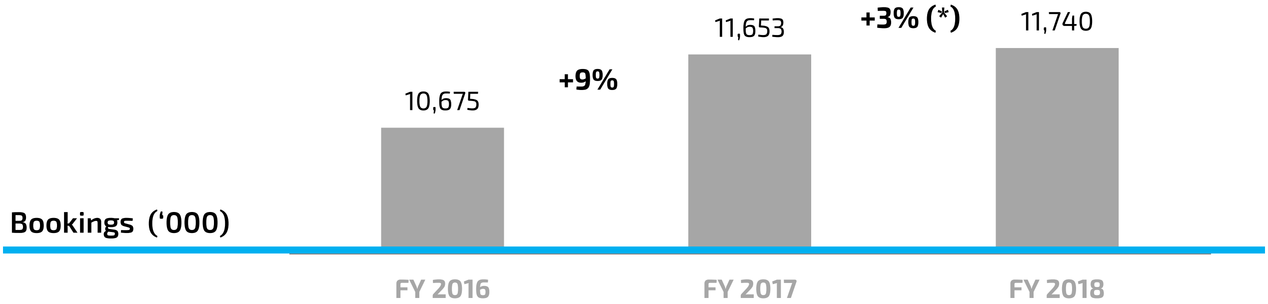
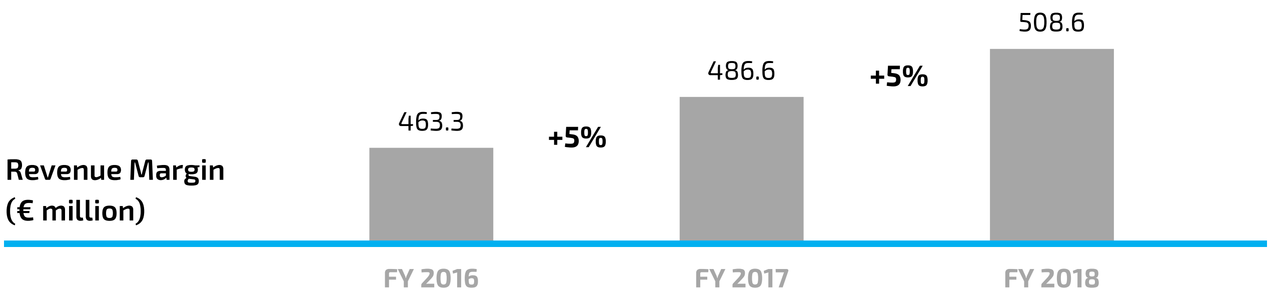
eDreams ODIGEO

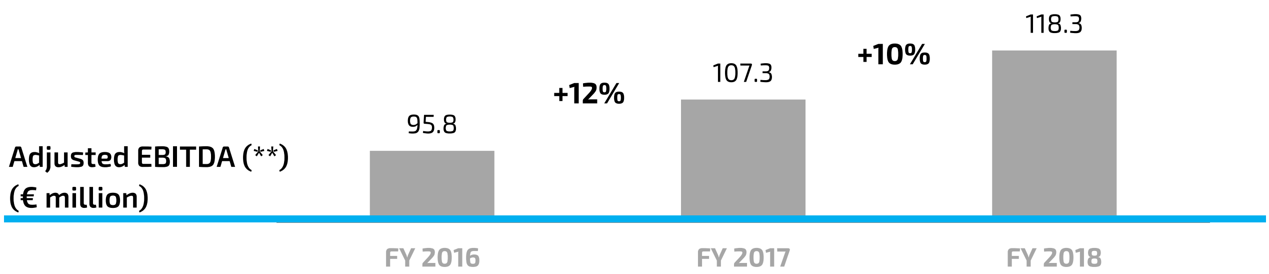
ANNUAL REPORT

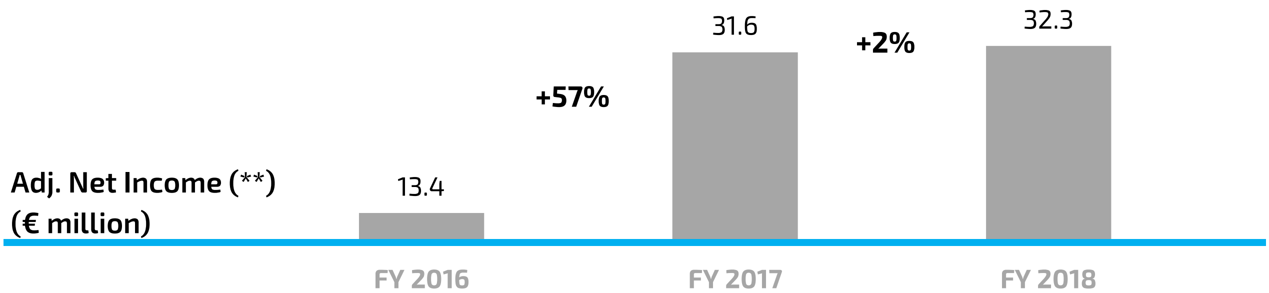
FY 2018

Summary Financial Information









(*) Growth rate adjusted for the sale of Corporate Travel and Packaged Tours businesses. Pro-forma bookings for FY 2017: 11,434

(**) Non- GAAP performance measure. Definition of Non GAAP performance measures provided on pages 91-94

eDreams ODIGEO has built a highly successful travel business over the past 15 years with well-known global brands.

#1
flight retailer in Europe[1]; growing market share

1bn
monthly searches[1]

>18.5M
Customers served[1]

>6000
Product feature launched[1]

43
countries where we operate[1]

143
web sites[3]

35%
Diversification revenues[2]

34%
flight bookings via mobile devices[2]

[1] Reference period FY 2018
[2] Reference period Q4 FY 2018
[3] Includes sites across all markets, brands, and devices

Index

Increased guidance achieved for FY18; Adjusted Net Income amounted €32.3 million (2% increase year-on-year); Cash position increased by 20% to €171.5 million

Results Highlights

- Solid revenue margin +5% to €508.6m despite strategic shift. Adjusted EBITDA growth of 10% to €118.3m
- 12M bookings +3% on last year adjusted for the sale of corporate travel and packaged tours business
- Revenue diversification initiatives accelerating and delivering results
    - Revenue diversification ratio up to 35% (from 30%)
        - Flight related ancillaries revenue margin, up 49% year-on-year
        - Dynamic Packages revenue margin, up 24% year-on-year
    - Product diversification ratio up to 56% (from 45%)
    - Strong growth in mobile bookings: 34% of total flight bookings versus 30% in Q4 FY17
- Net leverage ratio reduced from 2.7x to 2.1x in the past 12 months.

CEO's Letter

In today's competitive environment, consumers are more connected, more informed, busier, and more distracted than ever before. When it comes to travel, they want to search further and faster, and more importantly, they want products and services tailored to their needs. That is why we continue to put our technology to work on behalf of customers and adapt our strategy to respond to their evolving needs.

Our financial results in 2017-18 mark the fourteenth consecutive quarter that eDreams ODIGEO has met or exceeded guidance, with year on year growth across revenue (+5%), bookings (+1%), and adjusted EBITDA (+10%). We have also retained our position as the leader in the European online leisure travel market, whilst continuing to make strides as a front-runner in mobile and technology.

This scale has given us a truly unique advantage. With deals available from over 530 airline partners, we are now seeing up to one billion searches every month. This has provided us with invaluable customer insight which we have used to inform our investment and development in technology, to ensure we offer customers the very best experience.

We now have the largest in-house team dedicated to technological development of any airline or online travel company in Europe. Fundamentally, we have balanced this scale with a high level of agility. This enables the business to execute and deliver new concepts rapidly and cost effectively. In the last financial year, we were able to implement over 6,000 new features across eDreams ODIGEO's various platforms, whilst testing new products and services on over 1,000 users each month.

We are also best placed to serve the mobile travel sector, which is progressively gaining market share. As more consumers use mobile devices as their travel companions - storing boarding passes and hotel confirmations - travel apps need to deliver easily accessible support at every point of their journey. To meet this expectation, we have introduced tailored alerts to our app such as flight timing updates and luggage collection information, as well as city guides for top destinations. These extra services are allowing customers to take advantage of their smartphone's ability to become the ultimate travel companion.

As a result of our mobile-first approach, we are now the leading mobile app in the industry, with 34% of bookings taking place through mobile devices – well ahead of the industry average of 24%. What's more, we are better positioned than anyone else in the market to take advantage of this growth. Mobile growth is expected to contribute to 87% of total industry growth from 2017-2020; and we are already ahead of the curve, with mobile set to deliver our largest source of traffic in FY19.

Our efforts over the last two years to put in place the building blocks for success are now showing clear and demonstrable progress. In Q4 2018 we delivered across all our KPIs: revenue and product diversification, repeat booking, mobile share, and acquisition cost.

Last year we decided to respond to two evolving customer needs; clear and transparent pricing and wider access to a range of products and services. By transforming our revenue model in pricing, we have seen improvements in conversion rates, as increasingly savvy customers find value in our price transparency. Pilot tests have also shown an increase in loyalty amongst our customer base who appreciate the transparency of our pricing.

We continue to diversify our revenue streams by expanding into innovative flight-related features. Whilst we continue to grow the sale of traditional and innovative flight-related ancillaries, which grew revenue margin by 49% year-on-year, we also continue to build our business beyond flights and saw a 24% revenue margin growth year-on-year in dynamic packages.

Both strategic changes have seen tangible benefits for the business and our customers, by allowing us to build stronger relationships. For customers, they receive a more comprehensive, transparent offering, whilst for eDreams ODIGEO, we have strengthened our business by cementing our position as the 'one-stop-shop' for travel customers' needs.

We will continue to pursue our ambition to provide our customers with a great and global travel booking experience by expanding the business through additional revenue sources. Our position at the beginning of the customer's purchase route means we are well placed to offer additional products and services to flights, whilst our strong travel brands and customer insights will enable us to leverage our reputation. All the while, our market leading and award-winning customer service shows the ongoing dedication to provide the best possible experience for our customers.

Our transformation plan has delivered further success for eDreams ODIGEO in 2017-18, thanks to the incredible work achieved by our teams across Barcelona, London, Paris, Hamburg, Madrid, Milan, Berlin and Budapest. Our business is seen as a leader in several sectors, and as a result we are attracting the very best talent from across the world, from tech, user experience and finance.

Looking forward, the improved macro environment continues to be attractive for OTAs and we are well placed to benefit from this. Passenger growth is continuing to significantly outgrow GDP, and the shift to online travel is set to increase. For FY19, we find ourselves in an advantageous position as the industry leader within a growing market. Our unrelenting focus on customers and our world-class products, people, and services are enabling consumers to find the best and most convenient travel options; getting them to more of the places they want to be.

Dana Dunne
CEO

Outlook

In FY19, we will continue to invest in and build on what is a highly sustainable and attractive business, due to the long-term investment in customer value and the shift in our revenue model, which includes increased price transparency display in some countries.

In FY 2019, we will continue to execute on our strategy which includes:

- Evolving our pricing and the communication of pricing;
- Offering an exciting range of innovative products and services as a 'one-stop shop' for travelers;
- Improving our product diversification ratio and revenue diversification ratio as a result;
- Accelerating the transition to mobile, which affects performance in the short-term but improves our strategic position and long-term attractiveness;

In FY19, we will continue to invest and accelerate this strategic shift in our revenue model.

As a result, we expect annual targets for FY19 to be:

- Bookings: - 4% to flat vs FY18 Bookings
- Revenue margin: in excess of €509 million
- Adjusted EBITDA: €118 million

Reflecting the investments in the shift of the revenue model, we expect markedly soft revenue margin growth and a reduction in bookings and adjusted EBITDA in the first half of the fiscal year, and improvement in the second half of the fiscal year.

The guidance for fiscal year 2020 is as follows:

- **Adjusted EBITDA:** €130 to €145 million

Business review

eDreams ODIGEO delivered a solid financial performance in the fiscal year 2018. Revenue margin was up 5%. Adjusted Ebitda was up 10%. As anticipated, change in bookings during the year was driven by the Core market and Non-flight business due to an accelerated investment in our revenue model change, the transition to mobile, as well as by the sale of our corporate travel and packaged tours business.

We estimate the impact of the sale of the corporate travel and packaged tours business to be in the region of 219,000 bookings. Excluding this effect, bookings grew by 3%.

The results for the FY 2018 demonstrate that the shift in our business model is delivering the desired results. Our revenue diversification strategy continues to have a positive impact on our business, increasing revenues outside of flight tickets, which are higher margin and generate more profit for the business.

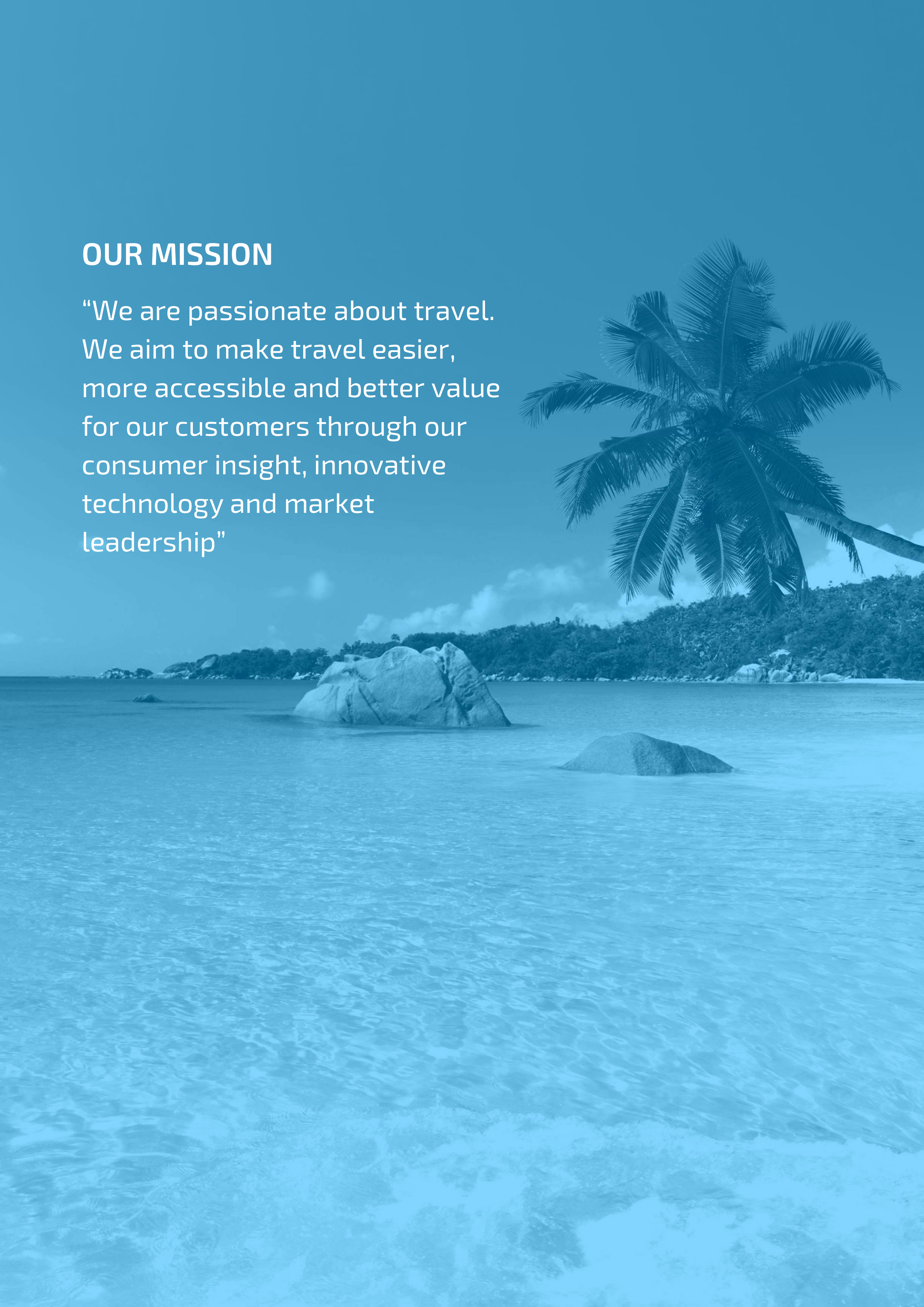
This progress is visible in our KPIs. We have increased our Product Diversification Ratio and Revenue Diversification Ratio from 45% and 30% in (Q4 FY17) to 56% and 35% in (Q4 FY18), respectively. Notably dynamic packages and ancillaries reported strong revenue margin growth, up 24% and 49% in FY 2018, respectively. Continued investment in mobile resulted in mobile bookings up 21% in FY 2018, with mobile now representing 34% of total flight bookings, exceeding the industry average.

In FY 2018 we made significant progress deleveraging the business. Gross Leverage was down from 4.0x in March 2017 to 3.6x in March 2018, providing us with ample headroom against our leverage covenant. Working capital in Q4 performed strongly despite the impact of Easter holidays which fell in March this year compared to April in 2017, with a cash inflow of €110 million, and our Net Leverage Ratio decreased from 2.7x in March 2017 to 2.1x in March 2018. We prepaid €10 million of the outstanding 2021 bonds, reducing the principal amount from €435 to €425 million.

The Group reported a very strong cash position, which stood at €171.5 million, up 20% year-on-year, driven by strong operating performance, despite investment in the change of our revenue model and our focus on profitability.

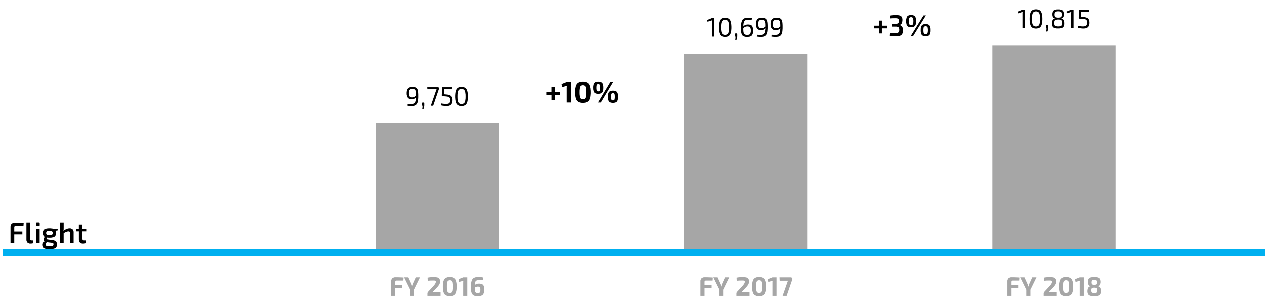
OUR MISSION

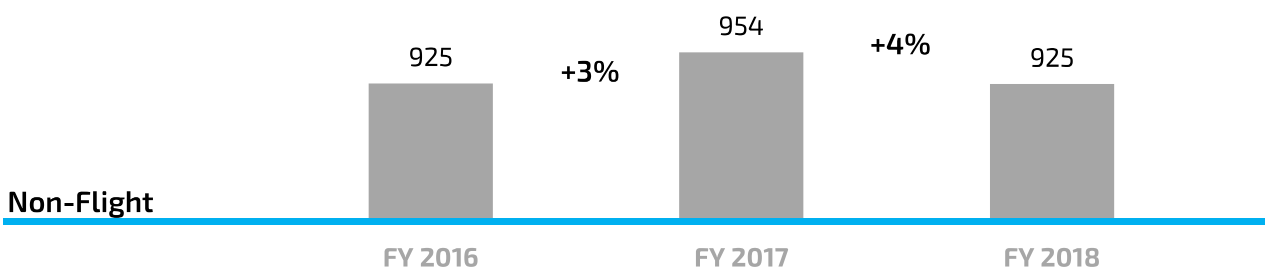
“We are passionate about travel. We aim to make travel easier, more accessible and better value for our customers through our consumer insight, innovative technology and market leadership”



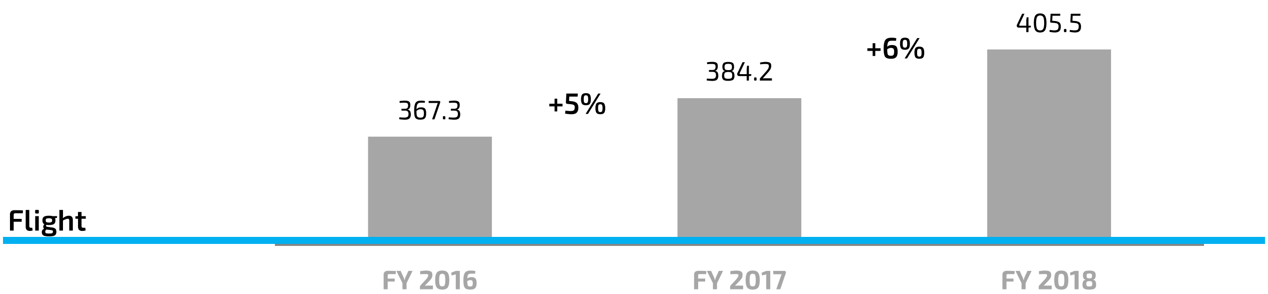
Review by business line

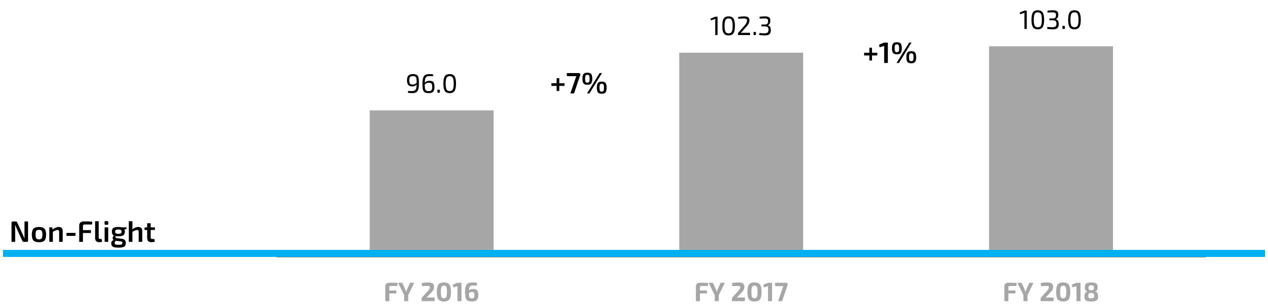
Bookings ('000) (*)





Revenue Margin (€ million)





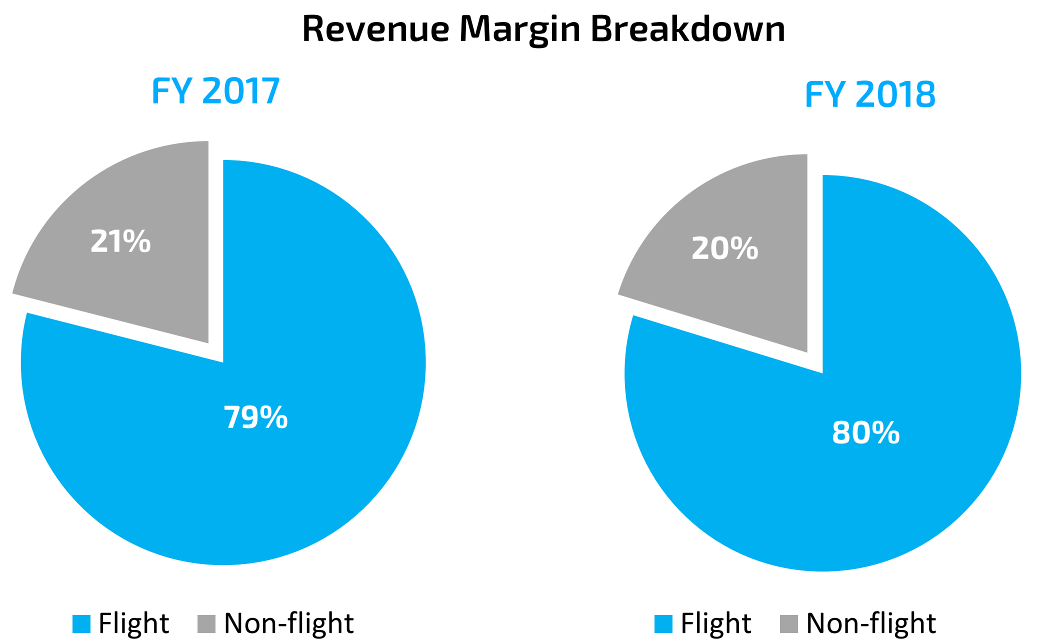
(*) Adjusted for the sale of corporate travel and packaged tours businesses. Pro forma 2017 bookings for flights was 10,548 and 887 for non-flights.

In our flight business, bookings were driven by our strategic shift in our revenue model, which is positioning us well for long term sustainable growth. Adjusted for sale of corporate travel and packaged tours business, bookings grew by 3%. We continue to make investments in order to build scale, become more agile, improve the business model, and create a better customer experience.

Flight revenue margin grew 6%, to €405.5 million for fiscal year 2018, driven by a 4% improvement in revenue margin per booking. This improvement was due to improved operating performance, revised terms with suppliers leveraging our scale, and delivery on the revenue diversification strategy. Performance was partly offset by the shift in our revenue model, which includes increased price transparency display in some countries.

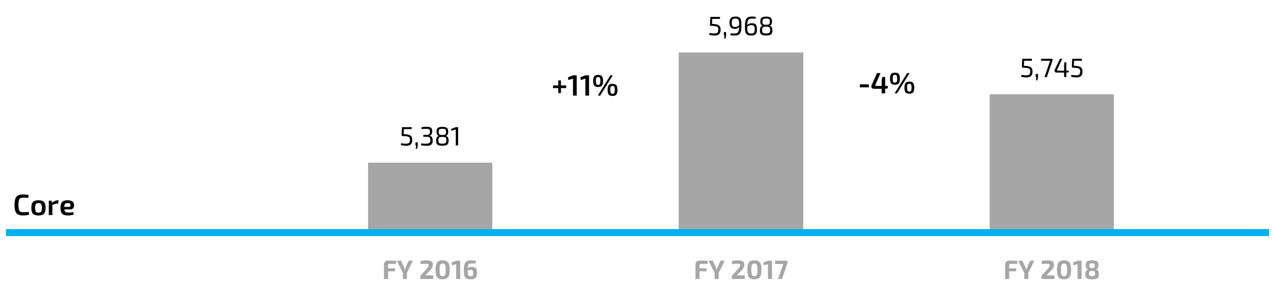
Non-flight bookings were up 4%. This was due to the sale of the corporate travel and packaged tours businesses, investment in the change of our revenue model and transition to mobile. Bookings performance was also negatively affected by non-strategic products such as the traditional packaged tours as well as the trains business. Dynamic packages, a strategic business performed well (up 34% in Q4 FY18).

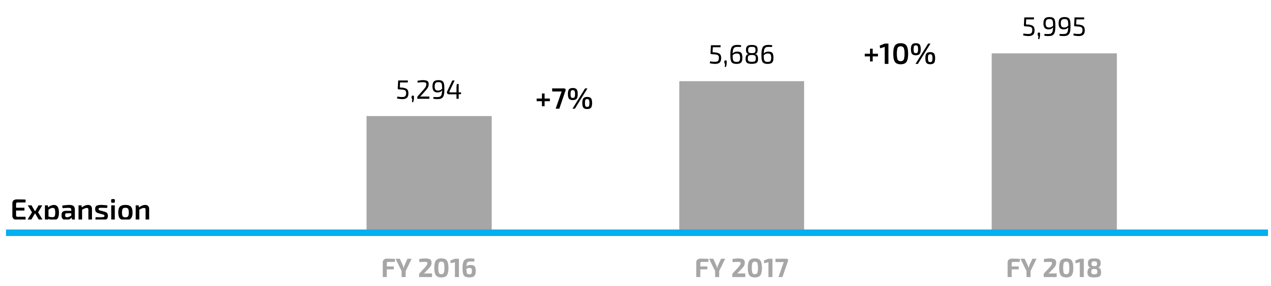
Non-flight revenue margin was up 1% in the fiscal year 2018, due to a 4% increase in our revenue margin per booking. This reflected strong improvements in our dynamic packages business where revenue margin was up 24% and 47% in FY18 and Q4 FY18, respectively, overall product and operational improvements, and revised terms with our providers, already explained.



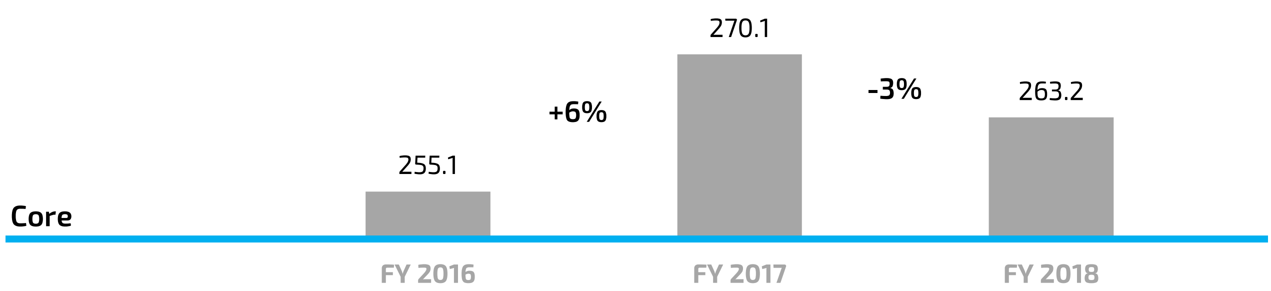
Review by Geography

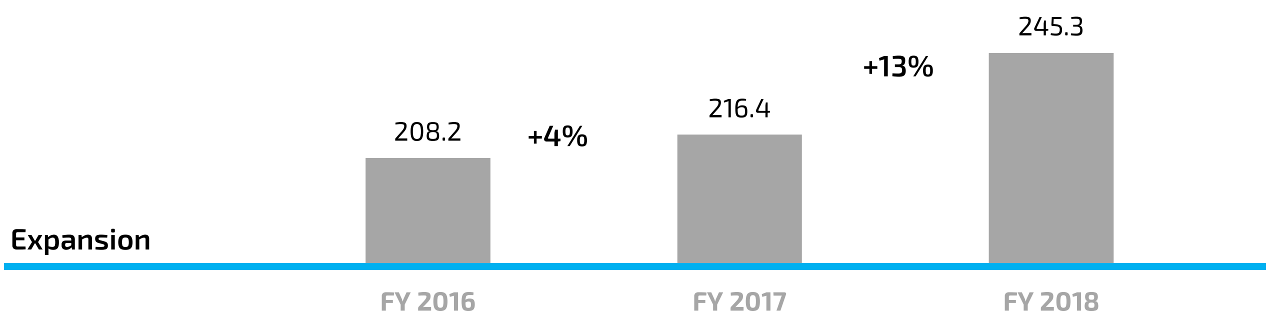
Bookings ('000) (*)





Revenue Margin
(€ million)



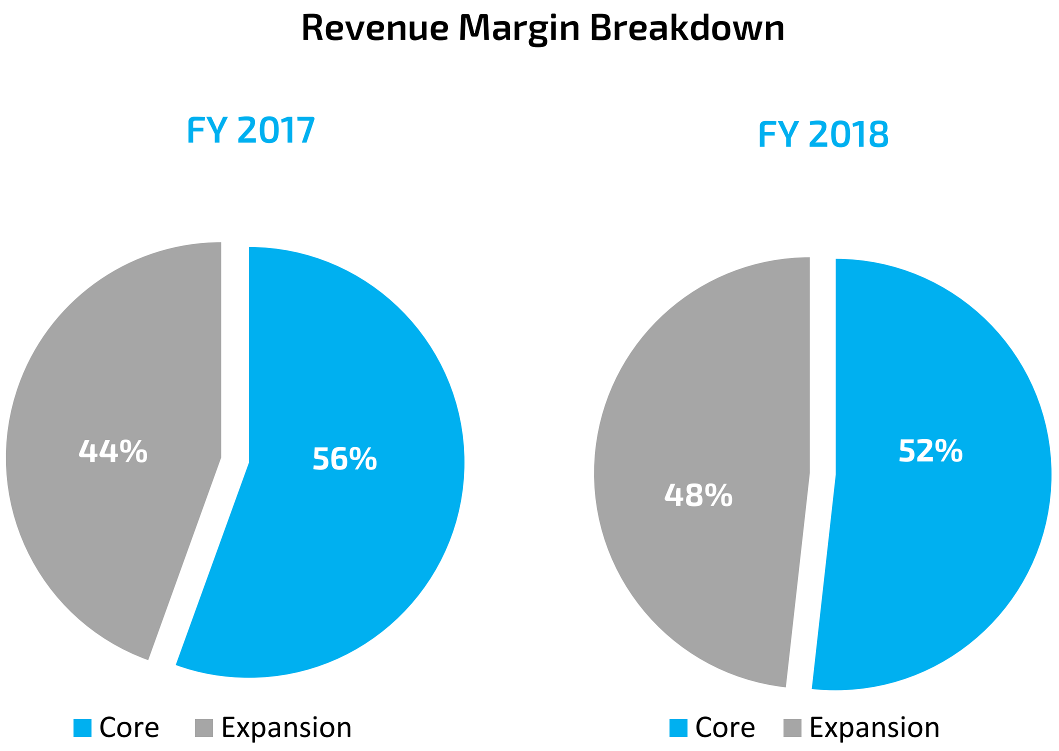


(*) Adjusted for the sale of corporate travel and packaged tours businesses. Pro forma 2017 bookings for Core was 5,963 and 5,472 for Expansion.

Booking and revenue margin in our Core markets (Spain, Italy and France) were down in FY 2018 (-4% and -3% respectively). Change in bookings was driven by investments in the change of our revenue model and the sale of non-core businesses. Despite this, revenue margin stood at €263.2 million, due to a 1% increase in revenue margin per booking reflecting results from operational execution and leveraging scale, and more favourable terms in a number of suppliers' contracts.

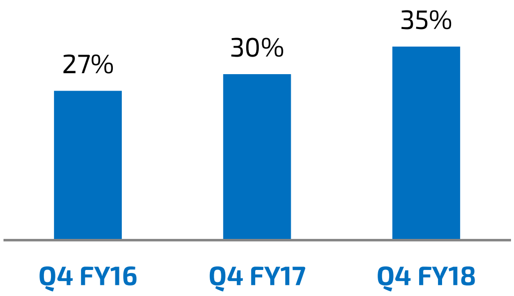
Expansion markets bookings were up 5%, as a result of investments made in the business and revenue diversification, and despite the adverse impacts mentioned. Adjusting for the sale of the Corporate Travel business, bookings grew by 10% in FY 2018.

Expansion markets revenue margin grew very strongly up 13% to €245.3 million in FY 2018. This growth was driven by bookings growth, and improvements in revenue margin per booking of 8% in FY 2018.

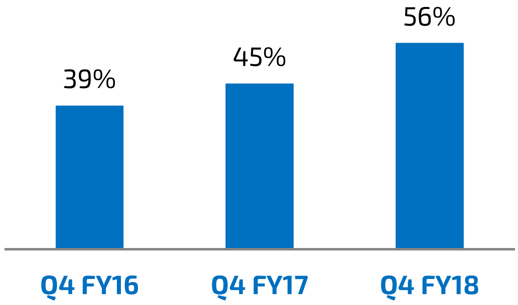


New KPIs – Full definition and GAAP reconciliation at the glossary in page 91-99

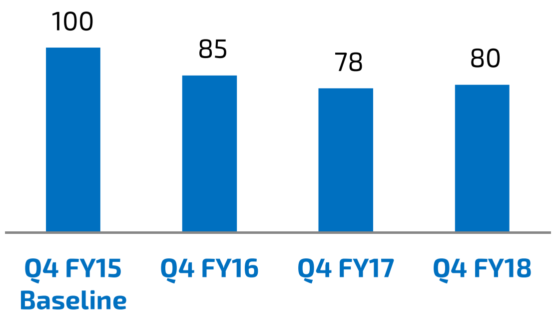
Revenue Diversification ratio



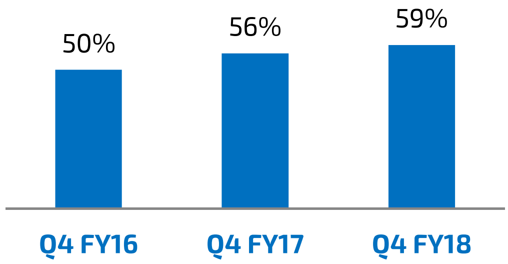
Product Diversification ratio



Acquisition spend per booking index

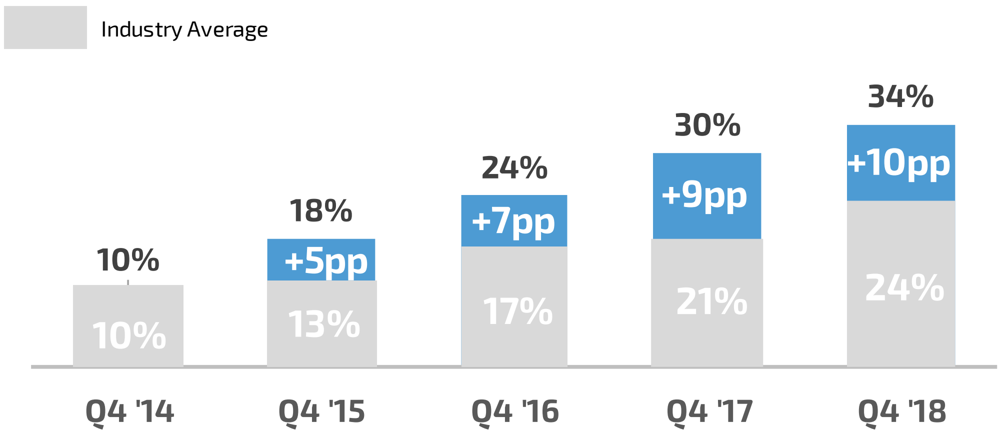


Customer Repeat booking rate



Bookings from mobile channels

Share of flight Mobile bookings; as a percentage of flight bookings



Financial Review

Analysis of Income Statement – Full P&L page 28

(in € million)	12M Mar 2018	Var 18 vs 17	12M Mar 2017	Var 17 vs 16	12M Mar 2016
Revenue margin	**508.6**	**5%**	**486.6**	**5%**	**463.3**
Variable costs	-311.2	4%	-298.9	0%	-297.5
Fixed costs	-79.1	-2%	-80.3	15%	-69.9
Adjusted EBITDA	**118.3**	**10%**	**107.3**	**12%**	**95.8**
Non recurring items	-21.0	126%	-9.3	-11%	-10.5
EBITDA	**97.3**	**-1%**	**98.0**	**15%**	**85.3**
D&A incl. Impairment	-25.5	21%	-21.1	15%	-18.4
EBIT	**71.8**	**-7%**	**76.9**	**15%**	**67.0**
Financial result	-44.7	-26%	-60.6	31%	-46.1
Income tax	-7.3	25%	-5.9	-31%	-8.4
Net income	**19.7**	**88%**	**10.5**	**-16%**	**12.4**
Adjusted net income	**32.3**	**2%**	**31.6**	**57%**	**20.1**

Revenue Margin increased by 5%, to €508.6 million, principally due to an increase in revenue margin per booking of 4%. Adjusting for the effects that partly affected FY 2018 results, already explained in detail, bookings would have grown by 3%.

Variable costs grew 4%, driven by increase in bookings combined with the variable cost per booking increase of 3% because of higher call center and fraud costs in FY 18 vs the same period of last year.

Fixed costs decreased due to lower net IT costs and lower external fees, and they remained stable since Q4 of FY17, and 21% below on a per booking basis in Q4 FY18 vs the same period of last year.

Adjusted EBITDA amounted to €118.3 million, up 10% year-on-year.

Non-recurring items increased by €11.7 million, mainly due to the cost related to the social plan in France and Italy.

EBITDA growth was slightly negative, down 1% year-on-year, mainly due to the increase in non-recurring items.

Financial loss was lower than FY17 due to the extraordinary interest expense linked to the refinancing, which was booked last fiscal year.

Income Tax expense increased by €1.4 million to €7.3 million in FY18, from €5.9 million in FY17. This increase is the sum of (a) the increase of Current income tax expense and (b) the increase of Deferred income tax income. Current income tax expense increased by €9.1 million to €15.0 million in FY18, from €5.9 million in FY17 which is mainly due to (a) the fact that the Group generated more profits compared with last year, (b) the introduction of new restrictive loss compensation rules in the UK, (c) the transfer of the Go Voyages brand within the group resulting in the realisation of a capital gain and (d) the generation of profits under the Go Voyages brand in the Spanish company, rather than in the French company (which is in a loss making position).

Deferred income tax income increased by €7.2 million to €7.3 million in FY18, from €0.1 million in FY17. This increase is mainly due to deferred income tax income in connection with the transfer of the GoVoyages brand within the group which resulted in the release of a deferred tax liability on the difference between the fair value and the tax book value of the brand (€11.5 million more income).

Current year tax losses and tax losses carried forward for which no deferred tax asset had been recognised have been offset against the corresponding gain realised on the transfer of the Go Voyages brand, resulting in current income tax expense of only € 1.8 million. Further Deferred income tax income is impacted by the US Tax Reform. This impact concerns a mix of (a) the effect of the change of the US income tax rate (from 35% to 21%) on deferred tax liability relating to the fair value of the eDreams brand (€ 8.1 million more income), (b) the release of the deferred tax asset relating to foreign tax credits (€ 12.8 million more expense) and (c) the impact on the deferred tax liability on other temporary differences (€ 8.0 million more income). The remainder of the impact on the deferred income tax income concerns a mix of (a) the utilisation of a higher amount of foreign tax credits in the US due to higher profits compared with the previous year (€2.1 million more expense), (b) the fact that in FY17 a deferred tax asset has been initially recognised in the UK (€ 4.2 million lower income) and (c) other movements of deferred tax (1.3 million more expense).

Net income totaled 19.7 million euros, up 88% year-on-year, as a result of all of the explained evolutions of revenue and costs.

Adjusted Net Income was up 2% on last year at €32.3 million, we believe that Adjusted Net Income better reflects the real ongoing operational performance of the business and full disclosure of the adjusted net income can be found in page 98 within the consolidated financial statements and notes.

Analysis of Balance sheet – Full Balance Sheet page 30

(in € million)	Mar 2018	Mar 2017	Mar 2016
Total fixed assets	**1,046.9**	**1,044.6**	**1,032.3**
Total working capital	**-331.4**	**-317.3**	**-276.6**
Deferred tax	**-24.1**	**-41.1**	**-41.2**
Provisions	**-17.1**	**-8.9**	**-16.5**
Other non current assets / (liabilities)	**2.6**	**3.3**	**6.9**
Other current assets / (liabilities)	**0.0**	**0.0**	**0.1**
Financial debt	-429.1	-433.7	-462.9
Cash and cash equivalents	171.5	143.6	132.1
Net financial debt	**-257.6**	**-290.1**	**-330.8**
Net assets	**419.2**	**390.5**	**374.1**

Compared to last year, main changes relate to:

- Increase in **total fixed assets**, due to an increase of software internally developed
- Increase of **provisions** due to a new provision for the restructuring in France and Italy.
- Decrease of **deferred tax.** See above under Income Tax.
- Increase of negative **working capital** due to a better performance of the business during the month of March 2018 vs 2017.
- Decrease of **net financial debt** due to a prepayment of 2021 Notes of 10 million, increase in cash and amortization of financing fees.

Analysis of Cash Flow Statement – Full cash flow page 32

(in € million)	12M Mar 2018	Var 18 vs 17	12M Mar 2017	Var 17 vs 16	12M Mar 2016
Adjusted EBITDA	**118.3**	**10%**	**107.3**	**12%**	**95.8**
Non recurring items	-21.0	126%	-9.3	-11%	-10.5
Non cash items	11.3	n.a	1.3	n.a	4.1
Change in working capital	7.6	n.a	42.2	n.a	-2.6
Income tax paid	-8.1	n.a	-7.4	n.a	-4.8
Net cash from operating activities	**108.2**	**-19%**	**134.1**	**64%**	**82.0**
Cash flow from investing activities	**-28.9**	**-2%**	**-29.5**	**-3%**	**-30.5**
Cash flow before financing	**79.3**	**-24%**	**104.6**	**103%**	**51.5**
Repurchase of 2018 Notes	0.0	n.a	-29.1	n.a	0.0
Other debt issuance / (repayment)	-10.9	n.a	-1.9	n.a	-0.4
Bond call premium, consent fees and other refinancing flows	0.0	n.a	-21.7	n.a	-0.3
Financial expenses (net)	-40.4	n.a	-40.9	n.a	-40.3
Cash flow from financing	**-51.3**	**-45%**	**-93.6**	**128%**	**-41.1**
Net increase / (decrease) in cash and cash equivalent	**27.9**	**155%**	**11.0**	**6%**	**10.4**
Cash and cash equivalents at end of period (net of overdrafts)	**171.5**	**19%**	**143.5**	**9%**	**132.0**

Net cash from operating activities decreased by €25.9 million, mainly reflecting:

- Decrease in changes in working capital in FY18 with an inflow of €7.6 million compared to an inflow of €42.2 million in FY17. The inflow of €7.6 million in the current year is mainly due to a better performance in the month of March 2018, partially offset by the impact of Easter holidays which fell this year in March compared to April in 2017. In FY17, the higher inflow in working capital was due to the impact of the Easter holidays, which fell in March in 2016, as well as working capital optimization.
- Increase in non-recurring items, mainly due to payments relating to the restructuring of the operations of the Group, mainly in Italy and France; and

- Offset in part by better performance of the business, which generated an increase in Adjusted EBITDA by €11.0 million.

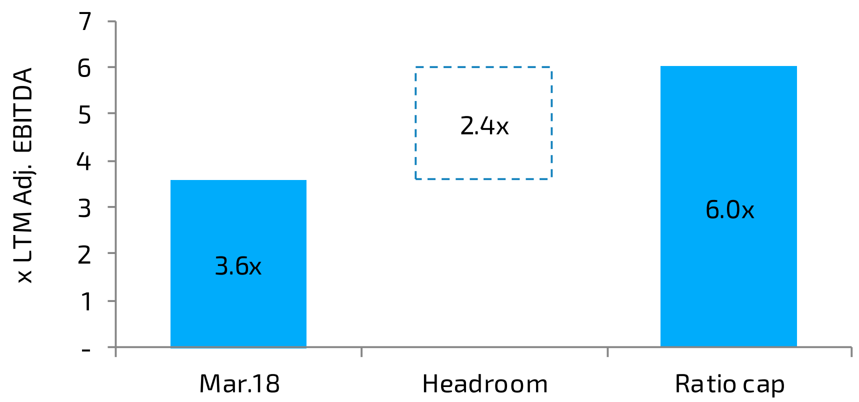
We have **used cash for investments** of €28.9 million compared to €29.5 million in the same period of last year. The decrease by €0.6 million in investing activities mainly relates to the impact of the cash inflows in FY18, relating to the proceeds from the disposal of financial deposits that were no longer required.

Cash used in financing amounted to 51.3 million euros, compared to 93.6 million euros in the same period of last year. The decrease by €42.3 million in investing activities mainly relates to the absence in FY18 of one-off expenses incurred in FY17, relating to (i) the repurchase and cancellation of €30.0 million of the 2018 Notes for an aggregate amount of €29.1 million in April 2016, (ii) the expenses in an amount of €10.3 million relating to the issuance of the 2021 Notes in October 2016 and (iii) €8.9 million call cost premium paid in relation to the redemption in full of the 2018 Notes and 2019 Notes in October 2016. In October 2017 we redeemed €10.0 million of the 2021 Notes for an aggregate amount of €10.3 million.

Debt

Net Leverage Ratio[1] was down from 2.7x in March 2017 to **2.1x in March 2018**.

Gross Leverage ratio was also down to 3.6x in March 2018 vs 4.0x in March 2017, which gives us ample headroom versus our covenant ratio.



We **prepaid €10 million of the outstanding 2021 bonds,** reducing the principal amount from €435 to €425 million.

We may from time to time seek to refinance our financial debt, through bank borrowings or debt capital markets transactions, if there is an opportunity to reduce the cost, improve the terms or extend the maturity of our financial debt.

[1] Definition of Non GAAP performance measure provided on page 91

Other information

Risks and Uncertainties

See a description of the Risks and Uncertainties faced by the Group in Note 5 of the Notes to the Consolidated Financial Statements attached hereafter.

Annual Corporate Governance Report

Please refer to our Annual Corporate Governance Report later on in this Annual Financial Report.

Shareholder information

The subscribed share capital of eDreams ODIGEO at March 2018 is €10,866 thousand divided into 108,656,998 shares with a par value of ten euros cents (€0.10) each, all of which are fully paid.

Branches of the Company

The Company has no direct branches.

Research and development activities

We operate an increasingly centralized technology platform with highly efficient processes, focused on the integration of search engine interaction, inventory sourcing, product customization, dynamic pricing, inventory management, booking, accounting/reporting, collection and payment. We continuously develop this platform internally thanks to our engineers. Almost all of our research and development activities deal with the improvement of our platform.

See a description of the accounting policy applied by the Group for its Internally-generated intangible assets - research and development expenditure in note 4.14 of the Notes to the Consolidated Financial Statements attached hereafter.

Important events that have occurred since March 31, 2018

See a description of the Subsequent events in Note 33 of the Notes to the Consolidated Financial Statements attached hereafter.

Consolidated Financial Statements and Notes for the full year period ended March 31, 2018

eDreams ODIGEO

and Subsidiaries

Registered office:

1, Boulevard de la Foire

L-1528 Luxembourg

R.C.S. Luxembourg B N° 159 036

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Independent auditor's report

To the Shareholders of
eDreams Odigeo S.A.
1, boulevard de la Foire
L-1523 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of eDreams Odigeo S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Regulation, Law and standards are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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a) Recoverability of goodwill and brands

Description

As at 31 March 2018, the Group reported goodwill and brands account for EUR 947 million, representing 72% of total assets. In accordance with International Financial Reporting Standards, as adopted by the European Union, the Group is required to perform an impairment test to assess whether goodwill and intangible assets with indefinite useful lives might be impaired and such test did not result in an impairment since the recoverable amount of the cash generating unit determined based on discounted future cash flows per unit exceeded the carrying amount of goodwill and intangible assets with indefinite life. The assumptions and results of the tests performed are disclosed in Note 17 of the consolidated financial statements. This annual impairment test was significant to our audit because the assessment process is complex and requires management judgment and is based on assumptions of future cash inflows and discounted rates.

Auditor's response

As a result, our audit procedures consisted, among others, in assessing the 2018 budget and 2019-2023 financial projections and reconciling the input used to determine the value in use calculation with the budget and financial projections. In particular, we evaluated the recoverability of goodwill and brand balances recorded for the cash generating units by reviewing the profitability of the operations, management's forecasts, the underlying assumptions and local economic developments. Additionally, we involved our valuation experts to assist with our evaluation of the assumptions and methods that were used by the Group to carry out its impairment test, including discount rate and the model that calculates future cash flows. We evaluated the adequacy of the Group's disclosures included in Note 14 about those assumptions to which the outcome of the impairment test is most sensitive.

b) Revenue Recognition from sales of travel services

Description

As described in Note 4.4 of the consolidated financial statements, the main activity of the Group is the intermediation in the sale of online travel flights and other travel-related services. Accordingly, the Group generates its revenue from mediation services and records its sales for the commission obtained (service fees).

These sales are made through different channels associated with specific IT systems, as well as different collection and payment platforms. Due to the large volume of transactions recorded during the period analyzed, its atomization, the diversity of channels, IT systems involved and nature of collections and payments, as well as the relevance of the amounts involved, we have considered this area a key audit matter of our audit.

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Auditor's response

Our audit procedures consisted, among others, in: a) understanding management's internal controls over the revenue process regarding the Group accounting policy; b) testing the effectiveness of the controls implemented by the Group in the monitoring of the different types of sales; c) analyzing the integrity of the information related to the systems involved, both at the level of general controls and key applications (IT controls), validating that the information flows correctly through the systems; d) involve our IT specialist to assess the effectiveness of the IT environment and controls; e) performing tests on sales transactions based on a representative sample of sales to validate the occurrence, accuracy and cut-off, and also the cash collection of those transactions to validate that they are recorded appropriately; f) performing analytical review procedures to evaluate if the income from commissions was in line with the expected level based on our expectations from the reviewed budget.

c) ***IT capitalization***

Description

As described in Notes 15, the Group capitalized development software. Given the rapid technological developments in the industry, as well as the specific criteria that needs to be met for capitalization, we have assessed such element as significant to our audit. This process involves significant management judgment, such as technical feasibility, intention and ability to complete the intangible asset, ability to use the asset, generation of future economic benefits and the ability to measure the costs reliably. In addition, determining whether there is any indication that the carrying value of assets may be impaired requires management judgment and assumptions which are affected by future market, industry or economic developments.

Auditor's response

We have performed audit procedures over the accuracy and valuation of amounts recognized and capitalized during the year. Our audit procedures consisted, among others, in assessing the recognition criteria for intangible assets and the processes and tested controls for the capitalization of internally generated intangible assets. We also evaluated the accuracy and valuation of amounts capitalized, as well as the accounting policy and methodology for capitalization expenditures. In addition, we validated the key assumptions used or estimates made for capitalizing development costs, such as personnel expenses and external services related to the projects, and assessed the useful economic life attributed to the asset. Finally, we considered whether any indications of impairment existed by understanding the business rationale for projects.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group management report and the corporate governance report but does not include the consolidated financial statements and our report of "réviseur d'entreprises agréé" thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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 consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

The Group management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

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The accompanying corporate governance report is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Other matter

The corporate governance report includes, when applicable, the information required by article 68ter paragraph (1) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, 21 June 2018

Consolidated Income Statement for the year ended March 31, 2018

(Thousand of euros)	Notes	12 months ended March 31, 2018	12 months ended March 31, 2017
Revenue	7	512,090	497,408
Supplies		(3,516)	(10,845)
Revenue Margin	**7**	**508,574**	**486,563**
Personnel expenses	9.1	(81,796)	(73,456)
Depreciation and amortization	10	(22,120)	(18,365)
Impairment loss	10	(3,138)	(2,783)
Gain / (loss) arising from assets disposals		(269)	3
Other operating income / (expenses)	11	(329,461)	(315,082)
Operating profit/(loss)		**71,790**	**76,880**
Financial and similar income and expenses			
Interest expense on debt	12	(42,331)	(50,261)
Other financial income / (expenses)	12	(2,412)	(10,291)
Profit/(loss) before taxes		**27,047**	**16,328**
Income tax	13	(7,324)	(5,854)
Profit/(loss) for the year from continuing operations		**19,723**	**10,474**
Profit for the year from discontinued operations net of taxes		-	-
Consolidated profit/(loss) for the year		**19,723**	**10,474**
Non controlling interest - Result		-	-
Profit and loss attributable to the parent company		**19,723**	**10,474**
Basic earnings per share (Euro)	**6**	**0.183**	**0.10**
Basic earnings per share (Euro) - fully diluted basis	**6**	**0.174**	**0.095**

The notes on pages 33 to 99 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Other Comprehensive Income for the year ended March 31, 2018

(Thousand of euros)

	12 months ended March 31, 2018	12 months ended March 31, 2017
Consolidated profit/(loss) for the year (from the income statement)	**19,723**	**10,474**
Income and expenses recorded directly in equity		
Exchange differences	(4,941)	(2,082)
For actuarial gains and losses (pensions)	-	-
Other income and expenses recorded directly in equity	-	-
Tax effect	-	-
	(4,941)	**(2,082)**
Total recognized income and expenses	**14,782**	**8,392**
a) Attributable to the parent company	14,782	8,392
b) Attributable to minority interest	-	-

The notes on pages 33 to 99 are an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet Statement as at March 31, 2018

(Thousand of euros)

ASSETS	Notes	March 31, 2018	March 31, 2017
Non-current assets			
Goodwill	14	721,071	724,293
Other intangible assets	15	313,145	306,496
Tangible assets	16	8,868	9,036
Non-current financial assets	18	6,367	8,068
Deferred tax assets	13.5	185	1,365
		1,049,636	**1,049,258**
Current assets			
Trade and other receivables	19	82,181	63,276
Current tax assets	13.4	10,790	9,807
Cash and cash equivalents	20	171,507	143,584
		264,478	**216,667**
TOTAL ASSETS		**1,314,114**	**1,265,925**

EQUITY AND LIABILITIES	Notes	March 31, 2018	March 31, 2017
Shareholders' Equity			
Share Capital		10,866	10,678
Share Premium		974,512	974,512
Other Reserves		(587,376)	(602,300)
Profit and Loss for the period		19,723	10,474
Foreign currency translation reserve		(7,761)	(2,820)
	21	**409,964**	**390,544**
Non controlling interest		-	-
		409,964	**390,544**
Non-current liabilities			
Non-current financial liabilities	23	414,975	421,565
Non current provisions	24	4,141	3,783
Deferred revenue	27	19,174	20,942
Deferred tax liabilities	13.5	33,578	42,437
		471,868	**488,727**
Current liabilities			
Trade and other payables	26	394,832	362,878
Current provisions	24	12,941	5,093
Current taxes payable	13.4	10,361	6,567
Current financial liabilities	23	14,148	12,116
		432,282	**386,654**
TOTAL EQUITY AND LIABILITIES		**1,314,114**	**1,265,925**

The notes on pages 33 to 99 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

(Thousand of euros)

	Share Capital	Share premium	Other Reserves	Profit & Loss for the period	Foreign currency translation reserve	Total Equity
Closing balance at March 31, 2017	10,678	974,512	(602,300)	10,474	(2,820)	390,544
Total recognized income / (expenses)	-	-	-	**19,723**	**(4,941)**	**14,782**
Capital Increases / (Decreases)	188	-	(188)	-	-	-
Operations with members or owners	**188**	-	**(188)**	-	-	-
Payments based on equity instruments	-	-	4,643	-	-	4,643
Transfer between equity items	-	-	10,474	(10,474)	-	-
Other changes	-	-	(5)	-	-	(5)
Other changes in equity	-	-	**15,112**	**(10,474)**	-	**4,638**
Closing balance at March 31, 2018	10,866	974,512	(587,376)	19,723	(7,761)	409,964

	Share Capital	Share premium	Other Reserves	Profit & Loss for the period	Foreign currency translation reserve	Total Equity
Closing balance at March 31, 2016	10,488	974,512	(622,543)	12,427	(738)	374,146
Total recognized income / (expenses)	-	-	-	**10,474**	**(2,082)**	**8,392**
Capital Increases / (Decreases)	190	-	(190)	-	-	-
Dealings with own shares or equity instruments (net)	-	-	32	-	-	32
Operations with members or owners	**190**	-	**(158)**	-	-	**32**
Payments based on equity instruments	-	-	7,983	-	-	7,983
Transfer between equity items	-	-	12,427	(12,427)	-	-
Other changes	-	-	(9)	-	-	(9)
Other changes in equity	-	-	**20,401**	**(12,427)**	-	**7,974**
Closing balance at March 31, 2017	10,678	974,512	(602,300)	10,474	(2,820)	390,544

The notes on pages 33 to 99 are an integral part of these Consolidated Financial Statements.

Consolidated Cash Flow Statement for the year ended March 31, 2018

(Thousand of euros)

	Notes	12 months ended March 31, 2018	12 months ended March 31, 2017
Net Profit / (Loss)		**19,723**	**10,474**
Depreciation and amortization	10	22,120	18,365
Impairment and results on disposal of non-current assets (net)	10	3,138	2,783
Other provisions		12,058	(1,532)
Income tax		7,324	5,854
Gain or loss on disposal of assets		269	(3)
Finance (Income) / Loss	12	44,743	60,552
Expenses related to share based payments	22	4,643	7,983
Other non cash items		(5,397)	(5,161)
Changes in working capital		7,598	42,207
Income tax paid		(8,069)	(7,435)
Net cash from operating activities		**108,150**	**134,087**
Acquisitions of intangible and tangible assets		(29,863)	(29,949)
Proceeds on disposal of tangible and intangible assets		-	5,155
Acquisitions of financial assets		(507)	(4)
Payments/ Proceeds from disposals of financial assets		1,481	350
Acquisitions of subsidiaries net of cash acquired	28	-	(5,051)
Net cash flow from / (used) in investing activities		**(28,889)**	**(29,499)**
Borrowings drawdown	23	-	422,633
Reimbursement of borrowings	23	(10,921)	(453,645)
Interest paid		(37,785)	(40,867)
Other financial expenses paid (incl. Bond call premium)		(2,621)	(21,788)
Interest received		9	34
Net cash flow from / (used) in financing activities		**(51,318)**	**(93,633)**
Net increase / (decrease) in cash and cash equivalents		**27,943**	**10,955**
Cash and cash equivalents at beginning of period		143,501	132,038
Changes in the perimeter		-	753
Effect of foreign exchange rate changes		58	(245)
Cash and cash equivalents at end of period		**171,502**	**143,501**
Cash at the closing:			
Cash	20	171,507	143,584
Bank facilities and overdrafts	23	(5)	(83)
Cash and cash equivalents at end of period		**171,502**	**143,501**

The notes on pages 33 to 99 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

eDreams ODIGEO (formerly LuxGEO Parent S.à r.l.) was set up as a limited liability company (société à responsabilité limitée) formed under the Laws of Luxembourg on Commercial Companies on February 14, 2011, for an unlimited period, with its registered office located at 1, Boulevard de la Foire, L-1528 Luxembourg (the "Company" and, together with its subsidiaries, the "Group"). In January 2014, the denomination of the Company was changed to eDreams ODIGEO and its corporate form from an S.à r.l. to an S.A. ("Société Anonyme").

eDreams ODIGEO and its direct and indirect subsidiaries (collectively the "Group") headed by eDreams ODIGEO, as detailed in Note 34, is a leading online travel company that uses innovative technology and builds on relationships with suppliers, product know-how and marketing expertise to attract and enable customers to search, plan and book a broad range of travel products and services.

2. SIGNIFICANT EVENTS

2.1 Significant events during the period ended March, 2018

2.1.1 Increase of SSRCF

On May 2017, The Group obtained the modification of the SSRCF from October 4, 2016 (see Note 23.1), increasing the commitment in €10 million to a total of €157 million.

2.1.2 Reorganization of operational structure of the Group

The Group announced on June 1, 2017 the move to a new operational structure aiming at continuing to build leading edge products and services and strengthening its position as one of the world's largest OTAs. Based on this proposal core business functions which previously operated mainly in France and Italy have been terminated locally and carried out at a group level by resources staffed by the company at its operational headquarters in Barcelona, while certain roles focusing on customer experience continue to be carried out in local markets. Roles opened in Barcelona as a result of this process were available for suitable candidates to transfer.

The company announced as well the decision to further strengthen its focus on the leisure travel market by closing its remaining corporate travel business.

2.1.3 Share Capital Increase

On June 20, 2017 the Board of Directors resolved to issue share capital of €60,086.10, represented by 600,861 ordinary shares, of €0.10 each.

On August 22, 2017 the Board of Directors resolved to issue share capital of €58,399.40, represented by 583,994 ordinary shares, of €0.10 each.

On November 22, 2017 the Board of Directors resolved to issue share capital of €69,231.80. represented by 692,318 ordinary shares, of €0.10 each.

These shares have been delivered to management employees as a partial share-based-payment retribution (LTI) (see note 22.1).

As a result of the new shares' issuance, the Company's share capital amounts to €10,865,699.80 and is represented by 108,656,998 shares with a face value of €0.10 per share.

2.1.4 Change in composition of Board of Directors

On June 20, 2017, the Board of Directors accepted Mr. Carlos Mallo's resignation as Proprietary Director. For the replacement of Mr. Mallo, the Board of Directors of the Company has proposed the appointment of Mr. Pedro López, which has been approved by the General Shareholder's Meeting on July 28, 2017 in accordance with the Articles of Association of the Company.

2.1.5 Change in key management

Jerome Laurent, who previously served as Chief Marketing Officer has left the business after 9 years. This management change is effective from September 30, 2017.

Juan Jose Duran has been appointed as Chief Marketing Officer on September 2017. Mr Duran has a very strong career in Marketing, Brand Management and Operations, with former employers such as Procter & Gamble, easyJet and Mars Wrigley, so is familiar with the travel industry and will strengthen our senior management team.

Blandine Kouyate, who previously served as Chief People Officer has left the business after 4.5 years. This management change was effective from August 31, 2017. Elena Koefman, previously Group HR Business Partner, and a strong contributor to the transformation of our HR department and other company-wide projects, has been promoted to Chief People Officer as of September 20, 2017.

2.1.6 Merger of eDreams ODIGEO

On July 28th, 2017 the Board of Directors of eDreams Odigeo (as absorbing entity) approved the merger project for the absorption of its Luxembourg subsidiaries:

- GEO Debt GP
- LuxGEO GP
- GEO Travel Finance, S.C.A.
- LuxGEO S.a.r.l
- Geo Debt Finance S.C.A.

These mergers were executed in order to simplify the group's corporate structure and they have been carried out through the simplified merger procedure provided for in articles 278 to 280 of the law of 10 August 1915 on Commercial Companies. For accounting purposes these mergers have been treated as being carried out on behalf of the absorbing entity as from April 1, 2017.

2.1.7 Strategic review process for eDreams ODIGEO

The Group announced on November 2, 2017 the evaluation of various strategic options for eDreams ODIGEO, including a potential M&A transaction involving the Company shares, with the ultimate aim of maximizing value creation for the benefit of all its stakeholders.

The decision to review strategic options was prompted by unsolicited indications of interest from potential investors. The Board of Directors appointed Morgan Stanley & Co. International plc as its financial advisor for the strategic review process.

The Group announced on March 8, 2018 the conclusion of the strategic review process. The Board determined unanimously that eDreams ODIGEO is best placed to maximize value creation for all stakeholders through continuing to execute on its business plan with Permira and Ardian as strong supporters of the company's strategy and performance.

2.1.8 Settlement of legal contingency

On October 19, 2017 Ryanair, Google and eDreams reached a settlement to end legal proceedings between the three parties, which had been ongoing since 2015 and which will benefit consumers across Europe. Ryanair's Irish High Court proceedings against both Google and eDreams concerned eDreams' online adverts on Google's AdWords platform.

2.1.9 Change in the registered office of the Spanish subsidiaries to Madrid

On October 10, 2017 eDreams ODIGEO decided to move the registered Barcelona legal entities of its Spanish subsidiaries to the company's Madrid office, located at 35 López de Hoyos Street.

The decision aims to protect the interest of eDreams ODIGEO's customers, shareholders and employees due to the current legal uncertainty in Catalonia.

2.1.10 €10 Million redemption of 2021 Notes

On October 4, 2017 the Group repaid €10 million of its 8.50% 2021 Notes (see Note 23) at a price equal to 103% of the principal amount, plus accrued and unpaid interest.

The redemption has been made as part of the Group's broader program to delever and manage its overall level of debt, which started in FY 2016 with the successful repurchase of €30 million principal amount of its former 2018 Notes.

3. BASIS OF PRESENTATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and the figures are expressed in thousands of euros.

3.2 New and revised International Financial Reporting Standards

The Group has not early adopted standards and interpretations that are not yet mandatory at March 31, 2018.

As detailed below, during the year ended March 31, 2018 new accounting standards and interpretations (IAS/IFRS and IFRIC, respectively) have come into force and have been applied.

Furthermore, on the date of drawing up these consolidated financial statements, new accounting standards and interpretations have been published, which are expected to come into effect for accounting periods starting on or after March 31, 2018.

Compulsory standards, amendments and interpretations adopted in the European Union for all accounting periods starting on or after April 1, 2017:

Title	Effective date (annual periods beginning on or after)
Amendments to IAS 7 - Disclosure Initiative	1 January 2017
Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRS 12 Discloser of Interests in Other Entitites – Clarification of the scope of the disclosure requierements	1 January 2017

All the standards, amendments and interpretations applicable to the Group's financial statements have been taken into account with effect from April 1, 2017, with no significant impact on these consolidated financial statements, other than the additional disclosure explained below related to IAS 7.

The amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for the current period in note 23.

Standards, amendments and interpretations that may be adopted early in accounting periods starting on or after April 1, 2017, issued by the IASB and adopted by the European Union, for which the Group has not considered early adoption:

Title	Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments (issued in 2014)	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 2 Clarification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
IAS 40 Transfer of Investmen Property	1 January 2018
IFRIC Interpretation 22 Foreing Currency Transactions and Advance Consideration	1 January 2018
AIP IFRS 1 First-time Adoption of International Financial Reporting Standars	1 January 2018
AIP IAS 28 Investments in Associates and Joint Ventures	1 January 2018

As indicated above, the Group has not considered an early application of the standards and interpretations detailed above.

In July 2014, the IASB published the IFRS 9 final version including requirement for recognition and measurement, impairment, derecognition and general hedge accounting. This new IFRS 9 version is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted. Except for hedge accounting, a retrospective application is required without modification of the comparative information.

The group has planned to use the final version of IFRS 9 at the required date and will not do a restatement of the comparative information.

During the year the Group has performed a detailed evaluation on the impact of the new IFRS 9 in three phases, and has determined this new version will be applicable to the Group only on the accounts receivable impairment. This evaluation is base on the current information and could be subject to change depending of the information available when the group will adopt the new version of IFRS 9.

As IFRS 9 requires, the Group is going to apply the simplified model and will register the commercial debtors expected losses on a lifetime basis.

The Group has analysed by nature its commercial debtor, and there is no significant impact expected in its Financial Statements.

3.3 Use of estimates and judgements

In the application of the Group's accounting policies, the Board of Directors is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

These estimates and assumptions mainly concern the measurement of intangible assets other than goodwill, the measurement of the useful life of fixed assets, and measurement of internally generated assets, purchase price allocation and allocation of goodwill, impairment testing of the recoverable amount, accounting for income tax, analysis of recoverability of deferred tax assets, and accounting for provisions and contingent liabilities.

3.4 Changes in consolidation perimeter

On May 23, 2017, the company GeoTravel Ventures S.A. changed its name to Traveltising S.A. and its object to "Create audiences for optimizing online advertising campaigns".

On September 5, 2017 the company eDreams do Brasil Viagens e Turismo Ltda was dissolved.

On October 24, 2017 the company Online Travel Portal Limited was dissolved. This company had had no business activity during both fiscal years.

As explained in note 2.1.6, eDreams ODIGEO merged as absorbing entity with GEO Debt GP, LuxGEO GP and GEO Travel Finance, S.C.A., LuxGEO S.a.r.l and Geo Debt Finance S.C.A.

3.5 Comparative information

The Directors present, for comparative purposes, together with the figures for the year ended March 31, 2018, the previous periods' figures for each of the items on the annual consolidated statement of financial position, consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and the quantitative information required to be disclosed in the consolidated financial statements.

3.6 Working capital

The Group had negative working capital as of March 31, 2018 and 2017, which is a common circumstance in the business in which the Group operates, and in its financial structure, and it does not present any impediment to its normal business.

The Group's Super Senior Revolving Credit Facility is available to fund its working capital needs and IATA Guarantees (see Note 23.1).

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalue amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.

4.1 Basis, scope and methods of consolidation

The consolidated financial statements incorporate the financial statements of eDreams ODIGEO and entities controlled by the Company (its subsidiaries) up to March 31st each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full in consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

All entities directly or indirectly controlled by the Company have been consolidated by the full consolidation method.

4.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments within the first 12 months are adjusted retrospectively, with corresponding adjustments against goodwill.

4.3 Goodwill

Goodwill arising on an acquisition of a business is not amortized but carried at cost as established at the date of acquisition (see above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill has been allocated to each country, level at which the business is managed, the operating decisions are made and the operating performance is evaluated.

The carrying value of the assets allocated to countries is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of these assets is less than their carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated income statement and is not subsequently reversed.

4.4 Revenue recognition

See in the Glossary of Definitions annex (page 90) definitions of terms (specific in the sector) in order to better understand the Group Revenue recognition accounting principles.

The Group makes travel and travel related services available to customer/travelers, either directly through its websites or through other agents. The Group generates its revenue from the mediation services regarding the supply of (i) flight services including air passenger transport by regular airlines and LCC flights as well as travel insurance in connection with, (ii) non-flight services, including non-air passenger transport, hotel accommodation, Dynamic Packages (including revenue from the flight component thereof) and travel insurance for non-flight services. The Group is also engaged in the supply of travel packages and charter flights. Our revenue is earned through service fees, commissions, incentive payments received from suppliers and in specific cases, margins. The Group also receives incentives from its Global Distribution System (GDS) service providers based on the volume of supplies mediated by the Group through the GDS systems.

In addition to the above travel-related revenue generated under the agency and principal models, the Group also generates revenue from non-travel related services, such as fees for the supply of advertising services on our websites, commissions received from credit card companies and charges on toll call and services.

The Group recognizes revenue when (i) there is evidence of a contractual relationship in respect of services provided, (ii) such services have been supplied and (iii) the revenue is determinable and collectability is reasonably assured. The Group has evidence of a contractual relationship when the customer has acknowledged and accepted the Group´s terms and conditions that describe the service rendered as well as the related payment terms. The Group considers revenue to be determinable when the product or service has been delivered or rendered in accordance with the said agreement.

Revenue is recognized at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the ordinary course of business net of VAT and similar taxes.

In other cases where the Group acts as a principal and purchases travel services for onwards supply or is the primary obligor in the arrangement, revenue is recognized on a "gross" basis. The revenue comprises the gross value of the service supplied to the customer, net of VAT, with any related expenditure charged as cost of sales. Such revenue comprises sales in respect of charter flights as well as conferences and events. At the time of booking the travel service revenue is recorded as deferred income. For these products, revenue and supplies are recognized on the date of departure.

Where the Group acts as a disclosed agent (i.e., bears no inventory risk and is not the primary obligor in the arrangement), revenue is recognized on a "net" basis, with revenue representing the mediation fees and commissions. Such revenue comprises the supply of mediation services in respect of scheduled air passengers, hotels, car rentals and most the travel packages. For Direct Connects, the Group usually passes reservations booked by customers to the travel supplier and revenue represents the service fee charged to the customer. The Group has limited, if any, ability to determine or change the services supplied and the customer is responsible for the selection of the service supplier. Booking is then secured when no further obligation is supported by the Group.

Where the Group acts as a disclosed agent, additional income (travel supplier over-commissions) may accrue based on the achievement of certain sales target during a certain agreed period. The Group therefore accrues such income where it is considered highly probable that agreed targets will be met and the amount to be received is quantifiable. Where it is probable that the agreed targets will be met, revenue is recognized based on the percentage of total agreed over-commissions achieved at reporting date.

The table below summarizes the revenue recognition basis for the Group's income streams.

Income stream	**Basis of revenue recognition**
Charter flight revenue	Date of departure
Scheduled flight mediation services	Date of booking
Airline incentives	Accrued based on meeting sales targets
GDS incentives	Date of booking
Direct Connect	Date of booking
Hotel mediation revenue	Date of booking
Car mediation revenue	Date of booking
Dynamic Packages mediation revenue (including the flight portion thereof)	Date of booking
Vacation package revenue	Date of departure
Advertisement services revenue	Date of display
Metasearch	Date of click or date of purchase
Insurance mediation revenue	Date of booking
Cancellation and Modification for any reason	Accrued based on service period
Prime subscription	Accrued based on service period

For flight mediation services, net revenue is generally recognized upon the completion of the booking as the Group does not assume any further performance obligation to its customers after the flight tickets has been issued by the airline (even though the Group supports certain fraud risks). Conversely, in cases where (i) the Group pre-purchases and assumes inventory risk or (ii) the Group bears any financial risk with respect to the booking, for instance, in the event of cancellation, gross revenue is recognized at time of departure as the Group is considered to be the primary obligor to the traveller. In these cases, revenue is recognized on a gross basis, comprising the gross value of the service supplied to the customer (net of VAT and cancellations).

In the event of the cancellation of a booking, commissions earned are reversed. For flight services whereby the Group acts as a principal, cancellations do not impact revenue recognition since revenue is recognized upon the departure date, when the service is actually supplied.

In case of mediation services regarding hotel accommodation, Dynamic packages, car rental and packaged products, net revenue is recognized at the date of booking. However, a provision is recognized to cover the risk of cancellation of the bookings made with departures after closing date. This provision has been calculated in accordance with the historical average cancellation rate by markets (see Note 19.1).

For the supply of the new services launched in the current year of Cancellation or Modification for any reason, the service fee regarding this service is accrued based on the period during which the customer has the option to cancel or modify the booking.

For the Prime subscription, the revenue is accrued on a linear basis during the period of the subscription.

For the supply of other non-flight services, the revenue recognition policy is as follows: revenue relating to the supply of travel packages is determinable upon a) the departure date for travel packages, b) the date of publication over the delivery period for advertising revenue and, c) depending on the particular agreement, date of click or date of purchase in respect of metasearch services. In the event of cancellation, the Group's revenue recognition is not impacted since revenue is recognized, in each case, when the service has actually been rendered.

The Group generally does not take on credit risk with customers; however the Group is subject to certain charge-backs and fraud risk which the Group closely monitors.

The Group uses Global Distribution System (GDS) services to process the booking of travel services for its customers. Under GDS service agreements, the Group earns revenue in the form of an incentive payment for each segment that is processed through a GDS service provider. This revenue is recognized at the time the booking is processed.

The Group recognizes revenue for the supply of mediation services regarding the supply of travel insurance to customers at the time of completion of the booking.

The Group generates other revenue, which primarily comprise revenue from advertising and metasearch activities. Such revenue is derived primarily from the delivery of advertisements on the various websites the Group operates and is recognized at the time of display or over the advertising delivery period, depending on the terms of the advertising contract, as well as for searches, clicks and purchases generated by our metasearch activities.

Reporting revenue on a "gross" versus "net" basis is primarily based on the contractual relationship between the parts as well as other relevant facts and circumstances. This analysis is performed using various criteria such as, but not limited to, whether the Group is the primary obligor in the arrangement, the Group has inventory risk, has latitude in establishing price, has discretion in supplier selection or has credit risk.

However, if the judgments regarding revenue are inaccurate, actual revenue could differ from the amount the Group recognizes, directly impacting our reported revenue.

4.5 Cost of sales

Cost of sales primarily concerns of direct costs associated with the supply of travel services as principal with the aim to generate revenue, for example relating to the supply of charters. The cost of sales is generally variable in nature and is primarily driven by transaction volumes.

4.6 Current operating profit

Current operating profit consists of revenue margin, after deducting personnel expenses, other operating income/ expenses, depreciation and amortization and charges net of reversals to provisions.

4.7 Finance result

Finance result consists in income and expense relating to the Group's net financial debt during the accounting period, including gains and losses on the corresponding interest rate and foreign exchange rate hedges.

4.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lesser is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The exercise price of purchase options is included in the measurement of the lease liability at the commencement date when the Group is reasonably certain to exercise that option.

4.9 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the Euro, the Company's functional currency, (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are converted at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are converted at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized and accumulated in equity.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are translated at the closing rate of exchange. Exchange differences arising are recognized in equity.

4.10 Retirement benefits costs

Defined contribution plans

Based on the provisions of the Collective Agreement applicable to different Group companies, the Group has a defined contribution plan with employees. A defined contribution plan is a plan whereby the Group makes fixed contributions to a separate entity and has no legal, contractual or constructive obligation to make additional contributions if the separate entity does not have sufficient assets to meet the commitments undertaken. Once the contributions have been paid, the Group has no additional payment obligations.

Contributions are recognized as employee benefits when they accrue. Benefits paid in advance are recognized as an asset to the extent that there are a cash refund or a reduction in future payments.

Defined benefit plans

Defined benefit plans establish the amount of the benefit the employee will receive on retirement, normally based on one or more factors such as age, years of service and remuneration.

The liability recognized in the balance sheet is the present value of the obligation in respect of defined benefits on the balance sheet date less the fair value of the plan assets, and adjustments for unrecognized past service costs. The obligation in respect of defined benefits is measured by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using the interest rates on high quality business bonds denominated in the same currency as will be used to pay the benefits, with maturity periods similar to those of the corresponding obligations.

In countries where there is no market for such bonds, the market rates of government bonds are used. Actuarial gains or losses arising from adjustments based on experience and changes in the actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in the result, unless they arise as a result of changes in the pension plan and they are subject to the continuity of employees in service during a specific time (vesting period). In this case, past service costs are amortized using the straight-line method over the vesting period.

4.11 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the value of the equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

The impact of the revision of the original estimates in cash-settled share-based payments, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

4.12 Taxation

Income tax represents the sum of current tax and deferred tax.

Current tax

The current tax is based on the taxable profit for the year in the relevant countries. Taxable profit may differ from the profit reported in the consolidated income statement due to income or expense that are taxable or deductible in other years and items that are permanently exempt or permanently non-deductible for taxation purposes. The Group's liability for current tax is calculated by using the tax rates in the relevant countries that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit according to the taxation rules in the relevant countries. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets generated by tax loss carried forward and tax credits carried forward are only recognized to the extent that it is probable that these tax losses and tax credits will be offset against taxable profits respectively against income tax due during the testing period taking into account local limitations regarding the utilization of the tax losses and tax credits.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be offset. No deferred tax assets and liabilities are recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred asset to be recovered.

Deferred tax assets and liabilities are measured at enacted or substantively enacted tax rates that apply or are expected to apply in the period in which the temporary difference shall crystallize.

Deferred tax assets and liabilities are only offset if there is a legally enforceable right to set off the amounts recognized and the Group Company intends to settle the net figure, or realize the asset and settle the liability simultaneously.

4.13 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives as follows:

	Useful life (Years)
Brands	Indefinite
Licenses	2-5
Trademarks and domains	10
Software	3-5
Software of the group common platform	7
Other intangible assets	2-5
Supplier's relationship	5

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development of its website operating platform and related back office systems is recognized if, and only if, all of the following have been demonstrated:

- an asset is created that can be identified (such as software and new processes)
- it is probable that the asset created will generate future economic benefits, and
- the development cost of the asset can be measured reliably

The revenue associated with the capitalization of internally-generated intangible assets is classified in the profit and loss statement according to the nature of the development cost of the asset.

Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in business combinations

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

With regard to trademarks, the royalty-based approach has been adopted: this involves estimating the value of the trademark by reference to the levels of royalties demanded for the use of similar trademarks, based on revenue forecasts drawn up by the Group.

This approach is based on a qualitative analysis of the trademark in order to ensure that the assumptions selected are relevant. The discount rate used is based on the weighted average cost of capital (WACC) for the target acquired.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

4.14 Tangible assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost or valuation of assets using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

	Useful life (Years)
General Installations/Technical Facilities	5-8
Furniture	5-10
Computer Hardware	3-10
Transport equipment	3-8
Other items of property, plant and equipment	3-8

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Derecognition of tangible assets

Tangible assets are derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a tangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss (See methodology used in Note 17). If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

In calculating the discount rate, a specific risk premium has also been considered in certain cases in line with the specific characteristics of each country and the inherent risk profile of the projected flows of each of the countries.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

When it is only possible that the Group will be required to settle the obligation, the contingency is disclosed in the note for Contingencies.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less cumulative Amortization recognized in accordance with IAS 18 Revenue.

4.16 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Restricted cash

Restricted cash deposits are in respect of cash guarantees given by the Company and its principal subsidiaries to IATA and a number of local governmental agencies to ensure compliance with the accreditation terms for each organization. The restricted cash deposits are stated at cost which approximates to their fair value and are classified as "Other non-current assets".

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term deposits and other short-term highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value.

4.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities are initially recognized at the fair value of the consideration received.

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

4.18 Current/Non-current classification

Current assets are considered to be those related to the normal cycle of operations (which is usually considered to be one year); assets which are expected to expire, be disposed of or realised in the short term as from year-end; financial assets held for trading (except for financial derivatives to be settled later than one year); and cash and other equivalent liquid assets. Assets that do not meet these requirements are qualified as non-current.

Likewise, current liabilities are those related to the ordinary cycle of operations, financial liabilities held for trading, with the exception of financial derivatives to be settled later than one year, and in general all obligations that will expire or terminate in the short term. If this is not the case, they are classified as non-current.

4.19 Related party transactions

The Group performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Group Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

5. RISK MANAGEMENT

5.1 Financial Risks

Credit risk: Our cash and cash equivalents are held with financial entities with strong credit ratings.

Our credit risk is mainly attributable to business-to-business customer advertising receivables and, to a lesser extent, customer receivables on corporate travel and business-to-business customers, and advertising receivables. These amounts are recognized in the consolidated statement of financial position net of provision for doubtful receivables, which is estimated by our management on a case-by-case basis. There are no meaningful credit risks since none of our customers' transactions represent a proportion equal or higher than 10% of the revenue margin.

Interest rate risk: Most of our financial debt is exposed to fixed interest rates. Of our debt, only the Revolving Credit Facility bears interest at a variable rate, although to date we have only drawn loans under the Revolving Credit Facility for intra-month working capital purposes. Therefore, we have no material exposure to interest rate risk.

Liquidity risk: In order to meet our liquidity requirements, our principal sources of liquidity are: cash and cash equivalents from the statement of financial position, cash flow generated from operations and the revolving credit facilities under our Revolving Credit Facility Agreement to fund intra-month cash swings and supplier guarantees.

Exchange rate risk: The exchange rate risk arising from our activities has basically two sources: the risk arising in respect of commercial transactions carried out in currencies other than the functional currency of each company of the eDreams ODIGEO Group and the risk arising on the consolidation of subsidiaries that have a functional currency other than the euro.

In relation to commercial transactions, we are principally exposed to exchange rate risk as the Group operates with the Pound Sterling as well as the Swedish krona and other Nordic currencies (Norwegian Krone and Danish Krone). The exchange rate risk arises on future commercial transactions and on assets and liabilities denominated in a foreign currency.

However, the volume of our sales and purchases in foreign currency (other than the local currency of each of the subsidiaries) is of little relevance compared to our total operations.

5.2 Travel Industry Risks

General economic conditions in the core countries in which we operate. The revenue is directly related to the overall level of travel activity, which is, in turn, largely dependent on discretionary spending levels. Discretionary spending generally declines during recessions and other periods in which disposable income is adversely affected.

The occurrence of events affecting travel safety, such as natural disasters, incidents of actual or threatened terrorism, potential outbreaks of epidemics or pandemics, airplane crashes and political and social instability.

Deterioration in the financial condition or restructuring of operations of one or more of the major suppliers. As the Group is an intermediary in the travel industry, a substantial portion of the revenue is affected by the fares and tariffs charged by our suppliers, including airlines, GDSs, hotels and rental car suppliers, and the volume of products offered by the suppliers.

Changes in current laws, rules and regulations and other legal uncertainties. The Group operates in a highly regulated industry. The business and financial performance could be adversely affected by unfavorable changes in, or interpretations of, existing laws, rules and regulations, or the promulgation of new laws, rules and regulations applicable to us and our businesses.

Conditions required for obtaining and maintaining certain licenses or accreditations, especially IATA. Regulatory authorities could prevent or temporarily suspend the Group from carrying on some or all activities or otherwise penalize if the practices are found not to comply with the then-current regulatory or licensing requirements or any interpretation.

The Group's business experiences seasonal fluctuations and comparisons of sequential quarters' results may not be meaningful.

Dependence on the level of Internet penetration. A slowing in the growth of Internet penetration, or a fall, could adversely affect the growth prospects and the business, financial condition and results of operations.

5.3 Business Risks

Competitive landscape of the travel industry, such as other online travel agents, travel suppliers, metasearch companies, online portals and search engines and traditional travel agencies and tour operators.

Rapidly changing market, evolving customer demand, and low barriers to entry.

Innovation and ability to keep up with rapid technological changes, and success of execution of changes. The success depends on continued innovation and the ability to provide features that make the websites and mobile apps user-friendly for travelers. The competitors are constantly developing innovations in online travel-related products and features.

Over reliance on flight activities and exposure to changes in customer patterns with respect to these products.

Failures in technology systems: system interruption or cyberattack, and effectiveness of response plans, relaying on own and suppliers' computer systems to attract customers to websites and apps and to facilitate and process transactions.

Dependence on significant third party supplier relationships for; content, commissions, incentive payments, advertising and metasearch revenue, and fees.

Absence of relationship agreements with certain suppliers, including ones whose products we mediate, and certain of such suppliers have sought to block our supply of their products using legal and technical means or sought to otherwise influence or restrict how we distribute their products.

Competition for advertising and metasearch revenue is intense and may adversely affect our ability to operate profitably.

Reliance on the value and strength of the brands, any failure to maintain or enhance customer awareness of the brands could have a material adverse effect on the business, financial condition and results of operations. In addition, the costs of maintaining and enhancing the brand awareness are increasing and the strength of the brands is directly related to the cost of customer acquisition.

Changes in search engine algorithms and search engine relationships. Utilization of significant and increasing extent Internet search engines, principally through the purchase of travel-related keywords and inclusion in metasearch results, to generate traffic. Search engines, frequently update and change the logic that determines the placement and display of results of a consumer's search, such that the purchased or algorithmic placement of links to the websites can be affected.

Exposure to risks associated with booking and payment fraud. Liability for accepting fraudulent credit or debit cards or checks and subject to other payment disputes with our customers for such sales.

Human capital retention of highly skilled personnel and ability to attract and retain executives and other qualified employees is crucial to the results of operations and future growth.

Adverse tax positions. The estimated net result is based on tax rates which are currently applicable, as well as current legislation, jurisprudence, regulations and interpretations by local tax authorities. Tax authorities may take positions which differ from the position taken by the Company.

The Group may not be successful in executing initiatives to adopt new business models and practices and to optimize cost allocation or in otherwise implementing our strategies, including implementing any strategic transactions such as mergers, acquisitions and joint ventures, and integrating any acquired businesses.

The international operations of the Group involve additional risks and our exposure to these risks will increase as we further expand our international operations.

The Group is, and may be in the future, involved in various legal proceedings, the outcomes of which could adversely affect our business, financial condition and results of operations.

The Group may not be able to protect our intellectual property effectively from copying and use by others, including current or potential competitors. Additionally, claims by third parties that we infringe their intellectual property rights could result in significant costs and adversely affect our business and financial condition.

Processing, storage, use and disclosure of personal data could give rise to liabilities as a result of governmental and/or industry regulation, conflicting law requirements and differing views of personal privacy rights, and we are exposed to risks associated with online commerce security.

5.4 Financial Profile Risks

Impairments of goodwill and other intangible assets. The statement of financial position includes very significant amounts of goodwill and other intangible assets. The impairment of a significant portion of these assets would negatively affect the reported results of operations and financial position.

Intellectual property. Success of the Group to protect effectively from copying and use by others, including current or potential competitors.

The Group is subject to restrictive debt covenants that may limit its ability to finance future operations and capital needs and to pursue business opportunities and activities. Our significant leverage could affect our financial position and results and our ability to operate our business and raise additional capital to fund our operations.

5.5 Capital risk management

The Group's objective in capital risk management is to safeguard its capacity to continue managing its recurring activities and the capacity to continue to grow through new projects, by optimizing the debt-to-equity ratio to create shareholder value.

The Group's growth is financed mainly through internal cash flows generated by the Group's recurring businesses.

The Group's optimal leverage level is not determined on the basis of its overall debt-to-equity ratio but with the goal of maintaining moderate levels of debt. With the IPO completion, the Group used the proceeds from the issuance of new shares to reduce debt.

The Group does not consider the debt-to-equity ratio a suitable indicator for defining its equity policy as its consolidated equity may be affected by a range of factors which are not necessarily indicative of its capacity to satisfy its future financial obligations, including:

The effect of fluctuations in functional currencies other than the euro through currency translation differences.

The impairment losses on assets that will not recur and which do not involve a cash outflow when recognized.

The Group's capital policy does not set short-term quantitative targets for its indebtedness in relation to its net equity, but is adjusted to allow the Group to manage its recurring operations and take advantages of opportunities for growth while maintaining indebtedness at appropriate levels in the light of its expected future generation of cash flows and in compliance with any quantitative restrictions contained in its main debt contracts.

None of the Group's main debt contracts contain specific clauses restricting its debt-to-equity ratio.

The Revolving Credit Facility due 2021 includes a covenant requiring the eDreams ODIGEO consolidation perimeter to maintain a gross debt to EBITDA ratio for the rolling twelve months at each quarter end (see Note 23.1).

At March 31, 2018 the Group complied with all the restrictions imposed by its main debt contracts, and as its businesses may reasonably be expected to continue operating, the Group does not foresee any non-compliance in the future.

6. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the average number of shares.

In the earning per share calculation as of March 31, 2018 and 2017 dilutive instruments are considered for the Incentive Shares granted (see Note 22).

The calculation of basic earnings per share and fully diluted earnings per share (rounded to two digits) for the years ended March 31, 2018 and 2017, is as follows:

	12 months ended March 31, 2018			12 months ended March 31, 2017		
	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)
Basic Earnings per Share	19,723	107,843,726	0.18	10,474	105,335,680	0.10
Basic Earnings per Share - fully diluted basis	19,723	113,346,722	0.17	10,474	110,576,897	0.09

7. REVENUE MARGIN

The following is a detail of the Group's Revenue Margin by source:

	12 months ended March 31, 2018	12 months ended March 31, 2017
Classic customer revenue	227,067	240,597
Diversification revenue	178,524	146,248
Advertising & Metasearch	25,181	31,757
Supplier revenue	77,802	67,961
Revenue Margin	508,574	486,563

See definitions of Alternative Performance Measures in the "Glossary of definitions" annex.

8. SEGMENT INFORMATION

The Group reports its results in four geographical segments based on how the Chief Operating Decision Maker (CODM) manages the business, makes operating decisions and evaluates operating performance. For each reportable segment, the Group's Leadership Team comprising of Chief Executive Officer and Chief Financial Officer, reviews internal management reports. Accordingly, the Leadership Team is construed to be the Chief Operating Decision Maker (CODM).

As it is stated in the IFRS 8, paragraph 23 an entity shall report a measure of total assets and liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision maker. As this information is not regularly provided, information regarding assets and liabilities by segments has not been disclosed in these financial statements.

The following is an analysis of the Group's Profit & loss and bookings by segment:

	12 months ended March 31, 2018						
	France	Southern Europe	Core	Germany + Austria	UK + Nordics + Other	Expansion	TOTAL
Gross Bookings	1,272,051	943,053	2,215,104	904,024	1,627,940	2,531,964	4,747,068
Number of bookings	2,828,509	2,916,630	5,745,139	2,001,399	3,993,236	5,994,635	11,739,774
Revenue	144,573	121,990	266,563	92,183	153,344	245,527	512,090
Revenue Margin	142,287	120,948	263,235	92,183	153,156	245,339	508,574
Variable costs	(76,610)	(75,808)	(152,418)	(50,709)	(108,080)	(158,789)	(311,207)
Marginal Profit	65,677	45,140	110,817	41,474	45,076	86,550	197,367
Fixed costs							(79,079)
Depreciation and amortization							(22,120)
Impairment and results on disposal of non-current assets							(3,407)
Others							(20,971)
Operating profit/(loss)							71,790
Financial result							(44,743)
Profit before tax							27,047

	12 months ended March 31, 2017						
	France	Southern Europe	Core	Germany + Austria	UK + Nordics + Other	Expansion	TOTAL
Gross Bookings	1,444,841	882,227	2,327,068	799,348	1,465,846	2,265,194	4,592,262
Number of bookings	3,135,044	2,832,533	5,967,577	1,939,002	3,746,501	5,685,503	11,653,080
Revenue	163,282	111,970	275,253	79,193	142,962	222,155	497,408
Revenue Margin	159,456	110,694	270,151	77,758	138,654	216,412	486,563
Variable costs	(84,980)	(73,193)	(158,173)	(42,688)	(98,049)	(140,737)	(298,910)
Marginal Profit	74,476	37,501	111,978	35,071	40,606	75,675	187,653
Fixed costs							(80,330)
Depreciation and amortization							(18,365)
Impairment and results on disposal of non-current assets							(2,780)
Others							(9,298)
Operating profit/(loss)							76,880
Financial result							(60,552)
Profit before tax							16,328

See definitions of Alternative Performance Measures in the "Glossary of definitions" annex.

No single customer contributed 10% or more to the Group's revenue at March 31, 2018 and March 31, 2017.

9. PERSONNEL EXPENSES

9.1 Personnel expenses

	12 months ended March 31, 2018	12 months ended March 31, 2017
Wages and salaries	50,497	48,598
Social security costs	14,989	14,366
Pensions costs (or employees welfare expenses)	624	1,508
Share-based compensation	4,640	7,961
Non-recurring personnel expenses	11,046	1,023
Total personnel expenses	**81,796**	**73,456**

The increase in Non-recurring personnel expenses is related to the provision booked for the restructuring explained before in Notes 2.1.2 and 24.

9.2 Number of employees

The number of employees by category of the Group is as follows:

	Average headcount		Headcount at the end of the period	
	12 months ended March 31, 2018	12 months ended March 31, 2017	March 31, 2018	March 31, 2017
Management	10	10	9	9
Administrative Staff	1,098	1,051	1,078	980
Operational Staff	548	563	562	589
Total	**1,656**	**1,624**	**1,649**	**1,578**

10. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	12 months ended March 31, 2018	12 months ended March 31, 2017
Depreciation of tangible assets	4,035	2,477
Amortization of intangible assets	18,085	15,888
Total Depreciation and amortization	**22,120**	**18,365**
Impairment of tangible assets	212	89
Impairment of intangible assets and goodwill	2,926	2,681
Impairment of investments	-	13
Impairment	**3,138**	**2,783**

Amortization of intangible assets primarily related to the capitalized IT projects as well as the intangible assets identified through the purchase price allocation.

11. OTHER OPERATING INCOME/(EXPENSES)

	12 months ended March 31, 2018	12 months ended March 31, 2017
Marketing and other operating expenses	299,579	286,891
Professional fees	8,878	13,448
IT expenses	10,125	7,332
Rent charges	4,120	3,739
Taxes	1,105	1,330
Foreign exchange losses/(gains)	369	2,027
Non-recurring expenses	5,285	315
Total other operating income and expenses	**329,461**	**315,082**

The marketing expenses comprise customer acquisition costs (such as paid search costs, metasearch costs and other promotional campaigns) and commissions due to agents and white label partners. A large portion of the other operating expenses are variable costs, because they are directly related to the number of transactions processed through us.

Other operating expenses primarily consist of credit card processing costs (incurred only under the merchant model), chargebacks on fraudulent transactions, IT costs relating to the development and maintenance of our technology, GDS search costs and fees paid to our outsourcing service providers, such as call centers or IT services.

The non-recurring expenses of the period are related mainly to the restructuring (see Note 2.1.2) and the process of potential sale of the shares (see Note 2.1.7).

12. FINANCIAL INCOME AND EXPENSE

	12 months ended March 31, 2018	12 months ended March 31, 2017
Interest expense on 2019 Notes	-	(7,176)
Interest expense on 2018 Notes	-	(11,950)
Interest expense on 2021 Notes	(37,064)	(18,077)
Interest expense on Revolving Credit Facilities	(1,090)	(514)
Effective interest rate impact on debt	(4,177)	(12,544)
Interest expense on debt	**(42,331)**	**(50,261)**
Foreign exchange differences	358	2,462
Other financial expense	(2,836)	(13,688)
Other financial income	66	935
Other financial income / (expense)	**(2,412)**	**(10,291)**
TOTAL FINANCIAL RESULT	**(44,743)**	**(60,552)**

As explained in Note 2.1.10, On October 4, 2017 the Group repaid €10 million of its 8.50% 2021 Notes at a price equal to 103% of the principal amount, plus accrued and unpaid interest. The negative impact of €0.3 million has been classified as other financial expenses.

Last fiscal year, on April 14, 2016 the Group repurchased €30 million of the 2018 Senior Notes at a clearing price of 97% (€29.1 million). The clearing price lower than 100% had a positive impact of €0.9 million classified as other financial income.

Additionally, on October 4, 2016 the Group refinanced its debt repaying the 2018 and 2019 Notes, and obtaining the new 2021 Notes.

13. INCOME TAX

At 31 March 2018, the Group applies income tax consolidation in the following countries:

- Spain
- US
- France

The Spanish tax group headed by the Company. includes the following Spanish subsidiaries:

- Vacaciones eDreams, S.L.U.
- eDreams Inc
- eDreams International Network, S.L.
- Opodo, S.L.
- eDreams Business Travel. S.L.
- Traveltising S.A.
- Tierrabella Invest, S.L. (as from April 1, 2017)
- Engrande, S.L.U (as from April 1, 2017)

The US tax consolidation headed by eDreams Inc includes the following disregarded subsidiaries:

- Vacaciones eDreams, S.L.U.
- eDreams International Network, S.L.
- Viagens eDreams Portugal LDA
- eDreams S.r.L.
- eDreams Limited

The French tax group headed by Go Voyages S.A.S. includes the following French subsidiaries:

- Go Voyages Trade S.A.S.
- Liligo Metasearch Technologies S.A.

Being part of a tax group (or in the case of the US: being a disregarded subsidiary) means that the individual income tax credits and debits are integrated at the level of the controlling company and therefore the subsidiary companies have to settle their income tax with the head of the tax group.

The subsidiaries that are not included in a tax group pay income tax on a standalone basis to the relevant tax authorities.

13.1 Income tax recognized in profit or loss

This item breaks down as follows:

	March 2018	March 2017
Deferred Tax	7,679	66
Current Tax	(15,003)	(5,920)
Income tax (expense)/income	**(7,324)**	**(5,854)**

See the explanation of income tax variation in page 17.

13.2 Income tax recognized directly in other comprehensive income

No income tax has been recognized directly in other comprehensive income in the years ended March 31, 2018 and 2017.

13.3 Analysis of tax charge

The income tax charge may be analysed as follows:

	March 2018	March 2017
Profit/(loss) for the year from continuing operations after tax	19,723	10,474
Income Tax - Expense / Income	(7,324)	(5,854)
Profit / (loss) before tax	**27,047**	**16,328**
Permanent differences:		
Dividends distributed between subsidiaries	42	809
Disallowed expenses and others	11,167	16,325
Tax basis profit / (loss)	**38,256**	**33,461**
% Income rate Present Year	27.08%	29.22%
Expected tax charge income / (expense)	**(10,360)**	**(9,777)**
Corrections of tax expense:		
Impact of tax rate differences with Parent tax rate	1,399	3,181
Derecognition of tax losses carried forward	-	(645)
Utilisation of tax losses not recognised	1,658	30
Current year losses for which no deferred tax asset has been recognised	(3,147)	(8,254)
Recognition of tax losses carried forward or other deferred tax assets	333	6,497
Change in deferred tax due to rate change and legislation	2,865	1,107
Others	(72)	2,007
Group tax charge income / (expense)	**(7,324)**	**(5,854)**

“Disallowed expenses” in the period ended on March 31, 2018 and March 31, 2017 relates primarily to the effect of non-deductible interest expenses under applicable legislation in certain countries such as France and Luxembourg.

13.4 Current tax assets and liabilities

This item breaks down as follows:

	March 2018	March 2017
Income tax receivable	412	3,269
Other tax receivables (other than income tax)	10,378	6,538
Current tax assets	**10,790**	**9,807**
Income tax payable	(5,853)	(2,188)
Other tax payable (Other than Income Tax)	(4,508)	(4,379)
Current tax liabilities	**(10,361)**	**(6,567)**

13.5 Deferred tax balances

This item breaks down as follows:

	March 2018	March 2017
Deferred tax assets	185	1,365
Deferred tax liabilities	(33,578)	(42,437)
Net	**(33,393)**	**(41,072)**

As explained in note 4.13 Significant accounting policies, the Group offsets deferred tax assets and liabilities if there is a legally enforceable right to set off the amounts recognized and the Group intends to settle the net figure or realize the asset and settle the liability simultaneously.

The following is the analysis of deferred tax assets/liabilities presented in the consolidated statement of financial position. Other deferred tax mainly includes the deferred tax liabilities related to the fair value adjustments of intangible assets made as a consequence of the business combination:

Current year movement:

	Balance at March 2017	Amounts recorded in Profit and Loss	Change in tax rate & others	Scope entry	Translation differences	Balance at March 2018
Tax losses carried forward	14,483	(2,905)	(464)	-	-	**11,114**
Other deferred tax	(55,555)	7,719	3,329	-	-	**(44,507)**
Total Deferred tax asset/(liability)	(41,072)	4,814	2,865	-	-	(33,393)

Previous year movement:

	Balance at March 2016	Amounts recorded in Profit and Loss	Change in tax rate & others	Scope entry	Translation differences	Balance at March 2017
Tax losses carried forward	24,205	(11,118)	107	-	1,289	**14,483**
Other deferred tax	(65,425)	10,077	1,000	(1,186)	(21)	**(55,555)**
Total Deferred tax asset/(liability)	(41,220)	(1,041)	1,107	(1,186)	1,268	(41,072)

The tax losses carried forward of the group which are specified in the below table can be offset against future taxable profits during an indefinite period of:

	Unused Tax Losses present Year				
March 2018	Amount Tax Loss	Income tax rate (%)	Total DTA in Tax Losses	DTA recognised in the balance sheet	DTA non recognised in the balance sheet
eDreams ODIGEO S.A.(LUX)	130,951	27.08%	35,462	-	35,462
Go Voyages SAS (FR)	123,106	33.33%	41,031	-	41,031
Opodo Italia SRL (IT)	3,346	24.00%	803	-	803
Opodo Limited (UK)	62,797	19%-17%	11,114	11,114	-
Travellink AB (SWE)	4,630	22.00%	1,019	-	1,019
EnGrande SL (ES)	6,659	25.00%	1,665		1,665
Tierrabella Invest SL (ES)	15,013	25.00%	3,753	-	3,753
eDreams Corporate Travel (IT)	1,082	24.00%	260	-	260
Total	**347,584**		**95,107**	**11,114**	**83,993**

	Unused Tax Losses last Year				
March 2017	Amount Tax Loss	Income tax rate (%)	Total DTA in Tax Losses	DTA recognised in the balance sheet	DTA non recognised in the balance sheet
eDreams ODIGEO S.A.(LUX)	123,126	29.22%	35,977	-	35,977
Lux Geo S.A.R.L. (LUX)	39,403	29.22%	11,514	-	11,514
Geo Debt Finance S.C.A.(LUX)	134	29.22%	39	-	39
LuxGeo GP (LUX)	88	29.22%	26		26
Geo Debt GP (LUX)	55	29.22%	16		16
Go Voyages SAS (FR)	128,461	34.43%	44,229	-	44,229
Geo Travel Pacific (AU)	29	30%	9	9	-
Opodo Italia SRL (IT)	3,345	27.50%	920	-	920
Opodo Limited (UK)	78,698	19%-18%	14,474	14,474	-
Travellink AB (SWE)	3,458	22.00%	761	-	761
EnGrande SL (ES)	7,514	25.00%	1,878	-	1,878
Tierrabella Invest SL (ES)	11,527	25.00%	2,882	-	2,882
eDreams Corporate Travel (IT)	742	27.50%	204	-	204
Total	**396,580**		**112,929**	**14,483**	**98,446**

In addition to the unused tax losses carry forward non recognised in the balance sheet mentioned above, EnGrande SL and Tierrabella Invest SL also have a non recognised deferred tax asset corresponding to the interest expense carried forward of €1.6 million and €5.8 million, respectively.

eDreams ODIGEO S.A. has a recapture obligation under Luxembourg tax rules which approximates the amount of its tax losses carried forward.

14. GOODWILL

A detail of the goodwill movement by markets for the year ended March 31, 2018 is set out below:

	March 2017	Additions in Scope	Disposals	Exchange rate Diferences	Impairment	March 2018
Markets						
France	326,522	-	-	-	-	326,522
Spain	49,073	-	-	-	-	49,073
UK	39,033	-	-	-	-	39,033
Italy	44,087	-	-	-	-	44,087
Germany	155,718	-	-	-	-	155,718
Nordics	44,068	-	-	(3,222)	-	40,846
Other countries	54,710	-	-	-	-	54,710
Metasearch	8,608	-	-	-	-	8,608
Connect (Budgetplaces)	2,474	-	-	-	-	2,474
Total	**724,293**	**-**	**-**	**(3,222)**	**-**	**721,071**

As at March 31, 2018, the amount of the goodwill corresponding to the Nordic markets has decreased due to the evolution of the euro compared to the functional currency of these countries, with a balancing entry under "Foreign currency translation reserve".

The goodwill allocation by markets at March 31, 2017 was as follows:

	March 2016	Additions in Scope	Disposals	Exchange rate Diferences	Impairment	March 2017
Markets						
France	326,522	-	-	-	-	326,522
Spain	49,073	-	-	-	-	49,073
UK	39,033	-	-	-	-	39,033
Italy	44,087	-	-	-	-	44,087
Germany	155,718	-	-	-	-	155,718
Nordics	50,626	-	(3,465)	(1,620)	(1,473)	44,068
Other countries	54,710	-	-	-	-	54,710
Metasearch	8,608	-	-	-	-	8,608
Connect (Budgetplaces)	-	2,474				2,474
Total	**728,377**	**2,474**	**(3,465)**	**(1,620)**	**(1,473)**	**724,293**

As at March 31, 2017, the amount of the goodwill corresponding to the Nordic markets has decreased due to the evolution of the euro compared to the functional currency of these countries, with a balancing entry under "Foreign currency translation reserve".

The "Changes in scope" included the goodwill related to Tierrabella Invest S.L.

The Goodwill linked with the Corporate travel business of Travellink included in the Nordics Market has been impaired in the 2017 period prior to the sale to Australian group Flight Centre Travel. At the moment of the sale, the remaining goodwill linked with the Corporate travel business has been disposed.

15. OTHER INTANGIBLE ASSETS

- The other intangible assets at March 31, 2018 breakdown as follows:

	March 2017	Acquisitions / Amortization	Disposals / Reversals	Reclassification	March 2018
Licenses	9,467	1,646	(749)	1,807	**12,171**
Brands	287,976	-	-	-	**287,976**
Trademarks and domains	282	-	-	-	**282**
Software	138,450	181	(8,399)	22,944	**153,176**
Software internally developed in progress	23,144	25,964	(139)	(22,944)	**26,025**
Other intangible assets	19,257	6	(274)	-	**18,989**
Other intangible assets in progress	1,813	-	-	(1,807)	**6**
Total gross value	480,389	27,797	(9,561)	-	498,625
Licenses	(5,798)	(2,460)	749	-	**(7,509)**
Trademarks and domains	(254)	(1)	-	-	**(255)**
Software	(83,546)	(14,834)	5,475	-	**(92,905)**
Other intangible assets	(14,082)	(790)	274	-	**(14,598)**
Total accumulated amortization	(103,680)	(18,085)	6,498	-	(115,267)
Brands	(61,740)	-	-	-	**(61,740)**
Software	(6,473)	-	-	-	**(6,473)**
Other intangible assets	(2,000)	-	-	-	**(2,000)**
Total accumulated Impairment	(70,213)	-	-	-	(70,213)
TOTAL INTANGIBLE ASSETS	306,496	9,712	(3,063)	-	313,145

"Acquisitions" mainly correspond to the capitalization of the technology developed by the Group which, due to its functional benefits, contributes towards attracting new customers and retaining the existing ones.

Brand

The brand breakdown is as follows at March 31, 2018, without any movement during the current period:

	March 2018
Go Voyages	33,690
eDreams	80,815
Opodo	100,000
Travellink	7,699
Liligo	4,032
Total	226,236

Certain brands mentioned above have been pledged to secure the obligations in respect of the group financial indebtedness.

Software

Software includes the investment in technology used by the Group in its operations which, primarily contributes towards attracting new customers and retaining existing ones.

- The other intangible assets at March 31, 2017 breakdown as follows:

	March 2016	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Changes in scope	Exchange rate Diferences	March 2017
Licenses	8,145	461	(1,133)	2,028	-	(34)	**9,467**
Brands	288,217	-	-	-	-	(241)	**287,976**
Trademarks and domains	280	-	(21)	-	24	(1)	**282**
Software	140,027	1,909	(20,941)	20,989	(3,333)	(201)	**138,450**
Software internally developed in progres	18,822	25,735	(411)	(20,968)	-	(34)	**23,144**
Other intangible assets	16,233	20	(87)	2	3,089	-	**19,257**
Other intangible assets in progres	4,086	-	(299)	(1,965)	-	(9)	**1,813**
Total gross value	**475,810**	**28,125**	**(22,892)**	**86**	**(220)**	**(520)**	**480,389**
Licenses	(4,980)	(1,811)	1,013	(48)	-	28	**(5,798)**
Trademarks and domains	(251)	(1)	21	-	(24)	1	**(254)**
Software	(91,878)	(13,781)	20,188	(36)	1,857	104	**(83,546)**
Other intangible assets	(13,872)	(295)	87	(2)	-	-	**(14,082)**
Total accumulated amortization	**(110,981)**	**(15,888)**	**21,309**	**(86)**	**1,833**	**133**	**(103,680)**
Brands	(61,740)	-	-	-	-	-	**(61,740)**
Software	(6,473)	(1,208)	1,208	-	-	-	**(6,473)**
Other intangible assets	(2,000)	-	-	-	-	-	**(2,000)**
Total accumulated Impairment	**(70,213)**	**(1,208)**	**1,208**	**-**	**-**	**-**	**(70,213)**
TOTAL INTANGIBLE ASSETS	**294,616**	**11,029**	**(375)**	**-**	**1,613**	**(387)**	**306,496**

16. TANGIBLE ASSETS

	March 2017	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Exchange rate Diferences	March 2018
General installations/Technical facilities	3,092	689	(81)	-	(2)	**3,698**
Furniture	2,294	712	(739)	-	-	**2,267**
Transports	1	-	-	-	-	**1**
Computer hardware	17,029	2,815	(2,163)	92	(6)	**17,767**
Other tangible assets	65	3	(7)	(23)	-	**38**
Fixed assets under construction	63	-	-	(63)	-	-
Total gross value	**22,544**	**4,219**	**(2,990)**	**6**	**(8)**	**23,771**
General installations/Technical facilities	(740)	(438)	69	(17)	(8)	**(1,134)**
Furniture	(1,201)	(448)	754	9	7	**(879)**
Transports equipment	2	-	-	-	(3)	**(1)**
Computer hardware	(11,553)	(3,145)	1,940	-	3	**(12,755)**
Other tangible assets	(16)	(4)	-	-	-	**(20)**
Total accumulated amortization	**(13,508)**	**(4,035)**	**2,763**	**(8)**	**(1)**	**(14,789)**
Total accumulated Impairment	**-**	**(116)**	**-**	**2**	**-**	**(114)**
TOTAL TANGIBLE ASSETS	**9,036**	**68**	**(227)**	**-**	**(9)**	**8,868**

The tangible assets breakdown for the previous year is as follows:

	March 2016	Acquisitions / Amortization	Disposals / Reversals	Changes in scope	Exchange rate Diferences	March 2017
General installations/Technical facilities	2,303	984	(240)	43	2	**3,092**
Furniture	2,278	268	(118)	(127)	(7)	**2,294**
Transports	1	-	-	-	-	**1**
Computer hardware	16,012	2,618	(1,489)	(87)	(25)	**17,029**
Other tangible assets	36	47	(18)	-	-	**65**
Fixed assets under construction	-	63	-	-	-	**63**
Total gross value	**20,630**	**3,980**	**(1,865)**	**(171)**	**(30)**	**22,544**
General installations/Technical facilities	(533)	(416)	249	(39)	(1)	**(740)**
Furniture	(1,123)	(223)	17	125	3	**(1,201)**
Transports equipment	-	-	2	-	-	**2**
Computer hardware	(11,296)	(1,835)	1,480	82	16	**(11,553)**
Other tangible assets	(36)	(3)	23	-	-	**(16)**
Total accumulated amortization	**(12,988)**	**(2,477)**	**1,771**	**168**	**18**	**(13,508)**
Total accumulated Impairment	**-**	**(89)**	**89**	**-**	**-**	**-**
TOTAL TANGIBLE ASSETS	**7,642**	**1,414**	**(5)**	**(3)**	**(12)**	**9,036**

17. IMPAIRMENT OF ASSETS

17.1 Measuring methodology

The assets are tested at the country level except Metasearch and Connect (which are their own cash generating units "CGU"), which is used by management to make decisions about operating matters and is based on segment information.

The Group has implemented an annual procedure in order to identify the possible existence of unrecorded impairment losses. The procedure for carrying out the impairment test is as follows:

a) A business plan is drawn up for each CGU for the next 5 years in which the main components are the projected financial statements and the projected investments and working capital. These projections include Management's best estimates, which are consistent with external information, past experience and future expectations.

b) A valuation analysis is carried out, which consists in applying the discounted free cash flow method, carrying out all the procedures necessary to determine the recoverable value of the assets in each CGU. This calculation establishes a valuation range which varies mainly according to the discount rate for each of the CGU.

This analysis is used by Group Management to analyze both the recoverability of the goodwill and other intangible assets belonging to each of the countries.

17.2 Main assumptions used in the financial projections

For each country, the discount rate after taxes has been defined on the basis of the weighted average cost of capital (WACC).

In calculating the discount rate, a specific risk premium has also been considered in certain cases in line with the specific characteristics of each country and the inherent risk profile of the projected flows of each of the countries.

In calculating the value of the assets in each different country, the following parameters have been considered:

- In the first year, Adjusted EBITDA was projected using the 2018/2019 budget assumptions approved by the Board of Directors. See definition of Adjusted EBITDA in the Glossary of definitions annex.

- In the four following years, a scenario of profitability and needs for investment in intangible assets and working capital that is consistent and sustainable in the long term for each country.

- The perpetual growth rate used to extrapolate cash flow projections beyond the first five years has been estimated at 1.5% for core countries and 1.6% for expansion countries.

- Capital expenditure level in line with the fact that the business model is not CAPEX intensive. The future level takes into account the end of on-going implementation of the middle-back office and the development of our platform.

The main assumptions used by the Group to measure present cash flows, which determine the recoverable value of the assets in each country where impairment of assets has been estimated, are as follows (average of 5 projected years).

These assumptions reflect expected growth in volume and revenue margin per booking for our markets considering the historical trends and budget assumptions for 2018/2019.

Growth/Value in %	March 2018	March 2017
Revenue Margin (*)	5.6%	5.5%
EBITDA (*)	6.3%	8.0%

(*) over the explicit projected period

WACC by market %	Post-tax		Pre-tax	
	March 2018	March 2017	March 2018	March 2017
France	8.8%	8.5%	9.7%	11.1%
Germany	8.5%	7.8%	8.9%	9.3%
Spain	10.3%	9.7%	12.3%	14.4%
Italy	11.8%	11.2%	14.3%	16.8%
UK	10.3%	9.0%	11.1%	10.7%
Nordics	9.8%	8.7%	11.5%	10.8%
Other countries	10.3%	9.8%	12.0%	14.0%
Metasearch	8.8%	8.3%	10.2%	11.6%
Connect (Budgetplaces)	9.4%	-	10.0%	-

17.3 Conclusion on the analysis

As a result of the testing performed by the Group using the methodology and the assumptions described in the Notes 17.1 and 17.2 above the carrying amount of the operating assets does not have to be impaired.

The table below shows the gross value in books and net value in books of operating assets for every cash generating unit and no need to impair any CGU during the last two periods:

	March 2018		March 2017	
	Gross value of operating assets	Net value of operating assets	Gross value of operating assets	Net value of operating assets
Markets				
France	475,945	343,093	446,088	313,236
Spain	42,102	42,102	42,358	42,358
UK	58,152	27,014	60,933	29,795
Italy	68,324	53,812	74,343	59,831
Germany	159,694	149,355	163,324	152,985
Nordics	56,074	38,209	46,518	27,244
Other countries	12,734	12,734	25,044	25,044
Metasearch	11,663	11,663	13,107	13,107
Connect (Budgetplaces)	5,344	5,344	(*)	(*)
	890,032	683,326	871,715	663,600

(*) in the year ended March 31, 2017, the Group did not test for impairment the assets corresponding to the business of Connect (Budgetplaces) due to its recent acquisition.

17.4 Sensitivity analysis on key assumptions

The table below shows, for each cash generating unit the discount rate after taxes and, separately, the perpetual growth rate used to calculate the terminal value which, had they been applied, would have resulted in the value in use equalling the carrying amount of its net operating assets:

	Increase in WACC	Decrease in Perpetual Growth
Markets		
France	1.8%	-23.9%
Spain	15.5%	-81.8%
UK	4.6%	-44.9%
Italy	6.7%	-53.4%
Germany	4.1%	-44.4%
Nordics	1.7%	-21.7%
Other countries	222.4%	-119.9%
Metasearch	21.8%	-88.6%
Connect (Budgetplaces)	7.7%	-76.2%

18. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets breakdown as follows:

	March 2018	March 2017
Non-current loans and receivables	3,799	4,787
Non-current deposits and guarantees	2,568	3,281
Non-current financial assets	**6,367**	**8,068**

During the period ended at March 31, 2018, the variation regarding non-current loans and receivables corresponds mainly to the write-off of the financing fees associated with the previous Revolving Credit Facility for €1.4 million and the capitalization of the financing fees associated with the new Revolving Credit Facility for €5.4 million, in addition to the normal amortization of the financing fees.

The decrease in non-current deposits and guarantees is mainly due to the reduction of the deposits in guarantee for IATA due to a new agreement with the supplier (see note 29.2).

19. TRADE AND OTHER RECEIVABLES

19.1 Trade and other receivables

The trade receivables breakdown as follows:

	March 2018	March 2017
Trade receivables	29,476	22,501
Impairment loss on trade receivables *(see note 19.2)*	(7,551)	(4,783)
Accrued accounts receivable	46,952	38,326
Provision for booking cancellation	(1,171)	(937)
Trade related deferred expenses	1,023	169
Advances given - trade related	9,603	5,001
Other receivables	1,053	968
Prepaid expenses / Prepayments	2,796	2,031
Trade and other receivables	**82,181**	**63,276**

Our main receivables result from transactions with travel agencies and airlines incentives.

The Group assesses whether there is objective evidence that impairment exists for a trade receivable on a case by case basis.

The main indicators that a trade receivable may be impaired include:

- Aged balance over 120 days;
- Significant financial difficulty of the debtor;
- Payment defaults;
- Renegotiation of the terms of an asset due to financial difficulty of the debtor;
- Significant restructuring due to financial difficulty or expected bankruptcy.

19.2 Valuation allowance

Movements in the valuation allowance are as follows:

	March 2018	March 2017
Valuation allowance opening balance	(4,783)	(4,883)
Increase / Decrease in impairment losses	(3,581)	(734)
Amount written off as uncollectible	813	834
Valuation allowance closing balance	**(7,551)**	**(4,783)**

20. CASH AND CASH EQUIVALENTS

A detail of the cash and cash equivalents for the period ended March 31, 2018 is set out below:

	March 31, 2018	March 31, 2017
Marketable securities	-	8
Cash and other cash equivalents	171,507	143,576
Cash and cash equivalents	**171,507**	**143,584**

21. EQUITY

A detail of the equity for the period ended March 31, 2018 is set out below:

	March 31, 2018	March 31, 2017
Share capital	10,866	10,678
Share premium	974,512	974,512
Equity-settled share based payments	17,254	12,611
Retained earnings & others	(604,630)	(614,911)
Profit & Loss atributable to the parent company	19,723	10,474
Foreign currency translation reserve	(7,761)	(2,820)
Total Equity	**409,964**	**390,544**

21.1 Share capital

As it is stated in Note 2.1.3, on June 20, 2017 the Board of Directors resolved to issue share capital of €60,086.10, represented by 600,861 ordinary shares, of €0.10 each.

On August 22, 2017 the Board of Directors resolved to issue share capital of €58,399.40, represented by 583,994 ordinary shares, of €0.10 each.

On November 22, 2017 the Board of Directors resolved to issue share capital of €69,231.80. represented by 692,318 ordinary shares, of €0.10 each.

These shares have been delivered to management employees as a partial share-based-payment retribution disclosed in the Note 22.1.

As a result of the new shares' issuance, the Company's share capital amounts to €10,865,699.80 and is represented by 108,656,998 shares with a face value of €0.10 per share.

21.2 Share premium

The share premium account may be used to provide for the payment of any shares, which the Company may repurchase from its shareholders, to offset any net realized losses, to make distributions to the shareholders in the form of a dividend or to allocate funds to the legal reserve.

21.3 Equity-settled share-based payments

The amount recognized under "equity-settled share based payments" in the consolidated balance sheet at March 31, 2018 and March 31, 2017 arose as a result of the Long Term Incentive plans given to the employees during the current year (see Note 22.2).

21.4 Foreign currency translation reserve

The foreign currency translation reserve corresponds to the net amount of the exchange differences arising from the translation of the financial statements of eDreams LLC, eDreams Ltd., Liligo Hungary Kft, Findworks Technologies Bt and Travellink since they are expressed in currencies other than the euro.

21.5 Significant Shareholders

As at March 31, 2018, the detail of the direct and indirect holders of significant stakes of the Company with 5% voting rights or more of the company are:

Name or corporate name of shareholder	Number of direct voting rights	% of total voting rights
LuxGoal	32,011,388	29.46%
Ardian	18,720,320	17.23%

22. SHARE-BASED COMPENSATION

22.1 2014 Long term Incentive Plan

A Long Term Incentive Plan ("LTIP") in which certain employees of the Company or any subsidiaries (the "Participants") may participate was granted on September 26, 2014 (The "2014 LTIP"). The purpose of this Incentive Plan was to enable the Participants to participate in the possible increase in value of the Company.

The Incentive Plan basically concerns the granting of the right to receive a certain number of shares in the Company (called Incentive Shares) to the Participants, provided that certain conditions are met:

- Service condition: the Participants must be employed by the Company or any subsidiary during a certain period of time i.e. he must hold an active employment or services relationship until a certain future date.

- Market–performance condition: the target increase in value of the Company's shares must be reached.

The LTIP refers to the ordinary shares issued by eDreams ODIGEO, S.A. As at March 31, 2016 4,525,591 rights were granted under the LTIP.

On May 10, 2016, the Group approved a modification of the 2014 LTIP. (The "Modified 2014 LTIP") will be based on operational performance, measured with stringent financial and strategic objectives. It will have the benefit of generating long-term company value, being simple to administer and align management and shareholder interest.

All currently employed managers that were eligible for the change have been granted the new plan as an alternative to the existing plan on June 2016.

964,459 rights granted under the 2014 LTIP were not transitioned to the Modified 2014 LTIP as they corresponded to past employees that had already vested part of the old LTIP or current employees that had served notice of resignation.

When the 2014 LTIP was modified, its accounting value increased by €6.8 million to €13.1 million, which will be amortized over the lifetime of the plan.

The Modified 2014 LTIP lasted for 2 years and vested between November 2016 and November 2017 based on financial results.

As at March 31, 2018 4,197,143 rights have been granted since the beginning of the plan under the Modified 2014 LTIP, of which 957,249 shares (the First Tranche – First Delivery), 944,527 shares (the First Tranche – Second Delivery), 600,861 shares (the First Tranche – Third Delivery), 583,994 shares (Second Tranche – First Delivery) and 692,318 shares (Second Tranche – Second Delivery) have already been delivered as shares respectively in November 2016, February 2017, June 2017, August 2017 and November 2017.

The additional cost of the 2014 LTIP has been recorded in the Income Statement (Personnel expenses) (see Note 9.1) and amounting €1.4M and €7.2M against Equity (see Note 21), in March 31, 2018 and 2017 respectively.

22.2 2016 Long term Incentive Plan

On September 12, 2016, the Extraordinary Shareholders Meeting, upon proposal from the Board of Directors, approved amendments to the Articles of Incorporation of the Company, necessary to execute a new LTIP (the 2016 LTIP) for Managers, to ensure that it continues to attract and retain high quality management and better align the interest of management and shareholders.

The new LTIP is split in half performance shares and half restricted stock units subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives.

The new LTIP will last for four years and will vest between August 2018 and February 2022 based on financial results. As at March 31, 2018 4,341,558 rights have been granted since the beginning of the plan under the 2016 LTIP.

Total maximum dilution of the performance stock rights ("PSRs") and restricted stock units ("RSUs") would represent, if fully vested, 6.32% of the total issued share capital of the Group, over a period of 4 years, and therefore 1.58% yearly average on a fully diluted basis.

Expected dilution (which takes into account attrition and actual expected achievement of stringent financial and strategic objectives) for all PSRs and RSUs since the IPO (Plan 1 and 2) is a 1.1% yearly average over an 8 year period.

The cost of the 2016 LTIP has been recorded in the Income Statement (Personnel expenses) (see Note 9.1) and against Equity (see Note 21), amounting to €3,2M and €0.7M in March 31, 2018 and 2017 respectively.

23. FINANCIAL LIABILITIES

The Group debt and other Financial Liabilities at March 31, 2018 and March 31, 2017 are as follows:

	March 31, 2018			March 31, 2017		
	Current	Non Current	Total	Current	Non Current	Total
Principal						
2021 Notes	-	413,981	413,981	-	420,791	420,791
Total Principal	**-**	**413,981**	**413,981**	**-**	**420,791**	**420,791**
Accrued interest - 2021 Notes	6,426	-	6,426	6,060	-	6,060
Total Interest	**6,426**	**-**	**6,426**	**6,060**	**-**	**6,060**
Total Borrowing	**6,426**	**413,981**	**420,407**	**6,060**	**420,791**	**426,851**
Other Financial Liabilities						
Bank facilities and bank overdrafts	5	-	5	83	-	83
Finance Lease Liabilities	1,134	994	2,128	857	774	1,631
Other Financial Liabilities	6,583	-	6,583	5,116	-	5,116
Total other Financial liabilities	**7,722**	**994**	**8,716**	**6,056**	**774**	**6,830**
Total financial liabilities	**14,148**	**414,975**	**429,123**	**12,116**	**421,565**	**433,681**

Senior Notes – 2021 Notes

On October 4, 2016, eDreams ODIGEO issued €435 million 8.50% Senior Secured Notes with a maturity date of August 1st 2021 ("the 2021 Notes").

Interest on the 2021 Notes is payable semi-annually in arrears each February 1 and August 1.

The changes in the liability for Senior Notes from March 31, 2017 to March 31, 2018 corresponds mainly to:

- The repayment of €10 million of the 8.50% 2021 Notes on October 4, 2017 (see Note 2.1.10) at a price equal to 103% of the principal amount, plus accrued and unpaid interest for €0.1 million.

- The amortization of the financing fees capitalized over the 8.50% 2021 Notes for €3.2 million

23.1 Credit lines

On October 4, 2016, the Group also refinanced it's Super Senior Revolving Credit Facility ("the SSRCF"), increasing the size to €147,000,000 from the previous €130,000,000, and gaining significant flexibility as well versus the previous terms. The interest rate of the SSRCF is the benchmark rate (such as EURIBOR for euro transactions) plus a margin of 3.75%. But at any time after June 30, 2017, and subject to certain conditions, the margin may decrease to be between 3.75% and 3.00%.

As mentioned in note 2.1.1 on May 2017, the Group obtained the modification of the SSRCF from October 4, 2016 increasing the commitment in €10 million to a total of €157,000,000.

The SRCCF Agreement includes a financial covenant, the Consolidated Total Gross Debt Cover ratio, calculated as follows:

Total Gross Debt Cover ratio = Gross Financial Debt / Last Twelve Month Adjusted EBITDA.

The Gross Debt Cover ratio. is calculated quarterly and may not exceed six.

For the year ended March 31, 2018 and 2017, the Gross Debt Cover ratio was 3.6 and 4.0 respectively, so the company was in compliance with ample headroom.

At the end of March 2018 and 2017, the Group had not drawn under the SSRCF.

23.2 Debt by maturity date

The maturity date of the debt at March 31, 2018 and 2017 is as follows:

March 31, 2018	< 1 year	1 to 5 years	> 5 years	Total
Principal				
2021 Notes	-	413,981	-	**413,981**
Total Principal	**-**	**413,981**	**-**	**413,981**
Accrued interest - 2021 Notes	6,426	-	-	**6,426**
Total Interests	**6,426**	**-**	**-**	**6,426**
Other financial liabilities				
Bank facilities and bank overdrafts	5	-	-	**5**
Finance Lease Liabilities	1,134	994	-	**2,128**
Other financial liabilities	6,583	-	-	**6,583**
Total Other Financial Liabilities	**7,722**	**994**	**-**	**8,716**
Total financial liabilities	**14,148**	**414,975**	**-**	**429,123**

March 31, 2017	< 1 year	1 to 5 years	> 5 years	Total
Principal				
2021 Notes	-	420,791	-	**420,791**
Total Principal	**-**	**420,791**	**-**	**420,791**
Accrued interest - 2021 Notes	6,060	-	-	**6,060**
Total Interests	**6,060**	**-**	**-**	**6,060**
Other financial liabilities				
Bank facilities and bank overdrafts	83	-	-	**83**
Finance Lease Liabilities	857	774	-	**1,631**
Other financial liabilities	5,116	-	-	**5,116**
Total Other Financial Liabilities	**6,056**	**774**	**-**	**6,830**
Total financial liabilities	**12,116**	**421,565**	**-**	**433,681**

23.3 Fair value measurement of debt

March 31, 2018	Total net book value of the class	Level 1 : Quoted prices and cash	Level 2 : Internal model using observable factors	Level 3 : Internal model using non-observable factors	Fair value
Balance Sheet headings and classes of instruments					
Cash and cash equivalents	**171,507**	x			**171,507**
Senior Notes Due 2021	**420,408**		x		**425,960**
Principal and Interest	431,427		x		436,979
Financing costs capitalized on Senior Notes due 2021	(15,997)		x		(15,997)
Amortization of Financing costs capitalized on Senior Note	4,978		x		4,978
Bank facilities and bank overdrafts	**5**	x			**5**

The book value of current loans and receivables, trade and other receivables and trade and other payables is approximately their fair value.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and liabilities are determined as follows:

- The fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

- The fair values of other financial assets and liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash-flow analysis.

The market value of financial assets and liabilities measured at fair value in the statement of financial position shown in the table above has been ranked based on the three hierarchy levels defined by IFRS 13:

- Level 1: quoted price in active markets;
- Level 2: inputs observable directly or indirectly;
- Level 3: inputs not based on observable market data.

23.4 Capital lease

The detail of financial leases at the closing of March 31, 2018 and 2017 is as follows:

March 2018 Leased Element	Net Book Value	Acquisition Cost (includes residual value)	Financial Charges (as of the original leasing contract)	TOTAL	Unexpired Financial Charges	Current Debt (unexpired)	Non - Current Debt (unexpired)	Option to purchase the asset
IT Equipment	2,133	6,107	173	**6,280**	48	1,133	993	7
	2,133	**6,107**	**173**	**6,280**	**48**	**1,133**	**993**	**7**

March 2017 Leased Element	Net Book Value	Acquisition Cost (includes residual value)	Financial Charges (as of the original leasing contract)	TOTAL	Unexpired Financial Charges	Current Debt (unexpired)	Non - Current Debt (unexpired)	Option to purchase the asset
IT Equipment	1,634	4,360	129	**4,489**	56	857	774	7
	1,634	**4,360**	**129**	**4,489**	**56**	**857**	**774**	**7**

The gross obligation in respect of financial lease (minimum lease payments) is as detailed below:

Detail of minimum Finance lease payments							
March 2018	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
IT equipment	(1,181)	(696)	(270)	-	-	-	(2,147)
	(1,181)	(696)	(270)	-	-	-	(2,147)

Detail of minimum Finance lease payments							
March 2017	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
IT equipment	(913)	(540)	(235)	-	-	-	(1,688)
	(913)	(540)	(235)	-	-	-	(1,688)

The reconciliation between total future minimum lease payments and their present value is as follows:

	March 2018	March 2017
Present value of the leases	(2,121)	(1,631)
Unexpired Financial Charges	(48)	(57)
Option to purchase the asset	(7)	(7)
Total minimum lease payments at the end of the period	**(2,176)**	**(1,695)**

See the Leasing accounting policy in Note 4.8.

24. PROVISIONS

The Group provisions at March 31, 2018 and March 31, 2017 are as follows:

	March 31, 2018	March 31, 2017
Non-current provision		
Provisions for tax risks	2,957	2,396
Provision for pensions and other post employment benefits	1,184	1,387
Total Non-current provision	**4,141**	**3,783**
Current provision		
Provisions for litigation risks	2,586	3,267
Provision for pensions and other post employment benefits	35	62
Provision for other employee benefits	6,430	247
Provisions for operating risks and others	3,890	1,517
Total Current provision	**12,941**	**5,093**

A provision of €3.0 million has been recognized as at March 2018 for tax risks, covering mainly other indirect tax contingencies.

As at March 31, 2018, the caption Provisions for other employee benefits mainly includes the provision for the restructuring in France.

The caption Provisions for operating risks and others mainly includes €1.7 million on the provisions for Charge back on customer credit cards (€1.1 million on March 31, 2017) and €1.4 million on a new provision related to a new services of Cancellation and Modification available at any time to the customer.

25. RETIREMENT PLANS

25.1 Provisions for pensions

A breakdown of "Provisions for pensions" by company at March 31, 2018 compared to March 31, 2017 is set out below:

	March 31, 2018	March 31, 2017
Net liability (asset)		
France IFC	364	363
Italy TFR	855	1,086
	1,219	**1,449**

Note that the Net Liability (Asset) – long term and short term of retirement plans are included in the caption "Provision for pensions and other post-employment benefits" (Note 24).

The Group has pension commitments, both for defined benefit and defined contribution plans, with the employees of the different companies that make up the Group.

Defined contribution plan

Opodo Limited operates a D.C.P for its employees. Plan contributions are recognized in the income statement when they accrue.

Defined benefit plans

A breakdown of the different defined benefit commitments at March 31, 2018, which have not changed significantly compared to the previous year, with the exception of Italy which has less employees than the previous year as part of its business functions have been terminated locally (see note 2.1.2), is set out below:

At March 31, 2018	Zone	Participants and beneficiaries	Plan Description
France IFC	Eurozone	98	Retirement award due to legal obligation (IFC)
Italy TFR	Eurozone	90	Redundancy award due to a legal obligation (TFR)
		188	

None of the plans are externally funded.

France includes the plans for 3 companies in France: Go Voyages, which represents most of the liabilities, Go Voyages Trade, and Liligo Metasearch Technologies SAS.

Actuarial assumptions and methodology used

The main actuarial assumptions used were as follows:

	France	Italy
Discount rate	1.75%	1.75%
Rate of salary increase	2.00%	2.00%
Rate of price inflation	1.50%	1.50%
Rate of pension increases	N/A	N/A
Mortality Tables	Women TF04/06 Men TH04/06	RG48
Disability Tables	N/A	INPS rates
Turnover Tables	Table based on age: 8% to 40 years on average	30% for all ages (Edreams=5 %)

There are no plan assets at March 31, 2018 and 2017.

None of the assets are invested in the Company's own financial instruments.

The amounts recognized in the balance sheet, income statement and in equity are detailed below:

Amounts recognized in the statement of financial position:	March 2018	March 2017
Defined benefit obligation	1,219	1,449
Fair value of plan assets	-	-
Funded status	**1,219**	**1,449**
Effect of asset ceiling/onerous liability	-	-
Net liability (asset)	**1,219**	**1,449**

The movement in the obligation for defined benefits is as follows:

Components of defined benefit cost	March 2018	March 2017
Service cost		
Current service cost	124	229
Past service cost	-	-
Total service cost	124	229
Net interest cost		
Interest expense on defined benefit cost	-	32
Interest (income) on plan assets	-	(8)
Total net interest cost	-	24
Defined benefit cost included in the P&L account	**124**	**253**

The movement in the obligation for defined benefits is as follows:

Change in benefit obligation	March 2018	March 2017
Benefit obligation at beginning of year	1,449	1,826
Current service cost	124	229
Interest cost	-	32
Benefits paid from plan/company	(354)	(159)
Taxes paid	-	(2)
Decrease due to changes in scope	-	(477)
Benefit obligation at end of year	**1,219**	**1,449**

The movement in the fair value of the plan assets is as follows:

Change in plan assets	March 2018	March 2017
Fair value of plan assets at beginning of year	-	438
Interest income	-	8
Cash flows		
a. Total employer contributions		
(i) Employer contributions	-	18
(ii) Employer direct benefit payments	-	148
c. Benefit payments from plan	-	(11)
d. Benefit payments from employer	-	(148)
g. Taxes paid from plan assets	-	(2)
Decrease due to changes in scope	-	(451)
Fair value of plan assets at end of year	**-**	**-**

The breakdown of Defined benefit obligation by participant status is as follows:

Defined benefit obligation	March 2018	March 2017
Defined benefit obligation by participant status		
a. Actives	1,219	1,449
Total	**1,219**	**1,449**

The expected cash flows for the following year are as follows:

Expected cash flows for following year	March 2018
Expected employer contributions	
1 year	35
More than 1 year	1,184

The sensitivity of the defined benefit obligation to changes in assumptions is set out below.

The effects of a change in an assumption are weighted proportionately to the total obligations to determine the total impact for each assumption presented.

Sensitivity analysis: increase/(decrease) of DBO	March 2018
Discount rate	
a. Discount rate - 25 basis points	4%
b. Discount rate + 25 basis points	-4%
Salary increase rate	
a. Salary increase rate - 25 basis points	-1%
b. Salary increase rate + 25 basis points	1%
Pension increase rate	
a. Pension increase rate - 25 basis points	-1%
b. Pension increase rate + 25 basis points	1%

26. TRADE AND OTHER PAYABLES

	March 2018	March 2017
Trade payables	375,659	348,689
Deferred Income *(see Note 27)*	10,912	5,397
Employee-related payables	7,869	8,694
Other payables	392	98
Total Trade and other payables	**394,832**	**362,878**

27. DEFERRED REVENUE

	March 2018	March 2017
GDS agreement	16,174	20,942
Others	3,000	-
Total Deferred revenue - non current	**19,174**	**20,942**
GDS agreement	3,793	4,424
Cancellation and Modification for any reason	2,007	-
Others	5,112	973
TOTAL Deferred revenue - current	**10,912**	**5,397**

The deferred income on the GDS agreement relates to the signing bonus with Amadeus received on June 30, 2011.

As mentioned in Note 4.5, the revenue related to the service of Cancellation or Modification for any reason service is recognized over the period during which the customer has the option to cancel or modify the booking. These amounts that have not accrued yet are presented in the balance sheet as deferred revenue.

Note that the total of deferred income – current is included in the caption "Trade and other payables" (Note 26).

28. BUSINESS COMBINATION

Opodo Ltd acquired all of the issued and outstanding capital stock of Tierrabella Invest S.L., a company that operates the website Budgetplaces, a hotel booking site that provides customers with access to accommodation around the world, on January 16, 2017 with a purchase price of €5 million.

The Transaction was accounted for in compliance with IFRS 3 "'Business combinations".

Fair value of identifiable assets acquired and liabilities assumed at the acquisition date was as follows:

- Developed technology (finite-lived intangible assets) €1.7 million
- Customer relationship (finite-lived intangible assets) €3.1 million
- Deferred tax liabilities arising of acquired intangibles €(1.2) million
- The goodwill arising from the acquisition is €2.5 million

As explained above, the acquisition was finalized on January 16, 2017 and Tierrabella Invest S.L. and its subsidiaries were fully consolidated from this date. The main items of the acquisition balance sheet of Tierrabella S.L. per the provisional purchase price allocations was as follows:

	Tierrabella Invest S.L. and subsidiaries
Non-current assets	4,792
Current assets	225
Total Assets	**5,017**
Equity	1,761
Non-current liabilities	1,186
Current liabilities	2,070
Total Liabilities	**5,017**

Had this business combination been effected at April 1st, 2016, the additional revenue of the ODIGEO Group and additional losses of the year ended March 31, 2017 would had been €2.8 million and €3.7 million, respectively.

The accounting figures for revenue and profits for the period ended March 31, 2017 for Tierrabella Invest sub-group was as follows:

	Tierrabella Invest S.L. and subsidiaries	
	12-month Period (*)	3-month Period (**)
Revenue	4,500	422
Profit / (loss)	(3,238)	(605)

(*) Period from April 1, 2016 to March 31, 2017

(**) Period from January 1, 2017 to March 31, 2017

29. OFF-BALANCE SHEET COMMITMENTS

29.1 Operating lease commitments

The Group leases mainly buildings under non-cancellable operating lease contracts. These contracts have a long term, most of them being renewable upon expiry at market conditions. The minimum total future payments in respect of non-cancellable operating leases are as follows:

	< 1 year	1 to 5 years	> 5 years	TOTAL
Minimum lease payments at March 2018	2,936	5,005	-	7,941

	< 1 year	1 to 5 years	> 5 years	TOTAL
Minimum lease payments at March 2017	3,441	8,274	-	11,715

The consolidated income statement for March 31, 2018 and March 31, 2017 includes operating lease expenses totalling €4.1 and €3.7 million respectively.

29.2 Other off-balance sheet commitments

	March 2018	March 2017
Guarantees To IATA	-	36,318
Guarantees To Package Travel	2,145	5,919
Others	645	705
Total	**2,790**	**42,942**

The decrease in Guarantees to IATA is due to a new multi-country group agreement with IATA.

Other guarantees mainly include a guarantee to the Air Travel Organiser's Licence in the UK and other Travel Licensing Bonding.

All the shares held by eDreams ODIGEO in Opodo Ltd. as well as the receivables under certain intragroup funding loans relating to the 2021 Notes made to Opodo Limited and Go Voyages by eDreams ODIGEO, have been pledged in favour of the holders of the 2021 Notes (see Note 23) and the secured parties under the Group's super senior revolving credit facility dated October 4, 2016.

30. RELATED PARTIES

30.1 Transactions and balances with related parties

There have been no transactions or balances with related parties during the periods ended on March 31, 2018 and 2017, other than those detailed below.

Key management

The compensation accrued by the key management of the Group (CSM: "CEO Staff Members") and during the years ended March 31, 2018 and 2017 amounted to €3.9 million and €3.6 million, respectively.

The key management has been also granted since the beginning of the plans with 2,589,740 rights of the Modified 2014 LTIP plan and 2,729,258 rights of the 2016 LTIP plan at March 31, 2018 (2,601,915 rights of the Modified 2014 LTIP plan and 1,864,172 rights of the 2016 LTIP plan at March 31, 2017) to acquire a certain number of shares of the parent company eDreams ODIGEO at no cost.

The valuation of these rights of the Modified 2014 LTIP plan amounts to €7.8 million which have been fully accrued at March 31, 2018 since the beginning of the plan (€6.8 million at March 31, 2017). (See Note 22.1).

Regarding the Modified 2014 LTIP, 596,687 shares (the First Tranche – First Instalment), 571,919 shares (the First Tranche – Second Instalment), 418,561 shares (the First Tranche – Third Delivery), 344,489 shares (the Second Tranche – First Delivery) and 389,826 shares (The Second Tranche – Second Delivery) have already been delivered as shares to the Key Management in November 2016, February 2017, June 2017, August 2017 and November 2017.

The valuation of the rights of the 2016 LTIP amounts to €5.7 million of which €2.5 million have been accrued at March 31, 2018 since the beginning of the plan (€4.0 million of which €0.5 million accrued at March 31, 2017). (See Note 22.2).

Board of Directors

During the period ended March 31, 2018 the independent members of the Board received a total remuneration for their mandate of €284 thousand (€210 thousand during the period ended March 31, 2017).

Some members of the Board are also members of the key management of the Group and, consequently, it has been accrued remuneration in concept of their executive services, not for their mandate as members of the Board and, therefore part of this information is included in key management retribution section above:

- Remuneration for management services during the year ending March 2018 and March 2017 amounting to €1.6 million and €1.4 million respectively.

- Executive Directors have been also granted since the beginning of the plans with 1,677,146 rights of the Modified 2014 LTIP plan and 1,542,258 rights of the 2016 LTIP plan at March 31, 2018 (1,677,146 rights of the Modified 2014 LTIP plan and 1,028,172 rights of the 2016 LTIP plan at March 31, 2017) to acquire a certain number of shares of the parent company eDreams ODIGEO at no cost. The valuation of these rights of the Modified 2014 LTIP plan amounts to €4.5 million which have been fully accrued at March 31, 2018 since the beginning of the plan (€4.0 million at March 31, 2017). The valuation of these rights of the 2016 LTIP plan amounts to €3.3 million of which €1.5 million have been accrued at March 31, 2018 since the beginning of the plan (€0.3 million during the period ended at March 31, 2017)

- Regarding the Modified 2014 LTIP, 408,804 shares (the First Tranche – First Delivery), 408,804 shares (the First Tranche – Second Delivery), 272,537 shares (the First Tranche – Third Delivery), 224,528 shares (the Second Tranche – First Delivery) and 224,528 shares (The Second Tranche – Second Delivery) have already been delivered as shares to the Key Management in November 2016, February 2017, June 2017, August 2017 and November 2017.

No other significant transactions have been carried out with any member of senior management or as shareholder with a significant influence on the Group.

31.1 Insurance premium tax

The Group considers that there is a possible risk of reassessment of insurance premium tax in certain jurisdictions where the Group renders mediation services to its customers regarding the supply of travel insurance by insurers. This risk is relating to the possible view of local tax authorities that part of the remuneration received by the Group for the mediation of the travel insurance to its customers in certain countries should be considered basis for the levy of insurance premium tax. This risk is estimated at €1.7 million. The Group takes the view that it has sufficient grounds to successfully defend its position in case of an assessment by local tax authorities. As this risk is considered unlikely to result in a cash outflow, no liability has been recognized in the balance sheet.

31.2 Dispute with UK tax authorities

The Group has been assessed by the UK tax authorities for an amount of €0.4 million. This concerns a dispute regarding the qualification for VAT purposes of the contractual relationship between the UK entity and a UK bed bank. The Group disputes the UK tax authorities' view that the UK entity should have paid UK VAT on the margin which it has generated in respect of this contractual relationship relating to hotel accommodation which is located outside the UK. The Group has appealed against the assessment with the UK First tier Tribunal, which has ruled in our favor concerning the interpretation under English law. However, the U.K. tax authorities have requested the First Tier Tribunal to raise preliminary questions to the CJEU regarding the interpretation of the VAT Directive. The First Tier Tribunal has not yet taken a decision on this matter. As the risk is considered only possible, no liability has been recognized in the balance sheet.

31.3 License fees

The group considers that there is a possible risk of reassessment by tax authorities in respect of license fees charged between entities of the Group for the use of certain self-developed software. Tax authorities may take the view that there was an undercharge of license fees to the users. This risk is estimated at a maximum amount of €2.5 million. The group takes the view that it has sufficient arguments to defend its position in case of an assessment by tax authorities. As the risk is considered only possible, no liability has been recognized in the balance sheet.

31.4 Litigation with Ryanair

In December, 2015, Ryanair launched a legal action before the Irish High Court related to the Search Engine Marketing activities performed by Vacaciones eDreams via the Google Adwords service. While travel agencies are entitled to use the trademarks and logos of the airlines offered for sale on their websites, such use must not create confusion between the official activities of the airlines and the distribution activity of the OTAs.

On October 19, 2017 Ryanair, Google and eDreams reached a settlement to end legal proceedings between the three parties (see note 2.1.8).

31.5 Tax contingencies

The Group companies may be subject to audit by the tax authorities in respect of the taxes applicable to them for the years that are not statute-barred.

As a result of different interpretations of ruling tax legislation, additional liabilities may arise as a result of a tax audit. However, the Group considers that any such liabilities (if any) would not materially affect the consolidated financial statements.

31.6 Investigation by the Italian consumer protection authority (AGCM)

On January 18, 2018, the Italian consumer protection authority (AGCM) rendered three decisions against Go Voyages SAS, eDreams Srl and Opodo Italia Srl in relation to alleged unfair commercial practices based on the three following grounds (i) Lack of transparency, (ii) surcharging practice, and (iii) non-authorized use of premium-rate numbers. The amount of fines issued by the AGCM are as follows: Go Voyages SAS (780K€), eDream Srl (690K€) and Opodo Ltd (104 K€). An appeal has been lodged before the TAR Lazio in order to challenge the legal grounds invoked by the AGCM and the amount of fines. A provision for this has been booked on the balance sheet for €1.6 million.

32. AUDITOR'S REMUNERATION

The fees paid to the Group's auditors are as follows:

	March 2018	March 2017
Audit Services	568	521
Agreed Upon Procedures	92	-
Services in connection with the Debt refinancing	-	497
Others	79	88
	739	**1,106**

33. SUBSEQUENT EVENTS

33.1 Senior Management appointments

Marcos Guerrero, who currently serves as Chief Retail & Product Officer ha left the business after 4 years.

Management has decided the appointment of Christoph Dieterle as Chief Retail & Product Officer. Christoph Dieterle joined eDreams through the acquisition of Budgetplaces in 2017 and he oversaw in his first position within the company the Technology and Product team of ODIGEO Connect.

This management change is effective from June 2018.

34. CONSOLIDATION SCOPE

As at March 31, 2018 and 2017, the companies included in the consolidation are as follows:

March 31, 2018:

Name	Location / Registered Office	Line of business	% interest	% control
eDreams ODIGEO S.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding Parent company	100%	100%
Opodo Limited	26-28 Hammersmith Grove, W6 7BA (London)	On-line Travel agency	100%	100%
eDreams, Ltd.	26-28 Hammersmith Grove, W6 7BA (London)	Administration services	100%	100%
Opodo GmbH	Büschstraße 12 20354 (Hamburg)	Marketing services	100%	100%
Travellink AB	113 79 Rehnsgatan 11 (Stockholm)	On-line Travel agency	100%	100%
Opodo Italia SRL	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
Opodo SL	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006	On-line Travel agency	100%	100%
eDreams Inc.	1209 Orange Street, city of Wilmington, County of New Castle, 19801 (State of Delaware)	Holding company	100%	100%
Vacaciones eDreams, S.L.U	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006	On-line Travel agency	100%	100%
eDreams International Network, S.L.U	Calle López de Hoyos 35, 2. 28002 (Madrid)	Admin and IT consulting services	100%	100%
eDreams, S.r.L	Via San Gregorio, 34, 20124 (Milan)	On-line Travel agency	100%	100%
Viagens eDreams Portugal LDA	Largo Rafael Bordalo Pinheiro, 16 (Lisbon)	On-line Travel agency	100%	100%
eDreams LLC	160 Greentree Drive Suite 101 (City of Dover) Delaware	On-line Travel agency	100%	100%
eDreams Corporate Travel, S.R.L	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
eDreams Business Travel, S.L.	Carrer Bailén, 67-69, 08009 (Barcelona)	On-line Travel agency	100%	100%
Traveltising, S.A.	Calle López de Hoyos 35, 2. 28002 (Madrid)	Creating audiences for optimizing online advertising campaigns	100%	100%
Geo Travel Pacific Pty Ltd	Level 2, 117 Clarence Street (Sydney)	On-line Travel agency	100%	100%
Go Voyages SAS	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Go Voyages Trade	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Liligo Metasearch Technologies	9, Rue Rougemont, 75009 (Paris)	Metasearch	100%	100%
ODIGEO Hungary Kft	Weiner Leó utca 16. 6. em, 1066 (Budapest)	Admin and IT consulting services	100%	100%
Findworks Technologies Bt	Sashegyi út 9, 1124 (Budapest)	On-line Travel agency	100%	100%
Tierrabella Invest, S.L.	Calle López de Hoyos 35, 2. 28002 (Madrid)	Holding company	100%	100%
Engrande S.L.U.	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006	On-line Travel agency	100%	100%

March 31, 2017

Name	Location / Registered Office	Line of business	% interest	% control
eDreams ODIGEO S.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding Parent company	100%	100%
Geo Travel Finance S.C.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
LuxGEO S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Geo Debt Finance S.C.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Geo Debt GP S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
LuxGEO GP S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Opodo Limited	26-28 Hammersmith Grove, W6 7BA (London)	On-line Travel agency	100%	100%
eDreams, Ltd.	26-28 Hammersmith Grove, W6 7BA (London)	Administration services	100%	100%
Opodo GmbH	Büschstraße 12 20354 (Hamburg)	Marketing services	100%	100%
Travellink AB	Hemvärnsgatan 9,171 54 Solna (Stockholm)	On-line Travel agency	100%	100%
Opodo Italia SRL	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
Opodo SL	Calle Jacinto Benavente 2B, Edificio Tripark, 28232, Las Rozas (Madrid)	On-line Travel agency	100%	100%
Online Travel Portal Ltd	26-28 Hammersmith Grove, W6 7BA (London)	Dormant	100%	100%
eDreams Inc.	1209 Orange Street, city of Wilmington, County of New Castle, 19801 (State of Delaware)	Holding company	100%	100%
Vacaciones eDreams, S.L.U	Passeig de la Zona Franca, 191-205, 08038	On-line Travel agency	100%	100%
eDreams International Network, S.L.U	Carrer Bailén, 67-69, 08009 (Barcelona)	Admin and IT consulting services	100%	100%
eDreams, S.r.L	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
Viagens eDreams Portugal LDA	Avda. Fontes Pereira de Melo, 7 (Lisbon)	On-line Travel agency	100%	100%
eDreams do Brasil Viagens e Turisı	Rua James Watt, 84, 9th floor, Room 2, Brooklin Novo, 04576-050 (São Paulo)	On-line Travel agency	100%	100%
eDreams LLC	160 Greentree Drive Suite 101 (City of Dover)	On-line Travel agency	100%	100%
eDreams Corporate Travel, S.R.L	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
eDreams Business Travel, S.L.	Carrer Bailén, 67-69, 08009 (Barcelona)	On-line Travel agency	100%	100%
Geo Travel Ventures S.A.	Carrer Bailén, 67-69, 08009 (Barcelona)	On-line Travel agency	100%	100%
Geo Travel Pacific Pty Ltd	Level 2, 117 Clarence Street, NSW 2000 (Sydney)	On-line Travel agency	100%	100%
Go Voyages SAS	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Go Voyages Trade	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Liligo Metasearch Technologies	9, Rue Rougemont, 75009 (Paris)	Metasearch	100%	100%
ODIGEO Hungary Kft	Weiner Leó utca 16. 6. em, 1066 (Budapest)	Admin and IT consulting s	100%	100%
Findworks Technologies Bt	Sashegyi út 9, 1124 (Budapest)	On-line Travel agency	100%	100%
Tierrabella Invest, S.L.	Travessera de Gràcia 17, 7ª (Barcelona)	Holding company	100%	100%
Engrande S.L.U.	Travessera de Gràcia 17, 7ª (Barcelona)	On-line Travel agency	100%	100%

Non-reconcilable to GAAP measures

"Acquisition Cost per Booking Index" refers to the most relevant marketing expenses incurred to acquire new customers (encompassing Paid search, Metasearch and Affiliates), divided by the total number of Bookings. For any given period, the ratio is expressed as an index 100, in which 100 is the value of Acquisition Cost per Booking for the 3 months ended on December 2015. The acquisition cost per booking index provides to the reader a view of the trend of one of the main variable cost (marketing cost) of the business.

"Gross Bookings" refers to the total amount paid by our customers for travel products and services booked through or with us (including the part that is passed on to, or transacted by, the travel supplier), including taxes, service fees and other charges and excluding VAT. Gross Bookings include the gross value of transactions booked under both agency and principal models as well as transactions made under white label arrangements and transactions where we act as a "pure" intermediary whereby we serve as a click-through and pass the reservations made by the customer to the relevant travel supplier. Gross Bookings provide to the reader a view about the economic value of the services that the Group mediates.

Reconcilable to GAAP measure

"Adjusted EBITDA" means operating profit/loss before depreciation and amortization, impairment and profit/(loss) on disposals of non-current assets, certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted EBITDA provide to the reader a better view about the ongoing EBITDA generated by the Group.

"Adjusted Net Income" means our IFRS net income less certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.

"Revenue Diversification Ratio" is a ratio representing the amount of Diversification Revenue earned in a twelve-month period as a percentage of our total revenue. Our management believes that the presentation of the Revenue Diversification Ratio measure may be useful to readers to help understand the results of our revenue diversification strategy.

"EBIT" means operating profit/loss. This measure, although it is not specifically defined in IFRS, is generally used in the financial markets and is intended to facilitate analysis and comparability.

"EBITDA" means operating profit/loss before depreciation and amortization, impairment and profit/loss on disposals of non-current assets. This measure, although it is not specifically defined in IFRS, is generally used in the financial markets and is intended to facilitate analysis and comparability.

"(Free) Cash Flow before financing" means cash flow from operating activities plus cash flow from investing activities.

"Gross Financial Debt" means total financial liabilities considering financing cost capitalized plus accrued interests and overdraft. It includes both non-current and current financial liabilities. This measure offers to the reader a global view of the Financial Debt without considering the payment terms.

"Gross Leverage Ratio" means the total amount of outstanding Gross Financial Debt on a consolidated basis divided by "Adjusted EBITDA". This measure offers to the reader a view about the capacity of the Group to generate enough resources to repay the Gross Financial Debt.

"Net Financial Debt" means "Gross Financial Debt" less "cash and cash equivalents". This measure offers to the reader a global view of the Financial Debt without considering the payment terms and reduced by the effects of the available cash and cash equivalents to face these future payments.

"Net Leverage Ratio" means the total amount of outstanding Net Financial Debt on a consolidated basis divided by "Adjusted EBITDA". This measure offers to the reader a view about the capacity of the Group to generate enough resources to repay the Gross Financial Debt, also considering the available cash in the Group.

"Net Income" means Consolidated profit/loss for the year.

"Revenue Margin" means our IFRS revenue less cost of supplies. Our management uses Revenue Margin to provide a measure of our revenue after reflecting the deduction of amounts we pay to our suppliers in connection with the revenue recognition criteria used for products sold under the principal model (gross value basis). Accordingly, Revenue Margin provides a comparable revenue measure for products, whether sold under the agency or principal model.

Glossary of definitions
Other Defined Terms

"Bookings" refers to the number of transactions under the agency model and the principal model as well as transactions made under white label arrangements. One Booking can encompass one or more products and one or more passengers.

"Customer Repeat Booking Rate" (%) refers to the ratio, expressed on a percentage basis, of Bookings made in a quarter by customers who made a prior Booking in the 12 months prior to that quarter divided by the total number of Bookings. The ratio is annualized, multiplying by four and by the ratio of the quarter over the average of last 4 quarters, to eliminate seasonality effects.

"Product Diversification Ratio" (%) is a ratio expressed on a percentage basis and calculated by dividing the number of flight ancillary products and non-flight products linked to Bookings (such as insurance, additional check-in luggage, reserved seats, certain additional service options, Dynamic Packages and car rental) by the total number of Bookings for a given period.

"Core Markets" and **"Core Segment"** refers to our operations in France, Spain and Italy.

"Expansion Markets" and "Expansion segment" refers to our operations in Germany, the United Kingdom and the other countries in which we operate, including, among others, the Nordics and countries outside Europe.

"Flight Business" refers to our operations relating to the supply of flight mediation services.

"Fixed Costs" includes IT expenses net of capitalization write-off, personnel expenses which are not Variable Costs, external fees, building rentals and other expenses of fixed nature. Our management believes the presentation of Fixed Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs we have the ability to reduce in response to changes affecting the number of transactions processed.

"Fixed Costs per Booking" means fixed costs divided by the number of bookings. See definitions of "Fixed costs" and "Bookings".

"Non-flight Business" refers to our operations relating to the supply of non-flight mediation services, as well as other non-travel activities such as advertising on our websites, incentives we receive from payment processors, charges on toll calls and Liligo's metasearch activity.

"Non-recurring Items" refers to share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations.

"Variable Costs" includes all expenses which depend on the number of transactions processed. These include acquisition costs, merchant costs and other costs of a variable nature, as well as personnel costs related to call centers as well as corporate sales personnel. Our management believes the presentation of Variable Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs. We have the ability to reduce certain costs in response to changes affecting the number of transactions processed.

"Variable Costs per Booking" means variable costs divided by the number of bookings. See definitions of "Variable costs" and "Bookings".

"Customer Relationship Management (CRM)" represents the set of activities that will encourage our customers to repeat business with us: visit our site again and make another booking. To be successful we need to understand our customers' behaviours and needs: we collect, analyse and use data to make each of those interactions with customers as personalised and relevant as possible.

"Classic Customer Revenue" represents customer revenue other than Diversification Revenues earned through flight service fees, cancellation and modification fees, tax refunds and mobile application revenue. Our management believes that the presentation of the Classic Customer Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.

"Classic Supplier Revenue" represents supplier revenue earned through GDS incentives for Bookings mediated by us through GDSs and incentives received from payment service providers. Our management believes that the presentation of the Classic Supplier Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.

"Diversification Revenue" represents revenue other than Classic Customer Revenue, Classic Supplier Revenues or Advertising and Metasearch Revenue, earned through vacation products (including car rentals, hotels and Dynamic Packages), flight ancillaries (including reserved seats, additional check-in luggage, travel insurance and additional service options), travel insurance, as well as certain commissions, over-commissions and incentives directly received from airlines. Our management believes that the presentation of the Diversification Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.

"Advertising and Metasearch Revenue" represents revenue from other ancillary sources, such as advertising on our websites and revenue from our metasearch activities. Our management believes that the presentation of the Advertising and Metasearch Revenue measure may be useful to readers to help understand the results of our revenue diversification strategy.

RECONCILIATIONS

APM & Other Defined Terms

(Thousands of euros, figures for the period ended on March 2018 and March 2017

"EBIT", "EBITDA", "Adjusted EBITDA"

	12 months ended March 31, 2018	12 months ended March 31, 2017
Operating profit = EBIT	71,790	76,880
Depreciation and amortization	(22,120)	(18,365)
Impairment loss	(3,138)	(2,783)
Gain or loss arising from assets disposals	(269)	3
EBITDA	97,317	98,025
Long term incentives expenses	(4,643)	(7,982)
Termination cost	(614)	(845)
Restructuring cost	(12,450)	(178)
Strategic Review Process (*note 2.1.7*)	(2,853)	-
Other	(411)	(294)
Non-recurring items	**(20,971)**	**(9,299)**
Adjusted EBITDA	118,288	107,324

"Revenue Margin", "Revenue Margin per booking", "Flight business", "Non-flight business", "Diversification revenue"

	12 months ended March 31, 2018	12 months ended March 31, 2017
By Nature:		
Revenue	512,090	497,408
Supplies	(3,516)	(10,845)
Revenue Margin	**508,574**	**486,563**
By Segments:		
Core	263,235	270,150
Expansion	245,339	216,413
Revenue Margin	**508,574**	**486,563**
By Products:		
Flight	405,549	384,236
Non-flight	103,025	102,327
Revenue Margin	**508,574**	**486,563**
Number of bookings	11,739,774	11,653,080
Revenue Margin per booking (euros)	**43**	**42**
By Source:		
	LTM March 31, 2018	LTM March 31, 2017
Classic customer revenue	227,067	240,597
Diversification revenue	178,524	146,248
Advertising & Metasearch	25,181	31,757
Supplier revenue	77,802	67,961
Revenue Margin	**508,574**	**486,563**

"Gross Financial Debt", "Net Financial Debt"

	March 31, 2018	March 31, 2017
Non-current financial liabilities	414,975	421,565
Current financial liabilities	14,148	12,116
Gross Financial Debt	**429,123**	**433,681**
(-) Cash and cash equivalents	(171,507)	(143,584)
Net Financial Debt	**257,616**	**290,097**

"Fixed Cost", "Variable Cost", "Non-recurring items"

	12 months ended March 31, 2018	12 months ended March 31, 2017
Fixed cost	(79,079)	(80,330)
Variable cost	(311,207)	(298,910)
Non-recurring items	(20,971)	(9,299)
Operating cost	**(411,257)**	**(388,539)**
Personnel expenses	(81,796)	(73,456)
Other operating income / (expenses)	(329,461)	(315,083)
Operating cost	**(411,257)**	**(388,539)**

"(Free) Cash Flow before Financing"

	12 months ended March 31, 2018	12 months ended March 31, 2017
Net cash from operating activities	108,150	134,087
Net cash flow from / (used) in investing activities	(28,889)	(29,499)
Free Cash Flow before financing activities	**79,261**	**104,588**

"Adjusted Net Income"

	12 months ended March 31, 2018	12 months ended March 31, 2017
Net Income	**19,723**	**10,474**
Non-recurring items (included in EBITDA)	20,971	9,299
2021 Senior Notes 10M Repayment [1]	596	-
One-off financial expenses related to the refinancing [2]	-	18,197
Cumulative exchange rate difference related to Corporate Travel [3]	-	374
Impairment of Corporate Travel assets [4]	-	1,472
Impairment of software and licenses related to the Nordics Leisure activity [5]	-	872
Expenses related to 2018 Notes repurchase [6]	-	204
Tax effect of the above adjustments	(5,831)	(4,855)
US income tax rate regularization [7]	(3,329)	-
UK income tax rate regularization [8]	-	(1,000)
Loss on tangible assets due to office move [9]	154	
Capitalization of Deferred Tax in UK [10]	-	(3,403)
Adjusted net income	**32,284**	**31,634**
Adjusted net income per share (€)	**0.30**	**0.30**

1. Expenses linked to the repurchased €10 million of the 2021 Senior Notes (See Note 2.1.10).

2. Financial expenses related to the refinancing in the year ended March 31, 2017 corresponded to:

- the capitalized financing fees of the 2018 and 2019 Senior Notes written off to financial expenses due to the refinancing (€6,451 thousand).

- the capitalized financing fees of the previous Revolving Credit Facility written off to financial expenses due to the refinancing (€1,429 thousand).

- One-off redemption expenses (€8,878 thousand).

- Expenses related to the obtention of the new Revolving Credit Facility for Guarantees that have not been capitalized and have been recognised as financial expenses of the period (€1,439 thousand).

3. The Group reclassified the proportionate share of the cumulative amount of the exchange differences linked to Corporate Travel recognised in other comprehensive income to Profit and Loss for an amount of €0.4 million in the year ended March 31, 2017.

4. Impairment related to the transfer of the Corporate Travel business of the Travellink brand in Germany, Sweden, Finland, Norway and Denmark to the Australian group Flight Centre Travel during December 2016.

5. Impairment of assets related to the Nordics leisure activity, as the Group announced in January 2017 the reorganization of its operations in the Nordic region.

6. Transaction cost charged by external advisors linked to the repurchased €30 million of the 2018 Senior Notes in April 2016.

7. Regularization of deferred tax (including tax credits) corresponding to US Tax, mainly due to the update of the Corporation Tax rate in the US from 35% to 21%, as well as other impacts arising from the new treatment of the Foreign Tax Credits under US Tax.

8. In the UK, the Corporation Tax rate for the years starting the 1 April 2020 changed from 18% to 17% at in FY17. This generated a revenue of €1,000 thousand due to the update of the Deferred taxes linked to the UK.

9. In France and Italy, the Group has impaired some of its tangible assets due to the change to new offices for an amount of €0.2 million.

10. During FY17, a deferred tax asset of €3.4 million related to capital allowances of previous years in the UK was recognised.

eDreams ODIGEO
Société Anonyme

ANNUAL ACCOUNTS AND REPORT OF THE RÉVISEUR D'ENTREPRISE AGRÉÉ AS AT MARCH 31, 2018

Registered office:
1, boulevard de la Foire
L-1528 Luxembourg

R.C.S. Luxembourg B N° 159 036

eDreams ODIGEO S.A.
Société Anonyme
Annual accounts as at March 31, 2018

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Independent auditor's report

To the Shareholders of
eDreams Odigeo S.A.
1, boulevard de la Foire
L-1528 Luxembourg

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of eDreams Odigeo S.A. (the "Company"), which comprise the balance sheet as at 31 March 2018, and the profit and loss account for the year then ended, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 March 2018 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Regulation, Law and standards are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Building a better
working world

Valuation of shares in affiliated undertakings

Description

Further to the merger transactions described in Notes 1 and 4 of these annual accounts, the Company has, as at 31 March 2018, investment in shares in affiliated undertakings and loans granted to affiliated undertakings amounting to EUR 1,004,763 thousand in total representing about 95% of the total balance sheet. The investment is recognised and valued at acquisition price, including the expenses incidental thereto, while the loans are recorded at their nominal value. They are subject to value adjustments in case of permanent impairment in value. In assessing whether such permanent impairment exists, management considers factors that could give rise to the impairment of its investment and evaluates whether the impairment is of permanent nature when an eventual impairment loss is identified. We considered the valuation of shares in and loans to affiliated undertakings to be a key audit matter because it requires a high level of management judgement and due to the materiality of the amounts involved.

Auditor's response

We considered management's impairment assessment based on our understanding of the investments and existing market conditions. We have performed procedures over the assessment of recoverability of the investment and the loans including comparing the net assets of the entity in which the Company holds the shares to their most recent available financial information. We also assessed if the financial projections and budget information used by management to perform the impairment analysis were supporting the value of the investment and analysed the assumptions and methods retained by management in their recoverability analysis including their discounted cash flows. We assessed management's conclusions on the absence of permanent impairment on the value of the investment and loans to affiliated undertakings.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report and the corporate governance report but does not include the annual accounts and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of the Board of Directors and of those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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 annual accounts.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Other matter

The corporate governance report includes, when applicable, the information required by article 68ter paragraph (1) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, 21 June 2018

eDreams ODIGEO S.A.
Société Anonyme
Annual accounts as at March 31, 2018

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RCSL Nr. : B159036	Matricule : 2014 2202 981
	eCDF entry date :

BALANCE SHEET

Financial year from 01 01/04/2017 **to** 02 31/03/2018 (in 03 EUR)

eDreams ODIGEO
1, boulevard de la Foire
L-1528 Luxembourg

ASSETS

	Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101	101		102	
I. Subscribed capital not called	1103	103		104	
II. Subscribed capital called but unpaid	1105	105		106	
B. Formation expenses	1107 3	107	3.873,00	108	8.627,00
C. Fixed assets	1109	109	1.004.762.874,00	110	1.006.609.706,00
I. Intangible assets	1111	111		112	
1. Costs of development	1113	113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115		116	
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117		118	
b) created by the undertaking itself	1119	119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121		122	
4. Payments on account and intangible assets under development	1123	123		124	
II. Tangible assets	1125	125		126	
1. Land and buildings	1127	127		128	
2. Plant and machinery	1129	129		130	

The notes in the annex form an integral part of the annual accounts

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RCSL Nr. : B159036	Matricule : 2014 2202 981

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131		132	
4. Payments on account and tangible assets in the course of construction	1133		133		134	
III. Financial assets	1135		135	1.004.762.874,00	136	1.006.609.706,00
1. Shares in affiliated undertakings	1137	4.1	137	620.640.364,00	138	571.609.706,00
2. Loans to affiliated undertakings	1139	4.2	139	384.122.510,00	140	435.000.000,00
3. Participating interests	1141		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147		147		148	
D. Current assets	1151		151	54.150.939,00	152	25.619.673,00
I. Stocks	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work in progress	1157		157		158	
3. Finished goods and goods for resale	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	53.870.211,00	164	25.594.088,00
1. Trade debtors	1165		165	12.799.209,00	166	
a) becoming due and payable within one year	1167	5	167	12.799.209,00	168	
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171	6	171	40.135.984,00	172	24.576.509,00
a) becoming due and payable within one year	1173		173	38.987.547,00	174	21.829.156,00
b) becoming due and payable after more than one year	1175		175	1.148.437,00	176	2.747.353,00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183		183	935.018,00	184	1.017.579,00
a) becoming due and payable within one year	1185		185	935.018,00	186	1.017.579,00
b) becoming due and payable after more than one year	1187		187		188	

The notes in the annex form an integral part of the annual accounts

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RCSL Nr. : B159036	Matricule : 2014 2202 981

		Reference(s)		Current year		Previous year
III. Investments	1189		189		190	
1. Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209		209		210	
3. Other investments	1195		195		196	
IV. Cash at bank and in hand	1197		197	280.728,00	198	25.585,00
E. Prepayments	1199		199	40.840,00	200	15.164,00
TOTAL (ASSETS)			201	1.058.958.526,00	202	1.032.253.170,00

The notes in the annex form an integral part of the annual accounts

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RCSL Nr. : B159036	Matricule : 2014 2202 981

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301		301	495.531.291,00	302	555.088.798,00
I. Subscribed capital	1303	7.1	303	10.865.700,00	304	10.677.982,00
II. Share premium account	1305	7.1	305	155.755.173,00	306	207.528.613,00
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	463.652.777,00	310	463.840.494,00
1. Legal reserve	1311		311		312	
2. Reserve for own shares	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429	7.3	429	463.652.777,00	430	463.840.494,00
a) other available reserves	1431		431	463.652.777,00	432	463.840.494,00
b) other non available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319	-126.958.291,00	320	-124.647.951,00
VI. Profit or loss for the financial year	1321		321	-7.784.068,00	322	-2.310.340,00
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
C. Creditors	1435		435	543.459.828,00	436	477.164.372,00
1. Debenture loans	1437		437	431.426.947,00	438	441.059.793,00
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445		445	431.426.947,00	446	441.059.793,00
i) becoming due and payable within one year	1447		447	6.426.947,00	448	6.059.793,00
ii) becoming due and payable after more than one year	1449	8	449	425.000.000,00	450	435.000.000,00
2. Amounts owed to credit institutions	1355		355	79,00	356	713,00
a) becoming due and payable within one year	1357		357	79,00	358	713,00
b) becoming due and payable after more than one year	1359		359		360	

The notes in the annex form an integral part of the annual accounts

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RCSL Nr. : B159036	Matricule : 2014 2202 981

	Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367	3.500.090,00	368	1.264.655,00
a) becoming due and payable within one year	1369	369	3.500.090,00	370	1.264.655,00
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379 9	379	107.319.236,00	380	33.936.690,00
a) becoming due and payable within one year	1381	381	89.596.057,00	382	29.770.690,00
b) becoming due and payable after more than one year	1383	383	17.723.179,00	384	4.166.000,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451	451	1.213.476,00	452	902.521,00
a) Tax authorities	1393	393	1.137.313,00	394	860.522,00
b) Social security authorities	1395	395	266,00	396	0,00
c) Other creditors	1397 10	397	75.897,00	398	41.999,00
i) becoming due and payable within one year	1399	399	75.897,00	400	41.999,00
ii) becoming due and payable after more than one year	1401	401		402	
D. Deferred income	1403 11	403	19.967.407,00	404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	1.058.958.526,00	406	1.032.253.170,00

The notes in the annex form an integral part of the annual accounts

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Annual Accounts Helpdesk :

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Email : centralebilans@statec.etat.lu

RCSL Nr. : B159036 | Matricule : 2014 2202 981

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/04/2017 **to** 02 31/03/2018 (in 03 EUR)

eDreams ODIGEO
1, boulevard de la Foire
L-1528 Luxembourg

PROFIT AND LOSS ACCOUNT

		Reference(s)		Current year		Previous year
1. Net turnover	1701	12	701	71.872.634,00	702	
2. Variation in stocks of finished goods and in work in progress	1703		703		704	
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating income	1713		713	972,00	714	
5. Raw materials and consumables and other external expenses	1671		671	-6.268.509,00	672	-2.338.101,00
a) Raw materials and consumables	1601		601	-230,00	602	
b) Other external expenses	1603	13	603	-6.268.279,00	604	-2.338.101,00
6. Staff costs	1605	18	605	-16.783,00	606	-23.220,00
a) Wages and salaries	1607		607	-14.807,00	608	-20.575,00
b) Social security costs	1609		609	-1.976,00	610	-2.645,00
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655	-1.976,00	656	-2.645,00
c) Other staff costs	1613		613		614	
7. Value adjustments	1657		657	-14.984,00	658	-7.304,00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	3	659	-14.984,00	660	-7.304,00
b) in respect of current assets	1661		661		662	
8. Other operating expenses	1621	14	621	-68.989.914,00	622	-230.051,00

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B159036	Matricule : 2014 2202 981

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727 15	727 35.687.048,00	728 42.484.710,00
a) derived from affiliated undertakings	1729	729 35.377.364,00	730 42.376.451,00
b) other interest and similar income	1731	731 309.684,00	732 108.259,00
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666 -152.500,00
14. Interest payable and similar expenses	1627 16	627 -40.047.459,00	628 -42.309.840,00
a) concerning affiliated undertakings	1629	629 -1.258.707,00	630 -426.407,00
b) other interest and similar expenses	1631	631 -38.788.752,00	632 -41.883.433,00
15. Tax on profit or loss	1635 17	635	636 265.966,00
16. Profit or loss after taxation	1667	667 -7.776.995,00	668 -2.310.340,00
17. Other taxes not shown under items 1 to 16	1637 17	637 -7.073,00	638
18. Profit or loss for the financial year	1669	669 -7.784.068,00	670 -2.310.340,00

The notes in the annex form an integral part of the annual accounts

1. GENERAL

eDreams ODIGEO (the "Company") was set up as a limited liability company (*société à responsabilité limitée*) on February 14, 2011 for an unlimited period, under the laws of Luxembourg on commercial companies. On January 27, 2014 the legal form of the Company changed from a limited liability company (*société à responsabilité limitée*) into a public limited company (*société anonyme*).

The registered office is established at 1, Boulevard de la Foire, L-1528 Luxembourg.

The objects of the Company are to act as an investment holding company and to co-ordinate the business of any corporate bodies in which the Company is for the time being directly or indirectly interested, and to acquire (whether by original subscription, tender, purchase, exchange or otherwise) the whole of or any part of the stock, shares, debentures, debentures stocks, bonds and other securities issued or guaranteed by any person and any other asset of any kind and to hold the same as investments, and to sell, exchange and dispose of the same.

The Company can borrow, incur, raise and secure the payment of money in any way the Board of Directors thinks fit, including by way of public offer. It may issue by way of private or public placement (to the extent permitted by Luxembourg Law) securities or instruments, perpetual or otherwise, convertible or not, whether or not charged on all or any of the Company's property (present and future) or its uncalled capital, and to purchase, redeem, convert and pay off those securities. Provided always that the Company will not enter into any transaction which would constitute a regulated activity of the financial sector or require a business license under Luxembourg Law without due authorisation under Luxembourg Law.

The financial year runs from April 1 to March 31 each year.

The Company eDreams ODIGEO and its direct and indirect subsidiaries form a Consolidation Group headed by eDreams ODIGEO ("The Group"). The Company prepared IFRS consolidated financial statements for the year ended March 31, 2018 which can be obtained at its registered office.

On April 8, 2014 eDreams ODIGEO completed its IPO on the Spanish Stock Exchange.

On September 14, 2017, the Extraordinary General Meeting of Shareholders of eDreams ODIGEO approved the merger by absorption between eDreams ODIGEO as the absorbing company, its subsidiaries LuxGEO S.à.r.l, Geo Travel Finance S.C.A, Geo Debt GP S.à.r.l, LuxGEO GP S.à.r.l, Geo Debt Finance S.C.A, as absorbed companies (the "Merger"). The merger was effective on September 14, 2017 (April 1, 2017 for accounting purposes).
The process consisted in the following simultaneous mergers :

- ✓ GEO Debt Finance SCA has been absorbed by LuxGEO Sàrl (Merger 1) ;
- ✓ LuxGEO Sàrl has been absorbed by GEO Travel Finance SCA (Merger 2) ;
- ✓ GEO Travel Finance SCA has been absorbed by the Company (Merger 3) ;
- ✓ GEO Debt GP Sàrl and LuxGEO GP Sàrl were absorbed by the Company.

1. GENERAL (cont)

As a result of the Merger, the absorbed companies contributed all of their assets and liabilities to eDreams ODIGEO, which consisted mainly of the following as at April 1st :

- ✓ GEO Debt Finance SCA : receivables with the merged entities for EUR 8,588,806, receivable from GoVoyages EUR 1,777,850, bank accounts for EUR 1,689, payables to LuxGEO and GEO Travel Finance for a total of EUR 10,397,400 and promissory notes due to OLTD & EVED for EUR 14,262.
- ✓ LuxGEO Sàrl : shares held in GEO Debt Finance SCA (EUR 81,000) fully impaired, shares held in Opodo Ltd (EUR 620,640,364), receivables from Amadeus IT Group for EUR 9,247,684 (see note 5), receivables from Group entities (EUR 6,640,751), receivables from the Company for EUR 4,008,012, advances to merged entities (EUR 1,081,010), bank accounts for EUR 27,083, trade payables to Group entities for EUR 40,315,924, payable to Amadeus IT Group for EUR 4,108,230, payables to the Company ant to merged entities for a total amount of EUR 96,897,725, deferred income Amadeus for EUR 25,365,134 (see note 11), loans due to OLTD for EUR 15,723,849.
- ✓ GEO Travel Finance SCA : shares held in LuxGEO (EUR 506,645,327), loans granted to the Company and to the merged entities for a total of EUR 65,946,349, loan to GoVoyages for EUR 11,575,698, bank accounts for EUR 22,729, payable to Geo Debt Finance for EUR 3,014,499, payables to EVED and OLTD for EUR 15,402,523, tax debts (EUR 414,244).
- ✓ GEO Debt GP Sàrl : shares GEO Debt Finance (EUR 1), bank account for EUR 1,105, payables to merged entities for EUR 15,310, suppliers for EUR 6,837.
- ✓ LuxGEO GP Sàrl : shares held in GEO Travel Finance, bank accounts for EUR 6,656, suppliers for EUR 6,949, loans due to merged entities for EUR 12,500.

The figures for the year ended March 31, 2017 relating to the merger premium have been reclassified from “Other non available reserves” to “Share premium account” for an amount of EUR 766,983,584 in order to ensure comparability with the figures for the year ended March 31, 2018.

2. ACCOUNTING PRINCIPLES, RULES AND METHODS

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Board of Directors.

- *Formation expenses*

The formation expenses are amortised over a maximum of period of five years on a straight-line basis.

- *Financial assets*

Shares in affiliated undertakings, loans to affiliated undertakings and bonds held in affiliated undertakings are stated at cost / at nominal value less any permanent impairment in value. In case of a durable depreciation in value, according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet dates. These value adjustments are not continued if the reasons, for which the value adjustments were made, have ceased to apply.

2. ACCOUNTING PRINCIPLES, RULES AND METHODS (cont)

- *Loans*

Loans are stated at their principal amount. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

- *Debtors*

Debtors are recorded at their nominal value. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

- *Conversion of foreign currencies*

The Company carries out its accounting in Euro (EUR) and the annual accounts are expressed in that currency. Transactions in a currency other than EUR are converted into EUR at the exchange rate applicable at the date of the transaction. Conversion at the balance sheet date is effected according to the following principles:

a) items shown under the heading of financial assets expressed in a currency other than EUR are maintained at the historical rate;

b) all other asset items expressed in a currency other than EUR are converted at the exchange rate applicable at the balance sheet date. All liability items expressed in a currency other than EUR are converted individually at the exchange rate applicable at the balance sheet date. The profit and loss account only shows realised exchange gains and losses and unrealised exchange losses.

c) where there is an economic link between an asset and a liability, these are converted at the exchange rate applicable at the balance sheet date and the net unrealised exchange loss is recorded in the profit and loss account.

- *Provisions*

The provisions are intended to cover losses or debts the nature of which is clearly defined and which at the balance sheet date are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

- *Deferred charges*

This item includes charges recorded before the closing date and attributable to a subsequent accounting year.

- *Deferred income*

This item includes income received before the closing date and attributable to a subsequent accounting year.

- *Creditors*

Debts are recorded at the repayment value defined as the nominal value. Subordinated debts also include accrued interest. Loan origination cost is charged to the profit and loss account in the year when it is incurred.

- *Interest income and expenses*

Interest income and expenses are recognized on a time proportion basis taking into account the principal amount and the applicable interest rate.

3. FORMATION EXPENSES

The movements of the year are as follows:

	Rate	Gross book value-opening balance	Amortisation opening balance	Increase during the year	Amortisation for the year	Net book value as of March 31, 2018
		EUR	EUR	EUR	EUR	EUR
Incorporation fees	20%	10,866	(9,856)	261	(1,061)	210
Capital increase fees	20%	70,477	(62,860)	9,969	(13,923)	3,663
Total		**81,343**	**(72,716)**	**10,230**	**(14,984)**	**3,873**

4. FINANCIAL FIXED ASSETS

4.1 Shares in affiliated undertakings:

The movements of the shares in affiliated undertaking are as follows:

	Shares in affiliated undertakings EUR
Gross book value-opening balance	**571,762,206**
Additions for the year **	620,640,364
Reductions for the year *	(571,762,206)
Gross book value-closing balance	**620,640,364**
Accumulated value adjustments – opening balance	**(152,500)**
Additions for the year	-
Reversals for the year *	152.500
Transfers for the year	-
Accumulated value-adjustments – closing balance	**-**
Net book value-closing balance	**620,640,364**
Net book value-opening balance	**571,609,706**

* Consequently to the merger, the shares previously held by the Company in Geo Travel Finance S.C.A, Geo Debt GP S.à.r.l, LuxGEO GP S.à.r.l were cancelled as follows :

- Shares held in Geo Travel Finance S.C.A: EUR 571,609,706;
- Shares held in Geo Debt GP S.àr.l. : EUR 50,000;
- Shares held in LuxGEO GP S.à.r.l: EUR 102,500.

571,762,206.

4. FINANCIAL FIXED ASSETS (cont)

4.1 Shares in affiliated in affiliated undertaking (cont):

The value adjustments previously recorded on LuxGEO GP (EUR 102,500), Geo Debt GP (EUR 50,000) were also consequently reversed.

** As result of the merger, the shares previously held by LuxGEO in Opodo Limited were transferred to the Company (EUR 620,640,364). The value adjustments previously recorded on LuxGEO GP (EUR 102,500), Geo Debt GP (EUR 50,000) were reversed.

The shares in affiliated undertaking consist of:

Description	Ownership (%)	Gross Book Value Thousand EUR	Impairment	Net Book Value Thousand EUR	Shareholders equity Thousand EUR (***)	Results of the last financial year Thousand EUR (***)
Opodo Limited	100%	620,640,364	-	620,640,364	317,050	20,809

*** including the results of the financial year ending March 31, 2018

Opodo Limited has his registered office at 26-28 Hammersmith Grove, W6 7BA (London). The financial year of the entity runs from April 1 to March 31.

As at March 31, 2018, the Company holds the entire share capital of Opodo Limited represented by 2,160,184,753 ordinary shares of EUR 0.10 each.

4.2 Loans to affiliated undertakings:

Following the refinancing dated October 4, 2016 (refer to **Note 8**), the Company granted loans to GoVoyage SAS, LuxGEO Sàrl and Opodo Ltd for a total amount of EUR 435,000,000. These loans bear interest at a rate per annum equal to 8,5% plus a margin of 0.2172%. Interests are payable semi-annually in arrears on the 1st of February and on the 1st of August. The maturity of the loans is 1st of August 2021. Loan origination cost incurred by the Company has been recharged through affiliated undertakings.

Following the Merger, the loan with LuxGEO S.à.r.l. amounting to EUR 40,877,489 as at March 31, 2017 has been offset (refer to **Note 1**).

31/03/2017	Principal	Interest accrued	Interest income
GoVoyage SAS	227,354,289	3,408,524	9,689,187
LuxGEO Sàrl	40,877,489	612,841	1,742,081
Opodo Ltd	166,768,222	2,500,210	7,107,182
Total	435,000,000	6,521,575	18,538,450

31/03/2018	Principal	Interest accrued	Interest income
GoVoyage SAS	227,354,288	3,248,240	20,093,572
Opodo Ltd	156,768,222	2,183,868	14,133,266
Total	384,122,510	5,432,108	34,226,838

5. TRADE DEBTORS

This caption is related to the trade receivables from Amadeus IT Group S.A.

Prior to the Merger, these invoices were issued by LuxGEO, therefore there is no prior year balance.

On February 9, 2011, LuxGEO S.à.r.l. entered into a global agreement (the "Global Agreement"), as amended from time to time, with Amadeus IT Group S.A. (the "Seller"), which is operating an automated travelling reservations and distributions system used by the Group in exchange for incentive payments (the "Incentives"). The Company issues monthly invoices to the Seller. As at March 31, 2018, the amount of trade debtors becoming due and payable within one year corresponds to the Company's invoices unsettled by the Seller and accrued Incentives not yet invoiced by the Company to the Seller.

6. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

Becoming due and payable within one year:

	2018 EUR	2017 EUR
Trade receivables :		
- Go voyages	6,681,587	6,089,435
- Opodo Limited	7,269,937	5,890,443
- Vacaciones eDreams	5,450,840	2,372,077
- eDreams Italy	1,394,524	150,648
- Opodo Italy	62,323	-
- Opodo SL	40,781	-
- Liligo	114,542	-
- Travellink	-	37,966
- LuxGEO	-	767,012
	21,014,534	15,307,581
Current account Go voyages *	5,081,394	-
Interests on loan Go Voyages **	6,795,906	-
Accrued interests on loan HY2 with Go voyages (prev. Geo Travel Finance)	663,605	-
Interest on loan HY3 with Go Voyages (see **note** 4.2)	3,248,240	3,408,524
Interest on loan HY3 with OLTD (see **note** 4.2)	2,183,868	2,500,210
Interest on loan HY3 with LuxGEO (see **note** 4.2)	-	612,841
	38,987,547	**21,829,156**

* Mainly coming from Geo Travel Finance and LuxGEO.

** Balance from Geo Travel Finance at opening: EUR 7,565,833.

As at February 15, 2018, these interests were reduced for an amount of EUR 769,927 following a set-off agreement.

6. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS (cont)

Becoming due and payable after more than one year:

	2018 EUR	2017 EUR
Tax Group Consolidation (merged entities)	-	2,747,353
Interest on loan HY1 between prev. Geo Travel Finance and Go Voyages	1,148,437	-
	1,148,437	**2,747,353**

7. CAPITAL AND RESERVES

7.1 Subscribed capital and share premium

As at March 31, 2017, the subscribed share capital of eDreams ODIGEO was set at EUR 10,677,982.50 divided into 106,779,825 shares with a par value of ten euro cents (€0.10) each, all of which fully paid up, together with a share premium of EUR 974,512,197.

On June 20, 2017, the Board resolved to increase the Company's share capital by EUR 60,086.10 through the issue of 600.861 shares with a nominal value of EUR 0.10 each. New shares have been paid up through the incorporation of available reserves of the Company.

On August 22, 2017, the Board resolved to increase the Company's share capital by EUR 58,399.40 through the issue of 583,994 shares with a par value of ten euro cents EUR 0.10 each, new shares have been paid up through the incorporation of available reserves of the Company.

On November 23, 2017, the Board resolved to increase the Company's share capital by EUR 69,231.80 through the issue of 692,318 shares with a nominal value of EUR 0.10 each.

The new shares have been paid up through the incorporation of available reserves of the Company.

As at March 31, 2018, the subscribed share capital of eDreams ODIGEO is set at EUR 10,865,700 divided into 108,656,998 shares with a par value of ten euro cents (EUR 0.10) each, all of which fully paid up, together with a share premium of EUR 974,512,197.

Following the merger with the Luxembourgish entities, the Company recorded a merger loss of EUR 51,773,439. In addition to the merger premium of EUR 766,983,585 existing at opening balance, the total of the merger loss is set at EUR 818,757,024 as at March 31, 2018.

The merger loss recognised as at April 1st 2017 of EUR 51,773,439 can be detailed as follows:

- ✓ LuxGEO S.à.r.l. : EUR 43,768,301 corresponding to the cancellation of the share capital (EUR 279,249,071), share premium (EUR 227,396,257), loss brought forward (EUR 43,768,300) and shares (EUR 506,645,327).
- ✓ Geo Travel Finance S.C.A : EUR 7,901,575 corresponding to the cancellation of the share capital (EUR 311,403,863), share premium (EUR 260,206,843), loss brought forward (EUR 7,902,575) and shares (EUR 571,609,706 ; see note 4.1).

7. CAPITAL AND RESERVES (cont)

7.1 Subscribed capital and share premium (cont)

- ✓ Geo Debt GP S.à.r.l. : EUR 16,622 corresponding to the cancellation of the share capital (EUR 50,000), loss brought forward (EUR 66,622), shares (EUR 50,000 ; see note 4.1) and of impairment (EUR 50,000).
- ✓ LuxGEO GP S.à.r.l : EUR 7,159 corresponding to the cancellation of the share capital (EUR 52,500), other reserves (EUR 50,000), loss brought forward (EUR 109,659), shares (EUR 102,500 ; see note 4.1) and of impairment (EUR 102,500).
- ✓ Geo Debt Finance S.C.A : EUR 79,782 corresponding to the cancellation of the share capital (EUR 31,000), share premium (50,000), loss brought forward (EUR 160,781), shares (EUR 81,000) and of impairment (EUR 80,999).

The merger premium and the merger loss are included within the caption “A.II Share premium account” in addition to the genuine Company’s share premium amounting to EUR 974,512,197.

The share premium account may be used to provide for the payment of any shares, which the Company may repurchase from its shareholders, to offset any net realised losses, to make distributions to the shareholders in the form of a dividend or to allocate funds to the legal reserve.

7.2. Legal reserve

In accordance with Luxembourg Commercial Law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

As at March 31, 2018, the Company registered a loss for the year. Therefore, no transfer to the legal reserve will be required.

7.3. Other reserves

The other reserves consist of available reserves.

8. NON CONVERTIBLE LOANS

On September 20, 2016, the Group successfully priced an offering of EUR 435,000,000 Senior Secured Notes (“the new Bond”) due 2021 at a coupon of 8.50%. The debt offering was oversubscribed, and increased from the originally announced amount of €425,000,000, which reflects the bond market’s support for the Company, its strategy and performance under the new leadership.

This transaction allows the Group headed by the Company to extend the maturity of its debt from less than two years to five years and, in addition, gain significant flexibility in its current financing. In particular, the terms of the new Bond allows the Company to execute on its strategy to continue to reduce its debt in the future, with contractual options to repurchase 10% of the nominal amount every year at a favourable price.

8. NON CONVERTIBLE LOANS (cont)

As at March 31, 2017, the principal and the interests were detailed as follows:

Principal	Interest accrued	Interest expenses
435,000,000	6,059,793	18,076,668

The debt was reduced by EUR 10,000,000 in October 2017.

As at March 31, 2018, the detail of the loan is as follows:

Principal	Interest accrued	Interest expenses
425,000,000	6,426,947	37,063,542

Pursuant to the terms of the Super Senior Facilities Agreement, the Company and certain subsidiaries of the Company (together with the Company, the "SSRCF Guarantors") guarantee all amounts due to the lenders and other finance parties under the Super Senior Facilities Agreement and related finance documents.

9. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Becoming due and payable within one year:

	2018 EUR	2017 EUR
Management fees eDreams International	1,158,097	-
LuxGEO Loan (**9.1**)	-	3,650,474
Interest on LuxGEO Loan (**9.1**)	-	398,038
Interest on Geo Travel Finance Loan (**9.2**)	-	314,301
Group Credit Facility (**9.3**):		
- eDreams Srl	30,514	29,376
- eDreams International Network SL	-	159,756
- Go Voyage SAS	-	372,118
- Vacaciones eDreams SLU	2,706,790	1,811,129
- Opodo Ltd	4,932,970	3,244,675
- Travellink AB	-	26,160
Payable to affiliated undertakings – group		
Tax consolidation	-	3,634,935
Trade payable to Group entities (**9.7**)	51,905,907	6,225,498
Short term loan Opodo Ltd (**9.4)**	6,650,000	-
Interest on short term loan Opodo Ltd	1,835,449	-

Interest on loan Vacaciones eDreams SLU	314,734	-
Interest on non current loan Opodo Ltd	412,189	-
Cash advances from Group entities	19,649,407	9,904,230
Total	**89,596,057**	**29,770,690**

9. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS (cont)

Becoming due and payable after more than one year:

	2018 EUR	2017 EUR
Loan Vacaciones eDreams SLU (**9.6**)	8,283,421	-
Geo Travel Finance Loan (**9.2**)	-	4,166,000
Non current borrowing OLTD HY3 (**9.5**)	7,119,102	-
Long term loan with Travellink	2,320,656	-
Total	**17,723,179**	**4,166,000**

9.1 LuxGEO loan

On April 2, 2014, the LuxGEO loan was signed. It used to bear interest at EURIBOR 1 MONTH + 400 bps per annum, payable each March 31. The LuxGEO Loan was scheduled to mature on March 31st, 2018. The interest expense for the year ended March 31st, 2017 was amounted to EUR 119,916. This loan was cancelled following the merger (refer to **Note 1**)

9.2 Geo Travel Finance loan

On October 1, 2014, the Geo Travel Finance loan was signed. It used to bear interest at EURIBOR 1 MONTH + 400 bps per annum, payable each March 31. The Geo travel Finance Loan was scheduled to mature on March 31, 2018. The interest expense for the year ended March 31st, 2017 was amounted to EUR 146,550. This loan was cancelled consequently to the Merger (refer to **Note 1**)

9.3 Group Credit Facility agreement

On February 15, 2016, the Group Credit Facility agreement was signed. It bears interest of EURIBOR 1 year + 400 bps per annum, payable monthly but interest can be added to the principal amount. The Group Credit Facility Agreement will mature on 14th of February of each year and is automatically renewed for successive annual period. The interest expense for the year ended March 31st, 2018 was amounted to EUR 276,551 (2017: EUR 279,857).

9.4 Short term loan Opodo Ltd

On March 31st, 2017, Opodo Ltd and LuxGEO S.à.r.l. entered into four amendments to four previous loan agreements, for a total amount of EUR 6,650,000. Following to these amendments, the new maturity date was settled at March 31st, 2018, and the new interest rate at EURIBOR + 4%. On March 31st, 2018, Opodo Ltd and the Company entered into a novation agreement and acknowledged that they have four different loan agreements for which the Company owes to Opodo Ltd a total amount of EUR 6,650,000. The interest rate is

set at EURIBOR 1 year + 4% and the new maturity date of the loan is defined on March 31st, 2019.
The interest expense for the year amount to EUR 255,233.

9. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS (cont)

9.5 Non current borrowing Opodo Ltd

On October 1st, 2016, Opodo Ltd and GEO Travel Financ S.C.A. entered into a loan agreement for a total amount up to EUR 11,000,000. The maturity of this loan has been set on August 1st, 2021. The interest rate is set at EURIBOR 1 year + 4% and the interests shall be paid annually on March 31.
The interest expense for the year ended March 31st, 2018 amounts to EUR 412,189.

9.6 Loan Vacaciones eDreams SL

On October 1st, 2016, Vacaciones eDreams SL, as lender, and GEO Travel Finance SCA, as borrower, entered into a loan agreement for a total amount of up to EUR 11,000,000. This loan bears interest at EURIBOR 1 month + 400 bps per annum, payable each March 31st. This loan will mature on August 1st, 2021. The interest expense for the year ended March 31st, 2018 amounts to EUR 314,734.

9.7 Incentives and payable to Group entities

Trade payables to Group entities mainly correspond to accrued Incentives or invoices from the Group entities not yet settled by the Company in relation with the global agreement between the Company and Amadeus IT Group S.A.

10. OTHER CREDITORS

The item mainly consists of an accrual for Directors fees to be paid.

11. DEFERRED INCOME

Pursuant to the Global Agreement, the Seller paid a signing bonus to the LuxGEO on June 30, 2011 (the "**Signing Bonus**"). The Signing Bonus is an advance payment made by the Seller on the anticipated booking fees derived from the sales channelled through its platform during the life of the Global Agreement (10 years). If the threshold is met, the Company will preserve the Signing Bonus, otherwise, it will return it to the Seller proportionally. The Group entities issue monthly invoices to the Company reflecting the net amount of Signing Bonus to which they are entitled when the tickets are booked. The Company decreases the deferred income by the same amount to reflect the part of the

Signing Bonus, which has been realised, thus recognising an income in its profit and loss account.
As at March 31, 2018, the deferred income amounts to EUR 19,967,407, compared with a deferred income of EUR 647,619,434 for LuxGEO in previous year.

12. NET TURNOVER

The caption Net turnover is composed of the following amounts:

	2018
	EUR
Income Amadeus	68,556,995
Income from affiliated undertakings	1,188,785
Expenses Amadeus	(1,100,590)
Total	**68,645,190**

Income and expenses in relation to Amadeus were previously lodged in LuxGEO S.à.r.l. Following the Merger, the contract has been transferred to the Company (Refer to **Note 5**).

For the previous financial year, the net turnover of LuxGEO S.à.r.l was composed of :

	2017
	EUR
Income Amadeus	61,731,694
Income from affiliated undertakings	7,514,372
Expenses Amadeus	(12,032,895)
Total	57,213,171

13. OTHER EXTERNAL EXPENSES

	2018	2017
	EUR	EUR
Legal fees	196,864	45,783
Office rental	26,690	28,857
Bank charges	118,711	59,724
Consulting fees	69,821	607,274
Audit, accounting and fiscal fees	254,145	130,846
IPO expenses	-	21,660
Management fees invoiced by Group entities	1,434,776	1,256,573
LTI expenses	-	50,575
Strategic review process fees *	2,723,919	-
Miscellaneous fees	342,763	136,809
Total	**5,167,689**	**2,338,101**

* The Group announced on November 2, 2017 the evaluation of various strategic options for eDreams ODIGEO, including a potential M&A transaction involving the Company shares, with the ultimate aim of maximizing value creation for the benefit of all its stakeholders.

The decision of review its options was prompted by unsolicited indications of interest from potential investors. The Board of Directors had appointed Morgan Stanley & Co. International plc as its financial advisor for the strategic review process.

13. OTHER EXTERNAL EXPENSES (cont)

The Group announced on March 8, 2018 the conclusion of its process. The potential investors have assigned a risk profile to the transformation that does not match the view of the Board, which is fully confident in the company's ability to execute the business plan. As a result, the Board determined unanimously that eDreams ODIGEO is best placed to maximize value creation for all stakeholders through continuing to execute on its business plan with Permira and Ardian as strong supporters of the company's strategy and performance.

14. OTHER OPERATING EXPENSES

	2018 EUR	2017 EUR
Non deductible VAT	215,694	41,697
Board Remuneration	284,004	188,354
Expenses linked to affiliated companies*	68,489,356	-
Others	860	-
Total	**68,989,914**	**230,051**

* These expenses correspond to the invoices issued by affiliated companies in relation with the Global agreement between the Company and the Seller (**note 11**). Prior year expenses were charged to LuxGEO Sàrl which has been merged to the Company in current year.

15. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 EUR	2017 EUR
Income/reinvoicing to the subsidiaries	1,150,526	1,012,945
Interest on loans to affiliated undertakings (**Note 4.2**)	34,226,838	18,538,450
Other financial income linked to the refinancing (**Note 4.2**)	-	22,825,056
Exchange gain	9,285	108,259
Other interest and similar financial income	300,399	-
Total	**35,687,048**	**42,484,710**

16. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	EUR	EUR

Interest on loan from Group entities (**Note 9**)	1,258,707	426,407
Interest on Senior Secured Notes (**Note 8**)	37,063,542	18,076,668
Exchange loss	-	51,878
Fees linked to Senior Secured Notes (refinancing) (**Note 8**)	-	15,480,886
Other financial expenses linked to the refinancing (**Note 8**)	-	8,273,700
Financing fees	1,725,210	263
Other	-	38
Total	**40,047,459**	**42,309,840**

16. INTEREST PAYABLE AND SIMILAR EXPENSES (cont)

Financing fees are mainly linked to the Group refinancing costs recharged by the Company to other Group entities, based on the financing allocated to them. Prior to the Merger, some of these costs used to be of recharged to Luxembourgish entities.

17. TAXES

The Company is subject to the general tax regulations applicable to all companies in Luxembourg.

18. STAFF

During the year, the Company employed a half-time person and has been assisted by staff providing contracted services in order for the Company to perform its corporate purpose.

19. AUDIT FEES

Audit fees are composed of:

	2018 EUR	2017 EUR
Year-end audit fees	122,500	76,000
Other services	-	496,581
Total	**122,500**	**572,581**

20. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

On September 12, 2016, the Extraordinary Shareholders Meeting, upon proposal from the Board of Directors, approved amendments to the Articles of Incorporation of the Company, necessary to execute a new LTIP (the 2016 LTIP) for Managers of the Group headed by the Company, to ensure that it continues to attract and retain high quality management and better align the interest of management and shareholders.

The new LTIP is split in half performance shares and half restricted stock units subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives.

The new LTIP will last for four years and will vest between August 2018 and February 2022 based on financial results. As at March 31, 2018 4,341,558 rights were granted under the 2016 LTIP.

eDreams ODIGEO

Luxembourg, June 20th 2018

eDreams ODIGEO Societé Anonyme
1, Boulevard de la Foire
L – 1528 Luxembourg
Grand Duchy of Luxembourg

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge that:

1. The Consolidated Financial Statements of eDreams ODIGEO as of March 31, 2018 presented in this Annual report and established in conformity with International Financial Reporting Standards as adopted in the European Union give a true and fair view of the assets, liabilities, financial position and results of eDreams ODIGEO and the undertakings included within the consolidation taken as a whole; and

2. The annual accounts of eDreams ODIGEO as of March 31, 2018 presented in this Annual Report and established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabilities, financial position and results of eDreams ODIGEO; and

3. The management report as of March 31, 2018 includes a fair view of the development and performance of the business and position of eDreams ODIGEO and the undertakings included within the consolidation taken as a whole, together with a description of the principal risk and uncertainties they face.

In representation of The Board of Directors

Philip Wolf	Chairman	....
Dana Dunne	CEO	....
David Elízaga	CFO	....

June 20th 2018

eDreams ODIGEO
Societé Anonyme
Registered office: 1, boulevard de la Foire, L-1528 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 159.036

ANNEX I

ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED STOCK

IDENTIFICATION DETAILS OF ISSUER

FISCAL YEAR ENDING	31/03/2018

TAX ID NUMBER	N0183514I

CORPORATE NAME
eDreams ODIGEO S.A.

REGISTERED OFFICES:
1, Boulevard de la Foire, L-1528 Luxembourg Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 159.036

A STRUCTURE OF OWNERSHIP

A.1 Please complete the following chart on the company's share capital:

Date last modification	Share Capital (€)	Number of shares	Number of voting rights
November,23st 2017	10,865,699	108.656.998 shares	108.656.998shares

Please indicate whether there are different classes of shares with different associated rights:

YES ◻ NO

A.2 Please detail the direct and indirect holders of significant stakes of your company as of the fiscal year closing date, excluding directors:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
LuxGoal Sàrl	32.011.388		29,46%
AXA LBO Fund IV	18.720.320		17,23 %

Please indicate the most significant movements in the shareholder structure occurring during the fiscal year:

Name or corporate name of shareholder	Date of transaction	Description of transaction

A.3 Please complete the following charts on the members of the company's board of directors who hold voting rights on the company's shares:

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
Dana Philip Dunne	1.100.504		1,01%
David Elizaga	423.014		0,39%
Robert Gray	10.000		0.01%

% of voting rights in the possession of the board of directors	1,41%

Please complete the following charts on the members of the company's board of directors who hold rights to the company's shares:

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights	Number of equivalent Shares	% of total voting rights
Dana Philip Dunne	1.100.504		1.100.504	1,01%
David Elizaga	423.014		423.014	0,39%

Robert Gray	10.000		10.000	0.01%

A.4 Please indicate, as the case may be, relations of a family, commercial, contractual or corporate nature that exist between the holders of significant stakes, to the extent known by the company, unless they are hardly relevant or derive from the ordinary course of business:

Name or corporate name relationships	Type of relationship	Brief description
N/a	N/a	N/a

A.5 Please indicate, as the case may be, relations of a commercial, contractual or corporate nature that exist between holders of significant stakes and the company and/or its group, unless they are hardly relevant or derive from the ordinary course of business:

Name or corporate name relationships	Type of relationship	Brief description
N/a	N/a	N/a

A.6 Please indicate whether the company has been notified of shareholders agreements that affect it according to the provisions of articles 530 and 531 of the Capital Corporations Act (Ley de Societies de Capital). As appropriate, please describe them briefly and list the shareholders bound by the agreement:

YES ☒ NO ☐

Parties involved	% of share capital affected	Brief Description
Ardian: - (AXA LBO Fund IV FCPR - AXA LBO Fund IV Supplementary FCPR - AXA Co-investment Fund III LP) **Permira:** - LuxGOAL 3, SÀRL **Javier Pérez-Tenessa de Block**	**46,69%**	There were no new significant shareholder agreements during the fiscal year ended 31st March 2018. The only shareholder agreement there has been is the original Agreement, prior to listing, dating back to 3rd April 2014. The original % of share capital affected was 53,4% (Ardian, Permira and included the founder Javier Perez Tenessa de Block) The % figure reported at the end of FY18 represents the percentage of outstanding stock held by the two Proprietary shareholders Ardian and Permira Funds. Major Shareholders entered into this relationship agreement to take account of the change in the capital structure and governance of the Company as a result of the IPO and to incorporate certain provisions as necessary in light of the change in status of the Company from a privately owned to a publicly traded company.

Please indicate whether the company is aware of the existence of actions arranged between its shareholders. As appropriate, please describe them briefly:

YES ☐ NO

Please expressly identify any amendments or interruptions to the above covenants, agreements or arranged actions during the fiscal year:

A.7 Please indicate whether there is a natural person or legal entity who exercises or can exercise control over the company in accordance with article 4 of the Securities Market Act (Ley del Mercado de Valores). As appropriate, please identify such natural person or legal entity:

YES ☐ NO

A.8 Please complete the following charts on the company's treasury stock: As of the fiscal year closing date:

Number of direct shares	Number of indirect shares (*)	total % of share capital
None	None	None

(*} through:

Name or corporate name of the direct holder of the stake	Number of direct shares
N/a	None
Total:	None

Please detail the significant variations, in accordance with the provisions of Royal Decree 1362/2007, made during the fiscal year:

Date of notice	Total direct shares acquired	Total indirect shares acquired	total % of share capital
N/a	N/a	N/a	N/a

A.9 Describe the terms and conditions and the duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase, or transfer own shares of the company:

[Art. 5 Articles of Association]

AUTHORISED CAPITAL

The authorized but unissued share capital is twenty million one hundred thirty-four thousand three hundred euro and twenty cents (20,134,300.20€) and the Board of Directors is authorized to increase the issued share capital of the Company up to thirty-one million euros (31,000,000€).

BOARD ISSUED SHARES

The Board of Directors is authorized to issue shares in one or more or several tranches up to the limit of the authorized capital from time to time subject to the following conditions:

a) Such authorization will expire on 12 September 2021;

b) It is permitted to limit or cancel the shareholders' preferential rights to subscribe for the Board Issued Shares and issue the Board Issued Shares to such persons and at such price, with or without a premium, and paid up by contribution in kind or for cash or by incorporation of claims or capitalization of reserves or in any other way allowed by the Law;

c) Issuances of Board Issued Shares may not in total exceed 50% of the total issued share capital, in accordance with the following limits:

i. They may in total represent up to 50% of the total issued share capital if the Board of Directors does not limit or cancel the shareholders' preferential rights;

ii. They may not in total exceed 20% of the total issued share capital if the Board of Directors limits or cancels the shareholders' preferential rights.

TRANSFER OF SHARES

All shares are issued in dematerialized form and are freely transferable by account-to-account transfers.

A.9.bis Estimated floating capital:

	%
Estimated floating capital	51,9

A. 10 Please indicate whether there is any restriction on the transferability of securities and/or any restriction to voting rights. In particular, please report the existence of any type of restrictions that may make difficult the taking of control of the company through the acquisition of its shares on the Market.

YES ☐ NO ☒

Description of the restrictions

A.11 Please indicate whether the general meeting has resolved to adopt neutralization measures against a public tender offer by virtue of the provisions of Law 6/2007.

YES ☐ NO ☒

As appropriate, please explain the measures approved and the terms in which the ineffectiveness of the restrictions will occur:

A.12 Please indicate whether the company has issued securities not traded on a regulated Community market.

YES ☐ NO ☒

As appropriate, please indicate the different classes of shares and, for each class of shares, the rights and obligations it grants.

B GENERAL MEETING

B.1 Please indicate and, as appropriate, detail, whether there are differences with the scheme of minimums provided by the Capital Corporations Act (Ley de Sociedades de Capital; LSC) with respect to the quorum for assembling the general meeting.

YES ☒ NO ☐

	% quorum other than as established by article 193 LSC for general cases	% quorum other than as established by article 194 LSC for special cases of article 194
Quorum required in 1st call	0%	50%
Quorum required in 2nd call	0%	0%

Description of the differences
For general cases: Art. 193 LSC requires a minimum quorum of 25% of the share capital to validly constitute a Shareholders meeting in 1st call, and below that for 2nd call, while the Company requires just representation of one Shareholder in both cases. **For special cases:** Art. 194 LSC requires a minimum quorum of 50% of the share capital to validly constitute a Shareholders meeting in 2nd call, while the Company does not require any minimum quorum, provided that (i) the 1st call was properly convened and (ii) the agenda for the reconvened meeting does not include any new item.

B.2 Please indicates and, as appropriate, detail, whether there are differences with the scheme provided by the Capital Corporations Act (Ley de Sociedades de Capital; LSC) for the adoption of corporate resolutions:

YES ☒ NO ☐

Please describe how it is different from the scheme provided by the LSC.

	Reinforced majority other than as established by article 201.2 LSC for cases of article 194.1 LSC	Other cases of reinforced majority
% established by the company for the adoption of resolutions	66%	N/A
Please describe the differences		
Art. 201.2 LSC requires an absolute majority to adopt a resolution affecting special cases in 1st call and, at least, the positive vote from 2/3 of the votes cast in 2nd call, while the Company requires the positive vote of 2/3 in both 1st and 2nd meetings.		

B.3 Please indicate the rules applicable to the amendment of the company's bylaws. In particular, please report the majorities provided for the amendment of the bylaws, as well as, if appropriate, the rules provided for the protection of the shareholders' rights in the amendment of the bylaws.

As per the Articles of Association, article 14.8.2, a Shareholders' Meeting convened to amend any provisions of the Articles of Association shall not validly deliberate unless at least one half of the capital is represented and the agenda indicates the proposed amendments to the Articles of Association. If the first of these conditions is not satisfied, a second meeting may be duly convened, provided that (i) the first Shareholders' Meeting was properly convened; and (ii) the agenda for the reconvened meeting does not include any new item. The second meeting shall validly deliberate regardless of the proportion of the capital represented. At both meetings, resolutions, in order to be adopted, must be carried by at least two-thirds of the votes cast.

B.4 Please indicate the attendance details at general meetings held in the fiscal year to which this report refers and those of the previous fiscal year:

	Attendance details				
Date of general meeting	% of physical presence	% by proxy	% distance voting		Total
			Electronic voting	Others	
23/07/2014	50,62%	0,33%	0%	0%	50,95%
22 July 2015	30,96%	28,03%	0%	0%	58,99%
20th July 2016	33,88%	8,57%	0%	18,02%	60,47%
12th September 2016	30,94%	0,32%	0%	26,16%	57,42%
28th July 2017	30,97%	1,25%	0%	27,98%	60,20%

B.5 Please indicate whether there is any statutory restriction that establishes a minimum number of shares necessary to attend the general meeting:

YES ☐ NO ☒

Number of shares necessary to attend the general meeting

There is no statutory restriction establishing a minimum number of shares.

B.6 Paragraph revoked

B.7 Please indicate the address of the company's website and form of access to information on corporate governance and other information on general meetings, which must be made available to shareholders through the Company's website.

Web address: http://www.edreamsodigeo.com/

Under the section "Investors/Corporate Governance" to access corporate information, including that referring to the Company's Corporate Governance and General Shareholders' Meeting.

C STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors contemplated in the Articles of Incorporation:

Maximum number of directors	15
Minimum number of directors	5

C.1.2 Please complete the following chart with the board members:

Name or corporate name of director	Director Category	Position on the board	Date first appointment	Date last appointment	Election procedure
Philip Clay Wolf	Independent	Chair	18th of March, 2014	28th July 2017	Voting at Shareholders' Meeting
Robert Apsey Gray	Independent	Vice Chair	18th of March, 2014	28th July 2017	Voting at Shareholders' Meeting
Dana Philip Dunne	Executive	CEO	23rd of January, 2015	7th March 2018	Board of Directors
David Elizaga Corrales	Executive	Director	22nd of July, 2015	7th March 2018	Board of Directors
Philippe Michel Poletti	Proprietary	Director	18th of March, 2014	28th July 2017	Voting at Shareholders' Meeting
Lise Fauconnier	Proprietary	Director	18th of March, 2014	28th July 2017	Voting at Shareholders' Meeting
Benoit Vauchy	Proprietary	Director	18th of March, 2014	28th July 2017	Voting at Shareholders' Meeting
Amanda Wills	Independent	Director	22nd of July, 2015	7th March 2018	Board of Directors
Pedro Lopez de Guzman	Proprietary	Director	28th July 2017		Voting at Shareholders' Meeting

Number of directors	9

Please indicate removals taking place on the board of directors during the period subject to information:

Name or corporate name of director	Status of director at the time of removal	Date of removal
Carlos Mallo	Proprietary Director (Permira)	20th June 2017

C.1.3 Please complete the following charts on the board members and their status:

EXECUTIVE DIRECTORS

Name or corporate name of director	Position on the company's organization chart
Dana Philip Dunne	CEO

David Elizaga Corrales	CFO

Total number of executive directors	2
% of total board	22,2%

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder the director represents or who proposed the director's appointment
Philippe Poletti	AXA LBO FUND IV
Lise Fauconnier	AXA LBO FUND IV
Benoit Vauchy	LUXGOAL 3 SARL
Pedro López	LUXGOAL 3 SARL

Total number of proprietary directors	4
% of total board	44,4%

EXTERNAL INDEPENDENT DIRECTORS

Name of member: Philip Clay Wolf
Profile:
Mr. Wolf, globally renowned travel guru, is the retired Chair of PhoCusWright Inc., an independent travel, tourism and hospitality research firm specializing in the impact of technology and innovation on the world's third largest industry. The pioneer of Travel 2.0, he founded PhoCusWright in 1994 and grew the firm into the research authority on how travellers, suppliers and intermediaries connect. He is the architect of the annually acclaimed PhoCusWright Conference; the event's provocative Center Stage themes are relied upon as industry bellwethers, quickly becoming accepted wisdom each year. He is a magna cum laude graduate of Duke University and holds an MBA from Vanderbilt University. In addition to eDreams ODIGEO, he serves as board director for companies on two continents:

- USA: Hopper (hopper.com)
- Germany: TrustYou (trustyou.com) and Blacklane (blacklane.com)

Mr. Wolf was appointed for the first time as Independent Director by the Shareholders Meeting held on 8th April 2014, and subsequently re-appointed for a period of three years by the Board during a meeting held on 14th of March 2017. His appointment was ratified by the shareholders of the Company in the Shareholders' General Meeting held on the 28th July 2017.

Name of member: Robert Apsey Gray
Profile:
Mr. Gray was Chief Executive Officer of PR Newswire, the global leader in innovative communications and marketing services until July 2016. From 2009-2015 he was Executive Director and CFO of UBM plc, a U.K. B2B media group listed on the London Stock Exchange. Before joining UBM's Board in 2009, he was CFO of Codere S.A. Previously he served in a number of investment banking roles with J.P. Morgan & Co. and Deutsche Bank. Mr. Gray is a graduate of Dartmouth College (BA) and Harvard Business School (MBA).

As at 31st of March 2018, Mr. Gray held 10.000 eDreams Odigeo shares.

Mr. Gray was appointed as Independent Director for the first time by the Shareholders Meeting held on 8th April 2014, and subsequently re-elected for a period of three (3) financial years, expiring on 31st March 2020, by the shareholders of the Company in the Shareholders' General Meeting held on 28th July 2017.

Name of member: Amanda Wills
Profile:
Ms Wills is an award winning and highly respected UK travel industry executive. Starting her tourism career at Airtours PLC, where she became the first woman appointed to the Board of the United Kingdom Leisure group, she subsequently spent over 13 years as Managing Director of the Virgin Holidays Group joining in September 2001. During this time under her leadership the company experienced exponential growth in both revenues and profit and became the market leader in long haul holidays. Her guidance led to an introduction of industry firsts in both products and services with an acquisition led strategy that penetrated new markets both in the UK and USA. During her tenure as Managing Director Virgin Holidays won many industry accolades.

Ms Wills was recognized and honoured in the UK for her commitment to charity work and was awarded as Commander of the Order of the British Empire (CBE) by the Queen in 2014.

Ms Wills is also a Non-executive director of:

- Urbanologie Global Limited, a UK travel lifestyle website
- AirPartner Global Limited, a private jet charter and consultancy business

Ms. Wills was appointed for the first time as Independent Director by the Board of Directors on the 22th July, 2015 for a period of three years and ratified by the Shareholders, in the meeting held on the 20th July, 2016. Ms. Wills was subsequently re-appointed for a period of three years by the Board during a meeting held on 7th of March 2018. Her appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held in September 2018.

	3
% of total board	33,3

Please indicate whether any director classified as independent receives from the company, or from its group, any sum or benefit for a concept other than the director's remuneration, or maintains or has maintained, during the last fiscal year, a business relationship with the company or with any company belonging to its group, whether in the director's own name or as a significant shareholder, director or senior executive of an entity that maintains or has maintained said relationship.

As appropriate, please include a motivated declaration of the board on the reasons why it considers that said director can perform his or her duties as an independent director.

Name or corporate name of director	Description of the relationship	Motivated declaration
-	-	-

OTHER EXTERNAL DIRECTORS

Please identify the other external directors and detail the reasons why they cannot be considered as proprietary or independent directors and their relationships, whether with the company or its executives, or its shareholders:

Name or corporate name of director	Committee reporting or proposing the director's nomination
	-
	-

Total number of other external directors	-
% of total board	-

Please indicate the variations which as the case may be, have occurred during the period in the typology of each director:

None

C.1.4 Please complete the following chart with the information relating to the number of female directors during the last four fiscal years, as well as the status of such female directors:

	Number of female directors				% of all directors of each type			
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2018	FY 2017	FY 2016	FY 2015
Executive	0	0	0	0	0	0	0	0
Proprietary	1	1	1	1	25,00 %	25,00 %	25,00 %	25,00 %
Independent	1	1	1	0	33,33%	33,33%	33,33%	0%
Other external female directors	0	0	0	0	0	0	0	0
Total	2	2	2	1	22,22 %	22,22 %	22,22 %	12,50 %

C.1.5 Please explain the measures which, as appropriate, have been adopted to procure including on the board of directors a number of women which allows achieving a balanced presence of women and men.

Explanation of measures

The Company's Director Selection Policy, establishes that each Director Selection Process will start with an analysis of the Board's needs, bearing in mind several factors, among others, the diversity of the board, in particular, but not restricted to, diversity of gender.

The Company's Director Selection Policy, entrusts the Remuneration and Nomination Committee with the duty to ensure that when new director vacancies arise, the selection procedures are free from bias and discrimination and do not in any way hinder the selection of female directors. The Director Selection Policy shall endeavour to ensure that whenever a vacancy occurs in the Board of Directors, and the selection process begins, at least one woman candidate will take part, without prejudice to the principles of merit and ability. In this regard, the Director Selection Policy shall promote the objective of having female directors for at least 30% of the total number of Board members by 2020.

The profile of the current Board members, men and women, responds to the needs of the Company, without any explicit or implicit obstacles having been placed on the selection of female directors.

The Board proactively supports increasing the number of females on the Board, when choosing between male and female candidates with the same skill and professional quality in order to achieve a more balanced representation in the Board.

On 22nd July 2015, the Board of Directors appointed Ms. Amanda Wills as independent director on an interim basis to fill a vacancy; such appointment was ratified by the shareholders at the General Shareholders' Meeting held on 20th July 2016, where the shareholders also approved her re-election for a three-year period. As per 1st April 2017, Ms. Amanda Wills was appointed as Chair of the Remuneration and Nomination Committee, a position she has held continuously to the present date.

C.1.6 Please explain the measures to which, as the case may be, the appointments committee has agreed in order for the selection procedures not to suffer implicit impairments, which place an obstacle on the selection of female directors and on the company deliberately searching for and including among potential candidates, women who meet the professional profile sought:

Explanation of measures

eDreams ODIGEO has approved a Director Selection Policy to ensure that proposals for appointment or re-election of Directors are based on a prior analysis of the needs of the Company's Board of Directors, that they foster a diversity of knowledge, experience and gender, and are free from any implicit bias entailing any kind of discrimination. In particular, the candidates must be respectable and qualified persons, widely recognized for their expertise, competence, experience, qualifications, training, availability, and commitment to their duties. They must be irreproachable professionals with a personal and professional track record of respect for the laws and good business practices, and whose professional conduct and background are aligned with the principles set forth in the Business Code of Conduct and with the mission, vision, and values of the Group.
Efforts should also be made to ensure that there is an appropriate balance on the Board of Directors that enriches decision-making and encourages plural viewpoints on the discussion of matters within its purview.

The Board has entrusted to the Remuneration and Nomination Committee the responsibility of ensuring that the aforementioned criteria are applied in the selection of new directors.

When despite the measures which, as the case may be, have been adopted, the number of female directors is scarce or nil, please explain the reasons that justify this:

Explanation of measures
Not applicable

C.1.6bis Please explain the conclusions of the Nominations Committee regarding verification of compliance with the director appointment policy and, in particular, describe how this policy promotes the objective of having a female representation of at least 30% of the Board of Directors by 2020.

The Policy seeks diversity of knowledge, experience, origin, nationality, and gender within the Board of Directors. The selection process shall promote a search for candidates with knowledge and experience in the main countries and sectors in which the Group does or will do business.

The Board, and Remuneration and Nomination Committee proactively support increasing the number of females on the Board, when choosing between male and female candidates with the same skill and professional qualities, in order to achieve a more balanced representation in the Board.

C.1.7 Please explain the form of representation on the board of shareholders holding significant stakes.

The Company has two significant Shareholders; Ardian Group (AXA Funds) and Permira Group (LuxGoal 3).

Articles 10.8.1 & 10.8.2 of the Articles detail how these significant Shareholders' shall be represented on the Board:

Article 10.8.1: Two (2) Directors shall be appointed from among candidates put forward by LuxGoal 3 S.a.r.l (LuxGoal 3) and/or its Affiliates, as the case may be, (the "LuxGoal 3 Group") as long as the LuxGoal 3 Group holds at least 17,5% of the Shares issued by the Company; if LuxGoal 3 Group ´s shareholding in the Company falls below 17,5% of the share Capital, then only one (1) Director shall be appointed from among candidates put forward by the LuxGoal 3 Group. For the avoidance of doubt, if the LuxGoal 3 Group´s shareholding in the Company falls below 7,5%, it will have no specific entitlement for its candidates to be appointed as Directors whether or not its shareholding later increases such that it exceeds 7,5% of the share capital. If LuxGoal 3 Group´s shareholding in the Company falls below 17,5%, the LuxGoal 3 Group shall ensure that one of the Directors appointed from a list of candidates put forward by it shall immediately resign. If the shareholding of the LuxGoal 3 Group in the Company falls below 7,5%, the LuxGoal 3 Group shall ensure that the other Director appointed from a list of candidates put forward by it shall immediately resign. The Board of Directors shall appoint a new independent Director as a replacement for this resigning Director. This replacement Director shall be selected and appointed by the Board of Directors as soon as possible following the resignation of the relevant Director and in accordance with the Articles.

Article 10.8.2: Two (2) Directors shall be appointed from among candidates put forward by AXA LBO Fund IV, AXA LBO Fund IV Supplementary and AXA CO-investment III LP and/or its Affiliates, as the case may be, (the "Ardian Group") as long as the Ardian Group holds at least 17,5% of the Shares issued by the Company; if the Ardian Group ´s shareholding in the Company falls below 17,5% of the share Capital, but remains above 7,5% of the share capital then only one (1) Director shall be appointed from among candidates put forward by the Ardian Group. For the avoidance of doubt, if the Ardian Group´s shareholding in the Company falls below 7,5%, it will have no specific entitlement for its candidates to be appointed as Directors whether or not its shareholding later increases to the extent that it exceeds 7,5% of the share capital. If following the initial public offering of the Shares in the Company and as a result of the disposal of any Shares by Ardian other than in such an initial public offering (including any over-allotment option Shares), the Ardian Group´s shareholding in the Company is below 17,5%, the Ardian Group shall ensure that one of the Directors appointed from a list of candidates put forward by it shall immediately resign. If the shareholding of the Ardian Group in the Company falls below 7,5%, the Ardian Group shall ensure that the other Director appointed from a list of candidates put forward by it shall immediately resign. The Board of Directors shall appoint a new independent Director as a replacement for this resigning Director. This replacement Director shall be selected and appointed by the Board of Directors as soon as possible following the resignation of the relevant Director and in accordance with the Articles.

C.1.8 Please explain, as the case may be, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholder stake is less than 3% of the capital:

No

Please indicate whether formal requests for presence on the board coming from shareholders whose shareholder stake is greater than or equal to that of others who have been appointed as proprietary directors at their request have not been filled. As appropriate, please explain the reasons why they were not filled:

Name or corporate name of Shareholder	Explanation
NA	NA

C.1.9 Please indicate whether any director has left his or her position prior to completing the director's mandate, whether he or she has explained the reasons to the board and through what means and, in the event he or she has done so in writing to the entire board, please explain below at least the reasons he or she has given:

Name or Corporate name of Shareholder: Carlos Mallo

Reason for departure
Mr. Carlos Mallo presented his resignation letter on 7th of June 2017. He formally notified the Board of Directors of his resignation as non-executive Proprietary Director and member of the Board of eDreams ODIGEO, S.A. (the "Company"). He was initially appointed on the 18th of March, 2014, and subsequently re-elected on the 14th of March, 2017. He stated that his resignation was exclusively due to personal reasons. It became effective on the 20th of June 2017.

C.1.10 Please indicate, if any, the powers delegated to the chief executive officer(s):

Name	Brief description
Dana Philip Dunne	The Board of Directors delegated to the CEO, in the Board of Directors Meeting held on 2nd April 2014, the following powers as permitted by the law and the bylaws: 1. The sale or purchase of a business in cash either through an asset or share transaction, with a value, per transaction, not greater than EUR 2,500,000 and with a maximum total amount of EUR 5,000,000 per year 2. Entering into any partnership or joint venture transactions (i) not included in the Group's annual budget but not likely to generate net costs in excess of EUR 6,000,000; or (ii) not included in the Group's annual budget but expected to generate more revenue than cost, the difference not surpassing EUR 6,000,000, and in the case of (i) and (ii) such amounts not exceeding 2.5% of Group revenue for the immediately preceding financial year. 3. Concluding agreements for or amendment of agreements in the ordinary course of business relating to ad hoc borrowings in an amount not greater than EUR 5,000,000 per financial year. 4. The granting of any charge, pledge, guarantee or any other security of any type if (i)(a) carried out in the ordinary course of business and (b) the value of assets so encumbered or charged is not greater than EUR 5,000,000 per financial year and (ii) that are permitted by the financing agreements entered into by any Group Company. 5. The drawing down by one or more Group companies of loans under any existing Group or standalone credit facilities granted by external lenders. 6. The conclusion, amendment or termination of any agreement in the ordinary course of business, that will or is reasonably likely to generate total expenditure by the Group companies of an amount not greater than 5% of the yearly revenue target for the Group. 7. The commencement of any judicial, regulatory or arbitration proceedings of any kind or the conclusion of any settlement agreement as defendant or plaintiff, and in which the amount at stake does not exceed EUR 2,000,000. 8. The recruitment, hiring and the removal or termination of individual employees of any of Group company (including any manager), with the exception of the Group's CFO and the company secretary, unless a series of removals or terminations affecting a large group of employees is to be carried out in connection with a general reorganisation (including a disposal of) of the Group's business activities. 9. The fixing of the individual remuneration and other benefits of any employee (including any manager) and the increase or decrease of such remuneration and other benefits, at all times in accordance with the relevant budget and general remuneration policy approved by the Board of Directors from time to time. 10. Approval of payments made to and receipt of payments from third parties in the ordinary course of business of the Group companies.

C.1.11 Please identify, as the case may be, the board members who assume positions of directors or officers at other companies that form part of the group of the listed company:

Name or corporate name of the Director	Corporate name of the entity of the group	Position	Executive Duties

Mr. Dana Philip Dunne	eDreams Odigeo SA	Director, CEO, Daily Manager	Yes
Mr. Dana Philip Dunne	Opodo Ltd	Director	Yes
Mr. Dana Philip Dunne	Opodo SL	Director	Yes
Mr. Dana Philip Dunne	Opodo GmbH	Sole Director	Yes
Mr. Dana Philip Dunne	eDreams Business Travel SL	Director	Yes
Mr. Dana Philip Dunne	eDreams Corporate Travel Srl	Sole Director	Yes
Mr. Dana Philip Dunne	Traveltising, S.A	Director	Yes
Mr. Dana Philip Dunne	GEO Travel Ventures SA	Director	Yes
Mr. Dana Philip Dunne	GEO Travel Pacific Pty Ltd	Director	Yes
Mr. Dana Philip Dunne	Go Voyages SAS	President	Yes
Mr. Dana Philip Dunne	Go Voyages Trade SAS	President	Yes
Mr. Dana Philip Dunne	Travellink AB	Director	Yes
Mr. Dana Philip Dunne	Liligo Metasearch Technologies SAS	President	Yes
Mr. Dana Philip Dunne	Opodo Italia Srl	Sole Director	Yes
Mr. Dana Philip Dunne	eDreams Inc	Director	Yes
Mr. Dana Philip Dunne	eDreams Ltd	Director	Yes
Mr. Dana Philip Dunne	Vacaciones eDreams, SL	Legal Representative of the Sole Director	Yes
Mr. Dana Philip Dunne	eDreams International Network, SL	Sole Director	Yes
Mr. Dana Philip Dunne	eDreams LLC	Director, President	Yes
Mr. Dana Philip Dunne	Viagens eDreams Portugal - Agência de Viagens LDA	Director	Yes
Mr. Dana Philip Dunne	eDreams Srl	Sole Director	Yes
Mr. Dana Philip Dunne	Tierrabella Invest SL	Director	Yes
Mr. Dana Philip Dunne	Engrande SL	Director	Yes
Mr. David Elizaga Corrales	eDreams Odigeo SA	Director	Yes
Mr. David Elizaga Corrales	Opodo Ltd	Director	Yes
Mr. David Elizaga Corrales	Opodo SL	Director	Yes
Mr. David Elizaga Corrales	eDreams Business Travel SL	Director	Yes
Mr. David Elizaga Corrales	GEO Travel Ventures SA	Director	Yes
Mr. David Elizaga Corrales	GEO Travel Pacific Pty Ltd	Director	Yes
Mr. David Elizaga Corrales	Travellink AB	Director	Yes
Mr. David Elizaga Corrales	eDreams Inc	Director	Yes
Mr. David Elizaga Corrales	eDreams Ltd	Director	Yes
Mr. David Elizaga Corrales	eDreams LLC	Director, Secretary	Yes
Mr. David Elizaga Corrales	Viagens eDreams Portugal - Agência de Viagens LDA	Director	Yes
Mr. David Elizaga Corrales	Tierrabella Invest SL	Director	Yes
Mr. David Elizaga Corrales	Engrande SL	Director	Yes
Mr. David Elizaga Corrales	Liligo Metasearch Technologies SAS	General Manager	Yes
Mr. David Elizaga Corrales	ODIGEO Hungary Kft	Director	Yes

C.1.12 Please detail, as the case may be, the directors of your company who are members of the board of directors of other companies listed on official securities markets different from your group, which have been reported to the company:

Name or corporate name of the Director	Corporate name of the listed company	Position
Lise Fauconnier	Linedata Services	Board member
Amanda Wills	AirPartner Global	Board Member

C.1.13 Please indicate and, as appropriate, explain, whether the company has established rules on the number of boards of which its directors may form part:

The Internal Rules of Procedure of the Board of Directors, articles 6.3 and 6.6 require that each Director shall inform the Board of Directors of any other boards on which the said Director holds a position, and the Director shall ensure that he/she devotes sufficient time and effort to perform his/her duties in respect of the Company efficiently.
Side-line activities, such as Board of Directors mandates outside the Company and Group, require the approval of the Board of Directors.

The Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

The Chief Executive Officer has a clause that restricts his participation as a Non-Executive Director to one Board of Directors.

During FY18 none of our Directors exceeded the aforementioned guidelines

C.1.14 Paragraph revoked

C.1.15 Please indicate the global remuneration of the board of directors:

Remuneration of the board of directors (thousands of euros)	**4.159**
Amount of global remuneration referring to rights accumulated by the directors for pensions (thousands of euros)	**0**
Global remuneration of the board of directors (thousands of euros)	**4.159**

C.1.16 Please identify the members of senior management who are not, in turn, executive directors, and indicate the total remuneration accruing in their favour during the fiscal year:

Name or corporate name	Position(s)
Carsten Bernhard	Chief Technology Officer
Gerrit Goedkoop	Chief Operating Officer and Chief Customer Service Officer
Blandine Kouyaté	Former Chief People Officer (From 1st April 2017 to September 2017)
Elena Koefman	Chief People Officer (From September 2017 to 31st March 2018)
Marcos Guerrero	Chief Retail & Product Officer
Juanjo Durán	Chief Marketing Officer (From September 2017 to 31st March 2018)

Jerome Laurent	Former Chief Marketing Officer (From 1st April 2017 to September 2017)
Andreas Adrian	Chief Trading Officer
Quentin Bacholle	Chief Vacation Products Officer & Country Director France
Guillaume Teissonniere	Group Legal Counsel
Daniel Francis	Head of Internal Audit

Total remuneration of senior management (in thousands of euros): 4.089

C.1.17 Please indicate, as the case may be, the identity of the board members who are, in turn, members of the board of directors of companies of significant shareholders and/or at entities of their group:

Name or corporate name of Director	Corporate name of significant shareholder	Position
Philippe Michel Poletti	Ardian & Ardian France	Member of the Board of Directors
Benoit Vauchy	Permira Holding & Vacalians Holding	Member of the Board of Directors

Please detail, as the case may be, the relevant relationships other than those contemplated in the above heading, of the members of the board of directors that link them to the significant shareholders and/or entities of your group:

Name or corporate name of the related director	Corporate name of the significant shareholder	Description of relationship
N/a	N/a	N/a
N/a	N/a	N/a

C.1.18 Please indicate whether any amendment to the board regulation has occurred during the fiscal year:

YES ☐ NO X

C.1.19 Please indicate the selection, appointment, re-election, evaluation and removal procedures for directors. Please detail the competent bodies, the formalities to be followed and the criteria to be employed in each one of the procedures.

In accordance with the provisions of the Articles of Association, the Internal Rules of Procedure of the Board of Directors and the Luxembourg Law, the members of the Board of Directors shall be appointed by the Shareholders' Meeting:

Selection:

The Remuneration and Nomination Committee, applying the Director Selection Policy, is responsible for (i) evaluating the skills, expertise and experience necessary in the Board of Directors to define, consequently, the functions and abilities needed in candidates who are to fill each vacancy, and to evaluate the time and dedication necessary in order for them to perform their duties; and of (ii) to safeguard that, when filling new vacancies, the selection procedure does not suffer from implicit biases that might hinder the selection of female Directors, and takes into account the company´s strategic and operational objectives.

Appointment

Each Director shall be appointed by a Shareholders' Meeting for a term of three (3) Financial Years of the Company, subject to possible renewal, by simple majority of the Shareholders' present or represented at such General Meeting.

The type of Director shall be explained by the Board of Directors before the Shareholders' Meeting deciding on, finalising or ratifying the appointment of such Director. Similarly, on an annual basis and upon verification by the Remuneration and Nomination Committee, the Board of Directors will confirm or, if applicable, review the nature of each position.

The nomination and appointment procedure shall be as follows:

- Executive Directors are appointed by the Shareholders' Meeting. Considered as Executive Directors are the CEO and other Directors who, under any title, carry out management roles as officers within the Company or in companies under the control thereof.

- Proprietary Directors are those who have been appointed by the Shareholders' Meeting upon the nomination of a specific Shareholder, or as otherwise defined in the Spanish Corporate Governance regulations, as may be amended from time to time. Those directors shall be appointed from among candidates put forward by AXA LBO and LuxGoal 3. Proprietary Directors who lose this status as a consequence of the sale of its stake holding by the shareholder they represented shall immediately resign. The Board of Directors shall appoint a new Independent Director as a replacement for this resigning Director. The replacement Director shall be selected and appointed by the Board of Directors.

- Independent Directors shall be appointed by the Shareholders' Meeting, after approval by the Board of Directors, upon proposal of the Remuneration and Nomination Committee. The Chair of the Board of Directors shall be entitled to propose to the Remuneration and Nomination Committee candidates for independent directorships provided that the Remuneration and Nomination Committee may concurrently, independently search for and consider alternative candidates for such a position, in addition to those proposed by the Chair of the Board of Directors. To evaluate the aforementioned status of independence, the Board of Directors will follow the applicable law and current corporate governance recommendations and practices, as well as any other relevant criteria.

- Other external Directors are non-executive Directors who, in conformity with the provisions of this article, cannot be considered as being either proprietary or independent Directors.

Re-election

A Director may be re-elected.

Independent Directors shall only be re-elected to the extent that the aggregate time served by them (i.e., taking into account, for the avoidance of doubt, the sum of the time served by the independent Directors for each of his/her terms as an independent Director) does not exceed a period of twelve (12) consecutive Financial Years.

Removal

A Director may be removed from office at any time by the Shareholders' Meeting. However, the Board of Directors shall not propose the removal of any independent Director prior to the expiration of the term for which he/she appointed, except where good cause is found by the Board and, if any, upon a prior recommendation of the Remuneration and Nomination Committee.

Any Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to his or her behaviour.

Directors who voluntarily give up their place before their tenure expires shall explain the reasons to the Board of Directors.

In the event that a Director appointed in the Shareholders' Meeting ceases to be a Director for any reason, the remaining Directors may fill the vacancy; a Director so appointed will hold office only until the conclusion of the next Shareholder´s Meeting, unless the appointment is confirmed by the Shareholders at the Shareholders' Meeting. Directors so appointed will have the same powers as other Directors appointed by the Shareholders' Meeting.

Evaluation

The Board of Directors must undertake an annual evaluation to assess the overall and individual performance and effectiveness of the Board and its Committees, including consideration of the balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness and shall adopt appropriate measures for the improvement thereof. The evaluation process will also take into consideration the Board Succession Plans.

The results of the evaluation shall be recorded in the minutes of the meeting or included therein as an attachment. Any recommendations for improvement arising from the evaluation exercise will be formalized in an action plan.

Every three years, the Board of Directors shall be assisted in performing the evaluation by an external consultant, the independence of which shall be verified by the Remuneration and Nomination Committee.

C.1.20 Please indicate whether the board of directors has performed an evaluation of its activity during the fiscal year:

YES ☒ NO ☐

Please explain to what extent the annual evaluation of the Board has led to significant changes in its internal organization and on the procedures applicable to its activities:

The annual self-evaluation of the Board of Directors, its Committees and the CEO performance, was performed during the fourth quarter of the fiscal year ended March 2018. The results of this evaluation will be reviewed by the Board in the September 2018 Board meeting, and as a result actions will be taken to improve the Board´s efficiency and effectiveness.

The previous self-evaluation of the Board of Directors (performed on an annual basis) did not lead to significant changes in its internal organization, or to the procedures applicable to its activities. However, some measures were defined in order to improve its efficiency and effectiveness (agenda, timeliness of delivery of support documentation, and training on specific key topics).

C.1.20.bis Please describe the evaluation process undergone by the Board of Directors and the areas assessed, with the assistance of an external consultant, as regards the diversity of its composition and competencies, operation and composition of its committees, performance of the Chair of the Board of Directors and of the chief executive of the company and the performance and contribution of each director.

The annual self-evaluation of the Board of Directors, its Committees, performance of the Chair of the Board of Directors and of the chief executive of the company and the performance and contribution of each director was performed during the fourth quarter of the fiscal year ended March 2018. It was performed internally via questionnaire. External advisors were not engaged.

The process is designed to assess the overall and individual performance and effectiveness of the Board and its Committees. It takes into consideration the balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness.

The areas of evaluation included:

- Board's Overall Role and Responsibilities:
    - Whether the Board of Directors has addressed the appropriate issues to duly fulfil its aims, and in particular: (i) have clear responsibilities and authority ; (ii) understand the organization's mission and its products / programs; (iii) strategy; (iv) Board Plans (v) significant transactions and fundraising.

- Board's Relationship with Executive Directors
    - Whether the Board of Directors in relation with its Executive Directors: (i) have good two-way communication; (ii) policies providing good directions on business and (iii) and are evaluated primarily on the accomplishment of the organization's strategic goals

- Board's Formal Structures and Operating Processes
    - Whether the Board Committees (i) are those that should reasonably exist taking into account the characteristics of the group; (ii) and have clear responsibilities and authority

- Composition of the Board and Development of Board Members
    - Whether the Board Structure is: (i) sufficient taking into account the number of members of each category; (ii) Board members have necessary skills, stakeholders and diversity; (iii) the Company has a clear recruitment strategy, selection policy and procedures and (iv) Board Members receive training on key trade related subjects

- Board Meetings
    - Whether the Board of Directors and Board Committees have met with the appropriate frequency, information has been received sufficiently in advance, and matters have been debated with reasonable dedication.

- Performance of Individual Board Members
    - Whether the Board Members are fully capable of performing their roles and responsibilities.

- Feedback to the Chair of the Board
    - Whether the Chair of the Board has carried out his responsibilities adequately.

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Every three years, the Board of Directors shall be assisted in performing the evaluation by an external consultant, the independence of which shall be verified by the Remuneration and Nomination Committee. For the upcoming fiscal year an external consultant will be engaged for the first time.

C.1.20.ter Provide a breakdown, as applicable, of the business relationships between the consultant or any company of its group and the company or any other group company.

N/A

C.1.21 State the circumstances under which the resignation of directors is mandatory:

According to the Articles of Association, articles 10.9 and 10.10, a Director may be removed from office at any time by the Shareholders' Meeting. However, the Board of Directors shall not propose the removal of any independent Director prior to the expiration of the term for which he/her was appointed, except where good cause is found by the Board and, if any, upon a prior recommendation of the Remuneration and Nomination Committee.

Any Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to his/her behaviour.

C.1.22 Paragraph revoked

C.1.23 Are reinforced majorities, other than those provided by law, required in any type of decision?

YES ☐ NO ☒

As appropriate, please describe the differences. Explanation of differences

C.1.24 Please explain whether specific requisites exist, other than those relating to directors, to be appointed Chair of the board of directors.

YES ☐ NO ☒

Explanation of requisites

C.1.25 Please indicate whether the Chair has a tie-breaking vote:

YES ☒ NO ☐

Matters in which a tie-breaking vote exists

As set forth in article 13.4 of the Articles of Association, "all resolutions of the Board of Directors shall require the approval of a simple majority of the Directors present or duly represented at the Board of Directors meeting. In the case of an equality of votes, the Chair shall cast the deciding vote".

C.1.26 Please indicate whether the bylaws or the board regulation establish any limit to the age of directors:

YES ☐ NO ☒

C.1.27 Please indicate whether the bylaws or board regulation establish a limited mandate for independent directors, other than as established by the regulations:

YES ☐ NO ☒

C.1.28 Please indicate whether the bylaws or the board of directors regulation establish specific rules for delegating voting to the board of directors, the way of doing so and, in particular, the maximum number of delegations a director may have, as well as whether the obligation to delegate to a director of the same type has been established. As appropriate, please detail such rules briefly.

Voting by proxy is regulated in the Articles of Association and the Internal Rules of Procedure of the Board of Directors.

A Director may, pursuant to article 13.3 of the Articles of Association, appoint any other Director (but not any other person) to act as his representative (a "Director's Representative") at a Board Meeting to attend, deliberate, vote and perform all his functions on his behalf at that Board Meeting. A Director can act as representative for more than one other Director at a Board Meeting provided that (without prejudice to any quorum requirements) at least a simple majority of the total number of Directors of the Company at the time are physically present at a Board Meeting held in person or participate in person in a Board Meeting. In any case, Directors' absences shall be limited to unavoidable cases and when there is no choice but to grant a proxy to a Director's Representative, it shall be granted with instructions.

Pursuant to article 7.10 of the Internal Rules of Procedure of the Board of Directors, a Director or his Director's Representative may validly participate in a Board Meeting through the medium of videoconferencing equipment or telecommunication means, except for those meetings where the Board of Directors must resolve on either the convening of the General Shareholders Meeting, the approval of the annual accounts or approval of the annual budget, in which case Directors must attend the meeting in person.

C.1.29 Please indicate the number meetings the Board of Directors has held during the fiscal year. Furthermore, please point out, as appropriate, the times the board has met without the attendance of its Chair. Please consider in the computation of attendances proxies given with specific instructions.

Number of board meetings	10
Number of board meetings not attended by the chairman	0

In case the Chair is an executive director, please detail the number of meetings held where any executive director was present nor represented and chaired by the lead independent director.

N/A

Please indicate the number of meetings the various board committees have held during the fiscal year:

Number of meetings of the audit committee	4
Number of meetings of the nominations and remuneration committee	2

C.1.30 Please indicate the number of meetings held by the Board of Directors during the fiscal year attended by all of its members. In the computation, please consider attendance by proxies given with specific instructions:

Attendance by directors	10
% of attendance vs. total votes during the fiscal year	100%

C.1.31 Please indicate whether the individual and consolidated annual financial statements presented to the board for approval are previously certified:

YES ☒ NO ☐

Please identify, as appropriate, the person(s) certifying the individual and consolidated annual financial statements of the company, for drawing up by the board:

Name	Position
Dana Philip Dunne	CEO
David Elizaga	Chief Financial Officer

C.1.32 Please explain, if any, the mechanisms established by the Board of Directors to avoid that the individual and consolidated financial statements drawn up by the board are presented at the general meeting with exceptions in the auditors' report.

The Audit Committee is the body entrusted with addressing these matters, in such a manner that prior to forwarding the financial statements to the Board of Directors for drawing up and subsequent submission to the General Shareholders' Meeting, the prior resolution of said Committee is required.

According to the Audit Committee Terms of Reference, Article 6 and 7, the Committee shall have the following responsibilities in relation to the preparation of economic and financial information:

- Evaluate the results of each external audit as well as the management team's responses to the recommendations made therein.

- Oversee the integrity of the financial information that the ODIGEO Group must make public due to its status as a listed company.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

No exceptions have been raised by the external auditors in the years that eDreams ODIGEO has presented financial statements as a listed company.

C.1.33.Does the secretary of the board holds the status of director?

YES ☐ NO x

If the secretary is not a member of the Board, please complete the following table.

Name or corporate name of the secretary	Representative
Guillaume Teissonniere	

C.1.34 **Paragraph revoked**

C.1.35 Please indicate, if any, the mechanisms established by the company to preserve the independence of the external auditors, the financial analysts, investment banks and rating agencies.

It is the task of the Audit Committee to liaise with the external auditors in order to receive information on matters which may place the independence of the latter at risk and any other matters related to the auditing process, as well as such other communications provided by auditing laws and the technical rules of auditing.

According to the Internal Rules of Procedure of the Board of Directors, article 10.3.2, one of the key responsibilities of the Audit Committee is to liaise with external auditors with regards to:

a) To receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that senior management takes its recommendations into account.

b) To monitor the independence of the external auditor, to which end:

- The Company reports a change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.

- The Audit Committee ensures that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, all other regulations established to safeguard the independence of the auditors.

- In the event of resignation of the external auditor, the Audit Committee investigates the circumstances that may have given rise thereto.

The Audit Committee is responsible for making a proposal to the Board of Directors, for submission to the General Shareholders' Meeting, in relation to the appointment of the external auditors, and as the case may be, their revocation or non-renewal.

As per the proposal of the Board of Directors and following the positive endorsement of the Audit Committee, the Company's General Shareholders' Meeting held on July 20, 2016, appointed Ernst & Young, SL, as the Company's Auditors in order to perform the audit of the individual and consolidated annual accounts of the Company and its Group of companies for a term of three fiscal years ending March 31, 2019.

In accordance with the current legislation in force, this Audit Committee has received the written confirmation of the auditors Ernst & Young, SL of its independence vis-à-vis the Company and its Group of companies.

During fiscal year 2018 the auditor has not informed the Audit Committee of any issues that may jeopardize their independence.

In addition, the auditor has ensured that, pursuant to its internal procedures, it has not identified circumstances that, individually or collectively, could pose a significant threat to their independence and therefore could assume causes of incompatibility.

There are no special conditions relating to relationships with financial analysts, investment banks and rating agencies and these entities operate fully independently of the Company. The information disclosed by the Company complies with the principles of transparency and fairness; the information is true, clear, quantified and complete and contains no subjective assessments that are or may be misleading.

C.1.36 Please indicate whether during the fiscal year the Company has changed external auditor. As appropriate, please identify the incoming and outgoing auditor:

YES ☐ NO

In the event of disagreements with the outgoing auditor, please explain the contents thereof:

C.1.37 Please indicate whether the audit firm performs other works for the company and/or its group other than auditing and, in such case, please declare the amount of fees received for said works and the percentage it entails of the fees billed to the company and/or its group:

YES NO ☐

	Company	Group	Total
Amount of other works other than auditing (thousands of euros)	26	145	171
Amount of works other than auditing / Total amount billed by the audit firm (in %)	21%	24%	23%

C.1.38 Please indicate whether the auditors' report on the annual financial statements of the previous fiscal year presents reservations or exceptions. As appropriate, please indicate the reasons given by the Chair of the audit committee to explain the contents and scope of such reservations or exceptions.

YES ☐ NO

Explanation of reasons

C.1.39 Please indicate the number of fiscal years the present audit firm has been performing the audit of the annual financial statements of the company and/or its group uninterruptedly. Furthermore, please indicate the percentage representing the number of fiscal years audited by the present audit firm of the total number of fiscal years in which the annual financial statements have been audited:

	Company	Group
Number of uninterrupted fiscal years	2	2
	Company	Group
Number of fiscal years audited by the present audit firm / Number of fiscal years the company has been audited (in %)	33%	33%

C.1.40 Please indicate and, as the case may be, detail, whether a procedure exists for the directors to have external advice:

YES NO □

According to the Internal Rules of Procedure of the Board of Directors, article 7.2, Directors, in order to perform their duties shall be entitled to call on the Company for the advice they may need and the Company shall provide suitable channels for the exercise of this right, which, in special circumstances, may include external advice at the Company's expense provided such expense is reasonable and subject to Board of Directors' approval. Directors shall make an effort to limit their additional requests of information to those requests which are material. The guideline for materiality (the "**Materiality Threshold**") is set at one million euros (EUR 1,000,000) and shall be reviewed periodically by the Board of Directors.

During the fiscal year ended 31st March, 2018, external advice from Morgan Stanley was requested with regards to the strategic alternatives available to the Company, with a view to ultimately maximise value creation to the benefit of all stakeholders including employees, suppliers, clients, debtors, bondholders and shareholders.

C.1.41 Please indicate and, as appropriate, detail, whether a procedure exists for directors to be able to have the necessary information to prepare meetings of the management bodies with sufficient time:

YES NO □

According to the Internal Rules of Procedure of the Board of Directors, article 7.2, 7.4 and 7.5, any Director shall have access to the corporate files and any other information of the Company. Each member of the Board of Directors shall as a rule receive ten (10) Business Days (with "**Business Days**" being, as defined in Article 14.12.1 of the Articles of Association, days on which banks are generally open for business in Luxembourg, Madrid, Barcelona, Bilbao and Valencia) prior to any meeting of the Board of Directors all documents and transaction papers (if available) to be discussed during the meeting of the Board of Directors.

The Directors shall be convened to each meeting of the Board of Directors by notice. Except in cases of urgency which shall be specified in the convening notice or with the prior consent of the directors, at least a (10) ten Business Days prior written notice of Board of Directors meetings shall be given, unless applicable law provides otherwise.

A meeting may be duly held without prior notice, if (in accordance with article 13.2 of the Articles of Association) all the Directors have waived the relevant convening requirements and formalities either in writing or, at the relevant Board Meeting, in person or by a Director's Representative.

The annual Board Evaluation performed via questionnaire for this fiscal year had a dedicated section referring to the Directors rating of the quality of information received and timeliness of receipt of this information in order to prepare for meetings.

C.1.42 Please indicate and, as appropriate detail, whether the company has established rules that require directors to report and, as the case may be, resign, in those cases that may damage the credit and reputation of the company:

$\boxed{\text{YES}}$ NO □

As stated in the Articles of Association 10.10, a Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to their behaviour.

C.1.43 Please indicate whether any member of the board of directors has informed the company that it has been indicted or a ruling opening an oral trial has been handed down against it, for any of the criminal offenses indicated in article 213 of the Capital Corporations Act (Ley de Sociedades de Capital):

YES □ $\boxed{\text{NO}}$

Name of director	Criminal Cause	Observations
-	-	-

Please indicate whether the board of directors has analyzed the case. If the response is affirmative please explain in a reasoned manner the decision made on whether or not it is appropriate for the director to continue in his or her position or, as the case may be, state the actions performed by the board of directors until the date of this report or which it is planning on carrying out.

YES □ $\boxed{\text{NO}}$

Decision made/action performed	Reasoned explanation
-	-

C.1.44 Please detail the significant agreements entered into by the company and which enter into force, whether amended or terminated in case of change of control of the company as a consequence of a public tender offer, and its effects.

NONE

C.1.45 Please identify in an aggregate manner and indicate in detail the agreements between the company and its administrative and management positions or employees that have indemnities, guarantee clauses or golden parachutes, when they resign or are dismissed wrongfully or if the contractual relationship terminates on the occasion of a public tender offer or other type of transaction.

Number of beneficiaries: 9

Type of beneficiary: Executive Directors (2 members) and members of the CSM "CEO Staff Members (7 members)".

They have the following significant standard clauses:

- **Indefinite Duration:** The contracts with CSM of the Company are of indefinite duration. For the Chief Executive Officer a financial compensation is contemplated therein in the event of termination of the contractual relationship with the Company, provided that such termination does not occur exclusively due to the decision of the Executive Director to withdraw or as a result of a breach of their duties.

- **Exclusivity:** CSM may not hold any direct or indirect interest in any other business or activity which may represent a conflict of interests in relation to the Company's obligations and liabilities or in relation to its activity and that of eDreams ODIGEO.

    - The Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

    - The Chief Executive Officer has a clause that restricts his participation as a Non-Executive Director to one Board of Directors.

- **Confidentiality and Return of Documents:** There is a rigorous duty of confidentiality both during the term of the contracts and after the relationship has terminated. In addition, upon termination of their relationship with the Company, CSM must return to the Company any documents and items in their possession relating to the activities carried out thereby.

- **Non-competition:** The contracts with CSM in all cases establish a duty not to compete with respect to companies and activities that are similar in nature during the term of their relationship with the Company.

- **Industrial Property:** The contracts with CSM contain a clause to prevent the Management from using any work produced by him or any of the Company´s copyright, experiences, confidential information, design right, registered trademark, patents, applications for any of the intellectual property rights. For the CEO, this obligation remains effective after the termination of the contract and will not be affected should the contract end for any reason.

- **Non-hiring:** for a specific period after the termination date of the employment contract CSM will not recruit or participate in the recruitment (for him/her or for the entity which he/she represents or in which he/she performs his activities) of employees who, at the date of termination of their contract or in the preceding six to twelve months, form part or have formed part of the Company's workforce or that of any eDreams ODIGEO Group.

- **Non-solicitation:** The contracts with CSM in all cases establish a duty to prevent them engaging in activities with existing customer/suppliers of the Company for a determined period of time.

- **Applicable Legal Provisions:** The contracts with CSM are governed by the legal provisions applicable in each case.

- **Compliance with the Company's Corporate Governance System:** CSM have the duty to strictly observe the rules and provisions contained in the Company's Corporate Governance System, to the extent applicable thereto.

CSM members have a three month notice period clause in their contracts.

In addition, Dana Philip Dunne, CEO of the Company, is eligible for an indemnity (in case of unfair dismissal) severance equivalent to 30 days' fixed remuneration per year of service (with a minimum amount of Eur500.000 rising up to the equivalent amount of a maximum of 24 monthly salary payments)

With regards to the LTI plans the CEO and the CFO have the following specific clauses in case of a "change of control":

i. 1st LTI plan (expired in November 2017): Both Executive Directors will vest rights entitling them to receive all the incentive shares that each would have been entitled to receive had they stayed in the Company until the Second Cycle Second Tranche Value date.

ii. 2nd LTI plan: should the present shareholders lose control directly or indirectly (in a material sense) as a result of any transaction by ODIGEO, its shareholders or the Group in relation to a third party ("Change of Control"), (i) the non-vested Rights that have been already allocated to him will automatically vest upon the date of the Change of Control, and (ii) the Potential Rights that have been already allotted to him, by means of an individual invitation letter, will be converted into Rights and will automatically vest upon the date of the Change of Control.

Please indicate whether these contracts have been reported and/or approved by the bodies of the company or its group:

	Board Directors	General Meeting
Body authorizing the clauses	Yes	No

	YES	NO
Is the general meeting informed of the clauses?	X	

C.2 Board of Directors Committees

C.2.1 Please detail all committees of the board of directors, their members and the proportion of proprietary and independent directors forming them:

AUDIT COMMITTEE

Name	Position	Type
Robert Apsey Gray	Chair	Independent Director
Benoît Vauchy	Member	Proprietary Director
Philip Clay Wolf	Member	Independent Director

% of executive director	-
% of proprietary directors	33,33
% of independent directors	66,67%
% of other external directors	-

Explain the functions of the committee; describe the procedures and organization rules and its functioning, as well as the main performance of the year.

Brief Description:
COMPOSITION:

The Audit Committee shall be composed of at least three (3) members initially comprised of (i) one (1) Director nominated for appointment to the Board of Directors by the Luxgoal 3

Group or Ardian Group, as the case may be and (ii) two (2) independent Directors. The members of the Audit Committee shall be non-executive Directors. The Chair of the Audit Committee shall be selected from among its members and shall be an independent Director. The members of the Audit Committee and, particularly, its Chair shall be appointed taking into account their background knowledge and experience in accounting, auditing and risk management matters.

DUTIES

According to the Articles of Association 12.6 and 12.7 and the Internal Rules of Procedure of the Board of Directors, article 10.2 to 10.6, and the Audit Committee Terms of Reference, the Audit Committee should:

The role of the Audit Committee is:

- **With respect to Internal Audit:**
    - Ensure the independence and efficacy of the Internal Audit function.
    - Approve decisions regarding the appointment and removal of the Head of Internal Audit.
    - Approve the Internal Audit annual plan.
    - Supervise and monitor ODIGEO Group´s Internal Audit activity, ensuring that it is primarily focused on risks that are relevant to ODIGEO Group, as well as receive periodic reports of all activities performed by Internal Audit.
    - Ensure that Senior Executive Management takes into consideration the conclusions and recommendations contained in Internal Audit Management reports.
    - Ensure the Internal Audit Area has sufficient resources and has adequately qualified staff to carry out its duties efficiently.
    - Approve the Internal Audit Charter and any subsequent amendments thereto.

- **With respect to Internal Control and Risk Management:**
    - Consider the effectiveness of the Company´s internal control and risk management systems, including information technology security and controls, to ensure the main risks are identified and analyzed and that they are adequately communicated to whoever the Committee may consider appropriate.
    - Review with Management the Company´s major financial risk exposures and the steps Management has taken to monitor and control such risk exposures, including the Group Risk Assessment, and internal controls status reports. Verify that Senior Management takes into account the findings and recommendations raised in the Internal Audit reports.
    - To establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

- **With respect to the external auditor:**
    - To receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that Senior Management takes its recommendations into account.

- Provide guidance and make recommendations to the Board of Directors for the appointment, compensation, retention and oversight of, and consider the independence of the external auditors of the ODIGEO Group.

- Monitor the independence of the External Auditor, ensuring adherence to current regulations on the provision of non-audit services, the limits on the concentration of the auditor´s business and, in general, all other regulations established to safeguard the independence of the auditors. Monitor the independence of the external auditor, should the Company report a change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.

- In the event of resignation of the external auditor, the Audit Committee investigates the circumstances that may have given rise thereto.

- On a regular basis meet directly with the external auditors.

- **With respect to preparation of economic and financial information:**

  a) Oversee the integrity of the financial information that the ODIGEO Group must make public due to its status as a listed company.

  b) Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

  c) Evaluate any proposal made by senior officers regarding changes in accounting practices.

- **With respect to compliance with the legal provisions and internal rules:**

  To examine compliance with: the Internal Regulations for Conduct in the Securities Market, with Internal Rules of Procedure and, in general, with the rules are of good corporate governance of the company and make any appropriate proposals for improvement

- **With respect to Business Conduct & Corporate Governance:**

  Review the procedures established by Management that ensure good corporate governance and appropriate business conduct, to include oversight of the Group Compliance Program and policies, and processes in place to manage the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

ACTIVITIES CARRIED OUT DURING FISCAL YEAR ENDED 31ST MARCH 2018

The Audit Committee informs the Board of Directors about its activities in the Board meetings usually held immediately after each Audit Committee meeting. All related documentation is made available to the Directors, through the Directors portal.

The main activities carried out by the Committee during fiscal year 2018 were:

In relation to Internal Audit:

- Approval of the Internal Audit Plan for fiscal year 2018.
- Analysis of the budgets, means and resources of the Internal Audit department.

In relation to Internal Control and Risk Management:

- Review of the Group Risk Assessment.
- Close follow up of the progress and issues raised in the ongoing CyberSecurity review.
- Review of the Information Security initiatives presented in the IT Security Roadmap.
- Review of the quarterly internal control status reports prepared by the Internal Audit department, detailing the status of all internal control issues, recommendations raised, and corporate governance and compliance issues.
- Review of the main recommendations arising from the Internal Audit reviews carried out during fiscal year 2018.

In relation to the External Auditors:

- Analysis of the Auditor Independence Report issued by the external auditor EY Auditores, S.L for fiscal year 2017
- Analysis of the report on the management recommendations and quality of overall control and reporting environment issued by the external auditor EY Auditores, S.L. for fiscal year 2017
- Review of the External Audit Plan for the fiscal year 2018 prepared by EY Auditores, S.L.
- Review of auditor's opinion on limited review performed during FY18 in which EY Auditores, S.L provide audit assurance on specific finance procedures.

In relation to economic and financial information:

- Review of the individual and consolidated financial statements for fiscal year 2017, and of the annual audit report prepared by the external auditor, Ernst & Young, prior to being sent to the Board of Directors.
- Review of financial information for investors and the market supervisory bodies (Luxembourg Commission de Surveillance du Secteur Financier (CSSF) and to the Spanish National Stock Market Commission (CNMV)).
- Definition and reconciliation of Alternative Performance Measures in the Management Report according to CSSF regulation,
- Review of the new KPIs for Investors
- Review of Investor Presentation and Press Release: Integrity and coherence of FFSS, and the communication strategy.
- Review of the Group Reforecasts & guidance for fiscal year 2018.
- Review of the Group Budget & guidance for fiscal year 2019.

Regarding compliance with the legal provisions and internal rules, and corporate governance:

- Analysis of the status and follow-up of the Company's corporate policies.
- Analysis of the recommendations of the Code for Good Corporate Governance of Listed Companies affecting the Audit Committee.
- Review of the company's Annual Corporate Governance Report for the fiscal year 2017.
- Review other Corporate Documents such as Investor Communication policy and Corporate Social Responsibility Policy and Statement.
- Preparation and presentation to the Board of the Annual Report on the Audit Committee activities for the financial year ended 31 March 2017.
- Review of the implementation of the Group Compliance Program launched by Internal Audit in coordination with the Legal and the HR Department.
- Review of main regulatory changes impacting the Company (GDPR).

Regarding Business Conduct:

- Periodic update on issues relating to the Business Code of Conduct and Compliance Committee.

Other Activities:

- Review of the Calypso project progress and Press Releases.
- Approval of the meetings scheduled for fiscal year 2019.

Identify any director forming part of the Audit Committee having been appointed based on his/her knowledge or experience in the areas of accounting or auditing, or both; and indicate the number of years the Chair of this committee has been in office:

- Name of directors with experience: Robert Apsey Gray
- No. of years Chair has been in office: 4

NOMINATIONS AND REMUNERATION COMMITTEE

Name	Position	Type
Amanda Wills	Chair	Independent Director
Philip Clay Wolf	Member	Independent Director
Lise Fauconnier	Member	Proprietary Director

% of executive directors	0%
% of proprietary directors	33,3
% of independent directors	66,6%
% of other external directors	0

Explain the functions of the committee; describe the procedures and organization rules and its functioning, as well as the main performance of the year.

Brief Description:
COMPOSITION:

The Remuneration and Nomination Committee shall be composed of at least three (3) members initially comprised of (i) one (1) Director nominated for appointment to the Board of Directors by the Luxgoal 3 Group or Ardian Group and (ii) two (2) independent Directors. The members of the Remuneration and Nomination Committee shall all be non-executive Directors, the majority of who shall be independent Directors. The Chair of the Remuneration and Nomination Committee shall be selected from among its members and shall be an independent Director.

DUTIES:

According to the Articles of Association, the Internal Rules of Procedure of the Board of Directors, and the Remuneration and Nomination Terms of Reference, the Committee should:

- **With respect to Remuneration:**

  a) Determine and agree with the Board the policy for the remuneration of the Company's Directors.

  b) Determine the total individual remuneration package of the Chair, each executive director, and in aggregate senior management, including bonuses, share-based incentive awards and other elements of their remuneration;

c) Be responsible for establishing the selection criteria, relating to selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

d) Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;

e) Review the design of all share incentive plans for approval, where required, by the Board and/or shareholders.

- **With respect to Nominations**

The Committee shall:

a) Regularly review the structure, size and composition (including the skills, experience, independence, knowledge, and diversity, including gender) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary.
b) Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

- **With respect to Appointments to the Board**

The Committee shall assess the qualifications, background knowledge and experience necessary to sit on the Board of Directors, defining, accordingly, the duties and qualifications required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties. The Chair may request the Remuneration and Nomination Committee to consider possible candidates to fill vacancies for the position of director, provided that the Remuneration and Nomination Committee may as well independently search for and consider alternative candidates for such position. Such Directors are, for the avoidance of doubt, to be appointed upon a decision of the Shareholders.

To examine or organize, in the manner it deems appropriate, the succession of the Chair and CEO and, if appropriate, make proposals to the Board of Directors for such succession to take place in an orderly and well-planned manner.

- **With Respect to Induction and Training**

The Committee shall ensure that all new directors undertake an appropriate induction program to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a director, and consider any training requirements for the Board as a whole.

- **With Respect to conflicts of interest**

The Committee shall:

a) Before appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest;

b) Consider and, if appropriate, authorize situational conflicts of interest of directors and potential directors;

- **With Respect to Board evaluation**

  The Committee shall:

  - Assist the Chair of the Board with the implementation of an annual evaluation process.
  - Review the results of the Board performance evaluation process that relate to the composition of the Board;
  - Ensure that evaluation of the Board is externally facilitated at least every three years;

ACTIVITIES CARRIED OUT DURING FISCAL YEAR ENDED 31ST MARCH 2018

The main tasks carried out by the Committee during fiscal year 2018 have been the following:

The Committee agreed to recommend to the Board the approval of:

- **The following Policies and Reports :**
  - The Annual Directors Remuneration Report for the financial year ended 31 March 2017;
  - The Annual Report on Remuneration and Nomination Committee activities for the financial year ended 31 March 2017;
  - The update of the Directors Remuneration Policy in order to take into consideration the conditions applicable to the LTIP2.

- **The compensation schemes:**
  - The Annual Bonus for the financial year ended 31 March 2017 to be paid to employees;
  - The Annual Aggregate Remuneration to be paid to Board members for financial year ending 31 March 2017 and proposal for FY2018;
  - The approval of the FY17 bonus payout for the CEO and the CFO.
  - Approval of FY2019 annual bonus structure, metrics and calibration of performance ranges;
  - The aggregate remuneration to be paid to the executive team for FY2019;
  - LTI targets for FY2019.

- Discussion on the Succession Plans for the Chair of the Board of Directors and for the CEO;
- Discussion of payment of an additional remuneration to an independent Board member for the additional hours dedicated to the strategic Calypso Project, over and above the standard hours.
- Review of HR updates such as: KPI´s, attrition rate, budget and key replacement;
- Recommendation to the Board of the appointment by the Shareholders of Mr. Pedro López as proprietary director to replace Mr. Carlos Mallo;
- Recommendation to the Board of Directors of the re-election of Mr. Dana Dunne, Mr. David Elizaga, and Ms Amanda Wills as members of the Board.

C.2.2 Please complete the following chart with the information relating to the number of female directors forming the committees of the board of directors during the last four fiscal years:

	FY 2018		FY 2017		FY2016		FY2015	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	0	0	0	0	0	0	0	0
Nominations and	2	66,6%	2	66,6%	2	66,60%	1	33,33%

Remuneration Committee								

C.2.3 Paragraph revoked

C.2.4 Paragraph revoked

C.2.5 Please indicate, as the case may be, the existence of regulations of the board committees, the place where they are available for consultation, and any amendments made during the fiscal year. In turn, please indicate whether any annual report on the activities of each committee has been prepared voluntarily.

- The Regulations of the Audit Committee are contained in (i) the Articles of Association of the Company, (ii) the Internal Rules of Procedure of the Board of Directors, and (iii) the Audit Committee Terms of Reference, none of which have undergone any amendments during the financial year closed at 31st March 2018.

- The Remuneration and Nomination Committee is regulated by (i) the Articles of Association of the Company, and; (ii) the Internal Rules of Procedure of the Board of Directors, and (iii) the Remuneration & Nomination Committee Terms of Reference, none of which have undergone any amendments during the financial year closed at 31st March 2018.

  Documents are available for consultation on the Company´s website: (http://www.edreamsodigeo.com/investors/corporate-governance/rules-of-organization/)

C.2.6 Paragraph revoked

D RELATED PARTY TRANSACTIONS AND INTER-GROUP TRANSACTIONS

D.1. Explain the procedure for approval of related party and inter-group transactions.

Procedure for approval of related party transactions

According to the Internal Rules of Procedure of the Board of Directors, article 6.4, all transactions between the Company or a Group company on one side, and Directors or persons, companies or organizations closely related to Directors on the other side, must be at arm's length and any such transaction with a value exceeding EUR 50,000 requires the prior consent of the Board of Directors, upon a prior favourable report of the Audit Committee.

However, so as not to overwork the Board with less relevant issues, the Board of Directors authorization is not required for those related-party transactions that simultaneously meet the following three conditions: (i) they are governed by standard-form agreements applied on an across-the-board basis to a large number of clients; (ii) they are conducted at prices or rates generally set by the party acting as supplier of the goods or services in question; and (iii) the amount thereof is no more than 1% of the Company's annual revenue.

This process is executed via analysis of the responses provided by the Directors to specific questions in the annual certification sent to them by the General Counsel.

D.2 Please detail those significant transactions by their amount or considered relevant due to their subject matter carried out between the company or entities of its group and the company's significant shareholders:

Name or corporate name of significant shareholder	Name or corporate name of the company or entity of its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
N/a	N/a	N/a	N/a	N/a

D.3 please detail significant transactions by their amount or considered relevant due to their subject matter carried out between the company and entities of its group, and the directors or officers of the company:

N/A

D.4 Please report on the significant transactions carried out by the company with other entities belonging to the same group, provided that they are not eliminated in the preparation process of consolidated financial statements and do not form part of the company's ordinary course of business with regard to purpose and conditions. In any case, please report on any inter-group transaction carried out with entities established in countries or territories considered to be tax havens:

Corporate name of group entity	Brief description of the transaction	Amount (thousands of euros)
NONE		

D.5 Please indicate the amount of transactions carried out with other related parties.

None

D.6 Please detail the mechanisms established to detect, determine and resolve potential conflicts of interest between the company and/or its group, and its directors, officers or significant shareholders.

According to the Internal Rules of Procedure of the Board of Directors, article 6.1, 6.2 and 6.3, when making their decisions, Directors must not be guided by personal interests or exploit business opportunities offered to the Company for their own advantage.

The Directors shall be subject to a comprehensive prohibition on competitive activity for the term of their membership of the Board of Directors and the term of their contract of employment, if any.

If a Director or a person, company or organization closely related to the Director, has an interest contrary to that of the Company in a matter submitted to the approval of the Board of Directors, the Director shall be obliged to inform the Board of Directors thereof and to have his declaration recorded in the minutes of the meeting. Such interested Director shall not deliberate or vote on the matter. At the next following Shareholders' Meeting, in accordance with article 57 of the 1915 Law, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the Directors may have had an interest conflicting with that of the Company.

D.7 Is more than one Group company listed in Spain?

YES ☐ NO x

Please indicate whether the respective areas of activity and eventual business relations between them have been publicly defined with precision, as well as those of the listed dependent company with the other group companies;

Not applicable

Please define the eventual business relations between the parent company and the listed subsidiary company, and between the latter and the other group companies.

Not applicable

Please identify the mechanisms provided to resolve eventual conflicts of interest between the listed subsidiary and the other group companies:

Not applicable

E. SYSTEMS OF CONTROL AND RISK MANAGEMENT

E.1 Please explain the scope of the company's Risk Management System, including tax risks.

The Company Risk Management process involves the identification, measurement, and prioritization of risks. It is an exercise that enables the Company to assess how significant each risk is in relation to the achievement of overall goals, and anticipate, control, and manages the most relevant risks via adequate procedures, and contingency plans to mitigate the impact of risk materialization. Risks are assigned owners responsible for valuation, mitigation, and action plans.

The Corporate Risk Map aggregates all critical strategic, compliance (legal, regulatory, and tax), financial reporting, and market risks with a potential impact on Group Strategic Objectives. It takes into consideration all brands across all geographies and markets, and is a fundamental element in the Group's decision-making processes.

The Corporate Risk Map prioritizes risks according to impact (financial, operational, regulatory and reputational) and likelihood of occurrence (based on the quality of the following factors: Internal Controls and Processes, People, Technology and Audit &Fraud History).

Tax risks are incorporated within the umbrella of the Corporate Risk Map in the same way as any other risk, and scored and prioritized according to probability and impact.

The Company has set up a Compliance Program in order to ensure internal programs and policy decisions meet the standards set by government laws and regulators, to increase employee compliance risk awareness, and to minimize risks of non compliance. The Compliance Program is based on:

d) Formation of a Compliance Committee to centrally manage the program
e) Identification of all areas of compliance and regulatory risk directly relevant to the business
f) Identification of a subject matter expert within the Group and assignation to them of responsibility for management of that area of compliance risk
g) Periodic risk assessments of each area of compliance risk and reporting of the principal risks to the Board of Directors
h) Implementation of control procedures to mitigate the risks where possible
i) Online compliance training for all employees
j) Update and effective communication of Group Policies
k) Facilitating employee reporting of compliance risks detected
l) Ensuring there is a clearly defined case management process and escalation and reporting process of the results of investigations performed
m) Periodic control and monitoring of compliance with Group policies and auditing of this by Internal Audit

E.2 Please identify the company's bodies responsible for preparing and executing the Risk Management System, including the tax area.

The Board of Directors of the Company has ultimate responsibility for establishing the basic principles and the general framework of action for the main risks to be identified, evaluated, managed and controlled appropriately. Risk Management is the responsibility of Senior Management.

In accordance with the Articles of Association, the Audit Committee of the Company is responsible for "periodically reviewing the adequacy and effectiveness of internal controls and the Risk Management System in order to ensure that any main risks are identified, managed and adequately understood, including discussions with the auditors on any significant weaknesses in the internal control system detected during the audit.

The Audit Committee is assisted by the Internal Audit Department in these functions. Specifically, the activities inherent to Internal Audit in relation to the Risk Management System of the Company are to provide a guarantee in relation to adequacy and the effectiveness of the Internal Control Systems, the Risk Management System and the internal audit system.

Risk Management is managed on a continuous basis by the Company Chief Executive Officer and the Heads of each corporate functional area, in accordance with their respective scope of activity.

The Risk Assessment exercise is prepared with the input of all key stakeholders in the business, and where necessary with advice from external experts (legal, regulatory, and tax specialists).

E.3 Please indicate the main risks, including tax risks, which could affect the achievement of business objectives.

The main risks that may adversely affect our business, financial condition and results of operations are:

Risks Related to the Travel Industry (Outside Company control):

- General economic conditions in the core countries in which we operate.
- The occurrence of events affecting travel safety, such as natural disasters and political and social instability.
- Deterioration in the financial condition or restructuring of operations of one or more of our major suppliers.
- Changes in current laws, rules and regulations and other legal uncertainties
- Conditions required for obtaining and maintaining certain licenses or accreditations, especially IATA.
- Exposure to seasonal fluctuations and impact on comparability of quarterly and yearly results
- Dependence on the level of Internet penetration

Risks Related to Our Business:

- Competitive landscape of the travel industry, rapidly changing market, with many players.
- Evolving customer demand, self-sufficiency, fee sensitivity, and increased awareness due to the evolution of social media.
- Innovation and ability to keep up with rapid technological changes and industry trends (such as the increased importance of the mobile channel), and the success of execution of changes.
- Over reliance on flight activities and exposure to changes in customer patterns with respect to these products.
- Dependence on significant third party supplier relationships for; content, commissions, incentive payments, advertising and metasearch revenue, systems, processing, and fees.
- Absence of relationship agreements with certain suppliers whose products we mediate and risk of them blocking/restricting content.

- Failures in technology due to system interruption or cyberattack, and the effectiveness of response plans.
- Changes in search engine algorithms and search engine relationships.
- Exposure to risks associated with booking and payment fraud.
- Intense competition for advertising and metasearch revenue.
- The ability to successfully grow the business via merger or acquisition, and the optimization of cost and the efficiency of integration of new businesses.
- Reliance on the value and strength of our brands, and increased costs of maintaining and enhancing brand awareness.
- Human capital retention of highly skilled personnel and ability to attract and retain executives and other qualified employees.
- Protection of our Intellectual Property and against infringement of third party intellectual property rights.
- Processing, storage, use and disclosure of personal data and potential liabilities arising as a result of governmental and/or industry regulation.
- Adverse tax events.
- International operations involving additional risks and our exposure to these risks will increase as we further expand our international operations.
- Being involved in various legal proceedings, the outcomes of which could adversely affect our business, financial condition and results of operations.

Risks Related to Our Financial Profile:

- Impairments of goodwill and other intangible assets.
- Significant leverage and financial products subject to restrictive debt covenants.
- Risks associated with currency fluctuations.

E.4 Please identify whether the entity has a risk tolerance level, including for tax risks.

Risks are evaluated on the basis of quantitative and qualitative factors based on the impact and the likelihood of occurrence. The results of the Corporate Risk Assessment exercise are consolidated into a heat map, scaling impact and probability. Senior Management proactively aims to ensure that adequate risk management measures are in place to address all key risks. These are defined as all those above the "tolerance curve" in the heat map (falling into the "medium to high impact" – "medium to high probability" quartile).

For critical risks with a significant potential impact upon materialization on the achievement of the Group's objectives, specific tolerance levels are defined, indicating action guidelines, timeframe to achieve, people in charge, follow-up indicators; the frequency and content is also established for any information to be provided to governing bodies for follow-up and decision-making

The exercise is performed periodically so that Management can evaluate and react to other risks that may have subsequently changed in profile and increased in significance.

Furthermore with regards to tax risks the Company does not apply aggressive tax planning and strives to be compliant with all tax compliance rules.

E.5 Please indicate what risks have materialized during the fiscal year, including tax risks.

Risks that have materialized during the fiscal year include:

- Events affecting travel safety, such as the airplane crashes of Saratov Airlines Flight 703 in Russia in February 2018 increased travelers' concern about safety issues, as have a number of recent terrorist attacks. Hurricane Irma caused widespread damage and disrupted travel particularly in the northeastern Caribbean and Florida Keys in September 2017In addition, political and social instability in Africa and the Middle East, generate uncertainty and loss of appetite to travel to these destinations.

- Content availability and cost: In November 2017, Iberia and British Airways introduced a GDS booking surcharge of €9.5 per booking segment.
- Continued commercial and intellectual property disputes with Ryan Air.
- Increased contractual complexities with Metasearch partners.
- Increased GDS search costs
- Significant increases in regulatory environment and consumer regulation in some of the geographical locations, in particular in the UK and France.
- Restrictive rules relating to the deduction of interest expense became effective in the UK on April 1, 2017.

E.6 Please explain the response and supervision plans for the entity's principal risks, including tax risks.

Each of the risks is assigned to a Senior Management owner in the business responsible for managing it on an ongoing basis, reporting back; key risk indicators used to measure the level of risk, business initiatives currently in place, and where necessary, business action plans for the future to further mitigate the risk.
Risks are tracked and reported on a continual basis as part of the weekly meetings the CEO has with all his direct reports.
On an annual basis these responses are consolidated into a Consolidated Risk Assessment presentation, which is shared with the Senior Management, Audit Committee and Board of Directors who will review, and provide further input where relevant.

For risk areas that require specialist knowledge (such as tax and local legal or regulatory matters) external advisors may be used to provide expert assessment.

A periodic exercise is performed by Internal Controls & Compliance to obtain updates of the status and continued relevance of the key risks and of mitigating measures implemented to address them.

F. INTERNAL SYSTEMS OF CONTROL AND RISK MANAGEMENT IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (SCIIF)

Please describe the mechanisms that form the control and risk management systems in relation to the process of issuing financial information (ICFR) of your entity.

F.1 Control environment of the entity

Please report on, indicating the principal characteristics, at least:

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

The following bodies are responsible for maintaining and supervising the eDreams ODIGEO ICFR framework:

Board of Directors

The Board of Directors of eDreams ODIGEO (hereinafter referred to as the Company), is the organizational body upon which rests the final responsibility for ensuring there is an adequate internal controls framework and risk management process in place to manage financially reported information.

The Board of Directors is responsible for approving the risk control and management policy, as well as the periodical monitoring of the internal information and control systems.

Audit Committee

The Articles of Association and Internal Rules of Procedure of the Board of Directors state that the primary duty of the Audit Committee shall be to support the Board of Directors in its supervisory duties.

The Audit Committee is responsible for supervising the Internal Control System. Among its functions with respect to the internal control and reporting systems, as Delegated Committee of the Board of Directors, are the following:

- To manage and report the main risks identified as consequence of the monitoring of the efficiency of the company internal controls by Internal Audit.
- To ensure the independence and efficacy of the Internal Audit function; propose the selection, appointment, reappointment, and removal of the Group Internal Audit Director; propose the department's budget; receive regular reports on its activities; and verify that senior management takes into account the findings and recommendations of its reports
- To establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

Group Internal Audit Department

The Group Internal Audit department reports to the Audit Committee, and assists it in its mandate of monitoring the effectiveness of the company´s internal control and risk management systems. This is achieved via the performance of internal controls, financial and operational reviews, which result in periodic reports on deficiencies detected and the actions plan proposed to remediate them.

Governance Risk Compliance Department

The main responsibilities of the Governance Risk Compliance department are:

- Maintenance and update of the internal controls framework over financial reported information with input from control owners
- Advice and assessment of the relevance, and degree of compliance with Group Policies and Procedures (with oversight from the Compliance Committee)
- Monitoring compliance with internal controls over Financial Statements
- Training of Finance personnel on internal controls and best practice
- Supporting the Group Internal Audit Department with testing procedures
- Follow up on corrective actions proposed by the Group Internal Audit

Other bodies – Finance & Controlling Function

The functional teams within eDreams ODIGEO, primarily Finance & Controlling headed by the Chief Financial Officer (a member of the Board), also play a critical role in ICFR as they are responsible for the documentation, maintenance, and update of the various procedures that govern their operations, and for identification of the tasks to be carried out, as well as assigning ownership for them.

F.1.2. The existence of, especially in connection with the financial reporting process, the following components:

- The departments and/or mechanisms are in charge of: (i) the design and review of the organizational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process.
- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.
- 'Whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organization, stating whether reports made through this channel are confidential.

- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

Organizational Structure

At an Executive level the Board of Directors as advised by the Remuneration and Nomination Committee is responsible for the appointment and removal of senior personnel. The design and review of the organizational structure as a whole is a responsibility that rests with the Company CEO, who ensures that all departments are adequately resourced and fully aligned with the overall Company goals.

On a Finance departmental level, the Chief Financial Officer and the Group Controller, together with the HR function, are responsible for ensuring that; the team is adequately staffed, that all personnel involved in the preparation of the financial statements of the Group are appropriately qualified, and that they have received the necessary training and updates on International Financial Reporting Standards, local GAAP, and in principles of internal control of financial information.

The Group Human Resource function is responsible for the maintenance and continuous update of the detailed Group organizational chart, which is available to all employees for consultation on the corporate intranet.

A Compliance Committee has been formed to address concerns and questions related to the application of the Code of Conduct as well as assist in the evaluation of any concerns raised by employees relating to any matter regarding the Code. The Compliance Committee is made up of; the Chief People Officer, Group Legal Counsel and the Group Director Internal Audit & Compliance, and one delegated senior member from each of their respective teams. Decisions shall be made by a majority of its members.

The Compliance Committee is responsible for the following:

- Ensuring the Code of Conduct is communicated widely and suggesting any amendment deemed necessary
- Overseeing compliance with the Business Code of Conduct and other laws, policies, rules and regulations that set the framework for ethical business behaviour.
- Making recommendations on ethical issues
- Interpretation of the Code of Conduct in the resolution of any questions, including when disciplinary measures are involved.
- Preparation of a quarterly summary report to the Audit Committee and Executive Management.

Code of Conduct

The Company has two main codes of conduct issued to employees on joining the Company, and available for further consultation on the Corporate intranet as well as the Corporate website. Employees are required to read them and sign as acknowledgement.

Internal Regulations for Conduct in the Securities Markets:
This Internal Regulations (amendment approved by the Board on November 11th, 2016), forms part of the Company´s corporate governance system and sets out the standards of performance that Company employees must observe and respect with regards to Securities Markets. As a publicly-traded company, it is the duty and intention of the Company and the eDreams ODIGEO Group to behave at all times with the utmost diligence and transparency, reducing to a minimum any risk of conflict of interest, and ultimately ensuring that investors receive proper and timely information, for the benefit of the integrity of the market.

Business Code of Conduct
The Business Code of Conduct is applicable to all employees anywhere in the world employed or otherwise engaged by the eDreams ODIGEO Group, and also extends to seconded and temporary

employees, third party contractors, and any other person or organization representing or acting on behalf of the Company. The code is designed to provide a frame of reference for the integrity of conduct with respect to; confidentiality of data and information, the treatment of intellectual property, privacy and data protection, transparency, communication with the media, relationships with competitors and fellow employees, corporate social responsibilities, conflicts of interest, and the reporting of any infringements.
All new employees receive a copy of the Business Code of Conduct and online compliance training as part of the on-boarding process and are required to read and sign acknowledgement.
On an annual basis, an organization-wide communication is sent reminding employees of the Business Code of Conduct and the link to where it can be located on the Intranet.

"Whistle-blowing" channels

Per the Internal Rules of Procedure of the Board of Directors, article 10.3 c, the role of the Audit Committee is to establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

The Business Code of Conduct expressly states that any employee who has knowledge of any questionable or possibly illegal actions affecting the Company is required to report such actions promptly.

The Company has an internal whistleblowing channel ("Confidential Channel") through which all employees can address their queries and report confidentially. In addition, the following channels of communication are available to employees: via the corporate website, intranet HUB, and a generic e-mail address. (compliancecommittee@edreamsodigeo.com)

All complaints are investigated. The Company prohibits retaliation against any employee for reports made in good faith, and it also protects the rights of the employee being investigated.

The Compliance Committee holds quarterly meetings (and ad-hoc meetings for serious issues), to analyze the complaints submitted; minutes are prepared as documentary evidence of the meetings.

Significant breaches of the Business Code of Conduct and corrective actions proposed are reported to the Audit Committee on a timely basis. A summary of the Compliance Committee highlights is presented to the Audit Committee as part of the quarterly Internal Controls presentation.

Training

The Company is firmly committed to and proactively encourages continuous refresher training on key accounting policy and legislation changes for all employees directly involved in the preparation of financially reported data.
Training requirements are determined internally by Finance Line Managers and Human Resources on the basis of performance reviews. Training agendas are set in coordination with advice on regulatory and accounting policy changes from external advisors (external auditors, consultants, and other relevant accounting and compliance subject matter experts).

During the fiscal year key Company Finance Controlling and Compliance personnel have attended monographic seminars and webinars on key regulatory, governance, risk, and compliance, and IFRS subject matter, provided by external consultants.

The Company subscribes to various publications which offer up-to-date information on the evolution of the business and regulatory environment of the activities performed by the Group and on International Financial Information Standards and internal control.

During fiscal year 2018 an online Compliance Training Program was rolled out to complement existing Group Policies in the most critical areas of compliance relevant to the Company, and further cultivate an ethical culture across the organization. The courses included in the online Compliance Training Program were selected to improve employee awareness in the most significant compliance risk domains, which include: Ethics and Behaviours, Data Governance, Legal and IT & CyberSecurity. The courses provided by a renowned supplier SAI Global, and whose content has been vetted by legal experts are complemented by the associated Group Policy document and made available online via the Cornerstone LMS System.

F.2 Risk assessment in financial reporting
Please report, at least, on:

F.2.1. the main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented:

As explained above in Section E, eDreams ODIGEO has a Corporate Risk Assessment Procedure which is executed on a periodic basis.
This risk mapping procedure details the risks identified by the organization, which are classified into the following categories; compliance, market, operational, and quality of financial information. Each risk is assigned a probability of occurrence score, and an impact (monetary and operational) score, and the results are analyzed by Senior Management, who will provide feedback regarding mitigating business actions in place, actions to be implemented and accepted levels of tolerance.

A mapping exercise is performed of the risks identified in the ICFR business processes (Revenue, Procurement, HR & Payroll, Treasury, IT General Computer Controls) controls matrices to the Corporate Risk Map to ensure all control risks are included.

- The process covers all financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

The risk identification procedure and ICFR controls process cover all the financial reporting objectives of: existence and occurrence, completeness, valuation, presentation, disclosure and fraud. The formal Corporate Risk Map is produced on an annual basis, and an informal update exercise to risk scores and continued relevance is performed every 6 months.

- A specific process is in place to define the scope of Consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies. etc.

The Consolidation perimeter of eDreams ODIGEO is subject to revisions during each quarterly closing.

The Accounting and Consolidation department which reports to the Chief Financial Officer periodically reviews any changes in the Group's structure together with the Group Legal & Tax Departments; together they are responsible for analyzing companies that enter and exit the perimeter. Both the formation and acquisition of companies, as well as their sale or dissolution, are subject to an internal authorization processes that permits the clear identification of all entries and exits to and from the consolidation perimeter.

- The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

The Company Risk Management Model covers four key areas of risk:
  - Operational Risk (technological, reputational, etc.)
  - Quality of Financial Information which includes risks associated with the accuracy, completeness and publication of reporting information.
  - Compliance (legal, industry related, financial, fiscal, and corporate governance)
  - Market (Sector related, strategic)

- Finally, which of the company's governing bodies is responsible for overseeing the process

The Board of Directors, through the Audit Committee, is the body in the entity which oversees the process, as defined in Article 10.3 of the Internal Rules of Procedure of the Board of Directors. "The role of the Audit Committee with respect to the internal control and reporting systems is to manage and report the main risks identified as consequence of the monitoring of the efficiency of the company internal controls and internal auditor, if applicable"

F.3 Control activities

Please report, indicating their principal characteristics, on whether you have at least:

F.3.1. Procedures for reviewing and authorizing the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case, together with the documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgments, estimates, evaluations and projections.

Review & Authorization of Financial Information:

The Group reports consolidated financial information to the Commission de Surveillance du Secteur Financier" (CSSF) in Luxembourg, and to the Spanish National Securities Market Comissions (CNMV) on a quarterly basis. This information is prepared by the Group Accounting and Consolidation department who report directly to the Chief Financial Officer. The department performs a series of period end control activities to ensure the accuracy and completeness of the financial information reported, giving particular attention to areas that involve judgment, estimation, and projections. The consolidated financial information is reviewed and approved by the CEO, Audit Committee, and the Board prior to release to the stock market.

ICFR Framework

The Company ICFR model consists of Financial Risk and Control Matrix that includes the six main business cycles considered relevant for the preparation of the Financial Statements plus Entity Level Controls (ELC):

- Financial Close Reporting and Group Consolidation
- Procurement and accounts payable management;
- Revenue and accounts receivable management;
- Treasury;
- Human Resources & Payroll;
- Corporate IT
- Entity Level Controls (ELC): These controls work transversally, and are designed to supervise the effectiveness of the internal control framework as a whole. The Company classifies ELC´s in accordance with the COSO control framework, which considers the following components:
  - Environment of control;
  - Evaluation of the risk;
  - Control activities;
  - Information and communication;
  - Supervision;

The six main business cycles are divided into sub-processes, adapted to the particularities of the business operations of each country or region. The Financial Risk and Control Matrices are structured in the following way:

- **Control objectives:** Control requirements which must be fulfilled in each activity of the process. They are intended to ensure the reliability of the financial information, covering the premises of; integrity, existence and occurrence, valuation and measurement, presentation and disclosure, and rights and obligation.
- **Risks**: The resulting impact of the control objective not being in place on the capacity of the Group to achieve its financial information goals, including the risk of fraud.
- **Control**: Policies, procedures, and other actions generally incorporated within the business process, designed to ensure achievement of the control objective over the financial statements and/or to prevent fraudulent activities. The controls are sub-categorized as; preventive or detective depending on the stage of the business process at which they are executed, and manual, semi-automated or automated, as defined by the means by which they are executed. Control owners have been defined for each control activity.
- **Control Evidence:** The documentation kept by the control owner (company personnel), to ensure that the controls framework can be monitored and audited on a periodical basis.

Ownership & Responsibility:

- Business control owners are responsible for the timely execution of the controls defined within the framework.
- Governance, risk, and compliance are responsible for the supervision, maintenance and update of the internal controls framework.
- Internal Audit is responsible for the review and testing of the framework of internal controls over financial information to validate whether they are effective in design and operation. All issues identified are validated with the control/process owner, and the necessary remediation action plans and timings agreed with them.
- The results of the periodic ICFR review are shared with Company Management, the Audit Committee, and the Board, who are committed to providing the resources required to assist with remediation.

The Group uses an automated tool, Archer GRC (Governance Risk and Compliance), to manage the controls framework, evaluation of design and operating effectiveness, and control issues identified.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The Group has implemented an internal controls framework over IT systems that support the relevant processes impacting the financial statements. This model is based on COSO and COBIT (ISACA recommendations) and includes an IT General Controls (hereinafter ITGC), risk matrix incorporated into the Corporate IT business cycle, as well as policies and procedures in order to mitigate risks related to IT and security.

Internal Audit works closely with the IT Security Office, IT Development and IT Operations, identifying critical systems impacting the financial statements reporting process, and evaluating the design and operating effectiveness of the key controls in the ITGC matrix with respect to these systems. This contributes to ensure the quality and reliability of the information reported to the markets.

The ITGC matrix is comprised of the following main areas:

- Physical & Logical Security of Systems, Programs, and Data
- Program Changes and Program Development
- Computer Operations

Physical & Logical Security of Systems, Programs, and Data

This area contains the controls required to ensure the following:

i. Computing facilities are appropriately managed in order to ensure that physical access is appropriately restricted to authorized personnel and the necessary environmental conditions are maintained to operate Information Systems.

ii. Systems are adequately configured and monitored to ensure sufficient levels of information system security to safeguard against unauthorized access to systems or modifications to programs and data that could result in incomplete, inaccurate, invalid processing or recording of financial information.

Program Changes and Program Development

Software development and procedures are based on an Agile methodology approach and the controls defined ensure the following:

iii. Changes to eDreams ODIGEO applications and software are properly aligned to business objectives and compliant with current legislation.

iv. Software developments and system changes are appropriately tested and monitored to minimize the likelihood of system disruption, unauthorized alterations and other errors which could negatively impact the accuracy and completeness of financial information processing activities.

Computer Operations

i) Information systems are adequately operated and monitored in order to ensure system availability and data integrity.

ii) Incidents arising during the course of normal business operations are adequately resolved in a timely manner.

iii) A Business Continuity and Disaster Recovery Plan is in place in order to ensure business operations in case of a contingency.

During FY18 eDreams ODIGEO conducted a Cybersecurity Risk Analysis covering:

- Classification of applications in terms of criticality.
- Definition of a general cybersecurity control set.
- Evaluation of operating effectiveness of cybersecurity controls.

In addition, the roll-out process of the new middle and back office systems was fully implemented, enabling the standardization of processes, efficiency gains, and improved quality of controls.

Management also continued to strongly focus and reinforce compliance with PCI Standards (Payment Card Industry Data Security Standards) of all key systems across the Group.

The following companies have successfully obtained the PCI DSS v3.2 certification during **FY18,** ensuring that the company has implemented appropriate security measures to store, process and transmit cardholder data in its e-commerce operations: Vacaciones eDreams, S.L; eDreams LLC; eDreams Srl; Viagens eDreams Lda; Opodo Limited; Opodo Italia Srl and Travellink AB.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The Company outsources a number of activities.

When the Company outsources an activity or engages the services of an independent expert, measures are taken to verify the competence, technical capacity, and level of internal controls. This can take a variety of forms: Service Level Agreement conditions, certifications such as ISAE3402 and SSAE16, etc…depending on the outsourced activity.

The Company has defined a Group Third Party Outsourced Policy in order to set up a common framework detailing the requirements for outsourcing activities. The Policy provides clear guidance on the criteria that must be followed in selection of an outsourced supplier, key clauses that need to be included in the agreement, and ongoing monitoring procedures that should be followed.

For all outsourced processes, Service Level Agreements (SLA) have to be defined, agreed and signed in the contract with the vendor.

The SLA's outsourced processes are monitored periodically through the vendor evaluation process. Any problem in the SLA or deliverables is escalated accordingly and may result in corrective actions taken with the vendor.

When the Group outsources relevant processes for the preparation of financial information to an independent expert, it ensures the professional has the required levels of technical and legal competence. In addition Non-Disclosure agreements (NDA´s) are signed off timely.

F.4 Information and communication

Please report, indicating their principal characteristics, on whether you have at least:

F.4.1. The entity has a specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations. A manual of accounting policies regularly updated and communicated to all the company's operating units.

The Group Accounting and Consolidation department, reporting directly to the Chief Financial Officer, is responsible for the definition, update and dissemination of accounting policies, and resolution of interpretation doubts or conflicts. There is a constant flow of information between this Group function and the different Finance and Operations teams, who are proactively encouraged to escalate all doubts they have in the application of accounting and financial reporting policies.

Group Accounting and Consolidation maintain a library of key accounting policies which are updated when necessary to reflect changes in local or international accounting rules. This library is available on a Group shared folder, accessible to all stakeholders involved in the drafting and review of financial information.

Training sessions are provided periodically (by Group Controlling personnel and by external subject matter experts) to Finance Managers and Controllers in order to keep them up to date with the interpretation and application of any changes in accounting legislation and rules. These Finance Managers and Controllers are then responsible for cascading this knowledge down to their teams.

The Group's external auditor, for consolidated statements and subsidiary statutory accounts, request and review that the financial data reported by these subsidiaries follow the principles enshrined in the Group's Accounting Policies, both in the annual audit and the limited six-monthly reviews.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

From FY17 the Company rolled-out new middle and back office systems (AXAPTA and AGM respectively) across the whole Group in order to standardize processes, gain efficiency, and improve the quality of controls.

All Group companies report their individual financial statements and the notes and account breakdowns for the preparation of the consolidated annual accounts to the Group Accounting and Consolidation Department, integrated within the Finance Department.

At month end, in order to report all financial information, the local entities upload their local trial balances to the HFM (Hyperion consolidation system) using the FDM module of HFM. Several checks are performed in the FDM module to validate the accuracy and completeness of the local trial balance, before it is transferred to the consolidation system “HFM”. The HFM system is managed centrally and uses one single accounting plan.

The ICFR internal control system evaluates control activities for the local subsidiary month end closing process as well as the consolidation closing process conducted by the Group Controlling and Consolidation Department.

F.5 Supervision of the functioning of the system

Please report, indicating their principal characteristics, on at least:

F.5.1. Describe the ICFR monitoring activities undertaken by the audit committee together with a description of the internal audit function whose competencies shall include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Also, describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

a) ICFR monitoring activities undertaken by the audit committee.

The Audit Committee is the advisory body through which the Board of Directors executes the maintenance and supervision of the ICFR. As part of this function, and to achieve the objectives of the Board, the Committee:

- Receives and reviews the financial information that the Company must periodically make public to markets and to regulatory bodies
- Receives regular information from the external auditor on the audit plan and the results of the implementation thereof, and checks that Senior Management takes its recommendations into account.
- Guides and supervises the activities of the Internal Audit Area, including; approval of the annual plan and monitoring of senior management actions on recommendations raised as a result of reviews.
- Examines compliance with: the Internal Regulations for Conduct in the Securities Market, with Internal Rules of Procedure and, in general, with the rules are of good corporate governance of the company and make any appropriate proposals for improvement.

The Audit Committee, via the Internal Audit Department, supervises and monitors the effectiveness of the Company´s internal control system, and ICFR. The Audit Committee is regularly informed by the Group Internal Audit Director on the design and operating assessment of the effectiveness of the ICFR, any weaknesses detected during the course of the Internal Audit work, and on remediation plans or actions already undertaken to address the weaknesses detected.

The Internal Audit Plan for the assessment of the ICFR is presented to the Audit Committee for final validation and approval before execution, in order to ensure that it addresses and covers all the Committee's concerns.

The Committee's procedures are documented in the minutes of each meeting held.

b) Internal Audit Function.

Internal Audit activity is carried out by the Group Internal Audit Department. The Group Internal Audit Director reports directly to the Audit Committee Chair, and will report any issues raised as a result of the execution of its annual work plan and shall submit a presentation at the end of each financial quarter summarizing activity undertaken, issues arising, and planned activity for the following quarter.

With regards to the ICFR monitoring activities, the Group Internal Audit Department is responsible for:

- Performing Independent assessments of the internal control model for financial reporting (ICFR).
- Performing tests of management's basis for assertions.
- Performing design and operating effectiveness testing on internal controls for the Group companies in scope
- Supporting in the identification of control gaps and reviewing management plans for correcting control gaps.
- Performing follow-up reviews to ascertain whether control gaps have been adequately addressed.
- Acting as coordinator between management and the external auditor as to discussions of scope and testing plans.

c) Scope of evaluation of the Internal Control System with regard to Financial Reporting

During FY18 Internal Audit completed a review of the ICFR controls design and operating effectiveness in the critical business processes at all in scope Group entities (including information systems).

The determination of scope entities depended on factors such as; contribution to Group Revenue Margin, EBITDA, and whether the entity was newly acquired or had a prior history of control issues.

All key ICFR controls were scoped in; some non-key controls rated as effective last year were rotated out of scope.

A validation exercise was carried out of the status of all issues identified in the prior year, performing retest and validation of all control issues reported by Management as remediated.

The results of this review serve as the basis for the supervision of the internal controls over financially reported data.

d) Communication of results and corrective measure action plans.

Internal Audit Management informs Financial Management and the Audit Committee of all significant internal controls weaknesses detected during the ICFR reviews carried out during the year, as well as the degree of execution of action plans and any mitigating measures implemented during the months subsequent to the review. Weaknesses in internal controls identified in Internal Audit reviews are categorized as; high, medium or low; depending on the significance they may have if an error materializes in the financial statements. Management are required to set out action plans for remediation, business owners, and estimated due dates for remediation.
Internal Audit performs quarterly update reviews with Management on the status of all open issues. This updated information is included in the Quarterly Internal Controls status update presentation shared by Internal Audit with Senior Management, the Audit Committee, and the Board.

F.5.2. A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its audit committee or board of directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Audit Committee meets as many times as its Chair deems necessary for the fulfillment of its obligations, at least four (4) times per year to obtain and analyze the information necessary to discharge the duties entrusted to it. Any member of the Board of Directors, company officer or employee of the eDreams ODIGEO Group, may be requested to attend meetings of the Committee on requirement of its Chair. The Committee may require the presence of the external auditor in its meetings.

The Group Finance Department and Audit Committee, represented by the Internal Audit function, encourages total collaboration and coordination with the Group's external auditors. As a result, it has direct contact with the Management, holding periodic meetings both to obtain the necessary information to carry out its task and to communicate any control weaknesses identified as a result of its auditing work. The external auditor will report to the Audit Committee on "gaps" and/or improvements detected relating to the Internal Control System.

As explained in section F.5.1. Internal Audit provides the Audit Committee with a quarterly report detailing all significant internal control weaknesses and Management´s action plan to remediate.

F.6 Other relevant information

There is no other relevant information worth noting with respect to the Internal Control System for Financial Reporting.

F.7 External audit report

Please report on:

F.7.1. State whether the ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

The eDreams ODIGEO Group has not requested a specific report from the external auditors on ICFR information sent to markets, in consideration of the fact that said auditors have already conducted a review of internal control, developed according to the technical auditing standards as part of the audit review process.

G DEGREE OF MONITORING OF RECOMMENDATIONS OF CORPORATE GOVERNANCE

Please indicate the degree of monitoring of the company with respect to the recommendations of the Unified Code of Good Governance.

In the event that a recommendation is not followed or is followed partially, please include a detailed explanation of its reasons in such a manner that the shareholders, the investors and the market in general have sufficient information to evaluate the company's procedures. Explanations of a general nature will not be acceptable.

1. That the Bylaws of the listed companies not limit the maximum number of votes the same shareholder may cast, or contain other restrictions that make difficult the taking of control of the company through the acquisition of its shares on the Market.

Complies x Explain □

2. When a dominant and subsidiary company are both listed, they should provide detailed disclosure on:
a) The activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.
b) The mechanisms in place to resolve possible conflicts of interest.

Complies □ Partially complies □ Explain □ Not applicable x

3. During the annual general meeting the Chair of the Board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

   a. Changes taking place since the previous annual general meeting.
   b. The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Complies x Partially complies □ Explain □

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.
This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation

Complies x Partially complies □ Explain □

5. The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies x Partially complies □ Explain □

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:
a) Report on auditor independence.
b) Reviews of the operation of the Audit Committee and the nomination and remuneration committee.
c) Audit Committee report on third-party transactions.
d) Report on corporate social responsibility policy.

Complies x Partially complies Explain

7. The company should broadcast its general meetings live on the corporate website.

Complies Explain x

To date the Company has not transmitted general shareholders' meetings live on its website, although, if requests to do so were received from shareholders, the Company would study this possibility and would make every effort to implement this measure. In any event as soon as the AGM is finalized all decisions voted on are communicated to the CNMV via "Relevant Fact", and the company also makes them available on its corporate web page.

8. The Audit Committee should strive to ensure that the Board of Directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chair of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

Complies x Partially complies □ Explain □

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.
Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies x Partially complies □ Explain □

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:
a) Immediately circulate the supplementary items and new proposals.
b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.
c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.
d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies x Partially complies □ Explain □ Not applicable □

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies □ Partially complies □ Explain □ Not applicable x

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximizing its economic value.
In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies x Partially complies □ Explain □

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.

Complies x Explain □

14. The Board of Directors should approve a director selection policy that:
a) Is concrete and verifiable;
b) Ensures that appointment or re-election proposals are based on a prior analysis of the Board's needs; and
c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of Board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The nomination committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Complies x Partially complies □ Explain □

15. Proprietary and independent directors should constitute an ample majority on the Board of Directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies x Partially complies □ Explain □

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.
This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
b) In companies with a plurality of shareholders represented on the Board but not otherwise related.

Complies x Explain □

17. Independent directors should be at least half of all Board members.

However, when the company does not have a large market capitalization, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent directors should occupy, at least, a third of Board places.

Complies x Explain □

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a Board member and subsequent reelections.

e) Shares held in the company, and any options on the same.

Complies x Partially complies □ Explain □

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies x Partially complies □ Explain □ Not applicable □

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's' number should be reduced accordingly.

Complies x Partially complies □ Explain □ Not applicable □

21. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a Board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.
The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in Board membership ensue from the proportionality criterion set out in recommendation 16.

Complies x Explain □

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the Board of any criminal charges brought against them and the progress of any subsequent trial.
The moment a director is indicted or tried for any of the offences stated in company legislation, the Board of Directors should open an investigation and, in light of the particular circumstances, decides whether or not he or she should be called on to resign. The Board should give a reasoned account of all such determinations in the annual corporate governance report.

Complies x Partially complies □ Explain □

23. Directors should express their clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking Board representation.
When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.
The terms of this recommendation also apply to the secretary of the Board, even if he or she is not a director.

Complies x Partially complies □ Explain □ Not applicable □

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the annual corporate governance report.

Complies x Partially complies □ Explain □ Not applicable □

25. The Nominations Committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company Boards on which directors can serve.

Complies □ Partially complies x Explain □

The Internal Rules of Procedure of the Board of Directors, articles 6.3 and 6.6 required that each Director shall inform the Board of Directors of any other boards on which such Director holds a position, and such Director shall ensure that he/she devotes sufficient time and effort to perform his/her duties in respect of the Company efficiently.
Sideline activities, such as Board of Directors mandates outside the Company and Group, require the approval of the Board of Directors.

The Director Selection Policy states that the Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

During FY18 none of our Directors exceeded the aforementioned guidelines.

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies x Partially complies □ Explain □

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies x Partially complies □ Explain □

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies x Partially complies □ Explain □ Not applicable □

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Complies x Partially complies □ Explain □

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programs when circumstances so advise.

Complies x Partially complies □ Explain □

31. The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.
For reasons of urgency, the Chair may wish to present decisions or resolutions for Board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded, of the majority of directors present.

Complies x Partially complies □ Explain □

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies x Partially complies □ Explain □

33. The Chair, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the Board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the Board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies x Partially complies □ Explain □

34. When a lead independent director has been appointed, the bylaws or Board of Directors regulations should grant him or her the following powers over and above those conferred by law: Chair the Board of Directors in the absence of the Chair or Vice-Chair give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the Chair's succession plan.

Complies □ Partially complies □ Explain □ Not applicable x

35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Corporate Governance Code of relevance to the company.

Complies x Explain □

36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:
a) The quality and efficiency of the Board's operation.
b) The performance and membership of its committees.
c) The diversity of Board membership and competences.
d) The performance of the Chair of the Board of Directors and the company's Chief Executive.
e) The performance and contribution of individual directors, with particular attention to the Chair of Board committees.

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the nomination committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies x Partially complies □ Explain □

37. When an Executive Committee exists, its membership mix by director class should resemble that of the Board. The secretary of the Board should also act as secretary to the Executive Committee.

Complies □ Partially complies □ Explain □ Not applicable x

38. The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the committee's minutes.

Complies □ Partially complies □ Explain □ Not applicable x

39. All members of the Audit Committee, particularly its Chair, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.

Complies x Partially complies □ Explain □

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's non-executive Chair or the Chair of the Audit Committee.

Complies x Partially complies □ Explain □

41. The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Complies x   Partially complies □   Explain □   Not applicable □

42. The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies x   Explain □

43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies x   Explain □

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies x   Partially complies □   Explain □   Not applicable □

45. Risk control and management policy should identify at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
b) The determination of the risk level the company sees as acceptable.
c) The measures in place to mitigate the impact of identified risk events should they occur.
d) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies x Partially complies □ Explain □

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:
a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
b) Participate actively in the preparation of risk strategies and in key decisions about their management.
c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.

Complies x Partially complies □ Explain □

47. Appointees to the nomination and remuneration committee or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies x Partially complies □ Explain □

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Complies □ Explain □ Not applicable x

49. The nomination committee should consult with the company's Chair and Chief Executive, especially on matters relating to executive directors. When there are vacancies on the Board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Complies x Partially complies □ Explain □

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:
a) Propose to the Board the standard conditions for senior officer contracts.
b) Monitor compliance with the remuneration policy set by the company.
c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.
d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

Complies x Partially complies □ Explain

51. The remuneration committee should consult with the company's Chair and Chief Executive, especially on matters relating to executive directors and senior officers.

Complies x Partially complies □ Explain

52. The terms of reference of supervision and control committees should be set out in the Board of Directors regulations and aligned with those governing legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The Board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first Board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be recorded and a copy made available to all Board members.

Complies x Partially complies □ Explain □ Not applicable □

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one Board committee or split between several, which could be the Audit Committee, the nomination committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the Board under its powers of self-organisation, with at the least the following functions:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.

b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.

c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.

e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.

f) Monitor and evaluate the company's interaction with its stakeholder groups.

g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.

h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Complies x Partially complies □ Explain □

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

a) The goals of its corporate social responsibility policy and the support instruments to be deployed.

b) The corporate strategy with regard to sustainability, the environment and social issues.

c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.

d) The methods or systems for monitoring the results of the practices referred to above and identifying and managing related risks.

e) The mechanisms for supervising non-financial risk, ethics and business conduct.

f) Channels for stakeholder communication, participation and dialogue.

g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies x Partially complies □ Explain

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Complies x Partially complies □ Explain

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies x Explain □

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.
The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate.
This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies x Partially complies □ Explain □

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.
In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies x Partially complies □ Explain □ Not applicable □

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies x Partially complies □ Explain □ Not applicable □

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduces their amount.

Complies x Partially complies □ Explain □ Not applicable □

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies x Partially complies □ Explain □ Not applicable □

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.
The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Complies □ Partially complies □ Explain x Not applicable □

Executive Directors can be awarded shares as part of the company's Performance Share Plan. No holding period has been established in the remuneration policy, however:

- There is a period defined from the date of vesting to the date of delivery of the shares. Should the beneficiary leave the company during that period the shares may be lost according to the Terms and Conditions of the Plan.
- eDreams' ODIGEO Executive Directors already hold a significant percentage of the Company's shares as reported in section A.3 of the Annual Remuneration Report . To date, the ongoing practice followed by the Executive Directors has been only to sell shares to cover the tax retention applicable.

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies □ Partially complies □ Explain x Not applicable □

In line with the company's Remuneration Policy the company will consider including "Clawback" or "Malus" clauses in any new contracts or schemes signed with Executive Directors.

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Complies x Partially complies □ Explain □ Not applicable □

H OTHER INFORMATION OF INTEREST

1. If any relevant aspect exists on the subject of corporate governance at the company or at entities of the group that has not been reflected in the rest of the sections of this report, but is necessary to include in order to reflect a more complete and reasoned information on the structure and governing practices at the entity or its group, please detail them briefly.

2. Within this section, any other information, clarification or embellishment related to the above sections of the report may also be included to the extent they are relevant and non-repetitive.
Specifically, please indicate whether the company is subject to laws other than Spanish law on the subject of corporate governance and, as appropriate, include such information that it is required to furnish and which is different from that required in this report.

3. The company may also indicate whether it has voluntarily adhered to other codes of ethical principles or good practices, whether international, sectorial or of another scope. As appropriate, identify the code in question and the date of adherence. In particular, indicate whether the company has adhered to the Code of Best Tax Practices of July, 20 2010.

Point 1.

SECTION A.2

- LuxGoal Group is composed by: Luxgoal 2 S.à.r.l holding 0,75% of voting rights and Luxgoal 3 S.à.r.l holding 28,71% of voting right
- AXA Group is composed by: Axa LBO Fund IV FCPR holding 15,50% of voting rights and AXA LBO Fund IV Supplementary FCPR holding 1,73% of voting rights

Note that the number of shares reported by each Significant Shareholder corresponds to the information publicly reported as required under the Luxembourg regulation thresholds for reporting significant holdings.

SECTION A.3

Data at the end of the fiscal year ended 31st March 2018.

SECTION A.9.bis

The free float % amount has been calculated by taking the total number of shares issued (stated in A.1) less the Significant Shareholders Shares (stated in A.2) and the shares held by Directors (stated in A.3).

SECTION B.5

According to the Article of Association, article 5.10, all shares have equal rights.

According to the Regulations for the General Shareholders' Meeting, article 12.7, all shares have equal rights.

The right of a Shareholder to participate in a Shareholders' Meeting and exercise voting rights attached to its Shares are determined by reference to the number of Shares held by such Shareholder at midnight (00:00) on the day falling fourteen (14) days before the date of the Shareholders' Meeting.

SECTION C1.2

The two Executive Directors, Dana Dunne and David Elizaga, were re-appointed for an additional period of three years, on a provisional basis, by the Remuneration and Nomination Committee on the 6th of March and by the Board during a meeting held on 7th of March 2018. Their appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held in September 2018.

Amanda Wills was re-appointed as an Independent Director for an additional period of three years, on a provisional basis, by the Remuneration and Nomination Committee on the 6th of March and by the Board during a meeting held on 7th of March 2018. Her appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held in September 2018.

SECTION C.1.15

The figures reported represent the total cash remuneration received by the Board of Directors during FY18 (1,865 thousands of euros) and the gross profit of the options exercised by the two Executive Directors (2.294 thousands of euros) for the two executive Directors. For more information see disclosure on the Annual Remuneration report.

SECTION C.1.16

The numbers reported for FY18 represent the total remuneration received by the members of the CSM during the fiscal year (partial or full year) excluding the two Executive Directors, plus the remuneration of the Group Internal Audit Director and Group Legal Director. Cash remuneration of 2.828 thousands of euros and gross profit of the options exercised,1.260 thousands of euros)

SECTION C1.27

Article 10.9, establishes that "Independent Directors shall only be re-elected to the extent that the aggregated time served by such independent Director (i.e, taking into account, for the avoidance of doubt, the sum of the time served by such independent Director for each of his/her terms as independent Director) does not exceed a period of twelve (12) consecutive Financial Years (equivalent to four (4) mandates)"

SECTION C.1.30

Below is the data on attendance of each and every one of the directors at the meetings of the Board of Directors and its committees during financial year (From 1st April 2017 to 31st March 2018):

	Board	Remuneration and Nomination Committee	Audit Committee
Philip Clay Wolf (Independent Director during all Fiscal Year)	10/10	2/2	4/4
Robert Apsey Gray (Independent Director during all Fiscal Year)	10/10		4/4
Amanda Wills (Independent Director during all Fiscal Year)	10/10	2/2	
Dana Philip Dunne (Executive Director during all Fiscal Year)	10/10		
David Elizaga Corrales (Executive Director during all Fiscal Year)	10/10		
Lise Fauconnier (Proprietary Director during all Fiscal Year)	10/10	2/2	
Benoit Vauchy (Proprietary Director during all Fiscal Year)	10/10		4/4
Philippe Michel Poletti (Proprietary Director during all Fiscal Year)	10/10		
Pedro Lopez (Proprietary Director since 28th July 2017)	9/9*		

Notes: The denominator indicates the number of meetings held during the period of the year in which the director served as such or as a member of the respective Committee.
Note:*: Board Member since 28th July 2017.

SECTION C.1.37

Non audit-fees are linked to the agreed upon procedures services provided by Ernst and Young, during the Fiscal Year 2018.

SECTION C.1.39

Considered only the number of years that eDreams ODIGEO has been audited. Subsidiaries have been audited for 10 years.

SECTION G

Question 6

No report has been prepared by the Audit Committee in relation to third party transactions with directors and significant shareholders as none occurred during the fiscal year. (See relevant section D in this report).

Point 2 and 3.

Without prejudice of compliance with Spanish Corporate Governance rules, the Company is at time subject to the Luxembourg Transparency Laws, i.e. pursuant to the Directive 2004/109/EC of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the "Transparency Directive"), which has been implemented in Spain, listed companies are entitled to choose to be subject to the relevant transparency provisions of the Member State in which the issuer has its registered office (Luxembourg) or in which it has its securities admitted to trading (Spain). The Company has chosen to be subject to Luxembourg regulations.

As consequence the "Commission de Surveillance du Secteur Financier" (CSSF) is the supervisory body on transparency for eDreams ODIGEO and the company is subject to limited transparency obligations provided in the Spanish implementing regulations of the Transparency Directive. Please find below a summary of these obligations:

Transparency obligations	
Financial information (annual, Half-yearly and quarterly)	• Subject to Luxembourg regulations. • To be submitted as a relevant fact (hecho relevante) to the CNMV.
Qualifying shareholdings and net short positions	• Subject to Luxembourg regulations. • There is no obligation to submit any information to the CNMV, provided that it does not constitute a relevant event (hecho relevante).
Treasury stock	• The disclosure and limits of the treasury stock is subject to Luxembourg regulations. There is no obligation to submit any information to the CNMV. • However, the company follows the guidelines of the CNMV on treasury stock, which is currently included in the internal Regulations for Conduct in the Security Markets of eDreams ODIGEO.

The Code of Best Tax Practices of July, 20 2010 is a Spanish based document which has been developed for Spanish Tax Payers. The Company has adopted the eDreams ODIGEO Group Tax Principles which contain elements which the company considers relevant for the Organization of the Management of its tax affairs, the way it determines the tax position in its Financial Statements, as well as the level of transparency in the communication with Tax Authorities. These Group Tax Principles contain overlap with other codes of Best Tax Practices which have been published in various countries (including Spain).

Please indicate whether there have been directors who have voted against or abstained in relation to the approval of this Report.

YES □ NO x

Name or corporate name of the director that did not vote in favor of the approval of this Report	Reasons (against, abstention, non-attendance)	Explain the reasons
N/a	N/a	N/a