their managers.
The programme is continuously evolving: in 2022 we launched a feature allowing managers to ask peers to provide feedback on their colleagues' performance.

The performance review process is run annually and includes two "touch-points" occurring every six months[25]. These two key moments are structured in the following steps:

1. **Prepare**: we start with a moment of self-reflection, where the employee carries out a self-rating based on individual performance goals (both qualitative and qualitative), weighs on achievements & challenges, and proposes new individual performance and development goals to focus on in the next six months. Following that, managers go through a management review: they rate employees' individual performance and confirm or define new performance and development goals that employees need to focus on.
2. **Meet & Wrap Up**: a one-to-one performance conversation to celebrate past work and agree on Individual Performance and new development goals, if needs have changed.

At the end of the year, between these two steps, a Calibration process also takes place: the HR Business Partners meet with the Leadership Team first line to ensure awareness and consistency given within the functions, according to a set of standards.

The majority of eligible employees have received a performance management review during FY 2022.

Number and percentage of employees[26] who received a performance review during the two review cycles of FY 2022

April-May cycle		
Number of eligible employees	Number of employees who received a review	%
1,212	1,006	83.0
October-November cycle		

[25] The first touchpoint, which usually happens between April and May, takes into consideration all the information about employees' performance gathered six months earlier, so usually in November of the previous year.
[26] External workers are not counted.

Number of eligible employees	Number of employees who received a review	%
1,455	1,443	99.2

This 2022 End Year Performance Review was focused on updating performance ratings and the definition of individual goals. More specifically, we have reframed a new Performance Rating Scale to make it more meaningful and reinforce the different shades of positive performance to make appropriate assessments. The new scale goes from 1 (which means that the employee is consistently not meeting expectations and, therefore, a performance improvement plan is needed) to 5 (which means that the employee is consistent, exceptional performance recognised, not only by their own team, but also other teams/departments).

In addition to that, inspired by our values, we have defined six core competencies that our employees have to refer to when defining their development goals:

- Strive for Success: demonstrating a desire to succeed and concentrating efforts on achieving important goals and favourable results for oneself, one's team, and the company.
- Problem Solving: anticipating, recognising, taking responsibility for, and clearly identifying problems by proposing fixes or fresh approaches to tasks, being creative and inventive.
- Collaboration: promoting a spirit of cooperation and working well both internally and externally with others to achieve goals and act in the best interests of the company.
- Influence Others: affects the actions, behaviours or opinions of others, building consensus and reaching a common agreement by being attuned to everyone's needs.
- Empathy: recognising and comprehending one's own traits and their influence on attaining goals, including one's strengths, places for improvement, and other traits.
- Motivate & Inspire People: motivating by proactively taking responsibility for tasks, in a timely manner, and making fair decisions.

We know that people want to know how they can advance as professionals within the organisation, what skills they should develop, what their career prospects are, what is expected of them in their roles, and what fair compensation and benefits are. They also want to know that they are improving and that their progress is being recognized. In the attempt to give an answer to those needs, we developed a framework called **Career Ladder,** meant to support meaningful conversations around the expectations of each role, and to show how to plan for the next stop in our career journey.

As a further step in the development of this tool, in 2022 we improved the framework for some technical profiles. The framework is based on five axes, represented in a radar chart, that show the different perspectives and expectations of a given position for each field:

- Technology: knowledge of the tech stack and tools
- Influence: scope of influence
- Business: knowledge of the business
- People: relationship with the team(s)
- Processes: level of engagement with the development processes and mindset

Training

We believe that professional learning and development is a competitive advantage for any role and company, as well as a key driver of engagement for our people. We have a specialised team of Learning & Development experts, fully dedicated to identifying development needs and designing the right learning strategies to best support our employees' development and performance.

We provide in-presence training as well as digital content through our e-learning platform focusing on three macro-groups:

- Legal & Compliance training - mandatory by law (legal, GDPR, Health & Safety,etc.)

- Soft skills development training (communication, problem solving, etc.)

- Specialist & Technical trainings (business and role specific)

Type of training	Percentage of hours of training*[%]
Legal & Compliance	4.5
Soft Skills	1.2
Specialist Training	84.3
Technical Training	10

*The percentage of hours of training are calculated on the sum of hours of training for each category of training divided for the total hours of training completed during FY 2022.

Average hours[27] of training completed by employees divided by gender and job category for FY 2022

Professional category	Women	Men	Total
Managers & Employees	**58,9**	**51,2**	**55,0**
Business Units	34,1	23,1	30,2
Corporate & Staff Functions	9,2	6,8	8,3
Customer Care	113,3	121,0	116,5
Product, Tech & Data	16,4	28,6	26,2
Exec & Business Leaders	**6,7**	**15,3**	**12,8**
Business Units	3,6	10,8	8,0
Corporate & Staff Functions	6,5	4,3	5,2
Customer Care	4,6	0,0	3,1
Product, Tech & Data	13,2	22,3	21,2
Total	**57,0**	**48,1**	**52,4**

[27] The average hours of training are calculated by dividing the number of hours of training recorded in 2022, by the number of employees, by gender and professional category at 31 December 2022. Ad personam trainings exceeding 500 hours have been omitted in order to do not affect the average

Every employee needs some breathing space and time to properly focus without distraction. This is why we created our “FriYAYs”. On Friday mornings, people are encouraged to keep the morning meeting-free and make room for deep work and/or learning and development.

Moreover, we promote interaction and good exchange among colleagues with three different periodic meetings:

- **Communities of Practice (CoP):** members that share common interests across the Group can connect on a voluntary basis and join forces to share knowledge, coordinate global changes, create guidelines and best practices that solve common concerns. We now have two communities in place: one related to Frontend development, one related to Product.
- **LM Talks:** informal short meetings (5 to 40 minutes long) devoted to sharing knowledge on multiple topics and fields. Everybody in the company is invited and attendance is optional: our employees join based on their interests.
- **Coding Dojo:** during these meetings experts of coding get together to work on programming challenges. Usually, the attendees work in pairs in separate breakout rooms for a given amount of time, then meet at the end for a short retrospective. The Coding Dojo is open to any Software Engineer in the Company, and happens every week.

Since it is the core topic of our business, during FY 2022 we gave an extra focus on training initiatives related to Technology. For example, we have created an internal Tech blog in which employees can post information and news regarding Tech topics in order to keep themselves always updated.

Moreover, we subscribed to an e-learning platform owned by one of the biggest tech publishers in the world: through the platform, our employees have access to several tech publishers, interactive learning and live sessions with experts.

Lastly, we are receiving support from a renowned technology consultancy that is organising bespoke coaching, training, and mentoring sessions aimed at improving the skills and the methodology of our tech teams.

SPECIAL REPORT:
Working in Travel Tech at lastminute.com? It’s all about the <Alt>itude

Investment in innovation has always been crucial to lastminute.com’s relentless digital focus over the last 25 years. And the people who drive our innovation are at the heart of that drive for online excellence.

Following the biggest technical recruitment drive in our history in 2021 and 2022, we felt it was the right time to bring our travel tech team together. We wanted to give our 100 new developers and data experts the chance to discover what being part of the “pink people” was really all about.

With our 400-strong team distributed across Europe and India, we decided to hold our first-ever bespoke Product & Tech Camp in November in Barcelona. There the teams got the chance to share knowledge, bond, and build trust to enable them to work even more closely together in the future.

The four days were packed with: a plenary session about the vision and strategy from senior leaders, team activities, an Open Space conference, and several social moments.
Attendees also took part in a beach clean-up activity organised by our Sustainability and Social Responsibility team for the Oceans and Rivers Protection Project.

The driving force behind the event in her role as **People and Culture Business Partner for Technology, Raffaella Rossini,** said sharing best practices was crucial to a brand that reaches millions of consumers worldwide via its digital platforms every month.

She said: *"The camp was a huge success and we believe these opportunities for individual and collective growth for our people are crucial in retaining our talent. It was an enriching and rewarding experience also for me personally. Technology was the launchpad for our business 25 years ago and it remains at the heart of what we do now."*

We were delighted to put together the camp with our event partners which included Sabre, AWS, Piksel, Bip Openknowledge, Netribe Group, Dative.io, Gruppo E and Thoughtworks. Other colleagues attending came from our digital marketing hub in Barcelona, which alongside our digital hub in Bilbao and office in Madrid, brings a strong tech presence in Spain.

Raffaella added: *"Helping to organise our first Product and Tech Camp together with a handful of colleagues saw a lot of work, and love, go into preparing the Camp, and it showed: the attendees provided great feedback ("I am enjoying every minute" is one that I'll never forget), and the execs who thought that the time was right to run such an event for that audience were happy with the outcome."*

[D4 - Customers]

Material Topics Addressed in this chapter

Customer management	Taking care of our customers before, during and after their trip, providing a high-quality experience throughout the overall customer journey.
Promoting sustainable tourism	Actively reducing the negative environmental and social impact of tourism through the promotion of alternative ways of travelling and collaboration with more sustainable business partners.

Customer journey and customer service

Customers are at the heart of everything we do, and making sure they enjoy the best travel experience possible is a business imperative. They are both looking for smart technological platforms and personalised assistance: a balance of digital freedom offering virtually unlimited travel choice with a human touch, whether for expert advice or help when things don't go to plan.

After years of travel disruption, customers show more anxiety than ever before about their travel schedule and related services. Their demand for an always more efficient and effective customer care service is front and centre of our customer strategy and objectives.

This objective has been pursued with an all-rounder program of activities: scaling up our customer care structure, streamlining our internal processes, leveraging on new streams of automatization, activating new services, and continuously improving based on our customers` feedback.

In-housing investment

During 2022, we invested in the enlargement of our internal customer care structure with an extensive recruiting programme. We switched from a mainly outsourced customer care to a predominantly in-house team in order to better train our people and therefore provide a better service to our customers. Today our customer care team counts more than 1000 trained internal and external agents across seven countries, covering different languages and time zones. 56% of our customer care cost base is now insourced, compared to just 23% in 2019. This switch especially impacted our customer service hubs in Spain and India.

Streamlining for success

In 2022 we streamlined our internal processes and created the **One Contact Resolution Initiative**. The project was to ensure customer requests were managed by a solution within the perimeter of the first contact, improving efficiency, avoiding reworking and reducing the call's Turnaround Time (TAT)[28]. To do so, we focused on four main improvements:

- Reorganised our teams to integrate front-office customer management with back-office tasks managers, adopting an end-to-end approach towards customers' requests;
- Managed voluntary change requests from customers, we introduced a new tool that automatically recalls customers and connects them with the agent, avoiding time spent waiting in the queue from both sides;
- Shifted a large share of inbound Customer Service contacts from the telephone to the Live Chat channel in most countries[29] and for most of our products[30], with an overall increase of chat usage over the telephone by 31% from May to December 2022.

Davide Mara, Planning and Strategy director for customer operations, said the efforts had "delivered meaningful improvements" and allowed them to take advantage of new technology, such as AI ,for handling some requests.

He added: "The instant translator has helped overcome language barriers and allowed better request routing to specialised agents. Response time has improved as agents now handle up to three contacts simultaneously. By investing in team development, creating a dedicated knowledge-sharing database and introducing a job rotation program, we have been able to boost talent, improve skills, and encourage personnel".

The power of listening

Learning from customers' feedback is a surefire way of improving services. Listening builds loyalty, *so we* set a great store in our **Voice of the Customer (VOC)** initiative, through which we have an extended program of surveys aimed at understanding the satisfaction level of our services throughout the customer journey.

We send our clients bespoke surveys in order to explore customers' experience with the many steps of interaction they have had with our customer service. More specifically, we aim to assess:

- The quality and courtesy of the customer management following a request made through the different channels (email, call and chat).
- Effectiveness of interaction and customer satisfaction after an issue management.
- Customer satisfaction related to claims management.

[28] Total time required from the customer request submission to the final solution.

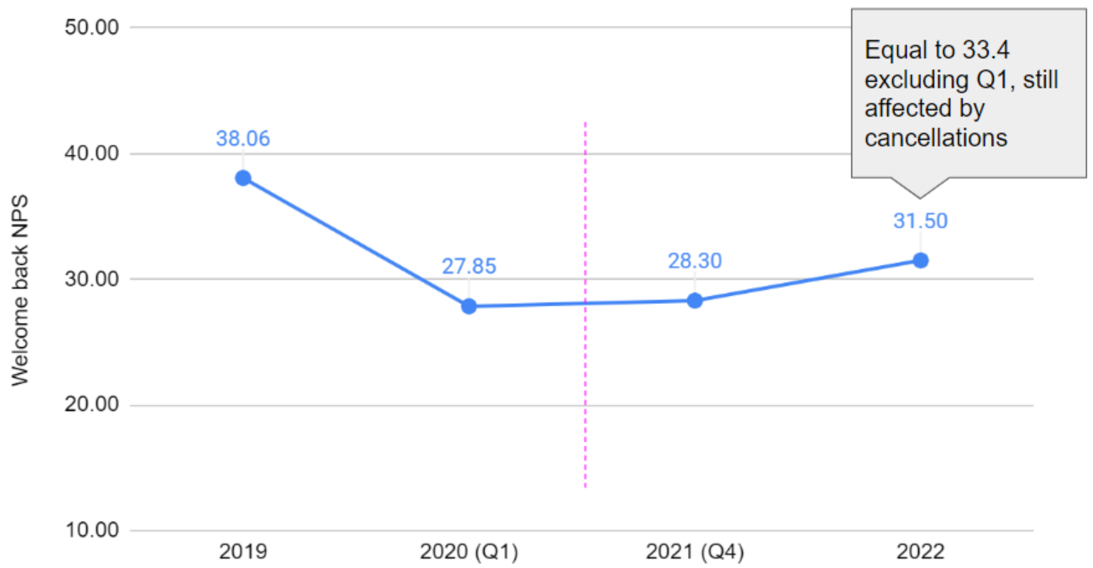
[29] Italy and Sweden are for the moment out of scope due to local regulations.

[30] Tour Operators products have been excluded from scope in 2022.

- Effectiveness of the services to customers logged in to their personal page on the website.

As a final verification of the overall experience, we send what we call the “Welcome Back” survey. This is our main KPI to understand customer satisfaction and the willingness to recommend our brand.

Based on this survey results, we calculated our Net Promoter Score[31]: in 2022 it has been on average 31.5, or 33.4 if we exclude the first quarter - still heavily impacted by cancellations - on the way back to pre-pandemic levels.



Thanks to all the initiatives reported above, from April to December 2022 we have consistently decreased the average Turnaround Time of the post sales[32] requests, significantly exceeding our internal targets. Moreover, the average abandon rate registered in 2022 for phone calls was below 4%, and below 4.5%[33] for live chats.

Such achievements gain even more value, considering the fact that they took place in a situation of increasing complexity due to new threats (i.e. airport/airlines disruption) and a general higher customer anxiety that pushes for quick replies, contacting more than one channel at a time.

Special Projects

The Terminal Project

Timing is crucial when customers need help. In the summer of 2022, many major European hub airports struggled with increased passenger numbers due to strikes and labour shortages. Thousands of flights were delayed or cancelled every week, disrupting travellers’ plans.

The Terminal Project took off in August 2022. It provided guidance and assistance to our customers on the departure day by prioritising their calls and sending them customised communication through our Chat support. We dedicated experienced agents to support customers in finding alternative options. We also created a dedicated FAQ page with information about airport cancellations.

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[31] metric that involves subtracting the percentage of detractors from the percentage of promoters collected by asking to rate how likely customers would be to recommend a brand. Values can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).

[32] In such figures the following services are excluded: refunds and claims which are processed with dedicated queues.

[33] Percentage calculated from April to December.

All Night Long
We leverage technology to give our customers in need the highest priority. During 2022 we revamped our 24/7 service, which had suffered a setback during the pandemic, starting in the UK market and extending it to all our main markets in autumn 2022. By spring 2023, we will service them all.

Claims Management

We always do our best to ensure our customers are happy and satisfied with our products and services, but things can go wrong. In 2018 we set up an internal specialised team focused on claims management. Since then, we have grown the team to one hundred expert employees.

Customers can contact us through channels targeted at different use cases. Some quick requests can be held on chat or customers can reach us through standard channels (phone and email). We also collect 'escalated requests', notified through lawyers, consumer associations, and internal contacts. Our ticketing tool system automatically dispatches the request based on criteria.

Once dispatched, our dedicated team assesses it, then staff reach out to the customer and start an investigation to understand the nature of the claim and possible causes. We contact them again to inform them about the possible solutions.

In 2022 we recorded 90.764 complaints[34], of which 99% were dealt with by the end of December 2022. The remaining ones completed at the start of 2023. Our claims rate is 1.65% - if we consider the number of bookings[35] affected by a claim - or 0.78 complaints per 100 customers, as a benchmark with other players in our industry. Our claims Turnaround Time shows an average response to claims in 13 days, abundantly below any regulatory requirement.

The list shows the first cause for the claims registered during 2022 concerns complaints related to providers' issues. We make an extra effort to guarantee full assistance to our customers, even when it's a third party issue and is not under our direct responsibility.

Main reasons for claim in order of number:

- Providers Issues (i.e. No booking on arrival, hotel standard, car, transfer…)
- Voluntary Cancellation & Change
- Refunds (i.e. Refund waiting time, value of the refund)
- Baggage & Extra Service
- Vouchers Management (i.e. Voucher extension request, cashback, etc)
- Others

CRUISE CUSTOMER MANAGEMENT

Our Cruise business was born with a highly ambitious goal: to develop a web platform dedicated to the world of cruises providing best-in-class service technology.

Available in Italy, Spain, and France, our website features all the information on ships, types of cabins, companies and itinerary and is updated daily with the latest offers from the cruise companies available.

[34] The total number of complaints is referred to 73,129 unique bookings.
[35] The calculation considers all the bookings that can generate a claim, independently from their status in 2022.

The real added value of our cruise business is our cruise consultants, who personally visit the ships and are constantly available to help customers choose and book cruises according to their needs and preferences. We also have a dedicated post-sale customer care service which provides assistance and information from booking to boarding.

The cruise sector registered a strong recovery in March 2022, so we doubled the resources dedicated to customers in two months and extended the front-office opening to seven days per week.

We are always committed to helping customers at our best and are especially careful with claims management. Claims can be sent via email to a dedicated address or through institutional channels (e.g. lawyers or consumer unions). In 2022 we received 180 claims from 136 unique customers. Of those claims, 92.2% were closed at the end of 2022, and 100% have been closed by the publication of the current report. The main reasons were disruptions of the shipping company (for which we act as intermediaries) or complaints related to cancellations and refunds of Covid vouchers.

Our path towards the Sustainable Tourism

Sustainability has become a topic of primary relevance on the public agenda. An increasing number of research pieces and academic papers show a general increase in awareness of environmental and social issues. Holidaymakers are showing interest in a more conscious approach to travel. As part of the global travel community, we believe we have a duty to innovate the industry.

We are an asset-light company - we don’t own aircraft, hotels or other tangible assets. Our direct impact on the environment and local communities is limited, but we believe we can have power. As intermediaries and travel organisers, we can do our part by leveraging our websites’ audience. We are still at the very beginning of this path, but in 2022 we published sustainable travel-related content on our META platforms, promoting environmentally-friendly destinations and alternative transportation and providing tips on being a responsible traveller.

We created 69 web pages in 8 different languages across 23 countries, while on the App we took advantage of our latest content feature, the Travel stories. Among the first profiles released, we inserted one dedicated to Ecotourism.

Furthermore, in connection with our partnership with the Tour de France, we created 85 articles published in 8 markets aimed at inspiring travellers with a focus on cycling holidays and alternative mobility, suggesting how and where to travel with a bike, and sharing tips from cycling experts and travel writers.

In 2023 we plan to develop our approach to sustainable tourism in two ways:
- We will create a dedicated information hub to inspire and educate our customers through landing pages, newsletters and editorial content.
- We will develop a CO2 calculator to ensure our customers are aware of the environmental impact of their trips, and we will provide a range of choices in this respect.

[D5 - Environment]

Material Topics Addressed in this chapter

Energy and emissions management	Active management and reduction of negative environmental impact related directly and indirectly to company activities.

We want to help people make unforgettable memories while travelling the world and because of that, we're committed to play an active role in protecting our planet and fighting against climate change through concrete actions. Reducing our direct energy use and greenhouse gas emissions, as well as involving our workforce in our environmental protection projects are priorities in this sense.

As a tech company, we think that technology can be a powerful force for good. Even though our core activities have a relatively low impact, in 2022 our Group engaged in a series of activities aimed at assessing our environmental footprint and developed a structured plan to make our business more sustainable. Our assessment focused on three main areas: CO2 emissions calculation, initiative for circular economy, and engagement for awareness.

The Group's Carbon Footprint

Our journey aimed at reducing our direct and indirect emissions kicked off with quantifying emissions connected to our operations and continued with the definition of specific reduction targets for future years and related KPIs to monitor the process.

This assessment was to define specific actions to meet the goals of the Paris Agreement on climate change. We worked with a leading solution provider using certificated cloud-based software. The reporting perimeter of analysis included our parent company, lastminute.com N.V., and its fully consolidated subsidiaries with a calculation, based on guidelines from the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). Primary data on the group's consumptions were collected whenever possible, and when not, secondary data from credible sources were used. The conversions performed for the emission calculations are based on the following sources: DEFRA 2021 and Ecoinvent 3.8 2021. Emissions were measured in CO2 equivalents (CO2e[36]).

[36] This indicates that, in accordance with the Intergovernmental Panel on Climate Change Assessment Report, all important greenhouse gases were accounted for in the calculations. These include nitrogen trifluoride (NF3), sulphur hexafluoride (SF6), methane (N2O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and carbon dioxide (CO2) (NF3).

The calculation includes complete Scope 1[37] and 2[38] emissions and partial scope 3[39] emissions. We focused on assessing those Scope 3 categories that are relevant for our sector, which comprises goods and services purchased by the group during 2022, fuel and energy-related activities not included in scope 1 and 2, business trips, events and employee commuting.

For the FY 2022, our total group emissions amount to 5.259 tCO_2e. As shown in the figure, the largest share of emissions is related to activities that are outside of our direct control (i.e. scope 3 emissions). This gives us a series of challenges in implementing actions to tackle these emissions, as will be further detailed in this chapter.

Emission sources	tCO2e	%
Scope 1	33	0.6
Scope 2	572	10.9
Scope 3	4,654	88.5
Total emissions	**5,259**	**100**

Scope 1 and Scope 2 emissions

Scope 1 and Scope 2 emissions are directly linked to electricity, heating and cooling used in our offices. Scope 1 Direct emissions are the least relevant for our Group, only accounting for 0,6% of total emissions. During FY 2022, our only source of Direct Scope 1 emissions are refrigerant leakages connected to cooling in leased offices. Cooling (Refrigerant leakages) related to co-working areas, instead, are included in Scope 2.

Scope 1 emissions of lastminute.com Group for FY 2022

Source of emissions	tCO2e
Cooling in leased offices (refrigerant gas leaks)*	33

*Quantity of refrigerant leakage is calculated based on the following assumptions: 1) The type of refrigerant we assumed is R410A, since it is one of the most frequently used cooling agent; 2) The ceiling height is 3m; 3) Assumed an air conditioning system with the highest emissions namely a split/multi-split system used for medium sized spaces 4) Leakage rate per year of 6% is assumed as it is a standard assumption for multi-split systems.

When it comes to our energy consumption and indirect GHG emissions, our impact is connected to our working spaces. Since we do not own any of our offices, as they are either leased or co-working areas, we are implementing a series of actions to raise awareness among our staff on applying best practices in everyday work life, such as switching off lights when not necessary and using heating and cooling sources responsibly.

[37] Scope 1 Direct Greenhouse Gas (GHG) emissions from sources that are owned or controlled by the organisation, as defined by the GRI Standard 2021.
[38] Scope 2 Indirect Greenhouse Gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation, as defined by the GRI Standard 2021.
[39] Scope 3 Indirect Greenhouse Gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organisation, including both upstream and downstream emissions, as defined by the GRI Standard 2021.

Energy consumption of lastminute.com Group in 2022 divided for country and type of consumption [in GJ[40]]

Country	Electricity [GJ]	Heating [GJ]
France	49	48
Germany	489	307
Italy	157	124
India	555	N/A
Poland	66	189
Spain	618	163
Switzerland	451	1.255
UK	54	117
Total	**2,439**	**2,203**

Energy intensity[41] of lastminute.com Group for FY 2022 [in GJ/number of employees]

Total energy consumption (GJ)	4,642
Energy intensity	3

For the calculation of Scope 2, we included emissions linked to the use of electricity, heating and cooling[42] at our office buildings worldwide. Scope 2 emissions cover a limited amount of GHG total emissions, for a total of 10,9%[43]on the total of emissions. Electricity is the main source of Scope 2 emissions, and constitutes ⅔ of the total.

Emissions were calculated using both the market-based and the location based methods, as recommended by the GHG Protocol. For the market-based method, where available, specific emission factors for the electricity purchased were collected. When specific factors were not available, factors for the residual mix in the country of operation were used, or, if this was unavailable, the average grid mix of the country was used. For the location-based method, the average electricity grid mix for the country was calculated, enabling a direct comparison of the company's values with the country-specific average.

Scope 2 emissions (Market-based) of lastminute.com Group for FY 2022

Source of emissions	tCO2e
Electricity*	408
Heating**	154
Purchased cooling in co-working areas	10

[40] Data were converted from kWh to GJ with the following conversion factor: 0,0036 GJ/kWh.

[41] Energy intensity calculated onto the total of employees as per the 31.12.2022.

[42] Data refers to refrigerant leakages related to co-working areas, which are excluded from Scope 1.

[43] Considering the Market-based approach values.

Total	**572**

*For some offices where primary data on electric energy consumption was not available, the data was estimated. Emissions calculations were done using default country-specific values related to electric energy (kWh) consumption on sqm. In the absence of such emission factors for a specific country, we calculated emissions approximating them on a geographically proximate country.
**For some offices where primary data on heating was not available, the data was estimated. Emissions calculations were done using default country-specific values related to heating (kWh) consumption on sqm. In the absence of such emission factors for a specific country, we calculated emissions approximating them on a geographically proximate country.

Scope 2 emissions[44] (Location-based) of lastminute.com Group for FY 2022

Source of emissions	tCO2e
Total	**293**

lastminute.com Group emission intensity [in tCO2e/number of employees]

Total emissions Scope 1 and 2* (tCOe)	605
Emission intensity**	0.4

*Market-based approach
**Emission intensity calculated onto the total of employees as per 31.12.2023.

Scope 3 emissions

Scope 3 indirect emissions represent the main type of emissions of lastminute.com Group. They account for a total of 4.654 tCO2e, which represents 88,5% of our total emissions. For 2022 calculation, the following categories are included:

- Category 1: Purchased goods and services, which are composed by electronic devices and external data centre (almost completely transitioned to cloud computing), as two most relevant purchases for a tech company;
- Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2;
- Category 6: Business travel, including corporate and company events;
- Category 7: employee commuting, including home working.

Category 1: Purchased goods and services

Electronic devices

Electronic devices are fundamental assets for our business. In 2022, the electronic devices we purchased accounted for 237 tCO2e[45], which consists of 4,5% of our total emissions. However, as we better explain in the "Technological assets and circular economy" section of this chapter, we are working on further optimising the management of our obsolete electronic devices in the most efficient way possible by promoting circularity.

Data Center

The external data centres we rely on in our business operations account for 568 tCO2e[46], which consists of 10,8% of total emissions. As part of the strategy to tackle our emissions, we are

[44] Purchased electricity for own use.
[45] Primary data on the purchase of electronic devices by all companies in the lastminute.com Group.
[46] Emissions for external data centres where provided by the service providers.

transitioning data storage activity from the physical data centre to cloud computing services, relying on two renowned cloud service providers. It should be noted that both companies have emission reduction strategies in place and have publicly stated their intention to continue implementing sustainability measures for the benefit of their customers.

Category 3: Fuel and energy-related activities

This category includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2. This means including emissions derived from the extraction, production, and transportation of fuels consumed in the generation of electricity, and heating that is consumed by the reporting company. Emissions were calculated based on the corporate energy consumption[47].

Category 6: Business trips and Events

Travelling is a priority not only for our customers but also for our employees. After being forced to stay at home on and off for over two years because of the Covid-19 pandemic, in 2022 we all felt the need to reconnect. In 2022, following a recruitment drive that significantly grew our workforce worldwide, we felt the need to help our international teams meet again and let newbies finally meet their colleagues in person. However, we are aware that business trips, together with related events, accounts for 37,60%[48] of the total emissions of our Group. This is why we are willing to implement new policies to ensure we travel and plan events in a more sustainable way.

Category 7: Employee Commuting

Another important source of emissions for our business is employee commuting which accounts for 32,9% of our total emissions with 1.731 tCO_2e. As mentioned in the “Remote working” chapter we have formalised hybrid and full remote working policies for our employees, giving them the chance to manage their time flexibly, saving hours dedicated to commuting, and avoiding GHG emissions correlated to their trip to work. People working at home, however, still produce emissions, therefore, we decided to include emissions resulting from a home office in the calculation[49].

Data on employee commuting habits during FY 2022 were collected through a survey, where lastminute.com workers[50] were asked to provide the number of km travelled from home to work, the most used means of transportation and the number of days of presence in the office[51]. Since commuting has a major impact on our employees’ quality of life as well, we added an additional section to the survey aimed at investigating how the Group can help employees choose greener and more preferable commuting options.

To further encourage our employees to use public transport to get to work, we rent office spaces that are located in well-served urban areas, such as city centres or near train stations. In the future, we intend to adopt a new policy for selecting offices, taking environmental aspects into consideration during the selection process.

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[47] Where primary data on energy consumption was not available, an estimation based on offices sqm was done.

[48] Primary data collected by each entity of the group based on travelling reports from agencies and internal monitoring. Such a figure includes emissions related to conference rooms, hotel rooms and group transportation.

[49] Calculation was done based on data from recognized literature and an average value for all countries has been applied.

[50] Both employees and workers who are not employees.

[51] Data was collected by each legal entity. Lacking data was estimated following two methodologies depending on the case. For those legal entities that received a satisfying number of answers (more than 50% of total employees), lastminute.com Group estimated the remaining data by calculating an average amount of emissions per employee based on the available data, and then multiplied such emission factors for the employees who did not provide any answer.
For those legal entities that did not receive a satisfying number of answers (less than 50% of total employees), lastminute.com Group estimated the remaining data by multiplying a country-specific emission factor related to commuting for the employees who did not provide any answer.

For FY 2023, we will focus on the commuting issue, considering evolving regulations, possible evolutions in our remote working policy and ongoing initiatives to promote sustainable commuting.

Technological assets and circular economy

lastminute.com is mostly paperless, however, we are aware that technological assets, which are its main working tools, have an impact on the environment. Our objective is to actively reduce this negative environmental impact by (1) maximising the lifespan of our technical equipment (2) giving them new life following the principles of a circular economy, and (3) selecting appropriate disposal options allowing for recycling.

The average lifespan of technological assets can vary considerably within the Group, based on the asset considered and the different functions' needs for regularly updating their equipment. For example, IT developers are much more dependent on high-performing and innovative technical equipment than administrative staff. We have developed internal guidelines to ensure we maximise our assets` lifespan without affecting productivity.

Employees are given the opportunity to purchase retired corporate laptops. Moreover, the Group is looking for further alternatives by searching for donation options such as schools and associations that promote technological inclusions that can leverage perfectly functioning devices.

We intend to raise awareness on the correct use of corporate devices to extend their lifespan and collaborate with service providers that ensure the recycling of discarded components.

[D6 - Society]

Other relevant Topics Addressed in this chapter

Suppliers, investors and partners	Maintaining a proficuous and mutually beneficial relationship with suppliers, investors and business partners the Group engages with.
Relationship with local communities and territories	The impact lastminute.com has on communities and territories through donations, volunteering activities and environmental and social initiatives.

Relationship with local and global communities

The importance of **creating a valuable relationship with the local communities** where we operate is something we strongly believe in. But this is not limited to our office locations. As a travel tech company helping millions of customers experience the world, we need to think about the global community, add value to local areas visited by our customers, and contribute to new job opportunities.

Collaboration with the lastminute foundation

Founded in May 2016, the lastminute foundation has two main areas of focus:

- **Education**: creating an educational ecosystem that can really make a difference for younger generations. This means building awareness of crucial world issues - such as environment, diversity, and sustainability - but also channelling their potential by empowering critical and creative thinking, independent reasoning, cooperation and empathy.

- **Social Entrepreneurship**: fostering social change by supporting high impact projects and solutions to bring concrete benefits to people and society, including training activities and the development of an effective and impactful entrepreneurial ecosystem.

In 2022 the outbreak of the war in Ukraine saw us shift our priorities overnight to address an immediate need. As a top priority, we contacted and supported our employees and their families based in Ukraine, making sure no one was left behind. Our employees based in neighbouring countries, such as Poland, showed great empathy and solidarity, offering aid and support to their Ukrainian colleagues. No one asked them to do this - this is just how our people are.

Together with the lastminute foundation, we supported those affected by the war through donations to the Ukrainian Red Cross. Every euro/hryvnia/pound that has been donated by our employees, has been matched by the lastminute foundation alongside a minimum donation of EUR 100 thousand.

The lastminute foundation also organised a 5-week workshop for families fleeing from war-affected areas and finding refuge near Chiasso (CH), where our headquarters are located. The workshop was aimed at welcoming those families, providing support in approaching local laws and sharing other relevant information, while their children were engaged in an art workshop conducted by a therapist. Employees of lastminute.com Group were also actively involved in the workshop as volunteers.

Employees volunteering

Our Volunteering Policy, launched in December 2021, gives our employees the chance to use up to 2 days per year supporting charity projects sponsored by the company and the lastminute foundation or for whatever cause that is meaningful to them.

We are always open to new volunteering activities and our employees are strongly encouraged to pitch in ideas for new non-profit projects, and to share these opportunities with their colleagues.

Ocean & River Protection

As a Travel Tech company selling experiences all around the globe, it’s important to raise our own people’s awareness on the environmental issues affecting our planet, such as garbage littering and its negative effects on ocean biodiversity. We strongly believe that sustainability sensitivity drives innovation. This is why in 2022, we carried out an “Ocean & River Protection” initiative aimed at contributing to cleaning up public areas and raising awareness of waste management problems. An issue that is strongly connected to traveller habits and the ability of the local administrations to manage the challenge of overtourism[52]. So in collaboration with local NGOs, 256 employees took part in this initiative cleaning beaches, parks and riverbanks in four of the cities where our offices are located: Paris, Munich, Barcelona and Bangalore. We collected a total of 87 trash bags (which corresponds to about 3500 litres) as well as 350 kg dry waste and 180 kg wet waste. The largest categories of waste collected were tobacco products with filters (about 11.000 units), pieces of plastic (about 1400) and bottle caps (about 1200).

While working together to separate and dispose of the waste to be sent to recycling facilities, we had the perfect opportunity to engage in a discussion around marine littering and the impact on biodiversity and human health. We aim to build on this initiative in 2023.

Promotion of an equal and inclusive society

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[52] Overtourism is the congestion or overcrowding from an excess of tourists, resulting in conflicts with locals. The World Tourism Organization (UNWTO) defines overtourism as "the impact of tourism on a destination, or parts thereof, that excessively influences perceived quality of life of citizens and/or quality of visitor experiences in a negative way".

Travelling should be one of the most enjoyable moments in life, a moment to feel free to be yourself: this idea embodies our core values as a brand, and we really want to do our part in building a society that truly embraces diversity.
Our very own company value "Be Yourself" encourages all employees - and everyone else - to be their real, authentic selves both at work and outside of work every day. We aim to tackle discrimination at its roots and help people feel welcomed, informed and included, whatever their nationality, gender or sexual orientation.

We have a long history partnering with Pride events and associations, and in July 2022 we were the main sponsor of the *Madrid Orgullo (Pride)*, the biggest parade in Europe (and second only to New York globally in size). Our employees were joined by business partners and influencers on our open-topped bus in the parade, which involved 2 million people. We'd identified 11 key influencers (7 Spanish, 2 Italian and 2 English) that are active in the LGBTQ+ community to join us and spread messages of tolerance and love. Thanks to that, rainbow colours were spread on social media too, together with some informative content on LGBTQ-friendly holiday destinations.

Prior to the parade in June 2022, we decided to dedicate two special days to inclusivity in London. As sponsors of the lastminute.com London Eye, we lit up the famous wheel in rainbow colours to represent our willingness to encourage people to be themselves, regardless of social constraints. We also hosted a boat party featuring a fun but factual quiz on diversity and inclusion in collaboration with influencers from the LGBTQ+ community.

Our employees are the heart of everything we do, and are always encouraged to celebrate diversity and inclusion. They were invited to come and join both our 2022 Pride events, in Madrid and London. Also, our 2022 summer parties across all our locations were Pride-themed and aimed at promoting our company value "Be Yourself".

Raising awareness over inclusivity among our own people is key to delivering the right messages both to the internal and the external audience. In October 2022, our Marketing team organised a workshop about inclusive communication, partnering with a globally recognised consultancy agency specialised in LGBTQ+ topics related to the travel sector. Thanks to the workshop, our teams learned more on how to be authentic, inclusive and respectful of all diversities when it comes to marketing communications and campaigns.

Relationship with suppliers and business partners

Our travel provider partners and affiliates are an integral part of our business. We collaborate closely with airlines, tour operators, hotels, car rental agencies, destination services, payment services, cloud technology and assistance supply partners to provide our consumers the best service possible.

Consistently with our **Code of Conduct**, we manage relations with our suppliers and partners with loyalty, fairness and professionality, encouraging solid and lasting collaboration.

Suppliers' selection process

The selection of suppliers and the determination of contractual conditions are based on objective and impartial evaluations as detailed in our **Group Procurement Policy** and the connected **Procurement Procedure**. Our procurement operations are managed through an integrated tool, with the goal to assure compliance with all applicable laws and the GDPR framework implemented by the Group. The process is structured in four main steps:

1. Vendor selection / negotiation;
2. Contract & GDPR check;
3. Purchase Order issuing and approval;
4. Contract signature.

Multiple internal teams participate in the process:

1. During the selection and negotiation process the Business Owner collaborates with our team dedicated to Global Procurement in order to address business needs evaluating all suitable options and finally select the best offer
2. The Legal and Data Protection Teams provide the Business Owner adequate support in order to ensure regulatory and privacy requirements are properly addressed. When a technological solution is under evaluation, also technical performances and cybersecurity guidelines are considered.
3. The purchase order process is based on different levels of approval in order to guarantee alignment with the allocated budget and the proper segregation of duties.
4. If the purchase is approved, the Procurement team identifies the signers and sends the contract through for signature.

The qualification and selection of the suppliers and partners we wish to work with is detailed in the **Vendor Onboarding procedure**, detailing:

- The vendor onboarding flow and related internal responsibilities;
- Documentation to be acquired before starting the assignment;
- Vendor contracting arrangement;
- Vendor monitoring activities.

During the onboarding process, for example, we ask our potential suppliers to provide us evidence of their financial stability, all regulatory compliance and operational audits (i.e. PCI DSS Certification, DPIA[53] requested by GDPR[54]…). Moreover, we make sure that the potential supplier is aligned with our vision, strategy and overall goals by checking their reputation in the industry and general public and we assess them on the following issues:

- Cybersecurity attacks.
- Data security breaches.
- Management of sensitive and confidential information.
- Past, present or expected legal issues.

During FY 2022 we performed a Vendor Onboarding Audit with the goal to ensure that the Group internal **Vendor Onboarding Procedure**, best practices, and legal requirements - including GDPR for vendors that process personal data - are effectively applied to the engagement process for lastminute.com Group's vendors and, eventually, strengthen it with corrective measures. Specifically, we performed a system auditing activity on our internal onboarding processes taking a sample of 10 suppliers, of which 7 suppliers with privacy roles and 3 vendors without privacy roles.

Suppliers Due Diligence

Our due diligence evaluation is carried out on both current and prospective suppliers and it is detailed in our Supplier Management Policy. Suppliers are assessed for honesty, integrity, compliance and confidentiality when a new agreement is subscribed and at least on a yearly basis when we commit for a new purchase. Here below some of the risks assessed are summarised.

- Compliance Risk: we verify that the Supplier follows its own policies, procedures, and processes to comply with applicable laws related to information security, regulatory mandates, and internal operational issues.
- Country Risk: we review the country in which the Supplier is located for economic, political, social and other relevant events to ensure the geographic landscape is stable.
- Credit Risk: we review their financial statements and/or other financial information, including public records to ensure that the Supplier is financially stable.
- Reputation risk: we verify the Supplier public perception and opinion, the alignment with our business initiatives, and the possible failure to delivery.

[53] Data Protection Impact Assessment
[54] General Data Protection Regulation (EU GDPR) of 2016/679

- Information Technology Risk: we verify that our suppliers utilise secure and stable hardware/software systems and that all IT infrastructure follows security standards with regards to confidentiality, integrity and availability of data. To protect the privacy rights of our customers, we assess the risk of data breaches that might potentially result in the loss of sensitive and confidential information for all our suppliers.

[Annex I]

Emission sources	tCO2e	%
Scope 1	**33**	**0.6**
Refrigerant leakage	33	0.6
Scope 2	**572**	**10.9**
Purchased electricity for own use (stationary)*	408	7.8
Purchased heating, steam, and cooling for own use, of which:	164	3.1
Heat (purchased)	*154*	*2.9*
Purchased cooling	*10*	*0.2*
Scope 3	**4,654**	**88.5**
Business travel, of which:	1,977	37.6
Flights	*1,794*	*34.1*
Hotel nights	*147*	*2.8*
Rental and private vehicles	*18*	*0.3*

Rail	*18*	*0.3*
Employee commuting, of which:	1,730	32.9
Employee Commuting	*1,172*	*22.3*
Home office	*558*	*10.6*
Purchased goods and services, of which:	804	15.3
External data centre	*567*	*10.8*
Electronic devices	*237*	*4.5*
Fuel- and energy-related activities, of which:	142	2.7
Upstream emissions electricity	*117*	*2.2*
Upstream emissions heat	*24*	*0.5*
Upstream emissions cooling	*0*	*0.0*
Total emissions	**5,259**	**100**

*****Calculated using the market-based method. Emissions calculated using the location-based method are 293 tCO_2e.

[Annex II]

Table of correlation between Material Topics, Indicators (GRI and Non-GRI) and SDGs

Material topic	Indicators (GRI and Non-GRI)	Correlated SDG	Targets to which the group can contribute
Compliance, ethics and integrity	205-3 Confirmed incidents of corruption and actions taken		Target 16.5 Substantially reduce corruption and bribery in all their forms
Diversity, Inclusion and equal opportunities	2-7: Employees 2-8: Workers who are not employees 401-1: New employee hires and employee turnover 405-1: Diversity of governance bodies and employees		Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity,

Material topic	Indicators (GRI and Non-GRI)	Correlated SDG	Targets to which the group can contribute
	405-2: Ratio of basic salary and remuneration of women to men		origin, religion or economic or other status
Health, Safety and Wellbeing of workers	403-5: Worker training on occupational health and safety 403-6: Promotion of worker health Percentage of hours of training for specific type of training	8 DECENT WORK AND ECONOMIC GROWTH	Target 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
Training and Development	404-1: Average hours of training per year per employee 404-2: Programs for upgrading employee skills and transition assistance programs Number of eligible employees for performance review Number of employees who received a performance review Percentage of employees who received a performance review Percentage of hours of training for specific type of training	4 QUALITY EDUCATION	Target 4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
Privacy and security	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Target 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all
Customer management	Average abandon rate for phone calls Average abandon rate for live chats Net Promoter Score	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Target 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development

Material topic	Indicators (GRI and Non-GRI)	Correlated SDG	Targets to which the group can contribute
	Number of complaints Percentage of complaints managed by the end of the FY Claims Turnaround Time		and human well-being, with a focus on affordable and equitable access for all
Energy and emissions management	302- 1: Energy consumption within the organisation 302-3: Energy intensity 305-1: Direct (Scope 1) GHG emissions 305-2: Energy indirect (Scope 2) GHG emissions 305-3: Other indirect (Scope 3) GHG emissions 305-4: GHG emissions intensity	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Promoting sustainable tourism	Number of contents created on alternative mobility	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.8b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.

[E7 - GRI Content Index]

GRI Standard 2021	Disclosure		Letter of disclosure	Section of document
	Universal standards			
GRI 1: Foundation 2021	Statement of use	*Lastminute.com Group has reported with reference to the GRI Standards for the period from 01-01-2022 to 31-12-2022*	-	Chapter "GRI Content Index"
GRI 2: General Disclosure 2021	2-1	Organisational details	a, b, c and d	Chapter "Management Report"
	2-2	Entities included in the organisation's sustainability reporting	a, b and c	Chapter "Management Report"
	2-3	Reporting period, frequency and contact point	a, b, c and d	Chapter "Sustainability Report",section "Methodological Note"
	2-4	Restatements of information	N/A	(first year of reporting)
	2-5	External assurance	N/A	Chapter "Sustainability Report",section "Methodological Note"
	2-6	Activities, value chain and other business relationships	a, b, c and d	Chapter "Management Report" of the Integrated Report
	2-7	Employees	a, b, c and d	Chapter "Sustainability Report", section "Employees"
	2-8	Workers who are not employees	a	Chapter "Sustainability Report", section "Employees"
	2-9	Governance structure and composition	a, b and c	Chapter "Corporate Governance"
	2-10	Nomination and selection of the highest governance body	a and b	Chapter "Corporate Governance"
	2-11	Chair of the highest governance body	a and b	Chapter "Corporate Governance"
	2-14	Role of the highest governance body in sustainability reporting	a and b	Chapter "Sustainability Report",section "Methodological Note"
	2-16	Communication of critical concerns	a and b	Chapter "Sustainability Report",section "Sustainability Governance, Ethics and Compliance"
	2-19	Remuneration policies	a and b	Chapter "Corporate Governance"
	2-20	Process to determine remuneration	a and b	Chapter "Corporate Governance"
	2-21	Annual total compensation ratio	a, b and c	Chapter "Corporate Governance"
	2-22	Statement on sustainable development strategy	a	Chapter "Sustainability Report", section "Letter to stakeholders"

GRI Standard 2021		Disclosure	Letter of disclosure	Section of document
	2-23	Policy commitments	c	Chapter "Corporate Governance"
	2-26	Mechanisms for seeking advice and raising concerns	a	Chapter "Sustainability Report", section "Sustainability Governance, Ethics and Compliance"
	2-29	Approach to stakeholder engagement	a	Chapter "Sustainability Report", section "Materiality Analysis"

GRI Standard 2021		Disclosure	Letter of disclosure	Section of document
	Universal standards			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	a and b	Chapter "Sustainability Report", section "Materiality Analysis"
	3-2	List of material topics	a	Chapter "Sustainability Report", section "Materiality Analysis"
	3-3	Management of material topics	-	The Materiality Analysis was conducted by following the methodology proposed by the previous version of the GRI Standards.
	Topic Standards			
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Zero incidents of corruption occurred during the reporting year	Chapter "Sustainability Report", section "Sustainability Governance, Ethics and Compliance"
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	a, c, f and g	Chapter "Sustainability Report", section "Environment"
	302-3	Energy intensity	a, b, c and d	Chapter "Sustainability Report", section "Environment"
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	a, b, e and g	Chapter "Sustainability Report", section "Environment"
	305-2	Energy indirect (Scope 2) GHG emissions	a, b, c, e and g	Chapter "Sustainability Report", section "Environment"
	305-3	Other indirect (Scope 3) GHG emissions	a, b, d, f and g	Chapter "Sustainability Report", section "Environment"
	305-4	GHG emissions intensity	a, b, c and d	Chapter "Sustainability Report", section "Environment"

GRI Standard 2021		Disclosure	Letter of disclosure	Section of document
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	a and b	Chapter "Sustainability Report", section "Employees"
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	a	Chapter "Sustainability Report", section "Employees"
	403-6	Promotion of worker health	b	Chapter "Sustainability Report", section "Employees"
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	a	Chapter "Sustainability Report", section "Employees"
	404-2	Programs for upgrading employee skills and transition assistance programs	a	Chapter "Sustainability Report", section "Employees"
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	b	Chapter "Sustainability Report", section "Employees"
	405-2	Ratio of basic salary and remuneration of women to men	a	Chapter "Sustainability Report", section "Employees"
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	c	Chapter "Sustainability Report", section "Sustainability Governance, Ethics and Compliance"

Non-GRI Indicators

Indicator	Section of document
Training and Development	
Number of employees eligible for performance review	Chapter "Sustainability Report", section "Employees"
Number of employees who received a performance review	Chapter "Sustainability Report", section "Employees"
Percentage of employees who received a performance review	Chapter "Sustainability Report", section "Employees"
Percentage of hours of training for specific type of training	Chapter "Sustainability Report", section "Employees"
Customer management	
Average abandon rate for phone calls	Chapter "Sustainability Report", section "Customers"

Indicator	Section of document
Average abandon rate for live chats	Chapter "Sustainability Report", section "Customers"
Net Promoter Score	Chapter "Sustainability Report", section "Customers"
Number of complaints	Chapter "Sustainability Report", section "Customers"
Percentage of complaints managed by the end of the Full Year	Chapter "Sustainability Report", section "Customers"
Claims Turnaround Time	Chapter "Sustainability Report", section "Customers"
Promoting sustainable tourism	
Number of contents created on alternative mobility	Chapter "Sustainability Report", section "Customers"

[E8 - Glossary]

CO2e – CO2 EQUIVALENT
The standard reference used to measure the impact of greenhouse gases on global warming (Global Warming Potential – GWP). The contribution of each gas is standardised with respect to the contribution of one CO2 molecule, used as a unit of measurement.

CIRCULAR ECONOMY
A model in which all activities, starting from extraction and production, are organised in such a way as to use renewable resources or recycled materials, creating a system in which the products maintain their function for as long as possible, while keeping waste to a minimum.

GLOBAL REPORTING INITIATIVE (GRI)
GRI is the independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts (source: Global Reporting Initiative official website).

LOCAL COMMUNITIES
Individuals or groups of individuals living or working in areas that are affected or that could be affected by the organisation's activities.

MATERIALITY ANALYSIS
A process whose purpose is to identify and prioritise material aspects (synonym: relevance analysis).

MATERIAL TOPIC
A significant (or relevant) aspect that reflects the significant economic, environmental and social impacts of an organisation and that may substantially influence the assessments and decisions of stakeholders

STAKEHOLDERS
Parties "that have an interest", with whom an organisation maintains relations (direct or indirect)

and who, therefore, can influence its activities, either directly or indirectly. Examples of stakeholders include: customers, suppliers, financial backers (banks and shareholders), collaborators, as well as external interest groups, such as residents in the areas surrounding the company, and local interest groups.

STANDARD

Normally a formal document that uniformly establishes engineering or technical criteria, methods, processes and practices.

SDGs – SUSTAINABLE DEVELOPMENT GOALS

These are the essential elements of Agenda 2030 for sustainable development, which were signed, in 2015, by the governments of the 193 member countries of the UN

SUSTAINABLE DEVELOPMENT

Development that meets the needs of the present, without compromising the ability of future generations to meet their own needs (source: Standard EN 16575).

E - CONSOLIDATED FINANCIAL STATEMENTS

[E1 - Consolidated Profit & Loss]

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

in '000 EUR	Notes	31 Dec 2022	31 Dec 2021 (*)
Revenue	7a	294,360	142,607
Marketing Costs	8	(130,031)	(51,943)
Personnel Costs	9	(87,995)	(53,915)
Other income from expired refund vouchers	7b	13,270	21,991
Other Operating Costs	10	(84,885)	(58,648)
Amortisation and depreciation	17/18/19	(15,051)	(16,990)
Impairment	19	(285)	(53)
Operating Profit / (Loss)		**(10,617)**	**(16,951)**
Gains/(losses) from disposal of investments and other assets	11	(1)	(9)
Finance Income	12	-	2,815
Finance Costs	12	(3,221)	(2,703)
Share of result of equity-accounted investees	22	27	(83)
Profit / (Loss) before income tax		**(13,811)**	**(16,931)**
Income Tax	13	(1,328)	3,646
Profit / (Loss) for the period		**(15,139)**	**(13,285)**
- thereof attributable to the Shareholders of lastminute.com N.V.	14	(15,167)	(13,329)
- thereof attributable to non-controlling interest	26	28	44
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss			
Remeasurements of the Employee benefits liability	15	2,323	2,989
Related tax	13	(450)	(581)
Items that will never be reclassified to profit or loss		**1,872**	**2,407**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences	26	(829)	1,025
Items that are or may be reclassified to profit or loss		**(829)**	**1,025**
Total other comprehensive income for the period, net of tax		**1,043**	**3,433**
Total comprehensive income		**(14,096)**	**(9,852)**
- thereof attributable to the Shareholders of lastminute.com NV	26	(14,125)	(9,896)
- thereof attributable to non-controlling interest	26	28	44
EARNINGS PER SHARE			
Basic earnings per share (euro)	14	(1.37)	(1.22)
Diluted earnings per share (euro)	14	(1.37)	(1.22)

(*) Comparative figures have been restated in accordance with the disclosure provided in Note 3

[E2 - Consolidated Balance Sheet]

CONSOLIDATED BALANCE SHEET (**)

in '000 EUR	Notes	31 Dec 2022	31 Dec 2021 (*)
NON CURRENT ASSET			
Property plant and equipment	18	2,631	1,860
Right-of-use Assets	17	13,218	6,225
Intangible assets	19	154,537	147,722
Goodwill	19/20	60,418	60,422
Non-current financial assets	21	4,605	3,106
Investment in equity accounted investees	22	1,308	891
Deferred tax asset	13	19,613	18,541
TOTAL NON CURRENT ASSETS		**256,330**	**238,766**
CURRENT ASSETS			
Inventories		19	-
Current financial assets	21	15,020	5,666
Current tax assets	13	1,122	1,110
Trade and other receivables	23	88,112	39,070
Contract assets	24	8,647	4,018
Cash and cash equivalents	25	118,492	109,664
TOTAL CURRENT ASSETS		**231,412**	**159,528**
TOTAL ASSETS		**487,742**	**398,295**
SHARE CAPITAL AND RESERVES			
Share capital	26	117	117
Capital reserves	26	69,055	76,409
Other reserves	26/34	(24,658)	-
Currency translation reserve	26	1,567	2,396
Treasury share reserve	26	(17,683)	(14,184)
Retained earnings / (losses)	26	(17,010)	(11,070)
TOTAL EQUITY of THE GROUP		**11,388**	**53,669**
Non-controlling interest	26	582	554
TOTAL EQUITY		**11,969**	**54,223**
NON CURRENT LIABILITIES			
Long term employee benefits liability	15/16	7,752	9,795
Long Term Financial Liabilities	4/28	20,690	26,125
Long Term Lease Liabilities	17	9,010	4,274
Deferred tax liabilities	13	28,873	28,853
TOTAL NON CURRENT LIABILITIES		**66,325**	**69,047**
CURRENT LIABILITIES			
Short term employee benefits liability	15/16	3,804	9,821
Current provisions	27	4,895	3,255
Short Term Financial Liabilities	4/28	59,062	53,483
Short Term Lease Liabilities	17	5,351	2,681
Current tax liabilities	13	3,526	4,229
Trade and other payables	29	332,013	200,622
Contract liabilities	24	796	934
TOTAL CURRENT LIABILITIES		**409,447**	**275,025**
TOTAL LIABILITIES		**475,773**	**344,072**
TOTAL LIABILITIES AND EQUITY		**487,742**	**398,295**

(*) Comparative figures have been restated in accordance with the disclosure provided in Note 3

(**) before appropriation of results

[E3 - Consolidated statement of changes in equity]

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in '000 EUR	Notes	Share Capital	Capital Reserves	Other reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings / (losses)	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2022		**117**	**76,409**	**-**	**2,396**	**(14,184)**	**(11,070)**	**53,669**	**554**	**54,223**
Result for the period		**-**	**-**	**-**	**-**	**-**	**(15,167)**	**(15,167)**	**28**	**(15,139)**
Other comprehensive income										
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	-	1,872	1,872	-	1,872
- Foreign currency translation differences	26	-	-	-	(829)	-	-	(829)	-	(829)
Total other comprehensive income net of tax		**-**	**-**	**-**	**(829)**	**-**	**1,872**	**1,043**	**-**	**1,043**
Total comprehensive income net of tax		**-**	**-**	**-**	**(829)**	**-**	**(13,295)**	**(14,125)**	**28**	**(14,097)**
Transactions with shareholders										
- Allocation of result	26	-	(7,354)	-	-	-	7,354	-	-	-
- Indirect purchase of shares from minority investors	34	-	-	(24,658)	-	-	-	(24,658)	-	(24,658)
- Indirect acquisition of own shares	26	-	-	-	-	(559)	-	(559)	-	(559)
- Share buy back	26	-	-	-	-	(2,940)	-	(2,940)	-	(2,940)
Total transactions with shareholders		**-**	**(7,354)**	**(24,658)**	**-**	**(3,499)**	**7,354**	**(28,157)**	**-**	**(28,157)**
Balance at 31 December 2022 (*)		**117**	**69,055**	**(24,658)**	**1,567**	**(17,683)**	**(17,010)**	**11,388**	**582**	**11,969**

(*) At the date of the publication of these consolidated financial statements the Group's equity has been restored, since the transaction of purchase of shares from minority investors ("Freesailors Transaction") has been annulled. Reference should be made to Note 34 for further information.

in '000 EUR	Notes	Share Capital	Capital Reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings / (losses)	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2021		**117**	**101,819**	**1,371**	**(9,108)**	**(25,409)**	**68,790**	**292**	**69,082**
Result for the period		**-**	**-**	**-**	**-**	**(9,613)**	**(9,613)**	**44**	**(9,569)**
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	13/15	-	-	-	-	2,407	2,407	-	2,407
- Foreign currency translation differences	26	-	-	1,025	-	-	1,025	-	1,025
Total other comprehensive income net of tax		**-**	**-**	**1,025**	**-**	**2,407**	**3,433**	**-**	**3,433**
Total comprehensive income net of tax		**-**	**-**	**1,025**	**-**	**(7,206)**	**(6,180)**	**44**	**(6,136)**
Transactions with shareholders									
- Allocation of result	26	-	(25,409)	-	-	25,409	-	-	-
- Sale of treasury shares	26	-	-	-	46	82	128	-	128
- Transactions with non-controlling interest	5	-	-	-	-	(220)	(220)	218	(2)
- Other movements	15	-	-	-	-	(12)	(12)	-	(12)
- Adjustment for restatement of treasury shares acquisition	3	-	-	-	(5,122)	(3,716)	(8,838)	-	(8,838)
Total transactions with shareholders		**-**	**(25,409)**	**-**	**(5,076)**	**21,544**	**(8,941)**	**218**	**(8,724)**
Balance at 31 December 2021 restated		**117**	**76,409**	**2,396**	**(14,184)**	**(11,070)**	**53,669**	**554**	**54,223**

[E4 - Consolidated Cash Flow Statement]

CONSOLIDATED CASH FLOW STATEMENT

in '000 EUR	Notes	2022	2021 (*)
Cash flow from operating activities			
Profit / (loss) for the period		(15,139)	(13,285)
Adjustments for:			-
Amortization and depreciation	17/18/19	15,051	16,990
Impairment losses on intangible and tangible assets	18/19	285	53
Net finance result	12	3,221	(112)
Gains/losses from disposal of inv. and other	11	1	9
Income tax expense	13	1,328	(3,646)
Share of result of equity-accounted investees	22	(27)	83
Change in trade and other receivables	23	(49,042)	12,652
Change in contract assets	24	(4,629)	(1,880)
Change in other assets & liabilities		19	-
Change in trade and other payables	29	131,393	(13,285)
Change in contract liabilities	24	(139)	384
Change in provisions	27	1,640	(601)
Change in employee benefit liability	15/16	(6,411)	13,699
Interest (paid) / received		(675)	(1,228)
Income tax (paid) / received		(3,791)	(2,210)
Net cash (used in) / from operating activities		**73,084**	**7,624**
Cash flow from investing activities			
Purchase of property, plant and equipment	18	(2,094)	(348)
Proceeds from sale of property, plant and equipment	18	29	12
Purchase of intangible assets	19	(16,679)	(7,127)
Payment of deferred consideration (Investing)		-	(604)
(Acquisition) / proceeds of financial assets	21	(11,377)	(2,404)
Net cash (used in) / from investing activities		**(30,121)**	**(10,471)**
Cash flow from financing activities			
Proceeds from borrowings	4	34,189	53,509
Repayments of lease liabilities	17	(4,147)	(3,856)
Repayments of borrowings	4	(44,229)	(70,117)
Share buy back	26	(2,940)	-
Indirect purchase of shares from minority investors	34	(15,324)	-
Indirect acquisition of own shares	26	(559)	(5,122)
Acquisition of non-controlling interests		-	(2)
Proceeds from sale of own shares		-	128
Net cash (used in) / from financing activities		**(33,010)**	**(25,460)**
Net increase / (decrease) in cash and cash equivalents		**9,953**	**(28,308)**
Cash and cash equivalents at 1 January	25	**109,664**	**137,618**
Effects of currency translation on cash and cash equivalents		(1,124)	354
Cash and cash equivalents at 31 December	25	**118,492**	**109,664**

(*) Comparative figures have been restated in accordance with the disclosure provided in Note 3

[E5 - Notes]

NOTE 1 - GENERAL INFORMATION

Lastminute.com N.V. (hereinafter referred to as the "Company") is a company domiciled in the Netherlands and registered with the Chamber of Commerce under number 34267347. The address of the Company's registered office is Basisweg 10, 1043 AP - Amsterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2022 include the Company and its subsidiaries (together referred to as "lastminute.com Group", the "Group" and individually as "Group entities"). The Group is an online travel player providing consumers with online tools and technologies that allow them to easily search for, compare and book flights, vacation packages and cruises, hotel accommodations, car rentals and other travel products and services.

These financial statements cover the year 2022, which ended at the balance sheet date of 31 December 2022.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

The consolidated financial statements of the Company are part of the statutory financial statements of the Company. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Dutch Civil Code.

The consolidated financial statements are presented in thousands of Euros and all amounts (including totals and subtotals) have been rounded according to normal commercial practice.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value, and the employee benefits liability, measured at the fair value of plan assets less the present value of the defined benefit obligation for the net defined benefit liabilities and measured at fair value for the cash-settled share-based payment liabilities.

The consolidated financial statements have been prepared on a going concern basis. Refer to the Use of Estimates and Judgments paragraph for a detailed assessment of the going concern assumption, also in the light of the difficult and sometimes unpredictable scenario in which the Group is operating from 2020, after the pandemic.

The consolidated financial statements were authorised for issue by the Board of Directors on 12 April 2023.

USE OF ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Estimates are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements as well as information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year affects mainly the following areas.

Going Concern basis of accounting

Business update & outlook

The last two years have been very challenging for the whole travel industry, mainly due to the pandemic and the subsequent restrictions on travel. When it comes to 2022, even if Covid-19 has not impacted as it was in the last two years, many other macroeconomic events have contributed to picture an uncertain and volatile scenario. High inflation, rising interest rates and the Ukrainian war have sparked fear of an economic recession. But even in this complex and unpredictable market environment, the Group was able to recover to almost pre-covid levels, demonstrating the strength of its business model.

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 the first quarter of the year consolidated IFRS revenues reached EUR 69,654 thousand, 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 9,506 thousand and Net Result EUR 4,188 thousand. Considering the impact of the Omicron variant in January, Q1 results have been very positive. The Group had a run rate of approximately EUR 2,000 thousand 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 gave flexibility and resources to be invested.

At the end of March 2022, gross cash stood at EUR 152,200 thousand, similar to the 2021 summer peak.

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 the first quarter, the war in Ukraine and sustained inflationary pressures on consumer demand have not so far had any material impact on the Group current trading performance.

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 have been 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 have been nowhere near the volume of cancellations the Group had to process during the Covid pandemic. The Group remained committed to serving its customers and has been 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 has been 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 month of June only have been in line with 2019 figures, while Adjusted EBITDA of the month (EUR 4,126 thousand) has been -21% compared to 2019. During the first half year 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. 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. The Group reached a high score level of cash in June. Cash available stood at EUR 219,796 thousand and Net Financial Position reached EUR 156,665 thousand.

In the third quarter, the Group continued with its positive trend in terms of performance even in such a competitive and unpredictable industry scenario. Overall booking volumes benefited from the ongoing market recovery and were up 33% over Q3 2021. The Gross Travel Value (GTV*) rose to the record amount of EUR 846 million (increase of 92% over Q3 2021). Revenues continued strong topline recovery compared to last year and similar to pre-pandemic levels in 2019. This has been in line with general market trends reflecting a flattened recovery curve for the Group's European markets from June onward. The major driver of the revenue development in the third quarter was the steady growth of the company's holiday package business. In that period, the Group introduced dynamic packages in five new markets across Europe. In the third quarter of the year, Gross Profit grew by 17% compared to 2021 to EUR 29,984 thousand, driven by revenue growth and a higher marketing spend to drive the volume recovery, as well as higher customer care spending in order to manage higher volumes and to improve quality of service. Adjusted EBITDA showed a slight decline of 6% in Q3 2022 vs Q3 2021, but a recovery of 21% when taking into account that Adjusted EBITDA in Q3 2021 still included EUR 2,800 thousand of government subsidies. In terms of cash, the Group showed a solid cash position at the end of September with gross cash at EUR 144,278 thousand and net cash of EUR 91,283 thousand, doubled vs 2021.

In Q4 the business continued to perform well, considering the seasonality which usually leads to a slow-down in the last quarter compared to Q3. Compared to Q4 2021, Gross Travel Value rose 73% in Q4 2022 and for the full year 2022 reached an all-time high of EUR 3,215.7 million doubling versus previous year, benefitting from the growth of holiday packages and the ongoing market recovery.

Adjusted EBITDA for the full-year, doubled versus last year (EUR 37,680 thousand in 2022 compared to EUR 19,038 thousand in 2021), confirms the good performance of the business, mainly driven by the holiday packages.

At the end of 2022, the Company again showed a solid gross cash position, standing at EUR 118,492 thousand (compared to EUR 109,664 thousand at the end of 2021). For further information reference should be made to Note 25 and Note 28. With reference to the existing covenants the Group has already secured with the related banks the availability to consider as extraordinary any potential impact of the above mentioned events on the Group's balance sheet, obtaining the related waivers, therefore not impacting the continuity of the financing.

When it comes to 2023, current trading for the first months was very strong on the back of softer trading at the end of 2022. Overall bookings for January increased over 50% compared to January 2022 and have reached 2019 levels, driven by holiday packages. Backed by strong 2022 results, the Group has set the business on a path for a successful 2023. The year has started very well and the Group will continue its transition to a new phase with a strengthened governance.

To conclude, the Group will continue to focus on cost and cash management to preserve a solid financial structure, which allows the Group to capture investment opportunities which may arise and that the Group is willing and capable to exploit.
Business performance is a clear indication of the efficiency of the business model. Consolidated financial statements have been prepared on a going-concern basis.

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

Local investigation on WHR ("Working Hour Reduction")

On 19 July 2022, the Public Prosecutor's Office ("PPO") 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). To be clear, the investigation is against individuals and not the Company or its subsidiaries.

On 25 July 2022 the Board of Directors of lastminute.com N.V. (the "Company") appointed Laura Amoretti as interim CEO. With immediate effect Laura Amoretti assumed the duties originally assigned in the Company to the directors Fabio Cannavale and Andrea Bertoli. The Board resolved to suspend the powers delegated to both of them for a period of three months.

In addition to the investigation against individuals, in November 2022 the Swiss State Secretariat for Economic Affairs (SECO) launched an administrative procedure. SECO notified the company's subsidiaries that the total benefits amounting to approximately EUR 29,386 thousand must be repaid in full by the concerned Swiss subsidiaries. The argument on which SECO based its ruling is that the system that the Swiss subsidiaries had in place to monitor the hours worked in the period under review did not meet all the specific requirements that the law formally required to access such subsidies.

On 22 of December 2022, the Company held its first meeting of the newly constituted Board of Directors. The Board acknowledged and approved the decisions of its Swiss subsidiaries to not appeal the notification of the Swiss State Secretariat for Economic Affairs (SECO). The benefits received by the Swiss subsidiaries involved will be repaid, thus ending the procedure with SECO. The subsidiaries have liaised with SECO to organise the payment of the requested amount within 31 December 2023. Hence the amount to be repaid has been classified as short-term liability at year end.

Total effects on the Group consolidated statement of profit and loss of the investigation on Swiss subsidiaries is EUR 32,834 thousand, of which EUR 30,265 thousand impacting on Personnel cost, EUR 3,448 thousand impacting on Other operating costs and a gain of EUR 879 thousand impacting on net financial result, linked to the revaluation of the liability towards SECO.

In addition to the investigation on Swiss subsidiaries, the Group reimbursed the fund obtained in the past years by his Spanish subsidiaries for a total amount of EUR 1,208 thousand (impacting on Personnel costs), EUR 120 thousand of interests (impacting on net financial result) and incurred costs of EUR 80 thousand for legal expenses (impacting Other operating costs). The decision to repay the subsidies received in Spain has been taken as a conservative action eliminating any potential risk from criminal and administrative sides, given the possibility to ask back what has been repaid in excess. No risk has been identified in the other Countries where the Group has received subsidies.

Total effect on the consolidated statement of profit and loss is EUR 34,242 thousand, of which EUR 35,001 thousand within the Operating profit (EUR 31,473 thousand on Personnel cost and EUR 3,528 thousand on Other operating costs) and a gain of EUR 759 thousand impacting Net financial results, mainly linked to the revaluation of the liability towards SECO. Please find below a summary of the effects and the reconciliation with the financial statement line items:

Income statement / Balance sheet	Trade payables	Other payables	Other provisions	Cash-out	Total
Personnel cost	-	30,265	-	1,208	**31,473**
Other operating cost	1,113	-	1,769	646	**3,528**
Net financial result	-	(879)	-	120	**(759)**
Total	**1,520**	**29,386**	**1,769**	**1,567**	**34,242**

The new Board of Directors concluded there is no provision necessary related to the investigation to certain individuals since the risk for the Company is remote because the investigation is not against the company nor against the Swiss subsidiaries. The Company is not part of the communication between the PPO and the investigated people. Based on management's assessment there is no legal or constructive obligation and therefore no (contingent) liability recorded.

To conclude on the above, the Group has already secured the resources to reimburse the amount to the SECO. Its solid financial structure, together with the good performance in the first months of the year and the capability to generate cash from the business, will allow the Group to continue to go on with no risk on the continuity of the operations.

Income taxes

As of 31 December 2022 the net liability for current taxes amounts to EUR 2,404 thousand (2021: net liability for current taxes of EUR 3,119 thousand). The net liability for deferred taxes amounts to EUR 9,260 thousand at 31 December 2022 (2021: EUR 10,312 thousand, refer to Note 13 for further details). Significant estimates are required in determining the current and deferred tax assets and liabilities. Some of these estimates are based on interpretations of existing tax laws and regulations. Management believes that these estimates are reasonable and that the recognised liabilities for income tax-related uncertainties are adequate. Various internal and external factors may have favourable or unfavourable effects on the income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation, and changes in tax rates. Any such changes that arise could impact the current and deferred income tax assets and liabilities recognised in the balance sheet in future periods. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

As of 31 December 2022 management recognised deferred tax assets on losses carried forward for EUR 18,472 thousand based on its estimates of future taxable profits. Management considers it probable that future taxable profits will be available against which such losses can be used.

Provision and contingencies

The use of estimates and judgments is required in order to assess the amount and timing of future cash outflows to settle the present legal or constructive obligations. In case the estimates of Group's management differ significantly from effective cash outflows, the consolidated financial statements could be materially affected. Total provisions amount to EUR 4,895 thousand as of 31 December 2022 (EUR 3,255 thousand for 2021). For further information see Note 27.

Business combinations

The Group initially recognizes the fair value of identifiable assets acquired, the liabilities assumed, any non-controlling interest on a proportionate basis and the consideration transferred in a business combination. Management judgement is particularly involved in the recognition and fair value measurement of intellectual property and contingent consideration. In making this assessment, management considers the underlying economic substance of the items concerned in addition to the contractual terms. This process impacts the amounts assigned to individually identifiable assets and liabilities, the most significant ones being intangible assets. As a result, the purchase price allocation impacts Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The Group did not have any business combination during 2022.

Impairment

As of 31 December 2022 and 2021 the Group had respectively EUR 60,418 thousand and EUR 60,422 thousand in goodwill (see Note 20) and EUR 154,537 thousand and EUR 147,722 thousand in intangible assets (see Note 19). Assets that have an indefinite useful life, such as trademarks owned by the Group, goodwill and intangible assets not yet available for use are not subject to amortisation and are annually tested for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. To compute the recoverable amount the Group's management uses key assumptions, e.g. a discount rate reflecting the risk of the assets tested for impairment and future expected cash flows generated by these assets. Actual outcomes, e.g. cash flows, may vary significantly from those assumed by management. Factors such as the underperformance of the operating activities, worsening of market conditions, changes in discount rates and lower than anticipated revenues derived from the assets could lead to a significant impairment.

Share-based payment valuation

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

BASIS OF CONSOLIDATION

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

Business combinations

Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss below operating profit.

The consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group and the fair value of any contingent consideration. Transaction costs, other than those associated with the issue of debt or equity securities, incurred in connection with a business combination are expensed as incurred.

Subsidiaries

Control exists when lastminute.com N.V. is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries that are controlled by the Group are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

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

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners acting in their capacity of owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Loss of control

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

Interests in equity-accounted investees

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

Additional information regarding changes in the scope of consolidation is provided in Note 5.

FUNCTIONAL AND PRESENTATION CURRENCY

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

Foreign operations are consolidated as follows:

- the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the average exchange rates for the period when considered a reasonable approximation of the spot rate.
- foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

PROPERTY, PLANT AND EQUIPMENT

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

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

Subsequent costs

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

Depreciation

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

▪ IT Equipment	5 years
▪ furniture	3-5 years
▪ other property, plant and equipment	4 years

Depreciation on property, plant and equipment begins when it is in the working condition intended by Management.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

INTANGIBLE ASSETS

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

Trademarks

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

Capitalised development costs

The capitalised development costs of lastminute.com Group consist mainly of capitalised internal and external expenditures for the development of the websites of lastminute.com Group.

Internal and external development expenditures are capitalised if:

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

Development expenditures that do not fulfil the above criteria are expensed as incurred.

The expenditure capitalised includes the cost of materials together with internal and external project costs as well as borrowing costs that are directly attributable to a development project.

Other Intangible assets

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

Amortisation

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

The estimated useful lives are as follows:

- capitalised development cost (software) 2-5 years
- other intangible assets 2-4 years

The residual value and the useful economic life of intangible assets are reviewed annually and adjusted where necessary.

Gains and losses arising from the sale of intangible assets are recognised in the statement of profit or loss.

GOODWILL

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of the Group's property, plant and equipment and intangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's (or the respective cash-generating units) recoverable amount, being the higher of its fair value less cost of disposal and its value in use, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually.

The test is performed at the end of every year so the date of testing is the year-end closing date of the consolidated financial statements. Goodwill acquired and allocated during the year is tested for impairment at the end of the year in which the acquisition and allocation took place. Goodwill is allocated and tested at operating segment level as it is not monitored at a lower CGU level.

Any impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reviewed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

LEASES

For any new contract, the Group considers whether it is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets key evaluations which are whether:

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

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

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

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

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

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

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

Lease liabilities include the net present value of the following lease payments:

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

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

In applying IFRS 16, the Group has used the following practical expedients permitted by the standard:

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

With reference to the amendment to IFRS 16 related to Covid-19 rent concessions, the Group deems it not applicable at consolidated level, since the main lease contract modifications do not meet the requirements and have been accounted for as a modification to the original contract.

FINANCIAL INSTRUMENTS

Financial assets

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

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

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

Impairment of financial assets

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

Investments

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

Trade and other receivables

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

Cash and cash equivalents

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

Financial liabilities

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

Trade and other payables

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

PROVISIONS

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

EMPLOYEE BENEFITS

Post-employment plans

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

Post-employment plans for employees are maintained based on the respective legislation in each country. The plans in Switzerland, Italy and France are determined as defined benefit plans. The Swiss pension plan is financed by employer and employee contributions and the funds and foundation are financially independent from the Group. The Italian plan relates to the employee severance indemnity (TFR) that represents a contribution plan. In France employees benefit from the "Indemnités de Fin de Carrière" defined as a “defined benefit” plan.

The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method (PUCM). The pension fund obligations and the related plan assets are assessed annually by a qualified actuary. Current service costs and net interest on the net defined benefit liability or asset are recognised as “Personnel costs”. The Group determines the net interest expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability or asset.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding interest) are immediately recognised in other comprehensive income (OCI).

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately as “Personnel costs”. A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

Share-Based Payment Transactions

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

SHARE CAPITAL

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

TREASURY SHARES

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

REVENUE RECOGNITION

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

Online Travel Agency (OTA)

Within Online Travel Agency (OTA) services, The Group offers travel services on a stand-alone and package basis generally either through the merchant or the agency business model. Merchant revenues are derived from travel related transactions where the Group facilitates the payments from travellers for the services provided. The Group records cash collected from travellers, which includes the amounts owed to the travel service providers and the Group's commission, and recognised revenues once the transaction with the customer is finalised. Agency revenues are derived from travel-related transactions where the Group does not facilitate payments from travellers for the services provided. The Group receives commissions from the travel suppliers. Under the merchant model the Group's customers are represented by the travellers while in other transactions the Group's customers are the service providers. When a customer posts a booking on the internet page of the companies of the Group, lastminute.com Group passes the booking to the travel supplier. Lastminute.com Group acts as an agent or broker. Revenue from the intermediation of travel services therefore consists of the commission that represents the difference between the total amount receivable from the customer and the amount payable to the travel supplier or the related commissions received from the travel supplier. Revenue from commissions paid by financial and commercial partners under specific revenue-sharing agreements, such as commissions received from telecom operators based on the volume of inbound calls to our premium customer service numbers, is recognised according to the information provided on their periodical statements.

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

- Revenues from sales of travel services

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

- Revenues from over commissions, kickback and rebate

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

- Other revenues

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

- Revenues from ancillaries

The Group receives commissions from the intermediation of ancillary services, such as insurance on packages sold to the customers, cars services and other services such as seat selection, luggage, online check-in, priority boarding, parking and ticket for additional experiences. Revenues for ancillaries are recognised at a point in time when the customer has completed its booking. They also include, as example, additional luggage and parking fees.

- Revenues post sales

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

- Media revenues

The Group generates other revenues, which primarily comprise revenue from advertising and metasearch activities. Revenue from advertising services comprises revenue from providing advertisement banners on the Group's companies websites. Revenue derived from the delivery of advertisements is recognised either at the time of display of each individual advertisement, or when the service is transferred to the customer over the delivery period. Media revenues are included in revenues from advertising services line items.

Metasearch revenues

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

OTHER INCOME FROM EXPIRED REFUND VOUCHERS

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

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

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

MARKETING COSTS

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

OTHER OPERATING COSTS

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

INCOME TAXES

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

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

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

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

NEW AND REVISED STANDARDS AND INTERPRETATIONS NOT YET APPLIED

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

Amendments	IASB Effective date	Mandatory application in the EU: annual period beginning on or after
Amendments to IAS 1 Presentation of Financial Statements: - Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively) - (*1)	01 Jan 24	Not yet endorsed
Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (issued on 31 October 2022) - (*1)	01 Jan 24	Not yet endorsed
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) - (*1)	01 Jan 24	Not yet endorsed
IASB and IFRS IC documents that have been endorsed	**EU Effective date**	**Date of endorsement**
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021) - (*2)	01 Jan 23	8 Sep 22
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) - (*2)	01 Jan 23	11 Aug 22
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) - (*2)	01 Jan 23	2 Mar 22
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) - (*2)	01 Jan 23	2 Mar 22

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

In addition to the above, the following amendments to existing standards, applicable from 1 January 2022, are not expected to have a significant impact on the Group's consolidated financial statements. See below for further details.

Amendments	IASB Effective date	Mandatory application in the EU: annual period beginning on or after
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)	01 Jan 22	28 Jun 21

NOTE 3 - CHANGES IN ACCOUNTING POLICIES & ERRORS

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, available reliable information. When identifying an error due to an incorrect interpretation of the accounting policies, the entity corrects material prior period errors retrospectively by restating the comparative amounts for the prior period presented in which the error occurred.

In April 2021, the Group completed the acquisition of a minority stake in Freesailors Coöperatief UA (also called "Freesailors") from Fedro S.A. for a total amount of EUR 5,122 thousand (2.01% of the Company share capital issued). The acquisition was made through a special vehicle (Sealine Investments 2 LPs) controlled by the Group. At acquisition, the shares in Freesailors were classified as non-current financial assets and measured at fair value through profit and loss as of 31 December 2021. The fair value of the before mentioned shares at 31 December 2021 was EUR 8,838 thousand leading to a finance income for the Group of EUR 3,716 thousand.

Based on further assessment performed during the year, the acquisition of shares should have been treated as acquisition of treasury shares. The rationale is that Freesailors has no operations and effectively only holds shares in Lastminute; the shares in Freesailors are in substance lastminute.com shares that should be treated as company's treasury shares. Considering their nature, the shares shall be accounted for at their purchase price (EUR 5,122 thousand) and included in the treasury share reserve. Consequently, the gain recorded in the previous period has been reversed, with a negative impact on retained earnings for EUR 3,716 thousand . Please refer to the consolidated statement of changes in equity for further information.

As requested by IAS 8, for each prior period presented, the Group has restated the financial statement line items affected and recalculated the earnings per share (IAS 33). All the notes impacted by the aforementioned change have been modified accordingly.

Please find below a detail of the impact on comparative financial statements for each of the lines affected:

Balance sheet	31 Dec 2021	Effects of the restatement	31 Dec 2021 restated
Non current financial assets	11,944	(8,838)	3,106
Treasury share reserve	(9,062)	(5,122)	(14,184)
Retained earnings / (losses)	(7,355)	(3,716)	(11,070)

Profit & Loss	2021	Effects of the restatement	2021 restated
Finance income and costs	112	(3,716)	3,828
Profit / (Loss) for the period	(9,569)	(3,716)	(13,285)

Cash Flow	31 Dec 2021	Effects of the restatement	31 Dec 2021 restated
Total impact on operating cash flow	7,624	-	7,624
Total impact on investing cash flow	(15,593)	5,122	(10,471)
Total impact on financing cash flow	(20,338)	(5,122)	(25,460)

Earnings per share	2021	Effects of the restatement	2021 restated
Basic earnings per share	(0.87)	(0.35)	(1.22)
Diluted earnings per share	(0.87)	(0.35)	(1.22)

NOTE 4 - FINANCIAL RISK MANAGEMENT

Financial Instruments

The following table shows, for each of the periods presented, the Group's financial instruments arranged according to the categories defined by IFRS 9:

in '000 EUR	31 Dec 2022	31 Dec 2021 (***)
Non current financial assets	4,605	3,106
Current financial assets (Deposits and other) **	12,500	2,851
Trade and other receivables * (Current and Non Current)	82,650	29,117
Contract assets	8,647	4,018
Cash and cash equivalents (excl. Cash on hand)	118,490	109,661
Total financial assets measured at amortised cost	**226,891**	**148,755**
Short term and long term financial liabilities	79,752	79,608
Short term and long term lease liabilities	14,361	6,955
Trade and other payables * (Current and Non Current)	332,013	193,334
Contract liabilities	796	934
Total financial liabilities measured at amortised cost	**426,922**	**280,832**
Investments at fair value through profit or loss	2,520	2,815
Total financial assets at fair value through profit or loss	**2,520**	**2,815**

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

(**) Current financial asset do not include investment at fair value through profit or loss for an amount of EUR 2,520 thousand

(***) Comparative figures have been restated according to the disclosure provided in Note 3

For further details on Financial assets refer to Note 21.

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

With reference to the existing covenants the Group has already secured with the related banks the availability to consider as extraordinary any potential impact of the above mentioned investigation on the Group's balance sheet, obtaining the related waivers, therefore not impacting the continuity of the financing. In addition, for evidence of the bank guarantees make reference to Note 32.

Measurement of fair values

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

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

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

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

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

in '000 EUR	Fair Value		
31 December 2022	Level 1	Level 2	Total
Investment at fair value	2,286	-	2,286
Derivative financial instrument assets	-	234	234
Total	**2,286**	**234**	**2,520**
31/12/2021 (*)	Level 1	Level 2	Total
Investment at fair value	2,815	-	2,815
Total	**2,815**	**-**	**2,815**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

The amount for the year is related to the following:

- level 1: the investment held in Destination Italia SpA for a total amount of EUR 2,286 thousand (18.16%). The investment has been measured at fair value through profit and loss at 31 December 2022, leading to a finance cost for the Group of EUR 529 thousand.
- level 2: the Group has foreign currency forwards derivative instruments for a total amount of EUR 234 thousand at 31 December 2022. These derivative financial instruments are classified as other current financial assets.

Financial risk management

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

The Group is operating in a scenario where macroeconomic events can have an important impact on the consolidated financial statements. Pandemic, conflicts, climate change, inflation and the consequences that these events have on the customers willingness to travel and spending power are monitored by the management. The Group has reported on the impact of the macroeconomic events on each of its principal risks, as set out below.

Net debt reconciliation

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

in '000 EUR	1 Jan 2022	Repayments (principal + interest)	Interests Charges	Additions	Other non cash movements	31 Dec 2022	Currency	Year of maturity
Uncommitted bank loans/overdraft	28,521	(33,337)	399	33,140	7	28,729	EUR	2023
Committed bank loans	17,487	(3,942)	350	-	-	13,895	EUR	2023
Covid 19 government secured bank loans	31,584	(5,807)	294	-	781	26,852	EUR_CHF	2023-2027
Other Financial liabilities	2,016	(1,817)	6	1,049	9,022	10,276	EUR	2023
Total	**79,608**	**(44,904)**	**1,049**	**34,189**	**9,810**	**79,752**		

For further information on the lease liabilities movement schedule, reference should be made to Note 17.

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

As of 31 December 2022 current financial liabilities amount to EUR 59,062 thousand (2021: current financial liabilities of EUR 53,483 thousand) and long term financial liabilities amount to EUR 20,690 thousand (2021: long term financial liabilities of EUR 26,125 thousand). Total financial liabilities are in line with last year due to the combined effect of the partial repayment of a committed loan and a covid-19 government secured bank loan according to the payment plan agreed with the financial institution and the financial liability posted in connection with the Freesailors Transaction described in Note 34. In both the 2022 financial year and the 2021 financial year, all payment obligations and requirements from the loan agreements have been fulfilled.

During the year the Group was unable to comply with the covenants included in one contract, obtaining from the banks the related waiver not impacting the continuity of the financing, considering the extraordinary and one-off costs incurred in the year, as set out in Note 2, section "Going concern basis of accounting". This loan is presented under current financial liabilities.

With reference to the current scenario in which the Group is operating and pictured in Note 2, the following effects on credit and liquidity risk have been considered:

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

In order to mitigate the risk, the Group is constantly monitoring its cash and working capital position to ensure it has sufficient funds to refund/replace customer bookings. Based on that it decides to draw or reimburse the existing credit lines.

b) Recoverability of airline and hotel refunds: the pandemic and the other macroeconomic events that happened during the year resulted in a lot of arranged travel services being cancelled by the travel service providers. For that reason, the Group had to face the issue related to airlines/hotels not timely refunding flight/hotel costs.

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

Credit risk

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

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

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

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

Exposure to credit risk

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

in '000 EUR	31 Dec 2022	31 Dec 2021 (***)
Non current financial assets	4,605	3,106
Current financial assets *	12,500	2,851
Trade and other receivables ** (Current and Non Current)	82,650	29,117
Contract assets	8,647	4,018
Cash and cash equivalents (excl.cash on hand)	118,490	109,661
Total	**226,891**	**148,755**

(*) "Current financial assets" do not include investment at fair value through profit or loss, for an amount of EUR 2,520 as required by IFRS 9 standard on impairment.

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

(***) Comparative figures have been restated according to the disclosure provided in Note 3

Cash and cash equivalents are held by primary financial institutions with high credit ratings. Cash and cash equivalents at 31 December 2022 are mainly held in Euro.

As it relates to deposits, as of 31 December 2022, the Group held cash in bank depository accounts of EUR 118,490 thousand (primarily in Intesa San Paolo, Corner Bank, BBVA and other primary European banks).

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

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. At each reporting date the Group performs an analysis over loss rates which, if necessary, are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The percentages for the reporting period didn't change when compared to the previous period.

On that basis, the loss allowance as at 31 December 2022 was determined as follows:

	NOT DUE	0-30	31-90	91-180	181-360	OVER 360	TOT
Expected credit loss %	2%	3%	5%	20%	60%	100%	
Credit loss other receivable	**173**	**74**	**163**	**475**	**289**	**2,559**	**3,733**

As of 31 December 2022 the Group performed a specific assessment over trade and other receivables and has determined a credit loss for a total amount of EUR 3,733 thousand (EUR 4,639 thousand at 31 December 2021), of which the amount of bad debt for hotels and flights receivables is equal to EUR 271 thousand (EUR 268 thousand at 31 December 2021).

During the year, the Group has accounted for losses on receivables for a total amount of EUR 4,179 thousand. For additional information please refer to Note 10.

Liquidity risk

Liquidity risk is the risk that the Group will face difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group meets its obligations from brokering services, in which it acts as an agent between the provider of the service and the customer. The Group maintains credit lines to meet its obligations from such brokering transactions. For other transactions the Group maintains sufficient reserves of cash to meet its liquidity requirements at all times.

The negative working capital is inherent in the business model of online travel agencies (OTA). The gross amount of the travel services rendered to customers is cashed at the time of the booking through credit cards, while the corresponding amounts net of the OTA's margin is payable later.

As of 31 December 2022, the total amount of unused available cash credit lines for the Group was EUR 5,000 thousand (EUR 5,000 thousand at 31 December 2021). Trade and other payables are mainly due within 60 days.

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

in '000 EUR	31 Dec 2022				31 Dec 2021			
	Not due	Less than 6 months	Between 6 month and 1 year	More than 1 year	Not due	Less than 6 months	Between 6 month and 1 year	More than 1 year
Undiscounted								
Trade and other payables	(319,303)	(11,830)	(74)	(806)	(188,921)	(10,356)	(140)	(1,205)
Contract liabilities	(796)	-	-	-	(934)	-	-	-
Total Undiscounted	**(320,099)**	**(11,830)**	**(74)**	**(806)**	**(189,855)**	**(10,356)**	**(140)**	**(1,205)**
Discounted								
Liabilities for share-based payment	(7,656)	-	-	-	(14,433)	-	-	-
Short term financial liabilities	(59,062)	-	-	-	(53,483)	-	-	-
Short term lease liabilities	(5,351)	-	-	-	(2,681)	-	-	-
Long term financial liabilities	(20,690)	-	-	-	(26,125)	-	-	-
Long term lease liabilities	(9,010)	-	-	-	(4,274)	-	-	-
Total Discounted	**(101,769)**	**-**	**-**	**-**	**(100,997)**	**-**	**-**	**-**
Total	**(421,867)**	**(11,830)**	**(74)**	**(806)**	**(290,852)**	**(10,356)**	**(140)**	**(1,205)**

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

Currency risk

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

The Group has in place forward contracts with primary financial institutions in order to cover currency risk. Forwards on currencies allow the Group to exchange a currency at a future date at a fixed exchange rate. Derivatives are only used for economic hedging purposes and not as speculative investments. However, as the Group elected not to apply hedge accounting, they are classified as 'held for trading' for accounting purposes only and are accounted for at fair value through profit or loss. They are presented as current financial assets to the extent they are expected to be settled within 12 months after the end of the reporting period.

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

On the other hand, some of the Group's costs and investments are based upon contractually agreed payments that are denominated in CHF, e.g. some of the lease payments for office spaces or some suppliers. As of 31 December 2022, the Group's balance sheet net exposure in CHF amounted to EUR 22,481 thousand (2021: EUR 23,086 thousand). As of 31 December 2022, the Group's balance sheet net exposure in GBP amounted to EUR 35,663 thousand (2021: EUR 38,484 thousand). As of 31 December 2022, the Group's balance sheet net exposure in USD amounted to EUR 8,358 thousand (2021: EUR 5,003 thousand).

A strengthening (weakening) of the EURO against the CHF, GBP and USD of 10% at 31 December 2022 and 2021 would have affected profit or loss by the amounts shown in the table below:

in '000 EUR	31 Dec 2022		31 Dec 2021	
	Strenghtening	Weakening	Strenghtening	Weakening
Currency risk sensitivity in CHF	(2,044)	2,044	(2,099)	2,099
Currency risk sensitivity in GBP	(3,239)	3,239	(3,499)	3,499
Currency risk sensitivity in USD	(911)	911	(455)	455

This analysis is based on foreign currency exchange rate variances on the balance sheet position of year end the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Interest Rate Risk

The interest rate risk is the risk that changes in interest rates will affect the Group's result. The impact on profit or loss of the changes in fair value of the fixed-rate bonds investments (included within short and long term financial liabilities) due to changes in interest rates is not material.

As of 31 December 2022 the Group has short term financial liabilities for EUR 59,062 thousand (31 December 2021: EUR 53,483 thousand) and long-term financial liabilities for EUR 20,690 thousand (31 December 2021: EUR 26,125 thousand). An amount of EUR 19,250 thousand (of which EUR 10,117 thousand is classified as long term) is regulated by variable interest rate (Euribor 6 and 3 months). The Euribor 6m and 3m have been negative for the first half of the year and showed an increase in the second half. The analysts expect it to remain steady for the next future. The Group periodically monitors the fluctuation of the interest rates and due to the good capability in the cash management, recent increases in interest rates will not have any material impact on the consolidated financial statements.

The Group further has cash and cash equivalents (excluded cash on hand) with variable interest rates in the amount of EUR 118,490 thousand (31 December 2021: EUR 109,661 thousand). See also Note 25 for further details.

As of 31 December 2022 the interest risk is limited to the cash and cash equivalents with variable interests. Taking into consideration the interest rates applied by the financial counterparts of the Group, a reasonable possible change in the interest rates of cash and cash equivalents, which is expected to be maximum equal to 1%, would not have a material impact on profit or loss.

Price Risk

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

NOTE 5 – CHANGES IN THE SCOPE OF CONSOLIDATION

Financial year 2022

During the year there were no business combinations

Other events of the 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. In July 2022 the Group acquired an additional minority stake. Total consideration paid by the Group during the year is EUR 200 thousand (42.55% of ownership). Starting from April 2022, Epico Viajes SL investment has been accounted for by applying the equity method. For additional information reference should be made to Note 22.

NOTE 6 - SEGMENT INFORMATION

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

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

Management is determining operating segments based on the information reviewed by the Group CEO.

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 that 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.

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

lastminute.com CEO and the Board of Directors assesses the performance of the operating segments based on a measure of Adjusted EBITDA:

in '000 EUR	31 Dec 2022					31 Dec 2021				
	OTA	Metasearch	Other segments	Non reconciling items	Total	OTA (*)	Metasearch	Other segments	Non reconciling items	Total
Managerial Revenues	**275,794**	**25,121**	**3,962**	**-**	**304,878**	**135,110**	**12,982**	**1,957**	**-**	**150,049**
Previous year adjustments					**91**					**1,960**
Covid-19 impact					**(13,003)**					**(14,890)**
Other costs/income incidental to operating activities					**1,844**					**416**
Government grants					**550**					**5,073**
Consolidated Revenues	**266,072**	**24,817**	**3,471**	**-**	**294,360**	**129,187**	**12,950**	**470**	**-**	**142,607**
Consolidated EBITDA Adjusted	**39,959**	**5,483**	**978**	**(8,740)**	**37,680**	**19,902**	**4,519**	**289**	**(5,672)**	**19,038**
Previous year adjustments					(395)					2,967
Long term incentive plans and related consultancy fees					6,280					(13,035)
Costs related to acquisition and integration of subsidiaries					-					(834)
Other costs/income incidental to operating activities					(1,917)					(961)
Restructuring costs					(462)					(2,264)
Governments grants					550					5,073
Bad debt not ordinary					(3,841)					(16,578)
Expired voucher not Covid related					-					1,748
Local WHR investigation					(35,001)					-
Covid-19 impact					(2,322)					1,083
IFRS 16					4,147					3,856
Consolidated EBITDA IFRS					**4,719**					**92**
Depreciation, Amortization and impairment					(15,336)					(17,043)
Profit/(loss) before Interest and Income Tax					**(10,617)**					**(16,951)**

(*) The comparative information related to consolidated revenues has been restated due to a change in the way the Group determines its operating segments. Starting from 2022, Media business is considered as a product of the OTA and the disclosure has been changed accordingly, as explained before.

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.

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

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

- cancellations collected during the year had an impact of EUR 6,163 thousand (Covid-19 impact for EUR 2,322 thousand plus bad debt not ordinary for EUR 3,841 thousand) on the consolidated income statements, with main effects on revenues and other operating costs. The amount includes the following negative cancellations effects: EUR 7,516 thousand related to cancellations from 2021 and 2022 via cash or voucher, EUR 3,645 thousand related to personnel variable cost, EUR 2,437 thousand related to other Covid-19 related effects, EUR 1,251 thousand related to Fullflex and EUR 3,841 thousand related to bad debts on flight and hotel. The amount is partially offset by the positive effects coming from the vouchers not redeemed (EUR 12,394 thousand) and the release of the provision for future cancellations (EUR 133 thousand).
- local WHR ("Working Hour Reduction") Investigation is related to the costs incurred during the year for the amounts to be reimbursed in connection with the working hour reduction

investigation that involved some of the Group subsidiaries and the related legal and consultancy services (EUR 35,001 thousand, of which EUR 31,473 thousand impacting on Personnel cost and EUR 3,528 thousand impacting on Other operating costs). Reference should be made to Note 2 for further details, paragraph Going Concern basis of accounting.

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

Total amount of depreciation, amortisation and impairment as of 31 December 2022 is EUR 15,336 thousand. The amount includes the impairment losses recognised during the year, for an amount of EUR 285 thousand, which are related to the segment OTA. For further details reference should be made to Note 19.

The tables below describe the Group's non-current assets, excluding right-of-use assets, financial instruments, investments in equity accounted investees and deferred taxes, based on the geographic location and operating segments of the assets as of 31 December 2022 and 2021:

	2022	2021
Spain	78,386	78,341
France	38,210	37,762
Switzerland	68,112	61,224
Germany	13,267	13,585
Others	15,177	14,443
UK	4,434	4,648
Total	**217,586**	**210,003**

	2022	2021 (*)
OTA	172,590	165,586
META	38,602	38,149
OTHER	6,394	6,268
Total	**217,586**	**210,003**

(*) The comparative information related to segmented assets has been restated due to a change in the way the Group determines its operating segments. Starting from 2022, Media business is considered as a product of the OTA and the disclosure has been changed accordingly, as explained before.

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

	2022	2021 (*)
Property, plant and equipment	2,631	1,860
Intangible assets	154,537	147,722
Goodwill	60,418	60,422
Sub-total	**217,586**	**210,003**
Right-of-use assets	13,218	6,225
Non-current financial assets	4,605	3,106
Investments in equity accounted investees	1,308	891
Deferred tax assets	19,613	18,541
Total non-current assets	**256,330**	**238,766**

(*) Comparative figures have been restated in accordance with the disclosure provided in Note 3

NOTE 7a – REVENUES

The table below shows Revenues for 2022 and 2021:

in '000 EUR	2022	2021 (*)
Revenue from sales of travel services	87,670	42,786
Revenue from overcommission, kickback and rebate	60,910	21,899
Other revenues	1,771	7,364
Revenue from advertising services	13,994	8,357
Revenue from ancillaries	124,806	57,483
Revenue post sales	5,209	4,718
Total	**294,360**	**142,607**

(*) The comparative information has been restated due to a change in classification of the margins generated with Travel Extra Pack (TEP) service, which have been moved from revenues from ancillaries to revenue from sales of travel services.

In 2022 total revenues increased by EUR 151,753 thousand (>100%), from EUR 142,607 thousand to EUR 294,360 thousand.

The positive variation is driven by the increase in volumes, mainly during the summer period where the business took off and showed a strong rebound. Revenues include the margins generated through new bookings and bookings made with vouchers previously issued (also called rebookings). Infact, based on the applicable accounting standard (IFRS 15) margins from voucher utilisation are recognised at the time of the new booking.

The decrease in other revenues is mainly due to lower government subsidies obtained during the year compared to previous year. For further details make reference to Note 6.

The increase in revenues from ancillaries is mainly linked to a higher incidence of insurance products, cars and other products sold during the year, compared to 2021.

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

	OTA (*)		META		OTHER		TOTAL	
in '000 EUR	2022	2021	2022	2021	2022	2021	2022	2021
Primary geographical markets								
Italy	39,023	20,818	1,595	602	3,311	327	43,929	21,748
Spain	21,415	14,788	1,524	946	144	127	23,083	15,861
UK	66,999	24,578	2,529	774	-	-	69,528	25,352
France	44,878	27,730	5,122	3,094	16	16	50,016	30,840
Germany	61,207	31,727	1,631	860	-	-	62,838	32,587
Others	32,550	9,546	12,417	6,674	-	-	44,967	16,220
Total	**266,072**	**129,187**	**24,817**	**12,950**	**3,471**	**470**	**294,360**	**142,607**
Major products/service lines								
Flight	91,954	41,715	-	-	-	-	91,954	41,715
Dynamic Holiday Packages	112,187	46,606	-	-	-	-	112,187	46,606
Hotel	13,990	11,478	-	-	-	-	13,990	11,478
Tour operator	23,712	15,617	-	-	-	-	23,712	15,617
Cruises	-	-	-	-	3,471	470	3,471	470
Other OTA services	8,932	5,412	-	-	-	-	8,932	5,412
Metasearch	-	-	24,817	12,950	-	-	24,817	12,950
Media	14,486	8,362	-	-	-	-	14,486	8,361
Other revenue	811	(3)	-	-	-	-	811	(3)
Total	**266,072**	**129,187**	**24,817**	**12,950**	**3,471**	**470**	**294,360**	**142,607**

(*) The comparative information related to segmented revenues have been restated due to a change in the way the Group determines its operating segments. Starting from 2022, Media business is considered as a product of the OTA and the disclosure has been changed accordingly, as explained in Note 6.

Geographical Information

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

Major Customers

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

NOTE 7b- OTHER INCOME FROM EXPIRED REFUND VOUCHERS

in '000 EUR	2022	2021
Other income from expired refund vouchers	13,270	21,991

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 lower impact of Covid-19 in 2021 compared to 2020 on the travel industry led to a lower amount of vouchers issued in 2021 and as a consequence a reduction of the misredemption for vouchers not used by the customers during the 2022.

NOTE 8 - MARKETING COSTS

The table below shows Marketing costs for the Group for 2022 and 2021:

in '000 EUR	2022	2021
Online costs	120,386	50,476
Offline costs	9,645	1,467
Total	**130,031**	**51,943**

Marketing costs increased by EUR 78,088 thousand (>100 %) from EUR 51,943 thousand in 2021 to EUR 130,031 thousand in 2022. Online costs are back in line with 2019 levels due to business recovery while offline costs increased significantly as the Group signed a partnership agreement last February with the Tour de France.

Marketing costs as a percentage of revenues increased in 2022 compared to 2021 (44.2% in 2022 versus 36.4% in 2021). The increase in the contribution on revenue is mainly due to the increase of marketing costs during 2022 and not proportional increase revenues.

NOTE 9 - PERSONNEL COSTS

The table below shows Personnel costs for the Group for 2022 and 2021:

in '000 EUR	2022	2021
Wages and salaries	80,166	28,817
Social security charges	11,589	8,313
Expenses relating to defined benefit plans	1,042	1,232
Other personnel costs	1,478	2,518
Share-based payments	(6,280)	13,035
Total	**87,995**	**53,915**

Personnel costs increased by EUR 34,080 thousand (63.2%) from EUR 53,915 thousand in 2021 to EUR 87,995 thousand in 2022. The variance is due to the combined effects of an increase in wages, salaries and social security charges linked to the repayment of benefits received by the Governments during 2021 and 2020 to the Swiss State Secretariat for Economic Affairs (SECO) and a decrease due to the measurement and remeasurement of the liability towards employees for the incentive schemes. Please refer to Note 16 for further details.

Personnel costs as a percentage of revenues in 2022 decreased compared to 2021 (29.9% vs 37.8%).

Wages and salaries increased mainly due to the reimbursement of benefits related to the working hours reduction plans for EUR 31,473 thousand. Please refer to Note 2 for further background information. The related liability is described in Note 29. The increase is also linked to the higher headcount when compared to last year.

Costs for wages and salaries of EUR 13,531 thousand (2021: EUR 5,524 thousand) have been capitalised as development costs (refer to Note 19 for further details). Wages and salaries capitalised as development costs refer specifically to employees working on such development.

Expenses relating to defined benefit plans decreased by EUR 190 thousand (-15.4%) from EUR 1,232 thousand in 2021 to EUR 1,042 thousand in 2022.

Details about expenses relating to defined benefit plans under the scope of IAS 19 are disclosed in Note 15, including an amount of EUR 162 thousand for the effects of IAS 19 valuation. The remaining amount of EUR 879 thousand accounted for in the consolidated statement of profit or loss as Personnel cost is related to both unfunded employee benefit liabilities and pension scheme costs not qualified as defined benefit plans under the scope of IAS 19.

Other personnel costs decreased by EUR 1,040 thousand (-41.3%) from EUR 2,518 thousand in 2021 to EUR 1,478 thousand in 2022. The variance is mainly due to the lower amount accounted for termination benefits in 2022 (EUR 115 thousands in 2022 vs EUR 1,327 thousand in 2021).

Share-based payments for a positive amount of EUR 6,280 thousand are mainly related to net effect of the costs for exit of some employees during the year (EUR 1,382 thousand) and the positive measurement and remeasurement of the liability towards employees (EUR 7,662 thousand). For further details on expenses related to cash settled share-based payment liabilities please refer to Note 16.

The average number of staff employed by the Group in 2022 amounted to 1,381 headcounts (2021: 1,126).

The table below shows the Group's headcount split at the end of 2022 and 2021:

	2022	2021
Units		
IT	557	374
Sales	124	173
Administrations	189	180
Marketing	124	110
Operations	601	311
Management	4	2
Total	**1,599**	**1,150**

The table above includes the following categories: employees (permanent and fixed-term) and interns (who are excluded from the headcount disclosed in the sustainability report).

NOTE 10 - OTHER OPERATING COSTS

The table below shows other operating costs for the Group for 2022 and 2021:

in '000 EUR	2022	2021
Credit card processing fee	24,919	8,656
Fees for advisory, legal and other services	12,522	7,096
Call center operation costs	8,400	6,051
Expense for operating leases	561	110
IT fix costs	2,875	778
Office fix costs	875	568
Overhead	4,303	2,474
Service costs	23,995	13,453
Other operation costs	2,134	1,347
Losses and allowance for doubtful accounts	4,300	18,114
Total	**84,885**	**58,648**

Total other operating costs increased by EUR 26,237 thousand (44.7%) from EUR 58,648 thousand in 2021 to EUR 84,885 thousand in 2022. The increase in other operating costs is mostly due to the credit card processing fee, fees for advisory, legal and other services and service costs recognised during the year partially offset by the cost reduction referred to lower losses and allowance for doubtful accounts .

See below the explanations split by categories:

“Credit card processing fee” increased by 16,263 thousand (>100%) from EUR 8,656 thousand in 2021 to EUR 24,919 thousand in 2022 due to higher transaction volumes processed during the year linked to the increased number of bookings.

“Fees for advisory, legal and other services” increased by EUR 5,426 thousand (+76.5%) from EUR 7,096 thousand in 2021 to EUR 12,522 thousand in 2022. Most of the increase is related to the legal costs the Group incurred in connection with the investigation already explained in Note 2.

“Call Center operation costs” increased by EUR 2,349 thousand (+38.8%) from EUR 6,051 thousand in 2021 to EUR 8,400 thousand in 2022 due to business economic recovery and the investments made in the development of the internal customer service.

“Expense for operating leases” increased by EUR 451 thousand (>100%) from EUR 110 thousand in 2021 to 561 thousand in 2022.

“IT fix costs” increased by EUR 2,097 thousand (>100%) from EUR 778 thousand in 2021 to EUR 2,875 thousand in 2022. The increase is mainly due to the increase in cloud Infrastructure.

“Office fix costs” increased by EUR 307 thousand (+54%) from EUR 568 thousand in 2021 to 875 thousand in 2022. The increase is mainly related to a gradual return to physical offices by employees.

“Overhead costs” increased by EUR 1,829 thousand (+73.9%) from EUR 2,474 thousand in 2021 to EUR 4,303 thousand in 2022. These costs are mainly referred to insurance costs, travel expenses and other taxes not income related.

“Services costs” increased by EUR 10,542 thousand (+78.4%) from EUR 13,453 thousand in 2021 to EUR 23,995 thousand in 2022 and are mainly referred to licence costs and fraud fees incurred.

“Other operation costs” increased by EUR 787 thousand (+58.4%) from EUR 1,347 thousand in 2021 to EUR 2,134 thousand in 2022 and include residual costs incidental to the business, operational taxes not income related such as the cost incurred for stamp duty on capital contribution made to one of the Group subsidiaries (EUR 407 thousand) but also the allowance and the release for other provisions.

“Losses and allowance for doubtful accounts” decreased by EUR 13,814 thousand (-76.3%) from EUR 18,114 thousand in 2021 to EUR 4,300 thousand in 2022. The variance is principally related to the losses on trade receivables accounted for in 2022 against receivables positions (and not against bad debt provision) for a total amount of EUR 4,179 thousand (EUR 18,223 thousand in 2021). These receivables have been written-off after an internal assessment over the recoverability of such positions, considering the difficult business environment in which our customers in some cases are operating. The residual amount is related to the net effect of the movements in bad debt provision of the period, please refer to Note 23 for further details.

NOTE 11 - GAIN/ (LOSS) FROM DISPOSAL OF INVESTMENTS AND OTHER ASSETS

The table below shows the gain / (loss) from disposal on investments and others for the Group in 2022 and 2021:

in '000 EUR	2022	2021
Net loss from disposal of assets	(1)	(9)
Total	**(1)**	**(9)**

The amounts are not significant and are mainly related to gain/loss realised on sale of assets to third parties external to the Group.

NOTE 12 - FINANCE INCOME AND COSTS

The table below shows the net Finance income and costs for the Group in 2022 and 2021:

in '000 EUR	2022	2021 (*)
Net gain on investments classified as at fair value through profit and loss	-	2,815
Total Finance Income	**-**	**2,815**
Net loss on investments classified as at fair value through profit or loss	(529)	-
Net FX exchange losses	(959)	(1,016)
Interest expenses	(1,646)	(1,634)
Others	(87)	(53)
Total Finance Cost	**(3,221)**	**(2,703)**
Total Finance Income and Costs	**(3,221)**	**112**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

In 2022 total finance income and costs increased from a net gain of EUR 112 thousand to a net loss of EUR 3,221 thousand.

Last year the Group benefited from the revaluation of the investments held in Destination Italia Spa. During the year, the investment led to a cost of EUR 529 thousand due to the drop in the share value during the year. Please refer to Note 4 for further details on the fair value measurement.

During the course of the year, similar to 2021, the Group suffered the negative effects of unfavourable exchange rates trend (exchange loss of EUR 959 thousand in 2022 compared to EUR 1,016 thousand in 2021).

NOTE 13 - INCOME TAXES

Components of income tax expenses

The table below shows the composition of Income tax expenses / (income) for 2022 and 2021:

in '000 EUR	2022	2021
Current and previous years taxes	2,868	978
Deferred taxes	(1,540)	(4,624)
Total Income taxes	**1,328**	**(3,646)**

In 2022 the Group's consolidated income tax amounted to expenses of EUR 1,328 thousand, compared to income of EUR 3,646 thousand in 2021 with a variation of EUR 4,974 thousand. The difference is mainly due to lower recognition of deferred tax assets on losses of the period compared to last year.

Income taxes recognised in other comprehensive income (OCI)

The table below shows the composition of income tax expense/(income) recognised in other comprehensive income (OCI) for 2022 and 2021:

in '000 EUR	2022	2021
Income taxes on remeasurements of the Employee benefits liability	450	581
Total income taxes recognized in the period in OCI	**450**	**581**

Reconciliation of effective income tax expenses

The table below shows the Group tax rate reconciliation for 2022 and 2021:

in '000 EUR	2022 (%)	2022	2021 (%)	2021 (*)
Profit (loss) before taxes from continuing operations		(13,811)		(16,931)
The Group's expected weighted average rate is 18.5% (2021: 18.0%)				
Income tax based on the Group's expected weighted average tax rate	18.6%	2,568	18.0%	3,053
Difference in overseas tax rates	0.5%	64	0.1%	9
Current-year tax losses for which no deferred tax assets are recognised	-56.3%	(7,772)	-10.4%	(1,753)
Non deductible expenses	-2.2%	(299)	-4.1%	(698)
Tax-exempt income	4.1%	562	5.2%	887
Tax incentives	0.0%	-	1.4%	231
Effect of change in tax rate on deferred taxes	0.0%	-	1.7%	292
Recognition of previously unrecognised tax losses	25.0%	3,457	12.9%	2,181
Other	-0.1%	(16)	0.0%	-
Recognition of previously unrecognised deductible temporary difference	2.1%	284	0.0%	-
Changes in estimates related to prior years	0.0%	-	-3.3%	(558)
Utilisation of DTA previously recognised	-1.3%	(174)	0.0%	-
Income Tax (expense)/benefit for the Group		**(1,328)**		**3,646**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

Deferred tax assets & liabilities

In respect of unrecognised deferred tax assets, as of 31 December 2022, tax losses carried forward of around EUR 69,863 thousand exist (2021: EUR 55,397 thousand). These losses can be offset against future operating profits. EUR 12,776 thousand will expire within 6 years, EUR 10,442 thousand will expire within 9 years, while the remaining part has no expiring date.

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

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

in '000 EUR	31 Dec 2022		31 Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Trade receivables	-	(269)	-	(562)
Property, plant and equipment	5	-	29	-
Intangible assets	-	(28,604)	-	(28,291)
Employee benefits liability	868	-	1,098	-
Provision	24	-	24	-
Losses carry-forward	18,472	-	17,241	-
Other	243	-	147	-
Deferred Tax assets (liabilities)	**19,613**	**(28,873)**	**18,541**	**(28,853)**

In 2022 compared to 2021, deferred tax assets increased by EUR 1,072 thousand mainly due to the recognition of deferred tax assets on losses of the period.

As of 31 December 2022 management recognised deferred tax assets on losses of the period for EUR 18,472 thousands based on its estimates of future taxable profits. Management considers it probable that future taxable profits will be available against which such losses can be used.

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

Deferred tax liabilities increased during 2022 by EUR 20 thousand mainly due to temporary differences on amortisation of intangible assets.

The movement in the net deferred tax assets / (liabilities) during 2022 and 2021 was as follows:

in '000 EUR	1 Jan 2022	Recognized in Profit or Loss	Recognized in OCI	Other movements	31 Dec 2022
Net deferred tax assets/(liabilities)	(10,312)	1,540	(450)	(38)	(9,260)
Total	**(10,312)**	**1,540**	**(450)**	**(38)**	**(9,260)**

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

Current tax assets & liabilities

As of 31 December 2022, the total net position relating to "Current tax assets & liabilities" amounts to a liability of EUR 2,404 thousand (2021: EUR 3,119 thousand). Tax liabilities may arise also in those countries where the Group recognised deferred taxes on losses carried forward because of specific thresholds that limit the utilisation of those losses.

NOTE 14 - EARNINGS PER SHARE

As already explained in Note 3, comparative earnings per share is adjusted for the effect of errors accounted for retrospectively (IAS 33.64). Both the numerator (profit or loss from for the period attributable to the shareholders of lastminute.com N.V.) and the denominator (number of shares) have been modified accordingly.

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 shares that are subject to written put options or forwards (such as an obligation for an entity to purchase its own ordinary shares in cash) are not regarded as outstanding in basic Earning per share ("EPS"), but do not impact diluted EPS.
The denominator is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor. For evidence of the movements in the treasury share reserve during the period reference should be made to Note 26.

The table below shows basic earnings per share for 2022 and 2021:

	2022	2021 (*)
Profit /(Loss) for the period attributable to the shareholders of lastminute.com N.V. (in Eur/000)	(15,167)	(13,329)
Profit/(Loss) attributable to the obligation of repurchasing of indirect shares from minority shareholders	(1,003)	-
Profit /(Loss) attributable to ordinary shares	**(14,164)**	**(13,329)**
Weighted-average number of ordinary shares outstanding during the year (in thousand)	10,364	10,882
Basic earnings /(loss) per share	**(1.37)**	**(1.22)**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

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

Number of shares (in thousand of units)	2022	2021 (*)
Issued ordinary shares at 1 January	11,664	11,664
Treasury shares hold	(879)	(648)
Ordinary shares outstanding at 1 January	**10,785**	**11,016**
Effects of sales of own shares	-	3
Effects of indirect purchase of shares from minority investors	(357)	-
Effects of other indirect acquisition of shares	(9)	(138)
Effects of share buy back of the year	(55)	-
Weighted-average number of shares (Basic) at 31 December	**10,364**	**10,882**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

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.

If negative earnings per share (loss) are reported, no anti-dilutive effect may be taken into account (IAS 33.41). Thus fully diluted earnings per share are equal to basic earnings per share.

The table below shows diluted earnings per share for 2022 and 2021:

	2022	2021 (*)
Profit /(Loss) attributable to ordinary shares	(14,164)	(13,329)
Weighted-average number of ordinary shares outstanding during the year (in thousand)	10,364	10,882
Diluted earnings per share	**(1.37)**	**(1.22)**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

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

Number of shares (in thousand of units)	2022	2021 (*)
Weighted-average number of ordinary shares (Basic)	10,364	10,882
Effect of share options in issue	-	-
Weighted-average number of shares (Diluted) at 31 December	**10,364**	**10,882**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

NOTE 15 - EMPLOYEE BENEFIT

The table below shows employee benefits liabilities as of 31 December 2022 and 2021 for the Group:

in '000 EUR	Notes	31 Dec 2022	31 Dec 2021
Net defined benefit liabilities	15	3,901	5,182
Cash-settled share-based payment liabilities	16	7,656	14,433
Total employee benefit liabilities (short and long term)		**11,557**	**19,615**

The decrease of cash-settled share-based payment liabilities is mainly related to the remeasurement of the liability towards employees. For further information see Note 16. The decrease in Net defined benefit liabilities is mainly related to the change in financial assumptions applied to pension plans valuation. See below for further details.

Net defined benefit liabilities are described as follows.

Characteristics of defined benefit plans and risks associated with them

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

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

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

Plan participants, their spouse and children are insured against the financial consequences of old age, disability and death. Their benefits are defined in pension plan rules compliant with the BVG, which is specifying the minimum benefits that are to be provided. Retirement benefits are based on the accumulated retirement capital which can either be drawn as a life-long annuity or as a lump sum payment. The annuity is calculated by multiplying the retirement capital with the currently applicable conversion rate. The accumulated retirement capital is made of the yearly contributions towards the old age risk by both employer and employee and the interest thereon until retirement. Contributions towards the old age risk are based on the rules defined by the Board of Trustees of the collective foundation. Minimum contributions and interest are defined by the BVG and the Swiss Parliament. In 2022 the minimum interest was 1.0% (1.0% also in 2021).

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

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

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

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

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

Movement in net defined benefit liability

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

in '000 EUR	31 Dec 2022	31 Dec 2021
Funding of the defined benefit plan		
Present value of unfunded obligations	620	417
Present value of funded obligations	12,908	13,638
Total present value of obligations	**13,528**	**14,055**
Fair Value of plan assets	9,627	8,873
Pension liability recognized in balance sheet	**3,901**	**5,182**

Reconciliation of the defined benefit obligation	2022	2021
Defined Benefit Obligation at 1.1	**14,055**	**14,691**
Current service cost (employer)	1,946	2,607
Past service cost/(income)	(286)	(808)
Interest expense on defined benefit obligation	69	29
Contributions by plan participants	1,103	999
Administration cost	7	7
Benefits (paid)/deposited	(1,721)	(1,156)
Actuarial (gain) / loss on DBO	(2,273)	(2,924)
Other	-	22
Exchange rate effect	628	588
Defined Benefit Obligation at 31.12	**13,528**	**14,055**

Reconciliation of the fair value of plan assets	2022	2021
Fair Value of plan assets at 1.1	**8,873**	**7,411**
Interest income on plan assets	45	14
Contributions by the employer	1,179	1,065
Contributions by plan participants	1,103	999
Benefits (paid) / deposited	(1,601)	(1,079)
Other	-	10
Return on plan assets excl.interest income	49	65
Exchange rate effect	(21)	388
Fair Value of plan assets at 31.12	**9,627**	**8,873**

Reconciliation of the recognised net pension liability

Reconciliation of the recognized net pension liability	2022	2021
Net liability at the beginning of the period	**5,182**	**7,280**
Expense/(income) recognized in profit or loss	2,340	2,020
Expense/(income) recognized in other comprehensive income	(2,323)	(2,989)
Contributions by the employer	(1,179)	(1,065)
Benefits paid directly by the entity	(14)	-
Other	1	13
Benefits paid by unfunded defined benefit plans	(106)	(78)
Net liability at the end of the period	**3,901**	**5,182**

in '000 EUR	2022	2021
Pension expense recognized in profit or loss		
Current service cost (employer)	1,946	2,607
Net interest cost	24	15
Administration cost	7	7
Past service cost/(income)	(286)	(808)
Exchange rate effect	649	200
Expense recognized in profit or loss	**2,340**	**2,020**

in '000 EUR	2022	2021
Amount recognized in other comprehensive income		
Return on plan assets excl.interest income	(49)	(65)
Remeasurements (gain)/loss:		
Actuarial (gain)/loss arising from financial assumptions	(2,223)	(902)
Actuarial (gain)/loss arising from demographic assumptions	-	(979)
Actuarial (gain)/loss arising from experience adjustment	(50)	(1,043)
Total amount recognized in other comprehensive income	**(2,323)**	**(2,989)**

Actuarial assumptions for the defined benefit obligations

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

Swiss plan

Actuarial Assumptions	31 Dec 2022	31 Dec 2021
Discount rate	2.20%	0.48%
Future salary increases	1.00%	1.00%
Mortality table	BVG2020-CMI	BVG2020-CMI

As of 31 December 2022, the weighted-average duration of the defined benefit obligation was 14.7 years (2021: 18.6 years).

French plan

Actuarial Assumptions	31 Dec 2022	31 Dec 2021
Discount rate	3.00%	0.80%
Future salary increases	3.00%	3.00%
Mortality table	TGH05/TGF05	TGH05/TGF05

As of 31 December 2022, the weighted-average duration of the defined benefit obligation was 21.4 years (2021: 23.2 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2022		2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25%)	(445)	483	(603)	660
Future salary growth (0.25%)	131	(130)	183	(184)
Future mortality (1 year)	107	(107)	181	(180)

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

Plan assets

The fair value of plan assets for the Swiss plan as of 31 December 2022 of EUR 9,627 thousand (2021: EUR 8,873 thousand) consists of a receivable from the insurance company, see above.

Expected contributions in 2023

The Group contributions paid to the defined benefit plans amounted to EUR 1,179 thousand in 2022 (the expected contribution for 2022 was EUR 1,104). The Group expects to pay contributions to the defined benefit plans in the amount of EUR 1,195 thousand in 2023.

NOTE 16– SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan

No employee share option plans are in place as of 31 December 2022 and 2021.

Cash settled share-based plans

The table below shows share-based payment arrangements liabilities as of 31 December 2022 and 2021 for the Group:

in '000 EUR	31 Dec 2021 / 1 Jan 2022	Measurement and remeasurement	Actual cost for exit of former participants	Payments for cash-out during the year	Other non cash-items	31 Dec 2022
LTIP 1	10,315	(6,914)	1,446	(624)	3	**4,227**
LTIP 2	3,393	(614)	(64)	-	127	**2,842**
SAR 1	725	(157)	-	-	(3)	**565**
SAR 2	-	22	-	-	-	**22**
Total	**14,433**	**(7,662)**	**1,382**	**(624)**	**127**	**7,656**

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

- measurement and remeasurement: includes the impact in the consolidated statement of profit or loss of the fair value valuation of the plans in scope. The effects are disclosed within Personnel costs, see Note 9 for further details. A portion of this effect is related to key management personnel, as disclosed in Note 31;
- actual cost for exit of former participants: includes the cost recognised for the exit of some employees during the year. This cost is included within Personnel costs, see Note 9 for further details;
- payments for cash-out during the year: is related to the amounts paid for the exit of participants during the year;
- other non cash-items: includes all the other non-cash effects of the movements in liability during the year, such as repayment on interests on loans granted by the Group or currency translation adjustments.

As of 31 December 2022, the Group had in place the following share-based payment arrangements.

Long Term Investment Plan 1 ("LTIP 1")

On 26 March 2015, the Group established a cash-settled share-based payment arrangement. Directors and selected key employees were offered the opportunity to participate through recurring entry windows. Plan participants are required to make an equity co-investment contribution in cash ("the initial contribution") as limited partners of a limited partnership entity (Sealine Investments LP) which is consolidated by the Group. The Group offers to Limited Partners the possibility to obtain a personal loan to finance up to 85% of the initial contribution (in Window 9 up to 90%). Under the terms of the plan, the Group contributes an amount equal to three times the initial capital contribution ("the LMN contribution"). The limited partnership entity which administers the arrangement purchases the LMN shares, and LMN shares equivalent is computed for both the initial and the LMN contribution. This equivalent number is equal to the contribution divided by the agreed price of an LMN share at the date of the initial contribution.

At the end of a 4-year-period from the date of the initial contribution ("qualifying period") the plan participants are entitled to a cash payment equal to the difference between the total value of the LMN shares equivalent corresponding to both the initial and LMN contribution at market price at the end of the qualifying period plus dividends on these shares accumulated during the qualifying period and the amount of the LMN contribution plus interest at LIBOR CHF 3m + 1% p.a. by way of redemption of the outgoing limited partner's membership. After the expiry period of 4 years, the LP has the right to extend for an additional 4-year period, keeping the options already vested but having the chance to exit at any time.

No guarantee of refund of the initial contribution is provided to the plan participants by the Group. In case the total value of the LMN shares equivalent corresponding to both the initial and LMN contribution at market price at the end of the qualifying period and the dividends on these shares accumulated during the qualifying period is lower than the amount of the LMN contribution plus interest at LIBOR CHF 3m + 1% p.a., a plan participant is not receiving any payment out of the plan.

If the employee or director stops working for the Group before the end of the qualifying period, he is entitled to a cash payment at the time of exit which is equal to the lower of his initial contribution with interests of 5% p.a. (LIBOR + 2% for the 2021 window) and the market value at the time of exit of the LMN shares equivalent corresponding to his initial contribution, plus the value of dividends accumulated on the LMN shares equivalent corresponding to his initial contribution from the date of the initial contribution until exit. The exit is made by way of redemption of the outgoing limited partner's membership.

Plan participants are offered the opportunity to extend their individual investment period beyond the qualifying period and request the cash settlement relating to the initial and LMN contributions computed using the same formula as at the end of the qualifying period (see above) at a later date. The later date is then used in the formula in lieu of the end date of the qualifying period.

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

As at 31 December 2022, the overall liability of the plan recorded in relation to the cash settled obligation amounted to EUR 4,227 thousand (2021: EUR 10,315 thousand). During the year, the liability decreased by an amount of EUR 6,088 thousand. The decrease in the liability is mainly due to the lower price of the lastminute.com share compared to last year.

The liability is included in the Employee benefits liability line within the consolidated balance sheet, as disclosed also in Note 15. As at 31 December 2022, the receivables recorded in relation to the financing part granted to limited partners amounted to EUR 1,111 thousand (2021: EUR 1,267 thousand). The receivables related to the share-based plan are included in the current (EUR 713 thousand) and non-current financial assets line (EUR 399 thousand) within the consolidated balance sheet. The liability value was assessed taking into consideration the fair value of the underlying shares considering the vesting period of 4 years and other conditions, as well as the required interest payable on the company's portion of the contribution. Rights belonging to expired windows, as the term of 4 years from the date of subscription has expired of the agreement, were valued as the intrinsic value of the option (differential between the price of the underlying on the date of valuation and strike price). Rights belonging to the not vested windows have been valued as call options with expiry date equal to 4 years at the date of agreement with a Black Scholes model.
The fair value measurement of the assigned rights was carried out on the basis of the following market data as at 31 December 2022:

- price of the underlying share as at 30 December 2022 (last date of detection of the price), equal to 20.3 CHF;
- strike Price defined on the date of signing the agreement and variable for each window;
- historical volatility calculated over a time horizon of 4 years based on the historical returns of the underlying share traded on the SWISS Stock Exchange. The result is between 52.4% and 52.8%
- dividend Yield as of the date of valuation, the expected dividend parameter is 0;
- 6M SNB risk free rate yield curve
- exit rate equal to 33% calculated based on the historical trend of resignation of employees participating in previously vested windows (from window 1 to 6).

Treasury shares held by the Group to hedge its potential obligation arising from the cash-settled share-based payment arrangement amount to around 486 thousand of shares for a total investment of EUR 8,712 thousand.

<u>Long Term Investment Plan 2 ("LTIP 2")</u>

On 29 September 2021, the Group established a second cash-settled share-based payment arrangement. Directors and selected key employees were offered the opportunity to participate. Plan participants are required to make an equity co-investment contribution in cash ("the initial contribution") or through personal loan as limited partners of a limited partnership entity (Sealine Investments 2 LP) which is consolidated by the Group. The Initial Capital Contribution and eventual additional funding are used to purchase memberships in Freesailors Coöperatief UA, and these Freesailors Memberships will be allocated to Limited Partner's partnership account. Please refer to Note 31 for further details.

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

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

Group. For LPC, the lock-in period is 2 years, there's no leverage and the exit, as for LPB, is linked to the exit of Freesailors Coöperatief UA from the Group.

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

As at 31 December 2022, the liability recorded in relation to the cash settled obligation in relation to the plan amounted to EUR 2,842 thousand (2021: EUR 3,393 thousand). The liability is included in the Employee benefits liability line within the consolidated balance sheet, as disclosed also in Note 15. The related remeasurement effect is accounted for as Personnel cost within the consolidated statement of profit and loss. As at 31 December 2022, the receivables recorded in relation to the financing part granted to limited partners amounted to EUR 764 thousand (2021: EUR 697 thousand). The receivables related to the share-based plan are included in the current (EUR 490 thousand) and non-current financial assets line (EUR 274 thousand) within the consolidated balance sheet.

The fair value of the liability was determined based on methods adapted to the characteristics of the plans. The liability is valued using the Black Scholes model.
The fair value measurement of the assigned rights was carried out on the basis of the following market data as at 31 December 2022:

- price of the underlying share as at 30 December 2022 (last date of detection of the price), equal to 20.3 CHF;
- strike Price defined on the date of signing the agreement and variable for each type of Limited Partners;
- historical volatility calculated over a time horizon between 1.5 and 3.5 years based on the historical returns of the underlying share traded on the SWISS Stock Exchange. The result is equal to a value of between 54.5% and 72.0%;
- dividend Yield as of the date of valuation, the expected dividend parameter is 0;
- 6M SNB risk free rate yield curve
- exit rate equal to 33% calculated based on the historical trend of resignation of employees participating in other share-based payment arrangements.

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

Treasury shares held by the Group to hedge its potential obligation arising from the cash-settled share-based payment arrangement amount to around 189 thousand of shares for a total investment of EUR 3,385 thousand.

<u>Stock Appreciation Rights Plan ("SAR" plan)</u>

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

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

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

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

In 2022 additional 29,000 thousand SARs were assigned.

As of 31 December 2022, total SARs allocated are 639.500 out of 750.000. SARs assigned belong to three different groups which differ for vesting conditions. See below for further details:

SAR 1 assigned in 2021

Type	# of SARs	Exercise Price	Threshold Price	Grant Date	Expiry	Start Vesting Period	End Vesting Period
Gate 1	164,200	25 CHF	n/a	01/07/2021	01/07/2028	01/07/2023	01/07/2025
Gate 2	213,675	25 CHF	40 CHF	01/07/2021	01/07/2028	01/07/2023	01/01/2026
Gate 3	232,625	25 CHF	60 CHF	01/07/2021	01/07/2028	01/07/2023	01/01/2026
Total	**610,500**						

SAR 1 assigned in 2022

Type	# of SARs	Exercise Price	Threshold Price	Grant Date	Expiry	Start Vesting Period	End Vesting Period
Gate 1	11,600	25 CHF	n/a	01/01/2022	01/01/2029	01/01/2024	01/01/2026
Gate 2	10,150	25 CHF	40 CHF	01/01/2022	01/01/2029	01/01/2024	01/07/2026
Gate 3	7,250	25 CHF	60 CHF	01/01/2022	01/01/2029	01/01/2024	01/07/2026
Total	**29,000**						

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	20.30	25.00	49.0%	0.0%	2.0%	100.0%	33%
Gate 2	20.30	25.00	49.0%	0.0%	2.0%	19.6%	33%
Gate 3	20.30	25.00	49.0%	0.0%	2.0%	5.9%	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	20.30	25.00	47.3%	0.0%	2.0%	100.0%	33%
Gate 2	20.30	25.00	47.3%	0.0%	2.0%	24.8%	33%
Gate 3	20.30	25.00	47.3%	0.0%	2.0%	9.6%	33%

As of 31 December 2022, the liability recorded in relation to the SAR Plan amounted to EUR 565 thousand (EUR 725 thousand at 31 December 2021) 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, as disclosed also in Note 15. The remeasurement effect 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 31 December 2022, the SARs allocated are 145,000. See below for further details:

Type	# of SARs	Exercise Price	Threshold Price	Grant Date	Expiry	Start Vesting Period	End Vesting Period
Gate 2	38,500	35.9	40	01/04/2022	01/04/2029	01/04/2024	01/10/2026
Gate 3	71,500	35.9	60	01/04/2022	01/04/2029	01/04/2024	01/10/2026
Gate 2	3,325	35.9	40	01/06/2022	01/06/2029	01/06/2024	01/12/2026
Gate 3	6,175	35.9	60	01/06/2022	01/06/2029	01/06/2024	01/12/2026
Gate 2	1,400	35.9	40	01/07/2022	01/07/2029	01/07/2024	01/01/2027
Gate 3	2,600	35.9	60	01/07/2022	01/07/2029	01/07/2024	01/01/2027
Gate 2	3,150	35.9	40	01/08/2022	01/08/2029	01/08/2024	01/02/2027
Gate 3	5,850	35.9	60	01/08/2022	01/08/2029	01/08/2024	01/02/2027
Gate 2	4,375	35.9	40	01/09/2022	01/09/2029	01/09/2024	01/03/2027
Gate 3	8,125	35.9	60	01/09/2022	01/09/2029	01/09/2024	01/03/2027
Total	**145,000**						

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	Grant Date	Underlying Price (CHF)	Exercise Price (CHF)	Volatility	Dividend Yield	Risk-Free Rate	Vesting Probability	Cumulative Exit Rate
Gate 2	01/04/2022	20.30	35.90	45.9%	0.0%	2%	30%	33%
Gate 3	01/04/2022	20.30	35.90	45.9%	0.0%	2%	14%	33%
Gate 2	01/06/2022	20.30	35.90	46.3%	0.0%	2%	32%	33%
Gate 3	01/06/2022	20.30	35.90	46.3%	0.0%	2%	16%	33%
Gate 2	01/07/2022	20.30	35.90	46.1%	0.0%	2%	32%	33%
Gate 3	01/07/2022	20.30	35.90	46.1%	0.0%	2%	16%	33%
Gate 2	01/08/2022	20.30	35.90	46.1%	0.0%	2%	33%	33%
Gate 3	01/08/2022	20.30	35.90	46.1%	0.0%	2%	17%	33%
Gate 2	01/09/2022	20.30	35.90	46.0%	0.0%	2%	34%	33%
Gate 3	01/09/2022	20.30	35.90	46.0%	0.0%	2%	18%	33%

As of 31 December 2022, the liability recorded in relation to the SAR Plan amounted to EUR 22 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 measurement effect is accounted for as Personnel cost within the consolidated statement of profit and loss.

NOTE 17 – LEASES

Right-of-use assets

The tables below show the movement schedule of the right-of-use assets during 2022 and 2021:

2022 (in '000 EUR)	Building	Hosting	Car	Other	Total
Balance at 1 January	2,427	3,464	333	1	**6,225**
Depreciation charge for the year	(1,748)	(2,267)	(200)	-	**(4,215)**
Additions to right-of-use assets	4,478	-	365	-	**4,843**
Derecognition of right-of-use assets	(235)	-	(8)	-	**(243)**
Remeasurement of right-of-use assets	2,763	3,845	-	-	**6,608**
Balance at 31 December	**7,685**	**5,042**	**490**	**1**	**13,218**

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

In 2022 the Group made additions to right-of-use assets of EUR 4,843 thousand. The additions in 2022 were mainly related to new building contracts signed during the year, such as the agreement signed by one of the group subsidiaries for office rental in Bangalore but also the expansion of the offices in the operating headquarters and the renewals of the existing office spaces. Moreover, remeasurement of the period is related to the renewal of embedded leases contracts (hosting) and buildings.

With reference to depreciation charge for right-of-use assets, EUR 1,748 thousand is related to buildings, EUR 2,267 to hosting, EUR 200 thousand to cars.

The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. Expenses related to low value and short-term leases not capitalised as finance lease are EUR 561 thousand. See Note 10 for further details.

Lease liabilities

The table below shows the lease liabilities as of 31 December 2022 and 31 December 2021:

in '000 EUR	31 Dec 2022	31 Dec 2021
Short Term Lease Liabilities	5,351	2,681
Long Term Lease Liabilities	9,010	4,274
Total Lease Liabilities	**14,361**	**6,955**

The tables below show the movement schedule of the lease liabilities during 2022 and 2021:

	1 Jan 2022	Repayments	Additions	Disposals	Remeasurement	Interests charges	Other non-cash movements	31 Dec 2022
Lease liabilities	**6,955**	(4,147)	4,843	(243)	6,608	341	4	**14,361**

	1 Jan 2021	Repayments	Additions	Disposals	Remeasurement	Interests charges	Other non-cash movements	31 Dec 2021
Lease liabilities	**11,747**	(3,856)	156	(290)	(1,043)	241	-	**6,955**

The lease liabilities are secured by the related underlying assets. The discounted maturity analysis of lease liabilities at 31 December 2022 is as follows:

	Amount
Within 1 year	5,351
From 1 to 5 years	8,992
More than 5 years	18
Total Lease Liabilities	**14,361**

NOTE 18 – PROPERTY PLANT AND EQUIPMENT

The tables below show Property, Plant & Equipment movements during 2022 and 2021:

	Furniture	IT Equipment	Other tangible assets	Total
Historical Cost				
Balance at 1 January 2022	**447**	**9,243**	**2,428**	**12,118**
Addition	77	1,937	80	2,094
Disposal	-	(546)	-	(546)
Currency translation differences	(2)	(24)	(44)	(70)
Balance at 31 December 2022	**522**	**10,610**	**2,464**	**13,596**
Cumulated Depreciation				
Balance at 1 January 2022	**403**	**7,689**	**2,167**	**10,259**
Depreciation for the year	24	1,176	155	1,355
Disposal	-	(575)	-	(575)
Currency translation differences	(2)	(28)	(44)	(74)
Balance at 31 December 2022	**425**	**8,262**	**2,278**	**10,965**
At 1 January 2022	**44**	**1,554**	**262**	**1,860**
At 31 December 2022	**97**	**2,348**	**186**	**2,631**

	Furniture	IT Equipment	Other tangible assets	Total
Historical Cost				
Balance at 1 January 2021	**450**	**9,014**	**2,420**	**11,883**
Addition	7	340	1	348
Disposal	(13)	(134)	(48)	(195)
Currency translation differences	3	23	55	81
Balance at 31 December 2021	**447**	**9,243**	**2,428**	**12,118**
Cumulated Depreciation				
Balance at 1 January 2021	**360**	**6,753**	**1,869**	**8,982**
Depreciation for the year	43	1,053	291	1,386
Disposal	(2)	(134)	(48)	(183)
Currency translation differences	2	17	55	74
Balance at 31 December 2021	**403**	**7,689**	**2,167**	**10,259**
At 1 January 2021	**90**	**2,261**	**551**	**2,902**
At 31 December 2021	**44**	**1,554**	**262**	**1,860**

Investments in 2022 and 2021

In 2022 and 2021 the Group made additions to Property Plant and Equipment of EUR 2,094 thousand and EUR 348 thousand respectively. The additions in 2022 were mainly related to IT equipment for EUR 1,937 thousand and furniture for EUR 77 thousand.

Capital Commitments

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

NOTE 19 – INTANGIBLE ASSETS

The tables below show Intangible assets (Capitalised development costs, trademarks and other intangibles) and Goodwill movements during 2022 and 2021:

	Capitalised development costs	Other intangible assets	Trademarks	Total Intangible asset	Goodwill	Total
Historical Cost						
Balance at 1 January 2022	**108,528**	**1,102**	**129,771**	**239,401**	**60,422**	**299,823**
Additions - internally developed	13,531	-	-	13,531	-	13,531
Addition- external supplier	3,148	-	-	3,148	-	3,148
Impairment	(285)	-	-	(285)	-	(285)
Currency translation differences	(93)	(127)	-	(220)	(4)	(224)
Balance at 31 December 2022	**124,829**	**975**	**129,771**	**255,575**	**60,418**	**315,993**
Cumulated amortisation						
Balance at 1 January 2022	**91,315**	**363**	**1**	**91,679**	**-**	**91,679**
Currency translation differences	(40)	(81)	-	(121)	-	(121)
Amortisation	9,405	75	-	9,480	-	9,480
Balance at 31 December 2022	**100,680**	**357**	**1**	**101,038**	**-**	**101,038**
At 1 January 2022	**17,213**	**739**	**129,770**	**147,722**	**60,422**	**208,144**
At 31 December 2022	**24,149**	**618**	**129,770**	**154,537**	**60,418**	**214,955**

	Capitalised development costs	Other intangible assets	Trademarks	Total Intangible asset	Goodwill	Total
Historical Cost						
Balance at 1 January 2021	**101,360**	**942**	**129,771**	**232,073**	**60,412**	**292,485**
Additions - internally developed	5,524	-	-	5,524	-	5,524
Addition- external supplier	1,603	-	-	1,603	-	1,603
Impairment	(53)	-	-	(53)	-	(53)
Currency translation differences	95	160	-	254	10	264
Balance at 31 December 2021	**108,528**	**1,102**	**129,771**	**239,401**	**60,422**	**299,823**
Cumulated amortisation						
Balance at 1 January 2021	**79,659**	**185**	**1**	**79,845**	**-**	**79,845**
Currency translation differences	7	102	-	109	-	109
Amortisation	11,649	75	-	11,724	-	11,724
Balance at 31 December 2021	**91,315**	**363**	**1**	**91,679**	**-**	**91,679**
At 1 January 2021	**21,700**	**758**	**129,770**	**152,228**	**60,412**	**212,640**
At 31 December 2021	**17,213**	**739**	**129,770**	**147,722**	**60,422**	**208,144**

Investments in 2022 and 2021

During 2022 additions related to capitalised development costs amounted to EUR 16,679 thousand (2021: EUR 7,127 thousand), including both internal developments and external suppliers.

Capitalised development costs

The capitalised development costs relate to internal and external expenditures in connection with the development of significantly new features on the webpages of the Group. As of 31 December

2022 capitalised development costs not yet available for use were EUR 4,492 thousand (2021: EUR 5,074 thousand).

Trademarks

The impairment test of Trademarks has been performed at CGU level using the model and assumption described in Note 20 and did not result in the recognition of an impairment loss. As already specified in Note 6, in 2022 the Group changed the way it determines the operating segments. The assets previously allocated to Media are now allocated to OTA. The aggregate amounts of trademarks allocated to each segment is as follows at each reporting date:

	Segment	31 Dec 2022	31 Dec 2021
lastminute.com	OTA	44,704	44,704
Rumbo	OTA	58,900	58,900
Weg.de (Comvel)	OTA	6,089	6,089
Wayn	OTA	230	230
Bravonext SA	OTA	10	10
Madfish	OTA	1,316	1,316
Jetcost	Metasearch	15,385	15,385
HolidayiQ	Metasearch	888	888
Pigi Shipping	Other segments	2,248	2,248
Total Trademarks		**129,770**	**129,770**

The Other Segment includes the trademarks related to Cruise business.

Capital Commitments

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

NOTE 20 – GOODWILL

For the purpose of impairment testing, goodwill is allocated to the cash generating unit OTA, to the cash generating unit Metasearch and to the cash generating unit Cruise. During the year, the Group changed the way it determines the CGUs and the Goodwill previously allocated to Media has been moved under the OTA. Such a change is generally appropriate if there has been a discontinuity in the entity's operations, i.e. linked to a restructuring plan. Strategic decisions in the Media business are now taken by the OTA management team. In addition, starting from 2022, the Media main company, under which the Media management is hired, is the main OTA company of the Group. Moreover, the cash in-flow related to Media is transversal to the OTA and without the OTA top management, the Media business would have no strategy, budget, objectives and would be unable to generate largely independent cash flows. In terms of performance, the business is no longer evaluated as a stand-alone one but its profitability (and consequently the value of the Goodwill) is monitored by the Group top management together with the OTA and therefore the cash flows and other KPI (Key Performance Indicators) are disclosed together. Based on the above, the Group decided to report the Media as a product of the OTA and no more as a separate CGU.

If an entity reorganises its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill shall be reallocated to the units affected. The aggregate amount of goodwill allocated to each segment is as follows at each reporting date:

Segment	31 Dec 2022	31 Dec 2021 (*)
OTA	37,005	37,009
Metasearch	20,830	20,830
Other Segment	2,583	2,583
Total	**60,418**	**60,422**

(*) Goodwill previously allocated to Media has been moved under OTA

The Other Segment includes the goodwill related to Cruise business.

The Group performed an impairment analysis for the CGUs that contain material indefinite life intangible assets and goodwill as of 31 December 2022 and 2021. It was determined that no impairment is to be recognised in the consolidated financial statements as of 31 December 2022 and 2021.

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

OTA

Goodwill amounts to EUR 37,005 thousand for the OTA segment, see details in table above. The impairment test was based on an estimate of value in use and did not result in any recognition of impairment losses.

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

	31 Dec 2022	31 Dec 2021
Weighted average cost of capital (WACC)	15.00%	13.00%
Long-term growth rate (g)	2.00%	2.00%
Revenues growth rate (average of next four years)	9.30%	35.20%
EBITDA growth rate (average of next four years)	19.30%	52.40%

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

Sensitivity analysis

A sensitivity table to the discount rate and long-term growth rate for 2022 and 2021 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the OTA CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below (in million Euro):

OTA 2022	in EUR M	LONG-TERM GROWTH RATE			
		1.50%	**2.00%**	2.50%	3.00%
	14.50%	446.2	461.6	478.3	496.5
	14.80%	438.3	453.1	469.1	486.4
WACC	**15.00%**	430.7	**444.8**	460.1	476.7
	15.30%	423.3	436.9	451.6	467.4
	15.50%	416.2	429.3	443.3	458.5

OTA 2021	in EUR M	LONG-TERM GROWTH RATE			
		1.50%	**2.00%**	2.50%	3.00%
	12.50%	568.7	591	615.6	642.8
	12.80%	556.9	578.2	601.6	627.3
WACC	**13.00%**	545.7	**565.9**	588.1	612.5
	13.30%	534.9	554.2	575.3	598.5
	13.50%	524.5	543	563.1	585.1

Metasearch

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

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

	31 Dec 2022	31 Dec 2021
Weighted average cost of capital (WACC)	15.80%	13.00%
Long-term growth rate (g)	2.00%	2.00%
Revenues growth rate (average of next four years)	5.30%	27.00%
EBITDA growth rate (average of next four years)	10.00%	29.50%

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

Sensitivity analysis

A sensitivity table to the discount rate and long-term growth rate for 2022 and 2021 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the META CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below (in million Euro):

META 2022	in EUR M	LONG-TERM GROWTH RATE			
		1.50%	**2.00%**	2.50%	3.00%
	15.30%	4.5	5.5	6.3	7.3
	15.50%	3.9	4.8	5.7	6.6
WACC	**15.80%**	3.3	**4.1**	4.9	5.8
	16.00%	2.6	3.4	4.2	5
	16.30%	1.8	2.6	3.3	4.1

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

NOTE 21 - FINANCIAL ASSETS

The table below shows financial assets for the Group as of 31 December 2022 and 2021:

in '000 EUR	31 Dec 2022	31 Dec 2021 (*)
Long-term Deposits	3,028	1,148
Loans granted to other companies	904	800
Other non-current financial assets	673	1,158
Total non-current financial assets	**4,605**	**3,106**
Short term deposits	4,079	1,890
Restricted cash	7,109	-
Investments in other companies shares	2,286	2,815
Loans granted to other companies	-	104
Other current financial assets	1,546	858
Total current financial assets	**15,020**	**5,666**

(*) as already mentioned and explained in Note 3, the Group restated from non current financial asset to treasury share reserve (EUR 5,122 thousand) and retained earnings (EUR 3,716 thousand) an amount of EUR 8,838 thousand

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

Non-Current financial assets

Total non-current financial assets increased by EUR 1,499 thousand (+48.3%) from EUR 3,106 thousand in 2021 to EUR 4,605 thousand in 2022. This variation is mainly due to the increase of long-term deposits held by the Group, which amounts to EUR 3,028 thousand in 2022 compared to EUR 1,148 thousand in 2021.

Loans granted to other companies increased by EUR 104, from EUR 800 thousand in 2021 to EUR 904 thousand in 2022 due to a reclassification from current financial assets to non-current financial assets, since the contractual terms with the counterparty have been modified.

The line also includes the non-current portion of receivables related to the share-based plan ("LTIP 1" and "LTIP 2") for EUR 673 thousand, see Note 16 for further details on share-based payment plans.

Current financial assets

Total current financial assets increased by EUR 9,354 thousand (>100%), from EUR 5,666 thousand in 2021 to EUR 15,020 thousand in 2022. The variation is mainly linked to the following events.

In connection with the investigation on Swiss subsidiaries of the Group, an amount of EUR 7,109 thousand on the Company bank accounts has been frozen. The amount has been classified as a current financial asset since it will be likely used by the Group to pay back the liability towards the SECO within 12 months.

Investment in other companies' shares decreased by EUR 529 thousand from EUR 2,815 in 2021 thousand to EUR 2,286 thousand in 2022. The reduction is due to the drop in the share value of Destination Italia Spa during the year. Please refer to Note 4 and 12 for any further information.

The line also includes the current portion of receivables related to the share-based plan ("LTIP 1" and "LTIP 2") for EUR 1,202 thousand (disclosed within other current financial assets), see Note 16 for further details.

To conclude, other current financial assets include the fair value of derivative financial instruments for EUR 265 thousand, as already explained in Note 4.

NOTE 22 - INVESTMENT IN EQUITY ACCOUNTED INVESTEES

Investment in equity accounted investees amounted as of 31 December 2022 to EUR 1,308 thousand and consists of the investments in URBANnext SA, InstaGo Sagl and Epico Viajes Sl (2021: EUR 891 thousand and consisted of the investments in URBANnext SA and InstaGo Sagl).

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. In July 2022 the Group acquired an additional minority stake. Total consideration paid by the Group during the year is EUR 200 thousand (42.55% of ownership at year end). Starting from April 2022, Epico Viajes SL investment has been accounted for by applying the equity method.

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

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

URBANnext SA	
Opening balance at 1 January	**505**
Share of result	(18)
Closing balance at 31 December	**487**

InstaGo Sagl	
Opening balance at 1 January	**386**
Share of result	279
Closing balance at 31 December	**665**

Epico Viajes S.l	
Opening balance at 1 January	**-**
Amounts paid during the year	200
Share of result	(44)
Closing balance at 31 December	**156**

Please find below a reconciliation of the opening and closing balance of the liability for investments in equity accounted investees (when the investment accounted for at equity method is negative), included in financial liabilities within the consolidated balance sheet. Please refer to Note 4 for further details:

StarNext Ltd	
Opening balance at 1 January	**(131)**
Share of result	(196)
Other movements	7
Closing balance at 31 December	**(321)**

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

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

in '000 EUR	2022	2021
	URBANnext SA	URBANnext SA
Percentage ownership interest	***25%***	***25%***
Non-current assets	981	902
Current assets*	667	466
Non-current liabilities	(1,856)	(1,609)
Current liabilities	(560)	(458)
Net assets (100%)	**(768)**	**(699)**
Revenues	1,072	834
Costs	(1,127)	(960)
Amortisation and depreciation	(283)	(264)
Finance income / (costs)	267	170
Income taxes	(1)	(3)
Profit / (Loss)	**(72)**	**(223)**
Effects of OCI adjustment	-	-
Total comprehensive income	**(72)**	**(223)**

**Cash and cash equivalents are included in current assets for a total amount of EUR 54 thousand at 31 December 2022 and EUR 38 thousand at 31 December 2021.*

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

in '000 EUR	2022	2021
	InstaGo SAGL	InstaGo SAGL
Percentage ownership interest	***30.04%***	***30.04%***
Non-current assets	3	3
Current assets*	1,772	776
Non-current liabilities	-	-
Current liabilities	(172)	(152)
Net assets (100%)	**1,603**	**627**
Revenues	1,747	628
Costs	(797)	(320)
Amortisation and depreciation	-	-
Finance income / (costs)	-	-
Income taxes	-	(55)
Profit / (Loss)	**950**	**253**
Effects of OCI adjustment	-	-
Total comprehensive income	**950**	**253**

**Cash and cash equivalents are included in current assets for a total amount of EUR 1,441 thousand at 31 December 2022 and EUR 261 thousand at 31 December 2021.*

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

in '000 EUR	2022	2021
	StarNext Ltd	StarNext Ltd
Percentage ownership interest	***33.25%***	***35%***
Non-current assets	433	53
Current assets*	10,531	1,117
Non-current liabilities	-	-
Current liabilities	(11,865)	(1,577)
Net assets (100%)	**(901)**	**(407)**
Revenues	1,859	173
Costs	(2,871)	(605)
Amortisation and depreciation	(119)	(21)
Finance income / (costs)	540	76
Income taxes	-	-
Profit / (Loss)	**(591)**	**(377)**
Effects of OCI adjustment	-	-
Total comprehensive income	**(591)**	**(377)**

**Cash and cash equivalents are included in current assets for a total amount of EUR 108 thousand at 31 December 2022 and EUR 136 thousand at 31 December 2021.*

Epico Viajes SL is a spanish start-up whose core activity is to develop a two side marketplace focused on cycling tours. The Group has minor operational transactions with the entity. Please refer to Note 31 for further details.

in '000 EUR	2022
	Epico Viajes S.l
Percentage ownership interest	***42.55%***
Non-current assets	250
Current assets*	35
Non-current liabilities	-
Current liabilities	-
Net assets (100%)	**285**
Revenues	41
Costs	(172)
Amortisation and depreciation	-
Finance income / (costs)	-
Income taxes	-
Profit / (Loss)	**(131)**
Effects of OCI adjustment	-
Total comprehensive income	**(131)**

**Cash and cash equivalents are included in current assets for a total amount of EUR 3 thousand at 31 December 2022.*

Total effects with equity method investments have been included in profit and loss in the "Share of result of equity-accounted investees" line for a total profit of EUR 27 thousand (In 2021 a loss of EUR 83 thousand).

NOTE 23 –TRADE AND OTHER RECEIVABLES

The table below shows Trade and other receivables as at 31 December 2022 and 2021 for the Group:

in '000 EUR	31 Dec 2022	31 Dec 2021
Trade receivables	80,037	27,494
Receivables from shareholder	1	11
Other receivables	5,462	9,952
Accrued income and deferred expenses	2,612	1,613
Total Trade and other current receivables	**88,112**	**39,070**

Trade receivables increased by 49,042 (>100%) from EUR 39,070 thousand in 2021 to EUR 88,112 thousand in 2022.

In 2022, the majority of trade receivables positions are related to receivables towards airlines and hotels, Global Distribution System ("GDS") partners and those customers that have chosen the deposit plus balance as method of payment and still have to complete the payment process.

Other receivables include mainly VAT receivables and the residual part is referred to other receivables.

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

in '000 EUR	31 Dec 2022	31 Dec 2021
Not past due	81,379	35,079
Past due 0-30 days	2,926	2,185
Past due 31-90 days	3,095	1,415
Past due 91-180 days	712	391
Total	**88,112**	**39,070**

The Group has trade and other receivables fully impaired for the cluster "181-360 days" and "361 and over" as at 31 December 2022. For any further information refer to Note 4.

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

in '000 EUR	31 Dec 2022	31 Dec 2021
Balance at 1 January	**4,639**	**12,028**
Additions during the year	1,238	683
Used during the year	(1,320)	(7,265)
Released during the year	(791)	(842)
Currency translation difference	(32)	35
Balance at 31 December	**3,734**	**4,639**

During the year, the Group has accrued EUR 1,238 thousand to bad debt provision. Moreover, an amount of EUR 1,320 thousand has been used during the year. The release of EUR 791 thousand is mainly linked to the credit collection activities carried out during the period.

Moreover, during the year the Group accounted for losses on trade receivables against receivables positions (and not against bad debt provision) for a total amount of EUR 4,179 thousand, of which 3,866 is referred to hotels and flights receivables . Please refer to Note 10 for further details.

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

NOTE 24 - CONTRACT ASSETS AND CONTRACT LIABILITIES

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

in '000 EUR	31 Dec 2022	31 Dec 2021
Contract assets	8,647	4,018
Contract liabilities	(796)	(934)

Contract assets are related to over-commissions and other incentives on flights. Contract assets have increased in 2022 due to the Group's increase in flight volumes leading to higher flights over-commissions.

Contract liabilities are related to advance payments from customers. The amount is in line with the previous year.

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

NOTE 25 - CASH AND CASH EQUIVALENTS

The table below shows Cash and cash equivalents as of 31 December 2022 and 2021:

in '000 EUR	31 Dec 2022	31 Dec 2021
Cash on hand	2	2
Bank accounts	108,862	105,104
Credit Card accounts	9,629	4,557
Total	**118,492**	**109,664**

Bank accounts

The interest rates applied to Group's bank accounts are between -0.85% and 0.01% in 2022 (2021: -0.85% and 1.05%). Bank overdrafts bearing variable interest rates are between 0% and 3.60% in 2022 (2021: between 0% and 2.20%). For further information refer to the consolidated cash flow Statement.

In connection with the investigation on Swiss subsidiaries of the Group, an amount of EUR 7,109 thousand on the Company bank accounts has been frozen. The amount has been classified as a current financial asset since it will be likely used by the Group to pay back the liability towards the SECO within 12 months. The liability has been classified as current within the consolidated balance sheet.

Credit card accounts

Credit card accounts of EUR 9,629 thousand (2021: EUR 4,557 thousand) contain all credit card accounts with debit balances that are used for payments in the daily business.

NOTE 26 – SHAREHOLDERS' EQUITY

The table below shows total equity as of 31 December 2022 and 2021:

in '000 EUR	31 Dec 2022	31 Dec 2021 (*)
Share capital and reserves		
Share capital	117	117
Capital reserves	69,055	76,409
Other reserves	(24,658)	-
Treasury share reserve	(17,683)	(14,184)
Currency translation reserve	1,567	2,396
Retained earnings / (losses)	(17,010)	(11,070)
Equity attributable to shareholders of lastminute.com N.V.	**11,388**	**53,669**
Non-controlling interest	582	554
Total equity	**11,969**	**54,223**

(*) Comparative figures have been restated according to the disclosure provided in Note 3

Total equity of the Group decreased from EUR 54,223 thousand at the end of 2021 to EUR 11,969 thousand at the end 2022. The variation is mainly driven by the loss of the period and by the Freesailors Transaction. At the date of the publication of these consolidated financial statements the Group's equity has been restored, since the transaction of purchase of shares from minority investors ("Freesailors Transaction") has been annulled. Reference should be made to Note 34 for further information. In addition, comparative figures of the treasury share reserve have been restated. For further details reference should be made to Note 3.

Share capital

As of 31 December 2022 the number of ordinary shares is 11,664,219 (same as of 31 December 2021) for a nominal value per share of EUR 0.01 (2021: EUR 0.01).

Capital reserves

As of 31 December 2022 capital reserves, including share premium reserves, amount to EUR 69,055 thousand (2021: EUR 76,409 thousand). 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.

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

Other reserves

The amount includes the other reserves accounted for during the year in connection with the Freesailors Transaction (EUR 24,658 thousand), described in detail in Note 34.

Treasury share reserve

The reserve for the Group's treasury share comprises the cost of the own shares held by lastminute.com Group.

At 31 December 2022 the Group held directly and indirectly 980 thousand shares for a total value of EUR 17,683 thousand.

As already mentioned and explained in Note 3, as of 31 December 2021, the Group reclassified from financial asset to treasury share reserve an amount of EUR 5,122 thousand, corresponding to 235 thousand of shares. The restated number of treasury shares held as of 31 December 2021 is 879 thousand, for a total value of EUR 14,184 thousand.

In addition, during the year the Group announced a share buy-back plan to purchase shares of lastminute.com N.V. Total number of shares purchased was 85 thousand, for a total amount of EUR 2,940 thousand, as disclosed in the consolidated statement of changes in equity and in the consolidated cash flow statement.

Moreover, on 28 of June 2022 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 thousand, as disclosed in the consolidated statement of changes in equity and in the cash flow statement.

Please make reference to the consolidated statement of changes in equity for further information.

Currency translation reserve

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

Retained earnings/(losses)

Retained earnings/(losses) as of 31 December 2022 amounted to EUR (17,010) thousand (2021: EUR (11,070) thousand) and include the result related to current year and accumulated results generated in previous years by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liability.

During the year the retained earnings/(losses) have increased for an amount of EUR 7,354 thousand due to the coverage of previous year losses with capital reserves, as approved by the annual shareholder meeting.

The 2022 retained earnings were mainly impacted by the negative results realised by the Group.

To conclude, as already mentioned before and detailed in the Note 3, an amount of EUR 3,716 thousand has been accounted for as adjustment on opening. The amount is linked to the restatement of the revaluation gain recognised last year on the Freesailors Coöperatief UA shares, whose accounting treatment has been modified.

Dividends

No dividends were paid by the Group during 2022.

Capital Management

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

Non-controlling interests

The difference on Non-controlling interests, from EUR 554 thousand in 2021 to EUR 582 thousand in 2022, is mainly related to the profit of the period pertaining to Non-controlling interests for EUR 28 thousand.

The table below shows the number of shares and total issued capital as of 31 December 2022 and 2021:

Issued Capital	31 Dec 2022	31 Dec 2021
Number of ordinary shares	11,664,219	11,664,219
Nominal value per share (EUR)	0,01	0,01
Total amount (EUR)	116,642	116,642

NOTE 27 - PROVISIONS

The table below shows the movements in Provisions for 2022 and for 2021:

Provisions 2022

in '000 EUR	1 Jan 2022	Addition	Release	Use	Reclassification	31 Dec 2022
Provision for fraudulent credit card transactions and chargebacks	1,729	1,885	(284)	(1,445)	-	1,886
Provision for investigation	-	35,894	-	-	(34,125)	1,769
Other provisions	1,521	1,505	(1,801)	(57)	-	1,167
Provision for tax risks	5	72	(5)	-	-	72
Total	**3,255**	**39,356**	**(2,090)**	**(1,502)**	**(34,125)**	**4,895**
Non current	-	-	-	-		-
Current	3,255	39,356	(2,090)	(1,502)	(34,125)	4,895
Total	**3,255**	**39,356**	**(2,090)**	**(1,502)**	**(34,125)**	**4,895**

Provisions 2021

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

Provision for fraudulent credit card transactions and chargebacks

Provision for fraudulent credit card transactions and chargebacks, for an amount of EUR 1,886 thousand (2021: EUR 1,729 thousand), refer to transactions completed in the year before the reporting date and likely to be disputed by the customer in the following year. The increase is mainly due to the higher number of chargebacks as a direct consequence of the higher number of bookings compared to last year.

Provision for investigation

As of 31 December 2022, the Group accounted for a provision related to the expected costs for legal expenses that will be incurred by the Group employees under investigation, for a total amount of EUR 1,769 thousand. The subsidies due to the SECO have been classified as Other payables. Reference should be made to the Note 2 and 29 for further details.

Other provisions

As of 31 December 2022, other current provisions amounted to EUR 1,167 thousand (2021: EUR 1,521 thousand) and they are mainly referred to:

- a provision for future cancellations for EUR 502 thousand. The Group management has estimated a provision to cover losses coming from cancellations that will happen in 2023 related to bookings already accounted for in 2022. The basis of the calculation is the backlog of bookings not yet cancelled at the end of the year with a future departure. Cancellation percentage estimation is based on the latest trends. Total provision accrued for DP/hotels business is EUR 259 thousand. With reference to Tour Operator business a provision of EUR 243 thousand has been accrued. Flight category does not bring negative effects from cancellation thanks to positive contribution of the administration fees applied where refund is done by cash and the huge effect of misredemption of voucher or positive

contribution margins from future bookings made with vouchers that more than compensates any negative effects coming from the cancellation itself.
- a provision for litigation and other risks in Germany for EUR 364 thousand.
- a redundancy provision for EUR 9 thousand, related to the exit of employees in the next year.

Provision for tax risks

Provision for tax risks, for an amount of EUR 72 thousand (2021: EUR 5 thousand), refers to minor tax risks for which the Group expects to have a cash out flow in the coming years.

NOTE 28 – NET FINANCIAL POSITION

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

in '000 EUR	31 Dec 2022	31 Dec 2021
Current financial assets (*)	12,734	2,851
Cash and cash equivalents	118,492	109,664
Short term financial liabilities	(59,062)	(53,483)
Short term lease liabilities	(5,351)	(2,681)
Net Financial Position within 12 months	**66,813**	**56,351**
Non-current financial assets	4,605	3,106
Long term financial liabilities	(20,690)	(26,125)
Long term lease liabilities	(9,010)	(4,274)
Net Financial Position over 12 months	**(25,095)**	**(27,294)**
Total Net Financial Position	**41,718**	**29,058**

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

The Net Financial Position for the Group was EUR 41,718 thousand in 2022, compared to EUR 29,058 thousand in 2021.

The changes in the composition of the net financial position as of 31 December 2022 compared to December 2021 can be mainly explained by the following:

- higher cash and cash equivalents by EUR 8,828 thousand due to the positive operating cash flow during the year, partially compensated by the effect of repayment of financing and the capital expenses,

- financial Liabilities are in line with last year due to the combined effect of the reimbursement of loans granted by top rated European banks according to the payment plans (for which reference should be made to Note 4) and the financial liabilities posted during the year in connection with the Freesailors Transaction described in Note 34.

- increase in Financial assets by EUR 11,382 thousand is mainly related to the cash restricted in connection with the investigation on Swiss subsidiaries (EUR 7,109 thousand), as already explained in Note 25.

For further information see the consolidated cash flow statement and debt reconciliation in Note 4. Furthermore, please refer to Note 17 for evidence of the movement schedule of lease liabilities.

NOTE 29 - TRADE AND OTHER PAYABLES

The table below shows “Trade and other payables” as of 31 December 2022 and 2021:

in '000 EUR	31 Dec 2022	31 Dec 2021
Trade payables	181,179	95,188
Credit Card payables	72,895	38,170
Other Payables	40,796	7,288
Accrued expenses and deferred income	37,144	59,976
Total Current	**332,013**	**200,622**
Total Trade and other payables	**332,013**	**200,622**

The most significant creditors of the Group, included in the total trade payables at 31 December 2022, are related to marketing service providers and to the International Air Transport Association (IATA).

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

in '000 EUR	31 Dec 2022	31 Dec 2021
Not past due	319,303	188,921
Past due 0-30 days	10,916	9,659
Past due 31-90 days	618	626
Past due 91-180 days	296	71
Past due 181-360 days	74	140
Past due 361 and over	806	1,205
Total	**332,013**	**200,622**

Credit card payables

The credit card payables are post-paid credit card accounts, which are used to make payments in the daily business. The amount of 2022 increased by EUR 34,725 compared to the previous year. On 31 December 2022, the Group increased the credit card plafond to a total amount of EUR 97,927 thousand (2021: EUR 73,294 thousand).

Accrued expenses and deferred income

The accrued expenses and deferred income decreased by EUR 22,832 thousand, from EUR 59,976 thousand in 2021 to EUR 37,144 thousand in 2022. The most relevant component included in this line is related to the liabilities towards the customers for vouchers issued in relation to the cancellations of bookings when the customers choose this option as a method of refund. At year end total voucher refund provision amounted to EUR 20,282 thousand, compared to EUR 47,218 thousand in 2021.

Other payables

Other payables mainly include the liability towards the SECO for the subsidies to be reimbursed in connection with the investigation concerning the Swiss subsidiaries of the Group, for a total amount of EUR 29,386 thousand at 31 December 2022, already net of positive exchange effect of EUR 879 thousand. In addition, the line includes payables relating to taxes, social security and amounts due to personnel for the annual bonus.

NOTE 30 – CONTINGENT LIABILITIES

Proceedings against Ryanair Ltd now Ryanair DAC

SWITZERLAND

Ryanair Ltd claimed in 2008 against a company previously belonging to the Group for alleged breach of access to Ryanair's website. Ryanair Ltd went to court in Ireland, asking for an injunction preventing the former Group company from accessing its website and additionally suing for damages. In 2009, Bravofly SA (then Bravonext SA) claimed in Switzerland to reach an assessment that its activity was not violating any right of Ryanair Ltd, whereas the latter claimed to reach an assessment that Bravofly SA was acting illicitly and additionally sued for damages. On 8 May 2019 Bravonext SA received the Court decision. Pretura of Lugano rejected Ryanair requests and decided the first grade in Bravonext SA favour. Ryanair has appealed the decision. The Group received the appeal of Ryanair and answered with a counter-appeal on 13 December 2019. On 15 December 2020 the Court of Appeal of the Canton Ticino fully rejected the appeals of Ryanair, entirely confirming the first instance court decision. The appeal of the Company was only partially upheld on a side aspect but, in the main point, it was rejected, too. On 1 February 2021 Ryanair appealed to the Federal Court. Ryanair requested suspensive effect, which means that payments can be requested if suspensive effect is not granted. The Group objected to the suspensive effect on 4 February 2021 and requested a new deposit. In December 2021 Bravonext also requested that, in spite of the appeals being pending before the Federal Court, the first instance court and the cantonal Court of Appeal already release in favour of Bravonext the amounts that had been paid by Ryanair as security for costs before the two instances. The request of release sent by Bravonext was then served to Ryanair by the respective courts and Ryanair was granted a deadline that expired around 10 January 2022 to file their comments.

On 21 February 2023 the Federal Court rejected Ryanair's appeals against Bravonext SA and lastminute.com N.V.. The Federal Court's decision officially closed the case bringing to an end a litigation that started in October 2008.

ITALY

In 2010, Viaggiare Srl brought an administrative proceeding against Ryanair Ltd, before the Court of Milan: in the claim the defendant is trying to prevent Viaggiare from performing its online travel agency activities in respect of such airline flights. Viaggiare has asked the Court to acknowledge and declare that: (a) such airline is culpable of acts of unfair competition to the plaintiff's detriment (along with other torts, such as abuse of its dominant position on the market of sale of air flight tickets and relating services); and conversely (b) Viaggiare is entitled to perform its OTA activity also in respect of such airline flights. The first instance court accepted Viaggiare's request and ordered the airline to pay damages and judicial costs for the first instance proceeding. The judgement was appealed by the airline on 31 July 2013. In July 2015 the second instance court decided in favour of Viaggiare even if Ryanair has not been recognised as dominant in the market. In 2016 the second instance judgement was appealed by Viaggiare before the Cassazione Court. On 13 November 2019 the Court of Cassazione decided to accept all grounds of appeal proposed by Viaggiare Srl and to reject all the Ryanair's argumentation. Particularly in regard with the abuse of dominant position, the Highest Court said that the Appeal court didn't properly apply the criteria to exclude or declare the abuse of dominant position of Ryanair. The Group has gone back to the Appeal court asking for a new decision on this point. On 7 January 2022, the Group received the orders of the Court of Appeal which, in essence, granted the Group's request for remand for investigation, with an order for Ryanair to produce various documents relating to its market position and a technical consultant on the subject. The Group is in the middle of a court expert (CTU) dispute. Parties' experts are raising their position on the most important points. After that the judge will decide.

In 2009, LMNext CH brought an administrative proceeding against Ryanair Ltd, before the Court of Milan: in the claim the defendant is trying to prevent Lastminute.com from performing its online travel agency activities in respect of such airline flights. Lastminute.com has asked the Court to acknowledge and declare that: (a) such airline is culpable of acts of unfair competition to the plaintiff's detriment (along with other torts, such as abuse of its dominant position on the market of sale of air flight tickets and relating services); and conversely (b) lastminute.com is entitled to perform its OTA activity also in respect of such airline flights. The first instance court accepted lastminute.com's request and ordered the airline to pay damages and judicial costs for the first instance proceeding. The judgement was appealed by the airline in June 2013. In March 2015 the proceeding was transferred to LMnext CH SA due the transfer of going concern between lastminute.com Srl and Lmnext CH SA. In July 2015 the second instance court decided in favour of LMnext CH even if Ryanair has not been recognised as dominant in the market. Ryanair appealed the decision before the third level Court of “Cassazione”. LMnext CH appealed the decision before “Corte di Cassazione” against Ryanair in 2016. On 13 November 2019 the Court of “Cassazione” decided to accept all grounds of appeal proposed by LMnext CH and to reject all Ryanair's argumentation. Particularly on the abuse of dominant position the Highest Court said that the Appeal court didn’t properly apply the criteria to exclude or declare the abuse of dominant position of Ryanair. On 7 January 2022, the Group received the orders of the Court of Appeal which, in essence, granted our request for remand for investigation, with an order for Ryanair to produce various documents relating to its market position and a technical consultant on the subject. The Group is in the middle of a court expert (CTU) dispute. Parties' experts are raising their position on the most important points. After that the judge will decide.

FRANCE

Voyages Sur Misure (VSM) initiated a legal proceeding against Ryanair before the Paris Court of First Instance in May 2012 seeking a declaration that VSM’s scraping of Ryanair content for display on the French website does not constitute an infringement of Ryanair’s intellectual property rights or provide any other grounds for Ryanair to lawfully refuse booking via VMS. Ryanair submitted a pleading challenging jurisdiction of French courts.

In March 2013 the Court held that the matter should be heard before the Paris Commercial Court rejecting Ryanair's claim to have proceedings transferred to Ireland. In March 2015 Lmnext FR took over VSM's in the trial. The parties are waiting for the court to set a date for the first hearing.

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

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

By a judgement dated 21 May 2022 the Paris Court of Appeal ruled as follows:

- declared inadmissible the appeal of the company VSM, on the grounds that this company had disappeared as a result of an absorption merger;
- confirmed the judgement in all its provisions, except for those that set aside the assessment of the protection of the intellectual property of Ryanair's data and dismissed LMnext FR claim for damages";
- enjoined Ryanair DAC from omitting from its current terms of use on its platforms.

The Court of Appeal ruled that: "All information, computer software (including APIs), domain names, URLs, databases, content of this website, including in particular trade names, trademarks, logos, flight schedules, prices, etc., as well as the colour scheme and architecture of the website, are protected by copyright, trademark law, rights relating to databases and other intellectual property rights. You are authorised to use this content solely for private, non-commercial purposes. Any other use and/or reproduction of the content of the website, without the prior written consent of Ryanair, is prohibited and constitutes a breach of these terms of use, and may infringe Ryanair's intellectual property rights”. Said that the correction will be made within two months of the judgement under a penalty of EUR 500 per day of delay after this period:

- ordered Ryanair to pay LMnext FR the sum of one euro in damages;

- held that the legislative and regulatory provisions of the Tourism Code for the registration of travel agencies in France were unenforceable against the reservation offers for the rental of hotel rooms and vehicles on the platforms of the company Ryanair, because they were contrary to the secondary legislation of the European Union;
- ordered LMnext FR to pay Ryanair the sum of EUR 10,000 on the basis of Article 700 of the Code of Civil Procedure.

By a document dated 1 August 2022, LMnext FR appealed against the judgement of 21 May 2022 on the grounds that:

- clauses in the general terms and conditions of use of an internet site by which an airline claims to prohibit tourist agencies from offering to the public the purchase of the tickets it markets, whereas this model is expressly provided for and authorised by the law, are unenforceable and unlawful under the provisions of the Tourism Code and the freedom of trade;
- an airline cannot legally offer combined air ticket sales and hotel and car rental reservations without being licensed as a travel agency.

LMnext's bank accounts were seized on 1 July 2022 for a total sum of EUR 91 thousand. LMnext FR agreed to the seizure of its debt. On 17 November 2022, LMnext FR received a summons before the enforcement judge of the Paris Court of Justice of Paris at the request of Ryanair to appear. On 19 December 2022 LMnext FR served its response. At the hearing of 19 December 2022, the Enforcement Judge adjourned the case to the oral hearing of 9 March 2023 to allow the parties to exchange new submissions successively pleadings.

NOTE 31 - RELATED PARTIES

The Group is controlled by Freesailors Coöperatief U.A (incorporated in the Netherlands), which is controlled by Mr. Fabio Cannavale. Freesailors Coöperatief U.A owns 44.58% (2021: 44.58%) of the shares of the Company. The remaining 55.42% (2021: 55.42%) of the shares are widely held.

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

Receivables and payables from shareholders

At 31 December 2022 the Group had payables to shareholders for a total amount of EUR 9,334 thousand. The amount is related to the Freesailors Transaction described in Note 34.

Key management personnel compensation

In 2022 the Executive Management consisted of several members who succeeded each other over the period, being Mr. Fabio Cannavale, Mr. Andrea Bertoli, and Mr. Sergio Signoretti, Mrs. Laura Amoretti and Mr. Luca Concone.

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

Qualification	Office period	Fixed Remuneration	Bonus	Total compensation	Variable on Total Compensation (%)	Fair value of SAR (Estimated Potential Value)	Fair value of SAR (Proportioned to vesting)	Long Term Investment Plan
Executive Director, founder & CEO	01/01/2022 - 21/12/2022	162	-	162	-	-	-	813
Executive Director, CEO & COO	01/01/2022 - 21/12/2022	290	-	290	-	132	44	-
Executive Manager, CFO	Full year	284	55	339	16%	129	8	-
Executive Manager, Interim CEO	24/07/2022 - 21/12/2022	173	150	323	46%	53	3	-
Executive Director, CEO	21/12/2022 - 31/12/2022	7	7	14	50%	-	-	-
Total		**916**	**212**	**1,128**		**314**	**55**	**813**

The key management personnel compensation accounted for in 2022 and 2021 is presented in the table below:

in '000 EUR	2022	2021
Short-term employee benefits	1,128	944
Post employment benefits	37	45
Fair value of Equity Remuneration (Estimated Potential Value)	379	1,838
Total	**1,544**	**2,827**

The amount for 2022 is EUR 1,544 thousand which includes the fixed remuneration pro rata temporis based on the duration of the engagement and the variable remuneration only for the CFO, the Interim CEO and the new CEO. The bonuses are linked to the performance targets defined by the Board of Directors and accordingly their payment is due if the target is reached. The variable compensation of the two former Executive Directors have not been accrued because targets were not met. The remuneration includes as well any post-employment benefit and the fair value of the equity remuneration (LTIP and SAR, for which reference should be made to Note 16).

Transactions with associates

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

in '000 EUR	31 Dec 2022		31 Dec 2021	
	Assets	Liabilities	Assets	Liabilities
URBANnext SA	23	-	23	-
Instago SAGL	-	107	-	97
Total	**23**	**107**	**23**	**97**

BravoStar is inactive at 31 December 2022, no assets or liabilities with StarNext and Epico Viajes Sl

in '000 EUR	2022		2021	
	Costs	Revenues	Costs	Revenues
URBANnext SA	-	1	-	14
Instago SAGL	616	-	220	-
Total	**616**	**1**	**220**	**14**

BravoStar is inactive at 31 December 2022, no revenues or costs with StarNext and Epico Viajes Sl

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

NOTE 32 – BANK GUARANTEES

As of 31 December 2022, financial institutions had issued bank guarantees to third parties on behalf of the Group for a total amount equal to EUR 40,243 thousand (2021: EUR 46,202 thousand), of which EUR 21,113 thousand relate to a bank guarantee for the IATA, ABTA and ATOL and EUR 5,000 thousand for APST (Association Professionnelle de Solidarité du Tourisme).

NOTE 33 - GROUP COMPANIES

The table below shows the Group 's structure as of 31 December 2022 and 2021:

Name	Place of business	Consolidated for 2022	Ownership interest	
			2022	2021
lastminute.com N.V.	Amsterdam, Netherlands	-	Parent Company	Parent Company
Bravonext SA	Chiasso, Switzerland	Fully	100.00%	100.00%
Viaggiare S.r.L	Milan, Italy	Fully	100.00%	100.00%
LMnext US INC	Wilmington, USA	Fully	100.00%	100.00%
LMnext DE Gmbh	Munich, Germany	Fully	100.00%	100.00%
LMnext Services Ltd	London, UK	Fully	100.00%	100.00%
LMnext UK Ltd	London, UK	Fully	100.00%	100.00%
Bravoventure India Private lmt	Bangalore, India	Fully	100.00%	100.00%
Sealine Investments LP	Edinburgh, UK	Fully	0.01%	0.01%
Blue Sas - JetCost	Paris, France	Fully	98.40%	98.40%
Pigi Shipping & Consulting S.r.L	Milan, Italy	Fully	100.00%	100.00%
Bravoventure Spain SLU	Madrid, Spain	Fully	100.00%	100.00%
Rumbo SA	Madrid, Spain	Fully	100.00%	100.00%
Webnext Limited	Valletta, Malta	Fully	100.00%	100.00%
LMnext CH SA	Chiasso, Switzerland	Fully	100.00%	100.00%
URBANnext SA	Chiasso, Switzerland	Equity	25.00%	25.00%
Cruiseland S.r.l.	Milan, Italy	Fully	100.00%	100.00%
LMnext FR SASU	Paris, France	Fully	100.00%	100.00%
Bravometa CH SA	Chiasso, Switzerland	Fully	98.40%	98.40%
Bravoventure Poland Spolka	Szczecin, Poland	Fully	100.00%	100.00%
Lmnext UK Ltd (incorporated in England and Wales) Branch	London, UK	Fully	100.00%	100.00%
Comvel Gmbh	Munich, Germany	Fully	100.00%	100.00%
Bravolivia Sl	Madrid, Spain	Fully	100.00%	100.00%
InstaGo SAGL	Chiasso, Switzerland	Equity	30.04%	30.04%
LM Forward Ltd	London, UK	Fully	100.00%	100.00%
QT Mobilitatsservice Gmbh	Munich, Germany	Fully	100.00%	100.00%
Madfish Srl	Milan, Italy	Fully	100.00%	100.00%
Smallfish Srl	Madrid, Spain	Fully	100.00%	100.00%
HolidayiQ Pte Ltd	Singapore	Fully	100.00%	100.00%
Leisure and Lifestyle Information Service Pvt Ltd	Bangalore, India	Fully	100.00%	100.00%
Sealine Investments 2 LP	Edinburgh, UK	Fully	0.01%	0.01%
StarNext Israel Ltd	Israel	Equity	33.25%	35.00%
BravoStar Israel Ltd	Israel	Equity	33.25%	35.00%
StarTech Srl	Milan, Italy	Fully	100.00%	100.00%
Epico Viajes SL	Barcelona, Spain	Equity	42.55%	0.00%

NOTE 34 – SUBSEQUENT EVENTS

Freesailors Transaction

On 28 June 2022 the Board of Directors of the Company resolved to propose to shareholders to provide authorisation for the Company to purchase certain membership interests in Freesailors; such membership interests would be then exchanged with shares in the Company owned by Freesailors, so that the shares so obtained could be delivered to participants in the Company's stock appreciation plans; the resolution was subject to the approval of the Company's general shareholders meeting ("Freesailors Transaction").
Contingent on the approval by the Company's shareholders of the Freesailors Transaction, the Company proposed to its shareholders to provide specific authorisation to purchase the first tranche of Freesailors' membership interests from Sterling Active Fund for an amount of CHF 11,710 thousand. Moreover, the Company proposed the purchase from other minor investors of further membership interest in Freesailors for a total amount of CHF 3,383 thousand.
The contracts with Freesailors' minority shareholders were signed for a total purchase of CHF 24,281 thousand (EUR 24,658 thousand). As of 31 December 2022, the amount paid corresponding to the first tranche was CHF 15,093 (EUR 15,324 thousand), while the outstanding amount to be paid was CHF 9,188 thousand (EUR 9,334 thousand).
As at time the purchase was agreed the main asset of Freesailors was only the investment in lastminute.com, according to an interpretation of IAS 32 any repurchase of stakes in Freesailors is qualified as a purchase of lastminute.com own shares. Accordingly, the payment of the first tranche was debited to equity as a reduction of the Other reserves for EUR 15,324 thousand.
Following the signature of the above-mentioned contracts, lastminute.com also had a contractual obligation to deliver cash in exchange for the additional EUR 9,334 thousand of Freesailors's stakes. As a consequence, a Short term financial liabilities was posted in the consolidated financial statement and the Other reserves were reduced for the same amount.
As of 31 December 2022, therefore, the consolidated financial statements included an amount of EUR 24,658 thousand as a reduction of the Other reserves, a cash out for EUR 15,324 thousand and an increase in short term financial liability for EUR 9,334 thousand.
As announced on 29 March 2023, on the same date all involved parties agreed that the Freesailors Transaction is from a legal point of view null and void *ab initio* (Annulment) and therefore the originally intended proposed transaction will not be submitted to the Company's general shareholders meeting for approval. Therefore, the event has not affected and will not affect the capital structure of the Company.
According to IAS 10, the Annulment is a non-adjusting subsequent event (i.e. an event that does not affect amounts reported as of 31 December 2022). At the date of the publication of these consolidated financial statements, however, on the basis of the Annulment the effect of the transaction on equity has been completely reversed and the first tranche will be repaid shortly.

The pro-forma consolidated equity of the Group as of 31 December 2022 is reported in the table below:

in '000 EUR	Share Capital	Capital Reserves	Other reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 31 December 2022	**117**	**69,055**	**(24,658)**	**1,567**	**(17,683)**	**(17,010)**	**11,388**	**582**	**11,969**
Subsequent effect from transaction annulment	-	-	24,658	-	-	-	24,658	-	24,658
Restored pro forma balance at 31 Dec 2022	**117**	**69,055**	**-**	**1,567**	**(17,683)**	**(17,010)**	**36,046**	**582**	**36,627**

Considering the above annulment, the pro-forma Net Financial Position of the Group as of 31 December 2022 is reported in the table below:

in '000 EUR	Balance as of 31 Dec 2022 (including Freesailors Transaction)	Subsequent effect from transaction annulment	Restored pro forma balance as of 31 Dec 2022
Current financial assets (*)	12,734	15,324	28,058
Cash and cash equivalents	118,492	-	118,492
Short term financial liabilities	(59,062)	9,334	(49,728)
Short term lease liabilities	(5,351)	-	(5,351)
Net Financial Position within 12 months	**66,813**	**24,658**	**91,471**
Non-current financial assets	4,605	-	4,605
Long term financial liabilities	(20,690)	-	(20,690)
Long term lease liabilities	(9,010)	-	(9,010)
Net Financial Position over 12 months	**(25,095)**	**-**	**(25,095)**
Total Net Financial Position	**41,718**	**24,658**	**66,376**

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

Update on financing

In February 2023, considering the strong cash position and the cash generation in the first weeks of the new year driven by the good performances of the business, the Group management decided to refund the Covid-19 government secured bank loan, for a total amount of EUR 15,294 thousand.

Conclusion

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

Signatures

The Board of Directors,

Executive Board Member

____

Mr. Luca Concone

Non-Executive Board Members

__________________________ __________________________

Mr. Yann Rousset

Ms. Maria Teresa Rangheri

__________________________ __________________________

Mr. Massimo Pedrazzini

Mr. Cyril Ranque

Mr. Valentin Pitarque

F - LASTMINUTE.COM N.V. STAND ALONE FINANCIAL STATEMENTS

[F1 - lastminute.com N.V. balance sheet]

Company balance sheet as at 31 December 2022

lastminute.com N.V.

(before appropriation of results)

in '000 EUR	Notes	31 Dec 2022	31 Dec 2021 (*)
Fixed assets	4		
Intangible fixed assets	4a	20,830	20,830
Participations	4b - I	89,572	52,282
Non current financial assets	4b - II	904	801
Total Fixed Assets		**111,306**	**73,912**
Receivables	5		
Receivable from affiliated companies	5a	10,382	13,736
Other receivables	5b	478	354
Current financial assets			
Current financial assets	5c	53	0
Investment at fair value	5c	2,286	2,815
Cash and cash equivalents	5 d	4,709	1,877
Total Current Assets		**17,907**	**18,781**
Total Assets		**129,214**	**92,694**
Current liabilities	6		
Short term financial liabilities	6a	9,733	400
Creditors		738	161
Payable to affiliated companies	6b	98,730	30,558
Other payables	6c	2,690	4,721
Accrued expenses and deferred income	6d	1,017	455
Total current liabilities		**112,909**	**36,295**
Working Capital (current assets less current liabilties)		**(95,001)**	**(17,514)**
Total Assets less Current Liabilities		**16,305**	**56,398**
Provisions			
Losses on Participations (associates)	4b - I	3,840	2,730
Other current provisions	6e	1,077	0
Total provisions		**4,917**	**2,730**
Capital and Reserves	7		
Share capital		117	117
Capital reserves		67,419	72,278
Legal Reserve - Participations		1,637	4,132
Legal Reserve - Translation reserve		1,567	2,396
Other reserves		(42,341)	(14,184)
Retained earnings		(1,844)	2,259
Result for the year		(15,167)	(13,329)
Total Equity		**11,388**	**53,669**
Total liabilities and equity		**129,213**	**92,694**

(*) *Comparative figures have been restated in accordance with the disclosure provided in Note 3 of the Company Financial Statements*

[F2 - lastminute.com N.V. P&L]

lastminute.com N.V.

Company profit and loss account for the year ended 31 December 2022

in '000 EUR	Notes	2022	2021 (*)
Revenues	10	982	88
General and administrative expenses	11	(2,417)	(5,761)
Total operating expenses		**(2,417)**	**(5,761)**
Operating result		**(1,435)**	**(5,674)**
Interest income on loans	12a	62	45
Exchange differences		167	104
Other finance income	12b	-	2,815
Other finance costs	12b	(529)	-
Bank and other interest	12c	(1,134)	(386)
		(1,435)	**2,578**
Result before taxation		**(2,870)**	**(3,096)**
Income tax expense		-	-
Results of subsidiaries	4b - I	(12,297)	(13,819)
Results of associates and others	4b - I	-	3,586
Net result for the year		**(15,167)**	**(13,329)**

(*) Comparative figures have been restated in accordance with the disclosure provided in Note 3 of the Company Financial Statements

[F3 - Notes]

Notes to the company Financial Statements as at 31 December 2022

(in '000 EUR)

1. General

lastminute.com N.V. is the parent company of the lastminute.com Group, which is active in online travel. Refer to Note 1 of the consolidated financial statements for further details.

Basis of preparation

The company financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. The Company makes use of the option provided in section 2:362(8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial

statements of the Company are the same as those applied for the consolidated financial statements, which have been prepared in accordance with IFRS as adopted in the European Union. Refer to Note 2 of the Group consolidated financial statements.

These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these statutory financial statements, the separate financial statements should be read in conjunction with the consolidated financial statements. Information on the use of financial instruments and on related risks for the Group is provided in the notes to the consolidated financial statements of the Group.

All amounts in the company financial statements are presented in EUR thousand, unless stated otherwise.

These financial statements cover the year 2022, which ended at the balance sheet date of 31 December 2022.

2. Principles of valuation of assets and liabilities

(a) Intangible fixed assets - Goodwill

Goodwill relating to investments in consolidated participating interest in the Group companies is initially measured as the excess of the aggregate of the consideration transferred over the net fair value of the net identifiable assets acquired and liabilities and contingent liabilities assumed. If this consideration is lower than the fair value of the net assets of the participation acquired, the difference is recognised in profit or loss.

Presentation of goodwill is dependent on the structuring of the acquisition. Goodwill is presented separately in the company financial statements if this relates to an acquisition performed by the company itself. Goodwill is subsumed in the carrying amount of the net asset value (Reference should be made to Note 20 of consolidated financial statements of the Group) if an investment in a participation is acquired through the company's intermediate participation.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Financial fixed assets

i. Participating interests in Group companies and associates.

Group companies are all entities in which the Company has direct or indirect control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the Group company and has the ability to affect those returns through its power over the Group company. Group companies are recognised from the date on which control is obtained by the Company and derecognised from the date that control by the Company over the Group company ceases. Participating interests in Group companies are accounted for in the separate financial statements according to the net equity value, with separate presentation of the goodwill component under intangible fixed assets, with the principles for the recognition and measurement of assets and liabilities and determination of results as set out in the notes to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Dividends are accounted for in the period in which they are declared. Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Any profit or loss is recognised under financial income or expenses.

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

Result of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves are eliminated to the extent that they can be considered as not realised.

ii. Loans

Loans are stated initially at fair value and subsequently at amortised cost. Amortised costs are determined using the effective interest rate method.

(c) Receivables from affiliated companies

Receivables from affiliated companies are stated at amortised cost, which generally corresponds to their book value that approximates the fair value. Expected credit losses, if any, are taken into account.

(d) Equity

The equity included in the Company's financial statements shows a legal reserve for participation. The legal reserve for participations and the legal reserve - translation reserve consists of amounts required by law in Spain and Switzerland.

3. Accounting policies and changes in accounting policies & errors

There is no material impact on these company financial statements from the implementation of the new IFRSs as set out in Note 2 of the consolidated financial statements.

Changes in accounting policies & errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, available reliable information. When identifying an error due to an incorrect interpretation of the accounting policies, the entity corrects material prior period errors retrospectively by restating the comparative amounts for the prior period presented in which the error occurred.

In April 2021, the Group completed the acquisition of a minority stake (2.01%) in Freesailors Coöperatief UA (also called "Freesailors") from Fedro S.A. for a total amount of EUR 5,122 thousand. The acquisition was made through a special vehicle (Sealine Investments 2 LPs) controlled by the Group. At acquisition, the shares in Freesailors were classified as non-current financial assets and measured at fair value through profit and loss as of 31 December 2021. The fair value of the before mentioned shares at 31 December 2021 was EUR 8,838 thousand leading to a finance income for the Group of EUR 3,716 thousand.

Based on further assessment performed during the year, the acquisition of shares should have been treated as acquisition of treasury shares. The rationale is that Freesailors has no operations and effectively only holds shares in lastminute; the shares in Freesailors are in substance lastminute.com shares that should be treated as company's treasury shares. Considering their nature, the shares shall be accounted for at their purchase price (EUR 5,122 thousand) and included in the treasury share reserve. Consequently, the gain recorded in the previous period has been reversed, with a negative impact on retained earnings for EUR 3,716 thousand . Please refer to the consolidated statement of changes in equity for further information.

For each prior period presented, the Company has restated the financial statement line items affected. All the notes impacted by the aforementioned change have been modified accordingly.

Please find below a detail of the impact on comparative financial statements for each of the lines affected:

Balance sheet	31 Dec 2021	Effects of the restatement	31 Dec 2021 restated
Fixed assets	61,120	(8,838)	52,282
Treasury share reserve	(9,062)	(5,122)	(14,184)
Retained earnings / (losses)	(9,613)	(3,716)	(13,329)

Profit & Loss	2021	Effects of the restatement	2021 restated
Results of subsidiaries	(10,103)	(3,716)	(13,819)

4. Fixed assets

(a) Intangible fixed assets

Intangible fixed assets comprise goodwill created on acquisition of Blue SAS in 2013 and on acquisition of HolidayIQ Ltd in 2020.

No movements in the goodwill during the year. For the annual impairment test, this goodwill is allocated to the relevant cash-generating units. Additional information is included in Note 20 of the consolidated financial statements.

Cost	31 Dec 2022	31 Dec 2021
Balance as at 1 January	20,830	20,830
Additions	-	-
Balance as at December 31	**20,830**	**20,830**

(b) Financial fixed assets

I - Participations

The company's direct investments comprise the following subsidiaries and associates:

Name	Domicile	Ownership	Book Value
Bravonext S.A.	Chiasso, Switzerland	100.00%	38,331
Blue SAS	Paris, France	98.40%	23,270
Bravoventure India Private Ltd.	Bangalore, India	99.00%	1,781
Sealine Investments LP*	Edinburgh, U.K.	0.01%	-
Sealine 2*	Edinburgh, U.K.	0.01%	-
Bravometa CH S.A.	Chiasso, Switzerland	98.40%	18,227
LM Forward Ltd	London,UK	100.00%	-
InstaGo SAGL	Chiasso, Switzerland	30.04%	1,024
URBANnext SA	Chiasso, Switzerland	25.00%	362
HolidayIQ	Singapore	100.00%	1,028
Pigi Shipping & Consulting Srl	Milan, Italy	10.00%	5,394
Epico Viajes SL	Barcelona, Spain	42.55%	156
Total (s)			**89,572**

(*) Sealine Investments LP and Sealine 2 are Scottish partnerships on which lastminute.com N.V. exercises control as being the general partner.

Where a subsidiary has a negative net assets value, the Company has a constructive obligation to enable the participating interest to pay its debts. Therefore a provision has been recognised accordingly. See the following Note.

I. Financial fixed assets, continued

The movements in the financial fixed assets (participations) are as follows:

	Subsidiaries							Associates			Other		
Participations	Bravonext S.A.	Blue Sas	LM Forward Ltd	Bravoventure India Private Ltd.	Bravometa CH S.A.	Pigi Shipping & Consulting	HolidayIQ	Epico Viajes S.L.	InstaGo SAGL	URBANnext SA	Sealine Investments LP	Sealine 2	Total
Balance Net as at 31 December 2021	**10,472**	**24,295**	**-**	**1,377**	**15,479**	**3,803**	**983**	**-**	**745**	**379**	**-**	**3,586**	**61,120**
To provision participations	-	-	2,730	-	-	-	-	-	-	-	-	-	2,730
To provision receivables	-	-	30	-	-	-	-	-	-	-	2,398	-	2,428
Balance Gross as at 31 December 2021	**10,472**	**24,295**	**(2,760)**	**1,377**	**15,479**	**3,803**	**983**	**-**	**745**	**379**	**(2,398)**	**3,586**	**55,962**
Adjustment for restatement of treasury shares acquisition	-	-	-	-	-	-	-	-	-	-	-	(8,838)	**(8,838)**
Balance Net as at 1 January 2022	**10,472**	**24,295**	**(2,760)**	**1,377**	**15,479**	**3,803**	**983**	**-**	**745**	**379**	**(2,398)**	**(5,252)**	**47,124**
To provision participations	-	-	-	-	-	-	-	-	-	-	-	-	-
To provision receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Gross as at 1 January 2022	**10,472**	**24,295**	**(2,760)**	**1,377**	**15,479**	**3,803**	**983**	**-**	**745**	**379**	**(2,398)**	**(5,252)**	**47,124**
Change during the financial year:													
- Capital increase	40,358	-	-	-	-	1,600	-	-	-	-	-	-	41,958
- Acquisition of the year	-	-	-	-	-	-	-	200	-	-	-	-	200
- Direct equity movement participation	827	-	240	(86)	92	-	(30)	-	-	-	925	(559)	1,409
-Trasaction with NCI	-	-	-	-	-	-	-	-	-	-	-	-	-
- Results on participations	(13,327)	(1,025)	(1,155)	490	2,656	(9)	75	(44)	279	(18)	(103)	(115)	(12,297)
Balance Gross as at 31 December 2022	**38,331**	**23,270**	**(3,675)**	**1,781**	**18,227**	**5,394**	**1,028**	**156**	**1,024**	**362**	**(1,576)**	**(5,926)**	**78,394**
To provision participations	-	-	3,645	-	-	-	-	-	-	-	-	194	3,840
To provision receivables	-	-	30	-	-	-	-	-	-	-	1,576	5,732	7,338
Balance Net as at 31 December 2022	**38,331**	**23,270**	**-**	**1,781**	**18,227**	**5,394**	**1,028**	**156**	**1,024**	**362**	**-**	**-**	**89,572**

In case of participating interests in subsidiaries with a negative net asset value, the company has a constructive obligation to pay the debts. Accordingly, a receivable is written off or a provision is being recognised.

II - Non current financial assets

in '000 EUR	31 Dec 22	31 Dec 21
Loans granted to other companies	904	800
Long term deposits	-	1
Total (s)	**904**	**801**

Loans granted to other companies increased by EUR 104 thousand, from EUR 800 thousand in 2021 to EUR 904 thousand in 2022 due to a reclassification from current financial assets to non-current financial assets, since the contractual terms with the counterparty have been modified.

The interest rate applied to these loans are in line with market conditions (2.5% per annum).

5. RECEIVABLES

(a) Receivable from affiliated companies

This amount can be specified as follows:

in '000 EUR	31 Dec 2022	31 Dec 2021
Other		
Other	-	8
Loan		
LM Forward Ltd - loan	30	30
Sealine 2	5,132	5,122
Sealine Investments LP	11,859	10,996
Trade		
Bravonext SA - trade receivables	32	8
LM Next FR - trade receivables	10	-
Sealine 1 - trade receivables	18	-
Rumbo - trade receivables	30	-
Viaggiare - trade receivables	9	-
Sealine 2 - trade receivables	601	-
Total (s)	**17,721**	**16,164**

The receivables from affiliated companies contain the following:

in '000 EUR	31 Dec 22	31 Dec 21
Receivables from affiliated companies	17,721	16,164
Less: Provisions	(7,338)	(2,428)
Total (s)	**10,382**	**13,736**

The fair value of the receivables approximates the book value.

The financial receivables are mainly related to loans granted to subsidiaries with an interest rate in line with market conditions (2.5%). The receivables from affiliated companies are due within one year. The fair value of the receivables approximates the book value, due to the provision recorded. The loans are unsecured and are subordinated to all other obligations of the borrower.

Financial risk management

Please refer to the information included in the Note 4 to the consolidated financial statements.

(b) Other receivables

This amount can be specified as follows:

in '000 EUR	31 Dec 2022	31 Dec 2021
Prepayments	356	28
Other receivables	123	320
VAT receivable	-	6
Total (s)	**478**	**354**

The other receivables are due within one year. The fair value of the receivables approximates the book value.

The prepayments increase due to a one shot bonus received from an acquirer for an amount of EUR 400 thousand, deferred for the period 2022-2026.
The amount has been received on behalf of Bravonext, therefore it has been then recharged to it, with the related same deferral.

(c) Current financial assets

in '000 EUR	31 Dec 2022	31 Dec 2021
Current financial assets	53	-
Investments at fair value	2,286	2,815
Total (s)	**2,338**	**2,815**

The variation of the investments at fair value is mainly linked to the fair value remeasurement of the investment in Destination Italia leading to a cost of EUR 529 thousand due to the drop in the share value during the year.

(d) Cash and cash equivalents

The cash and cash equivalents are freely available to the Company.

6. CURRENT LIABILITIES

All the current liabilities are due within one year.

(a) Other short term financial liabilities

in '000 EUR	31 Dec 2022	31 Dec 2021
Holiday IQ liabilities	400	400
Freesailors transaction liabilities	9,333	-
Total (s)	**9,733**	**400**

The increase in the short term financial liabilities is entirely related to the Freesailors transaction. For further information please refer to Note 34 of the consolidated financial statements.

(b) Payable to affiliated companies

This amount can be specified as follows:

in '000 EUR	31 Dec 2022	31 Dec 2021
Trade		
Bravonext SA - trade payable	4,500	2,347
Comvel - trade payable	3	-
LM Next UK - trade payable	11,619	-
Rumbo - trade payable	10	-
Viaggiare - trade payable	24	-
Pigi - trade payable	163	-
Loan		
Bravometa CH - loan	13,445	13,121
LM next FR - loan	46,473	11,875
Comvel - loan	15,359	-
LM Next UK Services - Loan	4,382	-
Other		
Bravonext SA - cash pooling	56	1,444
Sealine 2	1,730	1,730
Sealine Investments LP	966	41
Total (s)	**98,730**	**30,558**

The payables are both interest and non interest bearing, including cash pooling balance on which an interest rate in line with market conditions is applied. The fair value of the liabilities approximates the book value.

The financial payables are mainly related to loans granted to subsidiaries with an interest rate in line with market conditions (2.5%). The agreements are stipulated for an indefinite period. Payments by the Borrower to the Lender shall be made on request in immediately available funds into the bank account indicated by the Lender.

The increase of loan payable is mainly due to the Bravonext's recapitalization, which occurred in December 2022. lastminute.com N.V. injected a total amount of EUR 31.358 thousand into Bravonext's capital contribution reserves as follows:

EUR 15.358 thousand, assuming Comvel's cash pooling debt owed from Bravonext, EUR 11.619 thousand assuming LM Next UK's trade payable owed from Bravonext and EUR 4.381 thousand as a cash injection, previously collected from LM Next Services.

LM Next FR's loan, already in place in 2021, increased during 2022, according to lastminute.com N.V. financial needs and to the related intercompany loan agreement.

(c) Other payables

This amount can be specified as follows:

in '000 EUR	31 Dec 2022	31 Dec 2021
Directors remuneration	716	463
Withholding taxes	18	73
Employee benefit obligation	1,956	4,185
Total (s)	**2,690**	**4,721**

Employee benefit obligation, for the amount of EUR 1,956 thousand, is the net effect among the exit of some employees during the year, the remeasurement of the existing liability towards employees, as well as a new incentive scheme introduced during 2022.

The Directors emoluments liability refers to the emoluments of the Executive Directors (excluding wage tax and social security premium) not yet paid as of 31 December 2022 and related to years 2019 - 2022.

(d) Accrued expenses and deferred income

This amount can be specified as follows:

in '000 EUR	31 Dec 2022	31 Dec 2021
Audit fees	181	202
Consultancy fees	478	163
M&A costs	-	77
Acquiring costs	358	13
Total (s)	**1,017**	**455**

The increase of this caption is both due to the costs incurred for consultancy services received during the year in connection with the working hour reduction investigation which involved some Company's subsidiaries and to the deferred income calculated on the spot bonus received from an acquirer, related to the period 2022-2026 .

As explained in Note 5b the deferred income has been recognised by the Company and then recharged to Bravonext, considering that the bonus has been received on its behalf.

(e) Other current provisions

in '000 EUR	31 Dec 2022	31 Dec 2021
Other provision	1,077	-

As of 31 December 2022, the Company accounted for a provision related to the expected costs for legal expenses that will be incurred by the employees under investigation, for a total amount of EUR 1,077 thousand.

7. CAPITAL AND RESERVES

The authorised share capital of EUR 181 thousand is divided into 18,110,000 ordinary shares with a par value of EUR 0.01 each (same as 31 December 2021). The paid-up and called up share capital of EUR 117 thousand is divided into 11,664,219 million ordinary shares with a par value of EUR 0.01 each (same as 31 December 2021).

The movements in the year under review can be summarised as follows:

in '000 EUR	Share Capital	Capital Reserves	Legal Reserve - Participations	Legal reserve - Translation Reserve	Other reserves	Retained Earnings	Result for the period	Total
Balance as at 1 January 2021	**117**	**94,864**	**6,955**	**1,371**	**(9,108)**	**35,799**	**(61,208)**	**68,790**
Profit/loss appropriation	-	(25,409)	-	-	-	(35,799)	61,208	-
Sale of treasury shares	-	-	-	-	46	83	-	129
Actuarial result DB pension plan	-	-	-	-	-	2,408	-	2,408
Other movements	-	-	-	-	-	(12)	-	(12)
Acquisition/loss of control of subsidiaries with non-controlling interests	-	-	-	-	-	(220)	-	(220)
Result for the year	-	-	-	-	-	-	(9,613)	(9,613)
CTA adjustment	-	-	-	1,025	-	-	-	1,025
Transfers to Legal Reserves	-	2,823	(2,823)	-	-	-	-	-
Balance as at 31 December 2021	**117**	**72,278**	**4,132**	**2,396**	**(9,062)**	**2,259**	**(9,613)**	**62,507**
Adjustment for restatement of treasury shares acquisition	-	-	-	-	(5,122)	(3,716)		(8,838)
Balance as at 1 January 2022	**117**	**72,278**	**4,132**	**2,396**	**(14,184)**	**(1,457)**	**(9,613)**	**53,669**
Profit/loss appropriation	-	(7,354)	-	-	-	(2,259)	9,613	-
Indirect acquisition of own shares	-	-	-	-	(559)	-	-	(559)
Share-buy back	-	-	-	-	(2,940)	-	-	(2,940)
Indirect purchase of treasury shares from minority investors	-	-	-	-	(24,658)	-	-	(24,658)
Actuarial result DB pension plan	-	-	-	-	-	1,872	-	1,872
Result for the year	-	-	-	-	-	-	(15,167)	(15,167)
CTA adjustment	-	-	-	(829)	-	-	-	(829)
Transfers to Legal Reserves	-	2,495	(2,495)	-	-	-	-	-
Balance as at 31 December 2022 (*)	**117**	**67,419**	**1,637**	**1,567**	**(42,341)**	**(1,844)**	**(15,167)**	**11,388**

(*) Please refer to Note 34 of the Consolidated financial statements

Capital reserves

As of 31 December 2022 capital reserves, including share premium reserves, amount to EUR 69,056 thousand (2021: EUR 76,410 thousand). An amount equal to EUR 2,428 thousand is reclassified within the legal reserve.

The variation is linked to the attribution of previous year's losses to capital reserves for EUR 7,354 thousand.

Legal reserve - Participation

The legal reserve participation consists of amounts required by law in Spain, Switzerland and Italy of EUR 1,637 thousand (EUR 4,132 thousand as of 31 December 2021).

Legal reserve - Translation reserve

The reserve for translation differences concerns all exchange rate differences arising from the translation of the net investment in foreign entities. The translation reserve is also a legal reserve.

Other reserves

Other reserves comprise the cost of the shares held by the lastminute.com Group. At 31 December 2022 the Group held 1,752 thousand shares for the total value of EUR 42,341 thousand (644 thousand shares as of 31 December 2021 for a total value of EUR 9,062 thousand).
As of 31 December 2021, the Group reclassified from financial assets to other reserves an amount of EUR 5,122 thousand, corresponding to 235 thousand of shares. The restated number of treasury shares held as of 31 December 2021 is 879 thousand, for a total value of EUR 14,184 thousand.
Moreover, the other reserves increased during the year in connection with the Freesailors Transaction described in detail in Note 34 of the consolidated financial statements.

Retained Earnings

Retained earnings as of 31 December 2022 amounted to EUR -1,844 thousand (2021: EUR 2,259 thousand) and contain accumulated results obtained in previous years generated by the Company and not distributed to shareholders as well as amounts booked in relation to the re-measurement of the employee benefits liability and share-based payments. The opening balance has been restated due to the adjustment for change in accounting policies on treasury shares acquisition for an amount of EUR 3,716 thousand, as already mentioned in the Changes in accounting policies & errors paragraph.

8. APPROPRIATION OF RESULTS OF FINANCIAL YEAR 2021

The Annual Report 2021 was adopted in the General Meeting of Shareholders held on 18 May 2022. The General Meeting of Shareholders has determined the appropriation of the result for 2021 in accordance with the proposal made in the 2021 Annual Report.

9. PROPOSED APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2022

The board of directors of the Company proposes to allocate a portion of the loss of the year to capital reserve for EUR 15,167 thousand.

This proposal allocation of results has not been incorporated in the annual accounts; it is subject to the approval of the annual general meeting of Shareholders. The net result for the year is included in the capital and reserves as result for the year.

The Company can only make distributions to the shareholders and other parties entitled to the distributable profit in so far as the Company's equity exceeds the paid-up and called-up part of the capital plus the legal reserves and statutory reserves under the articles of association to be maintained.

10. REVENUES

The table below shows Revenues for 2022 and 2021:

in '000 EUR	2022	2021
Other Revenues	427	1
ICO recharges	556	87
Total (s)	**982**	**88**

Revenues mostly relate to acquiring costs rebate and to intercompany recharges for services provided by the Company to the Group.

11. GENERAL AND ADMINISTRATIVE EXPENSES

The table below shows general and administrative expenses for 2022 and 2021:

in '000 EUR	2022	2021
Consultancy and accountancy fees	3,033	1,600
Personnel costs	2	(12)
Directors fees	484	(742)
Share-based payments	(2,228)	4,185
Other	1,126	730
Total	**2,417**	**5,761**

Consultancy and accountancy fees increased mostly due to legal costs incurred during the year in connection with the investigation that involved some of the Company's subsidiaries.
Directors fees mainly refer to the remuneration related to the executive directors of the Company.
Share-based payments for the amount of EUR -2,228 thousand are the net effects among the exit of some employees during the year, the remeasurement of the existing liability towards employees and to a new incentive schemes introduced during 2022. Additional information is included in Note 16 of the consolidated financial statements.

Audit fees

The following fees were charged by KPMG Accountants N.V. and other minor audit firms for 2022 and 2021 to the company, its subsidiaries and other consolidated companies, as referred to in the Section 2:382a (1) and (2) of the Netherlands Civil Code.

Year 2022	KPMG Accountants NV	Other KPMG Network	Other minor audit firms	Total 2022
Audit of financial statements	118	586	119	823
Tax services	-	3	-	3
Other non-audit services	-	29	-	29
Total	118	618	119	855

Year 2021	KPMG Accountants NV	Other KPMG Network	Other minor audit firms	Total 2021
Audit of financial statements	108	475	77	660
Tax services	-	-	-	0
Other non-audit services	-	5	-	5
Total	108	480	77	665

The audit fees related to the subsidiaries in scope for the audit of the consolidated financial statements have been directly charged and invoiced to the respective subsidiaries. These fees relate to the audit of the 2022 financial statements, regardless of whether the work was performed during the financial year.

Other non-audit services for the year 2022 are mainly referred to the audit of the Environmental, social, and corporate governance (ESG) report of a Spanish subsidiary required by the local Spanish law framework.

Number of employees and employment costs

During the year under review the Company had no employee (2021:0).

12. FINANCIAL INCOME / EXPENSE

(a) Interest income on loans

The table below shows the interest income for 2022 and 2021:

in '000 EUR	2022	2021
Interest income on loans to affiliated companies	32	17
Interest income on loans to others	30	28
Total (s)	**62**	**45**

The variance in income on loans is due to the increase of the loans towards other Group companies as explained in more detail in Note 5 a).

(b) Other finance income and expenses

The amount includes the revaluation of the investment in Destination Italia, as disclosed in Note 12 of the consolidated financial statements.

in '000 EUR	2022	2021
Impairment of financial investment at fair value	529	-
Revaluation of Financial assets	-	2,815
Total (s)	**529**	**2,815**

The amount is related to the fair value evaluation as of 31 December 2022 of the investment held in Destination Italia SpA, represented by a cost in 2022 compared to the income registered in 2021.

(c) Bank and other interest

The table below shows the interest income for 2022 and 2021.

in '000 EUR	2022	2021
Interest on cash pooling	(7)	(46)
Bank interests	(0)	-
Interest on loans from Group companies	(1,127)	(337)
Interest on tax settlement	-	(3)
Total (s)	**(1,134)**	**(386)**

Interests from Group companies increased accordingly to the intercompany loans.

FISCAL POSITION

13. Corporate income tax

The Company generated taxable loss during the year under review for an amount of EUR 2,870 thousand. Therefore, no tax charge for the year is recorded. At year-end the losses carry forward amount to EUR 23,218 thousand (2021: EUR 19,712 thousand) which can be offset against future profits. Deferred tax is not included in this calculation because the Company does not expect to generate taxable income in the Netherlands in the coming years.

14. OFF-BALANCE SHEET ASSETS AND LIABILITIES

As of 31 December 2022, financial institutions had issued bank guarantees to third parties on behalf of the Company for a total amount equal to EUR 10,790 thousand (2021: EUR 800 thousand), of which EUR 21,113 thousand relate to a bank guarantee for the IATA, ABTA and ATOL and EUR 5,000 thousand for APST (Association Professionnelle de Solidarité du Tourisme).

15. DIRECTORS

During the year 2022, the Company had seven directors. The Company has no supervisory directors.

The 2022 Annual General Meeting held on 18 May 2022 and the Extraordinary General Meeting held on 21 December 2022 approved the remuneration proposals for the board of director’s members as follows:

In '000 Eur

Name	Qualification	Office period	Fixed Remuneration	Bonus	Other	Total Compensation	Variable on Total Compensation (%)	Fair value of SAR (Estimated Potential Value) (*)	Fair value of SAR (Proportioned to vesting) (**)	Long Term Investment Plan
Fabio Cannavale	Executive Director, founder & CEO	01/01/2022 - 24/07/2022	162	-	-	162	0%	-	-	-
Andrea Bertoli	Executive Director, CEO & COO	01/01/2022 - 24/07/2022	290	-	-	290	0%	132	44	813
Roberto Italia	Non-executive director	01/01/2022 - 21/12/2022	48	-	-	48	0%	-	-	-
Massimo Pedrazzini	Non-executive director	01/01/2022 - 31/12/2022	40	-	-	40	0%	-	-	-
Paola Garzoni	Non-executive director	01/01/2022 - 21/12/2022	34	-	-	34	0%	-	-	-
Laurent Foata	Non-executive director	01/01/2022 - 21/12/2022	39	-	-	39	0%	-	-	-
Javier Perez Tenessa	Non-executive director	01/01/2022 - 21/12/2022	24	-	-	24	0%	-	-	-
Luca Concone	Executive Director, CEO	21/12/2022 - 31/12/2022	7	7	-	14	50%	-	-	-
Yann Rousset	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%	-	-	-
Maria Teresa Rangheri	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%		-	-
Valentin Pitarque	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%		-	-
Cyril Ranque	Non-executive director	21/12/2022 - 31/12/2022	2	-	-	2	0%		-	-
Total remuneration to Board of Directors			**652**	**7**	**-**	**659**		**132**	**44**	**813**

(*) reported as the potential Fair Value of the total options granted valued as of 31 December 2022 regardless of the vesting period.

(**) reported as Fair Value of the total option recognised pro quota in 2022 profit & loss, in accordance with IFRS principles even if different vesting conditions apply.

As regards the Variable on Total Compensation (%) calculation, it does not include neither the estimated potential fair value nor the proportioned to vesting fair value of the consideration resulting from the granted SAR.

See paragraph "Remuneration policy" of the Corporate governance section for further details about the compensation of the Directors of the Company.

16. SUBSEQUENT EVENTS

On 28 June 2022 the Board of Directors of the Company resolved to propose to shareholders to provide authorisation for the Company to purchase certain membership interests in Freesailors; such membership interests would be then exchanged with shares in the Company owned by Freesailors, so that the shares so obtained could be delivered to participants in the Company's stock appreciation plans; the resolution was subject to the approval of the Company's general shareholders meeting ("Freesailors Transaction").

Contingent on the approval by the Company's shareholders of the Freesailors Transaction, the Company proposed to its shareholders to provide specific authorisation to purchase the first tranche of Freesailors' membership interests from Sterling Active Fund for an amount of CHF 11,710 thousand. Moreover, the Company proposed the purchase from other minor investors of further membership interest in Freesailors for a total amount of CHF 3,383 thousand.

The contracts with Freesailors' minority shareholders were signed for a total purchase of CHF 24,281 thousand (EUR 24,658 thousand). As of 31 December 2022, the amount paid corresponding to the first tranche was CHF 15,093 (EUR 15,324 thousand), while the outstanding amount to be paid was CHF 9,188 thousand (EUR 9,334 thousand).

As at time the purchase was agreed the main asset of Freesailors was only the investment in lastminute.com, according to an interpretation of IAS 32 any repurchase of stakes in Freesailors is qualified as a purchase of lastminute.com own shares. Accordingly, the payment of the first tranche was debited to equity as a reduction of Other reserves for EUR 15,324 thousand.

Following the signature of the above-mentioned contracts, lastminute.com also had a contractual obligation to deliver cash in exchange for the additional EUR 9,334 thousand of Freesailors's stakes. As a consequence, a Short term financial liabilities was posted in the financial statement and the other reserves were reduced for the same amount.

As announced on 29 March 2023, on the same date all involved parties agreed that the Freesailors Transaction is from a legal point of view null and void *ab initio* (Annulment) and therefore the originally intended proposed transaction will not be submitted to the Company's general shareholders meeting for approval. Therefore, the event has not affected and will not affect the capital structure of the Company.

According to IAS 10, the Annulment is a non-adjusting subsequent event (i.e. an event that does not affect amounts reported as of 31 December 2022). At the date of the publication of these financial statements, however, on the basis of the Annulment the effect of the transaction on equity has been completely reversed and the first tranche will be repaid shortly.

G - Other information

OTHER INFORMATION

APPROPRIATION OF RESULT ACCORDING TO THE ARTICLES OF ASSOCIATION

According to article 25 of the Articles of Association the result of the year is at free disposal of the General Meeting of Shareholders.

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H - Audit opinion

Add copy here

Independent auditor's report

To: the General Meeting of Shareholders and the Board of Directors of lastminute.com N.V.

Report on the audit of the financial statements 2022 included in the Annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of lastminute.com N.V. as at 31 December 2022 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

— the accompanying company financial statements give a true and fair view of the financial position of lastminute.com N.V. as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2022 of lastminute.com N.V. (the Company) based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated balance sheet as at 31 December 2022;

2 the following consolidated statements for 2022: of profit and loss and other comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company balance sheet as at 31 December 2022;

2 the company profit and loss account for 2022; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of lastminute.com N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, 'Code of Ethics for Professional Accountants, a regulation with respect to independence') and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, 'Dutch Code of Ethics').

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

— Materiality of EUR 2.5 million

— 0.85% of revenues

Group audit

— Audit coverage of 93% of total assets

— Audit coverage of 84% of revenue

Fraud/Noclar, Going concern and related risks

— Fraud & Non-compliance with laws and regulations (Noclar) related risks: presumed risks of management override of controls and revenue recognition and risk related to the investigation into the working hour reduction subsidies identified

— Going concern related risks: no going concern risks identified

Key audit matters

— Fraud risk related to revenue recognition and risk of error regarding accuracy of revenues

— Application of impairment requirements (Impairment test)

— Investigation into the working hour reduction subsidies

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 2.5 million (2021: EUR 1.4 million). The materiality is determined with reference to revenues (0.85%). We consider revenues as the most appropriate benchmark because lastminute.com N.V. is a loss making entity in 2022 (and 2021) and the Company is focused on revenue growth. Revenue is one of the presumed key considerations for users of the financial statements. Materiality significantly increased compared to last year due to the increase in revenues following the recovery for the COVID-19 crisis. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements identified during our audit in excess of EUR 100,000 would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

lastminute.com N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of lastminute.com N.V.

Our group audit mainly focused on significant components, due to size or due to risk. In addition we performed several procedures with the assistance of KPMG Switzerland on group level to achieve a certain coverage.

We have:

- performed audit procedures ourselves at group components;
- made use of the work of other (non) KPMG auditors for the audit of some significant components of the group;
- sent audit instructions to all component auditors, covering significant areas including the relevant risks of material misstatement and set out the information required to be reported back to us;
- performed onsite and remote file reviews at significant components; and
- audited specific accounts at other non-significant components on group level with assistance of KPMG Switzerland.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our procedures as described above can be summarized as follows:

Total assets

88%	0%	5%
Audit of the complete reporting package	Audit of specific Items at group level	Specified audit procedures at group level

Revenue

79%	5%	0%
Audit of the complete reporting package	Audit of specific items at group level	Specified audit procedures at group level

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter Significant risks and uncertainties of the Directors' report and chapter Internal control and risk management system in the corporate governance report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing rules, Modern slavery act policy, anti-Corruption, anti-bribery and anti-money laundering policy and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the executive and non-executive members of the Board of Directors, management and other relevant functions, such as Internal Audit, Legal Counsel and Compliance. As part of our audit procedures, we:

— obtained an understanding of how the Company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;

— assessed other positions held by the Board of Directors and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;

— evaluated internal and external investigation reports on indications of possible fraud and non-compliance;

— evaluated correspondence with supervisory authorities and regulators as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- rules related to the work time reduction subsidy;
- rules related to travel industry;
- the laws and regulations governing online;
- employment law;
- data and privacy laws; and
- competition law.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud and non-compliance risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as estimates related to the impairment test of goodwill and other intangible assets.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries.
- We performed a data analysis of high-risk journal entries related to manual journal entries on revenue accounts with no corresponding entry on receivables and manual journal entries posted by users not involved in the accounting department. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We evaluated key estimates and judgments for bias by the Company's management, including retrospective reviews of prior years' estimates such as with respect to forecasts in the going concern assessment and the impairment testing of goodwill and other intangible assets.
- We evaluated the appropriateness of the accounting for significant transactions that are outside the Company's normal course of business, or are otherwise unusual, like the transaction with minority shareholders in Freesailors Coöperatief U.A. as disclosed in note 31 Related Parties and note 34 Subsequent events in the financial statements.
- We incorporated elements of unpredictability in our audit, such as verifying that a valid business purpose is present for the payments and expenses authorized by former Board members.

Revenue recognition (a presumed risk)

Risk:

— There is an inherent risk of fraudulent revenue recognition through overstatement of revenues within the various entities within the Group as lastminute.com N.V. is a listed company with primary focus on growth of sales.

Responses:

— We refer to key audit matter revenue recognition.

Investigation into the working hour reduction subsidies

Risk:

— On 19 July 2022 the Public Prosecutor's Office of the Canton of Ticino started an 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. We understand the criminal proceedings against certain individuals are still ongoing, whilst the administrative proceedings against the Swiss subsidiaries of lastminute.com N.V. were meanwhile ended by accepting the order of the Swiss State Secretariat of Economic Affairs (SECO) to repay the amounts received (EUR 29.4 million). The investigation had a significant impact on both the Swiss subsidiaries and the Group.

  As a result there is a risk that an inappropriate amount is estimated for the provision for claims and liabilities relating to the above investigation into the working hour reduction subsidies.

Responses:

— Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did result in a key audit matter.

— We refer to key audit matter investigation into the working hour reduction subsidies.

— We communicated our risk assessment, audit responses and results to the Board of Directors and the Audit Committee.

— Other than already disclosed in the Directors’ report, our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

As explained in note 2 significant accounting policies – going concern basis of accounting of the financial statements, the Board of Directors has performed its going concern assessment and has not identified any going concern risks. Our main procedures to assess the Board of Directors assessment were:

— we considered whether the Board of Directors assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;

- we considered whether the developments related to the repayment of the work time reduction subsidy and the covid loans indicate a going concern risk;
- we analyzed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- we challenged the Board of Directors on the key assumptions and principles underlying the Board of Directors assessment of the going concern risks;
- we inspected the financing agreements in terms of conditions that could lead to going concern risks, including the term of the agreement and the covenants (including received waiver); and
- we analyzed whether the headroom of the ratios included in the financing agreements is sufficient or if it gives rise to the risk of the covenants in the financing agreements being breached.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Directors going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors and Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to going concern basis of accounting is not included, as for the financial year 2022 we have not identified any going concern risks. Furthermore, compared to last year the key audit matter with respect to the investigation into the working hour reduction subsidies and the Freesailors transaction (purchase certain membership interests in Freesailors) have been added.

Fraud risk related to revenue recognition and risk of error regarding accuracy of revenues

Description

The total revenue for the year 2022 amount to EUR 294.4 million and other income from expired refund vouchers EUR 13.3 million. There is an inherent risk of fraudulent revenue recognition through overstatement of revenues within the various entities within the Group as lastminute.com is a listed company with primary focus on growth of sales.

The revenue comprises of commissions applied to service providers based on contractual agreements and rebates on realized target volumes from service providers also based on contractual agreements.

The volume of the transactions and counterparties that characterizes the online travel business is significant and there is a high dependency on the IT systems. As a result, an incorrect calculation of the rebates to suppliers or incorrect commission percentage could result in a material misstatement. In addition we consider this a key audit matter because of the high volume of transactions, high dependency on the IT systems and the new self-developed operating system (new IT order accounting process). As a result, an incorrect calculation of the relating liability, discount offered to future bookings and performance obligation could result in a material misstatement.

Our response

Our audit was executed in accordance with our audit plan. We performed the following:

- identified and tested relevant controls around revenue recognition, including anti-fraud controls and thereto related application controls, in particular application controls residing in the operating system (Backoffice) for both booking accounting and order accounting processes, accounting system (Navision) and application controls regarding cash in-and outflows;
- reperformed the reconciliation between operating system and accounting system over cash in-and outflows ensuring the correctness of the sales;
- verified on a sample basis whether revenue recognized corresponds to invoices and whether payments are received based on bank statements. We also have verified that only margin is recognized as revenue based on a reconciliation of cash received from clients and cash paid to service providers tested on a sample basis the accuracy of revenues from commissions based on the underlying contractual agreement;
- performed centralized procedures on general IT controls that supports the relevant application controls over operating and accounting systems, in particular those affecting data and program access as well as program changes and computer operations;
- involved IT specialists to support our procedures relating to relevant application controls and thereto related general IT controls;
- Involved IT specialists to assess the development and implementation of the new order accounting process that was implemented in 2022; and
- assessed the adequacy of the disclosures, specific note 7a revenues and 7b other income from expired refund vouchers.

Our observation

The overall results of our procedures were satisfactory. Furthermore, we consider note 7a revenues and 7b other income from expired vouchers adequate.

Application of impairment requirements (Impairment test)

Description

Significant amount of goodwill (EUR 60.4 million) and trademarks (EUR 129.8 million) arising from past business combinations recognized as intangible assets with an indefinite useful life. Under IFRS, an annual impairment testing is required. The determination of the recoverable amount is based on the value in use by estimating future cash flows. The value in use is determined based on a Discounted Cash Flow calculation (DCF). Key assumptions used in the calculation of the recoverable amount are the discount rate (WACC) and the revenues growth rate and EBITDA margin. These key assumptions involve significant judgement as they represent management’s assessment of the future market trends and economic conditions.

Given the Group’s continued development, the rapid technology change as well as the relevance of estimates used, there is an inherent risk of uncertainty in assessing the recoverable amount.

Our response

Our audit was executed in accordance with our audit plan. We have assessed the correct determination of the CGU's (change from three significant to two significant CGU's in 2022). We have evaluated the mathematical accuracy of the model used for the impairment test, the appropriateness of the assumptions used and the methodology used by management to prepare its cash flow forecasts. We have involved a valuation specialist to support our procedures.

We have performed the following audit procedures for the two CGU's - Online Travel Agencies (OTA) and Metasearch Engines (META):

- assessed the reasonableness of the plans and forecasts by back-testing historical forecasts to actual results;
- compared business plan data against the latest approved plans and forecasts;
- challenged the robustness of the key assumptions used to determine the recoverable amount, including identification of the CGUs, forecast cash flows, long-term growth rates and the discount rates based on our understanding of the business and by comparing key assumptions with independent data and market expectation;
- challenged management sensitivity analysis, taking into account the historical forecasting accuracy;
- recalculated the difference between the carrying value and the recoverable amount to assess the headroom; and
- assessed the adequacy of the disclosures in the financial statements, specific note 19 Intangible assets and note 20 Goodwill.

Our observation

The results of our procedures were satisfactory and we found note 19 Intangible assets and note 20 Goodwill adequate.

Investigation into the working hour reduction subsidies

Description

On 19 July 2022 the Public Prosecutor's Office (PPO) of the Canton of Ticino started an 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. We understand the administrative proceedings against the Swiss subsidiaries of lastminute.com N.V. were meanwhile ended by accepting the order of the Swiss State Secretariat of Economic Affairs (SECO) to repay the amounts received (EUR 29.4 million). The investigation had a significant impact on both the Swiss subsidiaries and the Group.

We understand the criminal proceedings against certain individuals are still ongoing. The investigation had a disruptive impact on the Company's governance. On 24 July 2022 the Board resolved to suspend the powers delegated to the Executive Directors in connection with the ongoing investigation of the Public Prosecutor's Office.

On 17 November 2022 all the Board members resigned, certain with immediate effect and others with effect from the subsequent Extraordinary General Meeting to be called by the Board (the ‘EGM 2022’), except of one Board member. A new Board of Directors and a new CEO were elected in December 2022, taking office and action immediately.

The new Board of Directors concluded there is no provision necessary related to the investigation to certain individuals since the risk for the Company is remote due to the investigation is not directed against the Company nor its Swiss subsidiaries. The Company is not part of the communication between the PPO and the investigated people. Based on management’s assessment there is no legal of constructive obligation and therefore no (contingent) liability recorded.

As a result there is a risk that an inappropriate amount is estimated for the provision for claims and liabilities relating to the above investigation into the working hour reduction subsidies.

Our response

We have performed audit procedures to determine the correct accounting treatment of 1) the liability related to the work time reduction based on the investigation by the Company and the investigation into the working hour reduction subsidies of the Swiss State Secretariat for Economic Affairs; and 2) the correct accounting treatment for possible claims and liabilities following the investigation into the working hour reduction subsidies and the investigation to individuals.

We have performed the following audit procedures relating to:

1) the liability related to the work time reduction based on the investigation into the working hour reduction subsidies by the Company and the investigation into the working hour reduction subsidies of the Swiss State Secretariat for Economic Affairs:
    - inspected and analyzed the received letters of the Swiss State Secretariat for Economic Affairs (SECO);
    - analyzed the statement of the Board of Directors and management which includes the results of their own investigation into the working hour reduction subsidies and the accounting treatment for the liabilities following the investigation into the working hour reduction subsidies;
    - inspected and analyzed the report of the investigation into the working hour reduction subsidies performed at the request of the external lawyer;
    - inspected and analyzed lawyers letters.
    - inquired with the Board of Directors, management and other staff members;
    - Interaction with the local component auditor of the subsidiaries involved; and
    - assessed the adequacy of the recognition of the liability related to the repayment of the work time reduction subsidies and related disclosures in the financial statements, specific note 27 Provisions and note 29 Trade and other payables
2) the correct accounting treatment for possible claims and liabilities following the investigation into the working hour reduction subsidies and to individuals.
    - analyzed the statement of the Board of Directors and management which includes the accounting treatment for possible claims and liabilities following the investigation into the working hour reduction subsidies and the investigation to individuals;
    - inspected and analyzed the received lawyers letters;

- inquired with the Board of Directors, management and other staff members;
- assessed the accounting consequences for not recording a (contingent) liability at year end; and
- assessed the adequacy of the disclosures in the financial statements, specific note 2 significant accounting policies – paragraph local investigation on working hour reduction.

Our observation

The results of our procedures were satisfactory and we found note 27 Provisions, note 29 Trade and other payables and note 2 significant accounting policies –paragraph local investigation on working hour reduction adequate.

Other than disclosed in this Key Audit Matter and as disclosed in the financial statements and management report in relation to the investigation into the working hour reduction subsidies. our audit procedures did not reveal any other indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Freesailors transaction (purchase certain membership interests in Freesailors)

Description

As disclosed in note 34 subsequent events, paragraph Freesailors transaction the Company purchased in 2022 certain membership interests in Freesailors. The transaction triggered an advanced payment of the first tranche in 2022, that was debited in equity for EUR 15.3 million. lastminute.com N.V. also had a contractual obligation to deliver cash in exchange for the additional EUR 9.3 million in 2023 what was debited in equity as well.

By signing settlement agreements on 29 March 2023 all parties involved, agreed that the Freesailors transaction is from a legal point of view null and void. Entering into agreements after the reporting date is generally considered to be a non-adjusting event. This is because at the balance sheet date the contract was still valid and legally enforceable. Therefore, as at 31 December 2022 the settlement agreements signed in 2023 are not accounted for in the financial statements as they are non-adjusting subsequent events that are only reflected in subsequent events disclosures in the notes to the 2022 consolidated financial statements.

As a result, there is a risk that the accounting treatment of the Freesailor transaction could result in a material misstatement. The accounting treatment applied to both the 1st and the 2nd tranche of the transaction could be not in compliance with IFRS requirements and the disclosure could be incomplete, inaccurate or not fairly presented.

Our response

We have performed audit procedures to determine the correct accounting treatment of the Freesailors transaction (purchase certain membership interests in Freesailors). We have performed the following audit procedures:

- inspected the membership interest purchase agreements (SPA) from 15 July 2022 and related agreements;
- inspected the received legal memorandum from lastminute.com N.V. external legal counsel on the annulment of the transaction;

- inquired with the external legal counsel of lastminute.com N.V., the Board of Directors, management and other staff members;
- inspected the settlement agreements from 29 March 2023;
- analyzed the accounting treatment of the settlement agreement from 29 March 2023;
- assessed the correct accounting treatment of the transaction recorded in the financial statements and the adequacy of disclosures in the financial statements, specific note 26 Shareholders' equity, note 28 Net financial position and 34 Subsequent events.

Our observation

The results of our procedures were satisfactory and we found note 26 Shareholders' equity, note 28 Net financial position and 34 Subsequent events adequate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

For the audit of financial year 2022, we were engaged by the Annual General Meeting as auditor of lastminute.com N.V. on 18 May 2022. We are the auditor of lastminute.com N.V.as of the audit for the year 2022 and have operated as statutory auditor ever since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as The Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In that respect the Board of Directors, under supervision of the Audit Committee, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The non-executive Directors are responsible for overseeing the executive Directors financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at eng_oob_01.pdf (nba.nl) / eng_beursgenoteerd_01.pdf (nba.nl). This description forms part of our auditor's report.

Arnhem, 14 April 2023

KPMG Accountants N.V.

Original has been signed by A.J. de Bruin RA

'In the event of any differences or inconsistencies between the text and quantitative information on this internet site and that in the original Integrated Annual Report, including the audited financial statements, as filed at the Trade Register of the Chamber of Commerce, the latter shall prevail'.