eDreams ODIGEO

INTEGRATED ANNUAL REPORT
FY 2021

Free translation from the original document in Spanish. In the event of discrepancy, the Spanish-language version prevails

Letter from the **CEO**

IT IS THE RIGHT TIME. IT IS OUR TIME

When I wrote my CEO letter last year, our business had already been seriously disrupted for 7 weeks as the global pandemic took its effect. Experts were already predicting it would take two to three years to develop a vaccine, and that travel would therefore not return for four to five years. Fortunately there have been unprecedented breakthroughs in vaccine and other medical treatments. Thus, with all of the pain and suffering caused by the pandemic, there is hope and better days to come. And it has become clear that leisure travellers want to travel and will return to the market much quicker than initially predicted. As a leisure-only focused business, that gives us an advantage in that our part of the market will return even quicker.

Given the strength of our business and business model, we have not needed to raise any additional capital. This has set us apart from our competitors who have had to raise millions and even billions of new capital. And while others have had to lay off large amounts of their workforce, we have not. Early on in the pandemic it was clear to us that given our unique business model and prudent management, we would be a winner. We thus have focused on making us stronger, building a brighter future for our customers, shareholders and eDOers. We already see this in the figures, we are now number 2 in the world in retailing flights and have moved our market share in Europe from 32% to 37% just in the last 12 months.

A BETTER, STRONGER BUSINESS

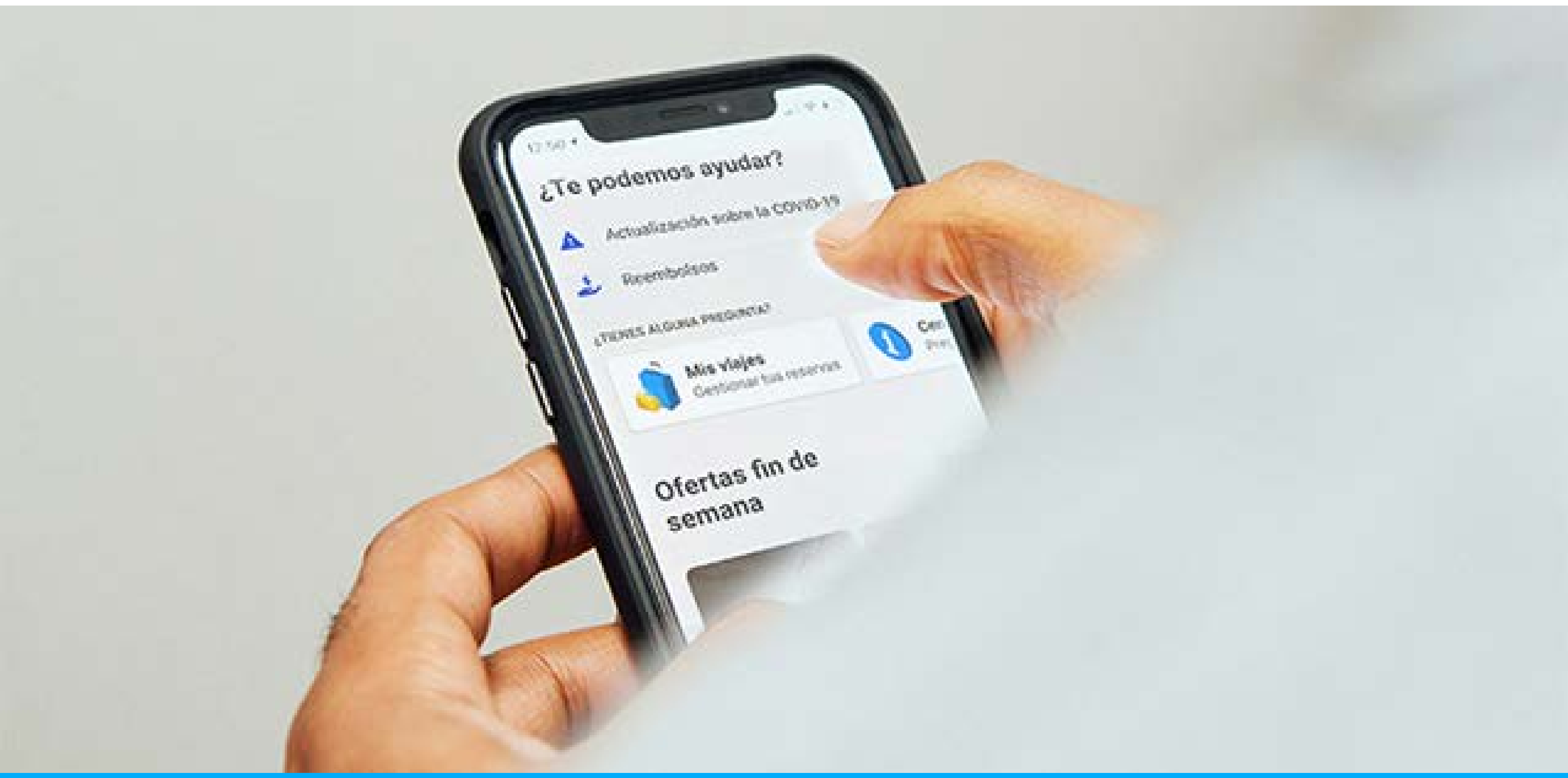
We have taken every opportunity in the year to strengthen our business wherever possible to take advantage of the terrific opportunity that now lies before us.

Prime is a great growth opportunity: in May we already reached our first 1 million subscribers

We are the leader and inventor of a subscription-based model in travel. While in other industries subscription model has been proven by Netflix in streaming, Spotify in Music, Amazon in consumer goods, no one has done this in travel until eDreams ODIGEO. We have been developing this for 4 years and have a bright future ahead of us. During the pandemic of the past year, we have continued to invest and innovate on our subscription offering and have seen remarkable results. Over the past year our subscribers grew by 58% to 876,000. To put this growth in context, the growth equates to 100,000 new subscribers per month in a normalised non-COVID-19 market. We are very proud to announce that in May we already surpassed a major milestone, which is our 1st one million subscriber, despite the softening of the demand due to COVID-19. In addition, 38% of our flight Bookings are now from Prime members. And we are way ahead of schedule to hit our 2 million subscriber target, which we will likely meet a year ahead of schedule, by latest the end of summer 2022.

In Prime we will continue to deepen and broaden our relationship with customers, earning more repeat business and greater share of their travel wallet. We have added hotels, in which Prime members can get great Prime hotel prices in over 1 million hotels. Also, we have added dynamic packages to Prime so a customer can choose any flight and any hotel and get a fabulous Prime price, in addition to all of the other perks that come with Prime. And all of this was introduced without increasing our subscription fee.

We also rolled out Prime to more countries, with the addition of the US, UK and Portugal. Coupled with Prime we have significantly improved the content customers can access. With improvements we have made on our platform and the addition of Travelport as a strategic partner, we can deliver enhanced content for our customers including further improved flight combinations and the addition of selected rail content onto the platform. We have also incorporated AI into our cache as well as in a number of other places. As a result of these changes, more than 50% of our results are now 75% faster than a year ago and we can produce far more unique flight offerings to our customers.



We have invested in customer care

Before the pandemic, the average booking cancellation rate was not material. Since March 2020, our customer services teams have managed almost 2 million flight cancellations and when payments were not delayed by the airline, our customers have been receiving refunds within 10 days. To support the unprecedented volume of enquiries we increased our team by hundreds of individuals. Furthermore, we launched an initiative to create the first automated customer servicing process for flights. Already we are seeing good results on this multi-year initiative with over 50% of our customer contacts being handled now digitally with high levels of customer satisfaction. There is more to do, and much greater opportunity for us to differentiate ourselves vs our competitors on customer, servicing and satisfaction.

We have expanded internationally

Bookings outside the Top 6 markets now account for around 34% of our total bookings vs 25% in FY20. We will continue to focus on this, leveraging our scale to improve performance. We knew a year ago that the pandemic was going to disproportionately affect certain travel markets more than others. Thus, we focused on several markets in order to benefit from this. For example, we relaunched our US proposition and localised websites in Arabic to better serve travellers in the Middle East region, as well as have invested in our Australian websites as well.

We have strengthened our world leading Artificial Intelligence capabilities

We are proud to say that we have proven world leading capabilities in this area. Many companies say that they do, but the honest truth is that having solutions which make decisions in real time, that learn and develop through reinforcement learning, and that really integrate into its products is very rare and very few companies in the world actually do. We are proud to say we do.

We deploy AI at scale across most business functions. Our readily accessible and increasingly automated big data and machine learning capabilities (ML) have greatly democratized and industrialized the integration of predictive machine learning business outcomes. Our product development teams have an abundance of platforms, technologies and people expertise to simplify and speed the delivery of value, deploying and evolving machine learning powered solutions at scale.

This provides us a competitive advantage in that we are able to personalize, individualise our propositions to our customers in real time. For example, based on the behaviour we see of an individual customer on our websites, paired with the individual customer's past behaviour and booking preferences such as a Prime customer, we are able to propose individual products and or services that are far more likely to meet the needs than grouping customers into cohorts or segments. Coupling state of the art technology with Prime provides real advantage.

We continue to strengthen our leadership in mobile and online

Mobile is an inescapable trend, only strengthened by the pandemic. eDreams ODIGEO has led the travel industry and all e-commerce industries in Europe in mobile. With our further investments we are getting close to 60% of our Bookings being made on mobile devices. The industry average in Europe is 37%. In addition, in Europe many traditional, more offline brands have closed large portions of their businesses as we see more and more consumers coming online. Couple this with our market leading brands, being number one flight retailer in Europe and number one or number two in all main European countries. As a result, we now have 37% market share in Europe in flights, an improvement of 6 percentage points, and are now ranked number two in the world, after Trip.com.

FY21 RESULTS

Given the pandemic, it is inevitable that the Company made a loss for the year. However, the results proved once again the strength and adaptability of our business model. The way in which we have built our business, our variable cost structure enables us to adjust our costs to adapt to softer demand. In FY21 our Bookings were down by 70% and likewise our Variable Cost, reduced by 75%. In addition, we have a proven ability to adapt and rapidly reduce Fixed Costs & CAPEX. Supplementary measures resulted in Fixed costs and CAPEX savings of €32 million, well ahead of €28 million we guided to the market at our FY20 results last year, adding extra adaptability to our business model.

In 4Q FY21 rising COVID-19 cases caused further travel restrictions to be imposed by some governments, which again returned Bookings to minus 70% vs FY19 levels. However, within 4Q we saw an improvement with March returning a better minus 62% vs FY19, and this has continued in 1Q FY22. In April Bookings were down 51% vs F19 and for the month of May until 22nd were already at minus 28%. This improvement shows that travel demand is there, as more people are vaccinated and travel restrictions lifted, travel activity tends to pick up very quickly and meaningfully.

We have prudently managed our liquidity to ensure that we emerge from lockdown with a secure average liquidity position during the pandemic of €117 million. We have used the time to further develop our business so that it remains at the forefront of our industry, safe for our employees and an even better proposition as our customers return en masse.

eDO FOCUS ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

We have a focused Environmental, Social and Governance agenda. As a technological, e-commerce, customer facing company, the most material areas of ESG risk that affect our organization are in Social and Governance. Although our core activities have a relatively low environmental impact, we are continually exploring ways in which we can reduce any environmental footprint we may leave and are pleased to report eDreams ODIGEO has achieved carbon neutrality for FY 2021 and FY 2020.

We will continue to engage with customers, partners, suppliers and investors on ESG and sustainability issues and develop plans for becoming an even more sustainable business.

As one of the world's largest online travel companies, we are committed to helping travellers discover the world in an environmentally healthy and sustainable way. We firmly stand for a travel industry that protects the environment and positively impacts local communities.

COVID-19 UPDATE – THE PACE OF TRAVEL RECOVERY AND THE FUTURE

Unsurprisingly current trading is impacted by COVID-19 related travel restrictions. However, we continue to see improvements week by week. As the vaccine continues to roll out, and travel restrictions continue to be lifted people want to and do travel. Already almost 1 billion people have received the first vaccine. Even prior to vaccines, last summer in 2 months almost 50% of the market returned simply from the lifting of the spring lockdown restrictions. Moreover, countless reports show high pent-up demand to travel for leisure.

Thus, I believe we have a bright future. We are a leisure only focused business, a leader in our market, well positioned to take advantage of the underlying structural tailwinds in our marketplace. We are a pioneer building a unique relationship with customers via Prime. This is why, overall and in comparison, to the market, our trading has outperformed the airline industry (both regular and low-cost carriers), gaining market share vs supplier direct and vs our direct competitors.

OUR PEOPLE

Let me finish full circle at the beginning. We have a unique team of which I am immensely proud. My fellow eDOers have been extraordinary during this past year. While the pandemic has touched all of us, eDOers have been there for one another and for our customers. We have an incredible esprit de corps and even in the darkest days have continued to look after one another, our customers, and the business. We have used this time, this crisis, to better ourselves as a company, as a team and as individuals. We have strengthened our business, built a unique and leading proposition to customers with excellent growth prospects, and as such we all believe our best days are ahead of us.

Dana Dunne

CEO of eDreams ODIGEO

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Management **Report**

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Management **Report**

A.1. A brief look at 2021 eDreams ODIGEO KPIs

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56%
Mobile Bookings
(From 44%)

37%
European OTA
flight market share
(From 32%)

876K
Prime Members
+58% YoY
(From 556K)

38%
Prime share of flight Bookings
(From 8%)

45
Markets

17M
Customers (*)

57%
Diversification Revenue
+5pp
(From 53% of total)

88%
Product Diversification
Ratio
3ppt (From 85%)

650
Airlines

2.1M+
Hotels

274k+
Flight routes

1.7 Billion
Monthly searches (*)

(37)pp (**)
Acquisition cost
per booking index

€(38.2)M
Adjusted EBITDA (***)
(From €115.1M)

€3.2M
Bookings
(From €10.8M)

€111.1M
Revenue Margin
(From €528.7M)

€(86.8)M
Adj Net Income (***)
(From €34.7M)

Information presented based on FY21 vs FY20 year-on-year variations .
(*) Pre COVID-19, (**) Percentage point reduction since FY15,
(***) See definition of Adjusted EBITDA and Adjusted Net Income in section C4. Glossary of definitions

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Management **Report**

A.2. Business model, performance & strategy

| A.2.1. Purpose, mission and values

OUR PURPOSE

"To reinvent travel and the travel proposition, and help people discover the world through travel"

To reinvent travel and the travel proposition, and help people discover the world through travel. We aim to help customers reach their destination and return, uniquely combining best prices and the greatest convenience in the shortest possible time. People are unique so we enable them to travel to see the world. At eDreams ODIGEO we offer people the possibility to travel, and visit the parts of the world they want to explore, with unrivalled choice and flexibility by allowing travellers to split their journey across multiple airlines and achieve greater value by creating their perfect package of flights, hotels, ground transportation and other services that cannot be provided when booking direct. In short: we save people money, time and provide them unique choice and unparalleled service. We open the door to new experiences, as everyone has their own personal idea of where they want to travel to. We are enablers, we help people explore their world and we connect them through travel, making it easier for them to broaden their horizon.

OUR MISSION

"To be a customer-centric, one stop travel company"

To reinvent travel: To be a customer-centric, one stop travel company, having a unique customer friendly, needs-based relationship with the customers, leveraging our flight proposition for competitive advantage and value creation.

We have a clear strategy to achieve this - combining our innovative industry leading technology, customer expertise, and data, to identify and monetise unique propositions for our customers.

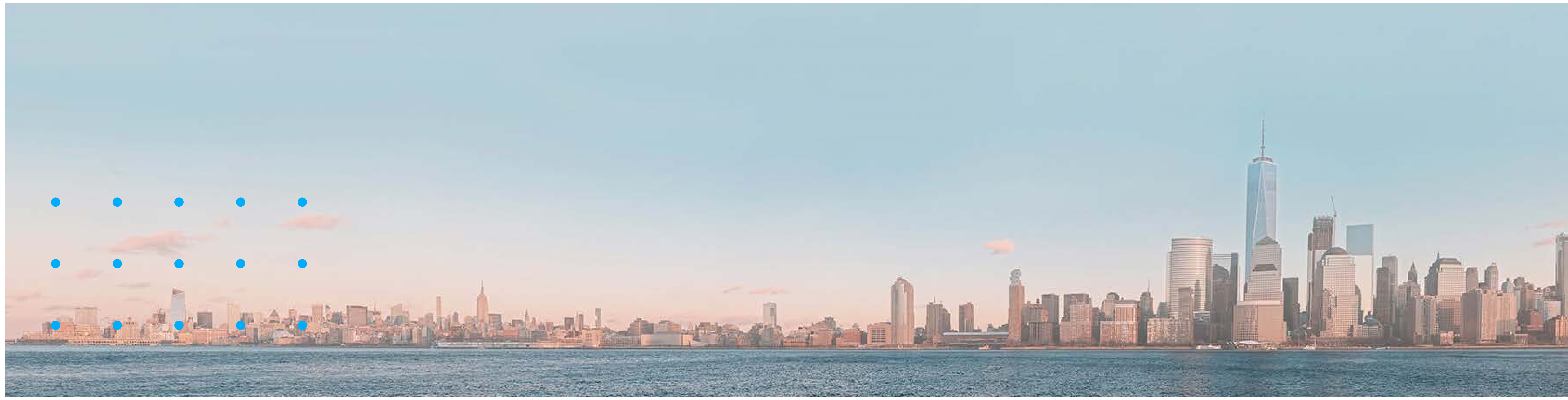
As pioneers of the subscription model in the travel industry we believe that our Prime product is the perfect vehicle to have a largely subscription based relationship with customers in which we cover their travel needs.

CULTURE AND VALUES

"We are passionate about travel"

We are among the biggest online travel companies, serving customers throughout the world. Having clear corporate values helps to unite our staff around one common goal. The position that we have reached today as one of world's largest online travel companies and one of the largest European e-commerce businesses, with commercial activities in 45 markets, is the result of the efforts and dedication of our eDOers.

Our Company culture is driven by our four corporate values (we fly high, we set then path, we journey together, and we explore...grow and discover):



| A.2.1. Purpose, mission and values

REINVENTING TRAVEL

We fly high	We set the path	We journey together	We explore... grow and discover!
Aspire to **make eDO the most successful** online travel one-stop shop	**Take initiative**, be a self-starter, speak up with new ideas	**Work without boundaries,** we achieve more together	Stay hungry for learning and grow others - **learn and grow others**
Work with passion for our Company customers and for travel	Take tough decisions, **using facts and data** and **get things done**	**Contribute constructively**	We value and deliver results and **recognize each other's contribution** based on merit
Innovate with our customer in mind	Iterate fast, **try, fail, learn**	**Contribute to the fun**	**Celebrate and cultivate our diversity**
Look out the window and learn and **improve continuously**			

A.2.2. Industry update and outlook

THE SHAPE OF THE LEISURE INDUSTRY POST COVID-19

Future of leisure travel determined by travel restrictions

- **a) Most countries easing restrictions**
- **b) Vaccinations ahead of predictions**
- **c) European tendency of vaccinations expected to improve significantly in 2Q 2021**
- **d) US key data points supporting a strong travel environment**

Markets more dynamic

Online trend has been hugely accelerated by COVID-19

- **a) Higher growth rates for online players**
- **b) Consumer behaviour changed**

eDO well prepared and shaping the travel market of the future!

- **a) We continue to gain scale and market share**
- **b) eDO leading the way – Mobile even more important**

A.2.2. Industry update and outlook

THE SHAPE OF THE LEISURE INDUSTRY POST COVID-19

Future of leisure travel determined by travel restrictions

a) Most countries easing restrictions
b) Vaccinations ahead of predictions
c) European tendency of vaccinations expected to improve significantly in 2Q 2021
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a) Most countries easing restrictions

We are optimistic, and believe that with vaccination we will recover quickly to Pre-COVID-19 levels or even exceed them. We anticipate a rapid rebound similar to previous crises which demonstrated that travelling is something intrinsic to the human being and people have an infinite desire to travel. Demand for travel has not disappeared, it is simmering below the surface and growing. This means that when the necessary conditions are met, there will be significant pent up demand and the travel market will innovate, evolve and prosper once more.

Last summer, whilst in the "eye of the COVID-19 storm" we saw how the travel market quickly recovered 50% of volume in just two months. The desire to fly and travel remains intact and deep rooted in travellers. In 2021, the development of vaccines and the programming of different plans to immunize populations against COVID-19 generated huge demand for travel searches. As vaccine programmes are rolling out it is clear that recovery is well underway.

"There is no uncertainty over recovery, only to the speed of it. The 'rebound' effect is unquestionable, other crises have shown us that travelling is intrinsic to the human being"

"The lifting of travel restrictions, in the form of quarantines, would be key to show that is safe to travel and boost consumer confidence and Bookings"

"EU vaccine Chief Thierry Breton says vaccine passports to be launched in June, it is expected to boost safe mobility of travellers, and our Bookings too"

"Ugur Sahin, Pfizer vaccine creator, has predicted that Europe will achieve herd immunity in July, at the latest in August"

| A.2.2. Industry update and outlook

b) Vaccinations ahead of predictions

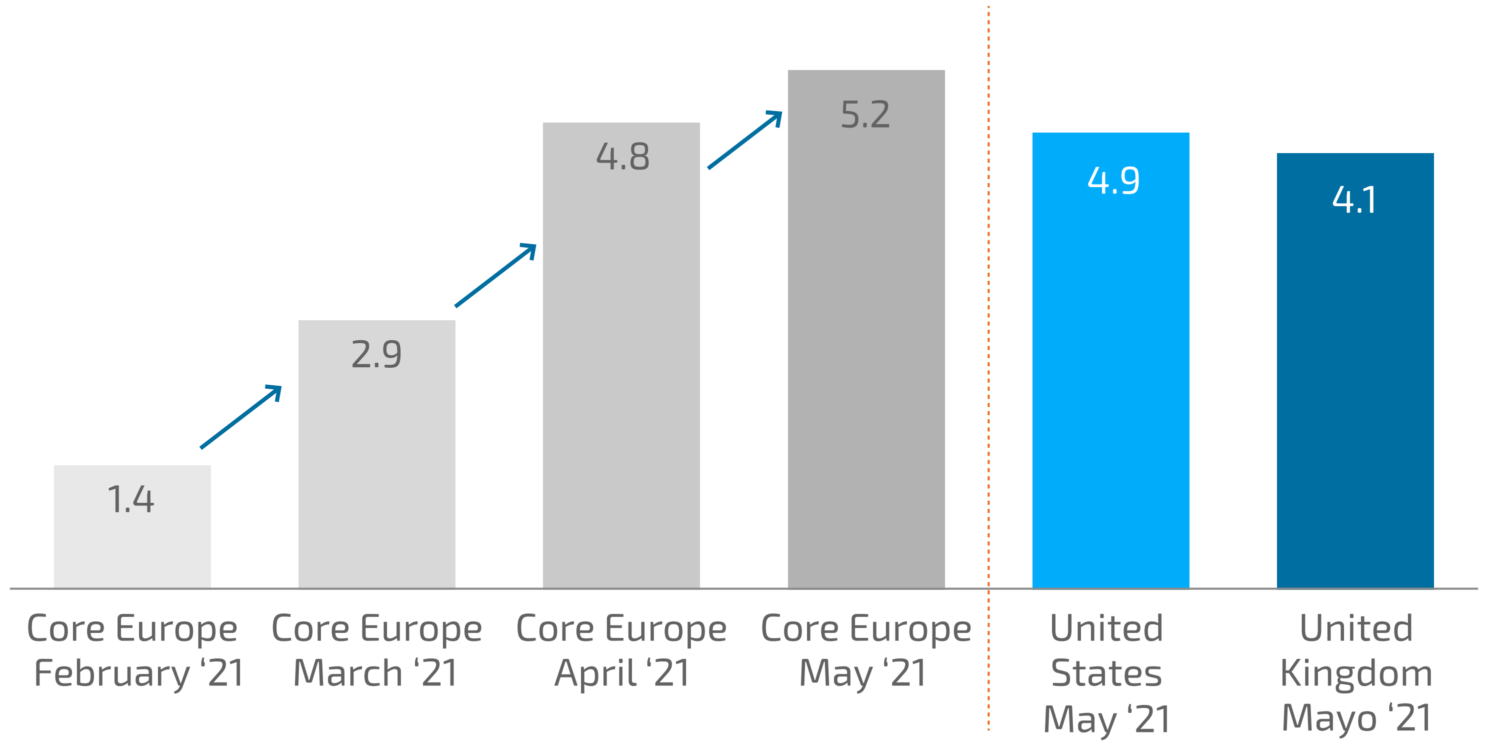
Overall, we are ahead of predictions on the roll out and efficacy of the COVID-19 vaccine. Prior to the vaccine entering stage 3 trials, predictions were that the average efficacy of the vaccine would be between 50% and 70%. Additionally, the likelihood was that the rollout of a vaccine would be during the second half of 2021, with possible scenarios that it could have been rolled out in 2022 with some commentators sceptical if there would be a vaccine or reasonable efficacy rolled out even in 2-3 years.

"Progress is significantly ahead of schedule. Vaccines have up to 95% efficacy, not 50% to 70%, and are being rolled out, now, in firs half of 2021"

The reality is very different, progress is significantly ahead of schedule. Vaccines have up to 95% efficacy, not 50% or 70%, and are being rolled out, now, in the first half of 2021. We understand that 70% of the population of the largest markets of travel destinations should be vaccinated in 3Q/4Q 2021. Some examples where rapid progress is being made include; the UK with 56% and the US with 49% of the population having received one dose, while the speed of vaccination in Europe is accelerating as new vaccines are approved and production of existing vaccines increases. Our top countries have already caught and surpassed the run rate of the UK and US in terms of percent of population being vaccinated on a weekly basis.

Speed of vaccination. Our top European countries have already surpassed the run rate of the UK and US.

The speed of vaccination is accelerating as new vaccines are approved and production of existing vaccines increases. Our top countries have now surpassed the run rate of the UK and US.

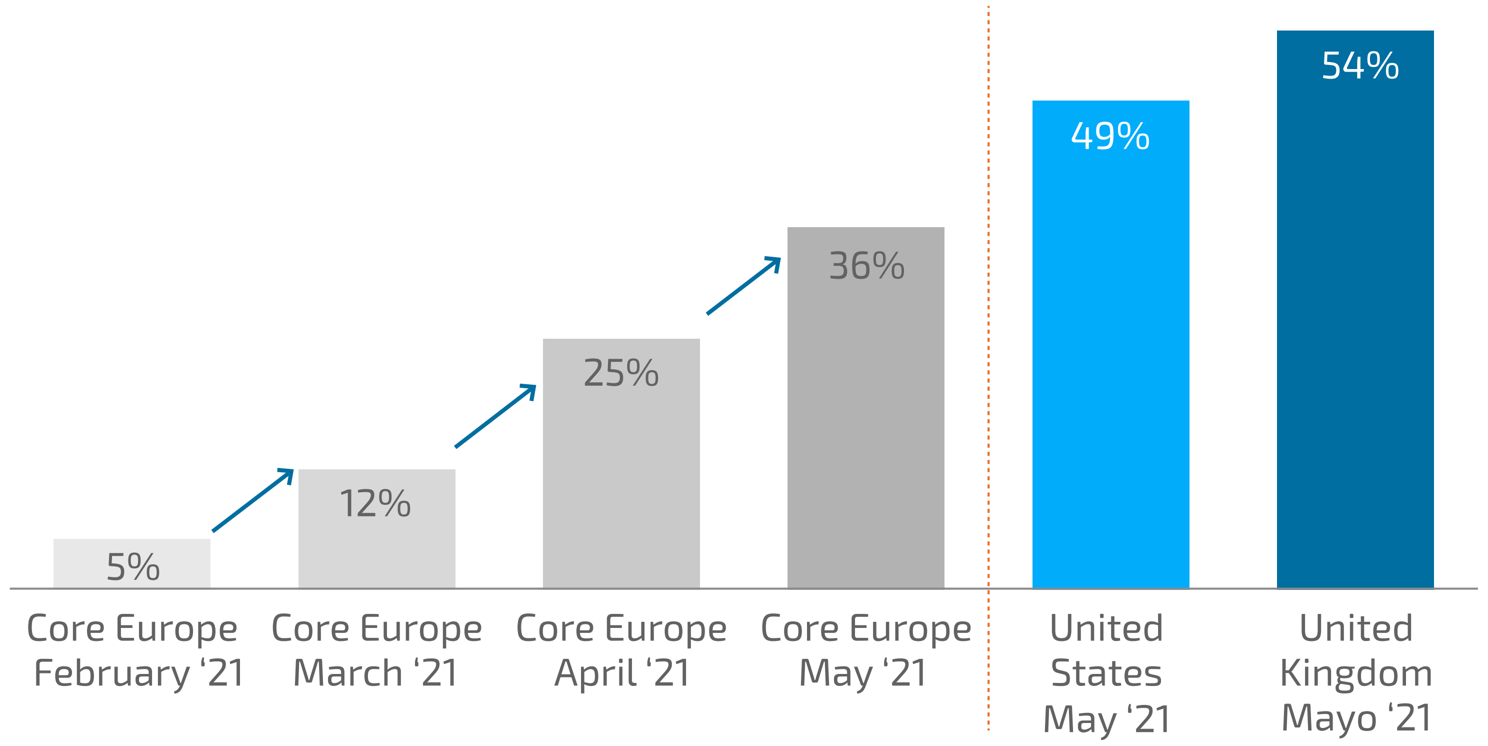


(*) Weekly COVID-19 vaccine doses administered per 100 people. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).
(*) Core Europe is the average of France, Germany, Italy and Spain.
Source: Our World in Data.

"Since January, in UK and US around 50% of the population has received one dose"

Evolution of eDO Core Europe share of the total population vaccinated

In our core countries 36% of the population has received their first doses of a vaccine.



(*) Share of the total population that received at least one vaccine dose. This may not equal the share that are fully vaccinated if the vaccine requires two doses.
(*) Core Europe is the average of France, Germany, Italy and Spain.
Source: Our World in Data

"In our core European countries more than 34% of the population has received their first doses of a vaccine, a number that has triple since march"

| A.2.2. Industry update and outlook

c) European tendency of vaccinations expected to improve significantly in 2Q 2021

European countries have been slower but we should expect improvement in particular in our core markets given the planned increase in dose delivery.

"We should expect the tendency to improve especially for our core markets given the expected doses to be received"

We expect vaccine doses available in EU to increase exponentially driven by (i) increases in the productivity of existing manufacturers (e.g. Belgium Pfizer factory recently increased its production by 30%) (ii) other pharmaceutical companies will start producing existing vaccines (e.g. Sanofi will produce the Pfizer and J&J vaccines, Novartis will produce the Pfizer vaccine, GSK will produce the Novavax vaccine, AstraZeneca has production agreement with Insud in Spain) and (iii) new vaccines coming to market (Janssen already approved and another 3 are being evaluated by the EMA: Novavax expected in April, CureVac and Sputnik V).

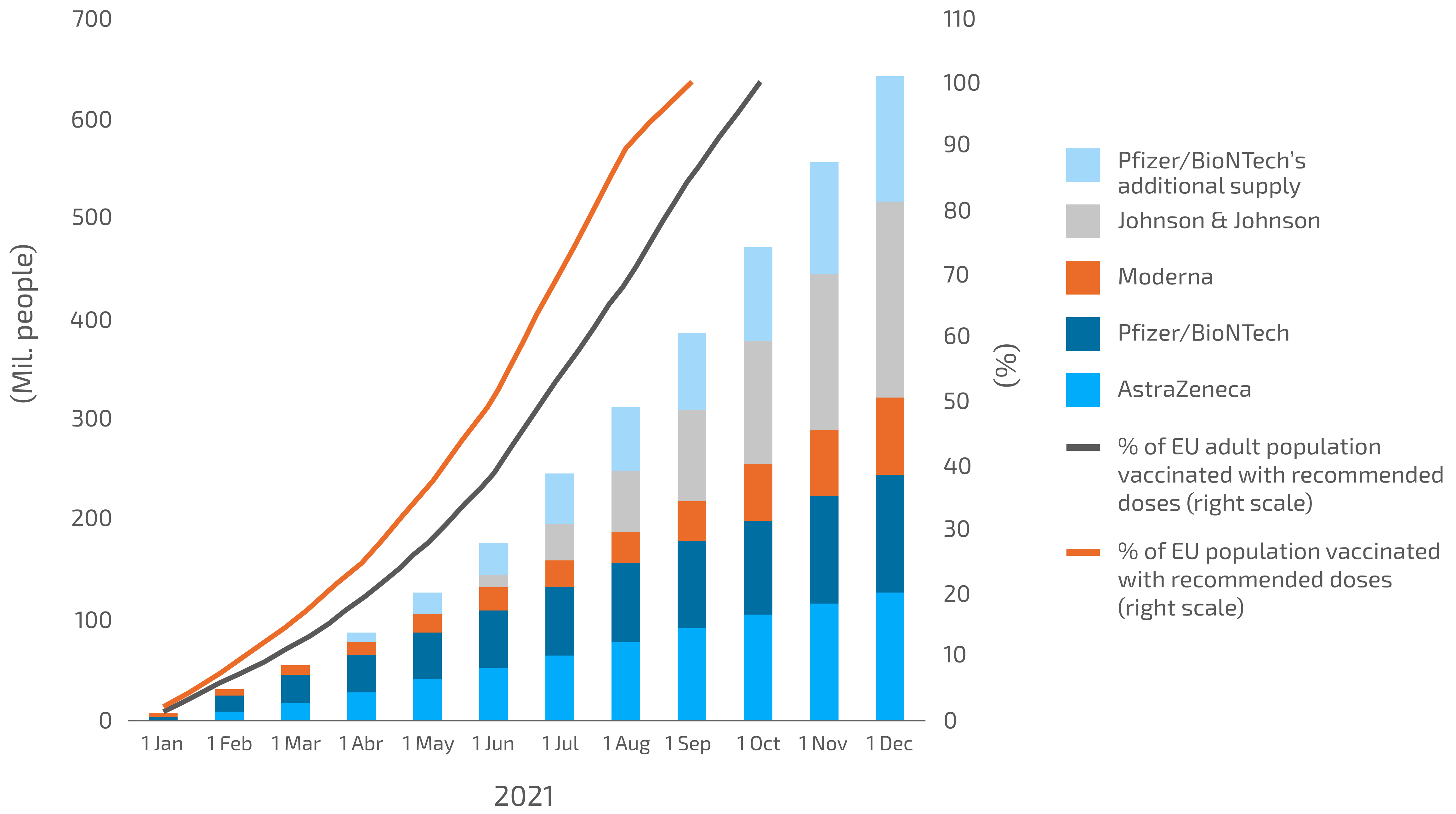
In 2Q vaccine deliveries to the EU are expected to be 360 million, compared to 107 million in 1Q. It should be noted that 55 million of these vaccines correspond to single-shot J&J doses.

"Actual herd immunity will be reached sooner than when 70% of the population is vaccinated if we consider people that have been already infected"

In addition:

- Several countries have opened borders and eliminated quarantine requirements for those vaccinated.
- EU is in serious discussions over a "vaccine passport", expected to be launched in June.
- Some countries are opening 'Travel Bubble' arrangements to facilitate the reopening of as many bilateral travel markets as possible.
- Internal travel restrictions may be lifted sooner, once at-risk populations have been vaccinated (as those make up the vast majority of hospital admissions).

Vaccines: Number of Doses Expected per EU Countries



Source: S&P Global Ratings.

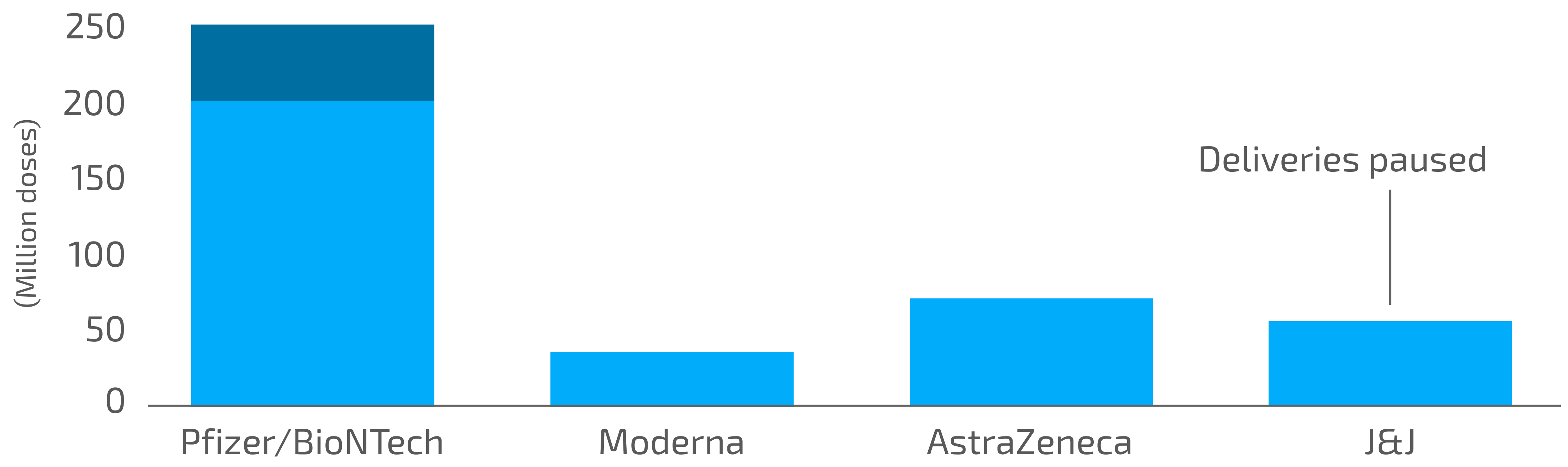
"Increase in vaccination will lead to better mobility for travellers in the upcoming months and should boost our Bookings"

| A.2.2. Industry update and outlook

"Pfizer Inc. and BioNTech SE will increase COVID-19 vaccine deliveries to the European Union by 25% in April to June quarter. It will bring forward 50 million deliveries originally scheduled for the fourth quarter"

"Pfizer has announced that it will supply the European Union with 100 million more doses than planned"

Pfizer Boosts EU Vaccine Supply



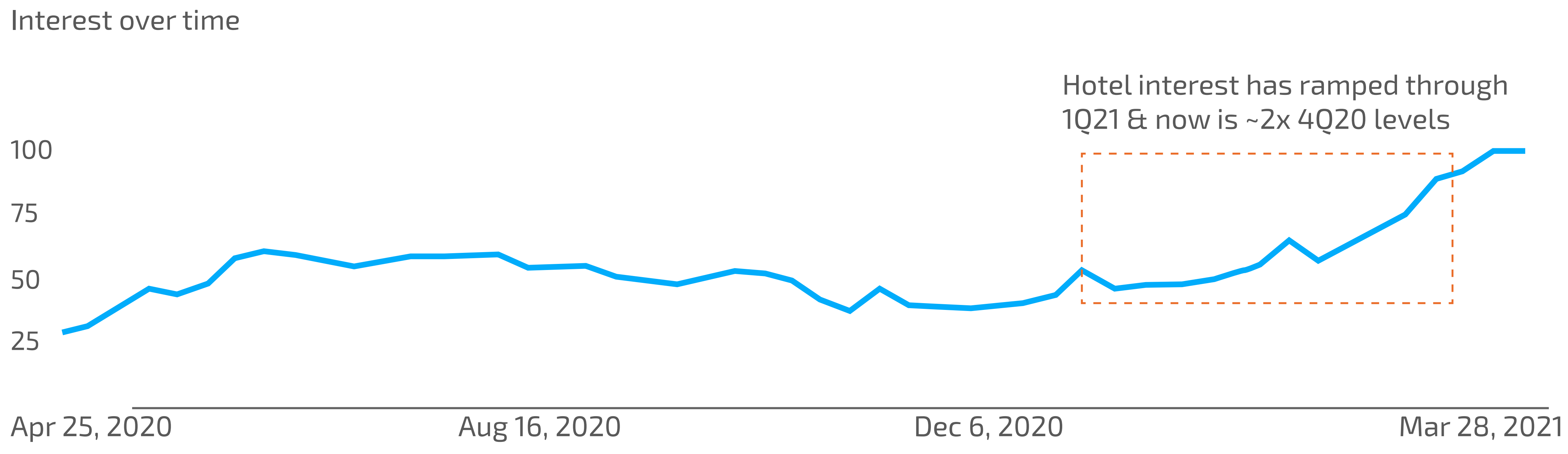
Source: European Commission, Pfizer

"The minister of Health in Spain, has highlighted that as of April 26 and throughout the month of May, 1,700,000 weekly doses will be received from Pfizer alone"

| A.2.2. Industry update and outlook

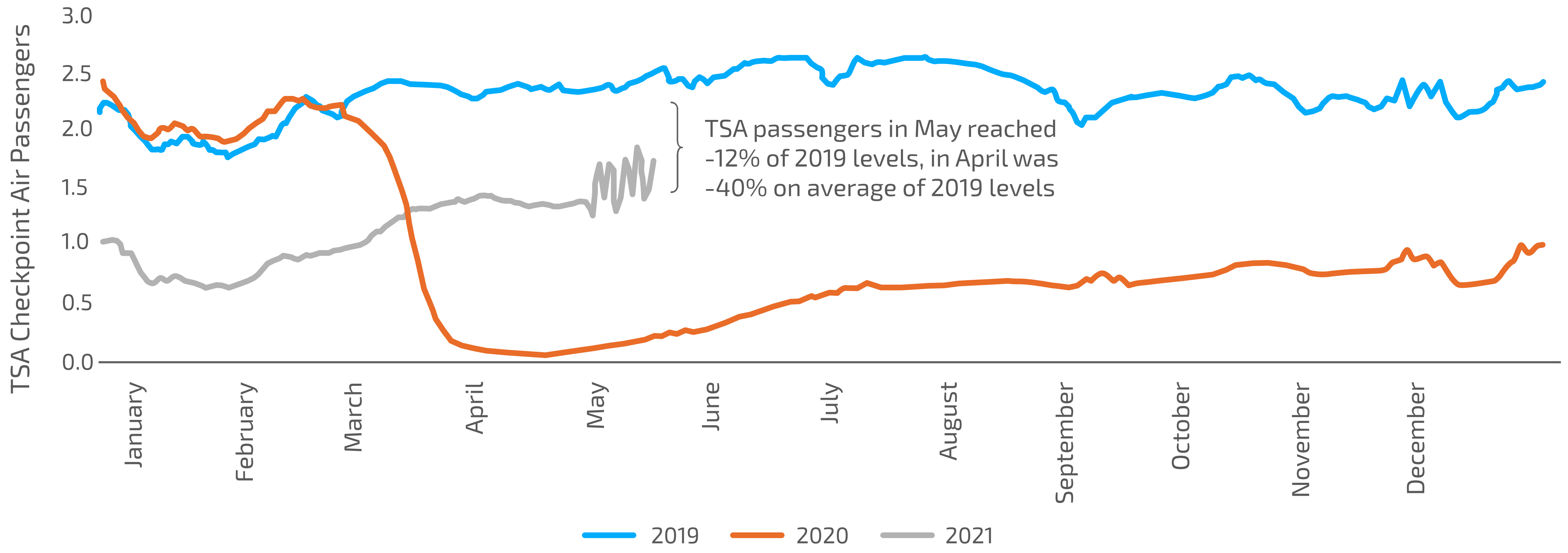
d) US key data points supporting a strong travel environment

Hotel search interest is 2x that of 4Q20 levels and at a 12-month high based on Google Trends data



Source: Google Trends, JMP Securities LLC

Air traffic continues to improve as daily TSA screenings in early May were just 12% below 2019 levels.



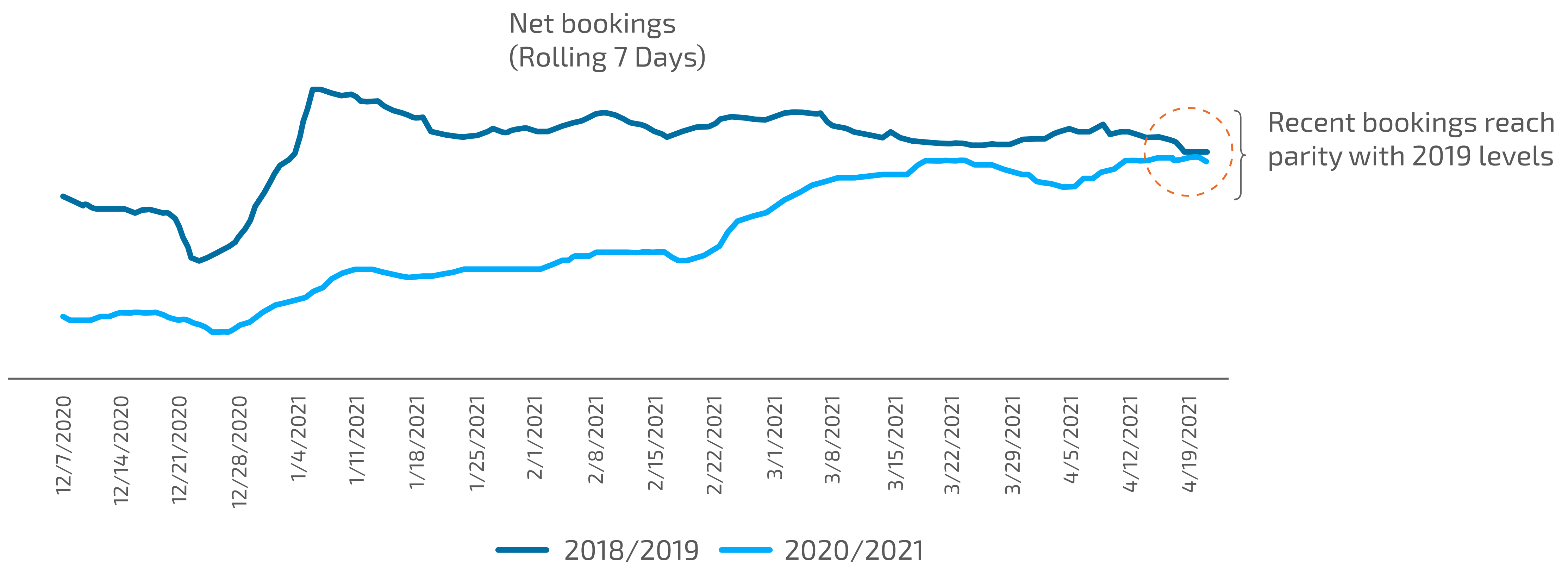
Source: TSA website

| A.2.2. Industry update and outlook

American Airlines Recently Reached 2019 Booking Levels Driven by The Return of Leisure Travellers

Booking Data Improving

Net bookings are improving with the reopening of the economy and expansion of the booking curve.

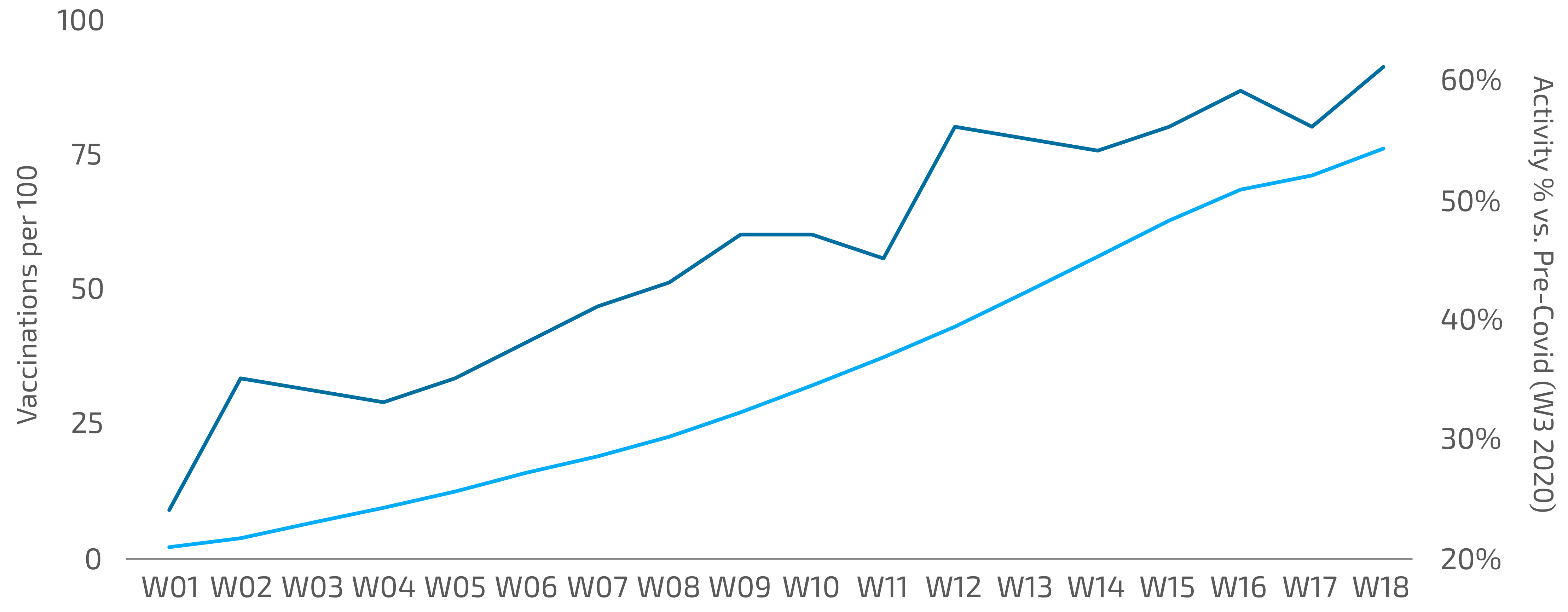


Source: American Airlines, JMP Securities LLC

"While these data points are more U.S. focused, as Europe improves its vaccine distribution efforts, we should expect the region's travel recovery to follow a similar trajectory to that of the U.S."

Correlation between vaccination and Bookings for the United States: As more people are vaccinated, travel activity tends to pick up

R factor of 0.94 (from week 52/21st of December 2020 onwards)



(*) Total number of vaccination doses administered per 100 people in the total population. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).

(*) Leisure - Non-Family Bookings (1 or 2 pax) indexed to W3 2020.

Source: Our World in Data and ADARA

| A.2.2. Industry update and outlook

Markets more dynamic

The next couple of years are set to be the travel industry's most significant of recent times. As the world recovers from the COVID-19 pandemic and borders open, we expect the market in which we operate and travel in general to have evolved.

"We expect the market in which we operate and travel in general to have evolved"

A focus on health and hygiene will drive the "home to gate" journey and travellers are likely to be willing to pay more, particularly in the short term, for COVID-19 safety. The travel industry will need to be creative and innovative and there will be a premium for spacious and set apart accommodation.

Over the past year the sustainability agenda has also gathered pace. This will drive change across the travel industry – flights, destinations, the way travel companies behave, long haul v short haul, human rights and the ability to constantly communicate is already part of the decision making process for customers and will become ever more important.

The inexorable consolidation of airlines will slow dramatically and could be held back for as much as five years as many are propped up by state subsidies. Many parts of the airline industry pre COVID-19 were operating inefficiently. Transformation of the airline industry was considered long overdue, but it has taken a devastating catalyst to make that happen. Air travel will pick up and the industry will emerge stronger and more resilient. The new normal, driven by the Zoom revolution and business playing its part in the climate change agenda will reduce corporate travel. Leisure travel, however, is forecast to rebound rapidly.

"Consolidation of airlines will slow dramatically and could be held back for as much as five years, IATA chief says, its an opportunity for OTAs to differentiate their service offering even further"

"Air travel will pick up and the industry will emerge stronger and more resilient"

"The new normal, driven by the Zoom revolution and businesses playing their part in the climate change agenda will reduce corporate travel. Leisure travel, however is forecast to rebound rapidly."

There is no doubt that consumers will return to travel. While the business travel market has been structurally impacted by COVID-19 as a result of technological alternatives, leisure travel is primed to thrive. Technology cannot replace the exhilaration of being on a mountain, or the pleasure of a beach, or the stimulus of a city centre. At our core is a desire to explore, to connect, to relax and enjoy.

Shocks bring significant changes and COVID-19 is no exception. Customer behaviours and motivations are changing and OTA's will be clear beneficiaries.

"Customer behaviours and motivations are changing and OTA's will be clear beneficiaries"

| A.2.2. Industry update and outlook

Online trend has been hugely accelerated by COVID-19

a) Higher growth rates for online players
b) Consumer behaviour changed
- Online penetration accelerating
- eDO ahead of the airline industry

a) Deeper penetration across broader demographics drives higher growth rates for online players

It has been widely reported that COVID-19, in 3 months, has accelerated progress online by 3 years. The leisure travel industry had to a large extent already moved online, but COVID-19 is deepening penetration in particular with the older demographic (who have become more internet savvy during lockdowns to communicate with their relatives and to shop online).

Many people have discovered a completely new world online. The biggest barrier this type of customer faces is trust, which is where well-known brands and market leadership have an unquestionable advantage.

Competition will have fallen away as less strong, more traditional businesses sadly fail. Those that offer customers special treatment will thrive, technology enabled businesses particularly those focused on mobile and those that provide flexibility, affordability and convenience will be at the fore.

"Technology enabled businesses particularly those focused on mobile and those that provide flexibility, affordability and convenience will be at the fore."

When restrictions are finally lifted travel will again build and grow, in a slightly different way, but grow it will and there will be no shortage of demand. There will be a continued desire to use OTA's as a preferred way of booking to deliver the greatest combination of routes and discover the best prices. Operators will need to change and adapt to capitalise on changing consumer trends and embed resilience in their businesses for the long term.

"At eDreams ODIGEO our business is already at the forefront of this transformation, leading innovation in many of the underlying trends that have been accelerated by the pandemic. With many tailwinds and a determination to capitalise on our competitive advantage we believe that this is the right time for us, it is our time."

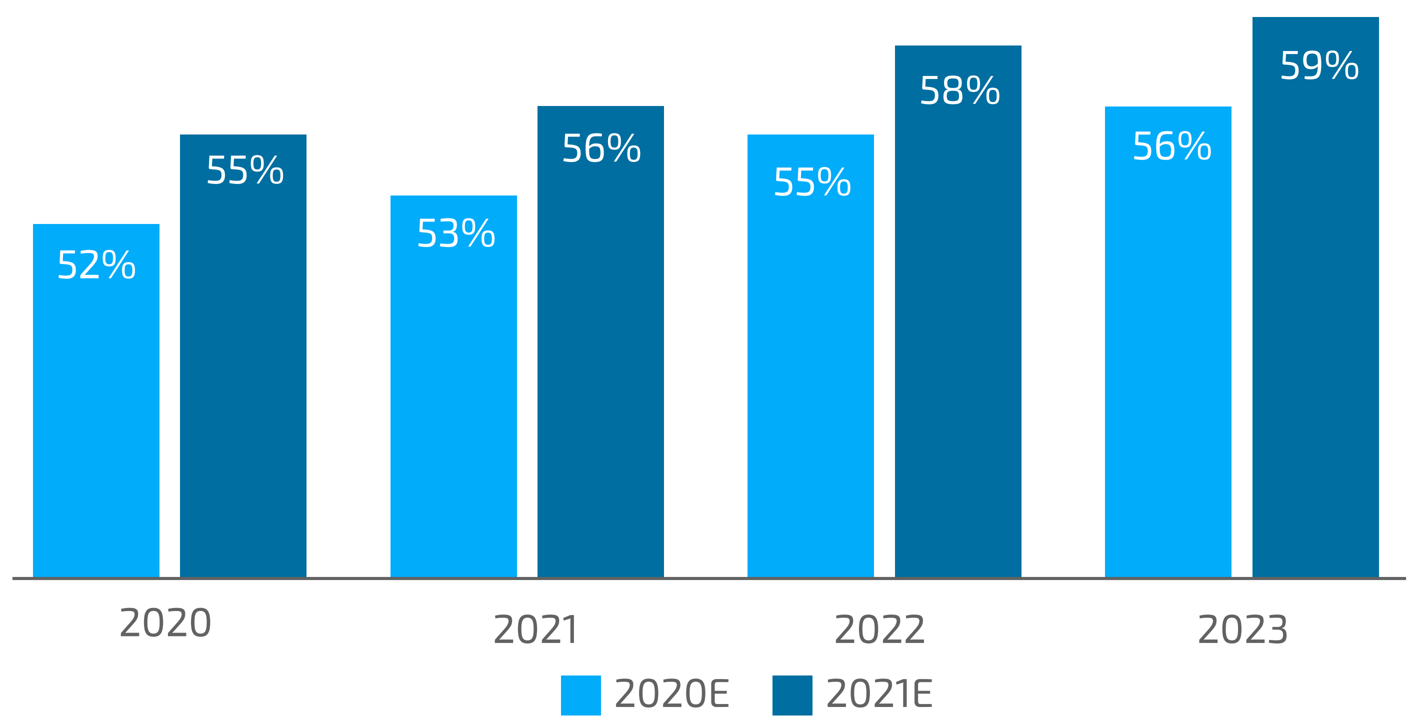
| A.2.2. Industry update and outlook

b) Consumer behaviour changed

With many traditional travel agencies closing, Europeans are increasingly turning to online booking channels. Online travel penetration advanced three percentage points in 2020, to 55%, and the online share of travel bookings is expected to climb to 60% by 2024.

This is also reflected by the meaningful increase reported by Phocuswright in its online penetration estimates from their 2020 to 2021 estimates, for 2020 and onwards.

Online penetration accelerating



Source: Phocuswright Travel Market Report 2020-2024

We strongly believe this shift will benefit OTAs vs supplier direct. We find it hard to believe that in this shift from offline to online, and this has been the thesis for a long time from Phocuswright, that the supplier direct will grow faster and gain share vs OTA. The modern digital consumer prefers a one-shot instantaneous search of the market, to be in control of trading off, and sorting options between price, convenience, etc. in a state-of-the-art, easy to use service.

Our trading shows an outperformance against the airline industry (both regular and low-cost carriers) and growth of market share vs supplier direct due to better quality, more comprehensive content and flexibility and a focus on leisure travel. This is demonstrated in the table below, which shows eDO overall performance vs IATA in Europe where, on average during fiscal year 2021 eDO has been 13 percentage points ahead of supplier direct in Europe. Recent trading in March suggest that is increasing further to 21 percentage points ahead of supplier direct.

"From a consumer point of view they want to see the market effortlessly, save money and/or find the most convenient and attractive option. And they want it to be done in one click so to speak. Only an OTA can offer this"

eDO ahead of the airline industry

REGION	Q1	Q2	Q3	Q4	March 2021
eDO Total	(87)%	(62)%	(65)%	(70)%	(62)%
IATA Europe	(97)%	(77)%	(79)%	(81)%	(83)%
eDO vs IATA	9ppt	15ppt	14ppt	11ppt	21ppt

Source: IATA Economics & Company Data
Note: For the Q4 calculation, information presented for March is based on FY21 vs FY19 year-on-year variations

| A.2.2. Industry update and outlook

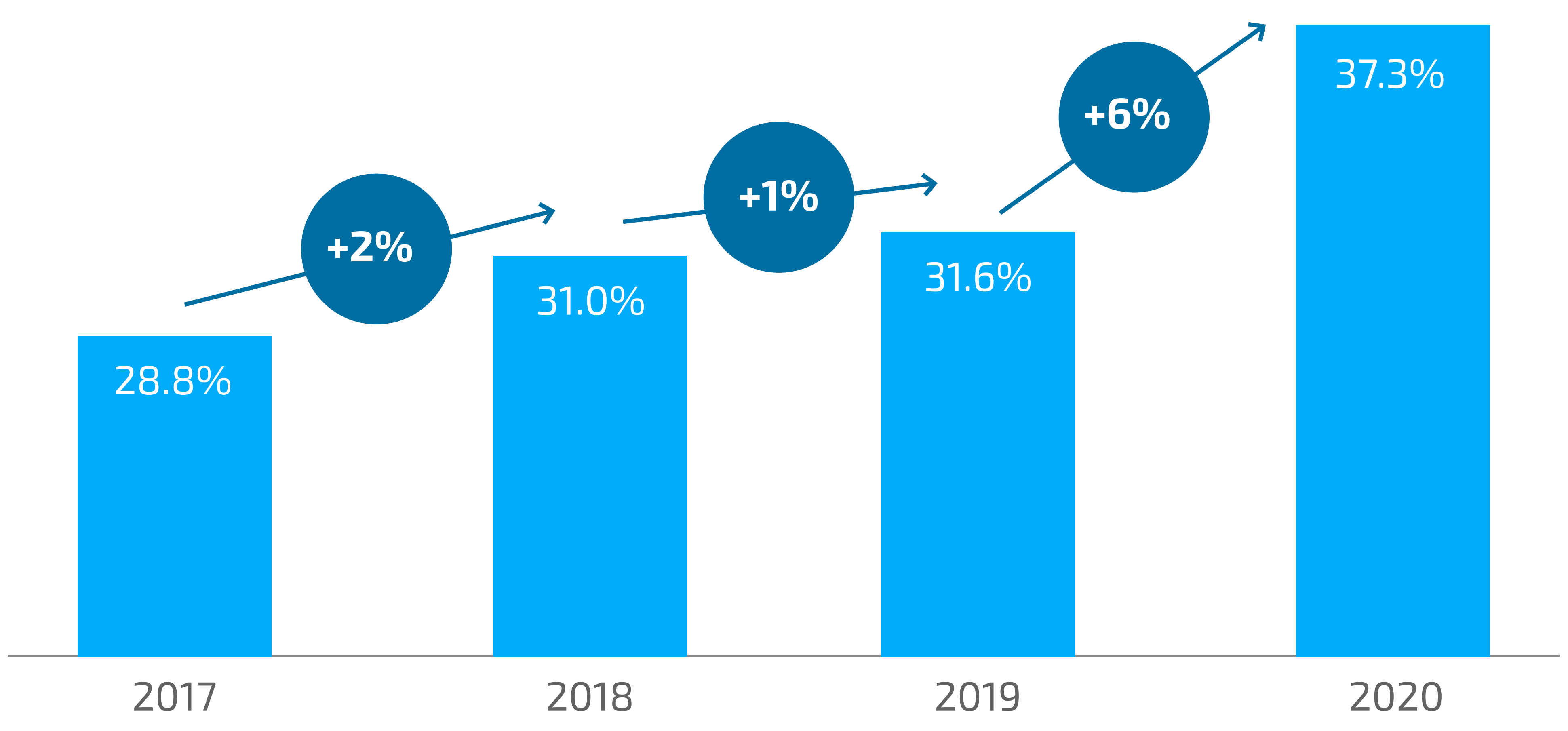
eDO well prepared and shaping the travel market of the future!

a) We continue to gain scale and market share
b) eDO leading the way – Mobile even more important

a) We continue to gain scale and market share

eDreams ODIGEO has used the COVID-19 period to improve our strategic positioning. We have used this time to improve our products, our offering to consumers, and to shareholders. This is demonstrated via Prime, our pioneering travel subscription program, which performed outstandingly during these challenging conditions with subscriptions continuing to grow, and our mobile offering well ahead of the industry. In terms of strategic positioning, we continue to outperform the market. Our Bookings performance at minus 70% in FY21 continues to outstrip the overall European market which stands at minus 83%. The latest Europe Airline Online Bookings published by Phocuswright in their Europe Travel Market Report 2020-2024 in March 2021, showed an increase in our OTA European Airlines market share of 6 percentage points from 32% to 37% in just one year.

eDO Market Share evolution in the European OTA Airlines market



Source: Company data, Phocuswright Travel Market Report 2020-2024

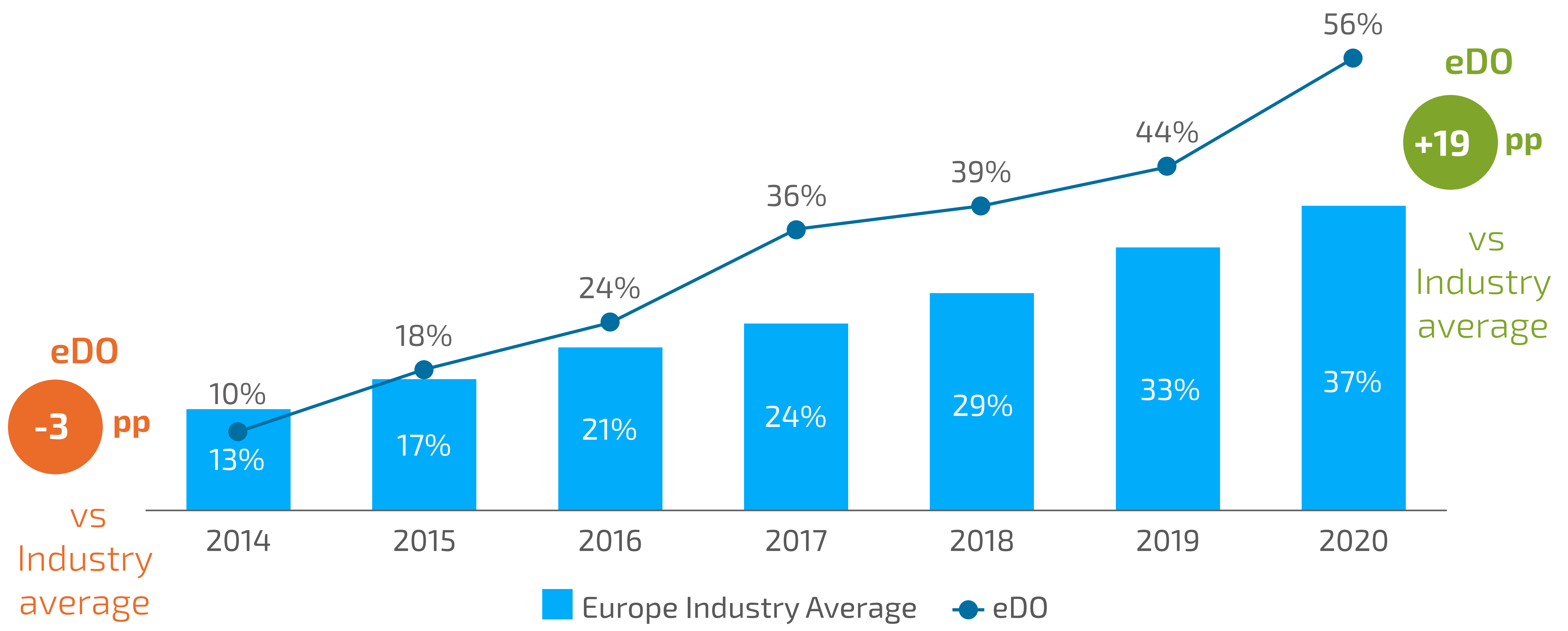
b) eDO leading the way – Mobile even more important

We continue to lead the travel industry in mobile innovation and have again excelled in mobile, which bodes well for the future.

In the last six years, bookings through mobile have risen exponentially from 10% of our total Bookings, 3 percent points below the industry average, to 56% (19 percentage points ahead of the European Industry average). Mobile has always been a top priority for us and continues to be a major focus.

The shift to online and specifically mobile, accelerated by the pandemic, leaves us in a very strong position to take advantage of future demand.

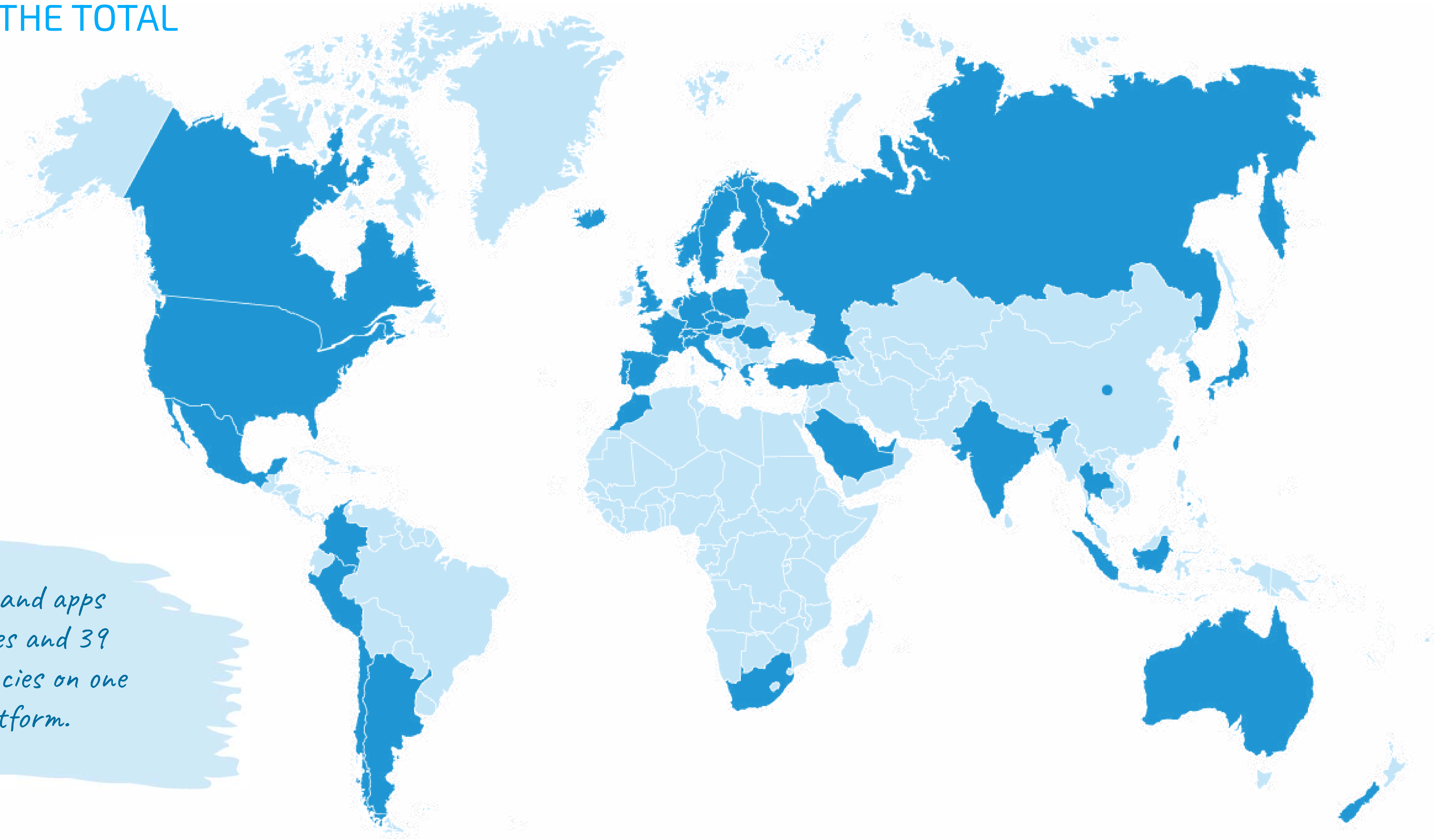
Strong growth in mobile bookings well ahead industry average



Source: Phocuswright Travel Market Report 2020-2024

| A.2.3. Geographies and brands

STRONG PRESENCE IN 45 MARKETS, COVERING 80% OF THE TOTAL TRAVEL MARKET



251 websites and apps in 22 languages and 39 different currencies on one central platform.

Strong presence in 45 markets

EUROPE	France, Spain, Italy, UK, Germany, Austria, Poland, Sweden, Denmark, Norway, Iceland, Finland, Portugal, Switzerland, Netherlands, Greece, Russia, Turkey, Czech Rep, Hungary, Romania
MEA	Morocco, South Africa, Qatar, Saudi Arabia, UAE
NORAM	USA, Canada
LATAM	Mexico, Argentina, Colombia, Chile, Peru
APAC	Australia, New Zealand, China, Japan, Philippines, India, Indonesia, Hong Kong, Thailand, Singapore, Taiwan, South Korea

We are operating five leading brands

eDreams GOVOYAGES opodo travellink liligo

A.2.4. Financial performance

PRODUCT

MOBILE

56%

Mobile flight Bookings (From 44%)

-77%

Revenue Diversification growth

57%

Revenue Diversification Ratio (From 53%)

88%

Product Diversification Ratio (From 85%)

€64M

Diversification Revenue from €278M

COST/DEBT

Acquisition cost (*) -37pp

Interest Expense (*) on Notes & SSRCF -35%

-79% Top 6

-80% Rest of the World

GEOGRAPHIES

Information presented based on FY21 vs FY20 year-on-year variations .
(*) Percentage point reduction since FY15.

BUSINESS REVIEW

Financial Information Summary

	4Q FY21	Var FY21 vs FY20	4Q FY20	12M FY21	Var FY21 vs FY20	12M FY20
Bookings ('000)	900	(63)%	2,442	3,244	(70)%	10,768
Revenue Margin (in € Million)	30.1	(74)%	115.7	111.1	(79)%	528.7
Adjusted EBITDA (in € Million)	(10.9)	(139)%	28.3	(38.2)	(133)%	115.1
Adjusted Net Income (in € Million)	(20.8)	(738)%	3.3	(86.8)	(350)%	34.7

See definition of Adjusted EBITDA and Adjusted Net Income in section C4. Glossary of definitions

| A.2.4. Financial performance

During FY21 we have seen strong liquidity and improved strategic positioning despite a softening in short term trading driven by increasing COVID-19 cases with further higher travel restrictions imposed by some governments. Revenue Margin in FY21 was down 79% year-on-year (-74% in 4Q FY21 vs 4Q FY20), due to Bookings being down 70% (-63% in 4Q FY21) and reduction in Revenue Margin/Booking driven by lower average basket value of Bookings due to COVID-19, which results in lower classic and diversification revenue from customers and lower revenue from providers.

In FY21 our focus has been on what we can control, which is to continually build and further enhance a high quality and adaptable business model. This is demonstrated by our Marginal Profit in FY21 (Revenue Margin minus Variable Cost), being €25 million positive despite us investing in our call centre to help our customers. Adjusted EBITDA(*) was a loss of €38.2 million in FY21.

Our revenue diversification initiatives continue to develop. Product Diversification Ratio and Revenue Diversification Ratio continue to grow and have increased to 88% and 57% in the fourth quarter, up from 85% and 53% in 4Q last year, rising 3 and 4 percentage points in just one year, and up from 25% and 27% in 4Q FY15, growing 63 and 30 percentage points respectively since FY15, which is when we started to implement and communicated our diversification strategy.

Prime is performing strongly in a weak market. Prime subscription rates and share of total Bookings continue to grow. The number of subscribers have increased to 876,000 members, 320,000 more than in 4Q FY20, Prime share of flight Bookings reached 38%. We now operate Prime in flights and hotels in five of our largest markets Spain, Italy, Germany, France, UK, and in the US and Portugal, our most recent additions to our subscription program. Additionally, mobile bookings continue to grow and accounted for 56% of our total flight bookings in FY21, rising 12 percentage points from last year.

Adjusted Net Income(*) was a loss of €86.8 million in FY21 (a loss of €20.8 million in 4Q FY21), we believe that Adjusted Net Income(*) better reflects the real ongoing operational performance of the business.

In FY21, despite continued travel restrictions, net cash from operating activities improved by €101.8 million and we end the year with a positive Cash Flow from Operations of €0.4 million, mainly due to a working capital inflow of €65.0 million in FY21 due to high variability and good cost management, working capital inflows due to better volume in the last two weeks of 4Q FY21 than 4Q FY20, better collection from suppliers, refunds collected and Prime deferred revenue increase, and we also benefited from lower income tax paid. The Group continues to have a strong balance sheet, maintaining in 4Q FY21 a solid liquidity position of €106 million at the end of March, including €94 million undrawn from our Super Senior Revolving Credit Facility ("SSRCF"), place us in a position of strength when normal trading condition return.

Unsurprisingly, leverage ratios have been impacted. As announced on the 30th of April, the Company has taken further steps with its lenders to give the Company additional financial flexibility, and renewed its arrangements with its lenders on its SSRCF who have agreed to relax the covenant tests put in place last year and extend them by a year to 30th of June 2022.

Management remains focused on continuing to take the appropriate actions to maintain cash and a strong liquidity position and has taken a prudent approach to the cost base and capital expenditure. As a result, the business has continued to be resilient and has maintained its strong liquidity levels. At the end of March liquidity was €106 million, similar to when we reported January at €122 million, which includes the €12 million of interest payments incurred in February 2021.

Information concerning average payment period of the Spanish companies is provided in Note 27.1, "Information on average payment period to suppliers" of the Notes to the Consolidated Financial Statements for the year ended 31st March 2021.

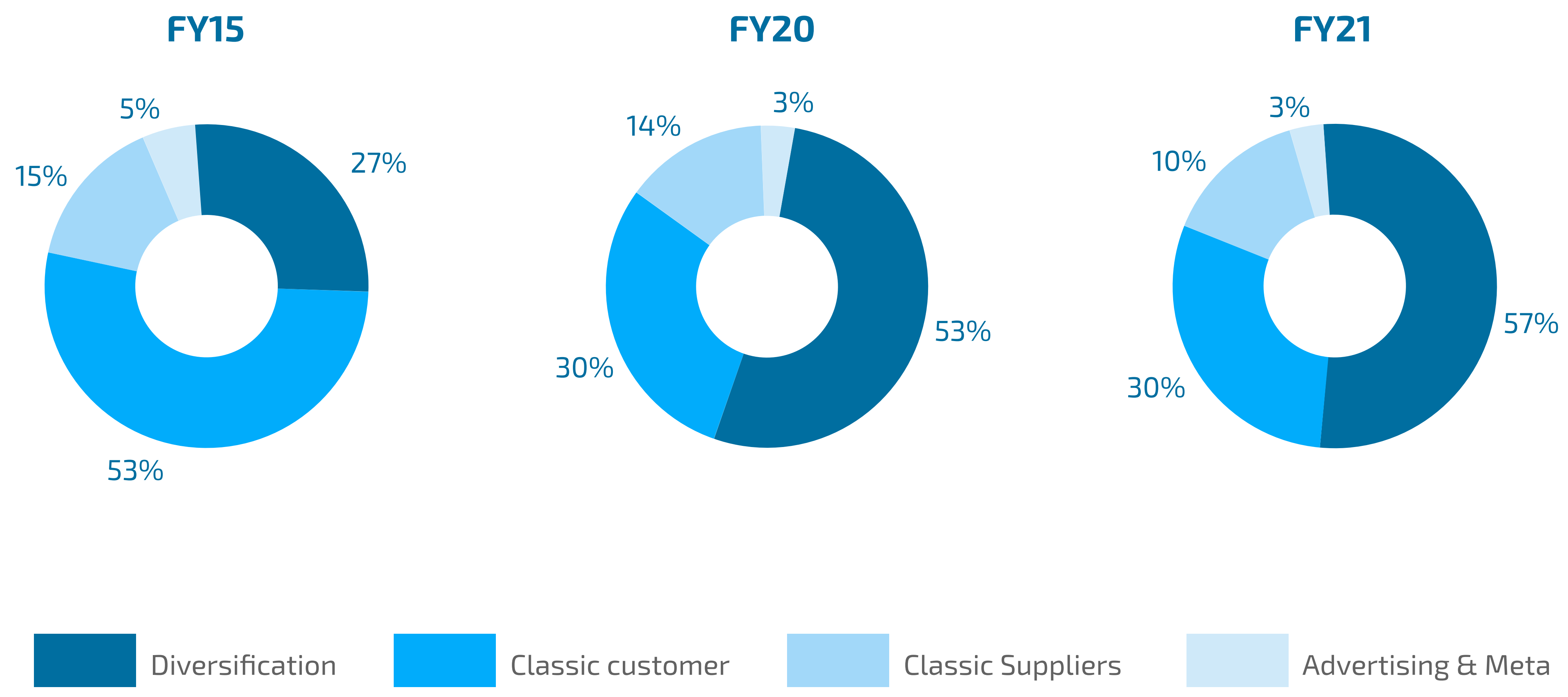
(*) See definition of Adjusted EBITDA and Net Income in section C4. Glossary of definitions

| A.2.4. Financial performance

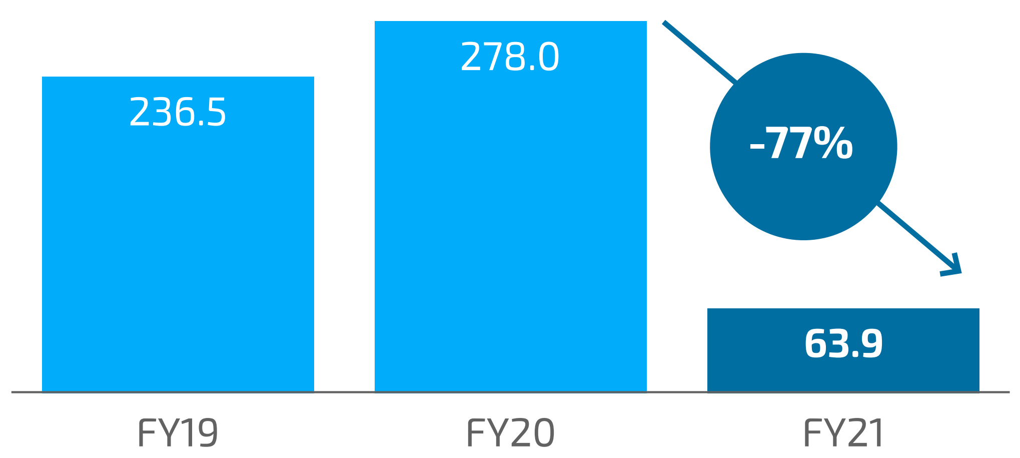
DIVERSIFICATION REVENUE CONTINUES AS THE LARGEST CONTRIBUTOR

Revenue Margin

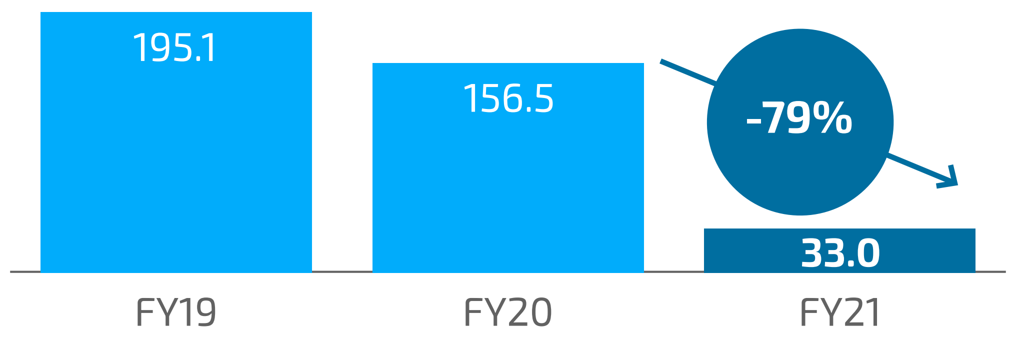
(In € million)	4Q FY21	Var FY21 vs FY20	4Q FY20	12M FY21	Var FY21 vs FY20	12M FY20
Diversification	16.6	(72)%	60.1	63.9	(77)%	278.0
Classic Customer	8.6	(78)%	39.3	33.0	(79)%	156.5
Classic Supplier	4.2	(68)%	13.2	10.6	(86)%	76.3
Advertising & Meta	0.7	(78)%	3.1	3.7	(79)%	17.9
Total	**30.1**	**(74)%**	**115.7**	**111.1**	**(79)%**	**528.7**



Diversification



Classic customer

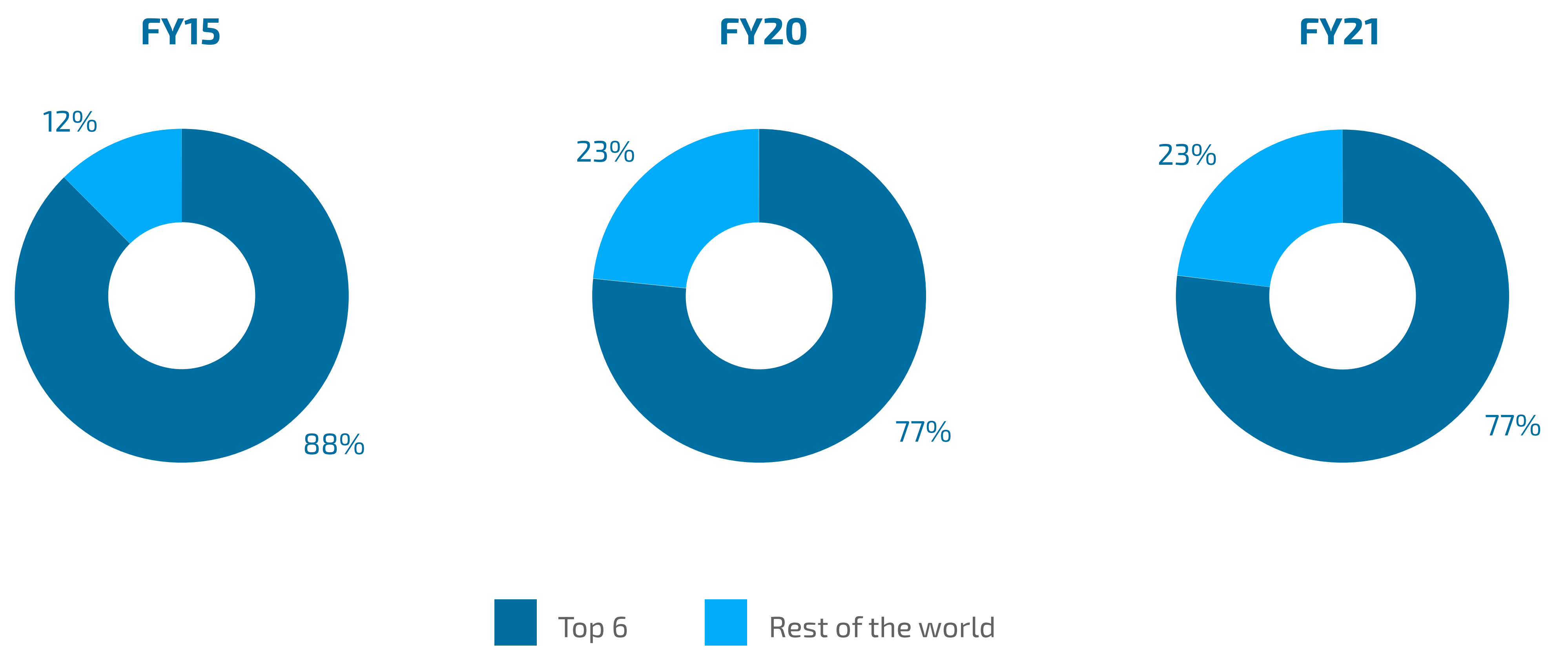


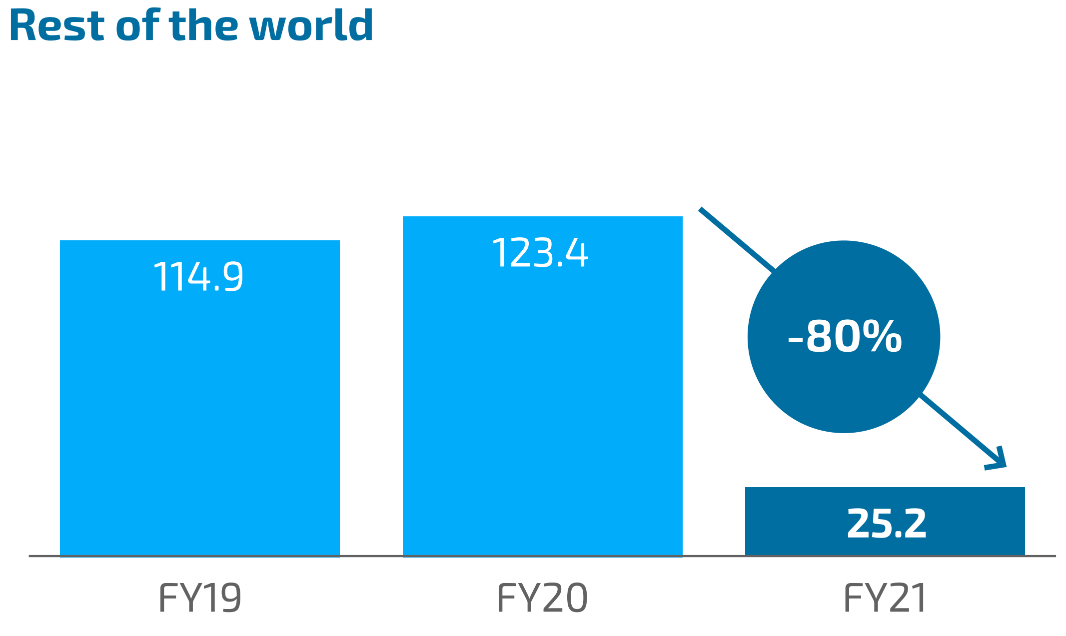
| A.2.4. Financial performance

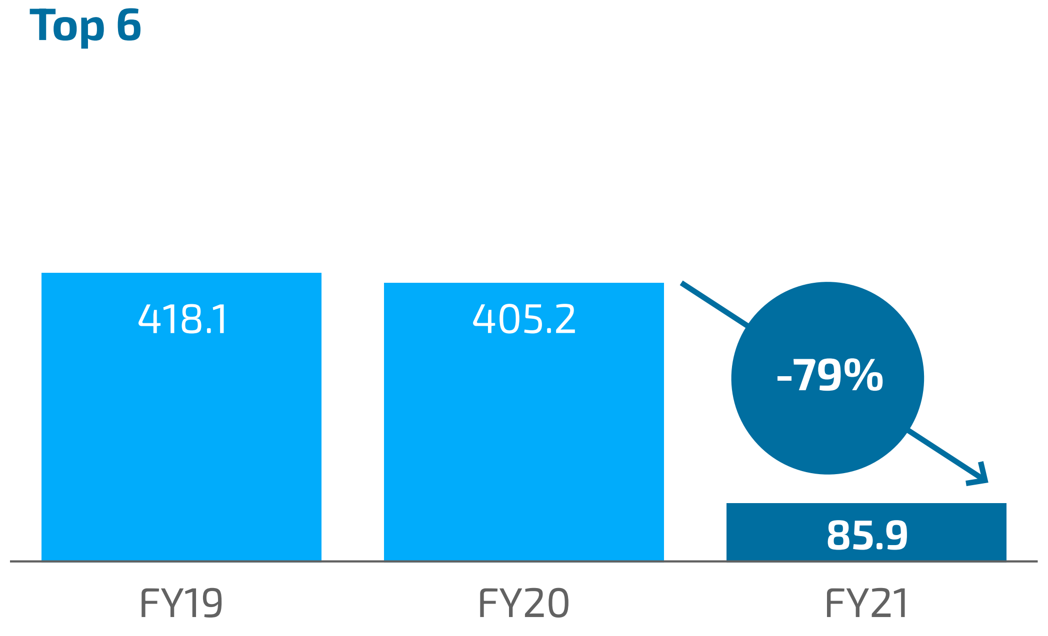
REVENUE DIVERSIFICATION BY GEOGRAPHY REMAINS STABLE

Revenue margin

(In € million)	4Q FY21	Var FY21 vs FY20	4Q FY20	12M FY21	Var FY21 vs FY20	12M FY20
France	11.1	(67)%	33.7	37.9	(73)%	141.3
Southern Europe (Spain + Italy)	5.6	(71)%	19.5	19.9	(80)%	100.6
Northern Europe (Germany, Nordics & UK)	6.8	(82)%	39.0	28.1	(83)%	163.4
Total Top 6 Markets	**23.5**	**(75)%**	**92.2**	**85.9**	**(79)%**	**405.2**
Rest of the world	**6.6**	**(72)%**	**23.5**	**25.2**	**(80)%**	**123.4**
Total	**30.1**	**(74)%**	**115.7**	**111.1**	**(79)%**	**528.7**



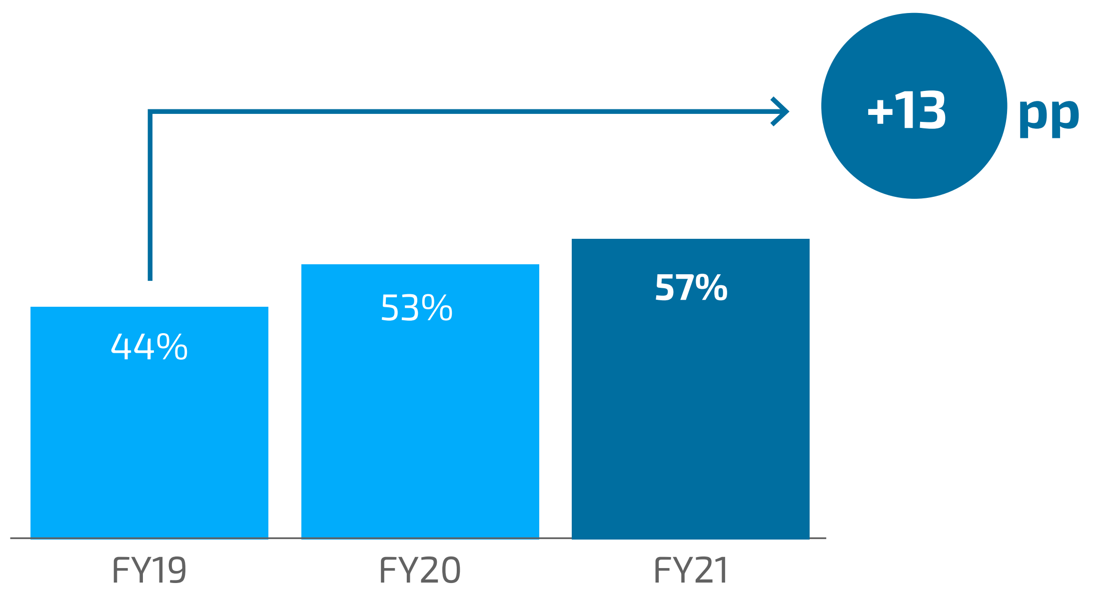




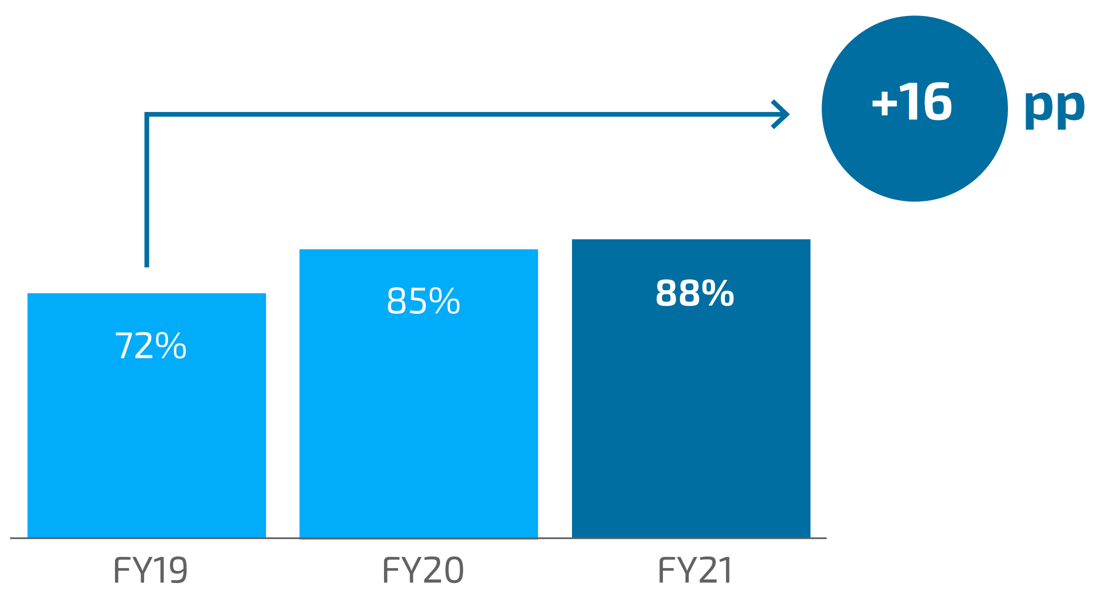
| A.2.4. Financial performance

REVENUE DIVERSIFICATION CONTINUES TO IMPROVE AND THE LARGEST CONTRIBUTOR TO REVENUES

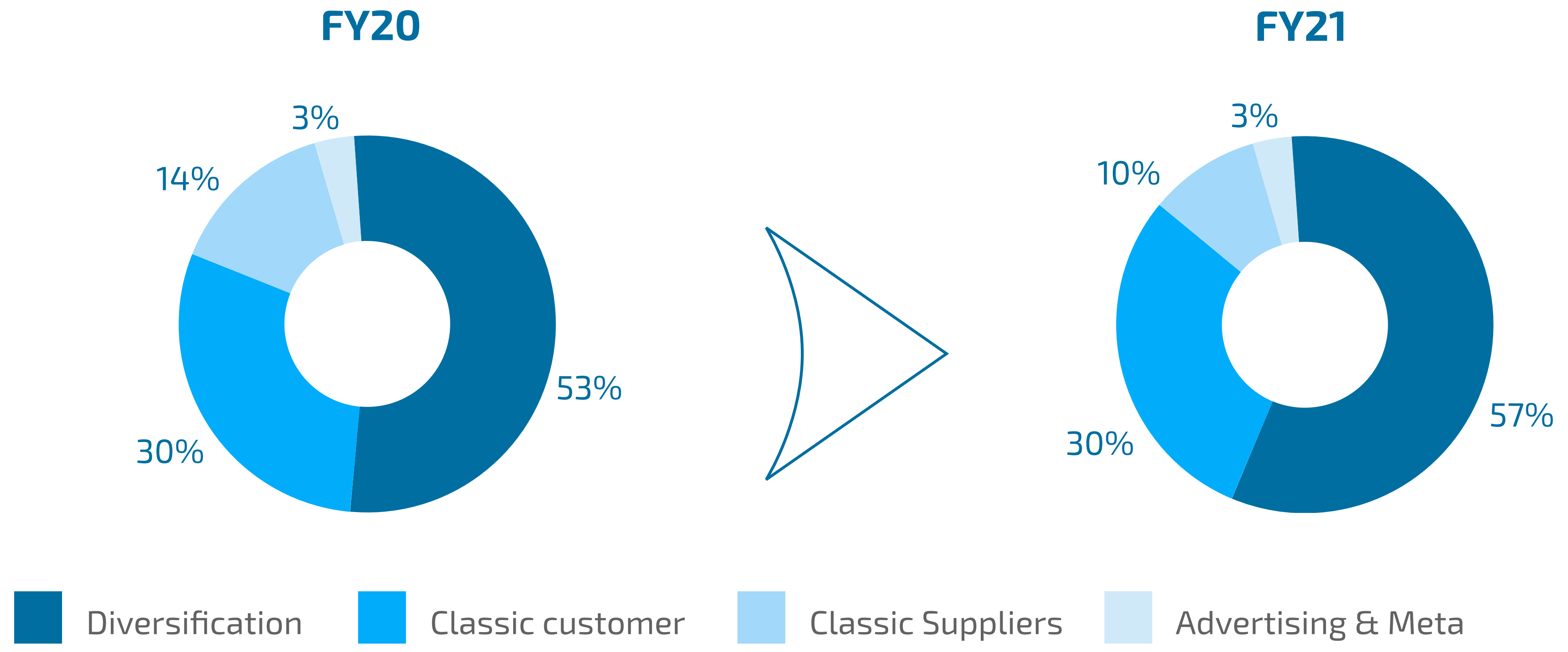
Revenue diversification ratio (*)



Product diversification ratio

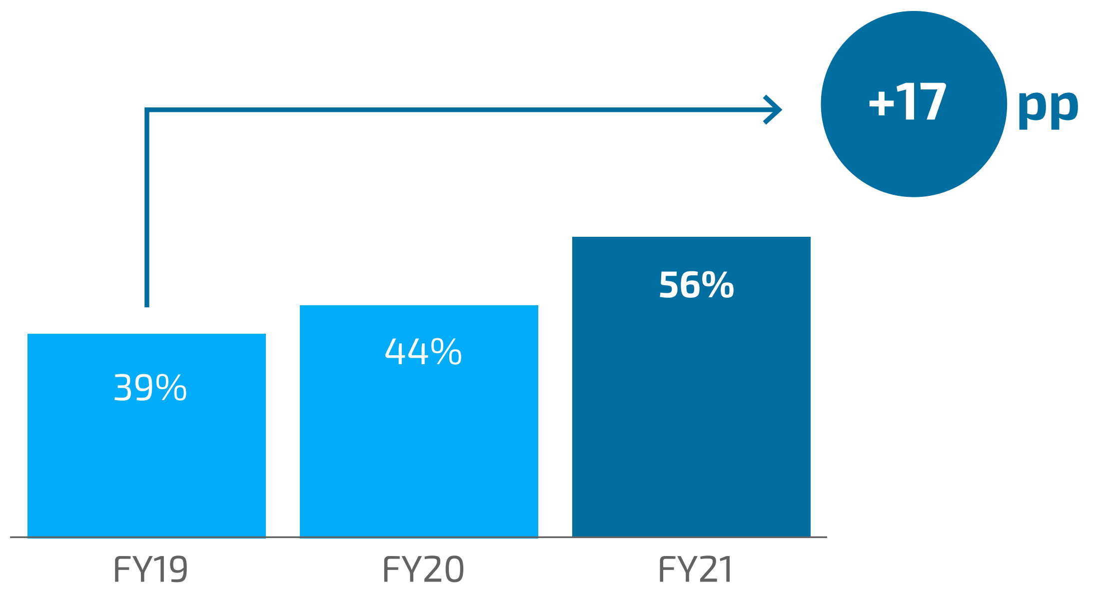


Revenue evolution (**)

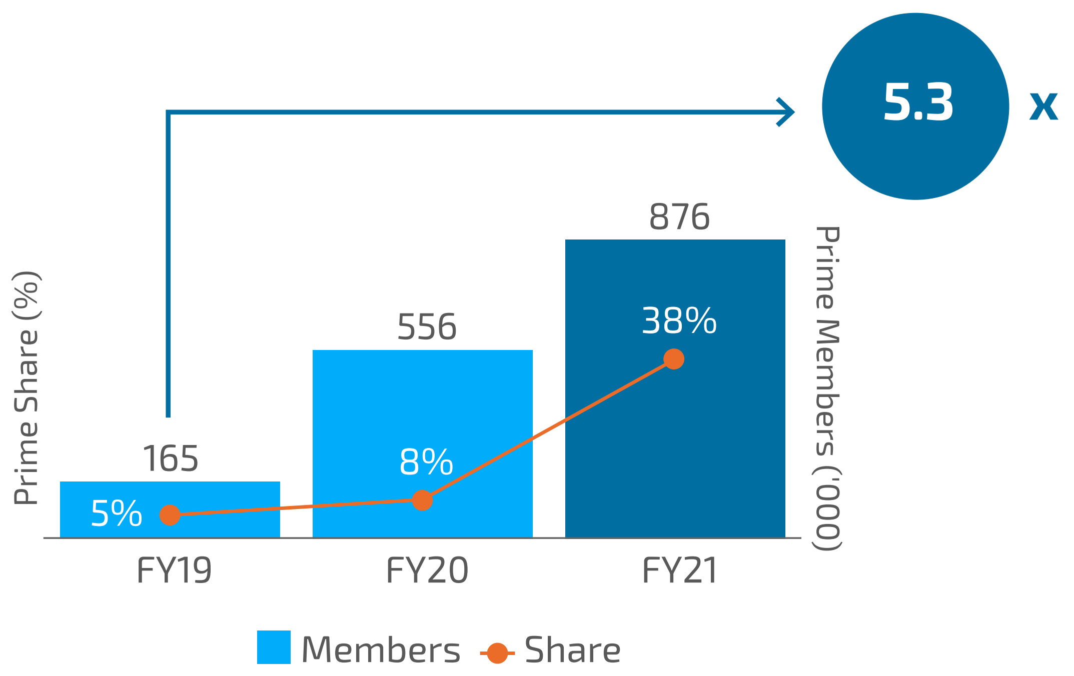


CONTINUED STRATEGIC PROGRESS AS EVIDENCED BY OUR KPIS

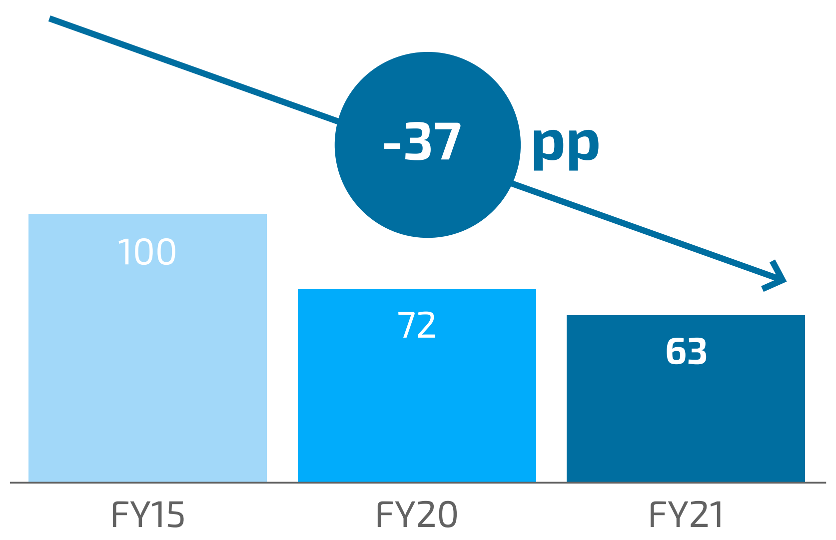
Mobile bookings as share of flight bookings (*)



Evolution of Prime Members and share of total flight Bookings



Acquisition cost per booking index (*)



(*) Definitions non-GAAP measures can be found in section 5 Reconciliation of APM & Other Defined Terms.
(**) Note: Ratios are calculated on last twelve month basis

| A.2.4. Financial performance

SUMMARY INCOME STATEMENT

(in € million)	4Q FY21	Var FY21 vs FY20	4Q FY20	12M FY21	Var FY21 vs FY20	12M FY20
Revenue Margin	**30.1**	**(74)%**	**115.7**	**111.1**	**(79)%**	**528.7**
Variable costs	(23.6)	(71)%	(82.8)	(86.1)	(75)%	(350.8)
Fixed costs	(17.4)	N/A	(4.6)	(63.2)	1%	(62.8)
Adjusted EBITDA (*)	**(10.9)**	**(139)%**	**28.3**	**(38.2)**	**(133)%**	**115.1**
Adjusted items	(2.9)	N/A	(0.4)	(6.9)	(52)%	(14.4)
EBITDA	**(13.8)**	**(149)%**	**27.9**	**(45.0)**	**(145)%**	**100.7**
D&A incl. Impairment	(38.4)	(56)%	(87.7)	(65.9)	(40)%	(109.9)
EBIT	**(52.2)**	**(13)%**	**(59.8)**	**(110.9)**	**N/A**	**(9.2)**
Financial result	(8.4)	(4)%	(8.8)	(27.7)	(7)%	(29.8)
Income tax	6.0	N/A	(1.3)	14.4	N/A	(1.4)
Net income	**(54.6)**	**(22)%**	**(69.9)**	**(124.2)**	**N/A**	**(40.5)**
Adjusted net income (*)	**(20.8)**	**N/A**	**3.3**	**(86.8)**	**N/A**	**34.7**

Source Consolidated Financial Statements audited.
(*) See definition of Adjusted EBITDA and Adjusted Net Income in section C4. Glossary of definitions

Highlights FY21

- **Revenue Margin** decreased by 79%, to €111.1 million, mainly due to the volume effect (70% decrease in Bookings) and lower Revenue Margin/Booking, driven by lower average basket value of Bookings due to COVID-19, which results in lower classic and diversification revenues from customers and lower revenue from providers.
- **Variable costs** decreased by 75%, in line with the Bookings decrease, thanks to the adaptability of our business model. This was despite higher short term call centre costs, as guided in 2Q FY21, due to the investment to significantly increase our capacity and protect and assist our customers.
- **Fixed costs** do not show a decrease vs FY20, mainly due to last years results being positively impacted by FX and the provision reversal of the bonus in the last quarter. Comparing FY21 with the pre-COVID-19 run rate from 3Q FY20, Fixed costs decreased by (28)% driven by a significant decrease in personnel costs and other fixed cost savings.
- **Adjusted EBITDA**(*) was a loss of €38.2 million.
- **Adjusted items** decreased by €7.5 million primarily due to the absence of the expense in FY21 related to the closing of Milan and Berlin call centres totalling €9.0 million, offset by an increase in the Long Term Incentive expenses of €3.1 million in FY21.
- **D&A and impairment** decreased, relating to €30.5 million of impairment on Goodwill and Brand, compared with the €74.1 million in FY20.
- **Financial loss** decreased by €2.1 million, mainly due to the positive impact of the variation of the foreign exchange by €4.1 million, offset by a higher interest expense on the SSRCF for €1.8 million due to higher usage.
- The **income tax expense** decreased by €15.9 million from €1.4 million expense in FY20 to €14.4 million income in FY21 due to (a) the recognition of €14.7 million deferred tax asset for tax losses generated by the Group as a result of the effects of COVID-19 (lower income tax expense), (b) the €1.6 million effect of a rate change on UK deferred tax liabilities (higher income tax expense), (c) a €0.7 million reduction of the provision for income tax risks (lower income tax expense), (d) the €1.3 million effect of lower taxable profits in the UK (lower income tax expense), (e) the recognition of €1.9 deferred tax assets of the Companý s current year tax loss (lower tax expense), (f) no recognition of a €0.6 million tax expense on an impairment of goodwill in FY21 (higher income tax expense) and (g) other differences aggregating to €0.6 million (higher income tax expense).
- **Net income** totalled a loss of €124.2 million, which compares with a loss of €40.5 million in FY20, as a result of all of the explained evolution of revenue and costs.
- **Adjusted Net Income**(*) stood at a loss of €86.8 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 section C5 within the Consolidated Financial Statements and Notes.

| A.2.4. Financial performance

SUMMARY BALANCE SHEET

(in € million)	31st March 2021	31st March 2020
Total fixed assets	**941.5**	**982.7**
Total working capital	**(153.6)**	**(98.5)**
Deferred tax	**(13.1)**	**(30.9)**
Provisions	**(15.2)**	**(25.3)**
Other non current assets / (liabilities)	—	—
Financial debt	(513.2)	(537.6)
Cash and cash equivalents	12.1	83.3
Net financial debt	**(501.1)**	**(454.3)**
Net assets	**258.5**	**373.8**

Source Consolidated Financial Statements audited.

Highlights FY21

Compared to prior year, the main changes relate to:

- Decrease in total **fixed assets** mainly as a result of the impairment booked on Goodwill and Brand for €30.5 million.
- Decrease of **provisions** due to the decrease in operational provisions for €9.3 million booked in the previous year related to the COVID-19 pandemic.
- The net **deferred tax** liability decreased by €17.7 million from €(30.9) million to €(13.1) million due to (a) the recognition of a €21.5 million deferred tax asset for the FY21 tax losses due to the effects of COVID-19 (lower deferred tax liability), (b) the €5.1 million advance payment of income tax in Portugal in connection with a disputed tax assessment (lower deferred tax liability), (c) the write-off of a deferred tax asset for UK tax losses amounting to €2.1 million (higher deferred tax liability), (d) the €1.6 million effect of the UK income tax rate change on the deferred tax liability (higher deferred tax liability), (e) the recognition of lower foreign tax credits and higher book-tax differences totalling €3.0 million (higher deferred tax liability) and (f) other movements amounting to €2.2 million (higher deferred tax liability).
- Increase in negative **working capital** mainly reflecting better volume in the last two weeks of March 2021 than March 2020. This is due to lower demand last year following the beginning of the COVID-19 pandemic.
- Increase of **net financial debt** due to the utilization of cash and the new Government sponsored loan to finance our operations.

| A.2.4. Financial performance

SUMMARY CASH FLOWS STATEMENT

(in € million)	4Q FY21	4Q FY20	12M FY21	12M FY20
Adjusted EBITDA	**(10.9)**	**28.3**	**(38.2)**	**115.1**
Adjusted items	(2.9)	(0.4)	(6.9)	(14.4)
Non cash items	1.2	14.8	(14.3)	18.0
Change in working capital	15.3	(104.6)	65.0	(207.4)
Income tax paid	—	0.6	(5.3)	(12.6)
Cash flow from operating activities	**2.7**	**(61.4)**	**0.4**	**(101.4)**
Cash flow from investing activities	**(6.3)**	**(15.7)**	**(21.7)**	**(36.2)**
Cash flow before financing	**(3.7)**	**(77.1)**	**(21.2)**	**(137.6)**
Acquisition of treasury shares	—	(5.6)	—	(6.0)
Other debt issuance/ (repayment)	(0.6)	108.8	(42.0)	106.4
Financial expenses (net)	(12.5)	(12.2)	(27.5)	(25.5)
Cash flow from financing	**(13.1)**	**91.0**	**(69.5)**	**74.9**
Net increase / (decrease) in cash and cash equivalents	**(16.7)**	**13.9**	**(90.7)**	**(62.7)**
Cash and cash equivalents at end of period (net of bank overdrafts)	**(4.5)**	**83.3**	**(4.5)**	**83.3**

Source Consolidated Financial Statements audited.

(*) *See definition of Adjusted EBITDA in section C4. Glossary of definitions*

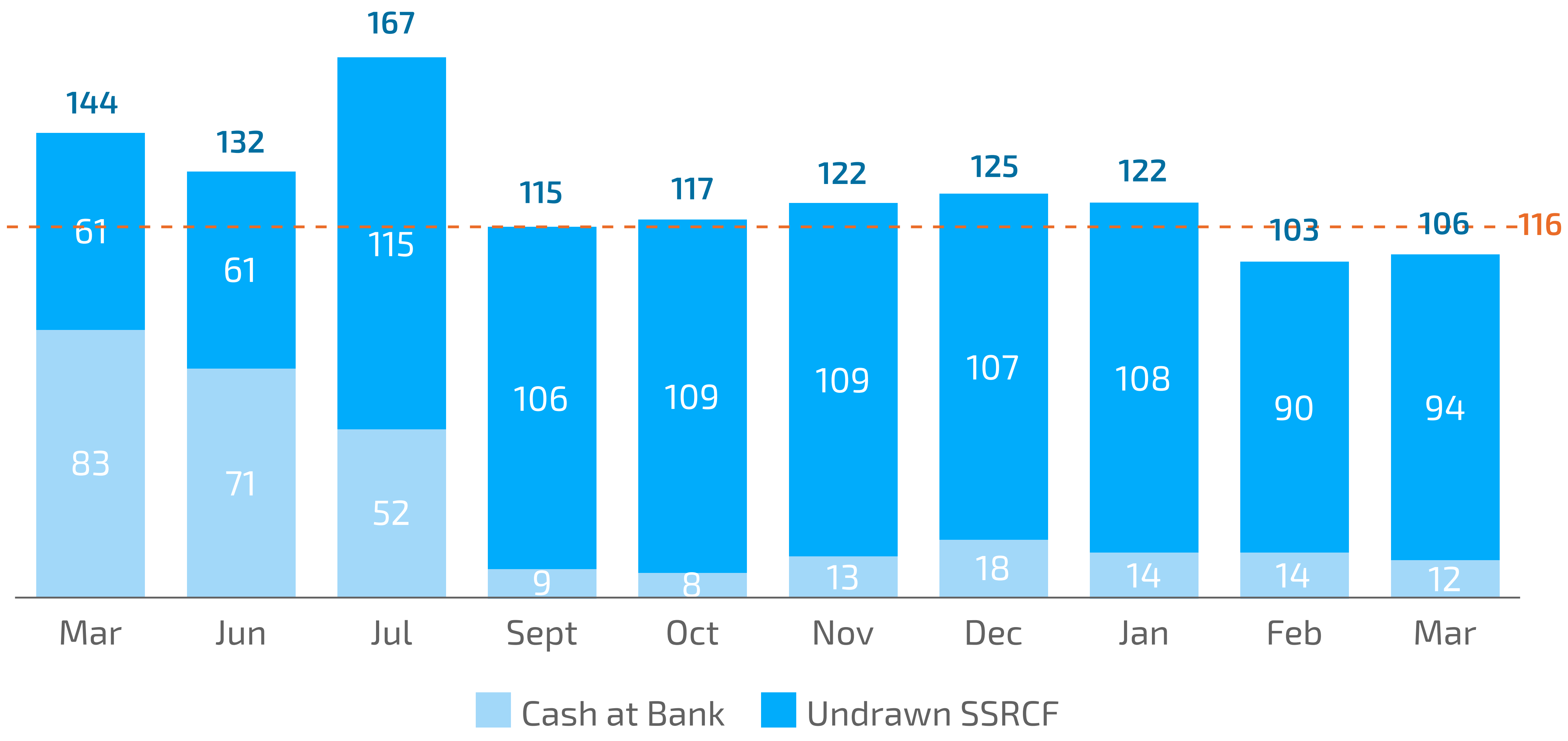
Highlights FY21

- **Net cash from operating activities increased by €101.8 million,** mainly reflecting:
  - Working capital inflow of €65.0 million was driven by better volume in the last two weeks of March 2021 vs. March 2020. The €207.4 million outflow during last year was due to the beginning of the spread of COVID-19 and the very significant impact across the global travel industry.
  - Income tax paid decreased by €7.4 million from €12.6 million to €5.3 million due to (a) €10.3 million lower income tax paid by the Group due to the effects of COVID-19 (lower income tax paid), (b) €5.1 million advance payment of Portuguese income tax in connection with a disputed tax assessment (higher income tax paid), (c) not having a €1.8 million advance payment of Italian income tax made in FY21 relating to a disputed tax assessment (lower income tax paid), (d) €1.0 million refund of overpaid income tax by tax authorities (lower income tax paid) and (e) other differences amounting to €0.7 million (higher income tax paid).
  - Decrease in Adjusted EBITDA(*) by €153.2 million.
  - Non-cash items: items accrued but not yet paid, decreased by €32.3 million mainly due to the decrease of provisions.
- We have **used cash for investments** of €21.7 million in FY21, a decrease by €14.5 million mainly due to the implementation of cost-saving measures to minimize the temporary impact of COVID-19 in FY21, as well as the payment made for the acquisition of Waylo in the previous year (€6.5 million).
- Cash **used in financing** amounted to €69.5 million, compared to €74.9 million from financing activities in the same period of last year. The variation by €144.3 million in financing activities mainly relates to the reimbursement of €54.5 million under the SSRCF in FY21, offset by the drawdown of €15 million under the Government sponsored loan, and the drawdown of €109.5 million under SSRCF in the previous year, offset by the net payments for acquisition of treasury shares for €6 million.

| A.2.4. Financial performance

EFFICIENT LIQUIDITY MANAGEMENT

In FY21, despite a significant reduction in Bookings due to the spread of COVID-19, the Group continues to have a strong balance sheet, maintaining in 4Q FY21 a solid liquidity position of €106 million at the end of March, the average liquidity of the Group was €116 million since September 2020 despite the temporary softening of trading, placing us in a position of strength as soon as normal activity resumes.



Unsurprisingly, leverage ratios have been impacted. On the 30th of April, the Group has taken further steps with its lenders to provide additional financial flexibility, and renewed its arrangements with its lenders on its SSRCF who have agreed to relax the covenant tests put in place last year and extend them by a year to 30th of June 2022.

The waiver on the covenant was approved unanimously by all lenders and these are to be replaced by a €25 million minimum liquidity covenant which will be tested at the end of each quarter beginning 30th June 2021 until 31st March 2022, giving ample headroom vs current liquidity, and will not pay dividends on, or buy back, the Group's shares at any time prior to 31st March 2022.

Management remains focused on continuing to take the appropriate actions to maintain cash and a strong liquidity position and has taken a prudent approach to the cost base and capital expenditure. As a result, the business has continued to be resilient and has maintained its strong liquidity levels. At the end of March liquidity was €106 million, similar to when we reported January at €122 million, which includes the €12 million of interest payments incurred in February 2021.

RATING AND ISSUES

Issues

Issuer	ISIN Code	Issue date	Issue Amount (€million)	Coupon	Due date
eDreams ODIGEO S.A.	S1879565791	25/9/18	425	5.5%	1/9/23

Rating

Agency	Corporate	2023 Notes	Outlook	Evaluation date
Moody's	B3	Caa1	Negative	1/7/20
Standard & Poors	CCC+	CCC+	Negative	8/12/20

| A.2.5. eDreams ODIGEO strategy & achievements over the past 5 years

EDREAMS ODIGEO STRATEGY & ACHIEVEMENTS

FROM

Flight-centric, Transactional Service

Excel in online flights with best prices and flight options

Followed industry-wide transactional model, though dependent on customer acquisition channels / economics.
Significant scale advantages derived from number of providers and search technology.
Focus on search and choice most suited for desktop experience not mobile.

Significant customer needs / pain points unaddressed

Industry-wide transaction model unable to address travel value. However, traveller price sensitivity reinforced.
Classic flight revenues the most important.

TO

Flight-centric, Travel Relationships

Leverage strategic flights position to engage with customers through full travel journey

Deliver best end to end mobile exp.
Move customer focus from flight price to travel value, expanding upsell and bundling opportunities.

Build long-term customer relationships with Prime subscription membership program

Lowest price positioning takes price "off the table", further shifting focus to travel value.
Significantly reduce customer acquisition costs.
Diversification revenue, including ancillaries and other travel products, are the most important.

VISION

"To reinvent travel and travel provision"

A largely subscription based relationship with customers in which we cover their travel needs

Significantly expand market and share of travel wallet by increasing attachment of hotels, cars, trains and any other travel ancillaries.
More stable revenues through Prime and app usage, lower customer acquisition costs.

Technology, and data to identify and monetise unique propositions for customers

Expand scale in new product categories and regions.
Extend technology superiority.

A.2.6. Our strengths and strategy

1. STRENGTHS

UNRIVALLED SCALE ADVANTAGE

INNOVATION – PRIME, AHEAD OF ITS TIME

EXTENDING OUR OFFER AND EXPANDING OUR FOOTPRINT

TAILWINDS ARE IN OUR FAVOUR

IN GREAT SHAPE…EVIDENCED BY OUR OWN PENT-UP DEMAND

SUPERIOR BUSINESS MODEL DEMONSTRATED DURING THE PANDEMIC

IN SUMMARY – eDO IS BEST POSITIONED TO BENEFIT FROM TRAVEL RECOVERY

2. STRATEGY

#1 CONTINUE TO GROW PRIME MEMBERSHIP PROGRAM

#2 CONNECTIVITY – CREATE A LEADING EDGE TRANSPORTATION PLATFORM

#3 CUSTOMER CENTRIC RETAILING PLATFORM DRIVING DIVERSIFICATION

#4 CUSTOMER SERVICE AUTOMATION – OMNI CHANNEL CUSTOMER SERVICE

3. IN SUMMARY

| A.2.6. Our strengths and strategy

1. EDO STRENGTHS

UNRIVALLED SCALE ADVANTAGE

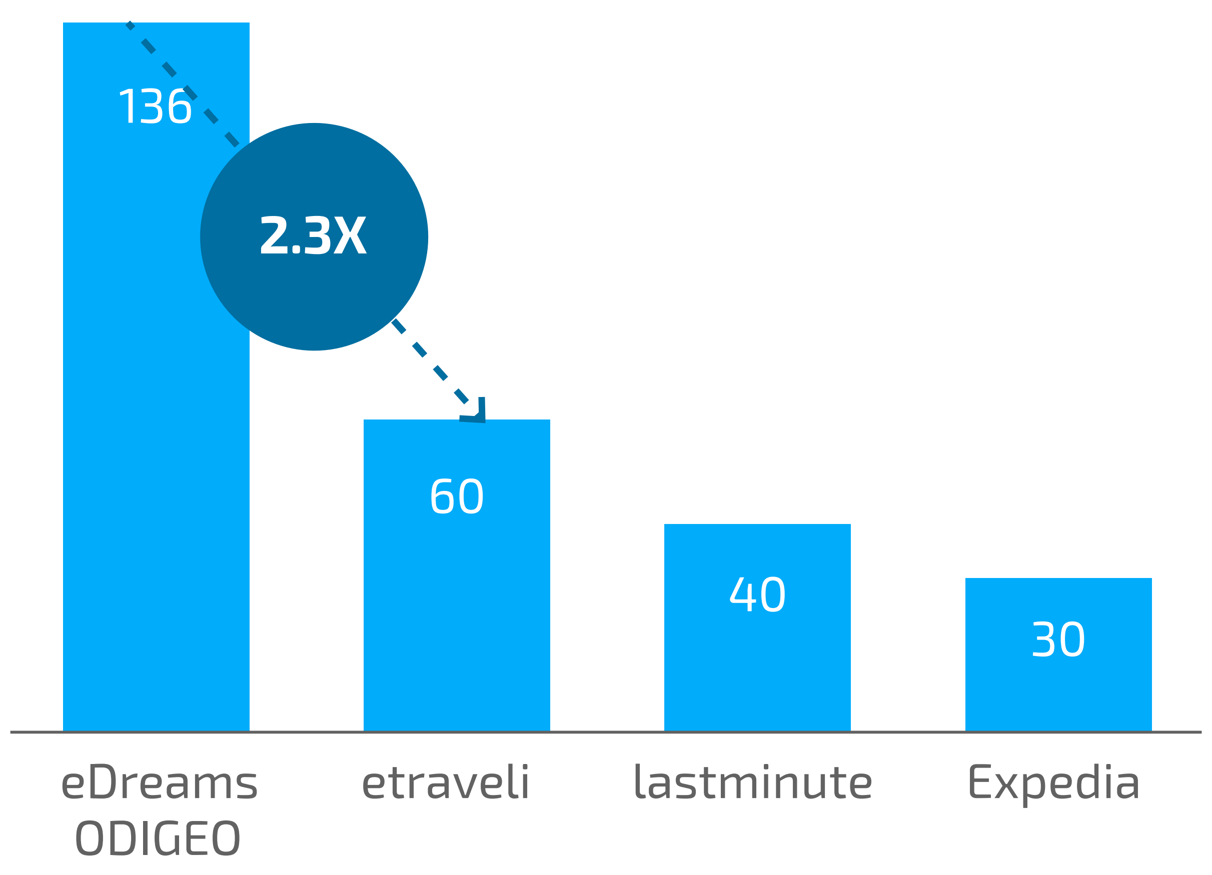
eDO is the scale player and leader in flights in Europe, and one of the largest worldwide; with 2.3x the revenue of its nearest rival. This has expanded 0.5x vs Pre-COVID-19 1.8x.

The scale player in flights for Europe, and one of the largest worldwide

Significant scale advantage in the European online flight market.

eDO unrivalled scale with 2.3x more European flight revenue than the #2 player

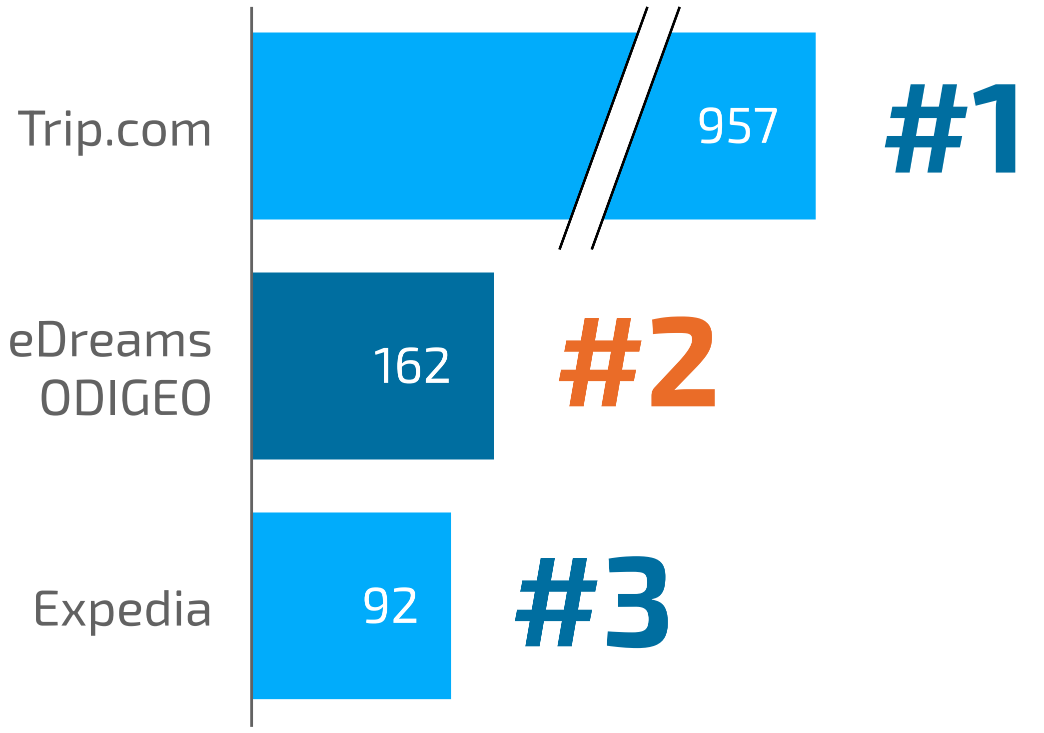
European flight Revenue estimated, Latest FY (€M)



Source: Phocuswright, Company Data, eDO analysis

Post COVID-19 eDO became the 2nd largest player in flight revenues worldwide – Only 3 big global players in flights with Expedia and Trip.com, very large in the US and China

Global flight Revenue
Estimated, latest FY (€M)



Source: Phocuswright, Company data, eDO analysis

2nd largest in flight revenue

| A.2.6. Our strengths and strategy

INNOVATION – PRIME, AHEAD OF ITS TIME

- Exclusive to eDO – launched just 4 years ago (2017)
- Proven strong growth despite a weak market - In May we already reached our first 1 million subscribers
- It delivers a predictable fixed revenue stream
- Excellent future potential growth to expand share of wallet

Over the past 4 years we have successfully developed and tested our unique subscription offering, Prime, across all our key markets to great effect, developing a market-leading, differentiated, exclusive proposition for our customers.

It is a revolutionary product in the online travel sector. Not only does Prime give us the ability to move away from an entirely transactional client relationship, it extends and expands the relationship to cover the customer's entire travel life cycle enabling us numerous opportunities to engage with the customer from choice prior to booking to feedback on return.

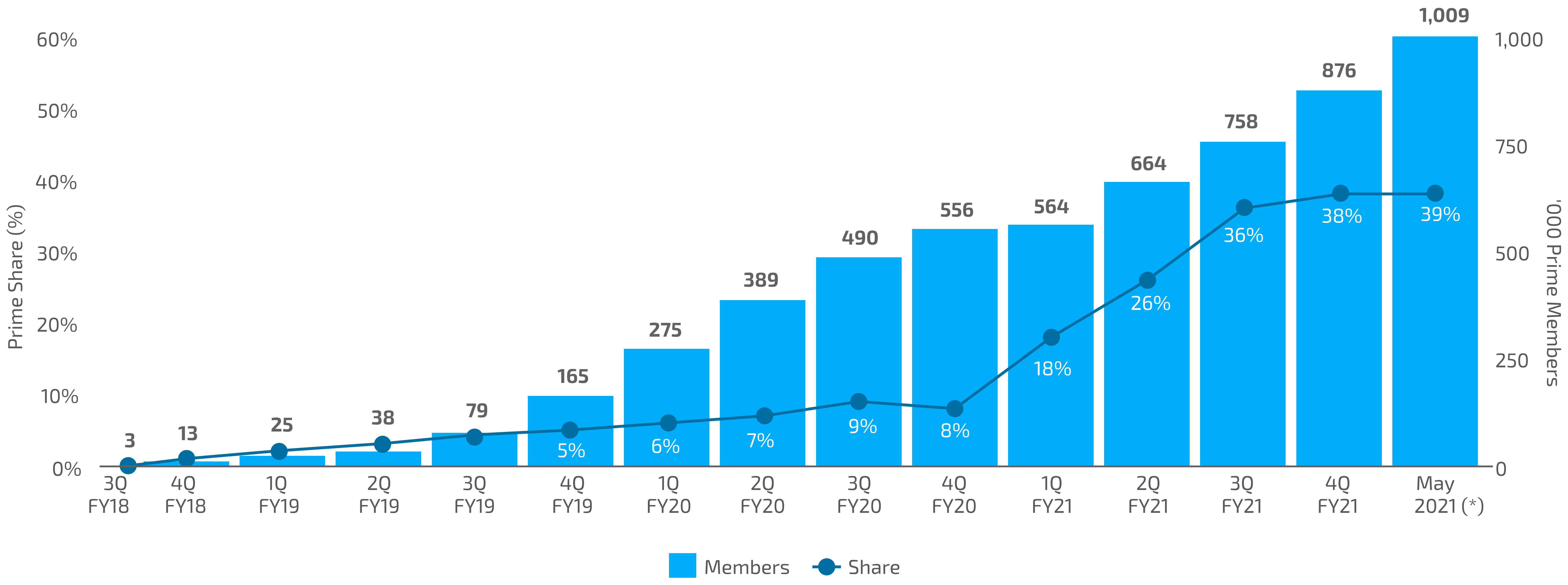
From the customer's perspective, our innovative subscription model allows them to fly at the lowest prices, have access to a 24/7 priority customer service, have access to exclusive Prime offers and additional discounts on other products and services. It also provides a unique high quality, closed user group in which airlines can market to directly and exclusively.

This extended relationship has translated into a very effective proposition demonstrated by the strong performance of Prime. The number of subscribers has continued to improve and has risen by 320,000 in FY21, in spite of current market conditions.

Prime's brings multiple benefits to eDO: it delivers us a reliable, predictable and stable fixed revenue stream, adds the potential to increase share of the wallet of the customer, reduces marketing costs, and provides valuable customer insight due to higher repeat business.

Travel is an €1 trillion market and Prime allows us to develop a much stronger and broader relationship with our customers.

PRIME SUBSCRIPTION PROGRAM PROVIDES A FIXED REVENUE STREAM - PROVED TO PERFORM STRONGLY EVEN IN A WEAK MARKET



(*) Until the 22nd of May

"eDO's exclusive product and only now some other OTAs starting to follow"

| A.2.6. Our strengths and strategy

FY17 — Launch of 1st pilot in **France**

FY18 — Launch of Prime in **Italy**

FY19 — Launch of **Spain and Germany**

Hotels launched in **France**

FY20

COVID - 19

FY21 — Launch of Prime in **UK, US & Portugal**

Hotels launched in **Italy, Spain, Germany, US & Portugal**

FY22

REACHED

1M MEMBERS

13K MEMBERS

+116% year-on-year growth

165K MEMBERS

+236% year-on-year growth

556K MEMBERS

+58% year-on-year growth

876K MEMBERS

NEXT MILESTONE

2M MEMBERS

All of this is in the context of COVID-19. If we were to adjust for a normal year, we would be adding over 100K Prime members per month. This compares to 35K members monthly pre-COVID-19

Prime grew subscribers 58% year-on-year during the COVID-19 pandemic

eDreamsPrime

opodoprime

GOPrime

4 Years of testing and learning

+2,000 AB test

Continuous display iterations

+50,000 Customer interviews & insights

Continuous individual and multi **product pricing**

It will be **NOT easy** to replicate

| A.2.6. Our strengths and strategy

EXTENDING OUR OFFER AND EXPANDING OUR FOOTPRINT

Prime has evolved significantly: from a flights driven product, launched in 2017, we have made significant progress in developing the content of Prime making it a one-stop shop for our customers for their travel needs. Whilst the original Prime subscription was focused on giving customers significant savings on flights, this now has been extended to other key parts of the travel journey such as hotels, and we aim to add others. Simultaneously, the offer has continuously expanded into more markets such as UK and US from a strong base in markets where we are outright market leaders such as Spain, France and Italy.

Product	Geography	Customer Segments
Prime flights (France, Spain, Italy, Germany, UK, US and Portugal)	**Prime:** 2017 (Spain, France), 2018 (Italy), 2019 (Germany), 2020 (UK, US, Portugal)	Service automation and omni channel
Prime hotels in all Prime markets (added in 2020)	We have launched websites in Arabic language to better serve travellers in the Middle East region	In Prime, Starting to test and develop more segmented propositions across various customer segments
Developed 17 new ancillary products (since 2015)	Increased our International Expansion (34% of total Bookings. vs 25% in FY20)	

| A.2.6. Our strengths and strategy

TAILWINDS ARE IN OUR FAVOUR

Digitalisation	Digitalisation, is increasingly influencing the building of our future society and economy, both at an individual level and company level. Digitalisation has the ability to find ways to bypass obstacles and resistance in its path to influence tomorrow. It is a revolution driven by citizens and customers. Change is appearing at a pace that we have never seen before. Coupled with a technology revolution.
Personalisation	Data, technology, and insights are increasingly enabling the provision of exactly what a customer wants. Advances in technology mean that it is possible today to personalise pretty much every aspect of a customer's journey and making the experience as seamless and intuitive as possible. COVID-19 has forced more customers to interact with brands, particularly online. Travel, by definition, is a journey, a customer journey and being personal is about guiding people through a brand's journey in a way that makes sense.
Convenience, price and speed	Experience is everything. Good customer experience leaves people feeling heard and appreciated. It minimises friction, maximises efficiency and maintains a human element. Give customers a good experience and they will buy more, return, be more loyal and endorse. Convenience, speed and clarity of transaction and value continue to be critical to success online. eDO systems are industry leading in speed and getting even faster. eDO proposition is built on value and leadership in mobile transactions means that customers can access and book anytime, anywhere.

"eDO has embraced digitalisation, is driven by technological advance, is at the forefront of the digitalisation change in the travel industry and will innovate and continue to benefit from its market leading positions, proprietary systems and adoption of new technologies such as AI."

"At eDO we understand the customer's journey, we have the most extensive data on customers and therefore we will continue to develop and improve, utilising AI, to give our customers what they want to save them time and money"

"eDO, at its core, will continue to benefit from the key, underlying and fundamental structural drivers outlined above that will continue to shape the industry for many years to come "

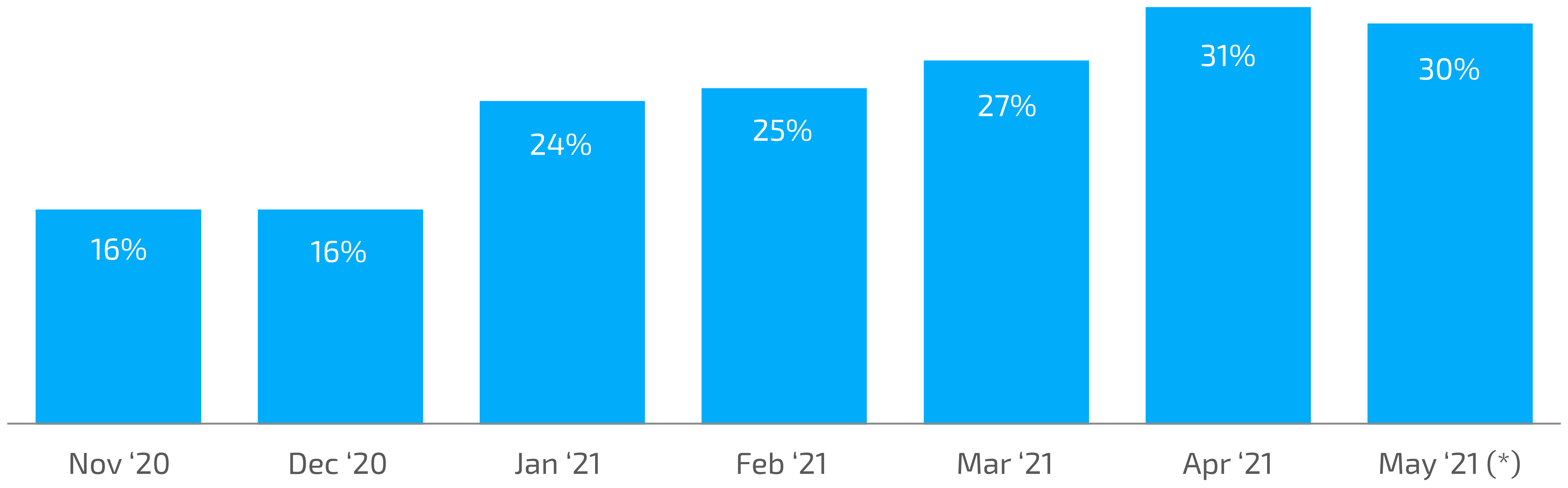
| A.2.6. Our strengths and strategy

IN GREAT SHAPE…EVIDENCED BY OUR OWN PENT-UP DEMAND

Our pent-up demand indicated by substantial increase in searches for long dated departures

The increase in searches for 61+ days in advance (from 16% of searches to 30%) demonstrates clear latent demand. In addition, we expect our Prime program to be an effective tool to capture that travel demand when restrictions are eased.

Evolution of the proportion of searches for Departures > 61 days



(*) First 3 weeks of May'21

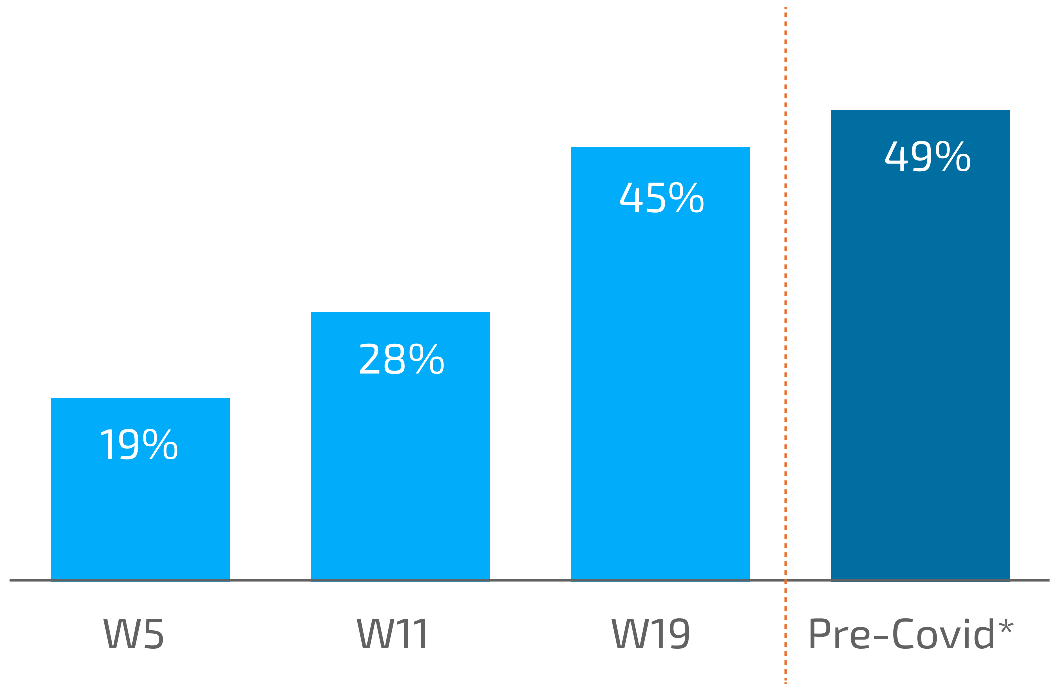
| A.2.6. Our strengths and strategy

Most recently, changes in sales mix show some recovery to pre-COVID-19 levels, positive for eDO

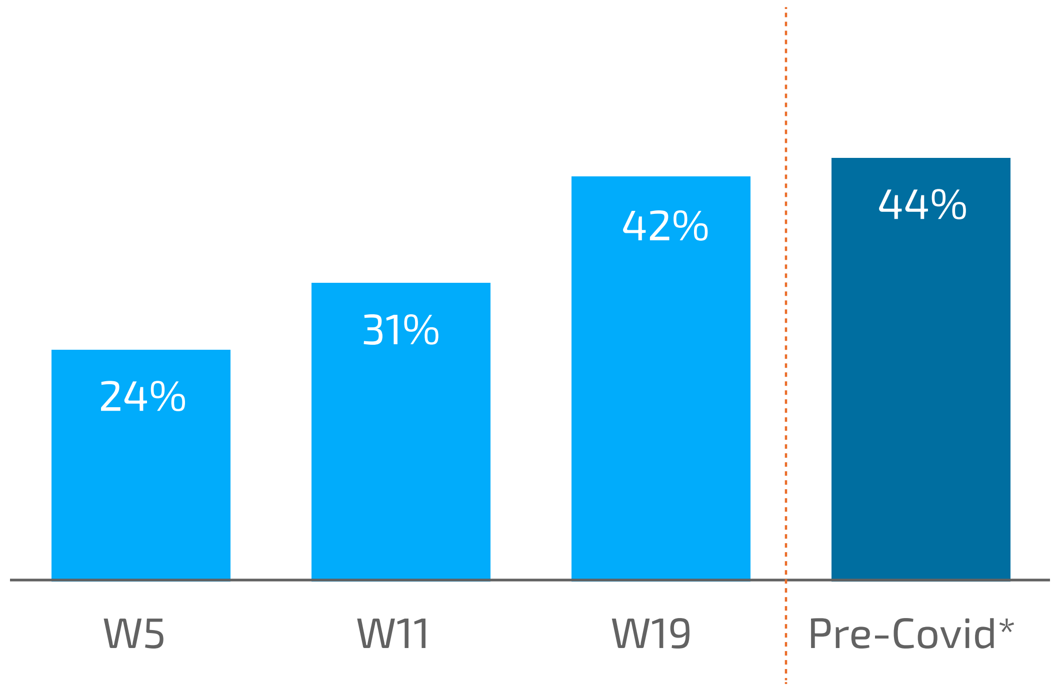
The increase in Bookings for 31+ days in advance (from 19% to 45%) also demonstrates clear latent demand.

Moreover, the meaningful increase in Bookings with 2 or more passengers, from 24% to 42%, once again shows that that leisure travel is returning.

Advance (+31 days)



2 or more passengers



(*) Pre-Covid is average of W5 to W19

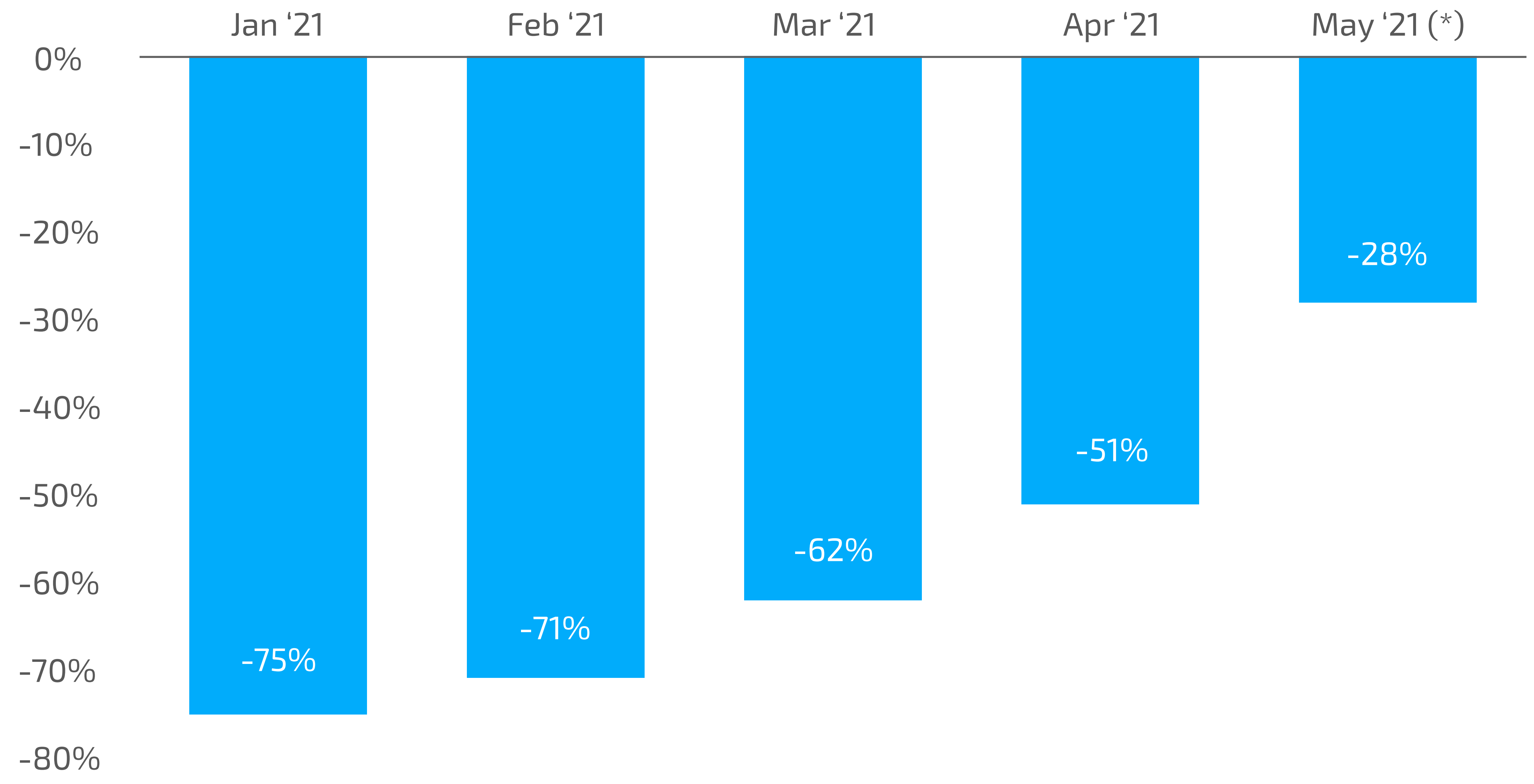
Pent-up demand is translated into meaningful improvements in year-on-year trading as vaccine programs accelerate in our core markets.

Rising COVID-19 cases in the autumn and winter caused further travel restrictions to be imposed by some governments, which again returned Bookings to minus 75% in January vs FY19 levels. However, within 4Q we saw improvement with March returning a better minus 62%, and this improvement has continued in 1Q FY22.

In April Bookings were down 51% vs F19 and the month of May up to 22nd May is minus 28%.

This improvement was driven by solid signs of increasing travel demand, as more people are vaccinated and travel restrictions lifted, travel activity tends to pick up very quickly and meaningfully.

Trading continues to improve



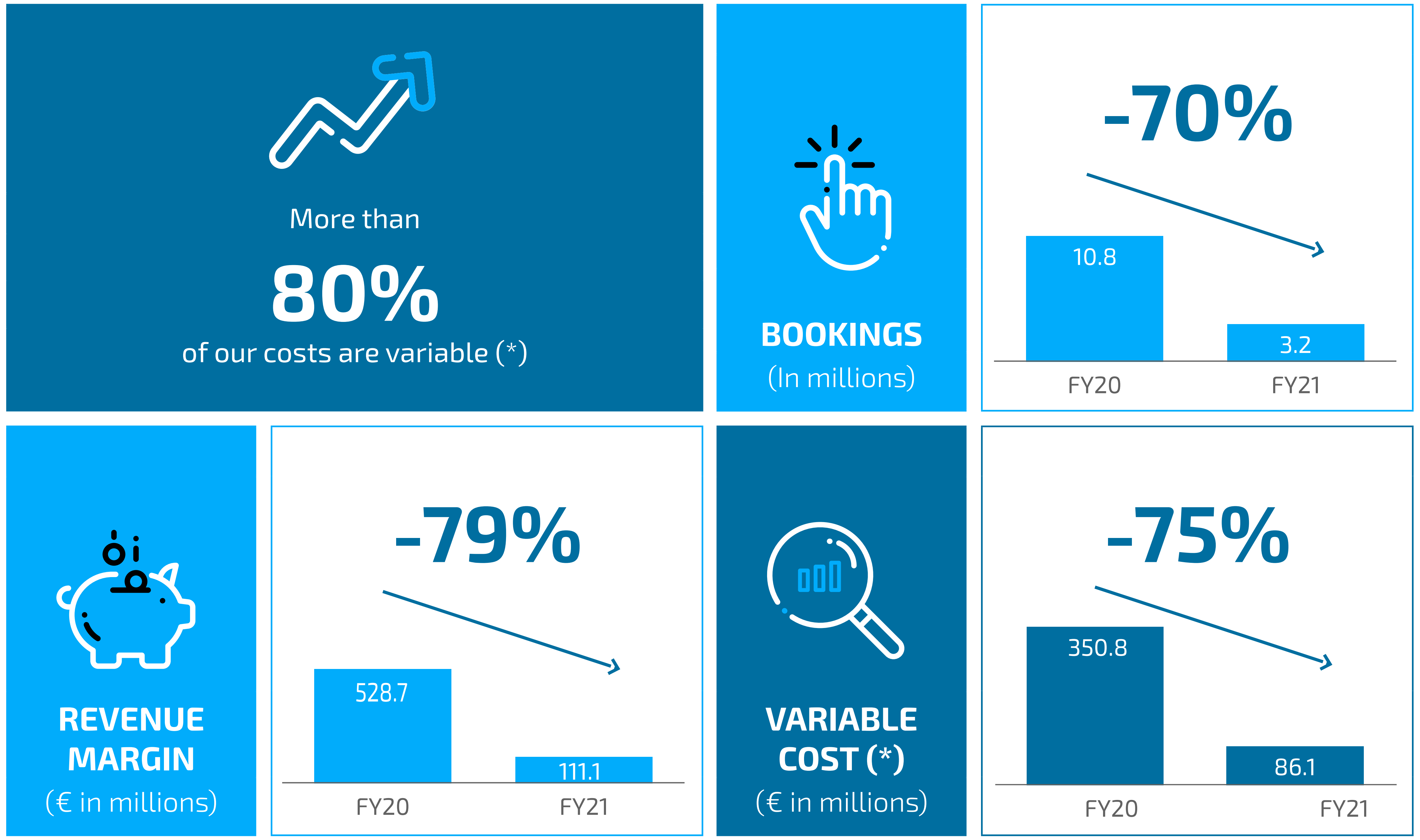
(*) Until the 22nd of May

| A.2.6. Our strengths and strategy

SUPERIOR BUSINESS MODEL DEMONSTRATED DURING THE PANDEMIC:

a) Adaptability of the business
b) Strong Liquidity
c) We have performed well during the pandemic

a) Adaptability of the business



(*) Pre-COVID-19

"Our highly variable based cost structure enables us to quickly adapt to softer demand"

| A.2.6. Our strengths and strategy

In addition, we have demonstrated the ability to adapt and rapidly reduce fixed costs & CAPEX

MEASURES in Fixed Costs and CAPEX resulted in:

SUCCESSFUL CAPEX and **OPEX** reduction, ahead of expectation

Fixed Costs savings (*):
-28%
(vs -23% guided in FY20 results)

CAPEX savings:
-28%
(vs -25% guided in FY20 results)

Cash savings:
€32 Million
(ahead of €28 million guided in FY20 results)

"Supplementary measures in FC and CAPEX added extra adaptability to our business model"

Extra additional adaptability to our business model

(*) Note: Fixed cost reduction calculated based on annualized 3Q FY20 fixed costs

| A.2.6. Our strengths and strategy

Diversification contributed to adaptability

International Expansion	**+9 ppt** (from 25% to 34% of our total Bookings)	Expanded product diversification	**+3 ppt** (from 85% to 88%)
Increased diversification revenues	**+4 ppt** (from 53% to 57%)	And mobile bookings reached	**56%** +12pp (from 44% to 56%)

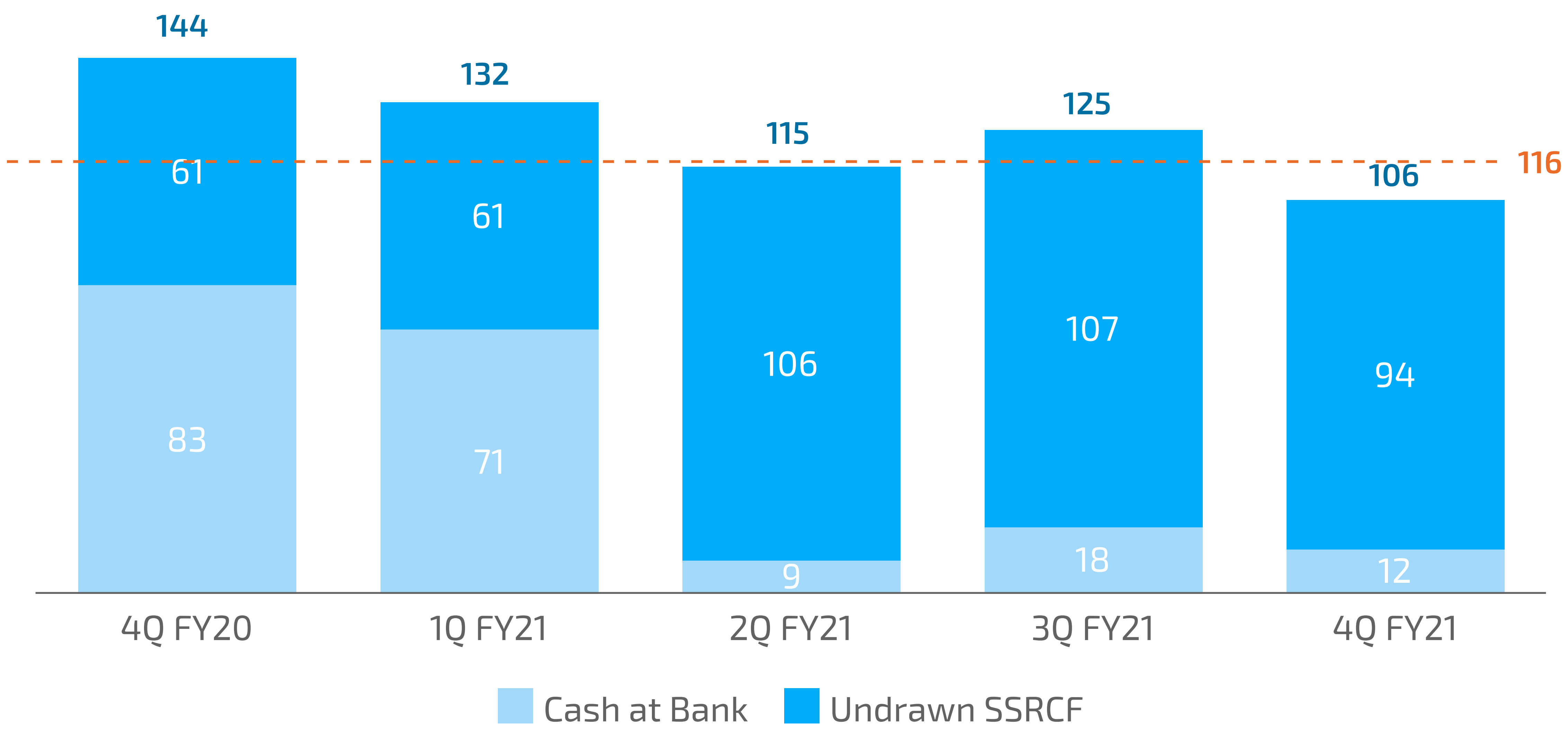
"We relaunched our US proposition and localised websites in Arabic to better serve travellers in the Middle East region, as well as have invested in our Australian website"

| A.2.6. Our strengths and strategy

b) Strong Liquidity

We have managed our liquidity position well, a consequence of our strong business model and active management. We have achieved this despite increasing travel restrictions which reduced the levels of trade.

Liquidity has remained stable with a strong liquidity position of €106 million at the end of March, and an average of €116 million since September 2020 despite the temporary softening of trading.



Our strong liquidity was maintained thanks to:

- Improved collections
- Refunds collected
- Prime deferred revenue increase, and
- Active management of the situation, which resulted in:
  - Reduction in the majority of our costs (Variable Costs, Fixed Costs and CAPEX reduced)
  - An additional €15 million from a Government-sponsored loan due 2023, and
  - The reduction of average monthly cash burn (excl. WC and tax but adding the increase in Prime Deferred Revenue) from €13 million to €8 million

"eDreams ODIGEO is the only OTA that did not require a capital or debt raise to navigate through the pandemic"

| A.2.6. Our strengths and strategy

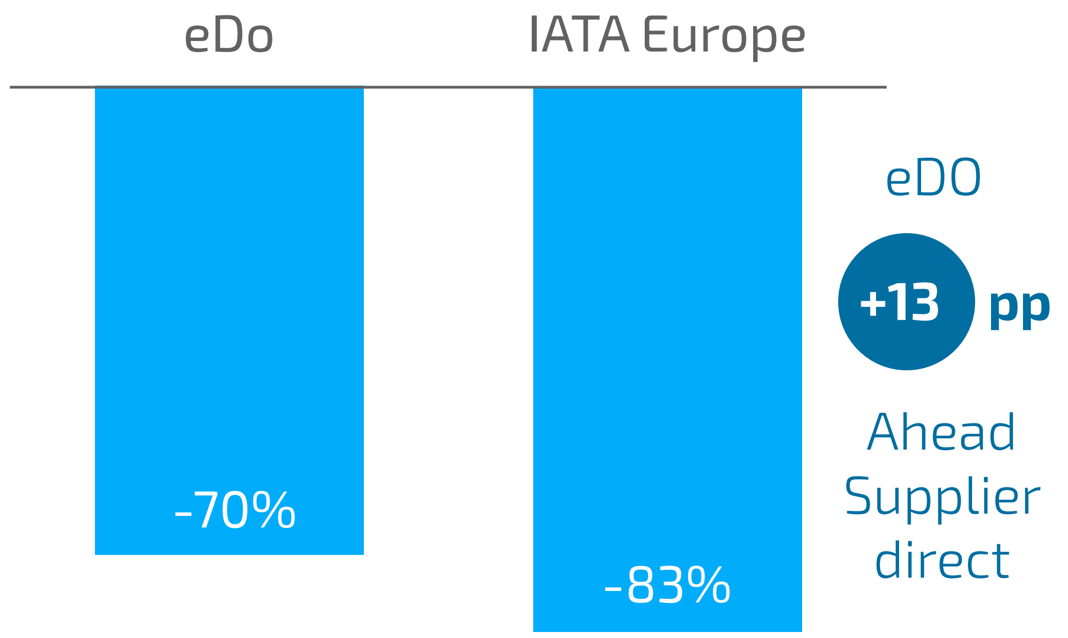
c) We have performed well during the pandemic

In FY21 we saw a rapid rebound in Bookings during the summer, from a minus 96% trough in April to minus 62% in 2Q.

Rising COVID-19 cases in the autumn and winter caused further travel restrictions to be imposed by some governments, which again returned Bookings to minus 70% in 4Q. However, within 4Q we saw an improvement with March returning a better minus 62%, and this improvement has continued in 1Q FY22. In April Bookings were down 51% vs F19 and the month of May up to 22nd May is minus 28%. This improvement was driven by solid signs of increasing travel demand, as more people are vaccinated and travel restrictions lifted, travel activity picks up very quickly and meaningfully.

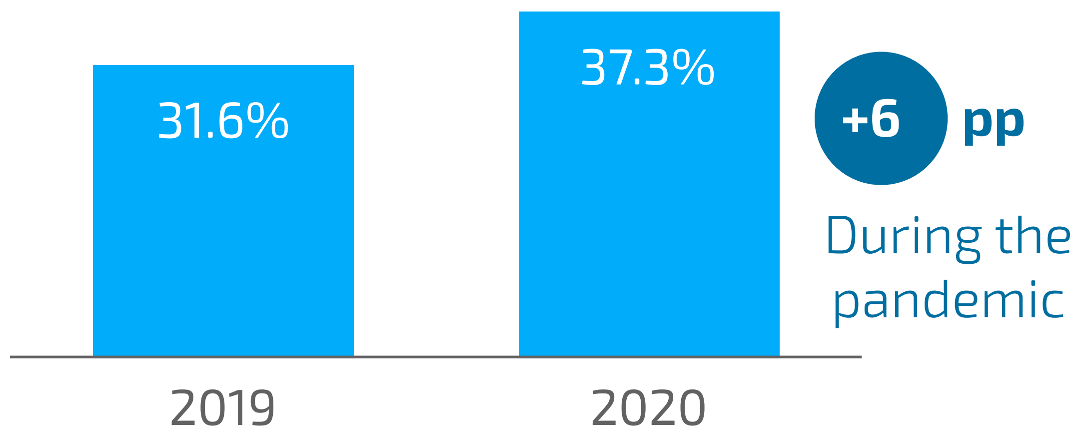
Our trading continue to suggest outperformance against the airline industry (both regular and low-cost carriers), gaining market share vs supplier direct due to better quality, more comprehensive content, flexibility, and a focus on leisure travel.

We have outperformed the airline industry average for last 12 months



Source: IATA Economics & Company Data
Note: Information presented for March is based on FY21 vs FY19 year-on-year variations

We continue to extend our leadership as Europe's No 1 OTA in the Online Airline Bookings market share

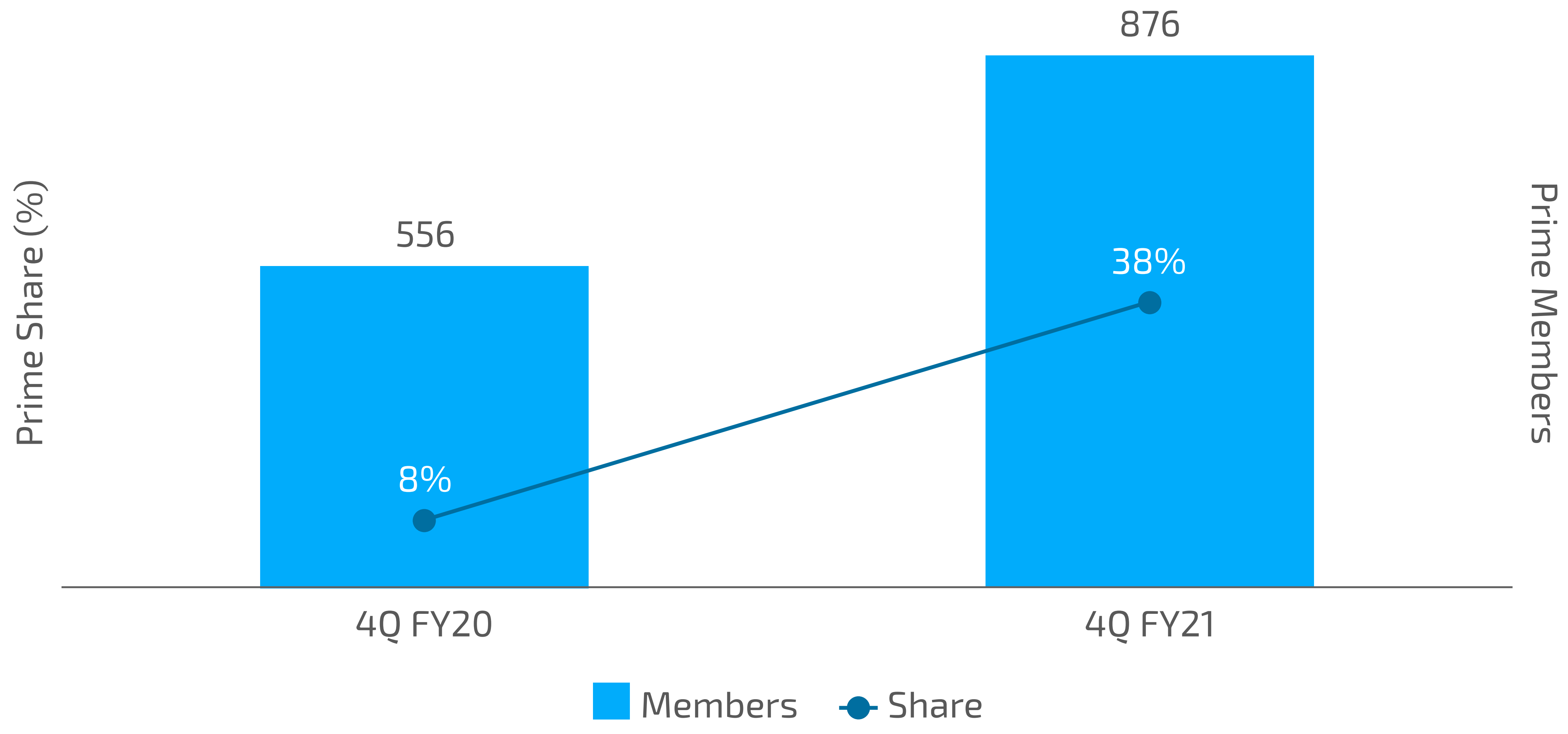


Source: Phocuswright's Europe Travel Market Report 2020-2024 & Company Data

And Prime continues to deliver very strong growth.

Prime membership grew strongly by 58% in the FY from 556k to 876k subscribers, and in May we already reached our first 1 million subscribers.

38% of all our flight Bookings are now Prime bookings. In countries where Prime has been specifically launched and focused, Prime Bookings are even higher than 40%. This compares to 8% at the same time last year.



Source: Company Data

This is in the context of COVID-19. If we adjust for a normal year, we estimate that we would be adding over 100K Prime members per month. This compares to 35K members monthly pre-COVID-19 demonstrating the attractiveness of Prime and its significant improvement over the last year.

| A.2.6. Our strengths and strategy

IN SUMMARY – eDO IS BEST POSITIONED TO BENEFIT FROM TRAVEL RECOVERY

We have the 4ps

Prime	Proprietary Platform	People	And, Pent-Up Demand
Exclusive and pioneering travel subscription Stable and fixed revenue stream High % of repeat business Reduced marketing costs Greater customer insight/data	World leading capabilities, state of the art technology Powerful, reusable platform... powering real scale advantages	Industry leading team We have kept our teams intact and well-motivated to compete vigorously and to serve our customers well Our employees can't wait for a semblance of normality to return	Advance bookings searches demonstrates clear latent demand Our Prime program is an effective tool to capture that travel demand when restrictions are eased

| A.2.6. Our strengths and strategy

In great shape and primed to win in a post COVID-19 world

	CUSTOMER DEMAND	HOW WE WIN
Customer Segment	• Leisure, not corporate	✓
Geography	• Certain markets are likely to manage better COVID-19 and thus show greater growth • Need to be able to identify and seize these opportunities	• Europe • Expansion Markets
Product	• More domestic and lower cost • Provide alternatives short distance transport (eg. Rail, car, etc.) • Provide choice	• Strong in low cost • Virtual Interlining • Hotel, cars, multi-transport platform
Customer Experience	• Trusted Brand • Good experience end-to-end • Service automation and omni channel • Mobile	• Mobile App • Multi-product • Prime

There is no reason why as restrictions are relaxed we will not grow faster than the industry average, which has been the case during the pandemic

Despite being the best stock performer since the beginning of the pandemic, we remain at an unjustified discount vs peer group, even though:

- The Company has been growing and expects to keep growing above the industry average.
- Our exclusive product Prime delivers a more stable and fixed revenue stream, the ability to increase share of the customer travel wallet, reduces the marketing costs, and provides greater customer insight due to higher repeat business.
- All these combined should result in significant valuation accretion.

| A.2.6. Our strengths and strategy

2. eDO STRATEGY - STRATEGIC PRIORITIES

Our strategic priorities for FY22 build on our strengths, and further boost those strengths, in order to fulfil our purpose to reinvent travel and the travel proposition for our customers.

Once the important milestone of 1 million Prime subscribers has been reached, we will continue to innovate and push towards our next milestone of 2 million Prime subscribers. Our scale advantage will therefore increase not only from a quantitative perspective, but also from a qualitative perspective, as the superior Prime product attracts recurrent relationships with loyal customers.

We will improve our platform further, focusing on instant search results and adding more transportation content as well as a more diversified travel offer. Extending our offer and expanding our footprint will continue to be one of our strengths.

We will strengthen our customer centricity by being the world leading one-stop travel provider for our customers, being with them every step of the way, from offering the right product at the right time, to digitising the touch points after the booking, becoming the first OTA in the world to offer a truly digital customer service experience.

	Priorities	Goals	Vision
#1	Continue to grow Prime membership program	To have a largely subscription based relationship with customers in which we cover their travel needs	To reinvent travel and travel provision
#2	Create a leading edge transportation platform		
#3	Customer centric retailing platform driving Diversification	Leverage technology, and data to identify and monetise unique propositions for customers	
#4	Effortless omni-channel Customer Service		

#1 CONTINUE TO GROW PRIME MEMBERSHIP PROGRAM

As pioneers of the subscription model in the travel industry, we believe that our Prime product is the perfect platform to cultivate a unique relationship with customers: a largely subscription based relationship with customers in which we cover their travel needs.

Our vision for Prime is to be the most innovative, the best travel subscription programme, covering all our member's travel needs. In the process we transformed our interactions with the customer from transactional to relationship-based.

FY21 was a successful year for Prime proving how valuable and unique it is. Even during the pandemic customers subscribed to Prime. In fact we grew our member based by 58% during the year to 876,000. Our monthly additions were around 100,000 on a normalised pre-pandemic market, which resulted in reaching 1 million subscribers in May 2021.

Key achievements FY21

GOALS	ACHIEVEMENTS FY21
Continue to grow Prime memberships	876k +58% year on year growth
Introduce Prime in more of our markets	UK, US and Portugal
Expand to other travel services	Hotels and Dynamic packages
Improve its effectiveness	38% share of total Bookings

Prime share of total bookings 5x in FY21 vs same period last year.

PRIME SHARE OF TOTAL eDreams ODIGEO FLIGHT BOOKINGS

38% FY21 vs 8% in FY20

| A.2.6. Our strengths and strategy

For FY22 and beyond we have many growth opportunities. We can continue to expand Prime geographically. We can continue to expand it product wise, gaining greater share of entire travel wallet. We will continue gaining more customers to go deeper within certain product segments. The travel market size is over €1 Trillion, and Prime is a great way to capture a much larger portion.

What's coming next.

Product	Geography	Customer segment
Continue to test and refine core proposition. Iterate around duration & price point trial periods, etc. ⋮ Expand to other products and services	Continue to test and rollout product across geographies	Continue to test and develop more segmented propositions across various customer segments

| A.2.6. Our strengths and strategy

#2 CONNECTIVITY – CREATE A LEADING EDGE TRANSPORTATION PLATFORM

Our goal is to create a leading cutting edge transportation platform that will create competitive advantage for eDO combining superior content, best in class user experience, and the highest value extraction.

We are improving the quality of the content by building a content agnostic platform that will facilitate content from many providers.

One good example of this is that in FY21 we have significantly improved the content customers can access. During the year we created a strategic partnership with Travelport which allows us to offer more travel routes to customers, even more competitive prices, and increased flexibility and choice. We have also incorporated AI into our cache and removed legacy complexities. As a result of these changes, more than 50% of our results are now 75% faster.

The 4 pillars of our strategy to drive our business and offer:

Customer Experience
- Instant search results
- Automated customer services processes

Platform modernization
- Seamless booking across providers

Content
- Secure existing content
- Add additional value - add content

Value extraction
- Increase in Revenue Margin per Booking

| A.2.6. Our strengths and strategy

#3 CUSTOMER CENTRIC RETAILING PLATFORM DRIVING DIVERSIFICATION

Our goal is to transform our revenue diversification approach towards a customer centric, needs driven individual product offering, by being the one-stop travel provider world leader for our customers. Over the past several years we have moved from a flight only business to one in which now over half of our revenues come from what we call revenue diversification (hotels, car, bags, seats, and many more products). In fact we are now regarded as the industry leader, selling 88 additional products and services for every 100 flight tickets sold. We believe we are still in the early days of this and there is so much more potential to expand share of wallet in travel.

We have a unique relationship with the customer through Prime, a competitive advantage through the vast amount of data we have and the fact that the customer first books a flight before booking other travel products. We couple this with our leading edge technologies and skills to retail in such a way that we expand our share of wallet.

Our Vision is to take the Retail experience through the entirety of the trip.

The Right Product at the Right Time	+ Top of Mind for our Customers Needs	+ The Go To Travel Retail Destination	+ Be with our Customer Every Step of the Way

Our Travel Shop strategy will meet that vision by building around customers' needs thereby enabling us to meet our goals and targets.

In summary, we plan to take the customer centric Retail Platform to the next level by customising the product offering (building the capability for the right product at the right time to the right customer) and expand the portfolio of offered products according to customer needs. We believe we still have a large opportunity to further deliver on our customers' needs, in the €1 Trillion travel market, particularly since the majority of customer start with the flight purchase and the level of information needed for this is typically much more than most other travel products.

| A.2.6. Our strengths and strategy

#4 CUSTOMER SERVICE AUTOMATION - OMNI CHANNEL CUSTOMER SERVICE

Our Vision "To create a world class omni-channel self-service experience for our customers, and become the first OTA in the world to offer a truly Digital Customer Service Experience."

Since the first part of our customer journey begins digitally, we believe that can be extended throughout the customer experience utilising our many touch points to drive digital adoption and online servicing. We strongly believe that the digital experiences we are building for our customers are creating lots of value for our customers and for our business as well. While other industry participants see customers as a cost minimisation, we want to ensure that customers feel valued and do it in such a way that has benefits for our shareholders.

"Customers that use the digital channel throughout the whole travel journey have higher repeat rates"

Over the past year we have focused on the customer more than ever. Before the pandemic, the average booking cancellation rate was immaterial. Since March 2020, our customer service teams have managed almost 2 million flight cancellations. To cope with the increase we grew our team dramatically and implemented automated processes allowing customer concerns to be addressed quickly and efficiently. When payments were not delayed by the airline, our customers received their refunds typically within 10 days.

In response and to accelerate the automation of customer services, which had already started pre-COVID-19, eDOers came together to build a new innovative and highly complex system that is a first in flights. In addition we believe in the omni channel approach so that while we are building outstanding digital experience with high levels of satisfaction we will continue to offer an omni channel experience to meet customer needs.

| A.2.6. Our strengths and strategy

These are some of the key achievements of eDO's management of customer services actions in FY21

- 99%+ of cancelled flights have been resolved and/or processed.
- Invested in building automated changes and refunds and processing of cancellations for the majority of airlines; automatically identifying cancelled flights and informing customers through all possible touch points proactively, and proposing options to the customer.
- Providing customers a seamless experience to manage their travel journeys end to end; building a virtual assistant driven by AI and self-service capabilities for customers to manage the majority of their travel requests in a digital manner.
- Establishing our app as the customers travel companion providing our customers with "one single source of truth" to make their travel experience easy and seamless from the status of their booking to updates on their trips, and the ability to add products or make changes all through the convenience of the app.
- We have invested in significantly increasing our contact centre capacity.
- Implemented automated processes that provide our customers near real time updates on the status of their refund requests.
- Automating customer services handles more than 70% of customers' enquiries digitally (vs 30% before COVID-19) and 50% are now resolved digitally versus 20% previously.

| A.2.6. Our strengths and strategy

What's coming next.

- **IMPROVED PERCEPTION**
- **OPTIMISED OPERATIONS**
- **OMNI CHANNEL EXPERIENCE**
- **DIGITAL SERVICES**

"To become the first OTA in the world to offer a truly digital Customer Service Experience"

"We will reduce the cost of serving our customers by 45% from pre-pandemic levels. 70% of this improvement has been reached already. This will start to show up in our P&L when the cancellation/refund rates in the market go back to normal, more likely in second half of FY22 pre-pandemic"

| A.2.6. Our strengths and strategy

	Digital services Experience	Optimized operations	Improved customer experience & perception
Priorities	Customer service journeys begin in digital channels Drive adoption of self-service to manage requests Coherent omni-channel experience for customers	Improve issue resolution reducing repeat contacts Ensure high availability and in time back-office processing Leverage technology for operational excellence	Further Improvement of experiences for Prime and high value segments Manage and improve external perception of eDO brands and service
Goals	Create Pull driven experience which achieves +90% digital coverage for main self-service features across all providers Provide our customers with "one single source of truth" to make things easy and seamless for them	Provide immediate solution to customers and reduce repeated contacts by 30% Constantly offer high service levels and improved availability across front & back-office Increase customer satisfaction by improved service	Drive up overall customer satisfaction Enhanced customer experience along the whole journey Actively manage customer perception

Vision

To create a world class omni-channel self-service experience for our customers, and become the first OTA in the world to offer a truly digital customer Service Experience

In summary, we are in the final stages of implementing an automated customer service system, which is volume agnostic so the system can automatically handle customer queries digitally, which will in turn drive higher customer satisfaction and repeat rates.

| A.2.6. Our strengths and strategy

3. IN SUMMARY

Our business is strong, and we are positioned to be a winner from the crisis.

The travel industry is a €1 Trillion market, one of the largest industries in the world. We have weathered the storm and in fact are coming out stronger. We have a good liquidity position €106 million at the end of March. We have no meaningful short-term financial debt payments and our Senior Notes, and bank facilities due in two years' time, in 2023.

We have strong growth prospects with the rebound of leisure travel, which is at the heart of what we do.

Moreover, we are reinventing travel through our Prime subscription program which continues to grow. We have already reached 1 million subscribers in May and have 38% of flight Bookings now Prime.

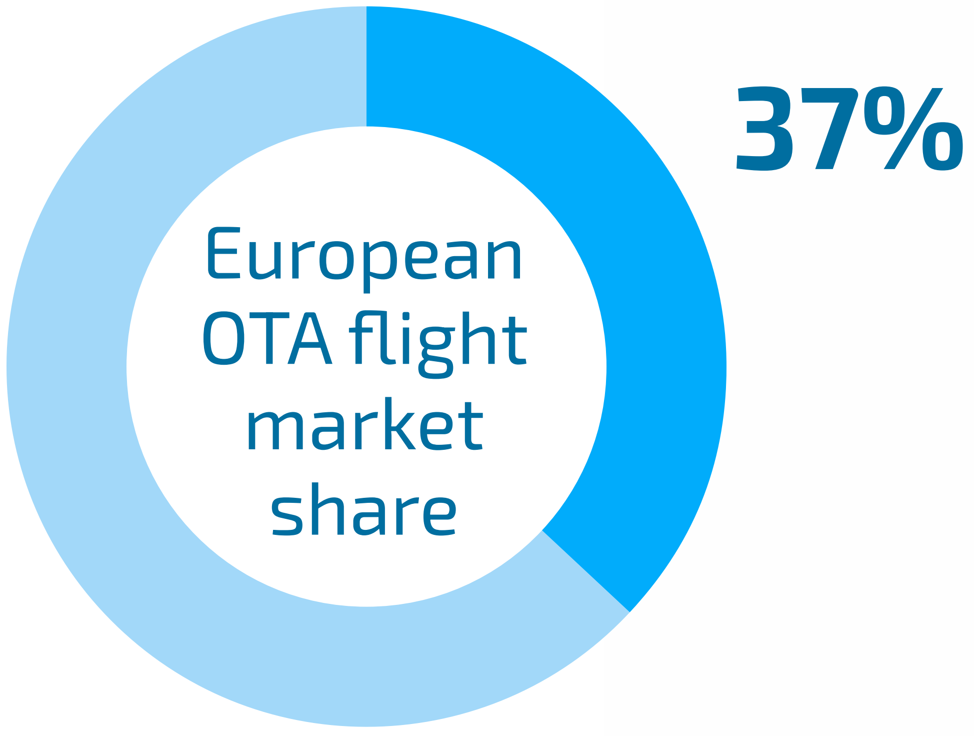
We continue to expand our share of wallet via Prime and expand our geographic base. And we continue to deepen our customer loyalty and repeat business.

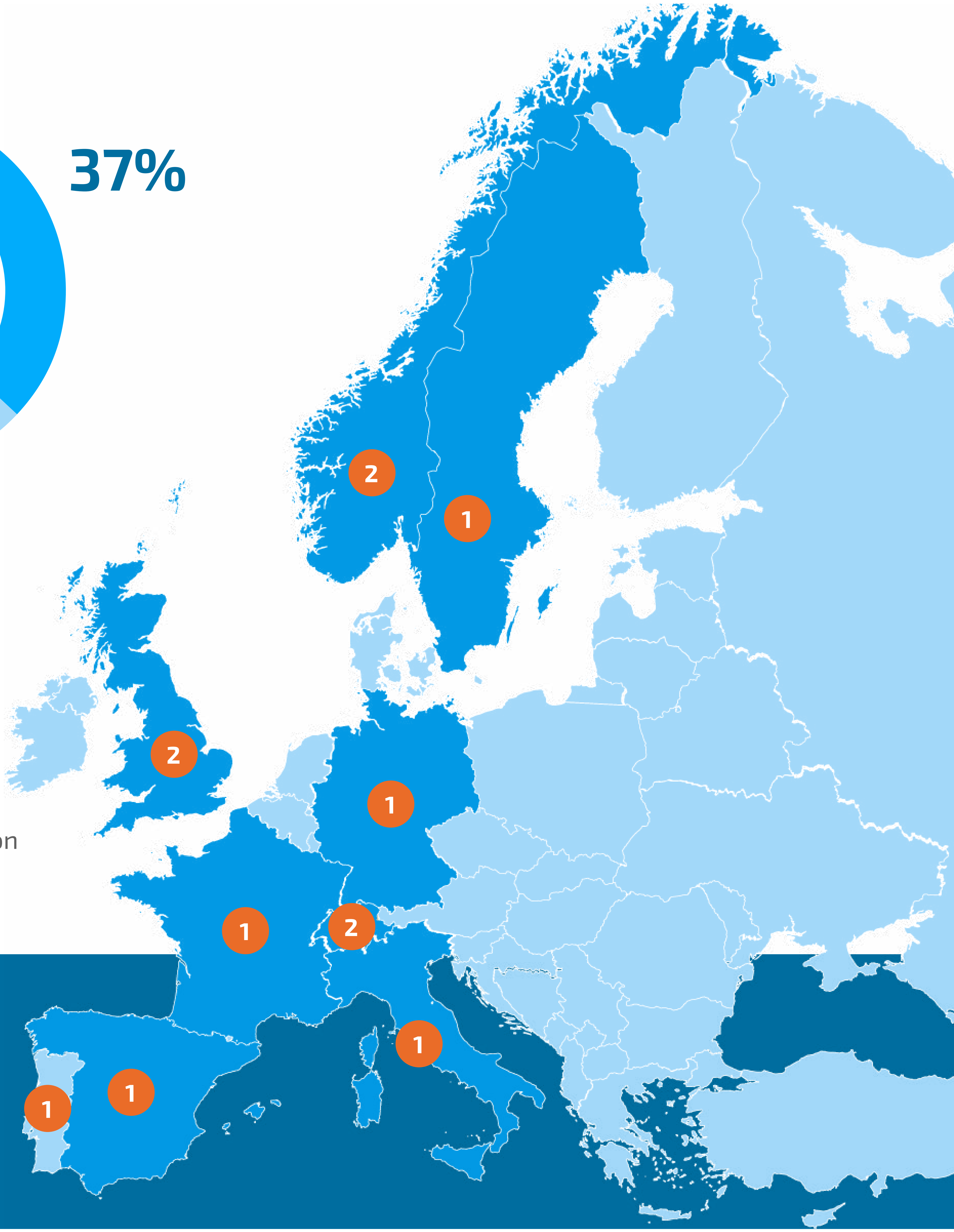
	Priorities	Goals	Vision
#1	Continue to grow Prime membership program	To have a largely subscription based relationship with customers in which we cover their travel needs	To reinvent travel and travel provision
#2	Create a leading edge transportation platform		
#3	Customer centric retailing platform driving Diversification	Leverage technology, and data to identify and monetise unique propositions for customers	
#4	Effortless omni-channel Customer Service		

| A.2.6. Our strengths and strategy

eDO LEADING THE WAY – A PROVEN MODEL

- We have unrivalled scale advantage
  - #1 OTA in Europe – 37% market share
  - #2 OTA Worldwide in flight revenues
- We have Prime
  - Over 1 million subscribers
- We are extending our offer and expanding our footprint
- Tailwinds are in our favour
- In great shape, evidenced by our pent-up demand, and primed to win in a post COVID-19 world
- Superior business model demonstrated during the pandemic
- We still at unjustified meaningful discount vs peer group





RoW Top 6 Market position

Source: Internal analysis; Amadeus bookings data; Phocuswright Travel Market Report 2020-2024

WHY EDREAMS ODIGEO?

B.

Non Financial **Information**

B.

Non Financial **Information**

B.1. Introduction

1.1. About this report

1.2. Materiality

| B.1.1. About this report

eDreams ODIGEO's annual report for fiscal year 2021, has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting on 26th May 2021.

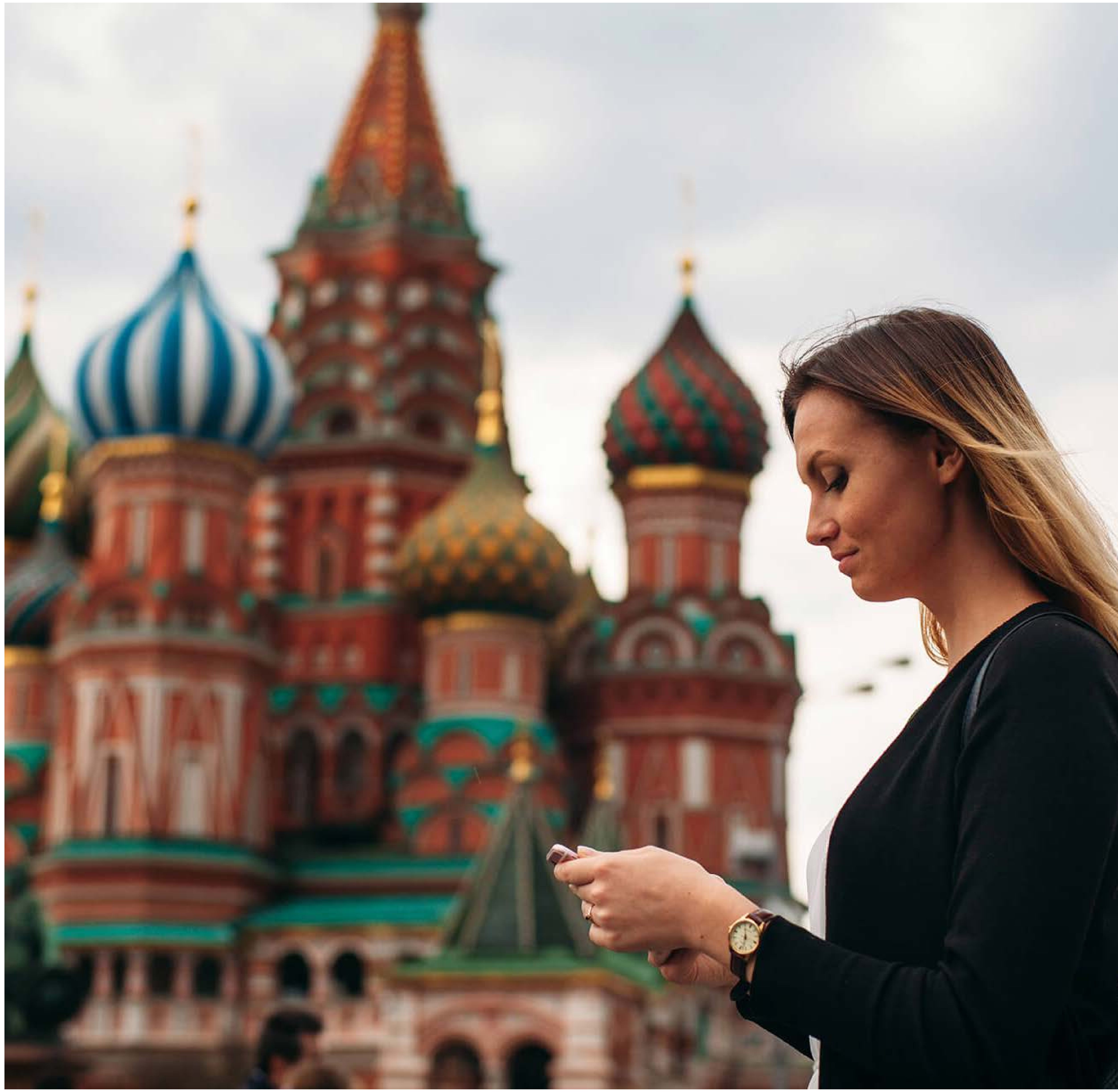
This report has been prepared in accordance with the reporting framework of the International Integrated Reporting Council (IIRC), following the principles of reliability, relevance and comparability. The report provides an overview of the business model, the strategic approach and the future outlook of the Group, the Group's economic performance, risk management, and activities in areas of environment, social, and governance (ESG).

eDreams ODIGEO incorporates the non-financial and diversity information in this Annual Report following the requirements established in Spanish Law 11/2018 approved on 28 December 2018. The scope and location in this report of the different indicators that make up the non-financial information statement, using the Global Reporting Initiative (GRI) reporting framework, is shown in section B5 of the report.

The Company has elected to prepare the non-financial information statement for the fiscal year ended **31st March 2021** at a consolidated Group level.

According to the Spanish Law 11/2018 requirements, this non-financial report has been externally reviewed by EY, Auditores, SL. The external assurance of this document by an independent organization (EY) ensures that the quantitative and qualitative material issues are reported accurately. The corresponding Limited Assurance Report is attached to this report (Section B.6 Auditor verification report).

Additional Reports included in chapter B7.2 (Annual Corporate Governance Report and Annual Directors' Remuneration Report) are available at www.edreamsodigeo.com.



| B.1.2. Materiality

The non financial information for eDreams ODIGEO for FY21 (section B) of this report, has been prepared based on the guidelines and principles marked by the Global Reporting Initiative (GRI) standards framework, and in compliance with the requirements of Spanish Act 11/2018.

In 2020 the travel industry was severely impacted by the COVID-19 outbreak, with country lockdowns and widespread travel restrictions to contain the spread of the virus, resulting in a steep decline in passenger volumes. eDreams ODIGEO's strategy was subsequently adapted to meet the challenges of this unprecedented emergency in this complex and uncertain environment.

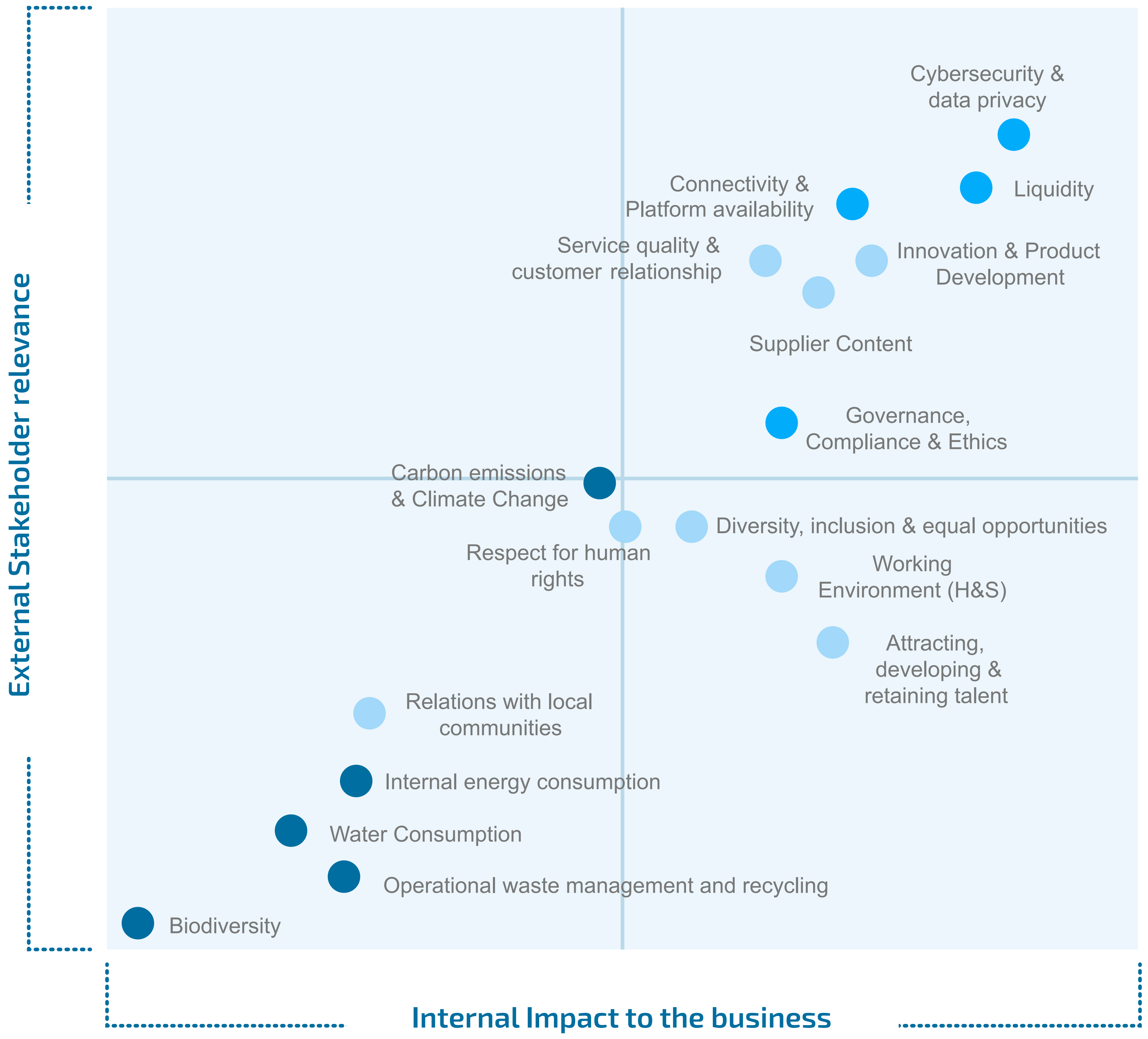
The impact of COVID-19 on the travel industry has been factored into our FY21 materiality analysis. This materiality analysis helps us understand where eDreams ODIGEO most relevantly impacts ESG, combined with what areas of ESG our stakeholders are most concerned about, and serves as the basis of support for the specific non-financial indicators disclosed throughout the report. A three step process of identification, prioritisation and validation of ESG risks was followed to determine the final ESG materiality matrix:

- **Identification:** The ESG risk population is based on a subset selected from the full universe of risks evaluated as part of our Group Risk Assessment process. This subset includes risks that impact; environment, social, governance, ethics, and sustainability, and was selected taking into account the following:
  - Regulatory, legislative, and political initiatives relating to sustainability and non-financial aspects, such as Spanish Law 11/2018 on non-financial information, and the UN Sustainable Development Goals (SDG).
  - Interviews with Senior Management (CSM) and key business stakeholders
  - Benchmarking against peers in the technology, e-commerce, and travel sectors.
  - External party feedback (Proxy advisor & auditor recommendations relating to ESG topics, customer feedback)
- **Prioritisation:** Once the subset of relevant risk areas was identified, they were prioritised based on the dual considerations of:
  - internal impact on our business strategy, employees, and organization
  - external impact on the environment, our customers, and on the communities in which we operate.
- **Validation:** The resulting prioritised areas of ESG risk focus were shared with Senior Management, the Audit Committee, and the Board.
- **ESG Materiality matrix:** Once validated, the materiality matrix was drawn up, visually representing these risks from a dual materiality perspective; in terms of criticality of impact within the organisation (internal impact on the Company or its employees) and criticality of impact externally (impact outside the Company, outside its scope of control or on outside Stakeholders).

| B.1.2. Materiality

17 ESG risk areas were identified, and are represented in the matrix below in terms of dual materiality impact internally and externally.

ESG Materiality Matrix



The ESG double materiality analysis confirms that as a technological, e-commerce, customer facing company the most material areas of ESG risk that affect our organization are in the Social and Governance areas, and a as a result a significant part of the non financial information report is dedicated to these two areas of ESG.

Governance, compliance, & ethics, liquidity and cybersecurity, are important to our shareholders, customers, and regulatory bodies such as IATA, whilst service quality & customer relationship management, data privacy & platform availability are particularly important for our customers.

Social issues such as talent attraction & retention, diversity & inclusion, and working conditions (more so under COVID-19) are of particular interest to our existing and prospective employees.

Environment: although our operations do not have a significant direct impact on the environment and we fully offset the carbon emissions generated by our operations, we recognize there is an indirect impact generated by the services we offer, which is important to stakeholders such as customers, investors, and ratings agencies. As a result we also include environmental & sustainability metrics such as carbon emissions and energy consumption in our report. Furthermore current regulations require that we report on other specific non-material issues such as indicators on materials (paper consumption), water usage, effluents and waste generation, social and environmental assessments of supplier, human rights and occupational health and safety.

eDreams ODIGEO's direct operations do not generate any significant levels of noise or light contamination, or food waste, and do not have any direct impact on protected areas or areas of biodiversity. These are not considered material ESG risks for us.

| B.1.2. Materiality

eDreams ODIGEO's contribution to the Sustainable Development Goals

To ensure that our ESG strategy and materiality analysis is aligned with current global initiatives in ESG we have mapped our ESG risk areas to UN Sustainable Development Goals (SDGs). Relevance in addressing applicable UN SDGs is a factor taken into consideration when prioritising each of the ESG strategic initiatives. The relationship between our material issues and the SDGs' targets, quantified according to the level of our contribution, has led us to prioritise the SDGs 3, 4, 5, 7, 8, 9, 10, 12, 13, and 17.

The following table summarizes our main contributions to the goals per material issue.

		Coverage of the material aspect		
		Internal (eDo business)	**External (stakeholder)**	**Relevant UN SDGS which we could contribute**
Environmental	Carbon emissions & climate change	X	X	
	Internal energy consumption	X		
	Operational waste management & recycling	X		
	Water consumption	X		
	Biodiversity	N.A.	N.A.	
Social	Innovation & product development	X	X	
	Service quality & customer relationship	X	X	
	Supplier content	X		
	Respect for human rights	X		
	Attracting, developing & retaining talent	X		
	Diversity, inclusion & equal opportunities	X		
	Working Environment (H&S)	X		
	Relations with local communities		X	
Governance	Liquidity	X		
	Cybersecurity & data privacy	X	X	
	Connectivity & platform availability	X	X	
	Governance, Compliance & Ethics	X		

B.

Non Financial **Information**

B.2. Governance

|B.2.1. eDreams ODIGEO Corporate Governance structure

CORPORATE GOVERNANCE

eDreams ODIGEO continuously strives to achieve best practice in corporate governance, basing itself on the recommendations of Spain's Code of Good Corporate Governance for listed companies. **We are committed to transparency**, and publish information on our corporate website, of interest to all of our stakeholders, from investor presentations and financial statements, to governance reports and policies, to non-financial environment and social information.

As a listed company, we comply with specific regulations and standards, including those related to transparency and internal controls in financial and corporate governance reporting, in addition to risk management and monitoring practices.

"eDreams ODIGEO continuously strives to achieve best practice in corporate governance, committed to transparency, rigour and accountability"

eDreams ODIGEO's corporate governance policies and procedures are designed to help the Company achieve its general objectives and protect the interests of its shareholders.

The by-laws of eDreams ODIGEO relating to corporate governance were drawn up for the Company's IPO in April 2014. Following the relocation of the registered office of the Group from Luxembourg to Spain in March 2021, the Company updated the Rules of the Organization and other corporate policies to adapt the regulations to Spanish Law. They are set out in the following documents:

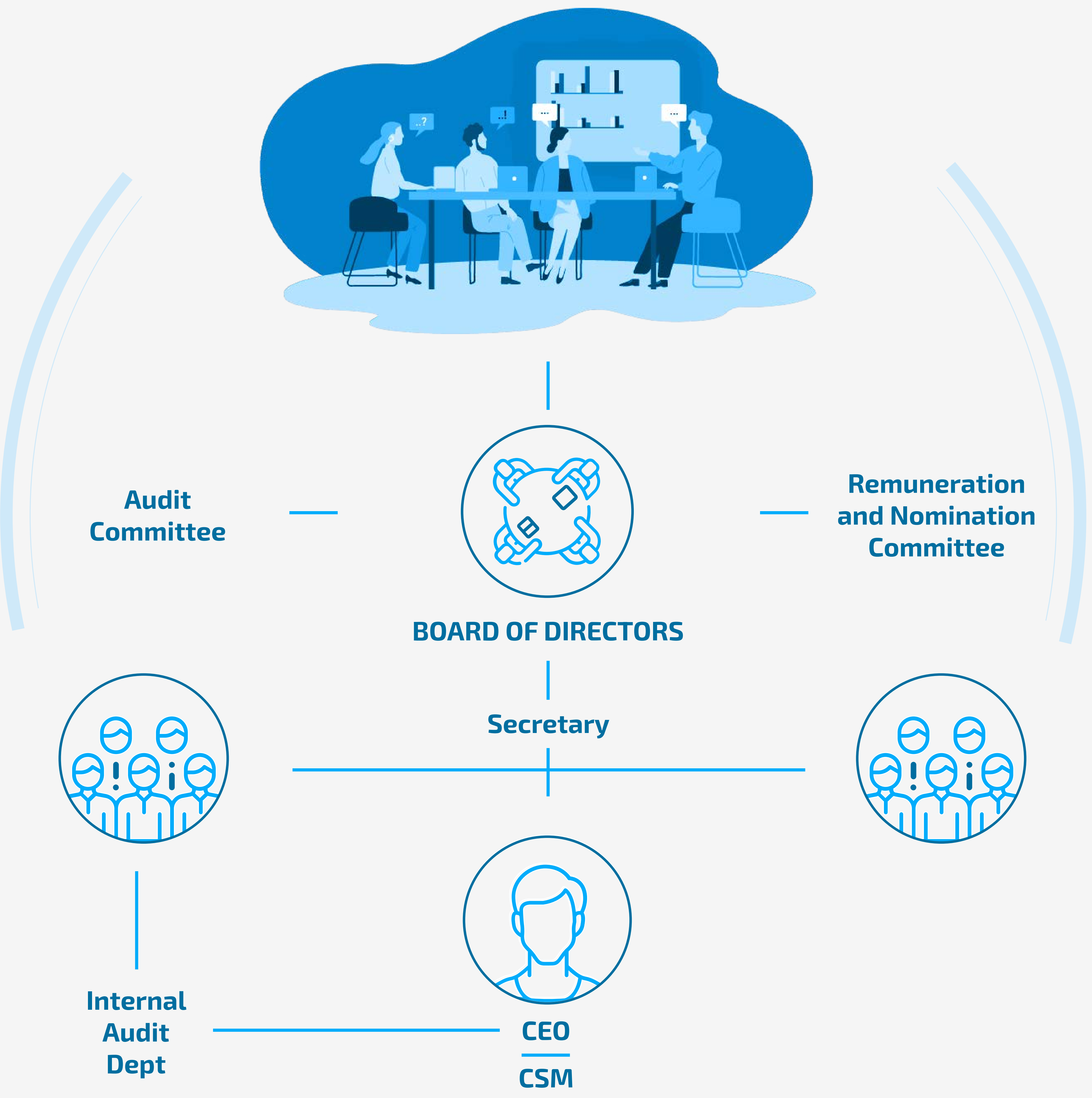
- Company by-laws
- Internal Rules of Procedure of the Board of Directors
- Regulations for the Shareholder's General Meeting
- Internal Rules of Conduct Relating to the Securities Markets

These documents are available for consultation in the "Investors/ Corporate Governance" section of the Company's website:

https://www.edreamsodigeo.com/investors/corporate-governance/rules-of-organization/

|B.2.1. eDreams ODIGEO Corporate Governance structure

SHAREHOLDERS GENERAL MEETING



SHAREHOLDER MEETINGS

Annual and Extraordinary General Meetings of the shareholders constitute the highest authoritative body representing eDreams ODIGEO share capital.

During these meetings the shareholders exercise their powers exclusively in the spheres of corporate law and the Company's by-laws. These powers include: the appointment of Board members; the review and approval of the annual financial statements; the appropriation of results; the appointment of external auditors; the authorisation of the acquisition of treasury stock; and the supervision of the Board's activities. Both Spanish law and the Company by-laws confer upon Shareholder Meetings the exclusive power of adopting other important resolutions, such as by-law modifications, mergers, decisions on critical business transactions that could result in the liquidation of the Company, as well as on the remuneration policy of the Board of Directors.

BOARD OF DIRECTORS

The Board of Directors is the highest representative, administrative, managerial and controlling body at eDreams ODIGEO, setting out the Company's general guidelines and economic objectives. The Board carries out the Company's strategy (steering and implementing Company policies), supervision activities (controlling management) and communication functions (serving as a link to shareholders).

In this regard, the Board of Directors is the body responsible for policies on: Remuneration and Hiring, Business Conduct on Security Markets, Corporate Social Responsibility, Risk Management and Control and Corporate Governance.

STRUCTURE OF THE BOARD OF DIRECTORS

The profile of the current Board members, men and women, responds to the needs of the Company, and is soundly based on the principles of meritocracy and diversity.

For the fiscal year ending on 31st March 2021, the Board consisted of nine members: 3 Independent Directors (the Chair and the two Committee Chairs), 4 Proprietary Directors, and 2 Executive Directors. Three of the nine Board members were women (33%). Among the Board members, there is a diversity of professional experience and academic knowledge (lawyers, economists, mathematics, among others).

The number of Proprietary Directors required to sit on the Board was set in the original Articles of Association. As the two main shareholders reduce their shareholdings in the business, the Company is committed to replacing them with Independent Directors.

Maintaining a balanced and diverse mix of Directors is a primary consideration of the Board & Remuneration Committee.

|B.2.1. eDreams ODIGEO Corporate Governance structure

BIOS BOARD MEMBERS

THOMAS VOLLMOELLER
Chair (Independent Director)

Born in Tübingen, Germany, Thomas was Chief Executive Officer at New Work SE, a leading professional business network with over 17 million users, in the DACH region (Germany, Austria and Switzerland).

He is currently Board Member at both Ravensburger AG and Conrad Electronic SE.

Previously, Thomas Vollmoeller held several key executive and non-executive positions such as Chief Executive Officer at Valora Holding AG, a publicly-traded international trading company; and - among other functions - as Chief Financial Officer at Tchibo GmbH, one of Germany's largest retail chains.

Thomas Vollmoeller received a Doctorate from the University of St. Gallen and a Diploma from the University of Stuttgart-Hohenheim.

Thomas was appointed as Independent Chair Director by the Shareholders Meeting held on September 30th 2019 (effective 1st January 2020), and as of September 2020 for a period of three years, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021).

CARMEN ALLO
(Independent Director)

Born in Logroño, Spain, Carmen has a wealth of experience in corporate and investment banking in large European and American banks, and as Audit Committee Chair of publicly traded companies on the Spanish stock market. She is currently Chair of the Audit Committee at CAF, having previously held a similar position at Natra. She is also currently a Professor at the Instituto de Empresa.

Carmen has a degree in Mathematics from the University of Zaragoza and an MBA from Instituto de Empresa, and has attended executive programs at the London Business School and Harvard University.

Carmen was appointed as an Independent Director and Audit Chair as of 1st April 2020 for a term of three years. The decision was ratified in the Shareholders' General Meeting held in September 2020, with a subsequent reappointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021)"

AMANDA WILLS
(Independent Director)

Born in Liverpool, Amanda 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.

She was recognized and honoured in the UK for services to British Tourism and her commitment to charity work and was awarded as Commander of the Order of the British Empire (CBE) by the Queen in 2014.

Amanda is also a Non-Executive Director and Chair of the Remuneration Committee of AirPartner Global Limited, a private jet charter and consultancy business.

Amanda was appointed for the first time as Independent Director by the Board of Directors on the 22nd July 2015 for a period of three years, ratified at the Shareholder General Meeting held on 20th July 2016. She was subsequently re-appointed for two further three year terms in Shareholder General Meetings held in September 2018, and September 2020, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021).

|B.2.1. eDreams ODIGEO Corporate Governance structure

BIOS BOARD MEMBERS

DANA PHILIP DUNNE
CEO (Executive Director)

Born in New York, Dana is the Chief Executive Officer at eDreams ODIGEO.

Previously, he served as Chief Commercial Officer of easyJet Plc; being responsible for sales (the significant majority of which were online), marketing, yield management, the contact centres, and customer proposition.

Prior to this he was the Chief Executive Officer and Head of AOL Europe Sarl., a Division of AOL LLC. He has a proven track record at high profile, international telecoms and media companies.

Before AOL he served as President of key business units at Belgacom and US West, two of the most successful Telcos in Europe and the US.

Dana has an MBA from Wharton Business School and a BA in economics from Wesleyan University. He has dual citizenship (American and British).

As at 31st March 2021, he held 1,820,388 eDreams ODIGEO shares.

Dana was appointed as Executive Director in July, 2015, and subsequently re-appointed for two further terms in Shareholder General Meetings held in September 2018, and September 2020, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021).

DAVID ELIZAGA
CFO (Executive Director)

Born in Madrid, David is the Chief Financial Officer of eDreams ODIGEO.

Prior to joining eDreams ODIGEO, he was Chief Financial Officer of Codere SA, and before that he occupied various positions at Codere S.A., Monitor Group and Lehman Brothers. He holds degrees in Business and Law from Universidad Pontificia de Comillas–ICADE.

As at 31st March 2021, he held 546,360 eDreams ODIGEO shares.

David was appointed for the first time as Executive Director by the Shareholders, in the meeting held on the 20th July 2016. He was subsequently re-appointed for two further three year terms in Shareholder General Meetings held in September 2018, and September 2020, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021).

LISE FAUCONNIER
(Proprietary Director)

Born in Paris, Lise joined Ardian in 1998. Before joining Ardian, she worked as an Investment Manager at Euris. As a Managing Director at Ardian, she notably led investments in Newrest, eDreams ODIGEO and Camaieu. She is also a Board member of Linedata, a Company listed on Euronext. She began her career at Clinvest as a project manager in mergers, acquisitions and restructuring department.

Lise was appointed as Proprietary Director (affiliated with the Ardian funds) for the first time by the Shareholders Meeting held on 18th March 2014, and subsequently re-elected for two further three year terms in Shareholder General Meetings held in July 2017 and September 2020, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021).

|B.2.1. eDreams ODIGEO Corporate Governance structure

BIOS BOARD MEMBERS

BENOÎT VAUCHY
(Proprietary Director)

Born in France, Benoît joined the Group in 2011 as Non- Executive Director of Opodo Limited and also previously served as the Chairman of the Group's Audit Committee. He is currently a Partner and a member of the Investment Committee and Executive Committee at Permira. He currently serves on the board of Permira Holding Limited as well as the holding companies of Vacanceselect Group, Exclusive Group, Universidad Europea and Lowell Group.

He previously served on the board and was the Chairman of the Audit Committee at NDS Group Ltd and the holding company of Synamedia Group. Prior to joining Permira in 2006, he spent most of his career in leveraged finance including at J.P. Morgan in London.

Benoit was appointed as Proprietary Director (affiliated with the Permira funds) for the first time by the Shareholders Meeting held on 18th March 2014, and subsequently re-elected for two further three year terms in Shareholder General Meetings held in July 2017 and September 2020, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021).

PEDRO LÓPEZ
(Proprietary Director)

Born in Madrid, Pedro joined Permira in 2006 and since 2016 he serves as Head of the Madrid office. He covers investment opportunities across several sectors and is a member of the Financing Group, having worked on a number of transactions including Magento, Althea, Schustermann & Borenstein (now Bestsecret.com), Universidad Europea and Neuraxpharm. He also spent several months on secondment in the London office in 2010.

Prior to joining Permira, Pedro spent four years at J.P. Morgan in London, where he worked in the M&A department and in debt capital markets and leveraged finance.

Pedro has degrees in Business Administration and Law from Universidad Carlos III, Spain.

Pedro was appointed as Proprietary Director (affiliated with the Permira funds) for a period of three years in the Shareholder General Meeting held on July 2017 and September 2020, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021)

DANIEL SETTON
(Proprietary Director)

Born in Paris, Daniel joined Ardian in 2007. Since joining, he has been involved in more than 10 transactions across France, Belgium, the UK and Spain. He notably participated in the acquisition of Opodo Ltd and was nominated Board Member until 2014; he also took part in the formation of eDreams ODIGEO in 2011.

Daniel currently holds the position of Managing Director in the Ardian Buyout team and is responsible for Buyout financing globally.

He is a graduate from HEC.

Daniel was appointed as Proprietary Director (affiliated with the Ardian funds) for a period of three years in the Shareholders' Extraordinary Meeting held on 26th February 2019 and September 2020, the latest re-appointment coming into effect from the date of relocation of the Company's registered office to Spain (10th March 2021).

|B.2.1. eDreams ODIGEO Corporate Governance structure

AUDIT COMMITTEE

As of 31st March 2021, the Audit Committee is formed by three Non-Executive Directors, all selected for the knowledge and experience they can contribute to the role. Each member is appointed for a 3 year mandate, and can serve up to a maximum of 12 years. The Chair of the Committee is a Non-Executive Independent Director.

Carmen Allo
(Chair)
Independent Director
1 year on the Committee

Benoît Vauchy
Member
Proprietary Director
7 years on the Committee

Thomas Vollmoeller
Member
Independent Director
1 year on the Committee

The Articles of Association and Internal Rules of Procedure of the Board of Directors state that the primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its supervisory responsibilities relating to the integrity of the financial statements. It reports periodically to the Board of Directors on various activities including but not limited to: the adequacy and the effectiveness of the internal control systems, the Company's risk management system, corporate social responsibility and ESG reporting, and all Compliance related matters (including Group policies and procedures, whistleblowing). The Audit Committee also makes recommendations for the appointment, compensation, and retention of the external auditors, performing a periodic evaluation of their impartiality.

The Audit Committee hierarchically oversees the Internal Audit department, and informs the Board of Directors about its activities in the Board meetings usually held immediately after each Audit Committee meeting.

The Audit Committee meets at least once every quarter in order to review the periodic financial information to be submitted to the securities market authorities as well as the information the Board of Directors must approve and include within its annual public documentation. The Committee will also meet at the request of any of its members and whenever convened by its Chair.

During fiscal year 2021 (1st April 2020 to 31st March 2021), the Audit Committee met on four occasions, with one member delegating his votes by proxy for one of the meetings.

Depending on the agenda of the Committee, members of the management team and external advisors may also be invited to attend these meetings. External auditors are asked to attend the meetings of the Committee at least twice a year.

The Company Secretary keeps Minutes of all Audit Committee meetings, which are available to all members of the Board of Directors.

The Audit Committee prepares an annual report on its activities. The report for the fiscal year 2021 covered the following areas:

- Roles and responsibilities of the Audit Committee.
- Composition of the Audit Committee.
- Activities and meetings of the Audit Committee.
    - Activities and items discussed by the Audit Committee.
    - Meetings held.
- Incidents and proposals for improving the Company's rules of governance and ESG, when applicable.

Audit Committee Activity Report FY21 (https://www.edreamsodigeo.com/category/investors/other-annual-reports/)

|B.2.1. eDreams ODIGEO Corporate Governance structure

REMUNERATION AND NOMINATION COMMITTEE

As of 31st March 2021, the Remuneration and Nomination Committee is formed by three Non-Executive Directors; the Chair of the Committee is a Non-Executive Independent Director.

Amanda Wills
(Chair)
Independent Director
4 years on the Committee

Thomas Vollmoeller
Member
Independent Director
1 year on the Committee

Lise Fauconnier
Member
Proprietary Director
7 years on the Committee

Among the primary responsibilities of the Remuneration and Nomination Committee are: submitting proposals for the appointment and removal of Directors, and reviewing the application of the Director Remuneration Policy -to make proposals, together with the CEO, on the individual remuneration of Directors and to advise on any benefit or long-term incentive schemes.

The Remuneration and Nomination Committee, in accordance with its regulations, meets whenever it is convened by the Board of Directors, the Committee itself, or by its Chair. The Committee will meet at least twice (2) per annum and at such other times as it sees fit.

During the fiscal year 2021 (1st April 2020 to 31st March 2021), the Remuneration and Nomination Committee met on five occasions.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Chief People Officer and external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.

The Company Secretary keeps minutes of all Remuneration and Nomination Committee meetings, which are available to all members of the Board of Directors.

The Remuneration and Nomination Committee prepares an annual report detailing its activities. The report for the fiscal year 2021, covered the following areas:

- Roles and responsibilities of the Remuneration and Nomination Committee.
- Composition of the Remuneration and Nomination Committee.
- Activities and meetings of the Remuneration and Nomination Committee during the fiscal year 2021.
    - Activities and items discussed by the Remuneration and Nomination Committee.
    - Meetings held.
- Incidents and proposals for improving the Company's rules of governance, when applicable.

Remuneration And Nomination Activity Report FY21 (https://www.edreamsodigeo.com/category/investors/other-annual-reports/)

|B.2.1. eDreams ODIGEO Corporate Governance structure

DIRECTOR SELECTION POLICY

The eDreams ODIGEO Director Selection Policy ensures that proposals for appointment or re-election of Directors are based on a prior analysis of the needs of the Group'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 recognised 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.

DIRECTOR REMUNERATION POLICY

The Director Remuneration Policy seeks to ensure adequate remuneration commensurate with the dedication and responsibility assumed, and in accordance with the remuneration paid on the market at comparable domestic and international companies, taking into account the long-term interest of all of the shareholders.

The Annual Director Remuneration Report is made available to the shareholders upon the call to the Annual Shareholders' General Meeting, and is submitted to a consultative vote during the meeting as a separate item on the agenda.

Both documents are available on our corporate website (https://www.edreamsodigeo.com/corporate-policies/).

REMUNERATION STRUCTURE

A maximum aggregated annual amount for the duties as Board members is defined in accordance with the Company By-laws and the Company's Board of Directors' Regulations. This aggregate amount is approved by the Shareholders' General Meeting and reviewed every three years.

The determination of each director's remuneration corresponds to the Board of Directors, which shall take into consideration the duties and responsibilities attributed to each director, the Board committees on which they sit and other objective circumstances that are relevant. In this regard, the remuneration of directors must maintain a reasonable proportion with the importance and economic situation of the Company, and the market standards of comparable companies.

The maximum amount to be paid to the Non-Executive Directors, as a fixed amount, for their duties as Board members, shall not exceed an annual amount of EUR 500K for each of the years 2021, 2022 and 2023. This takes into account potential increases required in the future as Proprietary Directors are replaced with Independent Directors. (For FY21 Non Executive Director remuneration totalled EUR315K.)

Independent Directors:

Independent Directors are remunerated with respect to their effective dedication, qualification and responsibility, without constituting an impediment to their independence. Along these lines, the remuneration of the Independent Directors consists primarily of a fixed fee. The Board of Directors must also ensure that the remuneration received by those directors is sufficient to incentivise their dedication without compromising their independence.They are not entitled to incentive plans.

Proprietary and Executive Directors:

The Proprietary and Executive Directors do not receive any remuneration for sitting on the Board of Directors or any other Committee of the Board of Directors.

Executive Directors for their executive duties:

The Executive Directors receive an annual salary for their executive duties at the Company. The purpose is to reflect the market value of the role and, reward skills and experience. The total remuneration of the Executive Directors is made up of various components, primarily consisting of:

1. base salary (payable monthly),
2. short-term variable remuneration (eDreams ODIGEO annual bonus),
3. and Long Term Incentive Plan;

Note: Full detail of Board Members Remuneration is detailed in the Annual Remuneration Report FY21 (https://www.edreamsodigeo.com/category/investors/remmuneration-of-directors-reports/)

eDreams ODIGEO SENIOR MANAGEMENT TEAM (CSM)

eDreams ODIGEO's Senior Management team consists of the Company's CEO, Dana Dunne and other key executives reporting to the CEO - the CEO Staff Members (CSM). Together they set the strategy, direction and goals for the whole Company and ensure that all key departments are aligned.

| B.2.2. Ethical framework and main policies applied by the Group

A. COMPLIANCE COMMITTEE

eDreams ODIGEO Compliance Committee, was set up to review, address, and respond to any concerns raised by employees "eDOers" relating to business conduct and ethics, and compliance in general.

The Compliance Committee is made up of; the Chief People Officer, General Counsel, the Head of Internal Audit & Compliance, the Group Competition & Compliance Counsel, and the Governance Risk & Compliance Manager. Decisions are taken by a majority of its members.

The Compliance Committee is responsible for the following:

- **Monitoring compliance** with all of the policies covered within the GCP (Group Compliance Program);
- **Identifying and prioritising** specific areas of compliance;
- Ensuring the Group is up to date with **all significant regulatory changes,** and that standards, policies and procedures are adapted accordingly;
- Ensuring all **policies are communicated** widely and recommending any amendments deemed necessary;
- **Developing procedures** to promote the detection of compliance problems;
- Ensuring the adequacy of procedures for **eDOers to report concerns** related to GCP;
- **Evaluating** these concerns and providing timely and satisfactory responses;
- Maintaining the **confidentiality** of any concerns reported by eDOers;
- Implementing periodic **training on** issues relevant to GCP;
- Preparation of periodic **summary reports to the Audit Committee** and Executive Management.

B. GROUP COMPLIANCE PROGRAM

The Group Compliance Program (GCP) is a fundamental mechanism set up in accordance to Spanish Criminal Code. The GCP is used by the Company to oversee and manage regulatory & compliance risk, to ensure internal policies and procedures meet the standards set by government laws and regulators, and to promote compliance risk awareness, in particular, ensure controls are in place to prevent activities such as bribery, corruption or money laundering. The GCP is supervised by the Compliance Committee.

| B.2.2. Ethical framework and main policies applied by the Group

C. RELEVANT POLICIES

As a technology company servicing customers online, our main Group policies fall into three broad areas;

- **ETHICS AND INTEGRITY:** We are fully committed to acting with the highest standards of ethics and integrity in our relationships with all our stakeholders. The following Company policies provide guidance to reinforce our culture of ethical behaviour, respect for human rights, and rejection of active or passive bribery, corruption and money laundering.
  - **Our Group Business Code of Conduct**: sets out the basic principles to ensure all of our eDOers, contractors, and suppliers act ethically, honestly, with integrity, avoiding any form of corruption, and with respect for applicable laws, and for human rights.
  - **Our Gifts and Hospitality Policy**: prepared as a complement to the eDreams ODIGEO Business Code of Conduct to provide procedural information and guidance to all of our eDOers when giving /receiving gifts or hospitality.
  - **Our Group Anti-Money Laundering Policy**: sets out general guidelines to help identify, prevent, and provide early detection of any situation that may generate cause for concern or represent a risk in relation to money laundering and terrorist financing.
  - **Internal Regulations for Conduct in the Securities Markets**: Set out the rules by which as a publicly traded Company, we commit to behaving at all times with the utmost diligence and transparency,keeping to a minimum any risk of conflict of interest or insider trading, ensuring that investors receive proper and timely information, for the benefit and integrity of the market.
  - **Our Group Procurement and Significant Outsourced Suppliers Policy** contains specific sections detailing the due diligence steps to be followed during the supplier selection process.
  - **Powers of attorney:** delineate those empowered to make commitments on behalf of the Company, and within the Companý s sphere of operating activities.
  - **Travel and Expense Policy:** sets the rules governing business travel for eDreams ODIGEO team members.

"Commitment to act with integrity"

- **IT SECURITY & DATA PRIVACY:** How we protect our systems, sensitive information, and the data privacy rights of our customers, against cyber-attack, negligence, or fraud. The following Group policies provide robust guidance to ensure secure protection and appropriate handling of information and systems:
  - **IT Security Policy**
  - **Acceptable Use of Corporate Hardware & Software Policy**
  - **Internal Privacy Policy**
- **CONFIDENTIAL INFORMATION & COMMUNICATION:** Each of us has a duty to protect confidential Company information, and ensure it is disseminated through the appropriate channels, at the right moment, and transparently and consistently. To help with this we have following policies:
  - **Handling Confidential Information Policy**
  - **External Communication and Media Policy**
  - **Appropriate Use of Social Media Guidelines**

Other important policies include the CSR Policy which sets out the Group's ESG and environmental guiding principles, and the Plan for Equal Opportunities outlining key diversity principles.

Group policies are applicable to all persons anywhere in the world employed or otherwise engaged by eDreams ODIGEO, including seconded and temporary employees, third party contractors, and any other person or organization representing or acting on behalf of eDreams ODIGEO.

| B.2.2. Ethical framework and main policies applied by the Group

OUR GROUP BUSINESS CODE OF CONDUCT

At the heart of all our corporate values is our **Group Business Code of Conduct**, which outlines our ethical values and the most relevant policies to help **foster ethical behaviour** in all our operations and among all our eDOers.

A business can only be truly successful when it balances commercial objectives with responsible and ethical behaviour. At eDreams ODIGEO we believe ethical behaviour is fundamental to building a successful relationship with our customers, shareholders, suppliers, team members and the community at large.

Our Group Business Code of Conduct is designed to provide a frame of reference for ethical conduct, drafting business principles and commitments to eDreams ODIGEO's stakeholders, and defining expectations of team members in their daily decision-making and in their relationships with other stakeholders.

The Business Code of Conduct is provided to all of our eDOers and they are required to read it and sign off in acknowledgement that they agree to abide by these principles. It is available on both our corporate website (https://www.edreamsodigeo.com/corporate-policies/) and on our internal intranet, and is readily accessible to all stakeholders.

We expect all of our eDOers and suppliers to maintain the principles of integrity and standards of behaviour set out in our Business Code of Conduct. The main areas covered by the Code are:

- **Diversity and Inclusion: Prohibiting discriminatory practices** (gender, age, disability, ethnic origin, family status, race, religion and sexual orientation) and harassment (sexual, physical or verbal) of any form.
- Promoting **equal employment opportunities**, with overall respect for human rights, and the interests of those our activities can affect.
- **Preventing corruption and bribery.**
- **Gifts and Hospitality.**
- **Ensuring the confidentiality of information** is respected by eDreams ODIGEO eDOers and third parties.
- Intellectual Property and Proprietary information.
- **Privacy and Data protection** of personal information.
- Ensuring **transparency** in all information reported.
- **External Communication and Government Inquiries.**
- Ensuring **fair market competition and antitrust.**
- **Working environment and well-being: Preventing health and safety** risks and respecting eDOers' rights.
- **Corporate Social Responsibility and Sustainable Development.**
- **Conflicts of interest.**
- **Insider Trading.**
- **International trade.**
- Acting with **respect** in all situations.

| B.2.2. Ethical framework and main policies applied by the Group

D. OUR COMMITMENT TO PREVENT BRIBERY, FRAUD, CORRUPTION, AND MONEY LAUNDERING

eDreams ODIGEO is committed to **winning business through fair and honest competition in the marketplace**. We are committed to the highest standards of ethics, complying with obligations under international anti-corruption and anti-money laundering laws, and discourage bribery and corrupt practices. To help us meet this commitment we use a combination of internal control systems, policies, training, and stringent disciplinary procedures.

In the event that a fraud is committed, the Company will promptly take such action as is appropriate to remedy the situation, clarify individual responsibilities, take appropriate disciplinary and legal actions, and leverage lessons learned in order to improve the internal controls wherever needed.

As part of our global anti-corruption efforts, we are committed to conducting our business professionally, fairly and ethically, and in full compliance with all anti-money laundering (AML) laws that may be applicable. We will actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorism or other criminal activities.

eDreams ODIGEO does not qualify as a “financial institution” which would be required to have an AML compliance program or file suspicious activity reports under the European and US regulations. Nevertheless, we have issued an Anti-Money Laundering Policy to follow industry best practices and as part of our risk management program to mitigate financial crimes risk.

We have not been impacted by any cases of bribery and corruption during this year or any year in the past.

E. HOW DO WE SPREAD THIS MESSAGE THROUGHOUT THE COMPANY

Our **commitment to high standards of ethical conduct** is reinforced not only via the aforementioned policies, but also via **targeted online training courses** provided to eDOers, and is firmly embedded within our core Company values.

All of our eDOers are required to take our online Compliance Training Program (CTP), which covers the main policy areas previously described: Ethics and Behaviours, IT Security & Data Privacy, and Confidential Information & Appropriate Communication.

Contemporary, interactive online training courses are delivered via the CTP on subjects such as Code of Conduct, Anti-Bribery, Anti-Money Laundering, Ethical Behaviour, Preventing Conflicts of Interest, Gifts & Hospitality, IT Security, PCI, & Confidential Information, and GDPR.

All courses are delivered with the relevant Group Corporate policy, **which must be read and signed in acknowledgement.** A **compliance training roadmap is defined and shared with the Audit Committee** at the beginning of each fiscal year. Key policies such as IT & Cybersecurity, Data Privacy, Business Code of Conduct, Anti-Money Laundering, and Gifts are shared on an annual basis.

During FY21 the training delivered to ALL our eDOers was focused on Ethics, CyberSecurity & Remote Working, Data Privacy, Diversity & Equality and Anti-Money Laundering (targeted relevant departments).

To maintain our teams' awareness Company-wide refresher communications are sent out to remind the eDOers of the key areas of compliance, updated with new regulatory changes. These refresher communications are delivered in a number of ways; compliance shots video shorts, quizzes, screensaver messages, posters, and intranet articles.

As part of the onboarding process all new eDOers receive the aforementioned online training courses tailored to their position and responsibilities, in order to ensure they are quickly up to speed with Company expectations in the most critical areas of compliance relevant to the Group, and further cultivate an ethical culture across the organisation.

| B.2.2. Ethical framework and main policies applied by the Group

F. REPORTING CHANNELS

We have made available a series of **reporting channels and procedures** to enable eDOers and stakeholders **to raise any concerns relating to infringements**, or non-compliance with the Business Code of Conduct or any other Group Policy, in an anonymous and confidential manner.

eDreams ODIGEO has an **open-door policy** that allows anyone the freedom to approach any member of management without fear of retaliation.

"At eDreams ODIGEO, we value integrity, honesty,transparency, respect, trust, and professionalism. Our reputation is built on, and affected by, the decisions and actions each and every one of us takes every day" Dana Dunne, CEO

eDreams ODIGEO has made available 2 channels for reporting of concerns:

- The "Compliance Helpline" – an intranet based form through which all eDOers can address queries and report confidentially and anonymously.
- A generic email address (compliancecommittee@edreamsodigeo.com) to be used by third party partners, suppliers, customers, in a confidential manner.

eDOers can select the one they are the most comfortable with; whilst external stakeholders may reach the Compliance Committee via the generic email

The Compliance Committee is responsible for investigating and following up – **in strict confidentiality** – all communications received via these whistleblowing channels.

The identity of the person reporting an irregular action shall be deemed confidential. The Company is committed to take no direct or indirect reprisals against eDOers or other stakeholders reporting in good faith an irregular action, while also protecting the rights of the person subject to investigation. Any retaliatory actions taken will be subject to disciplinary measures.

B.2.3. Risk management

RISK MANAGEMENT

The Company Risk Management process involves the identification, measurement, and prioritisation 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 manage 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.

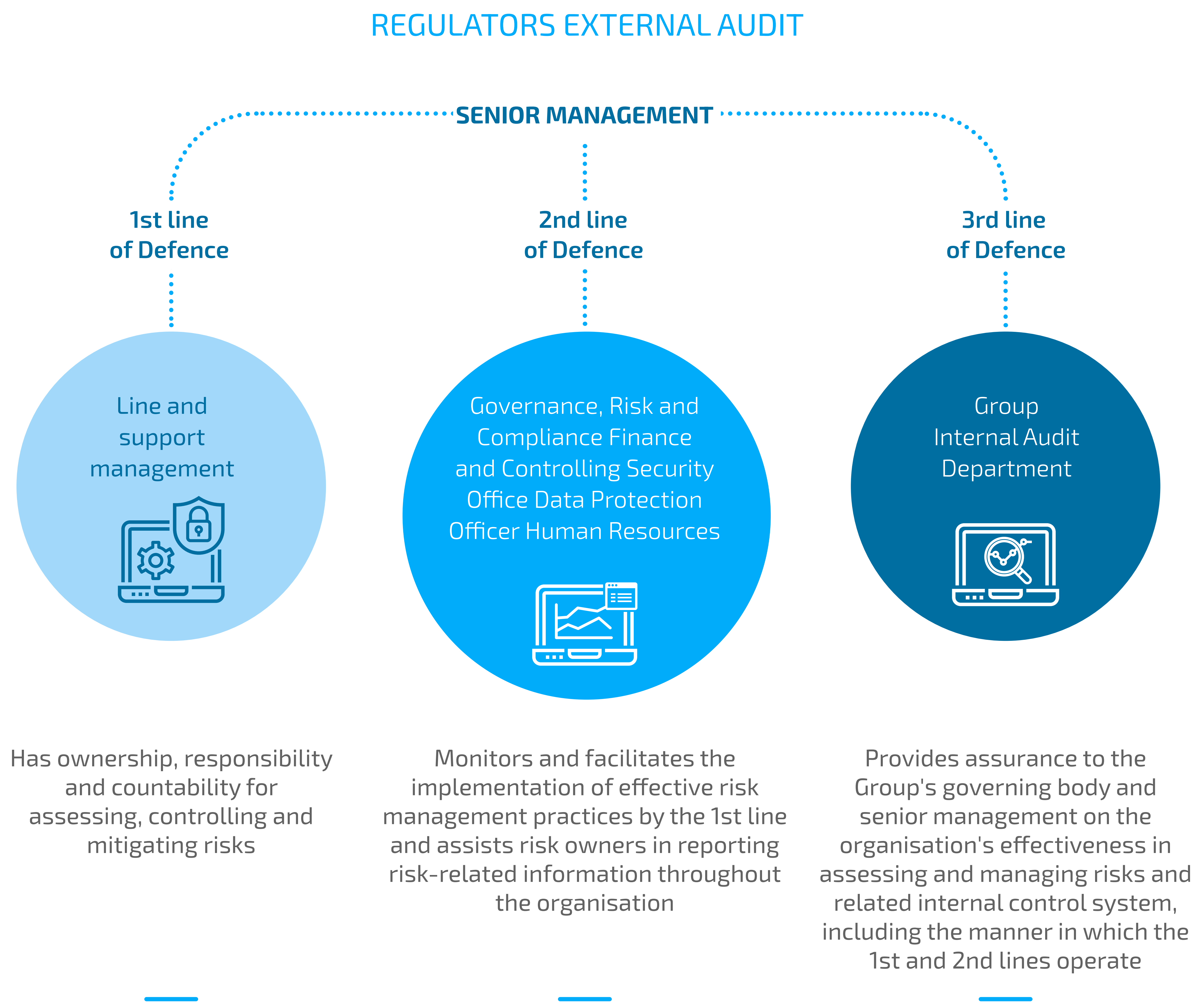
The **Corporate Risk Map aggregates all critical strategic, compliance** (legal, regulatory, and tax), **financial reporting, ESG, and market risks with a potential impact on Group Strategic Objectives.** It takes into consideration all brands across all geographies and markets, and is a fundamental element in the Group's decision-making processes.

The Corporate Risk Map prioritizes risks according to impact (financial, operational, regulatory, environmental, and reputational) and likelihood of occurrence (based on the quality of the following factors: internal controls and processes, people, technology and audit & fraud history). Risks are evaluated on an “inherent risk” basis, the impact and likelihood of occurrence without factoring in internal preventative measures, and on a “residual risk” basis which is after taking into account these measures.

Tax and ESG risks are incorporated within the umbrella of the Corporate Risk Map in the same way as any other risk, and scored and prioritised according to probability and impact. For a detailed subset of the ESG related risks please see section B1.2 Materiality.

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 and tax specialists).

THREE LINES OF DEFENCE AND COMBINED ASSURANCE



| B.2.3. Risk management

The following bodies are responsible for maintaining and supervising the eDreams ODIGEO internal control framework:

BOARD OF DIRECTORS

The Board of Directors has the ultimate responsibility for ensuring there is an adequate internal controls framework and risk management process in place. They are responsible for approving the risk control and management policy, as well as the periodic monitoring of the internal information and control systems.

AUDIT COMMITTEE

One of the primary duties of the Audit Committee is 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:

- To manage and report the main risks identified as a consequence of monitoring the efficiency of the Company's internal controls through Internal Audit.
- To ensure the independence and effectiveness of the Internal Audit function; propose the selection, appointment, reappointment, and removal of the Head of Internal Audit; 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.

3RD LINE OF DEFENCE

Group Internal Audit

The Audit Committee is assisted by the **Internal Audit department to fulfil these risk management responsibilities**. 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 through internal controls testing, financial and operational reviews, which result in periodic reports on deficiencies detected and the actions plan proposed to remediate them.

2ND LINE OF DEFENCE

Governance, Risk, & Compliance

The main responsibilities of the Governance, Risk & Compliance function 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 practices.
- Supporting the Group Internal Audit department with **testing procedures**.
- **Follow up on corrective actions** proposed by Group Internal Audit.

Finance & Controlling Function

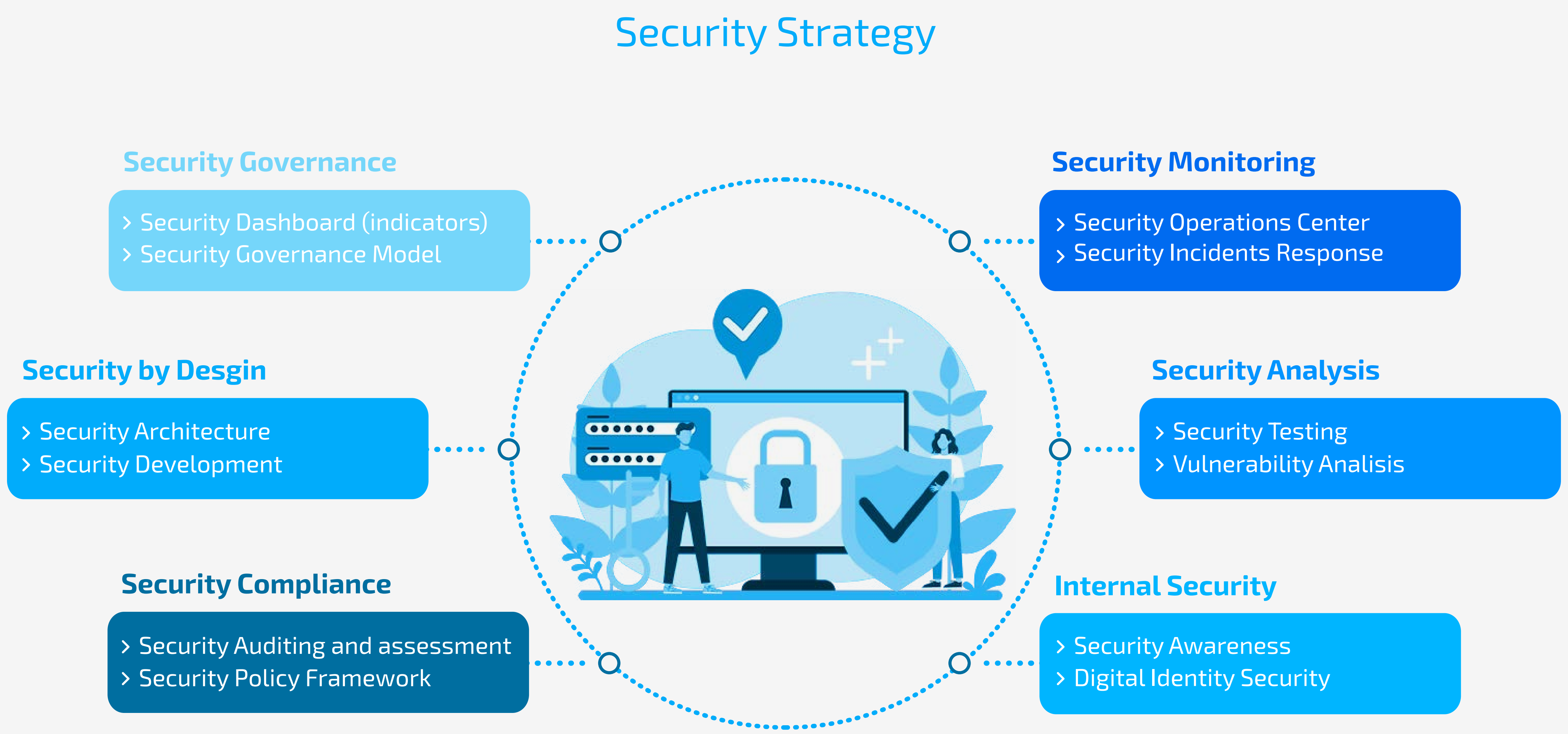
Risk is managed on a continuous basis by the Company Chief Executive Officer and the Heads of each corporate functional area, in accordance with their respective scope of activity.

The functional teams within eDreams ODIGEO, primarily Finance & Controlling headed by the Chief Financial Officer (a member of the Board), play a critical role as they are responsible for the documentation, maintenance, and update of the various procedures & controls that govern their operations.

IT Security Office

CyberSecurity is one of the key compliance domains within our Group Compliance Program. The IT Security Office, a cornerstone of our second line of defence, works round the clock to ensure that we have **robust and up to date Cyber Security IT controls, leveraging knowledge gained from attacks experienced by peers in the sector,** and constantly challenging the existing environment. Our IT Security strategy is founded on the following 6 key domains to ensure we are aligned with business objectives running the Company ahead of Security threats.

| B.2.3. Risk management



We firmly believe awareness is fundamental, and we provide our teams with a constant flow of cyber-security campaigns, delivered via; online training courses, video shorts and security tips guides on the Company Intranet, complemented by organisation wide webinars from subject matter experts.

These measures are complemented by a cyber-risk insurance policy, and clean annual certifications that we are required to obtain in relation to PCI DSS and SWIFT environments, under which IT Security controls are stringently tested by external parties.

The Audit Committee and Board are kept apprised of Cyber & IT Security matters on a regular basis, by the CTO in detailed presentations, and the Head of Internal Audit who reports quarterly on the status of the Cybersecurity & ITGC control environment, and a dashboard of cyber threats suffered by type of attack.

Data Protection Officer

Our Data Protection Officer (DPO) forms an essential part of the second line of defence.

From an internal perspective the DPO's primary role is to provide guidance across the organisation on all matters relating to data privacy, best practice, security, and compliance with the GDPR.

From an external perspective the DPO is fundamental in ensuring that we respond timely and accurately to all customer requests relating to their personal data, and in ensuring fluent dialogue and cooperation with local regulatory bodies.

FIRST LINE OF DEFENCE

The first line of defence is provided by our eDOers and management. The systems, internal controls, control environment and culture developed and implemented by our teams is crucial in anticipating and managing risks. Our commitment to integrity and transparency begins with our own eDOers, and at eDreams ODIGEO we value integrity, honesty, transparency, respect, trust and professionalism in our daily operations and relationships.

| B.2.3. Risk management

RISKS THAT MAY ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Risks Related to the Travel Industry (Outside Company control):

- Global pandemics (such as the current COVID-19 outbreak) with the subsequent threat to our eDOers and our customers health & safety, worldwide economic shutdown, and more specifically the reduction in travel sector volumes, and the knock on impact on revenues and liquidity.
- Localized events affecting travel safety such as natural disasters, political and social instability, wars and terrorist activity, or localized epidemics.
- General economic and political conditions in the core countries in which we operate (such as Brexit).
- Changes in current laws, rules and regulations and other legal uncertainties.
- Deterioration in the financial condition or restructuring of operations of one or more of our major suppliers.
- 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:

- Failures in technology due to system interruption or cyberattack, and the effectiveness of response plans.
- Processing, storage, use and disclosure of personal data, and prevention of data breach, and potential liabilities arising as a result of governmental and/or industry regulation.
- Management of any incremental cyber and data protection risks associated with remote working post COVID-19
- Innovation, product diversification, the ability to keep up with rapid technological and industry trends, in particular with changing consumer travel preferences and additional health & safety requirements in the post COVID-19 environment, and the success of execution of these changes.
- Changes in search engine algorithms and search engine relationships.
- Intense competition for advertising and metasearch revenue.
- Dependence on significant third party supplier relationships for; content, commissions, incentive payments, advertising and metasearch revenue, systems, processing, and fees.
- Competitive landscape of the travel industry, rapidly changing market, with many players.
- Adverse tax events.
- Human capital retention of highly skilled personnel and ability to attract and retain executives and other qualified employees.
- Evolving customer demand, self-sufficiency, fee sensitivity, and increased awareness due to the evolution of social media.
- Reliance on the value and strength of our brands, and increased costs of maintaining and enhancing brand awareness.
- The ability to successfully grow the business via merger or acquisition, and the optimization of cost and the efficiency of integration of new businesses.
- Exposure to risks associated with booking and payment fraud.
- Protection of our Intellectual Property and against infringement of third party intellectual property rights.
- International operations involving additional risks and our exposure to these risks will increase as we further expand our international operations.

Risks Related to Our Financial Profile:

- Management of liquidity during the COVID-19 environment of drastically reduced booking volumes.
- Impairment of goodwill and other intangible assets.
- Significant leverage and financial products subject to restrictive debt covenants.
- Risks associated with currency fluctuations.

| B.2.3. Risk management

RISKS THAT HAVE MATERIALISED DURING THE FISCAL YEAR

Risks that have materialised during the fiscal year include:

COVID-19 Pandemic

- The ongoing COVID-19 pandemic is by far the most significant risk event that has materialised, impacting the Group during the whole fiscal year. With much of the world in lockdown or semi-lockdown during long periods of time, throughout successive waves of the virus, the travel sector has been one of the most adversely affected. Traveller confidence and appetite for travel is gradually being restored with the launch of multiple vaccines.
- Airline bankruptcies and crisis management to mitigate the financial impact of customer compensation, incentive write-offs and loss of content, is a risk that materialises every year but that has risen significantly as a direct consequence of the pandemic. Airlines such as FlyBe, Germanwings, South African Airways, LATAM Argentina, Avianca, Levels Europe, filed for bankruptcy or Chapter 11 during the period.
- During this challenging period, eDOers health and safety has been our first and foremost priority, closely followed by attending to all of our customers needs, and ensuring our business remains liquid, resilient, with a refocus of strategic priorities to ensure the Group adapts and emerges stronger in the post COVID-19 travel landscape. A fuller description of the success of our response to the pandemic can be found in the following sections (B2.3 Business Continuity Plan; B3.2- COVID-19 Health & Safety – eDOers Well-being; B3.3-Customer Service During the COVID-19 pandemic).

BREXIT

- In the current fiscal year Brexit finally came into full effect, with a negligible impact on our operations in the UK. From an operational and environmental perspective, prior to the effective date of Brexit we concentrated all business in Spain. Our UK entity remains as the licensor of the Opodo brand, however our presence in the UK is limited to relatively few employees in a small serviced office, with a very immaterial environmental footprint.
- The selling of packages in the UK by a EU entity requires the granting of an ATOL certificate by the UK Civil Aviation Authority. This certificate is subject to the same conditions as those required from UK online travel agencies.
- As one of our core markets, in the UK, COVID-19 was the singularly most significant factor adversely affecting booking volumes, with the Brexit impact insignificant in comparison. Post Brexit, with the advanced state of progress of the UK vaccination programme we are experiencing increased demand from customers in this market.
- From a fiscal perspective the impact of Brexit has been marginal; under current rules the intermediation of flights with departure and/or arrival continue to be zero VAT rated in the UK, and the 2% Digital Sales Tax (DST) implemented by the UK tax authorities also applicable irrespective of Brexit, does not impact our Group as turnover does not meet the threshold.

OTHER

- Rising oil prices in the final quarter of the fiscal year which have further increased pressure on carriers already in financial difficulty.
- Other localised events affecting travel safety and reducing traveller's appetite for travel including;
  - Meteorological events such as the wildfires in Australia, California, and Turkey, hurricanes Eta & Laura affecting the Caribbean and Central America, and storm Philomena impacting Europe
  - Continued political and social instability across the globe including civil riots and unrest in the US, France, & Spain.
  - Terrorist attacks such as the multiple bombings across the Middle East and Africa
  - Aircraft related concerns such as the grounding of the Boeing 737 Max, or more recently issues with the Boeing 777 engine failures
  - Large scale accidents such as the explosion in the port of Beirut
- Continued commercial and intellectual property disputes with Ryan Air.
- Significant increases in regulatory environment and consumer regulation in some of the geographic locations, in particular in the UK and France.
- Although we are pleased to report that we have not experienced any significant information security breaches in the last three years, cyberattacks such as the data breaches suffered by easyJet and Prestige Software during 2020 are a constant reminder of the need for robust Cyber Security controls and awareness and remaining vigilant.
- No significant customer data breaches were suffered during the fiscal year.
- No material Tax risks materialized during the fiscal year.

| B.2.3. Risk management

MANAGEMENT OF CORPORATE RISK ASSESSMENT

A formal Group Risk Assessment exercise is performed on an annual basis, involving all Senior Management team risk owners. This is shared with the Senior Management team, Audit Committee and Board of Directors who will review, and provide further input where relevant, and serves as one of the main drivers in determining the Internal Audit planned activities. 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.

Each of the risks is assigned to a Senior Management owner in the business responsible for managing it on an ongoing basis, and reporting on 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.

Risk are tracked and reported on a continued basis as part of the weekly CSM meetings the CEO has with all direct reports. In the event of materialisation of a major risk, the Board would be notified timely, on an ad-hoc basis either via call or meeting.

Periodic updates are performed by Internal Controls & Compliance to obtain updates of the status and continued relevance of the key risks and mitigating measures implemented to address them.

The Board & Audit Committee are updated on a quarterly basis by the CEO & Senior Management team on business and operational risk challenges, by the General Counsel on changes in the legal & regulatory risk environment, and by the Head of Internal Audit on risks arising from changes in the internal control environment.

On an annual basis the Audit Committee is provided with a detailed session by the Group Tax Officer on the tax environment, and by the General Counsel on the legal & regulatory environment.

BUSINESS CONTINUITY AND CRISIS MANAGEMENT PLANNING

The 2020 COVID-19 pandemic has served as a robust and successful test of the effectiveness of our BCP and Crisis Management protocols.

The plans we had in place involving cross functional teams of critical personnel from each area of the business. Two cross functional task forces were quickly set up, including expertise from all key areas of the business to troubleshoot all potential ramifications, and implement business continuity measures covering a wide range of key areas including; a proactive communication & education exercise to the whole organisation, remote working from home testing, modelling of multiple scenarios and ensuring adequate cashflow to cover, cost reduction measures, monitoring of the financial stability of all key suppliers, etc.

We were able to successfully action our business continuity plans, efficiently transferring to a 100% remote working environment, without any business disruption or loss in productivity, and effectively take care of our main priorities; our eDOers, our customers, and our liquidity. Once these immediate priorities were addressed we were able to focus on developing our business, continuing to develop product features for our customers and preparing the business to emerge even stronger in the post COVID environment.

| B.2.4. Sustainability and Corporate Social Responsibility management

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

eDreams ODIGEO is one of the world's largest online travel companies and one of the largest European e-commerce businesses, recognised for its quality, independence and integrity. The Company has established a strong brand and reputation based on its pioneering spirit, empathy with the customer, focus on service, and constant commitment to innovation through cutting edge technologies.

As a global Group, we strongly believe in Corporate Social Responsibility (CSR) delivered in a context in which the business operations positively impact the environment and the local communities where it operates.

Our Group Corporate Social Responsibility (CSR) policy sets the tone of how we manage ESG, our relationship with the environment and society, and how this is governed internally to promote a culture of social responsibility across the Group.

ESG impact is a key consideration in the Group´s strategic planning and all current and future initiatives developed under the ESG-CSR umbrella aim to generate long-term value to the Company, its customers, its stakeholders and to the wider society in which we operate.

The CSR policy is aligned with the eDreams ODIGEO Business Code of Conduct, in which behavioural patterns are consistent with eDreams ODIGEO values.

The principles governing the CSR policy are:

a. **Compliance with applicable law** in the countries and territories in which it does business, basing its relations with the competent public authorities in each jurisdiction on fidelity, reliability, professionalism, collaboration, reciprocity, and good faith.

b. Integrity and a culture of ethical behaviour in the areas of **human rights, equal opportunities, labour practices, and the environment.**

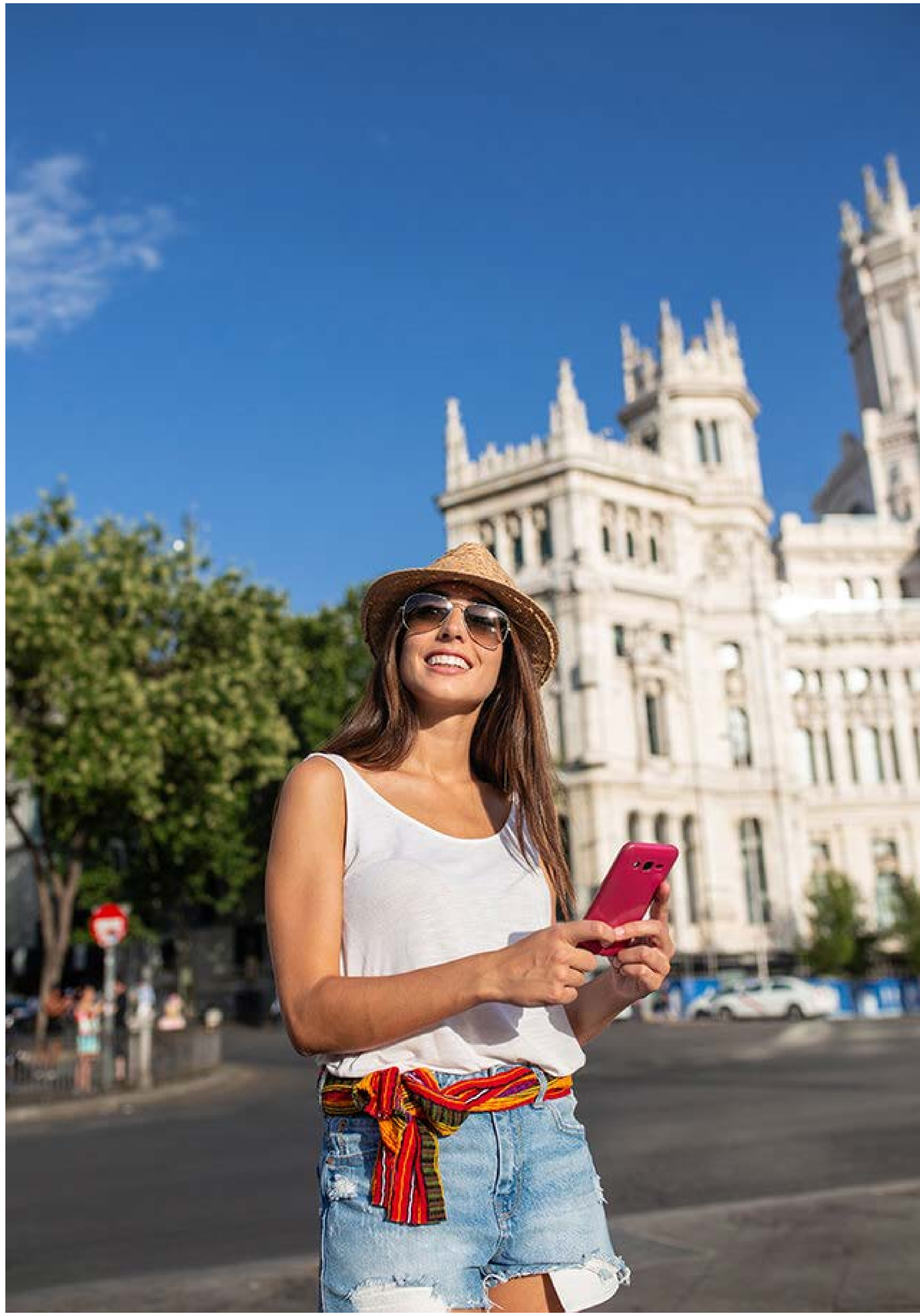
c. **Transparency and reliability** in the presentation of information and communication with shareholders, investors, eDOers, customers, suppliers, and other stakeholders.

d. **Commitment to respect for the environment** and its sustainability; adding social value to our activity.

The Board of Directors of eDreams ODIGEO is responsible for approving the policy and monitoring compliance. The current CSR Policy was approved by the Board of Directors in June 2017. The AC & Board are updated on a quarterly basis on the status of ESG related initiatives.

ESG for the whole Group is managed internally by the CSR Committee, a permanent internal body composed by Facilities Director, Head of Internal Comms and GRC Manager, who coordinate and manage ESG initiatives. These projects are promoted via the CSR Community (a group of volunteers dedicated to actions focused on Sustainability (eDO Green), Solidarity, and Well-being).

The CSR Policy (https://www.edreamsodigeo.com/wp-content/uploads/sites/19/2016/08/Corporate-Social-Responsibility-Policy.pdf)



B.

Non Financial **Information**

B.3. Stakeholders

B.3.1. Value Creation

ONE STOP TRAVEL SHOP

eDreams opodo GOVOYAGES travellink liligo

Our Suppliers & Partners

*"We provide access to the entire travel market with the aim of offering the widest choice to consumers, from suppliers with a good track record for **integrity, ethics, safety & customer service**"*

Main suppliers & partners include; travel content suppliers, payment *services*, cloud technology, & outsourced call centres.

Our Customers

*"We want to **reinvent travel**, and we strive to be the **customer centric, one stop travel company** that customers turn to when looking for a long term relationship that makes their travel experience easier, more accessible and better value."*

Our Employees "eDOers" & Society

*"Our people are at the heart of our Company's purpose to reinvent and shape the future of travel, and we are proud of our **network of diverse, creative talent**."*

Our Environment

*"As an e-commerce company, we believe that there are numerous **opportunities for technology to be a powerful force for positive environmental change**"*

Our Shareholders

"We believe in active and transparent communication, good governance, and involving our investors in a project they can look forward to."

| B.3.2. eDOers: our employees

As an organisation during FY21 we have faced the unprecedented challenge of dealing with the COVID-19 pandemic, and its tragic human cost. The global travel industry has been one of the sectors most impacted.

Our eDOers come first and foremost, and in keeping with one of our core values, we are journeying together through these uncharted waters, as a Company being proud to report:

- "We have **maintained our teams intact**, not making any workforce restructuring".
- "We **applied Government support (ERTE) temporary salary reductions equally across all categories of staff throughout the business (except the teams attending to our customers)**, and were able to leave the ERTE and restore 100% salaries in December 2020".
- "During lockdown, we swiftly **adapted remote working practices** and hours to enable our teams to work **securely, safely, and efficiently, facilitating a healthy work-life balance. This has been reflected in zero work related accidents, and a dramatic drop -62% in hours lost to sickness compared with the previous fiscal year".**
- "On emergence from lockdown we have given our eDOers the **flexibility and option to return to the office, on a partial or full time basis**, reopening a number of floors sanitised to the highest standards of COVID-19 health & safety protocols".

This difficult backdrop of COVID-19 has only served to reinforce our corporate culture of togetherness and the eDreams ODIGEO's commitment to"Our eDOers", convinced that this is what is needed to earn the credibility and trust of our team members, the Company's greatest asset.

Our teams are one of our most important assets, a main axis of the eDreams ODIGEO business model and a catalyst and driver of development and growth. Our model is focused on people because their suggestions and ideas are a constant source of innovation. It is through their involvement and dedication, applying our values and methodology in their daily work, that these ideas are brought to life, contributing vitally to the Company's growth.

"We are building strong social cohesion, making the best of the situation, building camaraderie, strengthening collaboration and team bonds. We have taken many actions to ensure that we have this strong level of engagement, as well as effectiveness and efficiency. This too has influenced not just our messaging but our decisions on 'we journey together' in terms of how we have responded to the coronavirus situation including reallocation of work/ activities/resources. Overall the entire approach has been very successful. And also reinforcing our eDOValues We eDO it together"

| B.3.2. eDOers: our employees

Over **930** eDOers	Over **47** Nationalities	Speak over **36** Languages	**100%** Permanent contracts
35.8 Average Age	**77%** Millenials or younger	**4.8** Years Average tenure	**-62%** Hours lost to sickness vs FY20

| B.3.2. eDOers: our employees

DIVERSITY AND INCLUSION

Our people are at the heart of our Company's purpose to help shape the future of travel. **As a Company we see diversity as a key factor in building a network of diverse talent, capable of understanding customers' needs, innovating and reflecting society in the business**. For all these reasons, a fundamental pillar of eDreams ODIGEO corporate culture is based on diversity, equality, and inclusion.

eDreams ODIGEO's workforce in FY21, of over **930 people, representing 47** different nationalities is driven by one clear mission: making travel easier, more accessible, and better value for our **17 million customers worldwide**. We strive to ensure that our knowledge, expertise and leadership translate into value for our customers and contribute to the success of our stakeholders.

The complexity of our industry calls for the most qualified and accomplished workforce, equipped with the talent and skills to support our aspirations as a global technology leader in the travel sector. We have the privilege of attracting such talent; and we also work hard to ensure that eDreams ODIGEO continues to be a strong employer and recruiter. The variety and flexibility of our culture, and our team representing **47** different nationalities, and speaking 36 languages, naturally embrace diversity and inclusion while fostering collaboration and innovation.

At eDreams ODIGEO, we welcome and celebrate differences, and work hard to ensure that our corporate environment is based on **equality of opportunity, fairness, respect and dignity for all our eDOers.** We view differences based on gender, age, race, culture, ethnicity, sexual orientation and disabilities, as strong assets not only to enrich our corporate culture and values, but more importantly as a business imperative in today's complex, global and interconnected world. Through our Business Code of Conduct, we formalise our commitment to promote these aspects.The policies and actions relating to selection, hiring, training and internal promotion of employees are based on criteria of capacity, competence and professional merit.

Multiculturalism is the backbone of our Company, creating an environment of respect, tolerance and openness, where everyone fits in, contributes and thrives. Different perspectives and opinions only make our work environment richer and more interesting. We are proud of our diversity, acknowledge this great advantage and invest in ensuring that we leverage its full potential: cultural awareness is explicitly outlined as a primary core competency required of our eDOers.

We firmly believe that a diverse and inclusive workforce is critical to the success of our Company, our customers, our eDOers, our shareholders, our suppliers and more generally, of all the communities in which we operate.

At eDreams ODIGEO, we strive to be as inclusive as possible. The Company has elected to professionally integrate people with disabilities, in compliance with the Spanish Law on General Disability (LGD), in two ways; via outsourcing to Special Employment Centres as providers of cleaning services, and via direct hire. As at 31st March 2021, 2 employees were sourced via special employment centres, and 4 employees hired directly.

"We believe that one of the keys to creating a positive working environment is by fostering collaboration throughout the business, and making sure our people are always learning. No matter the role, we encourage a culture where people are not afraid to try, fail and learn – enabling people to develop ideas at pace." Dana Dunne, CEO

| B.3.2. eDOers: our employees

EQUALITY

Gender equality is extremely important at eDreams ODIGEO.

We are firmly committed to the establishment and development of policies for equal treatment and opportunities between men and women, and against direct or indirect discrimination based on gender. We proactively encourage and promote measures to achieve real equality within our organisation establishing **equal opportunities between men and women** as a strategic principle within our Corporate and Human Resources Policies, and is reinforced in particular in our Group Business Code of Conduct.

During FY21 we have achieved a global workforce balance of 41.3% female and 58.7% male across our different locations vs 40.3% female and 59.7% male in FY20. The main factor contributing to the FY21 female/male ratio relates to the fact that the global talent pool from which we recruit IT related positions (accounting for 44% of our workforce) remains predominantly male.

As an organisation, we support the principle of equal treatment and opportunities in all areas and do not tolerate discrimination on the grounds of gender, sexual orientation, marital status, disability, age, race, political and religious beliefs, trade union membership or any other kind of basis.

Our **Equality Plan** (in adherence with Spanish Organic Law 3/2007), is integrated into the Collective Agreement in Spain. The Plan aims to guarantee a quality working environment, advance equal treatment and opportunities, guarantee fair pay, prevent and eliminate any possibility of discrimination,and ensure that the objective of a healthy family and work-life balance is met.

The Equality Plan tackles different aspects key to a more equal work environment; the main areas of focus being:

- Inclusive, non-sexist communication.
- Assessment to verify there are no salary gaps based on gender.
- Reduction of the gender gap within IT.

As a complement to the Plan, to facilitate implementation and raise employee awareness we have **a Protocol for the prevention of all forms of harassment, as well as a manual for non-sexist use of language**. These are available for all eDOers to consult on our intranet.

Our recruitment policies are based on the capacity, competence and professional background required for a position, and job offers are gender-neutral; ensuring that the best candidate is selected for the vacancy without any bias. Professional executive search firms employed by eDreams ODIGEO are also required to provide a comprehensive and diverse list for all recruitment initiatives.

Awareness is fundamental to promoting a cohesive working environment, making it possible to build healthy working relationships, prevent discrimination and create united and competitive teams. In return, the Company gets its best asset: eDOers who are passionate about their work, which translates into a direct increase in efficiency and productivity.

During FY21, an in-house designed **online training course "Zero Tolerance", on diversity and harassment**, was made available to all eDOers, providing our professionals with the knowledge and tools to operate in a dynamic and inclusive context.

Our **Equal Opportunities Committee**, formed by Company representatives and eDOers, is entrusted with overseeing that we meet the objectives set out in the Equality Plan.

| B.3.2. eDOers: our employees

FAIR WAGES AND COMPENSATION

Every eDOer has the right to **fair compensation for their work.** The Company is committed to remunerating employees in line with the labour market best practices and local legislation.

Equal pay is an area that we monitor closely, working to ensure that our salary ranges are designed to avoid discrimination based on gender. eDreams ODIGEO managers are aware of their responsibilities in this regard. We believe that when you strive to succeed and go the extra mile, your individual and collective performance will strongly contribute to our common goals and Company performance.

In addition to a competitive market salary, we offer our eDOers different forms of variable bonus compensation based on individual, team, and Company performance. The Company also offers benefits such as a flexible compensation plan to eDOers, allowing them to redistribute up to 30% of their gross annual salary on the following products: medical insurance, kindergarten, restaurant and transport tickets. Over 40% of eDOers made use of the flexible plan in FY21 and FY20.

QUALITY JOB CREATION

We are **firmly committed to job stability and quality of employment, with nearly 100% of our eDOers on permanent contracts, 98% of which are full time.** The average age of our millennial workforce is 35.8 compared with 34.5 last year.

| B.3.2. eDOers: our employees

FLEXIBLE WORK CULTURE- HEALTHY WORK/LIFE BALANCE

eDreams ODIGEO has a culture of flexibility, openness, accountability and trust. We believe that a healthy work/personal life balance, and empowering our eDOers with the **flexibility and autonomy** to decide when, and from where, to work is fundamental to their well-being and productivity. Our **Flexible Working Policy** and the following practices support this philosophy:

Our **flexible work schedule**:

At our eDreams Headquarters (accommodating over 90% of eDOers), we give our teams the flexibility to distribute their 40 hour working week as follows:

- From Monday to Thursday eDOers are given flexibility in start, lunch, and finishing times, as to how they complete an 8.5 hour working day.
- On Fridays we offer eDOers an intensive schedule 6 hour work day, giving them the flexibility to begin the weekend earlier and enjoy their personal lives.

This flexibility successfully contributes to our efforts to reinforce the attractiveness of our Company and its work environment in the market. We strongly believe that it fits perfectly with our ambition to promote a culture of flexibility, openness, accountability and trust within the Company, and increase eDOers engagement, motivation, and loyalty.

Remote Working:

We believe that offering our eDOers the option to work from home, and reallocate time spent commuting to family and personal activities is a powerful contributor to employee empowerment and well-being.

Well before the outbreak of the COVID-19 pandemic the Group had implemented a remote work programme that enabled eDOers to work remotely in alternate teams. The proven excellent results of the programme allowed the business to seamlessly transition into a remote-only environment when lockdowns came into force. Our team members were suitably equipped, with strong network availability, secure VPN access, and well tested working practices and tools,resulting in efficiencies and high productivity in the remote working environment.

By the time the Spanish government declared the state of alarm, eDreams ODIGEO was well prepared to ensure that all eDOers had the connectivity and equipment required for remote working.

In addition to the monitors, laptops, keyboards and office chairs, we have delivered to our eDOers' homes, we have also provided them with:

- **Security Tips for Remote Working Guide & Online CyberSecurity training** courses to ensure their home environment is as robustly protected as the office environment.
- **Customized guidelines and learning resources** to help team members implement effective strategies to move from face to face to remote work.
- **Improved and more flexible channels of communication** moving from email or chat to Slack channels, creating a stronger sense of community across all areas. People from all teams across eDO started sharing their workspace, quickly reaffirming a sense of community.

Family oriented measures:

To facilitate work-life balance for staff members with children or that have to take care of a family member, we offer:

- **Personal leave:** option to take a day or a period off if an emergency or personal circumstance comes up.
- **Birth and child care leave:** take leave period in the event of maternity, paternity, adoption, custody for adoption and foster care of a child.
- **Working hours reduction:** Reduction in working hours to take care of a child under 12 years of age, or reduction in working hours to take care of a person with disability or a family member.

| B.3.2. eDOers: our employees

DEVELOPING OUR TALENT

eDreams ODIGEO 's Learning Development offer is one of the key motivating factors frequently highlighted by our eDOers, which contributes not only to attracting talent, but to retaining and strengthening it.

We have a specialist team of experienced Learning & Development experts, dedicated full time to identifying development needs and designing the right learning strategies to best support eDOers development and performance. The L&D team work closely with People Managers who share development goals agreed with direct reports and on the basis of this bespoke training plans are designed tailored to each eDOers' needs. This is all consolidated into an **annual L&D Plan** administered and tracked by the Learning Team in the My Learning & Training Record sections of our eDOAchieve eDOers Development tool.

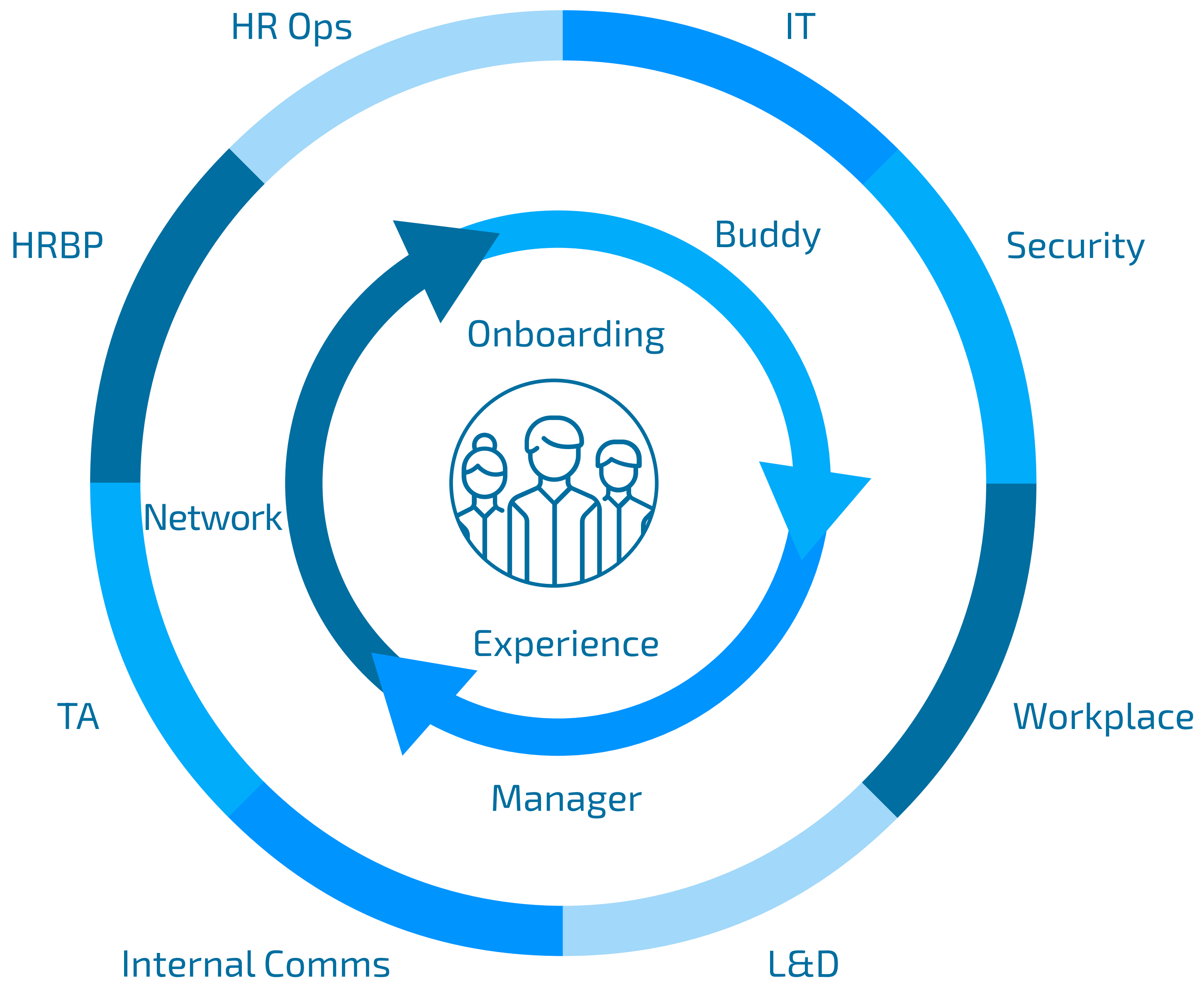
Our training offer consists of off the shelf courses, but primarily of bespoke in-house developed courses and materials which are more tailored to our business environment and that our eDOers can more readily identify with.

The FY2021 L&D Plan covered the following main development areas and associated courses;

- **Health & Safety** (With particular focus during pandemic on; COVID H&S good hygiene, Safely Returning to the Office, Remote Working, Stress Management)
- **Business knowledge** (BI, Travel Industry, eDO products, Agile, AB Testing, etc)
- **Role - specific skills** (Appdyanmics, Google Analytics, BI, Machine Learning, Gherkin, etc)
- **Leadership Development** (Manageo, managing teams, how to assign rating and calibration, inclusive leadership, etc)
- **Online compliance training** (Ethics, Anti-Money Laundering, Cybersecurity, GDPR, Gifts, Confidential Information, etc)
- **Soft skills** (Be assertive, communication, coaching, grateful, resilience, coping with team members, delegation, give feedback, presentation skills, negotiation and influencing, objective settings)
- **English and Spanish Language classes**

All of these courses (and many more) are available in our Online Learning Library.

Our L&D offer aims to nurture a high-performance, motivated and cohesive workforce with great skills and performance levels. eDOers are aware of the value of developing individual and collective talent, as well as the Company's capacity to recognise and take advantage of it, a fact that is demonstrated by the 10% of our eDOers during FY21 being promoted to positions of greater responsibility.



"Our eDO Mobility Policy encourages eDOers to move across teams, functions, levels and locations within our company. Helping our team members move within eDO, encouraging them to pursue their ambitions to progress on more challenging positions is an essential part of our eDO values and helps to ensure that each team will offer our talented eDOers relevant career opportunities."

| B.3.2. eDOers: our employees

PERFORMANCE MANAGEMENT

At the start of every financial year, once the strategic priorities have been announced, all of our leaders drive interactive discussions to set the objectives for the new financial year, and ensure full alignment throughout the organization. This is achieved via team workshops, one to one conversations, and various other activities to ensure that all eDOers have a clear understanding on what must be prioritised during the new fiscal year to achieve our business results.

For us, setting objectives implies defining both the "what" and the "how". What needs to be achieved, including KPIs, and the values and behaviours expected.

People managers hold mid-year performance review conversations to revisit the objectives set at the beginning of the year, assess progress against them, and identify additional development actions required to support effective performance.

At the end of the fiscal year the full annual appraisal process is held to rate the performance and potential of all eDreams ODIGEO eDOers. For both the mid-year and the end of year reviews, team members can select peers who will be invited to provide input to provide additional feedback on their performance.

EMPLOYEE ENGAGEMENT IMPROVING eDOers EXPERIENCE

Our HR function is heavily focused on the quality of service provided to internal customers and a notable tool to facilitate is the HR dashboard which includes the demographic profile of each function and key indicators to help focus and make decisions on core topics. This dashboard is an important medium to use data to help us make the right people-related decisions.

During the year the following initiatives successfully improved our eDOers experience.

- Creation of an HR Support Centre to speed up response times to eDOers queries. This self-service centre allows eDOers to autonomously search for information, request and download documents.
- Increased automation of human resources operations into our HR system Cornerstone.

Internal Communication

Internal communication is a key factor in generating and maintaining eDOers' engagement with the Company, as well as a powerful lever of change management.

During the past year as we have adapted to remote working in the pandemic, the role of Internal Communications has become ever more important. Faced with continuous challenges, responding swiftly and making optimal use of both its knowledge and its versatile digital tools, to ensure our eDOers have been kept well informed, supported, engaged, and entertained, maintaining the sense of togetherness we lived by prior to the pandemic.

| B.3.2. eDOers: our employees

eDOTogether Engagement Survey – OHI- Organizational Health Index

To assess the levels of eDOers engagement the Company usually uses the eDOTogether OHI (Organizational Health Index) survey, developed by McKinsey consulting company. eDOTogether measures a range of company practices including; leadership, accountability, execution, innovation, work environment, motivation, and external orientation, which translate into specific outcomes.

"What cannot be measured cannot be managed, and the same applies to team members' performance."

eDOers engagement COVID-19

Under the exceptional conditions of the pandemic, we felt it was important to keep a more regular pulse check on the mood of our teams. Rather than rely on the one-off annual OHI engagement survey, in April 2020 the eDOer Barometer was launched, with the purpose of giving each and every eDOer the chance to share their feelings, observations, and feedback (positive and negative), on a weekly basis, letting us know how things were going, and what they needed. #WeJourneyTogether.

Thanks to the eDOer Barometer we have been able to better understand our eDOers' mood and act faster to address their concerns together. It has been a fundamental tool to help us improve and has received really good feedback.

TALENT RETENTION

Testament to the success and effectiveness of the measures with which eDreams ODIGEO prioritises eDOers well-being, development, loyalty, and engagement, our **average length of service has been extended to 4.8 years**, and there has been a significant **reduction in work hours lost to sickness with a (62)% drop** between FY21 and FY20. The technology sector in which we operate typically has a high voluntary attrition rate due to the high demand for and mobility of its skilled technicians. **Our voluntary attrition rate is 17%**, in FY21 compared with 19% in FY20, and we strive to further reduce this rate in the future with continued focus on our eDOers.

| B.3.2. eDOers: our employees

COMMITMENT TO HUMAN RIGHTS, ANTI-SLAVERY, ETHICAL PRINCIPLES & EMPLOYEE FREEDOM OF ASSOCIATION

Slavery, child labour, and human trafficking are abuses of an individual's freedom and rights. We are totally opposed to such abuses in our direct operations, our indirect operations, and our supply chain as a whole

As a Company we endeavour to ensure that slavery and human trafficking do not take place in any part of our business or our supply chain. We comply fully with the UK Modern Slavery Act requirements, and require all of our significant outsourced suppliers to provide certifications of compliance on an annual basis, reflecting this commitment in our annual Responsible Business Conduct (UKMSA) statement available on our corporate website.

eDreams ODIGEO Group Business Code of Conduct sections relating to Human Rights

Non – discrimination	**Freedom of association/ Collective bargaining**	**Health and safety**
Non child labour	**Anti-slavery and human trafficking**	**Fair wages**

eDOers CONCERN REPORTING & ESCALATION PROCEDURE

eDreams ODIGEO has an open door policy that gives our eDOers the freedom to raise ethical questions or concerns without fear of retaliation. We proactively encourage our eDOers to maintain the highest standards of ethics and integrity and have made available multiple channels (including an anonymous channel), for eDOers to voice any concerns they may have on related matters.

eDreams ODIGEO has made available 2 channels for reporting of concerns:

- The “Compliance Helpline” – an intranet based form through which all eDOers can address queries and report confidentially and anonymously.
- A generic email address (compliancecommittee@edreamsodigeo.com) to be used by eDOers, third party partners, suppliers, customers, in a confidential manner.

eDOers can select the one they are the most comfortable with; whilst external stakeholders may reach the Compliance Committee via the generic email

The Compliance Committee is responsible for investigating and following up – **in strict confidentiality** – all communications received via these whistleblowing channels.

We have not received any concerns raised relating to Human Rights violations during this year or any year in the past.

| B.3.2. eDOers: our employees

UNION REPRESENTATION AND COLLECTIVE BARGAINING

We are committed to ensuring freedom of association. Works councils have been established in all Company entities with a significant headcount. The right to associate freely and bargain collectively is communicated actively at a local level via emails, notification boards, and screens in canteens.

The continuous dialogue between the Company and the eDOers representatives is articulated through the Works Council and Trade Unions with whom the Company maintains fluid communication, with periodic meetings addressing issues relating to working conditions, equality, prevention of occupational hazards, career path, etc, and the existence of committees designed to address specific topics such as Health and Safety or Equality Plans.

eDOers HEALTH & SAFETY

eDreams ODIGEO is **firmly committed to a safe work environment**. Our Health and Safety Committee is dedicated to continuous improvement and ensuring all issues relating to the prevention of occupational risks are addressed.

We have put in place **measures to create a healthy work environment for eDOers, contractors, authorised visitors**, and anyone else who may be affected by our operations, to optimise physical, psychological and social conditions.

We set levels of occupational safety beyond the minimum required to comply with regulations, aligning programmes and procedures to all local standards, and implementing them at local levels following the approval of the Health and Safety Committee.

eDreams ODIGEO collaborates with organisations specialised in health, safety and risk prevention.

The healthy work-life balance of our eDOers is of paramount importance to us, and we are firm believers of the relevance of eDOers well-being in terms of creativity and motivation.

| B.3.2. eDOers: our employees

COVID-19 Health & Safety – eDOers Well-being

At eDreams ODIGEO we are firmly committed to following the guidelines of all Governments in countries where we have office locations and eDOers. Our eDOers safety and well-being comes first and it is of paramount importance to ensure that our teams can work in the safest conditions.

We believe in offering our eDOers the choice whether to work from the office or remotely, and accordingly have implemented measures in both environments to ensure this can be done safely.

We have implemented a number of health & safety and sanitation measures in our office locations, to ensure cleanliness and adequate social distancing, which have been certified by accredited Health & Safety experts.

For remote working in addition to connectivity and security measures, we have rolled out a number of measures to safeguard the emotional well-being of our eDOers, and helping them stay connected.

Notable examples include;

In the office:

- **Cleaning service measures** were reinforced in each office to ensure regular disinfection of critical contact points such as door handles, taps, flushes and/or lifts buttons. Hand sanitiser dispensers were installed at all floor entrances, and all collaborative areas and meeting rooms were closed.
- **A desk booking reservation** tool with a triple objective of ensuring; the maximum capacity of the floors is respected, guaranteeing the safety distance between eDOers, and, as a track & trace tool of all eDOers in the office and where they were seated, in the event an office COVID-19 case is detected.
- This was complemented by **reinforced communications** via organisation wide webinars, the eDOers intranet, the in-house TV channel, screensavers, and a series of Company-wide eDO talks on health related matters such as; overcoming tough times & strategies to help cope, nutrition and diet, health & safety measures in the office, and exercise and fitness tips.

Remote Working:

- **A dedicated Company Intranet COVID-19 related information page** (updated on a daily basis), providing WHO approved health guidance; symptoms, preventive measures and FAQs (This information is also relayed via our in-house tv channel).
- **Ergonomic comfort** via delivery to our eDOers' homes of computer screens, keyboards, and ergonomic chairs, to ensure they have the similar ergonomic and healthy work conditions at home that were available to them in the office.
- **Reinforced communication with weekly update webinars** from the Executive Management team to the whole Company providing a Q&A forum to respond to eDOers concerns, providing visibility on business performance, explaining specific COVID-19 response measures being taken, including main actions to support remote work, highlighting and recognising outstanding teams, and ensuring that all eDOers have available to them numerous virtual human contact touchpoints and support.

"If we stay together, help one another, speak up when we need help, we will come through this much stronger" Dana Dunne, CEO

- **Emotional support:** We have taken many steps to ensure people know they can reach out for support. The Company offers a number of touchpoints that ultimately lead (as needed) to counselling support. Each individual may have a different preference for their first contact: their manager (who is linked to HR specialist); CSM of their area; HR business partner who is linked to HR specialist; and external counsellor.
- **Creation of the eDO Support Network** a peer support network. We truly believe that connecting & talking to each other is a healthy practice.

| B.3.2. eDOers: our employees

- **Stronger sense of togetherness and community**: the whole Company has progressively moved from email or chat to SLACK channels, creating a stronger sense of community across all areas, including channel forums, how to guides and videos, and a number of virtual social events. Examples include:
  - How to work out at home.
  - Stay positive – video – Video made with the aim of sending a positive message to help improve the well-being and H&S of the eDOers during the period of confinement and remote work.
- **Remote Social Events:** This new context of remote working has seen individual and team initiatives flourish organically; virtual yoga classes, online team gaming, virtual after-work drinks, magic shows and talent competition, are good examples of the sense of togetherness and strong engagement of the eDreams ODIGEO family.

This year's **H&S training has focused on COVID-19** and was provided remotely. The L&D Team together with H&S, have created many training sessions on how to manage through these situations (e.g. how to handle stress, GLAD model etc), and online courses in how to safely return to the office "eDO #safelybacktotheoffice" (taken by 100% of our team members) We have also launched a remote workplace self-assessment to facilitate and help the eDOers to ensure an ergonomic and healthy workplace at home.

The success and effectiveness of all of the aforementioned eDOers **well-being measures has been reflected in zero work related accidents, no significant health & safety incidents and a dramatic decline in hours lost to sick leave during FY21**.

| B.3.2. eDOers: our employees**

*** During FY21 we have maintained our teams intact, not making any workforce restructuring. The main underlying factors for the decrease in employees from 1131 to 932 are; i. departures of remaining CC staff in Milan & Berlin (mainly female staff) on 1st April 2021, and ii. natural churn in IT Developers (mainly male).*

Distribution of employees by gender and job category

Job Category			FY21			FY20
	Female	Male	Total	Female	Male	Total
0. Executive Board Member	—	2	**2**	—	2	**2**
1. Senior Management	10	32	**42**	12	28	**40**
2. People Managers	60	91	**151**	62	105	**167**
3. Individual contributor	315	422	**737**	340	524	**864**
3. Individual contributor - Call Centre	—	—	**—**	42	16	**58**
Grand Total	**385**	**547**	**932**	**456**	**675**	**1,131**

Distribution of employees by gender and age

			FY21			FY20
Age	Female	Male	Total	Female	Male	Total
1. <30	76	79	**155**	110	153	**263**
2. [30<50)	303	448	**751**	337	504	**841**
3. [50+)	6	20	**26**	9	18	**27**
Grand Total	**385**	**547**	**932**	**456**	**675**	**1,131**

Distribution of employees by gender and country

			FY21			FY20
Country	Female	Male	Total	Female	Male	Total
Spain	349	490	**839**	394	599	**993**
Hungary	7	24	**31**	8	27	**35**
France	14	7	**21**	15	9	**24**
Italy	4	11	**15**	18	15	**33**
Germany	8	5	**13**	17	13	**30**
Portugal	—	5	**5**	—	5	**5**
UK	2	4	**6**	3	6	**9**
Australia	—	1	**1**	—	1	**1**
USA	1	—	**1**	1	—	**1**
Grand Total	**385**	**547**	**932**	**456**	**675**	**1,131**

Distribution of employees by gender and contract type

				FY21			FY20
Gender	Contract Type	Full Time	Part Time	Total	Full Time	Part Time	Total
Female	Permanent	374	11	**385**	435	7	**442**
	Temporary	—	—	**—**	5	3	**8**
	Intern	—	—	**—**	6	—	**6**
Male	Permanent	542	4	**546**	658	6	**664**
	Temporary	1	—	**1**	6	—	**6**
	Intern	—	—	**—**	5	—	**5**
Grand Total		**917**	**15**	**932**	**1,115**	**16**	**1,131**

| B.3.2. eDOers: our employees

Average distribution of employees by job category and contract type

	FY21			FY20		
Job Category	Permanent	Temporary	Interns	Permanent	Temporary	Interns
0. Executive Board - Member	2	—	—	2	—	—
1. Senior Management	45	—	—	45	—	—
2. People Manager	163	1	—	191	1	—
3. Individual contributor	788	5	6	793	25	6
3. Individual contributor – Call-Centre	16	5	—	207	—	—

Average distribution of employees by gender, contract type and age

		FY21			FY20		
		Permanent	Temporary	Interns	Permanent	Temporary	Interns
Female	1. <30	82	—	3	104	6	1
	2. [30<50)	328	5	1	427	7	—
	3. [50+)	8	—	—	18	—	—
Male	1. <30	88	2	1	129	7	4
	2. [30<50)	488	4	1	532	4	1
	3. [50+)	20	—	—	28	2	—

| B.3.2. eDOers: our employees

Involuntary leavers by gender and job category

Job Category	Female	Male	FY21 Total	Female	Male	FY20 Total
0. Executive Board Member	—	—	**—**	—	—	**—**
1. Senior Management	—	—	**—**	1	1	**2**
2. People Managers	1	1	**2**	7	5	**12**
3. Individual contributor	8	2	**10**	27	29	**56**
3. Individual contributor – Call Centre	16	11	**27**	47	16	**63**
Grand Total	**25**	**14**	**39**	**82**	**51**	**133**

Involuntary leavers by gender and age

Age	Female	Male	FY21 Total	Female	Male	FY20 Total
1. <30	1	1	**2**	8	8	**16**
2. [30<50)	22	11	**33**	61	39	**100**
3. [50+)	2	2	**4**	13	4	**17**
Grand Total	**25**	**14**	**39**	**82**	**51**	**133**

Average remuneration by job category (€)

Job Category	FY21	FY20
0. Executive Board Member	1,230,633	1,445,283
1. Senior Management	192,681	198,094
2. People Managers	63,775	60,965
3. Individual contributor	36,796	36,991
3. Individual contributor – Call Centre	NA	26,958

Note: Average remuneration shown above includes total compensation (base salary, annual bonus and long-term incentives).

Note 2: During FY20 no bonus payment made as a result of COVID. In FY21 there was a variable bonus which has partially offset savings generated by the ERTE (April-November).

| B.3.2. eDOers: our employees

Average remuneration by gender (€)

Gender	FY21	FY20
Female	39,868	37,620
Male	58,416	55,355

Note: Average remuneration shown above includes total compensation (base salary, annual bonus and long-term incentives).

Average remuneration by age (€)

Age	FY21	FY20
1. <30	31,963	30,419
2. [30<50)	50,725	49,654
3. [50+)	163,612	176,297

Note: Average remuneration shown above includes total compensation (base salary, annual bonus and long-term incentives).

Pay Gap of Average Compensation by job category

Job Category	FY21	FY20
0. Executive Board Member*	N.A	N.A
1. Senior Management	37%	43%
2. People Managers	18%	19%
3. Individual contributor	13%	17%
3. Individual contributor – Call Centre**	N.A	8%

Note: Pay gap, shown as a percentage, calculated as the difference between the average compensation of male employees and the average compensation of female employees, divided by the average compensation of male employees, with positive percentages reflecting a gap in favour of males, and negative percentages in favour of females.

*Note *: Both Executive Board Members are male, no female within this category.*

*Note **: In FY21 no employees within this category.*

Pay Gap of Median Compensation by job category

Job Category	FY21	FY20
0. Executive Board Member*	N.A	N.A
1. Senior Management	12%	24%
2. People Managers	14%	10%
3. Individual contributor	20%	25%
3. Individual contributor - Call Centre**	N.A	10%

Note: Pay gap, shown as a percentage, calculated as the difference between the median compensation of male employees and the median compensation of female employees, divided by the median compensation of male employees, with positive percentages reflecting a gap in favour of males, and negative percentages in favour of females.

*Note *: Both Executive Board Members are male, no female within this category.*

*Note **: In FY21 no employees within this category.*

Average remuneration of Board Directors and Senior Management, including the variable remuneration, allowances, indemnities, the payment to long-term savings systems and any other perception broken down by gender (€)

	FY21		FY20	
	Female	Male	Female	Male
Board of Directors (Executive)	NA	1,230,633	NA	1,445,283
Board of Directors (Independent) (1)	70,000	175,000	70,000	71,250
Senior Management (2)	124,625	192,778	129,247	227,599

Note:

(1) Remuneration paid to External Directors consists of an annual fixed fee for membership of the Board, plus an additional annual fixed fee for Chairmanship / membership of the Board's Committees. Hence, total remuneration received by External Directors only depends on the time they serve on the Board during the year, and whether they are also members of one or more of the Board's Committees during part or the full year. More disclosure on the Annual Remuneration Report.

(2) Includes the Company's Executive Committee as well as other individuals with senior leadership responsibilities (All referred to as Senior Management in the previous remuneration table).

| B.3.2. eDOers: our employees

Average remuneration or similar work positions*

Department	Job Position/Role	FY21 Salary Gap** Average Remuneration Female/Male	FY20 Salary Gap** Average Remuneration Female/Male
Revenue Management	Data Scientist	6%	(3%)
IT Department	Front End Software Engineer	4%	0%
IT Department	Lead Engineer	13%	4%
Communications	Communication Specialist	(52%)	0%
Product Management	Product Manager	6%	0%
Vacation Products	Lodging Sales Contractor	(1%)	0%

** Analysis includes all departments with job positions/roles with 10 or more incumbents, having more than one person for each gender.*
***Positive percentages reflecting a gap in favour of males, and negative percentages in favour of females.*

Hours lost due to sick leave

	Female	Male	FY21 Total	Female	Male	FY20 Total	Var %
Sick Leave	27,600	11,992	39,592	75,144	27,728	102,872	(62)%

Accident rates

	FY21	FY20
Lost work days due to accidents (#accidents/#employees) *100,000	—	228.4
Lost work days due to accidents on the way to/from work (#accidents/#employees) *100,000	—	342.7
Accident rate (during working hours) (#accidents during working hours /(#employees * hours worked in the period))*1,000,000	—	1.3
Serious injury rate (during working hours) (#days of accidents during the period/(#employees * hours worked in the period/(#employees * hours worked in the period))*1,000	—	0.07

*Note *: No work related accidents/occupational related illness resulting in lost working days occurred in FY21. Two accidents were reported affecting male employees. Neither resulted in lost working days.*

Lost work days by type of injury

	FY21		FY20	
	Female	Male	Female	Male
Neck/Back/Shoulders	—	—	—	1
Multiple parts of the body	—	—	3	2
Lower extremities (Wrist/Ankle/Feet)	—	—	5	2
Upper extremities	—	—	1	1

*Note *: During FY21 two accidents were reported. However neither resulted in lost working days.*

| B.3.2. eDOers: our employees

Percentage of employees covered by collective bargaining agreements

Country	% of Employees covered FY21	FY20
Spain	100%	100%
France	100%	100%
Italy	100%	100%
Rest of Europe	0 %	0 %
Total employees covered	**94%**	**93%**

Training hours by gender

	Female	Male	Total
Training Hours FY21	3,065	4,854	7,919

Total number of training hours per job category

		1. Senior Management	2. People Manager	3. Individual contributor	3. Individual contributor-Call Centre	Total
FY21	Total hours of training	344	1,781	5,794	NA	7,919
	Employees per category	44	151	737	NA	932
	Average hours of training per employee/job category	**8**	**12**	**8**	**NA**	**8**
FY20	Total hours of training	754	6,554	22,903	772	30,983
	Employees per category	42	167	864	58	1,131
	Average hours of training per employee/job category	**18**	**39**	**27**	**13**	**27**

Note: Senior Management figures include the two Executive Directors

Note: Although an ample selection of online remote training courses were provided during FY21, there was an overall decrease in the number of training hours delivered due to the absence of face to face courses because of COVID-19, and reduced working hours during the ERTE period (April – November).

| B.3.3. Customers

CUSTOMERS AT THE CENTRE - WE STAND BY OUR CUSTOMERS

Customers are at the heart of everything we do**. We are customer centric**, and put them first and foremost, more so than ever in the midst of the COVID-19 pandemic. We know that this past year has been extremely challenging for our travellers. Due to movement restrictions implemented by governments around the globe, thousands of travel providers suspended their services abruptly, which led to an unprecedented wave of booking cancellations that left thousands of travellers in need of assistance at the same time.

Our utmost priority during this period was to stand by our customers and provide them with the best possible assistance with their disrupted travel plans. With this in mind, at the initial outbreak of the pandemic, we implemented an ambitious set of initiatives across the business to streamline our service to customers and adapt to the unprecedented number of customer enquiries, which increased by over 500% almost overnight.

Ou**r leading technology capabilities** were key in allowing us to quickly adapt to this new environment. In a matter of days, we launched an enhanced version of our **online self-service platform to allow travellers to easily manage their bookings and autonomously perform relevant actions,** such as booking changes and cancellation requests, from anywhere and anytime, without having to contact us. Not only did this improvement facilitate our agility of response during the pandemic but it will also help us emerge stronger once the market returns.

Our team's initial focus to support travellers with safe and timely repatriation prior to lock down was followed by our ongoing support with refund requests. As part of this, we increased our front-line support with 200 additional agents and increased our back-office refund operations team by 150% to help manage our customers' refund submissions to the airlines, especially in a context where major carriers unilaterally changed and even suspended the refund processes that had been in place in the industry for years, which led to important delays for our customer's refunds.

Now, as we emerge from the pandemic, we are ensuring that our customers are given up to date information on country restrictions and entry requirements, and are offering them flexible product solutions that enable them to plan future travel with the peace of mind of being able to modify or cancel should the COVID-19 panorama change.

We are thankful for the tireless efforts of all the eDOers who worked against the clock to come up with innovative solutions to support our customers in such difficult times, in what is the largest operational effort ever seen in the Company's +20-year history.

| B.3.3. Customers

1 INNOVATIVE TRAVEL SUBSCRIPTION MODEL

2 UNIQUE END TO END JOURNEY MANAGEMENT

3 LEADING MOBILE & AI

4 DIVERSIFY & GROW

eDreams Prime

opodo prime

GO Prime

CUSTOMER SERVICE & ACCESSIBILITY AND USER FRIENDLINESS OF OUR PRODUCTS

Our products are available to our customers via multiple digital channels. **A prime consideration of our product design teams is user experience and we strive to make the booking journey for our customers as simple, efficient, and pleasant as possible.**

Our offer is underpinned by **high customer service standards,** managed by best- in-class partner companies. Unlike many airlines, we have implemented 24-hour customer service.

The Company has been investing heavily in cutting edge capabilities to further improve automated customer self-servicing functionalities and thus respond to travellers' demand for enhanced 24/7 communications, and will continue to focus its efforts, and provide customers with a seamless travel experience as the **leading one-stop-shop for travel in Europe.**

"The travel industry has been highly impacted by this crisis and this also means it's a great opportunity to make a difference by offering disruptive solutions."

There are 3 main channels where we interact with customer

Self service/MMB	Chat/Chatbox	Phone

| B.3.3. Customers

CUSTOMER SERVICE DURING THE COVID-19 PANDEMIC

Customer safety, service, and experience have become even more critical to us, in the wake of the ongoing pandemic and the serious impact it has had on the travel sector as a whole. We are **deeply committed to our customers well-being and health and safety**, and in this time of crisis ensuring their safe passage, and accommodating reorganisation of travel plans for future dates.

In the early months of the pandemic faced with an unprecedented and exponential increase in the volume of flight cancellations, and customer assistance and refund requests, **a cross functional taskforce** was created to support Customer Services, formed by volunteers from other areas of the business. This helped us **reduce the backlog much faster and attend to our customers more expeditiously.**

During the pandemic we have **leveraged our technological expertise, and invested heavily in technology and cutting edge capabilities to provide our customers with 24-hour customer service**, unlike most airlines. **Making the customer journey frictionless and pain-free is our goal.**

We have accelerated and deployed a number of initiatives to further automate the customer experience and internal processes, several of which are already delivering tangible benefits to Customer Services, and improving our customers experience.

As a customer centric company, with our customers well-being and satisfaction as a foremost concern for us, we treat all complaints with the utmost priority. Customers can raise a complaint relating to our products or services via multiple channels and we have a dedicated space on our website, via the Help Center, for complaints to be raised.

Complaints are managed by a dedicated team of senior agents, who look into each case on a detailed basis with the goal of resolving the customer's issue as well as to give us feedback so we can continuously improve the experience and service we offer to our customers.

FY21 was a unique year from a customer point of view. Airlines cancelled most of their flights due to the pandemic and travel restrictions imposed by governments. As a result we had over 2 million flight cancellations with customers unable to travel. Airlines have a legal obligation to refund in 7 days, most of which did not adhere to this. This is reflected in the 0.66* complaints received per 100 passengers who had scheduled a flight during the year.

**Note: We look at unique customer complaints submitted on our Help Center as a ratio of the total number of customers who had departure in FY21.*

CUSTOMER ENGAGEMENT

As part of our continual quest to make our customers happier, we use different surveys to measure customer satisfaction and help us identify areas for improvement.

eDreams ODIGEO has a dedicated User Research team, who manage a series of activities across our main markets to gather knowledge from our customers and evaluate engagement levels.

These insights help us to learn fast and enable our Product Owners, Developers and Designers to be cost and time effective during the ideation, iteration, improvement and implementation phases of eDreams ODIGEO products and services.

RESPONSIBLE MARKETING

We are committed to responsible marketing guided by the principles of law in all of the jurisdictions in which we operate and we run our activities in compliance with applicable laws, including the obligation to have clearly distinguishable communications and fair marketing practices.

CUSTOMER DATA PROTECTION

"We take the responsibility of maintaining the data security and privacy of our customers, employees and other third parties extremely seriously."

eDreams ODIGEO and all of our stakeholders are bound by all applicable laws and regulations related to but not limited to privacy and data protection. We are fully committed to maintaining the privacy and guaranteeing the security of the personal data provided by our customers (and all other data subject such as employees, contractors, etc.).

| B.3.3. Customers

Privacy Notices and Data Subject Rights

We have a unique Privacy Notice for all our commercial websites and app, in order to make it simpler for our customers to find the relevant information.

In our Privacy Notices we commit to only collecting personal data on a lawful basis (i.e. customer's consent) and to clearly specify the use to which the data collected will be applied.

We are committed to keeping our users and customers as well as our employees informed in a timely and transparent manner on all relevant information relating to data protection. We explain, for example, who is responsible for their data, why we collect their data, on which legal basis we rely, what type of data we collect, who will be the recipients of this data, how we protect their data, or how they can control the data we are in possession of relating to them. This information is provided in our websites' and apps Privacy Notice and the employees Privacy Notice, respectively.

The company commits to implementing technical and organisational measures to prevent unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data. We will retain personal data no longer than is necessary for the purpose it was obtained for.

To simplify this for our data subjects (e.g. customers, employees), we have created a user friendly Privacy Form linked to our Privacy Notices where the data subject can exercise their data subject rights (e.g. access, rectification, opposition, erasure, etc.), in a simple and easy to understand way.

Privacy and Security Policies & Procedures

We have a number of Group Policies that set out internal rules and provide guidance to our stakeholders, on ensuring data is kept secure and free of privacy violations. These policies include; the Group Internal Privacy Policy, the Information Security Policy, Group Confidential Information Policy, and the Corporate Hardware & Software Acceptable Use Policy .

eDreams ODIGEO has a specific team dedicated to carefully reviewing all requests received from data protection authorities across all of the geographies our operations impact, to ensure we are fully compliant with the applicable laws.

Privacy by Design has been integrated as a step in our product development lifecycle to guarantee that any new feature or product that involves customer information follows data processing principles and data subjects' privacy is respected.

Data processing activities are registered and updated on a regular basis on an industry leading Privacy, Security & Compliance solution.

Under the direction of our Data Protection Officer, we are committed to continuous improvement and refinement of these processes and others.

Technical & Operational Measures (TOM)

Cyber & IT Security is of paramount importance to us as an e-commerce business processing significant volumes of customer sensitive data, and this is managed by a robust set of prevent, detect, and respond Cyber & IT General Controls (ITGC), that are frequently tested internally by our Security Office, Internal Audit, and externally by our auditors and outsourced penetration testing service providers.

These controls are complemented by frequent training and awareness campaigns. These are delivered to our employees via a number of channels; via online training courses in GDPR, Confidential Information, and CyberSecurity, short compliance shot videos delivered via our intranet, and online campaigns on the intranet or on corporate screensavers on subjects such as how to identify phishing, or work securely from the home environment.

(TOM's) in outsourced data processing

When outsourcing data processing to a third party we expect our suppliers and outsourced partners to maintain similar standards of security and control over customer information.

Third party data processors are contractually required to implement adequate measures to ensure information security and on whether contracts require third party data sub-processors to extend the contract requirements to other third party data sub-processors.

When the circumstances require (e.g. long contracts that require personal data processing of significant number of data subjects and significant data), the Company will narrow its monitoring and reviewing to third party data processors.

During the fiscal year ended March 2021 the Company had:

- Not suffered any relevant data breach or theft or loss of customer data.
- Not received any legal claims relating to customer privacy violations from third parties.
- Not been investigated or received any complaint from regulatory bodies.

| B.3.4. Suppliers and partners

OUR SUPPLY CHAINS

At eDreams ODIGEO we are served by the following main supply chains:

- Travel Content Related Suppliers
- Outsourced Contact Centres & Other Suppliers
- Cloud and Technology Service Providers

TRAVEL CONTENT RELATED SUPPLIERS & PARTNERS

As one of the world's largest online travel companies, and one of Europe's most significant e-commerce businesses, our travel solutions content which includes flights, hotels, dynamic packages (flight plus hotel), trains, car rentals, and ancillaries (such as seats, bags, insurance and more), is sourced from a wide range of suppliers. These include: airlines, hotels, GDS', aggregators, white label partners, car rental suppliers, train operators, and insurance providers.

By the end of FY21 we had aggregated over 650 airlines complemented with an offering of over 2.1 million accommodations.

Our technology enables us to compare prices across all of the suppliers of our travel products, efficiently **combine multiple products, and quickly provide our customers with a range of suitable travel plan options tailored to their needs.** Having all the travel options in one place means easy trip planning without having to visit dozens of websites.

We use our technology to turn thousands of supplier combinations and fares (from hotels and airlines directly, from global distribution systems (GDS), aggregators, wholesalers and other partners) into bespoke proposals tailored to each customer's needs and preferences.We can either connect to an airline or hotelier directly, source inventory via white labels (selling another Company's product), or collaborate with partner companies.

To offer our customers the most suitable products, we work closely with aggregators, airlines, tour operators, hotels, car rental companies and destination services supply partners.

Added value to partners and suppliers

We are the **first in our sector to offer a subscription programme to our customers,** and with **our Prime Membership we are able to not only offer our customers better value offers, but also build a smoother, more personalised, and lasting relationship with them.** Our partners and suppliers benefit from the repeat purchases made during this longer relationship, and wider offer of products in this one stop shop, as well as information on trends and behaviour habits that eDreams ODIGEO collects from the more than 17 million customers it serves across 45 different markets around the globe.

Access to our extensive pool of customers enables our partners and suppliers to reduce their costs of acquisition, increasing their reach, with the added advantage of providing them with the coverage of eDreams ODIGEO customer service for all products sold through our platform.

"Accessing an additional segment of travellers has allowed hotels to gain exposure and register increases of up to 50% in their transactions, with an increase in the reservation period of 21% and of the average length of stay of 36%. We are delighted to be able to work directly with these businesses to improve both their competitiveness and ours." Director of Accommodation of eDreams ODIGEO."

| B.3.4. Suppliers and partners

Commitment to sourcing from reputable suppliers with a good track record for safety & customer service

Selling travel online is not a regular e-commerce business. We are accredited by IATA, (International Air Transportation Association) meeting stringent requirements, and have contracts with the global distribution systems (GDS), Amadeus and Travelport, enabling us to sell our products and perform ticketing on behalf of our suppliers.

Customers health & safety, and peace of mind is a top priority for us, and never more important than in the current environment as we learn to live with COVID-19. Our teams constantly monitor the list of airlines banned within the EU (https://ec.europa.eu/transport/modes/air/safety/air-ban/search_en), for failure to adhere to the applicable international safety standards, and will remove content worldwide when necessary.

eDreams ODIGEO showcases the airlines that have successfully adapted to offer outstanding service to their customers in the face of a global crisis, using a unique 360° analysis of information from over 61,000 customer reviews, and data from over 650 airlines, and in FY21 have updated our Best Airlines in the World study. The top rankings go to those airlines that have provided unparalleled service, not only on board their aircrafts, but throughout each customer touchpoint, leading the way in flight refunds, reliability, ticket flexibility, value for money, overall experience and safety.

During this year of travel uncertainties, we have closely monitored the risk of airline bankruptcy. Our dedicated team ensures that whenever an airlines bankruptcy happens all customers affected are promptly informed and duly assisted.

RELEVANT POLICIES & TRAINING

In keeping with our commitment to act with transparency and integrity in all of our business dealings, we have a number of relevant Company policies applicable to all suppliers and partners, that reinforce the need to behave ethically, **respect human rights, and comply with all applicable laws,** in particular anti-corruption laws that prohibit active or passive bribery.

We closely monitor suppliers that work at our facilities, checking that they comply with their ethical, tax and employment obligations.

Relevant policies include (see fuller detail in Section B2.2. Ethical framework):

- Group Business Code of Conduct.
- Group Gifts & Hospitality Policy.
- Group Procurement & Significant Outsourced Suppliers Policy.
- Group Information Security Policy.

When we start a direct relationship with a new supplier we provide them with a copy of the eDreams ODIGEO Business Ethics Principles, an abridged version of our Group Business Code of Conduct (both are available on our corporate website), and where applicable they are required to sign our IT security and Data Protection clauses.

We hold our suppliers and partners to the same exacting standards of ethical behaviour, and social and environmental responsibility, that we expect of ourselves and our teams.

All partners and suppliers must comply with all appropriate laws and regulations in all countries and jurisdictions in which they operate. In particular as regards laws and regulations pertaining to health and safety, labour, human rights and discrimination, freedom of association of its employees, insider trading, taxation, data privacy, competition and anti-trust, the environment, public tenders, and anti-bribery.

Our Procurement team that centrally manage the supplier adoption process, and Business Owners from the key departments engaging with suppliers receive specific compliance training in relevant areas such as Anti Bribery & Corruption, Anti Money Laundering, and Business Ethics, to ensure that Group Policies and standards are reinforced.

We are totally opposed to any form of discrimination or human rights' abuse in our direct operations, our indirect operations, and our supply chain as a whole. As a Company we endeavour to ensure that slavery and human trafficking do not take place in any part of our business or our supply chains, and we have **a zero-tolerance policy towards violations of the laws banning forced labour, slavery and human trafficking,** an on discrimination of any type.

| B.3.4. Suppliers and partners

VENDOR SELECTION/DUE DILIGENCE

We take the utmost care and due diligence when choosing who to enter into business with, in particular with our outsourced functions. To help us with this we perform a number of processes and validations to gain assurance on a potential supplier's track record in areas such as business performance, financial stability, IT security & data breach history, health &, safety, and human rights record.

These measures include; **Partner Security Assessments (PSAs),** to assess the potential risk exposure of the commercial relationship.

An internal assessment (IPSA) completed by the Business Owner, covering the following areas:

- The company's reputation and performance track record.
- Financial stability & solvency.
- Potential conflicts of interest.
- Track record in quality of customer service.
- The number and competence of staff and managers.
- Compliance with legal obligations relating to tax, human resources and social security.
- Suitable civil liability insurance cover with a reputable company.
- Quality assurance and security management standards (e.g. ISO 9000 and ISO/IEC 27001), in particular specific requirements relating to the service outsourced (e.g. Compliance with the Payment Card Industry Standards if outsourcer is going to have access to customers' credit card information); and
- Track record with regards to human rights, child labour, and modern slavery.
- Supplier history of penalties, fines, and negative publicity.
- **An external assessment (EPSA)** to be completed by the external supplier which includes self assessment questions covering:
  - Policies and track record relating to anti-corruption, fraud, anti-money laundering, ethics, human rights, child labour, and labour standards, trade sanctions.
  - Insurance levels.
  - Data Privacy & personal data related questions.
  - IT Security, Business Continuity & Disaster Recovery related questions.

During FY21 the Company improved the supplier self-assessments, to include more detailed questions regarding: Cybersecurity, Privacy, and ESG criteria (ethics, corruption, fraud and environmental matters).

Once a supplier has been selected a SLA (Service Level Agreement) is included within the contract clearly defining the agreed parameters of expected performance, with clear penalty clauses for adverse deviations in the service level targets offered.

EVALUATION OF SUPPLIERS

It is eDreams ODIGEO's policy to periodically evaluate suppliers of goods, and/or services, taking into account the following criteria:

- Meeting contractual obligations (KPIs and SLAs).
- Supplier's previous record of performance and service.
- Ability of the supplier to render a satisfactory service.
- Compliance with eDreams ODIGEO Business Code of Conduct ethical standards.
- Competitiveness of prices offered by the supplier.
- Quality and conformance to specifications of supplier's product/services.

Although at present eDreams does not carry out social and environmental audits of its suppliers, it works continuously to align ESG criteria with sustainable management of the supply chain.

| B.3.4. Suppliers and partners

SUPPLIER CERTIFICATIONS

On an annual basis, the Company publishes a "Responsible Business Conduct (UK MSA), statement (based on the definitions set out in the UK Modern Slavery Act 2015 guided by the UN Universal Declaration of Human Rights - Articles 23 and 24 - relating to labour conditions) which details the steps that the Group and its subsidiaries have taken to ensure that slavery and human trafficking are not taking place in any of our supply chains or any part of our business.

As part of this process significant suppliers or partners on whom we rely for outsourced labour, in countries that could be potentially more susceptible to human rights risk, are sent on an annual basis a certification to attest that they are in compliance with the UN Global Compact's Ten Principles and are committed to:

a. Supporting and respecting the protection of internationally proclaimed human rights.

b. Ensuring that we are not complicit in human rights abuses.

c. Upholding the freedom of association and the effective recognition of the right to collective bargaining.

d. Rejecting all forms of forced and compulsory labour.

e. Supporting the effective abolition of child labour.

f. Eliminating discrimination in respect of employment and occupation.

g. Supporting a precautionary approach to environmental challenges.

h. Undertake initiatives to promote greater environmental responsibility.

i. Encourage the development and diffusion of environmentally friendly technologies.

j. Work against corruption in all its forms, including extortion and bribery.

During FY21, our existing contact centre suppliers, and outsourced Financial Services partner provided certificates confirming their commitment to compliance with the UK Modern Slavery Act, adherence to internationally recognized human and employee rights, the prohibition of child labour and forced labour, observing and promoting ethical business conduct, adherence to legal standards and environmental rules (based on the Ten Principles of the UN Global Compact).

B.3.5. Society

The COVID-19 pandemic brought worldwide tourism to a complete halt overnight. Millions of people lost the opportunity to explore different places and embrace different cultures and customs, as countries went into lockdown, and travel opportunities were severely restricted.

During this hiatus in travel we have continued to work ceaselessly focusing on how best to serve our customers and get society and the economy moving again, as we emerge from the pandemic, accelerating a number of customer-centric initiatives that take into consideration the altered travel landscape, and customer expectations and priorities.

As our purpose states we want **"to help people discover their world through travel". We are enablers, we help people explore their world and we connect them through travel, making it easier for them to broaden their horizon".**

As one of the leading employers in Barcelona, eDreams ODIGEO is committed to the local communities and where possible takes measures to preserve the quality of the local environment at all locations in which it operates.

We understand and value that society and the environment are important issues for our employees and where possible endeavour to facilitate and promote channels for them to proactively manage these areas in the following ways:

- **GO!Teams** is an initiative launched by and for eDreams ODIGEO employees to foster and stimulate an open and connected culture, via a series of social events.
- **CSR Community at eDO:** As a Company, we recognize that we have a responsibility towards the environment and communities where we operate. The CSR Community, which reports to CSR Committee, is formed by a group of volunteers to help eDO implement actions that promote corporate social responsibility. Actions are focused around three pillars:
  - **#Sustainability (under the logo eDOGreen):** actions, solutions and tips to produce less waste, better recycling, and preserve our planet.
  - **#Solidarity:** initiatives to support local communities and help people in need.
  - **#Well-being:** tips, actions to preserve our health and make us happy at work.

| B.3.5. Society

OUR KEY ACHIEVEMENTS

A number of community initiatives have been carried out by our team of eDOGreen volunteers and we are particularly proud of the following actions we have performed as a team during FY21:

#Sustainability

- Beach cleaning in Barcelona.
- Improvement of waste management and energy efficiency in our office locations.
- Promoting environmentally friendly behaviour and habits across the Company.

#Solidarity

- Contribution to Banc Aliments food collection (Gran Recapte)
- An initiative at our Spanish offices in collaboration with the SEUR Foundation called: "Bottle tops for a new life", where employees recycle bottle tops with the objective of helping children with serious health problems.
- Raising money for charities via auction of end-of-year gifts received from partners.
- Collecting food, toys, warm blankets and clothes, etc. for people in need.

#Well-being

- During lockdown our employee well-being was a primary concern and we swiftly adapted remote working practices, providing all the office furniture to enable them to work ergonomically, and providing emotional support via a number of channels (such as stress management courses, support groups etc). For full details of activities refer to section B3.2 COVID-19 Health & Safety – Employee Well-being.
- Fostering the eDreams ODIGEO team culture via sports and cultural events for employees.
- Negotiation of discounts with local gyms and sports facilities or instructors to promote a good work-life balance for employees.

ASSOCIATIONS

eDreams ODIGEO is committed to fair competition and trade practices in the sector in which it operates and is currently a proactive member of the following trade associations across Europe:

- **EU:** EU Travel Tech, chaired by our General Counsel since November 2019, (formerly The European Technology and Travel Services Association - ETTSA) an organization that represents and promotes the interests of global distribution systems (GDSs) and travel distributors towards all relevant European stakeholders from industry to policymakers.
- **EU:** European Tech Alliance (EUTA) which is an organisation that represents home-grown European tech companies.
- **Italy:** Netcomm, Italy's leading e-Commerce trade association.
- **France:** Les Entreprises du Voyage ('EDV'), representing Travel Agents in France; La Fédération du eCommerce et de la vente a distance'.
- FEVAD (members since 1st January 2021) France's leading e-Commerce trade association; & Syndicat des Entreprises du Tour Operating ('SETO'), an association representing French tour operators.
- **Spain:** Emisores Españoles (due to the transfer of seat in Spain), Confederacion Española de Agencias de Viajes (CEAV') representing Spanish tour agents & Asociación Corporativa de Agencias de Viajes Especializadas ('ACAVE'), the Association representing Catalan travel agencies.
- **Germany:** DRV, (German Travel Association), the leading special interest group of the German tourism industry.

RELATIONS WITH GOVERNMENTS

The Company manages its business in accordance with its corporate values and its ethical and conduct framework. It also ensures strict compliance with ruling legislation in each country.

In relation to local governments, the Company always acts independently of any political power, maintaining transparency in its dealings with public and administrative institutions.

During 2020, eDreams ODIGEO received 2 subsidies/assistance from the Spanish government to alleviate the effects of the restrictive measures taken to mitigate the effects of COVID-19.

- A subsidy to compensate for the temporary reduction of working hours (staff furlough) or "ERTE", the Spanish acronym for an Expediente de Regulación Temporal de Empleo.
- A syndicated loan guaranteed by the Spanish Official Credit Institute (ICO). (See C3.Notes to the Consolidated Financial Statements 2.1 and 2.3)

eDreams is characterized by absolute political neutrality, and has a strict policy of not making economic or any other type of contribution to political parties or candidates in elections.

| B.3.5. Society

AWARDS AND RECOGNITIONS

At eDreams ODIGEO we strive for excellence and feel driven by our purpose to help people discover the world through travel. We are very proud of our achievements - be they at a Company, team or individual level - and each milestone motivates us to innovate even more with our customer in mind and make eDO the most successful online travel one-stop shop.

We are proud to have received prestigious awards for our consumer and corporate brands.

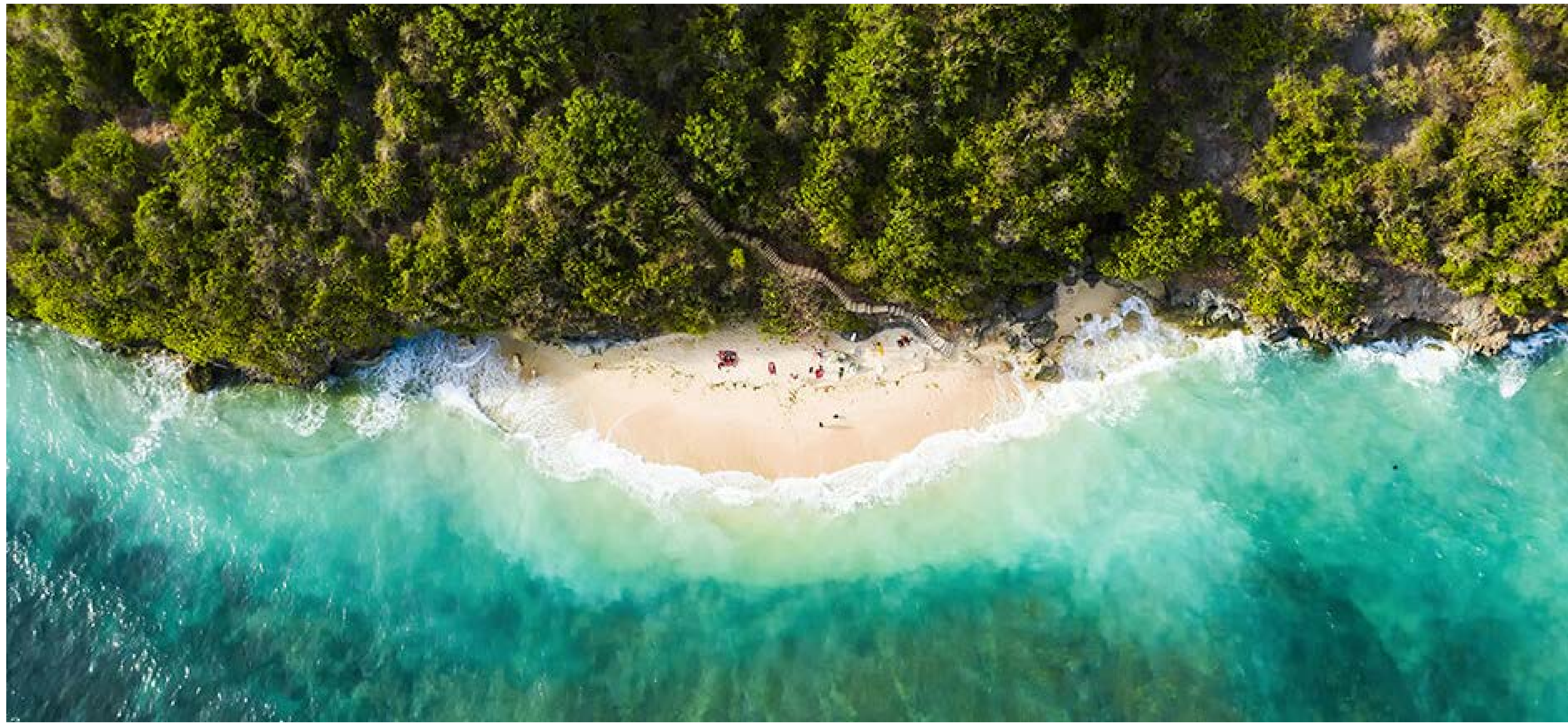
These recognitions are a proof of our continuous dedication to putting our expert customers first, by providing them with the tools to search further and faster than anywhere else online, comparing millions of travel options in a matter of seconds to provide a personalised service.

For full details of all the awards eDreams ODIGEO has earned visit https://www.edreamsodigeo.com/about-us/awards/

Tax Contribution

The Group's compliance with its taxation duties, in relation to taxes paid directly by the Group as well as taxes collected by it from third parties but derived from the Group´s activities, is part of its core contribution to the sustainability of public finances and the development of the jurisdictions in which it operates.

The Group complies with local laws and regulations in all jurisdictions in which it operates. Where there could be doubt about the correct treatment applied by the Company, the Company ensures that it has proper arguments which support its tax treatment. The Company is not active in any non-cooperative jurisdiction.



	Profit Before Tax		Income Tax Paid within the FY	
Tax Jurisdiction	**March 21**	**March 20**	**March 21**	**March 20**
Australia	785	18	48	(38)
France	(13,241)	(15,193)	(101)	656
Germany	285	282	26	50
Hungary	19	89	—	—
Italy	(49)	(883)	7	(1,800)
Luxembourg	(38,875)	(44,271)	—	(5)
Portugal	(103)	78	(5,063)	(11)
Spain	(83,303)	22,454	168	(8,628)
Sweden	(3,431)	(20,355)	109	—
UK	(468)	18,684	(474)	(2,812)
USA	(260)	20	—	(46)
Total	**(138,641)**	**(39,078)**	**(5,281)**	**(12,635)**

B.3.6. Shareholders and investors

THE INVESTOR RELATIONS DEPARTMENT

It is of vital importance for eDreams ODIGEO to maintain effective and straightforward communication with all stakeholders in the capital markets, ensuring transparency with regard to Company performance.

The Investor Relations department maintains an open dialogue with the financial community, including current and potential investors (whether institutional or retail), research analysts, debt holders, credit rating agencies and regulatory bodies such as the CNMV (Spanish National Securities Market Commission), and strives to build long-term relationships based on credibility and trust.

The Group uses various communication channels to guarantee the quality and frequency of its relationship with the institutional investors and shareholders. Our Investor Relations department acts as a permanently open and transparent channel through which we can communicate with shareholders and institutional investors and attend to their queries and requests for information. We aim to communicate effectively and proactively, delivering relevant information in a consistent and timely manner.

The Investor Relations department is part of the Group Finance department, with its Head of Investor Relations reporting to the Chief Financial Officer.

During FY21, the Investor Relations team hosted over 200 meetings with investors, and special emphasis placed on investor targeting, with over 100 of those meetings generated through this source. A number of Virtual Global Roadshows were held during the year, over 50% of which where organised directly by the Company for existing and potential new shareholders. The Senior Management team dedicated 26 days to investor meetings held via a combination of virtual roadshows and conferences with investors located in cities including; Singapore, New York, Boston, Chicago, San Francisco, Los Angeles, Miami, Toronto, London, Edinburgh, Frankfurt, Paris, Barcelona, and Madrid.

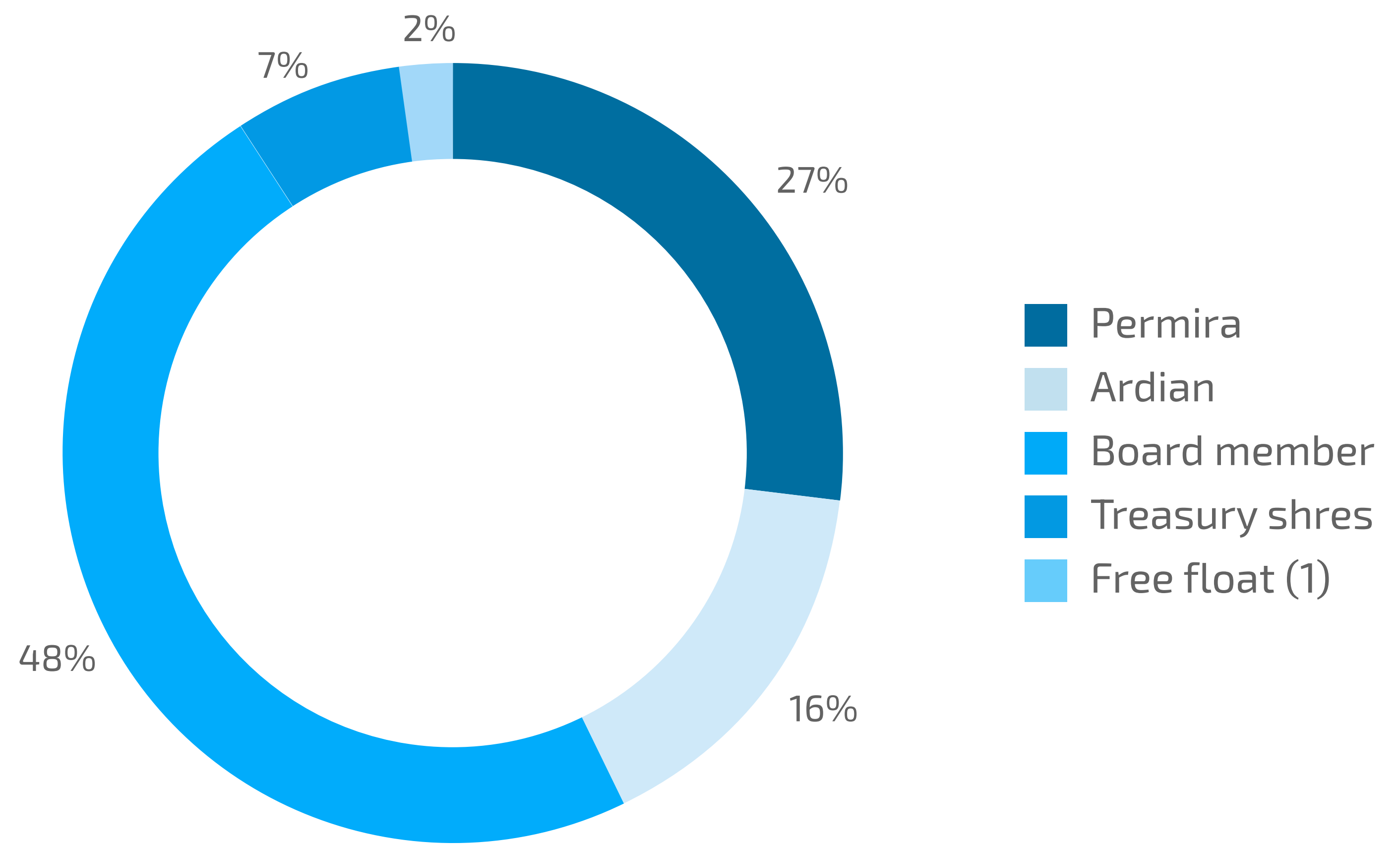
Our corporate website www.edreamsodigeo.com is the main official channel of communication between eDreams ODIGEO and shareholders, institutional investors and the general public. In the section "Investors", they can find all the information required by the laws and regulations of the securities markets. This is updated on a continual basis.

As of 31st March 2021 the shareholders structure of eDreams ODIGEO was a follows:

Shareholder	Number of Shares	%Share Capital
Permira	32,011,388	26.9%
Ardian	18,720,320	15.8%
Board Members	2,366,748	2.0%
Treasury shares	8,755,738	7.4%
Free Float (1)	56,927,336	47.9%
Total	**118,781,530**	**100%**

(1) The free float has been calculated on the basis of shareholder notifications of voting rights communicated to the Company as of 31st March 2021 in accordance with the Royal Decree 136272007 and other information made available to the Company by shareholders by taking the total number of shares issued less the Strategic Shareholders Shares, the shares held by Directors, and Treasury Shares.

Free Float Composition:	Number of Shares	%Share Capital
Bybrook Capital LLP	12,300,775	10.4%
Sunderland Capital Partners LP	6,371,316	5.4%
Other less than 3%	38,255,245	32.2%



| B.3.6. Shareholders and investors

THE STOCK MARKET

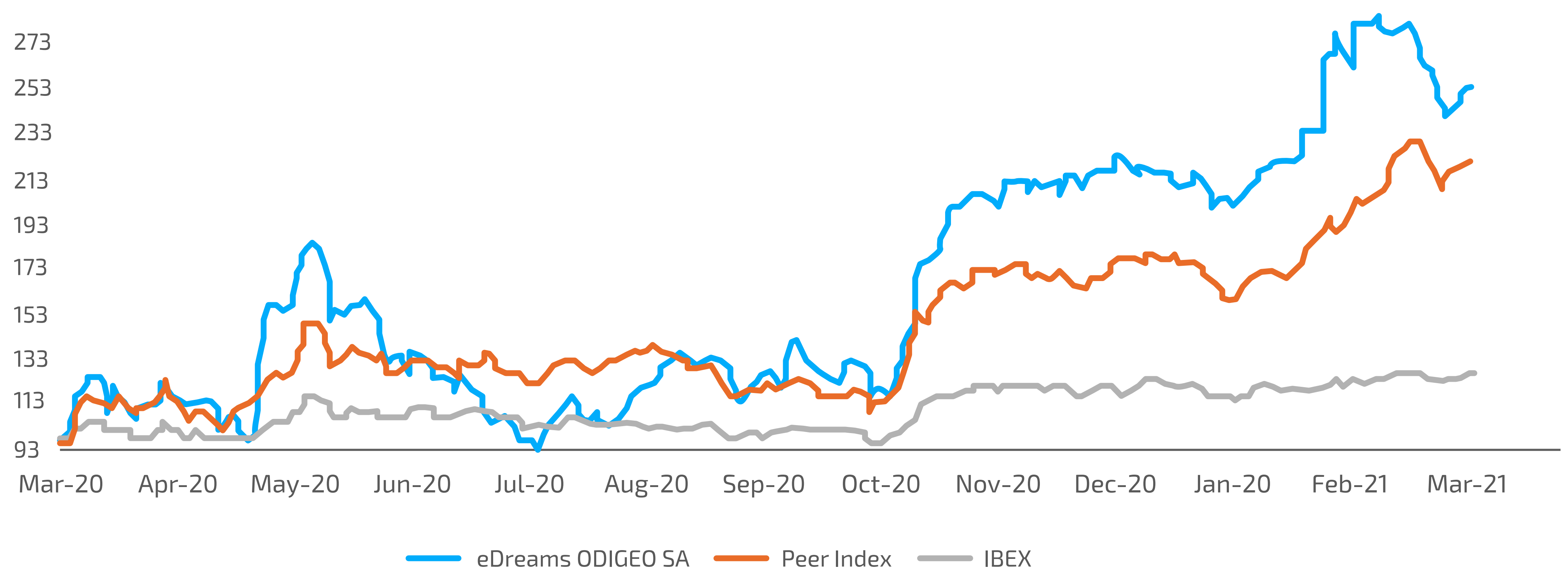
In FY21 the COVID-19 pandemic with the subsequent travel restrictions and country lockdowns, adversely impacted the global economy. FY21 was a challenging year for global equity and bond markets, and the global travel industry.

The positive performance of the share price since our FY20 results publication in July 2020, has been promising and indicates renewed investor faith thanks to our clear messaging and agile response during the pandemic. High investor relations activity post-COVID-19 has paid off, with investors ready to invest and look ahead when the positive news flow started to pick up. As a result, by the end of FY21, year ended on 31st March 2021, our shares (up 155%) were outperforming the Global OTA sector and most of our peers.

If we look at our equity performance since the publication of the first positive news on the vaccine, on the 9th of November 2020, from Pfizer, eDreams ODIGEO's share price (up 102%) has outperformed the Global OTA average (up 78%) and the IBEX 35 (up 26%).

eDreams ODIGEO | Open: 1.84 | High: 5.31 | Low: 1.72 | Close: 4.71

31/03/2020 – 31/03/2021



eDreams ODIGEO shares, since our lowest point in October 2014 and the management change thereafter, continues to be the best equity performer over a long period. Our share price between the 25th of October 2014 (our low point) and the 31st of March 2021, has increased by 390%, outperforming by 297pp and 407pp, the IBEX 35, the benchmark Spanish stock market index, and the Global Online Travel index, respectively.

eDreams ODIGEO share price performance vs Peers & Spanish Market

From	25th of October 2014	31st of March 2020	9th of November 2020
To	**31st of March 2021**	**31st of March 2021**	**31st of March 2021**
eDO	390%	155%	102%
Global OTAs	93%	116%	78%
IBEX 35	(17)%	26%	26%
IGBM	9%	33%	29%
Booking Holdings	106%	73%	32%
Despegar	(36)%	140%	105%
Expedia	122%	206%	75%
lastminute.com (*)	143%	75%	121%
On the Beach	128%	85%	58%
Trip.com	47%	69%	31%

(*) lastminute.com on the 3th of February and 4th of March 2020 confirmed talks about a potential corporate transaction

Our market capitalisation as of 31st March 2021 was €559 million. The average daily trading volume in the FY21 was 178,720 shares (793.056 euros). The proportion of our stock in free float is 48%.

Note: As of 10th March 2021, eDreams ODIGEO, S.A. informed that it had received the confirmation that the public deed on its relocation to Spain had been duly registered with the Commercial Registry of Madrid.

B.

Non Financial **Information**

B.4.The environment

B.4. The environment

As an e-commerce company, we believe that there are numerous opportunities for technology to be a powerful force for positive change.

While our core activities have a relatively low impact, by virtue of the fact that we are an online business, we are always looking to find ways in which we can reduce our direct environmental footprint, implementing sustainable practices, both in the office and when work takes us away from the office, in procurement and purchasing processes, in the use of energy and water, waste management, travel, and in each of our business processes.

Although we cannot directly influence the environmental impact generated by the products we sell, our teams are committed to exploring meaningful initiatives that can truly contribute to a brighter future for travel and our planet.

Our environment management strategy is included in our CSR policy, and managed by the CSR Committee; the initiatives and targets are overseen by the Audit Committee.

In line with our objective of creating a greener and more sustainable work environment, the CSR team, through the eDoGreen label, has continued to promote environmentally-friendly initiatives. We are raising awareness to reduce energy and water consumption, recycling habits, and food waste, through awareness communication campaigns among employees, talks from specialists, surveys, posters, etc.

The Group has not been subject to any claims, fines, or actions relating to its environmental impact in FY21, and has a history of never having accrued a fine or claim. Given this unblemished record and the nature of our business, we have not accrued any provisions for environmental risks.

ENERGY USE & EMISSIONS

We follow the Greenhouse Gas Protocol (GHGP) to manage and report our CO_2 emissions. eDreams ODIGEO's operations have a direct, **but very limited carbon footprint impact** on the environment, in the following ways:

- In Scope 1, **eDreams does not use natural gas or diesel.** The scope 1 emission is not considered to be relevant for the Company.
- In Scope 2, we include **emissions linked to the use of electricity (kWh) at our office buildings** worldwide.
- In Scope 3, we include emissions generated by **business travel of our employees** (Km travelled by air+train). We calculate our emission based on the emissions factors from DEFRA and the OECC Carbon Footprint Calculation Guide 2021. **For the two outsourced data centres we use, our share of emissions data has not been made available to us.**

Scope 2 – which accounts for GHG emissions from the generation of purchased electricity consumed by a company.

The only source of Scope 2 GHG emissions generated by eDreams ODIGEO is to power our rented office locations, using purchased electricity. We have **reduced our electricity consumption at our office locations by -49% from 862,825* kWh. during FY21 to 1,686,267* kWh** during FY20, due primarily to the closure of our offices for long periods of time as a result of COVID-19 lockdowns, but also in part to a downscaling of office space at some of our European locations such as London, Paris, and Milan, and in the energy efficient re-opening plan of our main sites in Barcelona, re-opening only several floors in one of the 2 multi-floored buildings we operate in.

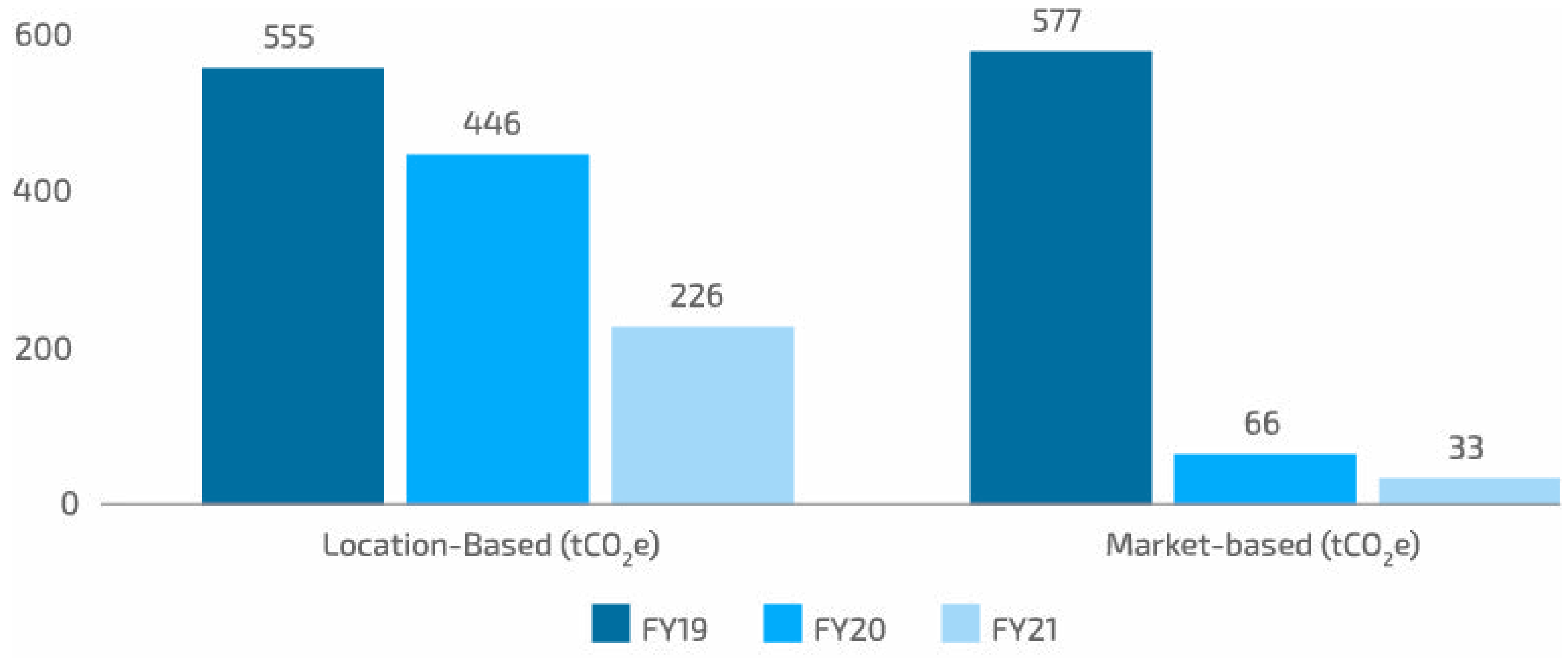
We are very conscious keeping GHG emissions to a minimum, and from FY20 **purchase our electricity in Spain** (87% of our total electricity consumption), **from an energy supplier which only sources 100% green energy.** With this measure we have **reduced the Scope 2 market based carbon footprint generated by our electricity consumption at our office locations by -94% (from 577 tCO_2 in FY19 to 66 tCO_2 and to 33 tCO_2 in FY21).**

**Note: 95% of the electricity emissions information is based on actual invoices for the calendar year 2020. The remaining 5% of emissions relate to small co-working offices for which the electricity calculation has been estimated based on the leased square metre area of the offices.*

| B.4. The environment

Tables on CO_2 Emissions (tCO_2) – Scope 2**

(Offices)



*Note**: For the location-based emissions of electricity consumption, the grid electricity emissions factors have been used for the different countries where eDreams operates. For the emissions of electricity consumption using the market-based method, the same emissions factors have been used, with the exception of the data reported in Spain. For Spain, the emission factor comes from the Comisión Nacional de los Mercados y la Competencia (CNMC). Since 2020, all the electricity purchased by the company in Spain comes from renewable sources.*

In the last quarter of FY20, eDreams ODIGEO Group successfully passed energy efficiency audits (in accordance with the European Energy Efficiency Directive), carried out by Schneider Electric at our most significant office locations in Barcelona, and London. No material recommendations were raised.

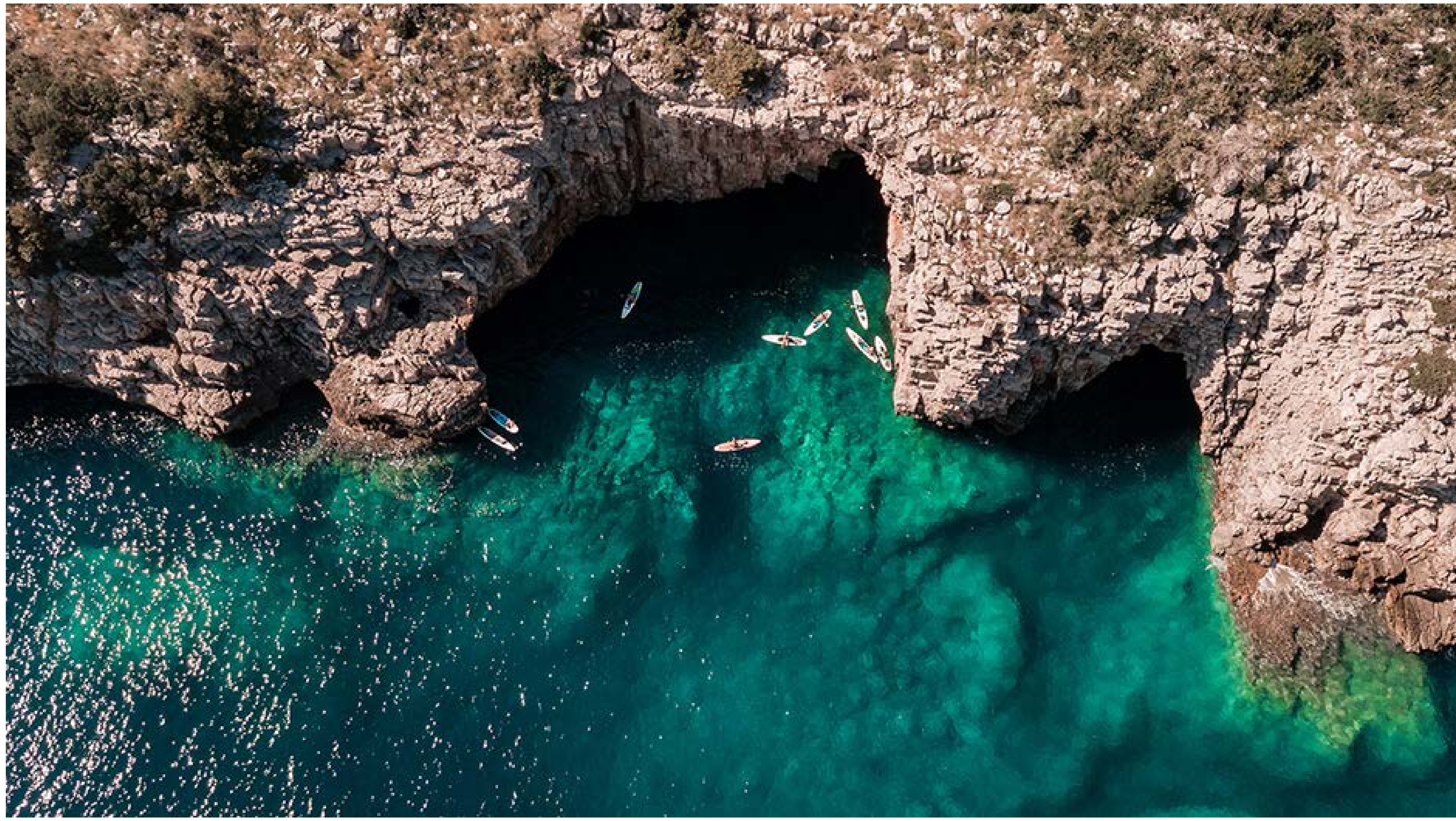
Given the nature of our business activities **noise and light pollution are not material for eDreams ODIGEO.**

Scope 3 – which covers emissions associated with business travel and outsourced data centres.

Business travel

During FY21, Scope 3 emissions relating to employee travel (air + train) for business trips were drastically reduced compared with FY20 because of the COVID-19 lockdowns and remote working. However since the easing of lockdown restrictions there has been a tendency for business travel to reduce, as our teams have readily adopted more environmentally friendly options such as videoconferencing, and it is unlikely that we will return to pre-pandemic levels of Scope 3 emissions.

The underlying trend in repeat travel routes is decreasing year on year, and as a direct result we have reduced our total scope 3 CO_2 emissions from 325 tCO_2 in FY20 to 48 tCO_2 in FY21.



| B.4. The environment

Outsourced Data Centres

For the 2 outsourced data centres we use, our share of emissions data has not been made available to us. However our two outsourced data centre suppliers are well positioned to support the eDreams ODIGEO sustainability agenda, with serious commitment to providing the Company with services based on energy efficient infrastructures that reduce overall emissions, and tight security measures to protect our data. Both data centre suppliers are certified in Environmental Standard (ISO 14001), Energy Management standard (ISO 50001), and IT Security Management standard (ISO 27001).

Our outsourced data centre suppliers strive to achieve the lowest possible PUE scores, applying a number of energy efficient techniques including; frequent measurement and benchmarking of power usage, regulating airflow by preventing mix of hot and cold air, aligning hot and cold aisles, aisle containment, reducing airflow leaks, periodically checking raised flooring for gaps and potential airflow gaps, controlling air temperature, regulating humidity, and turning off redundant machines.

Our main outsourced data centre in Barcelona is a member of the Green Grid group of companies collaborating to improve the resource efficiency of data centres, and has won several awards such as International Data Centre & Cloud Awards for Energy Efficiency and Environmental Sustainability.

During the fiscal year, we are pleased to report **two main initiatives where we are successfully reducing energy consumption & emissions generated by our activities at our outsourced data centres:**

- **Migration of our infrastructure to Cloud** resulting in reduced rack space needed at the data centres. Completion of the Colt data centre consolidation project resulted in a decommissioning of 175 servers, a reduction of 69% of the racks used, and with it the associated energy consumption and cost savings. 90% of our infrastructure is currently running in the Cloud, which is 24/7 carbon free, consuming 50% less energy than average data centres and with 1.11 power usage effectiveness (PUE).
- The move to **Virtual Desktops for over 286 employees,** with the corresponding reduction in the energy consumption associated with those employees.

Carbon offset

As a complement to the ongoing initiatives to reduce our internal operational energy use and carbon emissions, **we have achieved carbon neutrality for FY21 and FY20 of all our GHG emissions derived from our purchase of electricity and business travel**, via the purchase of carbon offsets in Gold Standard and Verified Carbon Standard certified projects supporting; global reforestation, biodiversity, and the global transition to renewable energy.

Environmental friendly practices

Our teams are very proactive in the uptake and promotion of environmentally-friendly practices. Below are some examples of initiatives implemented at our eDreams ODIGEO locations:

- Our Procurement team takes care to ensure our office IT equipment is certified to or in compliance with internationally acknowledged standards. Laptops & monitors, our most significant items meet ENERGY STAR Versions 5.0 & 6.0, and meet EPEAT Gold & Silver standards.
- Switching off laptops, PCs, and other electrical devices, such as monitors, before leaving the office.
- Switching off TV screens and any equipment in meeting rooms.
- Replacing incandescent bulbs with LEDs.
- Centralized control of air conditioning and heating systems, with time controls, to adapt room temperature to the current weather conditions and avoid unnecessary consumption.
- Maximising the use of natural light, before artificial light timers kick in, and automatic switch off at predetermined hours.
- Avoiding business travel in favour of video and audio conferences whenever possible (as outlined in the eDreams ODIGEO Travel Policy). Using chat instead of mobile phones.
- Encouraging employees to walk and cycle, and promoting the use of carpooling and public transportation.
- Switching to eco friendly printers, and default configuring them to greyscale, two sided and ECO mode.
- Implementing electronic signature to reduce the printing and delivery of hard-copy contract versions.
- Sticker campaigns "Switch me off before you go go" on all laptops/screens, & energy savings stickers.
- Green message on signatures.

| B.4. The environment

WATER USAGE

Water consumption that is directly under our control, at our office buildings in kitchens, toilets, etc. is relatively low and has reduced in FY21 compared to FY20 primarily because of the closure of our offices because of COVID-19 lockdowns, and also in part to a downscaling of office space at some of our European locations such as London, Paris, and Milan, and in a water consumption conscious re-opening plan of our main sites in Barcelona, re-opening only several floors in one of the 2 multi-floored buildings we operate in.

For the two outsourced data centres we use, our water consumption data has not been made available to us.

The consumption in m3 for the fiscal year of the two main eDreams ODIGEO sites located in Barcelona was 2,295 m3 (58% less vs FY20).

Some of the measures implemented include:

- Motion sensor taps in washrooms.
- Installing air diffusers in the taps to reduce the water flow and consumption.
- Avoiding the use of bottled water in favour of water fountains.

	FY21	FY20	Variation
Water Consumption top eDreams Odigeo sites (m^3)	2,295	5,524	(58.45%)

| B.4. The environment

WASTE MANAGEMENT AND THE CIRCULAR ECONOMY

As an online technology business, we generate very little waste, and the limited waste generated at our premises is from canteens and general office use, and is managed in accordance with regulations in each local country. Despite our low levels of waste generation we are committed to a reduce-reuse-recycle policy, and have developed management procedures aimed at minimizing waste.

Recycling bins are installed at all of our locations to facilitate the recycling of organics, plastics, cans and light packaging, paper and other waste.

We actively promote a paperless office and strive to keep paper consumption at our premises to a minimum, maintaining most of our documentation electronically, and for the limited printing we do generate, automated badge-based printing systems are in place to restrict consumption, and monitor and identify areas for improvement.

In addition to the aforementioned initiatives, other waste reduction measures implemented to date include the following:

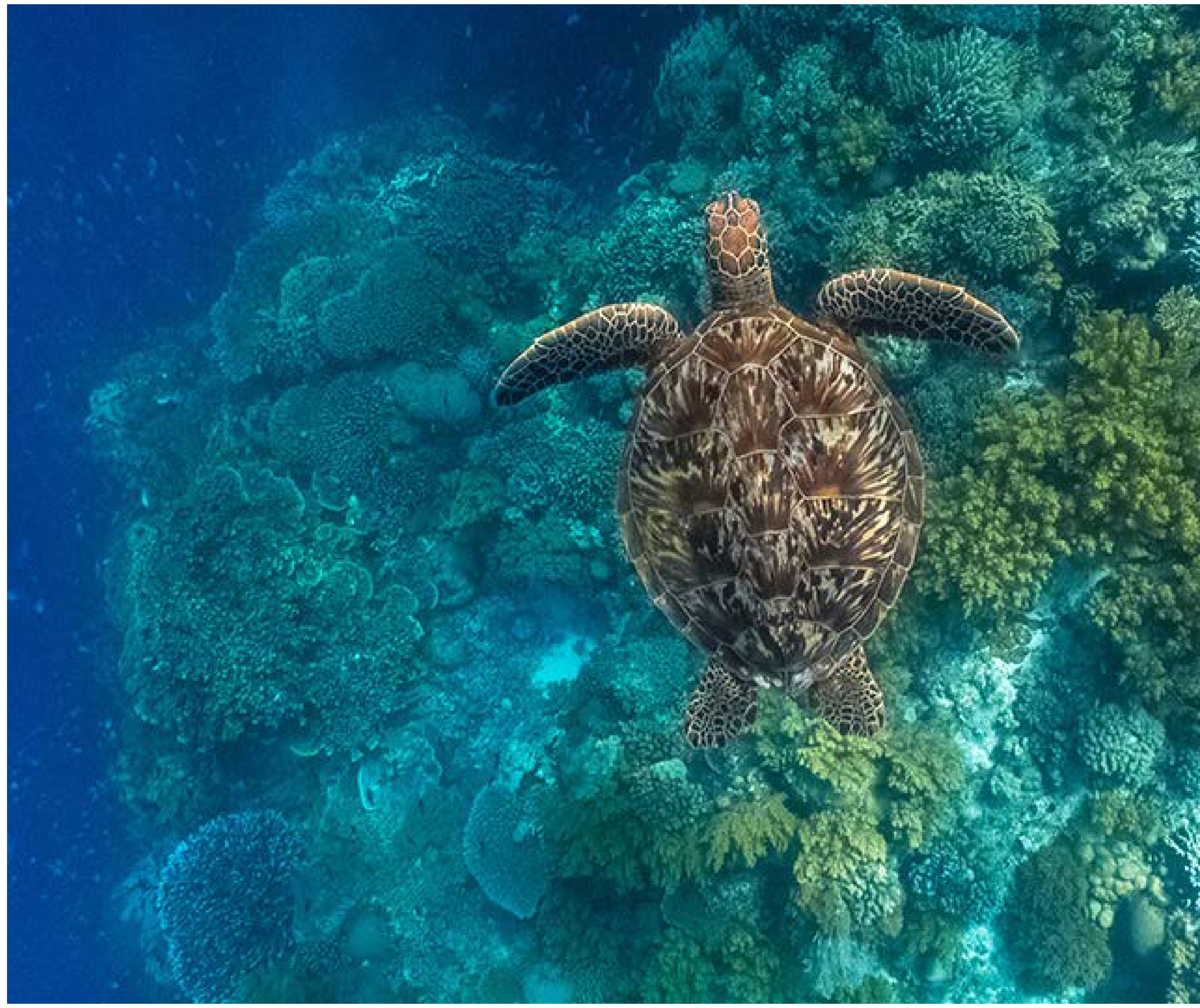
- Creation of a CSR page on the company intranet, and a CSR Slack channel where ESG related tips/ideas/facts are shared on a weekly basis.
- The CSR eDO G+ community where employees can volunteer to help with ESG initiatives (examples to date include beach cleaning, toy donations, food bank collections).
- eDOGreen talk "Journey to Zero Waste Office" to raise awareness amongst eDOers on the impact of our individual actions and promoting a more sustainable way of living.
- Reusing obsolete PC screens and other electronic equipment, and recycling of electronic appliances and office furniture via donations to charity.
- Replacing paper advertising with digital channels.
- Reusing waste paper (from the printer) whenever possible, making use of the blank side for notes, and sending used paper for recycling. (No paper consumption during FY21).
- Mugs and water bottles for all employees, reducing the consumption of single-use plastic cups.
- Consumption of compostable cups for organic bins.
- Consumption of biodegradable wooden stir sticks suitable for organic bins.
- Replacing coffee capsules for ground coffee machines: organic waste.
- Using tetra bricks vs individual milk bricks.
- Replacing individual sugar sachets with sugar dispensers.
- Replacing paper towels with new efficient hand dryers.
- Removing individual use waste paper baskets with central recycling points on each floor.
- Separating and collecting waste: implementing a proper infrastructure to facilitate waste separation for recycling (general waste, packaging and organic).
- Special recycling bins for: batteries, electric and electronic devices, plastic caps.

End of Life Management of Hardware

We outsource the destruction and disposal of obsolete IT equipment to a specialized company, fully certified in ISO14001 (Environmental Management) & ISO 27001 (Information Security Management), who ensure the equipment is destroyed or dismantled and recycled, in a secure and environmentally friendly way.

OTHER ENVIRONMENTAL CONSIDERATIONS; BIO-DIVERSITY, PROTECTED AREAS, NOISE, LIGHT CONTAMINATION...

eDreams ODIGEO's direct operations do not use raw materials in any significant quantities, do not generate significant noise or light contamination, and do not have any direct impact on protected areas or areas of biodiversity. These are not considered material ESG risks for us.



B.

Non Financial **Information**

B.5. Contents index of the Law 11/2018 & GRI indicators

Content	Description	GRI Standards indicator	Location/Chapter, pages/Observation
Business model	A brief description of the group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future evolution.	102-2, 102-4, 102-6, 102-7, 102-10	A2.1(11-12), A2.2(14-23), A2.3(24), A2.5(34)A2.6(35-59) B1.2(63-64)
Policies applied by the Group	Policies applied by the Group, including the due diligence procedures applied to identify, assess prevent and mitigate significant risks and impacts, and to verify and control, as well as the measures that have been adopted.	103-2, 102-16	B2.2 (76-78), B2.3 (80-85)
Main risks	Main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects in those areas and how the group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each subject. This should include information on the impacts that have been identified, giving a breakdown of these impacts, in particular on the main risks in the short, medium and long term.	102.15	B1.2 (63-65), B2.3 (83-85)
Information on ENVIRONMENTAL MATTERS			The current strategic view of the Company considers that the environmental implications of an Online Travel Agency are very limited and mainly concentrated on direct impacts which are properly managed.
	Current and foreseeable impacts of the Company's activities on the environment and, as the case may be, on health and safety.	103-2	B.3.2(99-101), B.4(122-126)
	Procedures for environmental assessment of certification.	103-2	B.4(122)
	Resources dedicated to environmental risk prevention.	103-2	B2.4 (86) B.4(122)
	Applying the principle of precaution.	102-11	B.4(122)
	Amount of provisions and guarantees for environmental risks.	103-2	B.4(122-126)
Pollution	Measures to prevent, reduce or repair CO_2 emissions that seriously impact the environment.	103-2, 302-4, 302-5, 305-5, 305-7	B.4(122-124)
	Measures to prevent, reduce or repair emissions that generate atmospheric pollution (including noise and light pollution).	Non material to the business	B.4(122-124)

Circular economy and waste prevention and management	Waste prevention, recycling, reuse and other forms of waste recovery and elimination measures.	103-2	B.4 (122,126)
	Actions to combat food wastage.	Non material to the business	B.4 (64,126)
Sustainable use of resources	Consumption and supply of water in compliance with local limitations.	301-1, 302-2, 302-3	B.4 (125)
	Consumption of raw materials and measures in place to ensure more efficient use of raw materials.	Non material to the business	B.4 (126)
	Direct and indirect energy consumption and measures in place to improve energy efficiency and use of renewable energies.	302-1	B.4(122-124)
Climate change	Important aspects relating to the greenhouse gas emissions generated by the Company's activities (including both goods and services).	305-2 305-3	B.4(122-124)
	Measures in place to adapt to the consequences of climate change.	103-2	B.4(122-124)
	Goals for reducing greenhouse gas emissions in the medium and long term and measures put in place to reduce greenhouse gas emissions.	103-2	B.4(122-124)
Protecting biodiversity	Measures put in place to conserve or restore biodiversity.	103-2	B.4 (126)
	Impact caused by activities and operations in protected areas.	103-2	B.4 (126)

Information on SOCIAL and EMPLOYMENT matters

Employment	Total number and distribution of employees by gender, by age, by country and job category.	102-8, 405-1	B3.2 (102)
	Total number and distribution of employment contract by type.	102-8	B3.2 (102)
	Annual average of open-ended contracts, temporary contracts and part-time contracts by	102-8	B3.2 (103)
	Number of dismissals by gender, by age, by job category.	401-1	B3.2 (104)
	Average remuneration and trends, broken down by gender, by age, by job category	405-2	B3.2 (104-105)

	Salary gap.	405-2 (1)	B3.2 (104-105)
	Remuneration for similar work positions or average remuneration at the Company.	405-2	B3.2 (106)
	Average remuneration of board members and executives (including variable pay, per diem allowances, compensation and severance, payments to long-term pension and savings	102-35, 102-36, 201-3	B3.2 (105)
	Implementation of job disconnection policies.	103-2	B3.2 (94)
	Disabled employees.	405-1	B3.2 (91)
Work organization	Organization of working hours.	103-2	B3.2 (94)
	Absenteeism in hours.	403-9 (2018)	B3.2 (106)
	Measures to improve the work-life balance of employees and to ensure an appropriate balance between mother and father.	103-2	B3.2 (94)
Health & Safety	Occupational health and safety conditions.	401-3 (2018)	B3.2 (99-101)
	Workplace accidents, especially frequency and severity, as well as occupational diseases, broken down by gender.	403-9 (2018), 403-10 (2018)	B3.2 (106)
Labour relations	Enabling and organizing dialogue with employees (including procedures for reporting, consulting and negotiating with employees).	103-2	B3.2 (98)
	Percentage of employees covered by collective bargaining agreement, by country.	102-41	B3.2 (107)
	List of collective agreements (especially in the field of occupational health and safety).	403-4 (2018)	B3.2 (107)
Training	Policies implemented in the field of training.	404-2	B3.2 (95)
	Total number of training hours by job category	404-1	B3.2 (107)
Accessibility	Universal accessibility for people.	103-2	B3.2 (91)
Equality	Measures put in place to champion equal treatment and opportunities between women and men.	103-2	B3.2 (92-93)

Note: (1) Internal Criteria

	Equality plans (Chapter III of Organic Law 3 of March 22, 2007, on the effective equality between women and men).	103-2	B3.2 (92)
	Measures put in place to foster employment.	103-2, 404-2	B3.2 (97)
	Protocols against sexual and gender-based harassment.	103-2	B3.2 (92)
	Policy against discrimination in all its forms and, as the case may be, integration of protocols against sexual and gender-based harassment.	103-2	B3.2 (92)
	Protocols against discrimination in all its forms and, as the case may be, to ensure the proper management of diversity.	103-2, 406-1	B3.2 (91-92)
Information on respect for HUMAN RIGHT			
Implementation of due diligence processes on the subject of human rights	Preventing the risk of committing human rights breaches and, as the case may be, measures to mitigate, manage and repair possible abuses committed.	102-16, 102-17	B3.2 (98,113)
	Reports of cases where human rights have been breached.	103-3	B3.2 (98)
	Promoting and observing the fundamental conventions of the International Labour Organization governing respect for freedom of association and the right to collective bargaining, eliminating Discrimination in the workplace and when hiring, eradication of forced labour and the effective eradication of child labour.	103-2	B3.2 (98-99)
Information on the FIGHT against CORRUPTION and BRIBERY			
	Measures put in place to prevent corruption and bribery.	103-2, 205-2, 205-1, 205-3	B2.2 (77-78)
	Anti-money laundering measures.	103-2	B2.2 (77-78)
	Contributions to foundations and non-profit entities.	102-13, 201-1	Economic contributions to foundations and non-profit entities were not material for this fiscal year.

Information on SOCIETY			
Company commitments to sustainable development	The impact of the Company's business on employment, local development and the natural environment	203-1, 203-2	B3.5 (116-117)
	Relations with agents from the local communities and forms of dialogue with such associations and people.	102-43, 413-1	B3.5 (116-117)
	Association or sponsorship actions.	102-13, 203-1, 201-1	B3.5 (116-117)
Subcontracting and suppliers	Inclusion of a procurement policy that champions social issues, gender equality and environmental protection.	103-3	B2.2 (76), B3.4 (112-115)
	Making its social and environmental responsibility values part of its relations with suppliers and subcontractors	102-9, 407-1, 409-1	B2.4 (86), B3.4 (112-115)
	Oversight systems, audits and troubleshooting processes.	414-2	B2.4 (86), B3.4 (112-115)
Consumers	Measures to improve the health and safety of consumers.	416-1, 416-2, 417-1	B3.3 (109-110)
	Reporting and whistleblowing systems and grievances received and resolved.	418-1	B2.2(79), B3.2(98), B3.3(111)
Tax information	Profits obtained by country.	"Accounting Principle"	B3.5 (118)
	Taxes paid on profits.	"Accounting Principle"	B3.5 (118)
	Public subsidies and aid received.	201-4	B3.5 (117)

B.

Non Financial **Information**

B.6. Auditor verification report

Independent limited assurance report on the Consolidated Non-Financial Statement for the year ended March 31, 2021

eDreams ODIGEO, S.A. AND ITS SUBSIDIARIES

Building a better working world

Ernst & Young, S.L.
Edificio Sarrià Fórum
Avda. Sarrià, 102–106
08017 Barcelona

Tel: 933 663 700
Fax: 934 053 784
ey.com

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

To the shareholders of eDreams ODIGEO, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Statement (hereinafter NFS) for the year ended March 31, 2021, of eDreams ODIGEO, S.A. and its subsidiaries (hereinafter, the Group), which is part of the Consolidated Management Report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in section B.5 "Contents index of the Law 11/2018 and GRI indicators", included in the accompanying NFS.

Directors' Responsibility

The Board of Directors of eDreams ODIGEO, S.A. are responsible for the approval and content of the NFS included in the Consolidated Management Report of the Group. The NFS has been prepared in accordance with the contents established in prevailing mercantile regulations and following *Sustainability Reporting Standards* selected criteria of the *Global Reporting Initiative* (GRI standards), as well as other criteria described in accordance with that indicated for each subject in section B.5 "Contents index of the Law 11/2018 and GRI indicators", included in the accompanying NFS.

This responsibility also includes the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

The Directors of eDreams ODIGEO, S.A. are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our Firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

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Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Guidelines on assurance engagements on the Non-Financial Statement issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to gain understanding of the business model, policies and management approaches applied, and of the main risks related to these matters, and obtaining the necessary information for our external review.
- Analysing the scope, relevance and integrity of the content included in the NFS for the year ended March 31, 2021 based on the materiality analysis made by the Group and described in section B.1.2 "Materiality", considering the content required by prevailing mercantile regulations.
- Analysing the processes for gathering and validating the data included in the NFS for the year ended March 31, 2021.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS for the year ended March 31, 2021.
- Checking, through tests, based on a selection of a sample, the information related to the content of the NFS for the year ended March 31, 2021 and its correct compilation from the data sources.
- Obtaining a representation letter from the Board of Directors and Management.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter has come to our attention that would lead us to believe that the NFS of the Group for the year ended March 31, 2021 has not been prepared, in all material respects, in accordance with the contents established in prevailing mercantile regulations and following the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in section B.5 "Contents index of the Law 11/2018 and GRI Indicators", included in the NFS.

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Use and distribution

This report has been prepared to comply with prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

This report has been assigned stamp nº **20/21/02661** issued by the Col·legi de Censors Jurats de Comptes de Catalunya (Association of Certified Public Accountants of Catalonia)

ERNST & YOUNG, S.L.

Antonio Capella Elizalde

May 26th, 2021

A member firm of Ernst & Young Global Limited

B.

Non Financial **Information**

B.7. Contact and Public Reports

| B.7.1. Contact

www.edreamsodigeo.com

For further information please contact:

Investor Relations Office
5 Merchant Square
London , W2 1AY
United Kingdom

investors@edreamsodigeo.com

| B.7.2. Other publicly available reports

Annual Report on Corporate Governance FY21:
https://www.edreamsodigeo.com/category/investors/annual-report-on-corporate-governance/

Annual Directors Remuneration Report FY21:
https://www.edreamsodigeo.com/category/investors/remmuneration-of-directors-reports/

Other Annual reports:
https://www.edreamsodigeo.com/category/investors/other-annual-reports/

- Audit Committee Activity Report FY21
- External Auditors Independence & EY letter FY21
- Remuneration and Nomination Committee Activity Report FY21
- Responsible Business Conduct Statement FY21

C.

Consolidated Financial **Statements & Notes**

C.

Consolidated Financial **Statements & Notes**

C.1. Audit Report

Audit Report on Financial Statements issued by an Independent Auditor

eDreams ODIGEO, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and Consolidated Management Report for the year ended March 31, 2021

EY
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Ernst & Young, S.L.
Edificio Sarrià Forum
Avda. Sarrià, 102-106
08017 Barcelona
España

Tel: 933 663 700
Fax: 934 053 784
ey.com

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of eDreams ODIGEO, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of eDreams ODIGEO, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at March 31, 2021, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at March 31, 2021 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Domicilio Social: C/Raimundo Fernández Villaverde, 65. 28003 Madrid -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1 inscripción 1ª, Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

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 our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Analysis of the Group's liquidity position as a result of the Covid-19 pandemic

Description

As indicated in Note 3.2 to the accompanying consolidated financial statements, the Covid-19 pandemic has significantly impacted the industry in which the Group operates, causing a major decrease in bookings throughout the travel industry and a high number of flight cancellations, resulting in a substantial reduction in revenue from commercial activities.

The early assessment of the Group's liquidity and operational feasibility risks and, ultimately, the appropriate application of the going concern principle requires the Parent Company's Directors to make complex estimates, which entails making judgments about cash projections. In turn, in addition to the uncertainty inherent in any estimate, these judgments depend on the current context derived from the pandemic and its impacts on the industry in which the Group operates.

We have considered this matter a key audit matter due to the complexity of the aforementioned judgments and the fact that any change therein could have a significant impact on the accompanying consolidated financial statements, considering the relevance of the impacts that Covid-19 has had on the Group's activity.

Our response

Our audit procedures for this area consisted, among others, in:

- Assessing, in collaboration with our valuations specialists, the reasonableness of the main assumptions applied by the Directors of the Parent Company regarding the cash flow projections approved by Management as to whether they are realistic, reachable and consistent with internal and external sources, including understanding the main judgments applied on the estimates made and assessing the sensitivity of results to changes in the assumptions made. For that purpose, among other procedures, we have compared the projections provided with market research studies conducted by independent third parties on the industry in which the Group operates.
- Assessing the level of alignment of actual results for the year with previously budgeted results, as well as the consistency between the revised short-term cash projection and the Group's annual budget for 2022.
- Performing review procedures over subsequent events occurred up to the date of our report, including the assessment of actual data on the main figures included in cash projections.
- Obtaining evidence of the waiver until June 2022 for the only Gross leverage ratio covenant of the Super Senior Revolving Credit Facility, which has been granted to the Parent Company of the Group by the creditor banks.
- Reviewing the information disclosed in the notes to the consolidated financial statements in accordance with the applicable regulatory framework for financia information.

Measurement of goodwill and brands

Description

The Group has recorded in "Intangible assets" goodwill and brands for a net carrying amount at March 31, 2021 of 631,920 thousand euros and 211,041 thousand euros, respectively, which account for 85% of total Assets.

As indicated in notes 5.3 and 5.13 to the accompanying consolidated financial statements, Group Management tests these assets for impairment at least annually to determine the recoverable amount of the cash-generating units (CGU) to which these assets have been allocated. The recoverable amount is the higher of fair value less costs to sell and value in use, so when the carrying amount exceeds the recoverable amount, the asset is considered impaired.

The assessment made by Group Management of the recovery of these assets is based on the estimates of value in use, which is the present value of expected future cash flows, using risk-free market interest rates, adjusted by the specific risks associated with the asset.

We have considered this matter a key audit matter due to the complexity of the recoverable amount estimation process, which requires Group Management to make significant estimates, specifically, of the assumptions that support the generation of expected future cash flows, considering also the relevance of these assets.

The main criteria used to conclude on whether an impairment loss should be recorded on the assets described, as well as the assumptions applied and the sensitivity analysis conducted, are disclosed in notes 18 and 19 to the accompanying consolidated financial statements.

Our response

Our audit procedures for this area consisted, among others, in:

- Understanding the process implemented by the Group to determine the recoverable amount of the assets subject to impairment review, which also includes evaluating the design and implementation of the relevant controls established in the aforementioned process.
- Assessing, in collaboration with our valuations specialists, the methodology used by the Group in the impairment tests and the reasonableness of the main assumptions applied by Management regarding the several scenarios considered for the five-year expected future cash flow projections, including the validation of the discount rate and long-term growth rate. For that purpose, among other procedures, we have compared them with market research studies conducted by independent third parties on the industry in which the Group operates and assessed the sensitivity of the results to changes in the assumptions made in the uncertainty environment caused by Covid-19.
- Reviewing the information disclosed in the notes to the consolidated financial statements in accordance with the applicable regulatory framework for financial information.

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Recognition of revenue from intermediation services

Description	As described in Note 5.4 to the accompanying consolidated financial statements, the Group obtains a hightly significant portion of its revenue from intermediation services in the sale of flights, hotel rooms, dynamic packages, and other travel-related services. Consequently, the Group recognizes its revenue at the fair value of the consideration received or receivable and when the customer has acknowledged and accepted the Group's terms and conditions describing the service provided, as well as the corresponding payment conditions. The Group considers revenue to be determinable when the product or service has been delivered or rendered in accordance with the said agreement. These sales are made through different channels associated with specific IT systems, as well as different collection and payment platforms available to the Group. We have considered this matter a key audit matter due to the high volume of transactions involved, their automation, diversity of channels, IT systems used and nature of collections and payments, as well as the relevance of the amounts involved.
Our response	Our audit procedures for this area consisted, among others, in: • Understanding the process implemented by the Group for recognizing revenue from intermediation services, which also includes evaluating the design, implementation and operating effectiveness of the relevant controls established in the aforementioned process. • Analyzing, in collaboration with our IT specialists, the IT systems and integrity of the information related to the applications involved in the revenue recognition process, both at the level of general controls and application controls, validating that the information flows correctly through them; • Based on the journal, applying data analytics and reviewing the correlations between revenue, accounts receivable and collections. • Doing a test on sales transactions for a representative sample in order to validate their existence and correct accrual and recording by verifying their collection, among other procedures. • Reviewing the information disclosed in the notes to the consolidated financial statements in accordance with the applicable regulatory framework for financial information.

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Other information: consolidated management report

Other information refers exclusively to the 2021 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and Annual Report on the Remuneration of Directors, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2021 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine 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 directors of the parent company are 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 directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives 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 an auditor's report that includes our opinion.

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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain 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 prevailing audit regulations in Spain, we exercise professional judgement 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 management.
- Conclude on the appropriateness of the 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 auditor's report 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 auditor's report. 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 or 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 the audit committee of the parent company 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 the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, 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.

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We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of eDreams ODIGEO, S.A. and subsidiaries for the 2021 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of eDreams ODIGEO, S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and Annual Report on the Remuneration of Directors has been included by reference in the consolidated management report.

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on May 26, 2021.

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Term of engagement

The extraordinary) general shareholders' meeting held on September 23, 2020 appointed us as auditors for 1 year, commencing on March 31, 2020.

Previously, Ernst & Young in Luxembourg was appointed as auditors by the shareholders for 1 year and they have been carrying out the audit of the financial statements continuously since March 31, 2017.

ERNST & YOUNG, S.L.

Joan Tubau Roca

May 26, 2021

C.

Consolidated Financial
Statements & Notes

C.2. Consolidated Financial Statements

C.2.1. Consolidated Income Statement

(Thousands of euros)	Notes	Year ended 31st March 2021	Year ended 31st March 2020
Revenue		107,172	561,762
Cost of sales		3,918	(33,099)
Revenue Margin	9	**111,090**	**528,663**
Personnel expenses	10	(47,783)	(56,037)
Depreciation and amortization	11	(35,353)	(34,525)
Impairment loss	11	(30,580)	(74,917)
Gain / (loss) arising from assets disposals	11	—	(490)
Impairment loss on bad debts	21.2	1,417	(2,428)
Other operating expenses	12	(109,740)	(369,515)
Operating profit / (loss)		**(110,949)**	**(9,249)**
Interest expense on debt		(27,777)	(25,348)
Other financial income / (expenses)		85	(4,481)
Financial and similar income and expenses	13	**(27,692)**	**(29,829)**
Profit / (loss) before taxes		**(138,641)**	**(39,078)**
Income tax	14	14,412	(1,445)
Profit / (loss) for the year from continuing operations		**(124,229)**	**(40,523)**
Profit for the year from discontinued operations net of taxes		—	—
Consolidated profit / (loss) for the year		**(124,229)**	**(40,523)**
Non-controlling interest - Result		—	—
Profit / (loss) attributable to shareholders of the Company		**(124,229)**	**(40,523)**
Basic earnings per share (euro)	7	**(1.13)**	**(0.37)**
Diluted earnings per share (euro)	7	**(1.13)**	**(0.37)**

The accompanying notes 1 to 36 and appendices are an integral part of these consolidated financial statements.

C.2.2. Consolidated Statement of Other Comprehensive Income

(Thousands of euros)	Year ended 31st March 2021	Year ended 31st March 2020
Consolidated profit / (loss) for the year (from the income statement)	**(124,229)**	**(40,523)**
Income / (expenses) recorded directly in equity	**3,369**	**(3,980)**
Exchange differences	3,369	(3,980)
Total recognized income / (expenses)	**(120,860)**	**(44,503)**
a) Attributable to shareholders of the Company	(120,860)	(44,503)
b) Attributable to minority interest	—	—

The accompanying notes 1 to 36 and appendices are an integral part of these consolidated financial statements.

C.2.3. Consolidated Statement of Financial Position

ASSETS

(Thousands of euros)	Notes	31st March 2021	31st March 2020
Goodwill	15	631,920	654,746
Other intangible assets	16	299,541	316,979
Property, plant and equipment	17	7,865	8,403
Non-current financial assets	20	2,199	2,597
Deferred tax assets	14.5	6,449	1,585
Non-current assets		**947,974**	**984,310**
Trade receivables	21.1	15,233	48,802
Other receivables	21.3	3,757	9,350
Current tax assets	14.4	7,142	7,568
Cash and cash equivalents	22	12,138	83,337
Current assets		**38,270**	**149,057**
TOTAL ASSETS		**986,244**	**1,133,367**

The accompanying notes 1 to 36 and appendices are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	31st March 2021	31st March 2020
Share capital		11,878	11,046
Share premium		974,512	974,512
Other reserves		(590,337)	(555,321)
Treasury shares		(4,088)	(3,320)
Profit / (loss) for the year		(124,229)	(40,523)
Foreign currency translation reserve		(9,266)	(12,635)
Shareholders' equity	23	**258,470**	**373,759**
Non-controlling interest		—	—
Total equity		**258,470**	**373,759**
Non-current financial liabilities	25	488,745	489,368
Non-current provisions	26	6,953	7,643
Deferred tax liabilities	14.5	19,584	32,465
Trade and other non-current payables	27	6,160	7,951
Non-current liabilities		**521,442**	**537,427**
Trade and other current payables	27	148,521	137,901
Current financial liabilities	25	24,500	48,228
Current provisions	26	8,227	17,696
Current deferred revenue	28	22,192	14,883
Current tax liabilities	14.4	2,892	3,473
Current liabilities		**206,332**	**222,181**
TOTAL EQUITY AND LIABILITIES		**986,244**	**1,133,367**

C.2.4. Consolidated Statement of Changes in Equity

(Thousands of euros)	Notes	Share capital	Share premium	Other reserves	Treasury shares	Profit / (loss) for the year	Foreign currency translation reserve	Total equity
Closing balance at 31st March 2020		**11,046**	**974,512**	**(555,321)**	**(3,320)**	**(40,523)**	**(12,635)**	**373,759**
Total recognized income / (expenses)		**—**	**—**	**—**	**—**	**(124,229)**	**3,369**	**(120,860)**
Capital increases / (decreases)	23.1	832	—	—	(832)	—	—	—
Acquisitions & disposals of treasury shares	23.5	—	—	—	—	—	—	—
Transactions with treasury shares	23.5	—	—	(64)	64	—	—	—
Operations with members or owners		**832**	**—**	**(64)**	**(768)**	**—**	**—**	**—**
Payments based on equity instruments	24	—	—	6,111	—	—	—	6,111
Transfer between equity instruments		—	—	(40,523)	—	40,523	—	—
Other changes	23.4	—	—	(540)	—	—	—	(540)
Other changes in equity		**—**	**—**	**(34,952)**	**—**	**40,523**	**—**	**5,571**
Closing balance at 31st March 2021		**11,878**	**974,512**	**(590,337)**	**(4,088)**	**(124,229)**	**(9,266)**	**258,470**

(Thousands of euros)	Notes	Share capital	Share premium	Other reserves	Treasury shares	Profit / (loss) for the year	Foreign currency translation reserve	Total equity
Closing balance at 31st March 2019		**10,972**	**974,512**	**(565,046)**	**—**	**9,520**	**(8,655)**	**421,303**
Total recognized income / (expenses)		**—**	**—**	**—**	**—**	**(40,523)**	**(3,980)**	**(44,503)**
Capital increases / (decreases)		74	—	(74)	—	—	—	—
Acquisitions & disposals of treasury shares	23.5	—	—	(1,055)	(4,946)	—	—	(6,001)
Transactions with treasury shares	23.5	—	—	(1,626)	1,626	—	—	—
Operations with members or owners		**74**	**—**	**(2,755)**	**(3,320)**	**—**	**—**	**(6,001)**
Payments based on equity instruments	24	—	—	2,962	—	—	—	2,962
Transfer between equity instruments		—	—	9,520	—	(9,520)	—	—
Other changes		—	—	(2)	—	—	—	(2)
Other changes in equity		**—**	**—**	**12,480**	**—**	**(9,520)**	**—**	**2,960**
Closing balance at 31st March 2020		**11,046**	**974,512**	**(555,321)**	**(3,320)**	**(40,523)**	**(12,635)**	**373,759**

The accompanying notes 1 to 36 and appendices are an integral part of these consolidated financial statements.

C.2.5. Consolidated Cash Flows Statement

(Thousands of euros)	Notes	Year ended 31st March 2021	Year ended 31st March 2020
Net profit / (loss)		(124,229)	(40,523)
Depreciation and amortization	11	35,353	34,525
Impairment and results on disposal of non-current assets	11	30,580	75,407
Other provisions		(20,237)	18,078
Income tax	14	(14,412)	1,445
Finance (income) / loss	13	27,692	29,829
Expenses related to share-based payments	24	6,111	2,962
Other non-cash items		(157)	(3,039)
Changes in working capital		65,008	(207,408)
Income tax paid		(5,281)	(12,635)
Net cash from operating activities		**428**	**(101,359)**
Acquisitions of intangible assets and property, plant and equipment		(21,707)	(30,001)
Acquisitions of financial assets		(20)	(20)
Proceeds from disposals of financial assets		71	277
Business combinations net of cash acquired		—	(6,456)
Net cash used in investing activities		**(21,656)**	**(36,200)**
Acquisition of treasury shares	23.5	—	(7,930)
Disposal of treasury shares		—	1,929
Borrowings drawdown	25.3	15,000	109,500
Reimbursement of borrowings	25.3	(56,986)	(3,099)
Interests paid	25.3	(25,707)	(23,740)
Other financial expenses paid	25.3	(1,758)	(1,816)
Interest received		—	20
Net cash from / (used) in financing activities		**(69,451)**	**74,864**
Net increase / (decrease) in cash and cash equivalents		**(90,679)**	**(62,695)**

The accompanying notes 1 to 36 and appendices are an integral part of these consolidated financial statements.

(Thousands of euros)	Notes	Year ended 31st March 2021	Year ended 31st March 2020
Net increase / (decrease) in cash and cash equivalents		**(90,679)**	**(62,695)**
Cash and cash equivalents at beginning of period		83,337	148,831
Effect of foreign exchange rate changes		2,833	(2,799)
Cash and cash equivalents net of bank overdrafts at end of period		**(4,509)**	**83,337**
Cash and cash equivalents	22	12,138	83,337
Bank overdrafts	25	(16,647)	—
Cash and cash equivalents net of bank overdrafts at end of period		**(4,509)**	**83,337**

C.

Consolidated Financial **Statements & Notes**

C.3. Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

eDreams ODIGEO, S.A. (the "Company"), 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 14th February 2011, for an unlimited period. In January 2014, the denomination of the Company changed to eDreams ODIGEO, S.A. and its corporate form from S.à r.l. to S.A. ("Société Anonyme").

On 31st March 2020, the Group announced its plan to move the Group's registered seat ("siège sociale") and administration center ("administration centrale") from Luxembourg to Spain, to achieve organizational and cost efficiencies.

On 23rd September 2020, the Extraordinary Shareholders' Meeting ratified the Company's plan to move the registered office to Spain and consequently for the Company to become a Spanish company in the corporate form of "Sociedad Anónima".

The change in nationality of the Company was effective on 10th March 2021, once the Spanish public deed was registered in the Commercial Registry of Madrid. Following the change in nationality, the denomination of the Company changed from eDreams ODIGEO, S.A. ("Société Anonyme") to eDreams ODIGEO, S.A. ("Sociedad Anónima").

The new registered office is located at calle López de Hoyos 35, Madrid, Spain (previously, located at 4, rue du Fort Wallis, L-2714 Luxembourg).

eDreams ODIGEO, S.A. and its direct and indirect subsidiaries (collectively the "Group") headed by the Company, as detailed in note 36, 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.

The accompanying consolidated financial statements for the year ended 31st March 2021 was approved by the Company's Board of Directors at its meeting on 26th May 2021 for submission for approval at the General Shareholders' Meeting, which is expected to occur without modification.

2. SIGNIFICANT EVENTS DURING THE PERIOD

2.1. Temporary reduction of working hours

On 31st March 2020, the Group filed an application with the Spanish Labour Authority to request that it verifies the existence of a force majeure event – the loss of activity as a direct consequence of COVID-19, pursuant to article 22 of Royal Decree-law 8/2020 of the Spanish Law, of 17th March 2020, of urgent extraordinary measures to deal with the economic and social impact of COVID-19 - to carry out a temporary reduction of working hours or "ERTE", the Spanish acronym for Expediente de Regulación Temporal de Empleo.

The ERTE application implied a temporary reduction of the working hours, with a proportional reduction of the affected employees' remuneration, and it was applied between April 2020 and November 2020. The ERTE did not apply to some collectives, such as the employees that perform customer service roles.

During the period in which the ERTE was applied, the affected employees collected public unemployment benefits under the terms of the applicable regulations. In addition, the Group complemented these benefits, as further explained below. The Company benefited from certain exemptions (between 75% and 25%) of the Social Security contribution corresponding to the reduction of working hours for a total amount of €0.9 million.

From 1st April until 31st August 2020, the working hours of the employees in the ERTE were 60%, and the Group complemented the public unemployment benefits so that the affected employees effectively received 80% of their net remuneration.

From 1st September 2020 until 30th November 2020, the working hours of the employees in the ERTE were 80%, and the Group complemented the public unemployment benefits so that the affected employees effectively received 90% of their net remuneration.

In the rest of the countries where the Group has employees, the measures applied have been similar to those in Spain, with Government schemes in Australia, France and Germany, and voluntary agreements for reduction of hours in Hungary, Italy, Portugal and the United Kingdom. These measures have had a lower impact due to the lower number of employees in these countries compared to Spain.

Effective from 1st December 2020, the Group has lifted the measures of temporary reduction of working hours in all countries.

2.2. SSRCF Covenant Waiver

On 21st April 2020, the Group announced that successful discussions with its lenders have resulted in its Super Senior Revolving Credit Facility ("SSRCF") only covenant of Gross Leverage Ratio being waived for the year ended 31st March 2021, achieving further financial flexibility for the Group (see note 25). Interest on the SSRCF and the 2023 Senior Notes continued to be paid as usual.

On 30th April 2021, the Group announced that it has obtained for the same Gross Leverage Ratio covenant an additional waiver for the year ended 31st March 2022 (see note 35.1). Therefore, the next testing quarter for the covenant will be 30th June 2022.

2.3. New Government sponsored loan

On 30th June 2020, the Group's subsidiary Vacaciones eDreams, S.L. signed a syndicated loan for €15 million, guaranteed by the Spanish Official Credit Institute (ICO). The arrangement is within the legal framework set up by the Spanish government to mitigate the economic impact of COVID-19.

The loan has a three-year term, with 25% biyearly repayments starting at 18 months. The interest rate of the loan is the EURIBOR benchmark rate plus a margin of 2.75%.

The €15 million funds from the loan were received by the Group on 7th July 2020 (see note 25).

2.4. Issue of shares

On 7th July 2020, previous to its relocation to Spain, the Board of Directors resolved to issue 8,318,487 new shares, corresponding to the maximum amount of shares available pursuant to the authorized capital included in the current Articles of Association of the Company effective as at that date, to serve the Group's LTIPs ("Long Term Incentive Plans", see note 24).

It was also agreed that the shares would be delivered to the beneficiaries in accordance with the timetable set out by the Board of Directors at the time the LTIPs were approved and which, generally, are expected to occur on or before the publication of the Company's financial results for the first three reporting quarters, provided that the relevant allocation parameters are met. Any non-allocated shares at the end of the LTIPs would be cancelled.

These shares were subscribed by eDreams International Network, S.L. in accordance with Luxembourg law, which was the law applicable to the Company at the time.

The new shares will be held by the Group as treasury stock and therefore both the economic and political rights of the new shares are suspended.

Following the issue of the 8,318,487 shares, the Company's share capital amounts to €11,878,153 and is represented by 118,781,530 shares with a par value of €0.10 per share.

2.5. Delivery of treasury shares

On 25th August 2020, the Board of Directors resolved to deliver 217,516 treasury shares (see note 23.5) to the beneficiaries of the 2016 Long-Term Incentive Plan (see note 24.1).

On 17th November 2020, the Board of Directors resolved to deliver 216,183 treasury shares (see note 23.5) to the beneficiaries of the 2016 Long-Term Incentive Plan (see note 24.1).

On 19th February 2021, the Board of Directors resolved to deliver 210,516 treasury shares (see note 23.5) to the beneficiaries of the 2016 Long-Term Incentive Plan (see note 24.1).

2.6. Brexit

During the current fiscal year, Brexit came into full effect, having a negligible impact on the Group's operations in the United Kingdom (UK). COVID-19 was the main factor adversely affecting booking volumes, while Brexit had minimal impact in comparison. Furthermore, Brexit has not had a significant impact on business projections for the UK, these being already impacted by the COVID-19 pandemic (see note 18).

From an operational perspective, before the Brexit transition period ended, the Group ceased operations in its UK company and concentrated all business in Spain. The UK entity remains the licensor of the Opodo brand. The sale of packages in the UK by an EU entity requires the granting of an ATOL license by the UK Civil Aviation Authority. This license is subject to the same conditions than the ones required from UK online travel agencies.

From a fiscal perspective, the impact of Brexit has been marginal. Under current rules, the intermediation of flights with departure and/or arrival in the UK continue to be zero VAT rated. The 2% Digital Sales Tax (DST) implemented by UK tax authorities, applicable regardless of Brexit, does not affect the Group, since the turnover does not reach the threshold.

2.7. Senior Management

In April 2020, the Group appointed Lindsey Auty as Chief People Officer of the Group. Mrs. Auty joined the Group in 2009 and previous to this promotion she was Head of HR International of the Group.

3. IMPACT OF COVID-19

3.1. Impact in the consolidated financial statement for the year ended 31st March 2021

COVID-19 was initially detected in China in December 2019, and over the subsequent months the virus spread to other regions, including to the Group's main markets in Europe. On 11th March 2020, the World Health Organization declared that the rapidly spreading COVID-19 outbreak was a global pandemic.

In response to the pandemic, many countries have implemented measures such as "stay-at-home" policies and travel restrictions. These measures have led to a significant decrease in Bookings across the travel sector, as well as an unparalleled level of flight cancellations. As at 31st March 2021, the development of vaccines and the programming of different plans to immunize populations against COVID-19, is promising for the travel industry as it will lead to the lifting of travel restrictions.

The main impacts of COVID-19 on the Group for the year ended 31st March 2021 are as follows:

- Reduction of trading activities, with Bookings down 70% and Revenue Margin down 79% compared with the year ended 31st March 2020.
- Cost of sales incurred by the supply of hotel accommodation where the Group acts as a principal was positive for €3.9 million due to high volume of Bookings cancellation and very low trading activity. The cancellation of the hotel accommodations correspondingly negatively impacted the gross revenue.
- Marketing and other operating expenses were down 74% compared with the year ended 31st March 2020, as a large portion is variable costs directly related to volume of Bookings (see note 12).
- As a direct consequence of the drop in volume of Bookings, the amount of trade receivables and cash and cash equivalents have significantly decreased in comparison to the pre-pandemic amounts (see notes 21 and 22).
- Forward looking information for the calculation of the impairment loss on trade receivables includes consideration of the impact of COVID-19 on the financial situations of our customers. A deep analysis has been carried out to estimate potential significant financial difficulties. To reflect the additional expected credit losses, an impairment of €0.5 million has been recognized as at 31st March 2021 (€3.1 million as at 31st March 2020). The lower impairment amount in the year ended 31st March 2021, is driven by the significant decrease in trade receivables as a consequence of the drop in volume of Bookings (see note 21).
- Additional operational provisions related to the impact of COVID-19 on cancellations on commissions and chargebacks were recognized by the Group as at 31st March 2020 and 31st March 2021. In the year ended 31st March 2021, these provisions have decreased by €8.1 million and €9.3 million respectively, due to the drop in volume and their utilization (see notes 21 and 26). The amount of these provisions as at 31st March 2021 is €2.1 million and €3.7 million, respectively (€10.2 million and €13.0 million, respectively as at 31st March 2020).
- As a result of the deterioration of the Group's business due to the COVID-19 pandemic, the projections used for the impairment test calculation have declined in value compared with the projections pre-pandemic (see notes 18 and 19). The Group has recorded an impairment loss on Goodwill and Brand for €24.1 million and €6.3 million, respectively in the year ended 31st March 2021 (€65.2 million and €8.9 million, respectively in the year ended 31st March 2020).

3.2. Future effects of COVID-19 on the Group

The consolidated financial statements have been prepared on a going concern basis, as Management considers that the Group is in a strong financial and liquidity position and that prudent management actions, since the beginning of the crisis, have secured the Group's position to ensure a rapid return to full operational effectiveness once normal activity resumes.

The Group has prepared three different scenarios of projections. These projections have been based on external reports on the travel sector published by IATA, Moody's and S&P. The Group has taken into consideration the differences that its own business has with the overall travel sector evolution based on the actual differences seen in the performance of the current year. The scenarios are different depending on the duration of the impact from the COVID-19 pandemic and the shape and timing of the subsequent recovery:

- In scenario I, herd immunity in Europe and the United States is not reached in the year ended 31st March 2022 and there are further virus outbreaks during the year. In this scenario, the Group will reach a volume of yearly Bookings similar to pre-COVID-19 levels in the year ended 31st March 2024.

- In scenario II, herd immunity in Europe and the United States is reached in the second half of the year ended 31st March 2022. In this scenario, the Group will reach a volume of yearly Bookings similar to pre-COVID-19 levels in the year ended 31st March 2023.
- In scenario III, herd immunity in Europe and the United States is reached in the second quarter of the year ended 31st March 2022. In this scenario, the Group will reach a volume of yearly Bookings higher than pre-COVID-19 levels in the year ended 31st March 2023.

The scope of the future effects of the COVID-19 pandemic on the Group's operations, cash flows and growth prospects depends on future developments. These include, among others, the severity, extent and duration of the pandemic mitigated by vaccination programs and efficacy of the vaccine.

The Group has access to funding from its €175 million SSRCF (of which, €93.8 million is available for draw down as at 31st March 2021, €60.5 million as at 31st March 2020) to manage the liquidity requirements of its operations. In April 2020 the Group obtained a 12 months waiver from its lenders regarding the only covenant of Gross Leverage Ratio of the SSRCF, achieving further financial flexibility for the Group (see notes 2.2 and 25). On 30th April 2021, the Group announced that it has obtained for the same Gross Leverage Ratio covenant an additional waiver for the year ended 31st March 2022 (see note 35.1).

Even under the worst scenario, the projections show that the liquidity of the Group will be sufficient for the next 12 months, and with ample headroom versus the €25 million limit of the new SSRCF covenant waiver (see note 35.1).

Since the beginning of the health crisis, Management has adopted and continues to follow a prudent approach to its cost base and capital expenditure. Several measures have been taken to achieve cost savings, reducing Fixed Costs & CAPEX and adding in this way extra adaptability to our business model. The Group has also adapted its strategy on some products to mitigate risks in the COVID-19 context. Finally, the Group has focused its investment in selected strategic areas: Prime, customer care, mobile and travel content to emerge stronger and well positioned from the crisis once normal activity resumes.

Even when the economic and operating conditions improve, the Group cannot predict the long-term effects of the pandemic on its business or on the travel industry in general and expects the market in which it operates to have evolved. However, as the vaccine rollout continues and travel restrictions continue to be lifted, there will be very strong demand for travel. For instance, last summer prior to the vaccine rollouts, almost 50% of the market returned in just two months in response to the lifting of the Spring lockdown restrictions. As a leisure-only focused business, the Group is at an advantage because the market in which the Group operates will recover more quickly. The Group is optimistic and believes that with vaccinations, the Group will recover quickly to Pre-COVID-19 levels or even exceed them.

4. BASIS OF PRESENTATION

4.1. 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.

4.2. New and revised International Financial Reporting Standards

The following standards and amendments come into force for the first time in the year ended 31st March 2021, but do not have an impact on the consolidated financial statements of the Group:

Standards that came into force for the Group on 1st April 2020
Definition of a Business – Amendments to IFRS 3
Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7
Definition of Material – Amendments to IAS 1 and IAS 8
The Conceptual Framework for Financial Reporting
COVID-19-Related Rent Concessions – Amendment to IFRS 16

The following standards and amendments will come into force for the first time in the year ended 31st March 2022 or after:

Standards that will come into force for the Group on or after 1st April 2021	Entry into force for annual periods commencing
Standards adopted by the European Union	
Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1st April 2021
Standards issued by the IASB and yet to be adopted by the European Union	
Reference to the Conceptual Framework – Amendments to IFRS 3	1st April 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1st April 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1st April 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1st April 2022
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1st April 2022
AIP IAS 41 Agriculture – Taxation in fair value measurements	1st April 2022
IFRS 17 Insurance Contracts	1st April 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1st April 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	1st April 2023
Definition of Accounting Estimates - Amendments to IAS 8	1st April 2023

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The Group intends to adopt the standards, interpretations and modifications to the standards issued by the IASB, which are not yet mandatory in the European Union, when they come into force, if applicable. Based on the assessment made to date, the Group estimates that the adoption of these new pronouncements will not have a significant impact on the consolidated financial statements in the initial period of application.

In the year ended 31st March 2020, the Group applied IFRIC 23 Uncertainty over Income Tax Treatments for the first time. The Interpretation did not have an impact on the consolidated financial statements of the Group, other than the reclassification of uncertain tax assets and liabilities from the headings "Non-current financial assets" and "Provisions" to the headings "Deferred tax assets" and "Deferred tax liabilities" (see note 14.5).

4.3. 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, including the COVID-19 impacts explained in note 3. Actual results may differ from these estimates.

These estimates and assumptions mainly concern the following:

Intangible assets other than goodwill: measurement, useful life and impairment

Determining the useful life of fixed assets requires estimations in relation to future circumstances, such as future technological developments.

Determining if certain assets, such as brands, have an indefinite useful life requires estimations regarding the foreseeable limit for the period over which they are expected to generate net cash inflows.

The capitalization of internally developed software requires the use of judgment to determine that the project is economically and technically feasible.

The decision to recognize a loss due to impairment of fixed assets such as software requires considering factors such as technological obsolescence, the suspension of certain services, and other circumstantial changes, which may highlight the need to assess a possible impairment. The software of the Group consists on features and functionalities that will generate future benefits. Given the relevance of the software for the Group's operations, these features and functionalities are reviewed on a monthly basis in multidisciplinary working groups involving IT, Finance and Product teams to assess if there are indicators of impairment.

The Group performs an impairment test on the value of the brands annually, or in the event of an indication of impairment, in order to identify a possible impairment in their value. Determining the recoverable value of the brands involves the use of assumptions and estimates and requires a significant degree of judgment, both in making future cash flow projections and in determining the rate of discount (WACC).

As a result of the deterioration of the Group's business due to the COVID-19 pandemic, these projections have decreased in value. At the same time, as a consequence of the uncertainty caused by the COVID-19 pandemic, the Group has proposed three weighted scenarios to calculate future flow projections. See more details about the judgments and estimates related to business projections given the uncertainty related to the COVID-19 pandemic in the section "Judgments and estimates related to business projections".

See more detail on the accounting policies for other intangible assets in note 5.13.

Allocation of the purchase price and goodwill

In business combination operations, the allocation of the purchase price and goodwill require the use of judgment and estimates to determine the fair value of the assets acquired, as well as the fair value of the consideration in the event of contingent consideration.

See more detail on the accounting policies for Business combinations, Goodwill and other intangible assets in notes 5.2, 5.3 and 5.13.

Impairment test of CGUs

The Group performs an impairment test on the value of the Cash Generating Units ("CGUs") annually, or in the event of an indication of impairment, in order to identify a possible impairment in goodwill. Determining the recoverable value of the cash-generating units to which goodwill is allocated involves the use of assumptions and estimates and requires a significant degree of judgment, both in making future cash flow projections and in determining the rate of discount (WACC).

As a result of the deterioration of the Group's business due to the COVID-19 pandemic, these projections have decreased in value. At the same time, as a consequence of the uncertainty caused by the COVID-19 pandemic, the Group has proposed three weighted scenarios to calculate future flow projections. See more details about the judgments and estimates related to business projections given the uncertainty related to the COVID-19 pandemic in the section "Judgments and estimates related to business projections".

Revenue recognition

The Group uses judgments and estimates to assess the impact on income of the risk of cancellations.

GDS incentive income is subject to cancellation. Based on historical data, the Group has always observed a very low level of flight cancellations, because the flight cancellation conditions to which the customer is subjected to are very restrictive. For this reason the risk of cancellation under normal conditions is not relevant. But in the context of the COVID-19 pandemic, given the increase in flight cancellations, the Group has considered that there is a risk of cancellation in this case. The Group has estimated the risk of flight cancellations considering the most recent data on restrictions and cancellations, using external information provided by certain suppliers.

For the supplier commissions from hotel and car rental providers (including where the Group acts as principal), the Group calculates a cancellation provision for the commissions related to Bookings validated but not consumed as of the reported closing date. This provision is based on the historical percentages of cancellations. However, in the context of the COVID-19 pandemic, the Group has estimated that the expected cancellations are higher than the historical ones and has increased the percentages based on trends during the COVID-19 affected period and the timing of confinement measures and quarantine requirements.

Likewise, the Group also uses judgments to determine the revenue recognition criteria applicable to its sales.

See more detail on the accounting policies related to the recognition of income in note 5.4.

Income tax and recoverability of deferred tax assets

The Group assesses the recoverability of deferred tax assets based on estimates of future results by tax group. Such recoverability ultimately depends on the Group's ability to generate taxable profits during the period in which the deferred tax assets remain deductible.

This analysis is based on the estimated schedule to reverse deferred tax liabilities, as well as estimates of taxable earnings. These estimates are obtained based on the Group's business plan projections. These projections include Management's best estimates, which are consistent with external information, past experience and future expectations (see more details on the judgments and estimates related to the business projections given the uncertainty related to the COVID-19 pandemic in section "Judgments and estimates related to business projections").

The recognition of tax assets and liabilities depends on a number of factors, including estimates of the timing and realization of deferred tax assets and the projected tax basis schedule. The actual receipts and payments of the Group's corporate tax could differ from the estimates made by the Group as a result of changes in tax legislation, the result of ongoing tax procedures or unforeseen future transactions that could affect tax balances.

See more detail on the accounting policies for income tax in note 5.12.

Share-based payment valuation

The Group's share-based payments are subject to service and performance conditions, not market conditions. The valuation of the Group's share-based payments depends on the fair value of the rights granted, as well as the estimate of the number of shares expected to be delivered. At the end of each reporting period, the Group reviews its estimate of the number of shares expected to be delivered based on historical employee turnover and the estimate of compliance with performance targets.

See more detail on the accounting policies for share-based payments in note 5.11.

Provisions

The Group uses judgments to determine the probability of occurrence of the risks to which it is exposed, and estimates to quantify said risks. Due to the uncertainties inherent in the estimates necessary to determine the amount of provisions, actual disbursements may differ from the amounts originally recognized. See more detail on the accounting policies for provisions in note 5.15.

As part of the Group's provisions, it is worth highlighting the provision for chargebacks. The risk of flight cancellations and airline bankruptcy exposes the Group to an increased risk of voluntary chargeback from the customer, cancelling payments previously validated. Unjustified chargebacks initiated by customers are disputed by the Group to its customers, and chargebacks and Booking cancellations are claimed by the Group to its suppliers, as it is its right. To estimate both the customer's chargeback risk and the amount to be recovered from the supplier, the Group estimates and books a provision based on historical statistics. Likewise, the Group has considered that due to the increase in flight cancellations and the greater risk of bankruptcy of airlines related to the COVID-19 pandemic, the risk is greater than usual for customers to return the payment of a Booking if the flight is cancelled.

Judgments and estimates related to credit risk

The Group has established a matrix of provisions by type of customer, based on the Group's historical credit loss experience to estimate the customer's credit risk. In-depth analysis has been conducted to estimate potential significant financial distress and additional credit risk. This analysis is based on a combination of the last available external rating at the time of analysis (Dun & Bradstreet rating), quantitative analysis (for example, increase in fuel price, volume of routes cancelled by airlines, percentage of sales in areas heavily impacted by COVID-19, financial ratios, etc.) and additional relevant comments from our Airline Risk Committee.

The Group has established an Airline Risk Committee that meets twice a week to review the decisions on credit risk categories assigned to airlines we intermediate. The Committee evaluates results publications of publicly traded airlines, press updates and industry information collected by our supplier relations team. For non-publicly traded airlines we are often able to obtain information directly from their finance teams on their financial situation. Depending on our estimate of available liquidity and cash burn for every airline we adjust the credit risk category, which has consequences on the limitations to intermediate their flight inventory both on amount of time to departure and payment method to the airline.

Based on the quantitative and qualitative factors previously mentioned, the Group determines three different risk ranges (high, medium, low) to recognize an additional credit risk provision, see impact in note 21.2

The applied risk percentage corresponds to the highest range in our historical statistics or is a judgment percentage based on our best estimate. See note 21.2.

Judgments and estimates related to business projections

The consolidated financial statements have been prepared on a going concern basis, as Management considers that the Group is in a strong financial and liquidity position and that prudent management actions since the beginning of the crisis will secure the Group's position to ensure a rapid return to full operational effectiveness once normal activity resumes (see note 3).

Given the uncertainty related to the COVID-19 pandemic (see note 3), Group Management has prepared three different 5-year projection scenarios, depending on the duration of the impact of the COVID-19 pandemic and the form and timing of subsequent recovery. See details of the main assumptions used in the financial projections in notes 18 and 19.

4.4. Changes in consolidation perimeter

There have been no changes in the consolidation perimeter since 31st March 2020.

4.5. Comparative information

The Directors present, for comparative purposes, together with the figures for the year ended 31st March 2021, the previous period's 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 flows statement and the quantitative information required to be disclosed in the consolidated financial statements.

The figures for the year ended 31st March 2021 have been impacted by the COVID-19 pandemic (see note 3) in the full year, whereas the figures corresponding to the previous period were impacted only at the end of the period, which impacts the comparability of the figures.

4.6. Working capital

The Group had negative working capital as of 31st March 2021 and 31st March 2020, which is a common circumstance in the business in which the Group operates and considering its financial structure. It does not present any impediment to its normal business.

The Group's €175 million Super Senior Revolving Credit Facility ("SSRCF") is available to fund its working capital needs and guarantees, of which €93.8 million are available for cash drawn down as at 31st March 2021 (€60.5 million as at 31st March 2020). See note 25.

5. 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.

5.1. Basis, scope and methods of consolidation

The consolidated financial statements incorporate the financial statements of eDreams ODIGEO, S.A. and entities controlled by the Company (its subsidiaries) up to 31st March 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 (if any), 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 on 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.

5.2. Business combinations

The Group will apply the amendments to IFRS 3 to any business combination occurring after 1st April 2020.

Acquisitions of businesses are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether they include, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

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 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. Other changes in the fair value of the contingent consideration are recognized in profit or loss.

5.3. 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 market, except Metasearch and Connect (which are their own Cash Generating Units "CGU"), 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 CGU 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 (see note 18) 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.

5.4. Revenue recognition

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

All Revenue of the Group is revenue from contracts with customers.

The Group makes travel and travel related services available to customers and travelers directly through its websites.

The Group generates its revenue from the intermediation services regarding the supply of (i) flight services including air passenger transport by regular airlines and Low Cost Carriers (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's 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, the Group also generates revenue from non-travel related services, such as revenue for the supply of advertising services on its websites, commissions received from credit card companies and fees charged on toll calls.

The Group recognizes revenue when (i) there is evidence of a contractual relationship in respect of services provided, (ii) the separate performance obligations in the contract are identified, (iii) the transaction price is determinable and collectability is reasonably assured, (iv) the transaction price is allocated to the separate performance obligation, and (v) the services are provided to the customer (performance obligation satisfied). 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.

Where the Group acts as a disclosed agent, i.e. bears no inventory risk and is not the primary obligor in the arrangement, it only recognizes as revenue its intermediation services and commissions relating to the supply of intermediation services in respect of scheduled air passenger transport, hotel accommodations, car rentals and travel packages. The Group does not recognize any revenue and cost of sales relating to the supply of the underlying travel services by the travel suppliers for which it acts as disclosed agent. The Group, in its capacity of disclosed agent, has no ability to determine or change the travel services for which it acts as intermediary.

Where the Group acts as a disclosed agent, travel supplier incentives are recognized based on the achievement of certain sales targets during a certain agreed period. The Group therefore recognizes such commissions as income where it is considered highly probable that agreed targets will be met and the commissions are quantifiable. Where it is probable that the agreed targets will be met, revenue is recognized based on the percentage of total agreed incentives achieved at the reporting date.

The Group only acts in its own name to customers in respect of the supply of certain hotel accommodation by a designated company of the Group, whereby this company purchases hotel accommodation from hoteliers for the onwards supply to its customers at a price determined by this group company. In this case, the Company has the primary responsibility for the supply of the hotel accommodation. In this case the Group recognizes revenue on a "gross" basis which equals the gross value of the service supplied to the customer, net of VAT, with any related expenditure charged as cost of sales.

The recognition of travel supply revenue on a "gross" basis or the recognition of intermediation revenue depends on whether the Group is considered to act as a principal or as a disclosed agent in its transactions. Therefore, the Group assesses whether it controls the travel services supplied to the customers. In performing this assessment, the Group gives regard to the contractual relationship between the parties 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 primarily responsible for fulfilling the promise to provide the specified good or service, the Group has inventory risk or has discretion in establishing the customer price of the travel service, and has discretion in the selection of the supplier of the travel service.

Basis of Revenue Recognition

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

Income stream	Main performance obligation	Basis of revenue recognition
Scheduled flight intermediation services	Intermediation service	Date of Booking
Airline incentives	Intermediation service	Accrued based on meeting sales targets
GDS incentives	Intermediation service	Date of Booking
Supplier intermediation revenue (flights, hotels and cars)	Intermediation service	Date of Booking
Dynamic Packages intermediation revenue (including the flight portion thereof)	Intermediation service	Date of Booking
Advertisement services revenue	Advertising display	Date of display
Metasearch	Provide traffic	Date of click or date of purchase
Insurance intermediation revenue	Intermediation service	Date of Booking
Cancellation and Modification for any reason	Right to cancel / modify during the coverage period	Accrued based on service period
Prime	Right to discounts on Bookings for a certain period	Accrued based on usage
Hotel accommodation as principal	Right to hotel accommodation	Date of Booking

For flight intermediation services, net revenue is 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.

Additionally, 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.

In the event of the cancellation of a Booking, the GDS incentives earned are reversed. Before the COVID-19 pandemic, such cancellations were not relevant. Nonetheless, as explained in note 4.3, in the context of the COVID-19 pandemic, the Group recognizes there is a cancellation risk and this has been estimated based on the most recent data regarding restrictions and cancellations, using external information provided by certain suppliers. (see note 21.1 "Provision for Booking cancellation").

The Group also receives incentives from airlines for its intermediation services, which it recognizes based on the achievement of targets set by contract, that mainly relate to the amount of Bookings that have been flown, and consequently are not subject to cancellation.

In case of commissions from hotel and car rental providers for intermediation services regarding hotel accommodation, Dynamic packages and car rentals, net revenue is recognized at the date of Booking. However, a provision is recognized to cover the risk of cancellation of the Bookings made prior to the reported closing date and with future departure date. The provision is updated, at least, at each quarterly closing. This provision has been calculated to cover the risk of loss on commission based on the historical average cancellation rate by markets, and external factors such as confinement measures and quarantine requirements in the context of COVID-19 (see note 21.1 "Provision for Booking cancellation").

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 , as well as for searches, clicks and purchases generated by our metasearch activities. The revenue recognition policy for advertising revenue is at the date of publication over the delivery period, depending on the terms of the advertising contract. Regarding metasearch services, the revenue is recognized, depending on the particular agreement, at the date of click or date of purchase.

Regarding insurance intermediation revenue, it is recognized at the date of Booking, as it is when the Group provides its intermediation service.

Cancellation or Modification services for any reason consist of offering the customer the option to cancel or modify their flight for any reason during the coverage period. The Group considers that the performance obligation is the coverage service, and therefore this is accrued based on the period during which the client has the option of cancelling or modifying the reservation. In the event that the customer does not exercise their right to cancellation or modification, the income is accrued linearly during the coverage period. However, if the customer decides to exercise their right to cancellation, the accrual will be accelerated, since the right expires once it has been exercised.

The Prime service consists of the right to discounts on all Bookings made during the contractual period. This service can be used several times within the contractual period. The Group accrues income based on usage, which refers to each instance the customer uses Prime to make a Booking with a discount.

During the year ended 31st March 2020, the Group changed the accrual estimate, from a straight linearization to an estimate based on usage. This change was supported by historical data on the service consumption pattern and it was applied prospectively and resulted in lower revenue recognition during the year ended 31st March 2020 by €2.5 million.

For all revenue, if the judgements are inaccurate, actual revenue could differ from the amount the Group recognizes, directly impacting its reported revenue.

The timing of revenue recognition, invoicing and cash collections results in invoiced trade receivables, accrued income (contract assets), and deferred revenue (contract liabilities) on the Consolidated Balance Sheet. Generally, invoicing occurs subsequent to revenue recognition, resulting in contract assets. However, advances received prior to revenue recognition give rise to contract liabilities.

5.5. Cost of sales

Cost of sales primarily consists of direct costs associated with the supply of travel services as principal with the aim of generating revenue, relating to the supply of certain hotel accommodation by a designated company of the Group (see note 5.4). The cost of sales is variable in nature and is primarily driven by transaction volumes. The Group does not acquire inventory in advance, as the acquisitions are managed on demand.

5.6. Operating profit

Operating profit consists of Revenue Margin, after deducting personnel expenses, other operating income or expenses, depreciation and amortization, impairment and charges net of reversals of provisions.

5.7. Financial result

Financial result consists of income and expense relating to the Group's net financial debt during the accounting period.

5.8. Leasing

At inception of a contract, the Group assesses whether a contract is, or contains, a lease, based on the following characteristics:

- The contract involves the use of an identified asset that is physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset, that is, the Group has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site at which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimate useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, for its office leases, the Group uses its incremental borrowing rate as the discount rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to acquire an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, guarantees and conditions.

The lease term is estimated taking into consideration the contract clauses regarding renewal and/or early termination, as well as Management's expectation regarding the exercise of the clauses.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in "Property, Plant and Equipment" and lease liabilities in "Financial Liabilities" in the consolidated statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.9. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in foreign currencies (i.e. currencies other than the Euro, the Company's functional currency) 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.

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

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.

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. 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.

5.10. 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 is 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 what 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 specified time (vesting period). In this case, past service costs are amortized using the straight-line method over the vesting period.

5.11. 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 equity-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.

The value of the plan depends only on internal conditions and they are valued at the market value of the share on granting date, multiplied by the probability of meeting the Conditions. The probability is updated and re-estimated at least yearly, but the market value of the share at granting date is maintained without any change. At the time of delivery of the shares, the estimated probability of delivery is updated to the real delivery (but the value per share remains the same - the one at granting date).

5.12. 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 balance 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 losses 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 tax losses and tax credits.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that sufficient 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 current tax assets against current tax liabilities, and
- the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

5.13. Other intangible assets

The Group has various types of intangible assets:

- Assets classified as brands correspond to the commercial names under which the Group operates, which have been acquired externally through business combination operations and whose measurement comes from the purchase price allocation processes.
- Assets classified as licenses correspond to certain licenses to use third-party software for a specified period.

- Assets classified as software and software internally developed corresponds to technology acquired or developed by the Group which, due to its functional benefits, contributes towards attracting new customers and retaining the existing ones.

Amortization and useful life of other intangible assets

Intangible assets with finite useful lives 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
Software (incl. software internally developed)	3 - 4
Software of the group common platform	7
Other intangible assets	3 - 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.

The Group considers that its brands have an indefinite useful life since there is no foreseeable limit for the period over which the brands are expected to generate net cash inflows for the entity based on legal and competitive factors, since the Group's brands have a consolidated position in the market. See detail of the net book value of each brand in note 16.

In the case of internally developed software, the Group distinguishes between software that is part of the Core of the Common platform and other software. For the first, an estimated useful life of 7 years has been determined based on the Group's experience of the actual useful life of previous platforms used by the Group in the past, such as the previous eDreams and Opodo platforms. The 7-years useful life of the Group's Common Platform Core Software reflects the expected use of the asset, as the intention is to maintain stability on the Platform. This is reinforced by the constant investments made to improve the functionalities of the Platform.

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 brands, the royalty-based approach has been adopted. This involves estimating the value of the brand by reference to the levels of royalties demanded for the use of similar brands, based on revenue forecasts drawn up by the Group.

This approach is based on a qualitative analysis of the brand 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.

Impairment of intangible assets

See the details on the accounting policy for impairment of intangible assets, together with property, plant and equipment, in note 5.14.

5.14. Property, plant and equipment

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

Depreciation and useful life of property, plant and equipment

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 - 8
Computer Hardware	3 - 5
Other items of property, plant and equipment	5

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.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of property, plant and equipment, 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 property, plant and equipment and intangible assets other than goodwill

At least at the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss (see methodology used in note 18). 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 market and the inherent risk profile of the projected flows of each of the markets.

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.

5.15. 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 (see note 31).

5.16. 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 trade receivables

The Group applies the simplified approach to Expected Credit Losses for trade receivables and contract assets (“accrued income”), as required by IFRS 9. The Group recognizes a loss allowance based on lifetime Expected Credit Losses. The Group has established a provision matrix by type of customer that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

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.

5.17. 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.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity.

No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in other reserves.

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.

5.18. Current / Non-current classification

Current assets are considered to be those related to the normal cycle of operations (considered for the Group to be one year); assets which are expected to expire, be disposed of or realized 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 classified 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.

5.19. 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 connection to this that might give rise to significant liabilities in the future.

5.20. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is deducted in reporting the related expense and recognized on a systematic basis over the periods of the related expense.

When the grant relates to an asset, it is presented reducing the carrying amount of the asset. The grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

6. RISK MANAGEMENT

6.1. 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 receivables. These amounts are recognized in the consolidated statement of financial position net of provision for doubtful receivables, which is estimated by our management in establishing a provision matrix by type of customer, based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Interest rate risk: Most of our financial debt is exposed to fixed interest rates. Of our debt, only the Super Senior Revolving Credit Facility ("SSRCF") and the Government-sponsored loan bear interest at a variable rate (see note 25). Historically we have only drawn loans under the SSRCF for intra-month working capital purposes, but as at 31st March 2021, the SSRCF has been drawn down for €55.0 million (€109.5 million as at 31st March 2020), €16.6 million of overdrafts on credit facilities ancillary to the SSRCF and €15.0 million of the new Government-sponsored loan related to the cash decrease due to COVID-19 (see note 3).

If the EURIBOR increased by 2 basis points, the yearly interest expense calculated on the basis of the amount drawn down as at 31st March 2021 would increase by €1.7 million if we kept that draw-down for a 12-month period. There would be no impact if the EURIBOR decreased.

Liquidity risk: In order to meet our liquidity requirements, our principal sources of liquidity are: cash and cash equivalents from the consolidated statement of financial position, cash flows generated from operations and the revolving credit facilities under our SSRCF to fund cash requirements 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 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 British Pound and other foreign currencies. 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.

Additionally, the Group is also exposed to exchange rate risk on the Swedish Krona due to non-monetary assets denominated in this currency (mainly the Goodwill corresponding to Nordics). Fluctuations on the Swedish Krona impact the value of the assets and the value of the foreign currency translation reserve in equity.

The following table demonstrates the sensitivity to a reasonably possible change in the British Pound (GBP) and Swedish Krona (SEK) exchange rates, with all other variables held constant.

	+5%	-5%	+10%	-10%
Effect on Profit before Tax of a change in Exchange rate:				
GBP	1,005	(1,110)	1,918	(2,344)
Effect on Equity of a change in Exchange rate:				
SEK	(747)	825	(1,426)	1,742

The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

The impact on the Group's equity is due to changes in value of the Group's foreign operations and Goodwill in the Nordics.

Exposure to changes on the British Pound would not have significant impacts on pre-tax Equity (other than Profit before Tax).

Exposure to changes on the Swedish Krona would not have significant impacts on Profit before Tax.

The Group's exposure to foreign currency changes as at 31st March 2021 for all other currencies is not significant.

6.2. Financial Profile Risks

Impairments of goodwill and other intangible assets. The consolidated 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.

Restrictive debt covenants that may limit our ability to finance future operations and capital needs and to pursue business opportunities and activities. However, the Group has obtained a waiver on its only covenant for the years ended 31st March 2021 and 31st March 2022 (see note 25).

Our significant leverage could affect our financial position and results, but also our ability to operate our business and raise additional capital to fund our operations.

6.3. 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 and usage of the SSRCF.

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 in April 2014, 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; and
- 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 SSRCF 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. The Group obtained waivers for the covenant for the years ended 31st March 2021 and 31st March 2022 (see notes 2.2 and 35.1).

At 31st March 2021 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.

7. EARNINGS PER SHARE

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

As a result of its own shares held as treasury stock (see note 23.5), the weighted average number of ordinary shares used to calculate basic earnings per share was 109,587,657 for the year ended 31st March 2021.

In the earning per share calculation for the years ended 31st March 2021 and 31st March 2020 dilutive instruments are considered for the Incentive Shares granted (see note 24), only when their conversion to ordinary shares would decrease earnings per share or increase loss per share. As the result attributable to the owner of the parent for the years ended 31st March 2021 and 31st March 2020 is a loss, dilutive instruments have not been considered for this period.

The calculation of basic earnings per share and fully diluted earnings per share (rounded to two digits) for the years ended 31st March 2021 and 31st March 2020, is as follows:

	Year ended 31st March 2021			Year ended 31st March 2020		
	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Earnings per Share (€)	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Earnings per Share (€)
Basic earnings per share	(124,229)	109,587,657	(1.13)	(40,523)	109,954,836	(0.37)
Diluted earnings per share	(124,229)	109,587,657	(1.13)	(40,523)	109,954,836	(0.37)

The calculation of basic earnings per share and fully diluted earnings per share (rounded to two digits), based on Adjusted Net Income (see section C5. Reconciliation of APM and other defined terms), for the years ended 31st March 2021 and 31st March 2020, is as follows:

	Year ended 31st March 2021			Year ended 31st March 2020		
	Adjusted net income attributable to the owners of the parent (€ thousand)	Average Number of shares	Adjusted net income per Share (€)	Adjusted net income attributable to the owners of the parent (€ thousand)	Average Number of shares	Adjusted net income per Share (€)
Basic earnings per share	(86,758)	109,587,657	(0.79)	34,692	109,954,836	0.32
Diluted earnings per share	(86,758)	109,587,657	(0.79)	34,692	114,560,621	0.30

8. SEGMENT INFORMATION

The Group reports its results in 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 the Chief Executive Officer and the Chief Financial Officer, reviews internal management reports. Accordingly, the Leadership Team is construed to be the Chief Operating Decision Maker (CODM).

As stated in 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. The assets and liabilities of the Group are broken down by segment solely for the purpose of carrying out the impairment test by CGU on an annual basis or in the event of signs of impairment. As this information is not provided for decision-making purposes, information regarding assets and liabilities by segments has not been disclosed in these consolidated financial statements.

The Group has identified as segments the different markets in which it operates, since it is the basis on which the information is reported to the Management on a monthly basis and strategic decisions are made, such as the launch of new services, pricing strategies or investment in marketing.

The product dimension (flights, hotels, dynamic packages, etc.) is not the main dimension on the basis of which the Management makes strategic decisions, since this dimension would not provide enough granularity, as the Group's business is "flight-centric".

The Group distinguishes between two main categories within its segments: the 6 main markets in which the Group operates and the rest of the world. It is relevant to group our segments in terms of current presence and maturity of operations in the markets.

Inside of the top 6, the Group aggregates Spain and Italy to create the "Southern Europe" operating segment, as well as Germany, the Nordic countries and the United Kingdom to create the "Northern Europe" operating segment, as these markets have similar economic characteristics and similar customer behaviour patterns.

The Group considers the "Rest of the World" segment a segment in itself, and not an aggregation of segments, since it operates internally as such and the information that Management receives on a regular basis considers "Rest of the World" one of the markets.

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

Year ended 31st March 2021

	France	Southern Europe (Spain + Italy)	Northern Europe (Germany + Nordics + UK)	**Total Top 6 Markets**	Rest of the World	**Total**
Gross Bookings (*)	298,919	146,473	279,453	**724,845**	274,449	**999,294**
Number of Bookings (*)	859,207	677,087	826,209	**2,362,503**	881,746	**3,244,249**
Revenue	37,323	17,130	28,121	**82,574**	24,598	**107,172**
Revenue Margin	**37,900**	**19,858**	**28,126**	**85,884**	**25,206**	**111,090**
Variable costs	(23,438)	(15,714)	(22,924)	**(62,076)**	(23,979)	**(86,055)**
Marginal Profit	**14,462**	**4,144**	**5,202**	**23,808**	**1,227**	**25,035**
Fixed costs						**(63,193)**
Depreciation and amortization						**(35,353)**
Impairment and results on disposal of non-current assets	(27,791)	(20)	(2,763)	**(30,574)**	(6)	**(30,580)**
Others						**(6,858)**
Operating profit / (loss)						**(110,949)**
Financial result						**(27,692)**
Profit / (loss) before tax						**(138,641)**

(*) Non-GAAP measure.

Year ended 31st March 2020

	France	Southern Europe (Spain + Italy)	Northern Europe (Germany + Nordics + UK)	**Total Top 6 Markets**	Rest of the World	**Total**
Gross Bookings (*)	1,229,122	761,839	1,638,751	**3,629,712**	1,152,716	**4,782,428**
Number of Bookings (*)	2,587,524	2,081,033	3,412,949	**8,081,506**	2,686,339	**10,767,845**
Revenue	148,414	111,622	173,359	**433,395**	128,367	**561,762**
Revenue Margin	**141,301**	**100,585**	**163,357**	**405,243**	**123,420**	**528,663**
Variable costs	(83,526)	(62,522)	(111,915)	**(257,963)**	(92,805)	**(350,768)**
Marginal Profit	**57,775**	**38,063**	**51,442**	**147,280**	**30,615**	**177,895**
Fixed costs						**(62,816)**
Depreciation and amortization						**(34,525)**
Impairment and results on disposal of non-current assets	(43,510)	(5,731)	(25,907)	**(75,148)**	(259)	**(75,407)**
Others						**(14,396)**
Operating profit / (loss)						**(9,249)**
Financial result						**(29,829)**
Profit / (loss) before tax						**(39,078)**

(*) Non-GAAP measure.

Note: all revenues reported above are with external customers and there are no transactions between segments.

The products and services from which customer sales revenue are derived are the same for all segments, except Metasearch, which focuses on the French market, and is marketed under the Liligo brand.

In the year ended 31st March 2021, no single customer contributed 10% or more to the Group's revenue. In the year ended 31st March 2020, revenues from one customer represented approximately €60.7 million of the Group's total revenues, split in a proportional way between segments.

The Group does not provide a detail of fixed costs, depreciation and amortization or other costs by segment, as these expenses not directly related with Bookings are common to all markets. The Management of the Group reviews the profitability of the segments based on their Marginal Profit.

See definitions of Alternative Performance Measures in section C4. Glossary of definitions.

The following is an analysis of the Group's Revenue by country:

	Year ended 31st March 2021	Year ended 31st March 2020
France	37,323	148,414
Spain	8,579	75,077
Italy	8,551	36,545
Germany	16,811	106,499
United Kingdom	7,990	48,931
Others	27,918	146,296
Total revenue	**107,172**	**561,762**

The allocation of revenue by country is done on the basis of the country of the customer.

The following is an analysis of the Group's intangible assets and property, plant and equipment by country:

	31st March 2021	31st March 2020
Spain	199,869	215,951
Outside of Spain	107,537	109,431
Total Intangible assets and Property, plant and equipment	**307,406**	**325,382**

The allocation of fixed assets between countries is made based on the physical location for property, plant and equipment, and the nationality of the company that owns the intangible assets.

The amounts of fixed assets registered outside Spain correspond mainly to €100 million for the Opodo brand, owned by the British company Opodo Ltd., which value was registered in the Group as a result of a purchase price allocation by business combination.

Goodwill by country is detailed in note 15.

9. REVENUE MARGIN

The Group disaggregates revenue from contracts with customers by source of revenue, as management believe this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.

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

	Year ended 31st March 2021	Year ended 31st March 2020
Diversification revenue	63,856	277,960
Classic revenue - customer	32,961	156,497
Classic revenue - supplier	10,562	76,320
Advertising & Metasearch	3,711	17,886
Total revenue margin	**111,090**	**528,663**

The decrease in Revenue Margin in the year ended 31st March 2021 is related to the impact of COVID-19 (see note 3).

This split of Revenue Margin by source is similar at the level of each segment.

See definitions of the Group's types of Revenue Margin by source in section C4. Glossary of definitions.

10. PERSONNEL EXPENSES

10.1. Personnel expenses

	Year ended 31st March 2021	Year ended 31st March 2020
Wages and salaries	(30,944)	(34,529)
Social security costs	(10,535)	(13,404)
Other employee expenses (including pension costs)	(167)	(641)
Adjusted personnel exp. (including share-based compensation)	(6,137)	(7,463)
Total personnel expenses	**(47,783)**	**(56,037)**

The decrease in wages and salaries expense and social security costs is mainly related to the temporary reduction of working hours (see note 2.1).

For the year ended 31st March 2021, adjusted personnel expenses mainly relate to the share-based compensation of €6.1 million (€3.0 million in the year ended 31st March 2020), see notes 24.1 and 24.2.

See definition of adjusted items in section C4. Glossary of definitions.

10.2. Number of employees

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

Average headcount

	Year ended 31st March 2021	Year ended 31st March 2020
Key management	9	9
Other senior management	38	36
People managers	161	190
Individual contributor	799	856
Individual contributor - call center	2	156
Total average number of employees	**1,009**	**1,247**

Headcount at the end of the period

	31st March 2021			31st March 2020		
	Female	Male	**Total**	Female	Male	**Total**
Key management	1	8	**9**	1	8	**9**
Other senior management	9	26	**35**	11	22	**33**
People managers	60	91	**151**	62	105	**167**
Individual contributor	315	422	**737**	340	524	**864**
Individual contributor - call center	—	—	**—**	42	16	**58**
Total number of employees	**385**	**547**	**932**	**456**	**675**	**1,131**

During the year ended 31st March 2021, the Group did not restructure any of its workforce. The main underlying factors for the decrease in employees from 1,131 to 932 are the departures of certain employees effective at the beginning of the year ended 31st March 2021, related to the operational optimization plan carried out in the year ended 31st March 2020, and the natural turnover of employees.

During the year ended 31st March 2021, the average number of employees with disability of 33% or more is 4 individual contributors (average of 3 individual contributors for the year ended 31st March 2020).

11. DEPRECIATION AND AMORTIZATION

	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation of property, plant and equipment	(4,208)	(5,100)
Amortization of intangible assets	(31,145)	(29,425)
Total depreciation and amortization	**(35,353)**	**(34,525)**
Impairment of property, plant and equipment	(3)	—
Impairment of intangible assets	(6,430)	(9,735)
Impairment of goodwill	(24,147)	(65,182)
Total impairment	**(30,580)**	**(74,917)**
Loss on disposal of assets	—	(447)
Loss on disposal of investments	—	(43)
Total gain or loss arising from assets disposal	**—**	**(490)**

Depreciation of property, plant and equipment includes depreciation on right of use office leases under IFRS 16 Leases for €1.9 million in the year ended 31st March 2021 (€2.2 million in the year ended 31st March 2020).

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

Impairment of intangible assets in the years ended 31st March 2021 and 31st March 2020 corresponds mainly to the impairment on the brands of Go Voyages and Travellink (see notes 16 and 19).

Impairment of goodwill in the year ended 31st March 2021 corresponds to the impairment on the goodwill of France and Nordics (see note 18). In the year ended 31st March 2020 the impairment of goodwill corresponded to the impairment on the goodwill of France, Italy, Nordics and Metasearch (see note 18).

12. OTHER OPERATING EXPENSES

	Year ended 31st March 2021	Year ended 31st March 2020
Marketing and other operating expenses	(90,560)	(344,648)
Professional fees	(4,504)	(7,082)
IT expenses	(8,598)	(9,873)
Rent charges	(1,039)	(1,198)
Taxes	(276)	(591)
Foreign exchange gains / (losses)	(4,042)	810
Adjusted operating expenses	(721)	(6,933)
Total other operating expenses	**(109,740)**	**(369,515)**

Marketing expenses consist of customer acquisition costs (such as paid search costs, metasearch costs and other promotional campaigns), commissions due to agents and white label partners.

Other operating expenses included in “Marketing and other operating expenses” primarily consist of credit card processing costs, chargebacks on fraudulent transactions, GDS search costs and fees paid to our outsourcing service providers, such as call centers. A large portion of these expenses is variable costs, directly related to volume of Bookings or transactions processed.

The decrease in Marketing and other operating expenses in the year ended 31st March 2021 is related to the impact of COVID-19 (see note 3).

Professional fees consist of external services such as consulting, recruitment, legal and tax advisors, etc. The decrease in the year ended 31st March 2021 is related to the cost-saving measures implemented in response to the impact of COVID-19 (see note 3).

IT expenses mainly consist of technology maintenance charges and hosting expenses.

In the year ended 31st March 2020, adjusted operating expenses corresponded mainly to the €4.5 million of expenses with certain suppliers linked with the Operational optimization plan. See definition of adjusted items in section C4. Glossary of definitions.

Foreign exchange gains / (losses) mainly relate to the impact of the fluctuations on the foreign exchange rates for trade receivables and trade payables in currencies other than the Euro.

13. FINANCIAL INCOME AND EXPENSE

	Year ended 31st March 2021	Year ended 31st March 2020
Interest expense on 2023 Notes	(23,375)	(23,375)
Interest expense on SSRCF	(1,969)	(133)
Interest expense on Government sponsored loan	(307)	—
Effective interest rate impact on debt	(2,126)	(1,840)
Interest expense on debt	**(27,777)**	**(25,348)**
Foreign exchange gains / (losses)	1,737	(2,320)
Interest expense on lease liabilities	(94)	(170)
Other financial expense	(1,612)	(2,013)
Other financial income	54	22
Other financial result	**85**	**(4,481)**
Total financial result	**(27,692)**	**(29,829)**

The interest expense on the 2023 Notes corresponds to 5.5% interest rate on the €425 million principal of the Notes, that is payable semi-annually in arrears.

As mentioned in note 3, the Group has access to funding from its €175 million SSRCF to manage the liquidity requirements of its operations. As explained in note 25, €60 million from the SSRCF have been converted to credit facilities ancillary to the SSRCF with certain Banks.

The interest expense on SSRCF accrued during the year ended 31st March 2021 is €1,969 thousand (€133 thousand during the year ended 31st March 2020). The increase is due to the higher utilization of the SSRCF during the year, related to the impact of COVID-19 (see note 3).

Interests on the use of the credit facilities ancillary to the SSRCF (see note 25) have been classified in "other financial expense" and amount to €52 thousand during the year ended 31st March 2021 (€105 thousand during the year ended 31st March 2020).

Other financial expense mainly includes agency fees and commitment fees related to the SSRCF.

On 30th June 2020, the Group signed a syndicated loan of €15 million due 2023 (the "Government sponsored loan"), guaranteed by the Spanish Official Credit Institute (see note 2.3). The interest expense accrued during the year ended 31st March 2021 is €307 thousand.

Foreign exchange gains/ (losses) relate mainly to the impact of the fluctuations on the foreign exchange rates for cash and cash equivalents that we have in currencies other than euros.

14. INCOME TAX

At 31st March 2021, the Group applies income tax consolidation in the following countries:

- Spain
- United States (US)
- France

The Spanish tax group headed by eDreams ODIGEO, S.A. includes the following Spanish subsidiaries:

- Vacaciones eDreams, S.L.
- eDreams, Inc.
- eDreams International Network, S.L.
- Opodo, S.L.
- eDreams Business Travel, S.L.
- Traveltising, S.A.
- Tierrabella Invest, S.L.
- Engrande, S.L.

On 10th March 2021, eDreams ODIGEO, S.A. transferred its registered office from Luxembourg to Spain (the "migration", see note 1).

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

- Vacaciones eDreams, S.L.
- eDreams International Network, S.L.
- Viagens eDreams Portugal - Agência de Viagens, Lda.
- eDreams, S.R.L.

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.S.

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 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 tax authorities.

As at the effective date of the transfer of the Company's migration, the Company ceased to be a Luxembourgish company and became a Spanish company and tax payer. As a result of the migration, the Company's Luxembourgish tax losses carried forward forfeited, whereas its recapture obligation was terminated. This does not have any impact on the consolidated income statement for the year ended 31st March 2021 as no deferred tax asset for its net tax losses carried forward was recognized in the Group's consolidated balance sheet as at 31st March 2020. Further, as a result of the migration the Company's taxable profits are consolidated within the Spanish tax group with effect of the first day of the year ended 31st March 2021.

14.1. Income tax recognized in profit or loss

	Year ended 31st March 2021	Year ended 31st March 2020
Recognition of tax losses carried forward and US Foreign Tax Credits	19,799	1,498
Utilization of tax losses carried forward previously recognized	—	(3,236)
Recognition of previously written off US Foreign Tax Credit	—	9,710
Derecognition of tax losses carried forward	(2,219)	(1,424)
Change in deferred tax due to rate change	(1,600)	—
Other deferred tax expense	(3,242)	(631)
Deferred tax	**12,738**	**5,917**
Current tax expense of the period	383	(9,037)
Tax credits	1,084	932
Adjustments recognized in the period for current tax of prior periods	207	743
Current tax	**1,674**	**(7,362)**
Total income tax	**14,412**	**(1,445)**

14.2. Income tax recognized directly in other comprehensive income

No income tax has been recognized directly in other comprehensive income in the years ended 31st March 2021 and 31st March 2020.

14.3. Analysis of tax charge

	Year ended 31st March 2021	Year ended 31st March 2020
Profit / (loss) for the year from continuing operations after tax	(124,229)	(40,523)
Income tax expense	14,412	(1,445)
Profit / (loss) before tax	**(138,641)**	**(39,078)**
Non-deductible goodwill impairment (see note 18)	24,147	65,182
Disallowed expenses and others	9,830	9,964
Permanent differences	**33,977**	**75,146**
Tax basis profit	**(104,664)**	**36,068**
% Income tax rate	25.00%	24.94%
Expected tax charge expense	**26,166**	**(8,995)**
Impact of tax rate differences with Parent tax rate	67	1,139
Recognition of previously written off US Foreign Tax Credits	—	9,710
Derecognition of tax losses carried forward	(2,219)	(1,424)
Current year losses for which no deferred tax asset has been recognized	(9,403)	(2,294)
Utilization of tax losses not recognized	—	626
Change in deferred tax due to rate change	(1,600)	—
Tax credits	1,084	932
Others	317	(1,139)
Sum of corrections of tax expense	**(11,754)**	**7,550**
Group tax charge income / (expense)	**14,412**	**(1,445)**

The above table contains the reconciliation between (a) the expected (theoretical) tax expense on the "tax base" (which is the profit before tax plus or minus the permanent differences, such as disallowed expenses, impairment, etc.) based on the corporate tax rate applicable in the country where the Company is resident (the 25% Spanish income tax rate for the year ended 31st March 2021 and the 24.94% Luxembourg income tax rate for the year ended 31st March 2020) and (b) group tax expense.

“Disallowed expenses” for the years ended 31st March 2021 and 31st March 2020 relate primarily to the effect of non-deductible interest expenses under the legislation of certain countries, such as France.

The line "Impact of tax rate differences with Parent tax rate" corresponds to the difference between (a) the tax base of each Group company multiplied by the local tax rate applicable to each company, and (b) the tax base of each Group company multiplied by the tax rate of the Group's parent company.

As at 31st March 2020, the Group recognized a deferred tax liability for the Opodo brand based on the UK income tax rate. As the ownership of the Opodo brand will gradually pass-on to the Spanish company over a period of 5 years in connection with the reorganization of the UK company's activities (see note 2.6), the tax rate against which the deferred tax liability will ultimately be recognized will gradually increase to the 25% Spanish income tax rate in five consecutive steps. Therefore, the Company recognized a first increase of its deferred tax liability amounting to €1.6 million in the year ended 31st March 2021 (shown in the previous tables as "Change in deferred tax due to rate change").

14.4. Current tax assets and liabilities

	31st March 2021	31st March 2020
Income tax receivable	4,688	3,312
Other tax receivables (other than income tax)	2,454	4,256
Current tax assets	**7,142**	**7,568**
Income tax payable	(132)	(943)
Other tax payables (other than income tax)	(2,760)	(2,530)
Current tax liabilities	**(2,892)**	**(3,473)**

14.5. Deferred tax balances

	31st March 2021	31st March 2020
Deferred tax assets	6,449	1,585
Deferred tax liabilities	(19,584)	(32,465)
Net	**(13,135)**	**(30,880)**

As explained in note 5.12, the Group offsets deferred tax assets and liabilities if there is a legally enforceable right to set off the amounts recognized and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

The recognition of a deferred tax asset is based on the Group's opinion on the recoverability of the value of such asset, which, in the case of a deferred tax asset for tax losses, is based on the taxable profits forecast over a maximum period of 10 years. While there is some uncertainty as to whether the forecast taxable earnings will turn out to be correct, the Group's view is that it takes a prudent position by taking the same amount of earnings as used for the impairment test of its Cash Generating Units for the first 5 years projected and a growth of 1.5% for all subsequent periods based on external sources.

The following table shows the breakdown of the deferred tax balance as at 31st March 2021 per country:

	Tax losses carried forward and US FTC	Other deferred tax	Total
United States	9,972	(15,603)	(5,631)
Spain	21,033	(25,391)	(4,358)
Italy	—	1,387	1,387
France	—	(339)	(339)
Portugal	—	5,062	5,062
United Kingdom	1,270	(10,291)	(9,021)
Australia	—	(235)	(235)
Total	**32,275**	**(45,410)**	**(13,135)**

The following table contains the movement of deferred tax assets / liabilities presented in the consolidated financial statements for the year ended 31st March 2021. Other deferred tax mainly includes the deferred tax liabilities related to the fair value adjustments of intangible assets in connection with a business combination:

	31st March 2020	Amounts recorded in Profit and Loss	Amounts recorded in Retained Earnings	FX variation	Others	31st March 2021
Tax losses carried forward and US FTC	14,697	17,578	—	—	—	32,275
Other deferred tax	(45,577)	(4,840)	284	61	4,662	(45,410)
Total deferred tax asset / (liability)	**(30,880)**	**12,738**	**284**	**61**	**4,662**	**(13,135)**

The €4.7 million in Other movements of "Other deferred tax" relates to the advance payment of Portuguese tax of €5.1 million, offset by €0.4 million collected from the Spanish tax authorities in relation to an appeal against a tax assessment. The Group has submitted an administrative claim against this assessment with the Portuguese tax authorities which is currently pending (see note 31.4). The Group expects a favourable decision and, therefore, has recognized the amount paid as an asset in the consolidated statement of financial position as at 31st March 2021.

The €0.3 million in "Amounts recorded in retained earnings" corresponds to the tax impact of a correction from previous years booked against retained earnings (see note 23.4).

	31st March 2019	Amounts recorded in Profit and Loss	Change in accounting policy	FX variation	Others	31st March 2020
Tax losses carried forward and US FTC	8,148	6,549	—	—	—	14,697
Other deferred tax	(44,362)	(632)	(2,300)	(42)	1,759	(45,577)
Total deferred tax asset / (liability)	**(36,214)**	**5,917**	**(2,300)**	**(42)**	**1,759**	**(30,880)**

As explained in note 4.2, the Group adopted IFRIC 23 in the year ended 31st March 2020 and reclassified uncertain tax liabilities and uncertain tax assets from "Provisions" and "Non-current financial assets" into "Deferred tax assets" and "Deferred tax liabilities" for an amount of €0.4 million and €2.7 million, respectively.

The €1.8 million Other movements of "Other deferred tax" in the year ended 31st March 2020 concerns an advance payment of Italian withholding tax. The Company has appealed against the assessment of withholding tax with the court and expects a favourable decision. Therefore, the Company recognized the amount paid as an asset.

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. Note that certain countries, such as Spain, apply temporisation rules relating to the compensation of tax losses which limit the amount of tax losses which can be offset against taxable profits of a year to a certain percentage of such taxable profits.

Unused tax losses 31st March 2021

	Tax loss amount	Income tax rate (%)	Total DTA on tax losses	DTA recognized	DTA not recognized
eDreams ODIGEO, S.A. (ES)	16,285	25.00%	4,071	1,701	2,370
Go Voyages, S.A.S. (FR)	140,153	27.60%	38,682	—	38,682
Opodo Ltd. (UK)	18,357	19.00%	3,488	1,270	2,218
Travellink, A.B. (SWE)	4,062	21.40%	869	—	869
eDreams, Inc. (ES)	4,650	25.00%	1,163	1,163	—
Vacaciones eDreams, S.L. (ES)	42,362	25.00%	10,591	10,591	—
eDreams International Network, S.L. (ES)	21,553	25.00%	5,388	5,388	—
Opodo, S.L. (ES)	3,096	25.00%	774	774	—
Traveltising, S.A. (ES)	25	25.00%	6	6	—
eDreams Business Travel, S.L. (ES)	1,971	25.00%	493	97	396
Engrande, S.L. (ES)	10,549	25.00%	2,637	1,313	1,324
Tierrabella Invest, S.L. (ES)	9,160	25.00%	2,290	—	2,290
Total	**272,223**		**70,452**	**22,303**	**48,149**

As at 31st March 2021, the Group has a deferred tax asset in the balance sheet for US Foreign Tax Credits ("US FTC") amounting to €10.0 million (€11.2 million as at 31st March 2020).

The US FTC carried forward as at the 31st March 2021 may be offset against future US income tax but only in case the US income tax due for a year exceeds the US FTC of that year. US FTC generated in a year may be carried forward for a period of maximum 10 years. The US FTC as at 31st March 2021 have been generated in various years and have an average remaining carry forward period of 7 years.

In addition to the unused tax losses carried forward not recognized in the balance sheet mentioned above, Engrande, S.L. and Tierrabella Invest, S.L. also have a non-recognized deferred tax asset corresponding to the excess interest expenses carried forward amounting to €1.9 million and €4.9 million, respectively.

There have been no significant changes in the income tax rates impacting the Group.

Unused tax losses
31st March 2020

	Tax loss amount	Income tax rate (%)	Total DTA on tax losses	DTA recognized	DTA not recognized
eDreams ODIGEO, S.A. (LUX) (*)	148,221	24.94%	36,966	—	36,966
Go Voyages, S.A.S. (FR)	142,086	27.60%	39,216	—	39,216
Opodo Ltd. (UK)	18,357	19.00%	3,488	3,488	—
Travellink, A.B. (SWE)	2,797	21.40%	599	—	599
eDreams Business Travel, S.L. (ES)	1,582	25.00%	396	—	396
Engrande, S.L. (ES)	6,659	25.00%	1,665	—	1,665
Tierrabella Invest, S.L. (ES)	15,013	25.00%	3,753	—	3,753
Total	**334,715**		**86,083**	**3,488**	**82,595**

(*) excluding the Luxembourg recapture obligation.

The Company's Luxembourg tax losses, net of recapture, have forfeited as a result of the migration. No deferred tax asset had been recognized for these tax losses.

14.6. Years open for inspection by tax authorities

The Group companies may be subject to audit by the tax authorities for the years that are not statute-barred.

The oldest year for which the Group Companies have their tax returns open to inspection in respect of the main applicable taxes as at 31st March 2021 are the following:

Country	Years
Australia	2016/17
France	2017/18
Germany	2015/16
Hungary	2015/16
Italy	2016/17
Luxembourg	2015/16
Portugal	2018/19
Spain	2018/19
Sweden	2014/15
United Kingdom	2017/18
United States	2017/18 (in case of substantial omissions 2014/15)

The Group's tax contingencies and ongoing tax inspections are detailed in note 31.

15. GOODWILL

The detail of the goodwill movement by markets for the year ended 31st March 2021 is set out below:

Markets	31st March 2020	Scope entry	Exchange rate differences	Impairment	31st March 2021
France	397,634	—	—	—	397,634
Spain	49,073	—	—	—	49,073
Italy	58,599	—	—	—	58,599
UK	70,171	—	—	—	70,171
Germany	166,057	—	—	—	166,057
Nordics	54,586	—	4,388	—	58,974
Other countries	54,710	—	—	—	54,710
Metasearch	8,608	—	—	—	8,608
Connect	4,200	—	—	—	4,200
Total gross goodwill	**863,638**	**—**	**4,388**	**—**	**868,026**
France	(101,608)	—	—	(22,073)	(123,681)
Italy	(20,013)	—	—	—	(20,013)
UK	(31,138)	—	—	—	(31,138)
Germany	(10,339)	—	—	—	(10,339)
Nordics	(38,152)	—	(3,067)	(2,074)	(43,293)
Metasearch	(7,642)	—	—	—	(7,642)
Total impairment on goodwill	**(208,892)**	**—**	**(3,067)**	**(24,147)**	**(236,106)**
Total net goodwill	**654,746**	**—**	**1,321**	**(24,147)**	**631,920**

As at 31st March 2021, the amount of the goodwill corresponding to the Nordic markets has increased due to the evolution of the Euro compared to the Swedish Krona, with a balancing entry under "Foreign currency translation reserve".

Details about the impairment booked as at 31st March 2021 are included in note 18.

The detail of the goodwill movement by markets for the year ended 31st March 2020 is set out below:

Markets	31st March 2019	Scope entry	Exchange rate differences	Impairment	31st March 2020
France	397,634	—	—	—	397,634
Spain	49,073	—	—	—	49,073
Italy	58,599	—	—	—	58,599
UK	70,171	—	—	—	70,171
Germany	166,057	—	—	—	166,057
Nordics	58,068	—	(3,482)	—	54,586
Other countries	54,710	—	—	—	54,710
Metasearch	8,608	—	—	—	8,608
Connect	2,474	1,726	—	—	4,200
Total gross goodwill	**865,394**	**1,726**	**(3,482)**	**—**	**863,638**
France	(71,112)	—	—	(30,496)	(101,608)
Italy	(14,512)	—	—	(5,501)	(20,013)
UK	(31,138)	—	—	—	(31,138)
Germany	(10,339)	—	—	—	(10,339)
Nordics	(17,669)	—	1,060	(21,543)	(38,152)
Metasearch	—	—	—	(7,642)	(7,642)
Total impairment on goodwill	**(144,770)**	**—**	**1,060**	**(65,182)**	**(208,892)**
Total net goodwill	**720,624**	**1,726**	**(2,422)**	**(65,182)**	**654,746**

As at 31st March 2020, the amount of the goodwill corresponding to the Nordic markets 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".

Additionally, at 31st March 2020 an increase in the goodwill of Connect was recognized following Waylo's acquisition (see note 32).

Details about the impairment booked as at 31st March 2020 are included in note 18.

16. OTHER INTANGIBLE ASSETS

The detail of the other intangible assets movement for the year ended 31st March 2021 is set out below:

	31st March 2020	Acquisitions amortization impairment	Disposals	Reclass	Scope entry	31st March 2021
Licenses	6,948	—	(380)	—	—	6,568
Brands	287,976	—	—	—	—	287,976
Trademarks and domains	113	—	—	(113)	—	—
Software	75,768	—	(1,930)	—	—	73,838
Software internally dev.	159,761	—	(19,272)	21,516	—	162,005
Software internally dev. in progress	1,725	21,121	—	(21,516)	—	1,330
Other intangible assets	18,554	—	(45)	113	—	18,622
Total gross value	**550,845**	**21,121**	**(21,627)**	**—**	**—**	**550,339**
Licenses	(4,187)	(2,312)	380	—	—	(6,119)
Trademarks and domains	(87)	—	—	87	—	—
Software	(61,662)	(2,011)	1,930	—	—	(61,743)
Software internally dev.	(73,402)	(27,188)	19,168	—	—	(81,422)
Other intangible assets	(15,410)	(618)	34	(87)	—	(16,081)
Total accumulated amortization	**(154,748)**	**(32,129)**	**21,512**	**—**	**—**	**(165,365)**
Brands	(70,620)	(6,315)	—	—	—	(76,935)
Software	(6,498)	—	—	—	—	(6,498)
Software internally dev.	—	(104)	104	—	—	—
Other intangible assets	(2,000)	(11)	11	—	—	(2,000)
Total accumulated impairment	**(79,118)**	**(6,430)**	**115**	**—**	**—**	**(85,433)**
Total other intangible assets	**316,979**	**(17,438)**	**—**	**—**	**—**	**299,541**

The increase in the accumulated amortization of licenses includes €1.0 million of a correction booked against retained earnings due to an error in the calculation of the amortization of a license in the previous years (see note 23.4).

Brands

	31st March 2021	31st March 2020
Go Voyages	23,091	28,742
eDreams	80,815	80,815
Opodo	100,000	100,000
Travellink	3,103	3,767
Liligo	4,032	4,032
Total	**211,041**	**217,356**

Brands correspond to the commercial names under which the Group operates, which have been acquired externally through business combination operations and their valuation comes from purchase price allocation processes.

On 6th July 2020, in relation with the new Government sponsored loan obtained (see note 2.3), the Group's subsidiary Vacaciones eDreams, S.L. constituted a real first-rate chattel mortgage right of the brand "eDreams". This mortgage guarantees full and timely compliance with all Guaranteed Obligations of the Government sponsored loan granted to the Group's subsidiary Vacaciones eDreams, S.L. for an amount up to €15 million. As at 31st March 2021, the brand "eDreams" has a book value of €80,815 thousand.

During the years ended 31st March 2021 and 31st March 2020, the Group booked an impairment on the brands of Go Voyages and Travellink for €6.3 million and €8.9 million, respectively (see note 19).

Software internally developed and software internally developed in progress

Software internally developed and software internally developed in progress acquisitions 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.

Of the total net book value of the software and software internally developed, as at 31st March 2021, €41.0 million correspond to software from the Group's common platform with a 7-years useful life (€46.8 million as at 31st March 2020).

During the year ended 31st March 2021, the Group has recognized as personnel expenses €2.9 million of costs related to research and development (€3.0 million for the year ended 31st March 2020)

The detail of the other intangible assets movement for the year ended 31st March 2020 is set out below:

	31st March 2019	Acquisitions amortization impairment	Disposals	Reclass	Scope entry	31st March 2020
Licenses	12,258	744	(6,054)	—	—	6,948
Brands	287,976	—	—	—	—	287,976
Trademarks and domains	282	—	(169)	—	—	113
Software	68,402	—	(406)	—	7,772	75,768
Software internally dev.	118,678	7	(4,180)	45,256	—	159,761
Software internally dev. in progress	19,403	27,578	—	(45,256)	—	1,725
Other intangible assets	18,993	—	(439)	—	—	18,554
Total gross value	**525,992**	**28,329**	**(11,248)**	**—**	**7,772**	**550,845**
Licenses	(8,844)	(1,392)	6,049	—	—	(4,187)
Trademarks and domains	(256)	—	169	—	—	(87)
Software	(61,286)	(782)	406	—	—	(61,662)
Software internally dev.	(50,124)	(26,633)	3,355	—	—	(73,402)
Other intangible assets	(15,231)	(618)	439	—	—	(15,410)
Total accumulated amortization	**(135,741)**	**(29,425)**	**10,418**	**—**	**—**	**(154,748)**
Brands	(61,740)	(8,880)	—	—	—	(70,620)
Software	(6,473)	(25)	—	—	—	(6,498)
Software internally dev.	—	(830)	830	—	—	—
Other intangible assets	(2,000)	—	—	—	—	(2,000)
Total accumulated impairment	**(70,213)**	**(9,735)**	**830**	**—**	**—**	**(79,118)**
Total other intangible assets	**320,038**	**(10,831)**	**—**	**—**	**7,772**	**316,979**

The Scope entry corresponded to the software acquired upon the purchase of the TheWaylo.com ("Waylo") business (see note 32).

Fully amortized Other intangible assets

The detail of other intangible assets fully amortized and in use as at 31st March 2021 and 31st March 2020 is set out below:

	31st March 2021	31st March 2020
Licenses	4,864	380
Software	66,006	67,738
Software internally developed	16,727	10,922
Other intangible assets	15,502	15,533
Total	**103,099**	**94,573**

17. PROPERTY, PLANT AND EQUIPMENT

The detail of property, plant and equipment movement for the year ended 31st March 2021 is set out below:

	31st March 2020	Acquisitions depreciation impairment	Disposals	Reclass	Exchange rate differences	31st March 2021
Buildings - lease	7,408	3,605	(402)	—	(12)	10,599
General installations / tech facilities	2,582	7	(42)	—	(3)	2,544
Furniture	2,062	—	(147)	—	(2)	1,913
Transport	1	—	(1)	—	—	—
Computer hardware	7,959	117	(1,748)	—	—	6,328
Computer hardware - lease	6,402	—	(1,959)	—	—	4,443
Other tangible assets	19	—	—	—	—	19
Total gross value	**26,433**	**3,729**	**(4,299)**	**—**	**(17)**	**25,846**
Buildings - lease	(4,243)	(1,949)	357	—	5	(5,830)
General installations / tech facilities	(1,144)	(419)	43	—	2	(1,518)
Furniture	(1,144)	(235)	147	—	(1)	(1,233)
Transport	(1)	—	1	—	—	—
Computer hardware	(5,884)	(1,167)	1,744	—	—	(5,307)
Computer hardware - lease	(5,597)	(437)	1,959	—	—	(4,075)
Other tangible assets	(17)	(1)	—	—	—	(18)
Total accumulated depreciation	**(18,030)**	**(4,208)**	**4,251**	**—**	**6**	**(17,981)**
Total accumulated impairment	**—**	**(3)**	**3**	**—**	**—**	**—**
Total property, plant and equipment	**8,403**	**(482)**	**(45)**	**—**	**(11)**	**7,865**

The variation in buildings – lease corresponds to an increase for the extension of the lease term considered for certain offices of the Group for a €3.6 million increase in gross value (see note 25). Additionally, the Group disposed of €3.7 million of computer hardware no longer in use.

The Group has purchased insurance policies to reasonably cover the possible risks of damage to its property, plant and equipment used in operations, with suitable limits and coverage.

The detail of property, plant and equipment movement for the year ended 31st March 2020 is set out below:

	31st March 2019	Acquisitions depreciation impairment	Disposals	Reclass	Exchange rate differences	31st March 2020
Buildings - lease	8,720	—	(1,267)	—	(45)	7,408
General installations / tech facilities	3,240	2	(651)	—	(9)	2,582
Furniture	2,358	33	(321)	—	(8)	2,062
Transport	1	—	—	—	—	1
Computer hardware	13,179	868	(6,120)	32	—	7,959
Computer hardware - lease	6,312	90	—	—	—	6,402
Other tangible assets	78	—	(27)	(32)	—	19
Total gross value	**33,888**	**993**	**(8,386)**	**—**	**(62)**	**26,433**
Buildings - lease	(2,452)	(2,232)	417	—	24	(4,243)
General installations / tech facilities	(1,159)	(310)	318	—	7	(1,144)
Furniture	(1,173)	(201)	224	—	6	(1,144)
Transport	(1)	—	—	—	—	(1)
Computer hardware	(10,527)	(1,459)	6,102	—	—	(5,884)
Computer hardware - lease	(4,703)	(894)	—	—	—	(5,597)
Other tangible assets	(25)	(4)	12	—	—	(17)
Total accumulated depreciation	**(20,040)**	**(5,100)**	**7,073**	**—**	**37**	**(18,030)**
Total accumulated impairment	**—**	**—**	**—**	**—**	**—**	**—**
Total property, plant and equipment	**13,848**	**(4,107)**	**(1,313)**	**—**	**(25)**	**8,403**

The net book value of disposals of property, plant and equipment for the year ended 31st March 2020 mainly included the transfer of the building lease of Zona Franca for €0.5 million and loss on disposal of property, plant & equipment for €0.4 million. Additionally, the Group disposed of €6.1 million of fully depreciated computer hardware no longer in use.

Fully depreciated Property, plant and equipment assets

The Group has property, plant and equipment assets that are fully depreciated and in use for a total cost of €7.0 million as at 31st March 2021 (€8.2 million as at 31st March 2020), corresponding mainly to Hardware and Hardware lease amounting to €2.8 million and €3.7 million respectively (€3.4 million and €4.2 million as at 31st March 2020, respectively).

18. IMPAIRMENT OF ASSETS

18.1. Measuring methodology

The assets are tested at the market 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 cash-generating unit is determined as the smallest group of assets that generates cash inflows that are largely independent of the inflows produced by other assets or groups of assets. In this sense, the Group distinguishes Metasearch and Connect as two of its own cash-generating units, since they represent two different businesses of the group - Metasearch and Bedbank. Within the main business of online travel agency, the Group distinguishes between various CGUs according to the market, since each market is independent of each other in terms of the generation of cash inflows. The classification by markets, in turn, coincides with the criteria used by management to make operational decisions (such as the launch of new services, pricing strategies or investment in marketing) and is based on information by segments.

The Group performs an impairment test on the value of the Cash Generating Units ("CGUs") annually, or in the event of an indication of impairment, in order to identify the possible existence of unrecorded impairment losses.

The procedure for carrying out the impairment test is as follows:

- A business plan, with different scenarios, is drawn up for each CGU for the next 5 years in which the main components are the projected Adjusted EBITDA, the projected investments and working capital (see definition of Adjusted EBITDA in section C4. Glossary of definitions). The main drivers behind the projection of EBITDA are Revenue Margin and Variable costs, which together result in Marginal Profit (see definition of Variable costs and Marginal Profit in section C4. Glossary of definitions). These projections include Management's best estimates, which are consistent with external information, past experience and future expectations.
- A valuation analysis is carried out, which consists of 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 value which varies mainly according to the weighted projections and the discount rate for each of the CGU.

This analysis is used by Group Management to analyse both the recoverability of the goodwill and other intangible assets and property, plant and equipment belonging to each of the markets.

18.2. Main assumptions used in the financial projections

For each CGU, 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 CGU and the inherent risk profile of the projected flows of each of the CGU.

WACC by CGU	Post-tax		Pre-tax	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
France	9.5%	9.5%	11.6%	11.8%
Spain	10.8%	10.8%	13.3%	13.4%
Italy	11.5%	12.3%	14.1%	15.4%
UK	10.5%	9.5%	12.5%	11.5%
Germany	8.8%	8.8%	10.7%	10.9%
Nordics	10.5%	10.0%	12.5%	12.3%
Other countries	10.5%	10.8%	12.8%	13.4%
Metasearch	9.5%	9.5%	12.1%	11.6%
Connect	9.8%	10.0%	12.0%	12.0%

The WACC applied by the Group is generally in line with the previous year, as there has been a general increase in the beta, offset by a decrease in the country risk premiums and the risk free rates.

In the case of Italy, the WACC has decreased from 12.3% to 11.5% post-tax, coming mainly from the fact that as at 31st March 2020 the risk-free rate in Italy was higher as the country was more significantly impacted by COVID-19.

In the case of the UK, the WACC has increased from 9.5% to 10.5% post-tax, due to the higher risk-free rate and higher country risk premium mainly related to Brexit.

In the case of Nordics, the WACC has increased from 10.0% to 10.5% post-tax, due to an increase in the risk free rate in these countries.

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

- Given the uncertainty related to the COVID-19 pandemic, Group Management has prepared 3 different scenarios of projections, depending on the duration of the impact from the COVID-19 pandemic and the shape and timing of the subsequent recovery (see note 3).
- In the first year, Adjusted EBITDA was projected using the budget for the year ended 31st March 2022 approved by the Board of Directors (see definition of Adjusted EBITDA in section C4. Glossary of definitions).
- 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 CGU was projected.
- The perpetual growth rate used to extrapolate cash flow projections beyond the first five years has been estimated at 1.5% for France, Spain, Italy, Germany, United Kingdom and Nordics, and 1.6% for Other markets, Metasearch and Connect (1.5% and 1.6% respectively in the previous year).
- Capital expenditure level is in line with the fact that the business model is not CAPEX intensive. These assumptions reflect expected growth in volume and Revenue Margin per Booking for our markets considering the historical trends and budget assumptions for the year ended 31st March 2022.

CGU Revenue Margin projections have decreased compared to last year as we expect COVID-19 to have a longer impact than expected last year at the moment of the impairment test. This is offset by lower variable costs due to our high variable costs structure.

The variations differ by CGU: we expect better performance in the next years in UK and in Italy due to improvement in the product proposition in these countries. However, we expect lower performance in Germany and Nordics due to higher competitive pressure added to the effect of COVID-19.

18.3. Conclusion on the analysis

As a result of the testing performed by the Group using the methodology and the assumptions described in notes 18.1 and 18.2 respectively above, and due to the updated projections as a consequence of COVID-19 (see note 3), the carrying amount of the goodwill related to certain CGU has been impaired.

The following table shows the gross value in books and net value in books of operating assets for every cash generating unit, the recoverable amount calculated for each CGU (value in use), the impairment recognized in the current year and the amount by which the CGU's recoverable amount exceeds its carrying amount.

31st March 2021

CGU	Gross value of operating assets	Net value of operating assets	Value in use	Impairment increase	Exceeding amount (headroom)
France	525,665	351,718	329,645	(22,073)	—
Spain	58,024	58,024	90,991	—	32,967
Italy	80,508	60,495	75,836	—	15,341
UK	73,688	42,550	50,950	—	8,400
Germany	191,487	181,148	259,255	—	78,107
Nordics	65,268	18,615	16,541	(2,074)	—
Other countries	35,193	35,193	222,009	—	186,816
Metasearch	13,677	6,035	6,285	—	250
Connect	11,714	11,714	41,639	—	29,925
Total	**1,055,224**	**765,492**	**1,093,151**	**(24,147)**	**351,806**

31st March 2020

CGU	Gross value of operating assets	Net value of operating assets	Value in use	Impairment increase	Exceeding amount (headroom)
France	545,463	407,663	377,167	(30,496)	—
Spain	66,109	66,109	111,395	—	45,286
Italy	83,427	68,915	63,414	(5,501)	—
UK	77,354	46,216	52,874	—	6,658
Germany	204,696	194,357	324,640	—	130,283
Nordics	63,865	42,068	20,525	(21,543)	—
Other countries	54,584	54,584	230,247	—	175,663
Metasearch	14,604	14,604	6,962	(7,642)	—
Connect	11,516	11,516	51,419	—	39,903
Total	**1,121,618**	**906,032**	**1,238,643**	**(65,182)**	**397,793**

For the purpose of carrying out the impairment test of the CGUs, the Group distributes the value of the brands among the different CGUs based on the allocation made in the year of formation of the group (year ended 31st March 2012). This historical allocation was based on the contribution of each brand to the results of each CGU.

18.4. Sensitivity analysis on key assumptions

The Group presents below the sensitivity analysis for the CGUs where a reasonably possible change in a key assumption would cause the unit's carrying amount to exceed its recoverable amount.

The table below shows the additional impairment that would be recognized if certain changes in main assumptions had been applied:

CGU	0.5pp Increase in WACC	0.5pp Decrease in perpetual growth	10% Decrease in Marginal Profit	Change in scenario weighting[1]
France	(18,657)	(14,313)	(51,841)	(15,622)
Spain	—	—	—	—
Italy	—	—	—	—
UK	—	—	—	—
Germany	—	—	—	—
Nordics	(700)	(500)	(1,912)	(1,061)
Other countries	—	—	—	—
Metasearch	(179)	(98)	(4,390)	(1,578)
Connect	—	—	—	—
	(19,536)	**(14,911)**	**(58,143)**	**(18,261)**

1 Change in scenario weighting means eliminating Scenario III (the most optimistic, as explained in note 3), and assigning 50% probability to each of the remaining scenarios.

The table below shows the value assigned to the assumptions of Revenue Margin and Marginal Profit as compound annual growth rates (CAGR) over the explicitly projected period (5 years):

Revenue Margin growth	Scenario I	Scenario II	Scenario III
France	29.5%	30.0%	32.0%
Nordics	27.8%	28.8%	30.7%
Metasearch	32.8%	34.3%	36.3%

Marginal Profit growth	Scenario I	Scenario II	Scenario III
France	34.0%	35.1%	35.7%
Nordics	24.2%	30.4%	31.3%
Metasearch	26.5%	28.5%	29.9%

Scenarios I, II and III have been weighted at 25%, 60% and 15%, respectively.

The values assigned to the assumptions of discount rate and perpetual growth are disclosed in note 18.2.

19. IMPAIRMENT OF BRANDS

19.1. Measuring methodology

The brands, which have indefinite lives, have been tested for impairment together with the rest of CGU assets (see note 18) as well as separately brand by brand.

The Group carries out a specific impairment test for brands to determine whether any of them could have seen their value impaired at the individual level, regardless of whether or not there was impairment at the level of the cash-generating unit to which it has been assigned. It should be noted that certain Group brands are focused on one market (Go Voyages and Liligo in France, and Travellink in Nordics), while others (eDreams and Opodo) are multi-market.

The Group considers that the fair value of the brands can be determined independently from the rest of the assets and for each one of them, since they generate income comparable to that generated by a licensed brand, which can be separated from the rest of the assets. The calculation of said fair value is made based on the royalty income that each brand would generate according to its projected income margin.

The Group performs an impairment test on the value of the brands annually, or in the event of an indication of impairment, in order to identify the possible existence of unrecorded impairment losses.

The procedure for carrying out the impairment test is as follows:

- A business plan, with different scenarios, is drawn up for each brand for the next 5 years in which the main component is the Revenue Margin that will be generated by each brand. These revenue projections are multiplied by a royalty rate to obtain the revenue corresponding to the brands. These projections include Management's best estimates, which are consistent with external information, past experience and future expectations.
- A valuation analysis is carried out, which consists of applying the discounted free cash flow method, carrying out all the procedures necessary to determine the recoverable value of the brands.

This analysis is used by Group Management to analyze the recoverability of the brands.

19.2. Main assumptions used in the financial projections

For each brand, the discount rate after taxes has been defined on the basis of the weighted average cost of capital (WACC). The WACC has been calculated on a market basis (see note 18.2) and applied a weighted average according to the contribution of each market in each brand in the current year.

In calculating the value of each brand, the following parameters have been considered:

- Given the uncertainty related to the COVID-19 pandemic, Group Management has prepared 3 different scenarios of projections, depending on the duration of the impact from the COVID-19 pandemic and the shape and timing of the subsequent recovery (see note 3).
- In the first year, Revenue Margin was projected using the budget for the year ended 31st March 2022 approved by the Board of Directors. See definition of Adjusted EBITDA in section C4. Glossary of definitions.
- In the four following years, a scenario of evolution of volumes and margins has been considered based on the strategy of the Group and previous experience.
- The perpetual growth rate used to extrapolate cash flow projections beyond the first five years has been estimated at 1.5%.
- Royalty rates have been set to 6.5%, except for the Travellink brand that has a 4.0% royalty rate.

These assumptions reflect expected growth in volume and Revenue Margin per Booking for our markets considering the historical trends and budget assumptions for the year ended 31st March 2022.

	Post-tax		Pre-tax	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Go Voyages	9.5%	9.5%	12.2%	12.1%
eDreams	10.3%	10.7%	13.1%	13.6%
Opodo	9.4%	9.3%	11.9%	11.9%
Travellink	10.5%	10.0%	13.5%	12.9%
Liligo	9.5%	9.5%	12.3%	12.3%

The WACC applied by the Group is generally in line with the previous year, as there has been a general increase in the beta, offset by a decrease in the country risk premiums and the risk-free rates (see note 18.2).

The Revenue Margin projections by Brand have decreased compared to last year because we expect COVID-19 to have a longer impact than expected last year at the moment of the impairment test.

19.3. Conclusion on the analysis

As a result of the testing performed by the Group using the methodology and the assumptions described in notes 19.1 and 19.2 respectively above, and due to the updated projections as a consequence of COVID-19 (see note 3), the carrying amount of certain brands has been impaired.

The table below shows the gross value in books and net value in books of each brand, the recoverable amount calculated for each brand (value in use), the impairment recognized in the current year and the amount by which the brand's recoverable amount exceeds its carrying amount:

31st March 2021

Brands	Gross value of brands	Net value of brands	Value in use	Impairment increase	Exceeding amount (headroom)
Go Voyages	95,430	28,742	23,091	(5,651)	—
eDreams	80,815	80,815	134,303	—	53,488
Opodo	100,000	100,000	124,344	—	24,344
Travellink	7,699	3,767	3,103	(664)	—
Liligo	4,032	4,032	6,909	—	2,877
	287,976	**217,356**	**291,750**	**(6,315)**	**80,709**

31st March 2020

Brands	Gross value of brands	Net value of brands	Value in use	Impairment increase	Exceeding amount (headroom)
Go Voyages	95,430	33,690	28,742	(4,948)	—
eDreams	80,815	80,815	155,649	—	74,834
Opodo	100,000	100,000	160,161	—	60,161
Travellink	7,699	7,699	3,767	(3,932)	—
Liligo	4,032	4,032	4,737	—	705
	287,976	**226,236**	**353,056**	**(8,880)**	**135,700**

19.4. Sensitivity analysis on key assumptions

The Group presents below the sensitivity analysis for the brands where a reasonably possible change in a key assumption would cause the unit's carrying amount to exceed its recoverable amount.

The table below shows the additional impairment that would be recognized if certain changes in main assumptions had been applied:

Brands	0.5pp Increase in WACC	0.5pp Decrease in perpetual growth	5% Decrease in Revenue Margin	1pp Decrease in Royalty Rate	Change in scenario weighting[1]
Go Voyages	(1,357)	(1,042)	(1,155)	(3,552)	(660)
eDreams	—	—	—	—	—
Opodo	—	—	—	—	—
Travellink	(164)	(122)	(155)	(776)	(106)
Liligo	—	—	—	—	—
	(1,521)	**(1,164)**	**(1,310)**	**(4,328)**	**(766)**

[1] *Change in scenario weighting means eliminating Scenario III (the most optimistic, as explained in note 3), and assigning 50% probability to each of the remaining scenarios.*

The table below shows the value assigned to the assumptions of Revenue Margin as compound annual growth rates (CAGR) over the explicitly projected period (5 years):

Revenue Margin growth	Scenario I	Scenario II	Scenario III
Go Voyages	30.9%	31.5%	33.5%
Travellink	26.8%	27.7%	29.7%

Scenarios I, II, and III have been weighted at 25%, 60%, and 15% respectively.

The values assigned to the assumptions of discount rate and perpetual growth are disclosed in note 19.2.

20. NON-CURRENT FINANCIAL ASSETS

	31st March 2021	31st March 2020
Non-current deposits and guarantees	2,192	2,235
Other non-current assets	7	362
Non-current financial assets	**2,199**	**2,597**

As at 31st March 2020, other non-current assets included a receivable with the Italian Authorities for fines paid in excess to the Italian consumer protection authority (AGCM). This amount has been written off during the year ended 31st March 2021 (see note 31.5).

21. TRADE AND OTHER RECEIVABLES

21.1. Trade receivables

The trade receivables from contracts with customers as at 31st March 2021 and 31st March 2020:

	31st March 2021	31st March 2020
Trade receivables	9,518	23,848
Accrued income	14,110	42,662
Impairment loss on trade receivables and accrued income	(6,345)	(8,331)
Provision for Booking cancellation	(2,092)	(10,182)
Trade related deferred expenses	42	805
Total trade receivables	**15,233**	**48,802**

The decrease in trade receivables and accrued income as at 31st March 2021 is mainly due to the reduction in volumes linked with COVID-19 (see note 3).

Provision for Booking cancellation is calculated to cover the risk of loss on GDS incentives or supplier commissions in the case of cancellation of Bookings made prior to the reporting closing date with future departure date.

The table below shows the detail of the provision for Booking cancellation and the percentages of risk that have been applied to the basis of GDS incentives and supplied commissions subject to cancellation:

	31st March 2021		31st March 2020	
	Provision for Booking cancellation	Percentage applied	Provision for Booking cancellation	Percentage applied
GDS Incentives	(315)	17%	(5,655)	70%
Hotel supplier commissions	(1,610)	40%	(3,353)	48%
Car rental supplier commissions	(167)	28%	(1,174)	48%
Total	**(2,092)**		**(10,182)**	

The decrease in provision for Booking cancellation is mainly due to the utilization of the provision booked in the previous year related to COVID-19 cancellations (see note 3), as well as the decrease of volumes and lower risk percentages applied.

As at 31st March 2020 the accrued income on supplier commission was mainly related to Bookings with departure date from April 2020 onward. Travel restrictions were very strict in our main markets during the calendar year 2020 especially in April, May and June. From April 2021 onward, the Group expects a progressive reduction of travel restrictions during the year ended 31st March 2022 driven by progress in vaccination and reduction of COVID-19 cases in the main markets where the Group operates.

The risk percentages applied are also directly related to customer behaviour and specificities of the product the Group is intermediating. For hotels and cars services, our suppliers commonly offer to customers cancellation up to check-in or pick-up date. In the case of flights, usually airlines don't offer this level of flexibility regarding cancellation.

The percentages applied for the provision for Booking cancellation for GDS Incentives, Hotel supplier commissions and Car rental supplier commissions pre-COVID-19 were approximately 0%, 11% and 13% respectively (December 2019 reference period).

21.2. Valuation allowance

An impairment analysis of trade receivables and accrued income has been performed at year-end using a provision matrix by type of customer, to measure expected credit losses. The provision for Booking cancellation has been deducted from the accrued income amounts for the impairment estimation.

A single methodology has been adopted to establish this provision matrix by type of customer. The different percentages of risk have been calculated based on the weight of all invoices still overdue after a certain period of time, out of the gross amount of invoices issued, by month. This statistic database provides a reasonable expectation of the successful percentage of recovery of the overdue balances.

Movements in the valuation allowance are as follows:

	Year ended 31st March 2021	Year ended 31st March 2020
Valuation allowance opening balance	(8,331)	(6,014)
(Increase) / decrease in impairment losses	1,417	(2,428)
Amount written off as uncollectible	569	111
Valuation allowance closing balance	**(6,345)**	**(8,331)**

The decrease in impairment losses in the year ended 31st March 2021, is driven by the significant decrease in trade receivables as a consequence of the drop in volume of Bookings in the context of the COVID-19 crisis (see note 3).

The table below shows the impairment by type of customer:

	31st March 2021		31st March 2020	
	Trade receivables	Impairment	Trade receivables	Impairment
Commissions, BtB incentives and advertising revenue	19,012	(4,932)	44,183	(6,876)
Metasearch customers	1,833	(1,347)	3,361	(1,255)
Leisure customers & Global Distribution System (GDS)	691	(66)	8,784	(200)
Total trade receivables	**21,536**	**(6,345)**	**56,328**	**(8,331)**

The tables below shows the credit risk exposure for the Group's two main types of customers:

Commissions, BtB incentives and advertising revenue	**31st March 2021**		**31st March 2020**	
	Trade receivables	Impairment	Trade receivables	Impairment
Accrued income & provision for Booking cancellation	10,202	(146)	31,714	(691)
Amount invoiced not overdue	2,350	(39)	4,617	(108)
Less than 60 days	847	(47)	2,757	(118)
Between 60 and 120 days	476	(40)	394	(21)
Between 120 and 240 days	278	(37)	304	(25)
Between 240 and 365 days	610	(149)	113	(17)
More than 365 days	484	(200)	2,101	(728)
Bankruptcy & other non-recoverability risk	3,765	(3,765)	2,183	(2,183)
Additional risk high	—	(276)	—	(1,376)
Additional risk medium	—	(163)	—	(1,176)
Additional risk low	—	(70)	—	(433)
Total	**19,012**	**(4,932)**	**44,183**	**(6,876)**

Metasearch customers	**31st March 2021**		**31st March 2020**	
	Trade receivables	Impairment	Trade receivables	Impairment
Accrued income	168	(4)	539	(16)
Amount invoiced not overdue	166	(5)	1,008	(29)
Less than 90 days	21	(1)	172	(5)
Between 90 to 120 days	8	(1)	9	(1)
Between 120 to 150 days	12	(3)	15	(3)
Between 150 days to 180 days	8	(3)	34	(11)
Between 180 days to 210 days	40	(18)	47	(20)
Between 210 days to 240 days	—	—	4	(2)
More than 240 days	262	(153)	1,109	(586)
Bankruptcy & other non-recoverability risk	1,148	(1,148)	424	(424)
Additional risk high	—	(11)	—	(137)
Additional risk medium	—	—	—	(21)
Additional risk low	—	—	—	—
Total	**1,833**	**(1,347)**	**3,361**	**(1,255)**

Due to the COVID-19 (see note 3), the Group has considered an additional risk for some customers shown in the tables above as Additional risk high, Additional risk medium and Additional risk low, for a total amount of €0.5 million (€3.1 million as at 31st March 2020). The percentage of risk applied is the result of a deep analysis carried out by customer (see note 4.3).

The line Bankruptcy & other non-recoverability risk includes all invoices fully impaired as the customer is going into insolvency proceedings or if the invoices are overdue for a significant period. In the year ended 31st March 2021 the Group considered a limit of overdue more than 2 years.

The Group has two other types of customers, Leisure customers and Global Distribution System ("GDS"). For Leisure customers, as we collect the amount due at the time of the Booking, the Group considers there is no risk of credit loss. No additional risk linked with COVID-19 has been estimated. For GDS, the risk analysis has led to the same conclusion, therefore no additional risk linked with COVID-19 has been estimated.

As at 31st March 2021, the amount invoiced not overdue yet for these types of customers is €0.7 million and the impairment booked is €0.1 million.

As at 31st March 2020, the amount invoiced not overdue yet for these types of customers was €8.8 million and the impairment booked was €0.2 million.

The Group has no collateral or other credit enhancements over its trade receivables.

21.3. Other receivables

	31st March 2021	31st March 2020
Advances given - trade related	1,366	5,378
Other receivables	435	1,024
Prepayments	1,956	2,948
Total other receivables	**3,757**	**9,350**

The decrease in advances given - trade related as at 31st March 2021 is mainly due to the reduction in volumes linked with COVID-19 (see note 3).

22. CASH AND CASH EQUIVALENTS

	31st March 2021	31st March 2020
Cash and other cash equivalents	12,138	83,337
Total cash and cash equivalents	**12,138**	**83,337**

The Group has no restricted cash.

The decrease in cash and cash equivalents as at 31st March 2021 is mainly due to the reduction in volumes linked with COVID-19 (see note 3) as well as the lower usage of our SSRCF (see note 25).

23. EQUITY

	31st March 2021	31st March 2020
Share capital	11,878	11,046
Share premium	974,512	974,512
Equity-settled share-based payments	16,475	10,373
Retained earnings and others	(606,812)	(565,694)
Treasury shares	(4,088)	(3,320)
Profit and Loss attributable to the parent company	(124,229)	(40,523)
Foreign currency translation reserve	(9,266)	(12,635)
Non-controlling interest	—	—
Total equity	**258,470**	**373,759**

23.1. Share capital

On 7th July 2020, the Board of Directors resolved to issue share capital of €831,848.70 represented by 8,318,487 ordinary shares, of €0.10 each (see note 2.4).

As a result of the new shares' issuance, the Company's share capital amounts to €11,878,153 and is represented by 118,781,530 shares with a face value of €0.10 per share.

The significant shareholders of the Company with a percentage of share capital equal to or higher than 5% and Board members as at 31st March 2021 are the following:

	Number of shares	% Share Capital
Permira	32,011,388	26.9%
Ardian	18,720,320	15.8%
Bybrook Capital LLP	12,300,775	10.4%
Sunderland Capital Partners LP	6,371,316	5.4%
Treasury shares	8,755,738	7.4%
Total more than 5%	**78,159,537**	
Board members	2,366,748	2.0%
Others below 5%	38,255,245	32.2%
Total Company	**118,781,530**	

During the years ended 31st March 2021 and 31st March 2020, the Group did not carry out any significant transactions with its shareholders other than those mentioned in note 30.

The Company's shares are admitted to official listing on the Spanish Stock Exchanges.

23.2. 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.

23.3. Equity-settled share-based payments

The amount recognized under "equity-settled share-based payments" in the consolidated balance sheet at 31st March 2021 and 31st March 2020 arose as a result of the Long-Term Incentive plans given to the employees.

As at 31st March 2021, the only Long-Term Incentive plans currently granted to employees are the 2016 LTIP and the 2019 LTIP detailed in note 24.1 and 24.2, respectively.

23.4. Retained earnings and others

During the year ended 31st March 2021, the Group has booked a correction of previous years against retained earnings for an amount of €0.5 million, corresponding mainly to an adjustment of an error in the calculation of the amortization of a license in the previous years for €1.0 million (see note 16), net of its tax impact for €0.3 million (see note 14.5).

23.5. Treasury shares

	Number of shares	Thousand of euros
Treasury shares at 31st March 2019	—	—
Acquisitions	1,932,432	6,811
Disposals	(497,778)	(1,865)
Delivered to employees	(353,188)	(1,626)
Treasury shares at 31st March 2020	**1,081,466**	**3,320**
Issue of new shares	8,318,487	832
Delivered to employees	(644,215)	(64)
Treasury shares at 31st March 2021	**8,755,738**	**4,088**

On 29th April 2019, the Company entered into a liquidity contract with GVC Gaesco Beka, Sociedad de Valores, S.A. with the purpose of favouring the liquidity and regularity of the Company's shares quotation, within the limits established by the Company's Shareholders General Meeting and the applicable regulation. 54,298 net treasury shares have been acquired under the liquidity contract.

On 16th December 2019, the Company resolved to implement a buy-back programme over its own shares. 1,229,611 treasury shares have been acquired under the buy-back programme.

On 26th February 2020 the Company delivered 353,188 treasury shares (see note 24.1) to the beneficiaries of the 2016 Long-term incentive plan at no cost to the beneficiaries.

During the period between 25th February 2020 and 3rd March 2020, the Company acquired a package of 150,745 additional treasury shares.

As at 31st March 2020, the Group had 1,081,466 treasury shares, carried in equity at €3.3 million, at an average historic price of €3.07 per share. These shares corresponded to acquisitions for €6.8 million and sales for €1.9 million. The transaction costs and the gains and losses on the transactions with treasury shares were booked against other reserves for €2.7 million, of which €1.1 million correspond to payments of transaction costs.

The amount included in the cash flow statement of the year ended 31st March 2020 regarding acquisition of treasury shares for €7.9 million corresponds to €6.8 million of acquired treasury shares and €1.1 million of transactions costs.

On 7th July 2020, the Board of Directors resolved to issue 8,318,487 new shares, corresponding to the maximum amount of shares available pursuant to the authorized capital included in the current Articles of Association of the Company to serve the Group's LTIPs. The subscriber of the Bonus Shares is eDreams International Network, S.L. The new shares will be held by the Group as treasury stock and therefore both the economic and political rights of the new shares will be suspended (see note 2.4).

On 25th August 2020, the Board of Directors resolved to deliver 217,516 treasury shares to the beneficiaries of the 2016 Long-Term Incentive Plan (see note 2.5). The Group has used the new shares issued on 7th July 2020, owned by the subsidiary eDreams International Network, S.L.

On 17th November 2020, the Board of Directors resolved to deliver 216,183 treasury shares to the beneficiaries of the 2016 Long-Term Incentive Plan (see note 2.5). The Group has used the new shares issued on 7th July 2020, owned by the subsidiary eDreams International Network, S.L.

On 19th February 2021, the Board of Directors resolved to deliver 210,516 treasury shares to the beneficiaries of the 2016 Long-Term Incentive Plan (see note 2.5). The Group has used the new shares issued on 7th July 2020, owned by the subsidiary eDreams International Network, S.L.

As at 31st March 2021, the Group had 8,755,738 treasury shares, carried in equity at €4.1 million, at an average historic price of €0.47 per share. eDreams International Network, S.L. owns 7,674,272 shares valued at €0.10 each and the remaining 1,081,466 shares are in eDreams ODIGEO, S.A. valued at €3.07 each.

The treasury shares have been fully paid.

23.6. 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, L.L.C., ODIGEO Hungary, Kft., GEO Travel Pacific, Pty. Ltd. and Travellink, A.B. since they are denominated in currencies other than the Euro.

24. SHARE-BASED COMPENSATION

24.1. 2016 Long-term incentive plan

On 20th July 2016, the Board of Directors decided to implement a Long-Term Incentive Plan ("2016 LTIP") for key executives and other employees of the Group with a view to incentivizing them to continue improving the Group's results and retaining and motivating key personnel.

During the year ended 31st March 2021, the Company observed that there were significant potential rights pending to be allotted under the 2016 LTIP. As a result, on 23rd March 2021, the Board of Directors agreed to extend and adjust the 2016 LTIP by creating four additional tranches and extending its duration, intending to include new individuals that previously were not beneficiaries of the 2016 LTIP and continue incentivizing and retaining its personnel. As at 31st March 2021, no rights have been granted under the four new tranches.

The 2016 LTIP lasts for eight years and vests between August 2018 and February 2026 based on financial results. The exercise price of the rights is €0.

The 2016 LTIP is split equally between performance stock rights ("PSRs") and restricted stock units ("RSUs") subject to continued service. Based on operational performance, the scheme is linked to stringent financial and strategic objectives.

Performance stock rights are conditional on meeting the financial objectives established by the Company's Board of Directors with respect to the relevant period of the corresponding Tranche, provided that the Beneficiary is currently employed or has a management position in the Group during the relevant period up to the date of delivery of shares.

Restricted stock units are only conditional on the Beneficiary being currently employed or holding a management position in the Group during the relevant period up to the date of delivery of shares.

As at 31st March 2021 6,644,638 Potential Rights have been granted since the beginning of the plan under the 2016 LTIP (5,223,144 Potential Rights at 31st March 2020), of which 385,575 shares (The First Tranche, First Sub-tranche, First Delivery), 377,546 shares (The First Tranche, First Sub-tranche, Second Delivery), 377,546 shares (The First Tranche, First Sub-tranche, Third Delivery), 379,548 shares (The First Tranche, Second Sub-tranche, First Delivery), 364,443 shares (The First Tranche, Second Sub-tranche, Second Delivery), 353,188 shares (The First Tranche, Second Sub-tranche, Third Delivery), 217,516 shares (The Second Tranche, First Delivery), 216,183 shares (The Second Tranche, Second Delivery) and 210,516 shares (The Second Tranche, Third Delivery) had been delivered as shares in August 2018, November 2018, February 2019, August 2019, November 2019, February 2020, August 2020, November 2020 and February 2021, respectively.

The movement of the Potential Rights during the years ended 31st March 2021 and 31st March 2020 is as follows:

			Granted / Forfeited			Delivered
	Performance Stock Rights	Restricted Stock Units	Total	Performance Stock Rights	Restricted Stock Units	Total
2016 LTIP Potential Rights - 31st March 2019	**2,719,234**	**2,719,234**	**5,438,468**	**525,170**	**615,497**	**1,140,667**
Potential Rights forfeited - leavers	(148,662)	(148,662)	**(297,324)**	—	—	—
Additional Potential Rights granted	41,000	41,000	**82,000**	—	—	—
Shares delivered	—	—	—	479,746	617,433	**1,097,179**
2016 LTIP Potential Rights - 31st March 2020	**2,611,572**	**2,611,572**	**5,223,144**	**1,004,916**	**1,232,930**	**2,237,846**
Potential Rights forfeited - leavers	(139,429)	(139,429)	**(278,858)**	—	—	—
Additional Potential Rights granted	850,176	850,176	**1,700,352**	—	—	—
Shares delivered	—	—	—	—	644,215	**644,215**
2016 LTIP Potential Rights - 31st March 2021	**3,322,319**	**3,322,319**	**6,644,638**	**1,004,916**	**1,877,145**	**2,882,061**

During the year ended 31st March 2021, the Group has granted 850,176 new potential PSR rights and 850,176 new potential RSU rights. The average market value of the share used to value these rights has been €1.8 per share, corresponding to the market value of the shares as at 31st of July 2020 when most of these rights were granted. The probability of compliance with conditions as at 31st March 2021 has been estimated at 88% for PSR and 94% for RSU.

Total maximum dilution of the PSRs and 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. The maximum dilution has not been affected by the amendment to the 2016 Plan on 23rd March 2021.

The value of the plan depends on internal conditions (not market) and is valued according to the market value of the share on the grant date, multiplied by the probability of compliance with the conditions. This probability is updated and re-estimated at least annually, but the market value of the share on the grant date remains unchanged.

The cost of the 2016 LTIP has been recorded in the Income Statement (Personnel expenses, see note 10.1) and against Equity (included in Equity-settled share based payments, see note 23.3), amounting to €3.7 million and €2.4 million for the years ended 31st March 2021 and 31st March 2020 respectively.

24.2. 2019 Long-term incentive plan

On 19th June 2019, the Board of Directors of the Company approved a new long-term incentive plan ("2019 LTIP") to ensure that it continues to attract and retain high-quality management and better align the interests of management and shareholders.

The 2019 LTIP is split equally between performance stock rights ("PSRs") and restricted stock units ("RSUs") subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives, which will be assessed in cumulative periods.

Performance stock rights are conditional on meeting the financial objectives established by the Company's Board of Directors with respect to the relevant period of the corresponding Tranche, provided that the Beneficiary is currently employed or has a management position in the Group during the relevant period up to the date of delivery of shares.

Restricted stock units are only conditional on the Beneficiary being currently employed or holding a management position in the Group during the relevant period up to the date of delivery of shares.

The new 2019 LTIP lasts for four years and is designed to vest around financial results publications between August 2022 and February 2026. The exercise price of the rights is €0.

As at 31st March 2021 4,268,612 Potential Rights have been granted since the beginning of the plan under the 2019 LTIP (1,609,500 Potential Rights at 31st March 2020), and no shares have been delivered.

The movement of the Potential Rights during the years ended 31st March 2021 and 31st March 2020 is as follows:

	Granted / Forfeited			Delivered		
	Performance Stock Rights	Restricted Stock Units	**Total**	Performance Stock Rights	Restricted Stock Units	**Total**
2019 LTIP Potential Rights - 31st March 2019	—	—	—	—	—	—
Additional Potential Rights granted	804,750	804,750	**1,609,500**	—	—	—
Shares delivered	—	—	—	—	—	—
2019 LTIP Potential Rights - 31st March 2020	804,750	804,750	**1,609,500**	—	—	—
Potential Rights forfeited - leavers	(137,644)	(137,644)	**(275,288)**	—	—	—
Additional Potential Rights granted	1,467,200	1,467,200	**2,934,400**	—	—	—
Shares delivered	—	—	—	—	—	—
2019 LTIP Potential Rights - 31st March 2021	**2,134,306**	**2,134,306**	**4,268,612**	—	—	—

During the year ended 31st March 2021, the Group has granted 1,467,200 new potential PSR rights and 1,467,200 new potential RSU rights. The average market value of the share used to value these rights has been €1.8 per share, corresponding to the market value of the shares as at 31st of July 2020 when most of these rights were granted. The probability of compliance with conditions has been estimated at 69% for PSR and 76% for RSU.

Total maximum dilution of the PSRs and RSUs would represent, if fully vested, 4.72% of the total issued share capital of the Company, over a period of 4 years, and therefore 1.20% yearly average on a fully diluted basis.

The value of the plan depends on internal conditions (not market) and is valued according to the market value of the share on the grant date, multiplied by the probability of compliance with the conditions. This probability is updated and re-estimated at least annually, but the market value of the share on the grant date remains unchanged.

The cost of the 2020 LTIP has been recorded in the Income Statement (Personnel expenses, see note 10.1) and against Equity (included in Equity-settled share based payments, see note 23.3), amounting to €2.4 million and €0.6 million for the years ended 31st March 2021 and 31st March 2020 respectively.

25. FINANCIAL LIABILITIES

The Group debt and other financial liabilities at 31st March 2021 and 31st March 2020 are as follows:

	31st March 2021			31st March 2020		
	Current	Non Current	Total	Current	Non Current	Total
2023 Notes - Principal	—	425,000	**425,000**	—	425,000	**425,000**
2023 Notes - Financing fees capitalized	—	(3,612)	**(3,612)**	—	(4,962)	**(4,962)**
2023 Notes - Accrued interest	1,948	—	**1,948**	1,948	—	**1,948**
Total Senior Notes	**1,948**	**421,388**	**423,336**	**1,948**	**420,038**	**421,986**
SSRCF - Principal	—	55,000	**55,000**	39,500	70,000	**109,500**
SSRCF - Financing fees capitalized	—	(1,613)	**(1,613)**	—	(2,218)	**(2,218)**
SSRCF - Accrued interest	45	—	**45**	49	—	**49**
Total SSRCF	**45**	**53,387**	**53,432**	**39,549**	**67,782**	**107,331**
Government sponsored loan - Principal	3,750	11,250	**15,000**	—	—	—
Government sponsored loan - Financing fees capitalized	—	(375)	**(375)**	—	—	—
Government sponsored loan - Accrued interest	96	—	**96**	—	—	—
Total Government sponsored loan	**3,846**	**10,875**	**14,721**	—	—	—
Bank facilities and bank overdrafts	16,647	—	**16,647**	—	—	—
Lease liabilities	2,003	3,095	**5,098**	2,480	1,548	**4,028**
Other financial liabilities	11	—	**11**	4,251	—	**4,251**
Total other financial liabilities	**18,661**	**3,095**	**21,756**	**6,731**	**1,548**	**8,279**
Total financial liabilities	**24,500**	**488,745**	**513,245**	**48,228**	**489,368**	**537,596**

Senior Notes – 2023 Notes

On 25th September 2018, eDreams ODIGEO, S.A. issued €425 million 5.50% Senior Secured Notes with a maturity date of 1st September 2023 ("the 2023 Notes").

Interest on the 2023 Notes is payable semi-annually in arrears on the 1st of March and 1st of September each year.

Super Senior Revolving Credit Facility

On 4th October 2016, the Group refinanced its Super Senior Revolving Credit Facility ("the SSRCF"), increasing the size to €147 million from the previous €130 million, and gaining significant flexibility as well versus the previous terms.

In May 2017, the Group obtained the modification of the SSRCF from 4th October 2016 increasing the commitment by €10 million to a total of €157 million.

In September 2018, the Group obtained another modification of the SSRCF increasing the commitment to €175 million, and extending its maturity until September 2023.

After September 2018, the Group has converted €60 million from its SSRCF into credit facilities ancillary to the SSRCF with certain Banks and €9.6 million into a facility specific for guarantees.

The interest rate of the SSRCF is the benchmark rate (such as EURIBOR for Euro transactions) plus a margin of 3.00%. Though at any time after 30th September 2018, and subject to certain conditions, the margin may decrease to be between 3.00% and 2.00%.

The SSRCF 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 6. The covenant is tested only if, on the relevant test date, outstanding loans under the SSRCF exceed 30% of total commitments under the SSRCF.

In the event of a breach of the gross leverage covenant when tested, in the absence of an exemption, an event of default would occur under the SSRCF and lenders required under the SSRCF could accelerate all loans and terminate all commitments under it.

If loans under the SSRCF were to be accelerated, then the necessary majority of holders of the €425 million 2023 Notes could accelerate those bonds. Likewise, there could also be an acceleration of the amounts drawn down under the €15 million Government sponsored loan.

As at 31st March 2020, the gross debt cover ratio was 4.9, so the Company was in compliance.

In April 2020, the Group obtained a waiver for the covenant for the year ended 31st March 2021 (see note 2.2).

Additionally, in April 2021, the Group has obtained a waiver for the covenant for the year ended 31st March 2022 (see note 35.1).

As at 31st March 2021, due to the impact of COVID-19 (see note 3), the Group had drawn €55.0 million under the SSRCF (€109.5 million as at 31st March 2020).

See below the detail of cash available under the SSRCF:

	31st March 2021	31st March 2020
SSRCF total amount	175,000	175,000
Guarantees drawn under SSRCF	(5,866)	(1,328)
Drawn under SSRCF	(55,000)	(109,500)
Ancillaries to SSRCF drawn	(16,647)	—
Remaining undrawn amount under SSRCF	**97,487**	**64,172**
Undrawn amount specific for guarantees	(3,734)	(3,672)
Remaining cash available under SSRCF	**93,753**	**60,500**

Government sponsored loan due 2023

On 30th June 2020, the Group's subsidiary Vacaciones eDreams, S.L. signed a syndicated loan for €15 million (see note 2.3).

The Group received the €15 million funds on 7th July 2020. Transaction costs directly attributable to the issue of this loan have been capitalized and they will be amortized over the life of the loan.

The loan has a three-year term, with 25% biyearly repayments starting at 18 months. The interest rate of the loan is the EURIBOR benchmark rate plus a margin of 2.75% and the interest is paid quarterly.

Lease liabilities

Lease liabilities includes the financial liability for the office leases first recognized on 1st April 2018 under IFRS 16 Leases for an amount of €4.9 million as at 31st March 2021 (€3.4 million as at 31st March 2020).

The leased assets gross value and accumulated amortization are detailed in note 17.

The maturity of contractual undiscounted cash flows for leasings is the following:

	31st March 2021	31st March 2020
Less than one year	2,142	2,564
One to two years	1,599	1,489
Two to three years	1,566	50
Three to four years	34	15
More than four years	—	11
Total undiscounted lease liabilities	**5,341**	**4,129**
Discounting impact (unaccrued interests)	(243)	(101)
Total Lease liabilities	**5,098**	**4,028**

The lease agreements for the Group's offices include extension and termination options, which provide flexibility to the Group. The Group has termination options with notice periods between 3 to 9 months.

The Group has included in the measurement of the lease liability the future cash flows for the periods it estimates that it will keep the contracts. However, for some of the lease contracts, the Group has extension options for additional periods, which can be freely exercised by the Group only, at any time. These extension options have not been considered in the value of the lease liability since the Group does not have reasonable certainty to exercise these options. Future flows of these options have been estimated at €3.1 million (undiscounted).

The increase in total lease liabilities in the year ended 31st March 2021 is mainly due to modifications in the estimation of the term of certain office lease agreements with an impact of €3.6 million (using updated discount rates between 3.44% and 4.32%), partly offset by the principal payments done during the year (€2.5 million).

The amounts paid during the year related to leasings are as follows:

	Year ended 31st March 2021	Year ended 31st March 2020
Principal	2,484	3,099
Interests	94	172
Total cash outflow for leases	**2,578**	**3,271**

The Group has not recorded expenses for variable payments that are not included in the initial measurement of the lease liability. Likewise, it has not recorded expenses for short-term or low-value leases given that the Group does not have contracts that meet these characteristics.

During the year ended 31st March 2021, the Group's leases have not been modified by rent concessions or rent discounts as a result of the COVID-19 pandemic.

During the year ended 31st March 2020, the renegotiations of leases as a result of the COVID-19 pandemic have not had a significant impact.

Other financial liabilities

Other financial liabilities mainly include the liability for customer tax refunds amounting to €0.0 million and €4.3 million at 31st March 2021 and 31st March 2020, respectively. The decrease during the year ended 31st March 2021 is due to the reduction in volumes linked with COVID-19 (see note 3) and the expiration of the liability corresponding to the previous year.

The Group has no financing agreements with its suppliers.

25.1. Debt by maturity date

The maturity date of the financial liabilities based on undiscounted payments as at 31st March 2021 is as follows:

	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	>4 years	Total
2023 Notes - Principal	—	—	425,000	—	—	**425,000**
2023 Notes - Accrued interest	1,948	—	—	—	—	**1,948**
Total Senior Notes	**1,948**	**—**	**425,000**	**—**	**—**	**426,948**
SSRCF - Principal	—	—	55,000	—	—	**55,000**
SSRCF - Accrued interest	45	—	—	—	—	**45**
Total SSRCF	**45**	**—**	**55,000**	**—**	**—**	**55,045**
Government sponsored loan - Principal	3,750	7,500	3,750	—	—	**15,000**
Government sponsored loan - Accrued interest	96	—	—	—	—	**96**
Total Government sponsored loan	**3,846**	**7,500**	**3,750**	**—**	**—**	**15,096**
Bank facilities and bank overdrafts	16,647	—	—	—	—	**16,647**
Lease liabilities	2,142	1,599	1,566	34	—	**5,341**
Other financial liabilities	11	—	—	—	—	**11**
Total other financial liabilities	**18,800**	**1,599**	**1,566**	**34**	**—**	**21,999**
Trade payables (see note 27)	140,265	6,160	—	—	—	**146,425**
Employee-related payables (see note 27)	8,256	—	—	—	—	**8,256**
Total trade and other payables	**148,521**	**6,160**	**—**	**—**	**—**	**154,681**
Total	**173,160**	**15,259**	**485,316**	**34**	**—**	**673,769**

The Group plans to refinance the 2023 Notes and the SSRCF before their maturity date.

The maturity date of the financial liabilities based on undiscounted payments as at 31st March 2020 was as follows:

	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	>4 years	Total
2023 Notes - Principal	—	—	—	425,000	—	**425,000**
2023 Notes - Accrued interest	1,948	—	—	—	—	**1,948**
Total Senior Notes	**1,948**	**—**	**—**	**425,000**	**—**	**426,948**
SSRCF - Principal	39,500	—	—	70,000	—	**109,500**
SSRCF - Accrued interest	49	—	—	—	—	**49**
Total SSRCF	**39,549**	**—**	**—**	**70,000**	**—**	**109,549**
Lease liabilities	2,564	1,489	50	15	11	**4,129**
Other financial liabilities	4,251	—	—	—	—	**4,251**
Total other financial liabilities	**6,815**	**1,489**	**50**	**15**	**11**	**8,380**
Trade payables (see note 27)	135,644	2,823	5,128	—	—	**143,595**
Employee-related payables (see note 27)	2,257	—	—	—	—	**2,257**
Total trade and other payables	**137,901**	**2,823**	**5,128**	**—**	**—**	**145,852**
Total	**186,213**	**4,312**	**5,178**	**495,015**	**11**	**690,729**

25.2. Fair value measurement of debt

		Fair value		
31st March 2021	**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
Balance Sheet headings and classes of instruments:				
Cash and cash equivalents	12,138	12,138		
2023 Notes	423,336		444,901	
SSRCF	53,432		51,851	
Government sponsored loan	14,721		14,315	
Bank facilities and bank overdrafts	16,647	16,647		

		Fair value		
31st March 2020	**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
Balance Sheet headings and classes of instruments:				
Cash and cash equivalents	83,337	83,337		
2023 Notes	421,986		428,824	
SSRCF	107,331		104,342	
Bank facilities and bank overdrafts	—	—		

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 consolidated 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.

25.3. Changes in liabilities arising from financing activities

The reconciliation showing the changes in liabilities arising from financing activities from 31st March 2020 until 31st March 2021 is as follows:

	31st March 2020	Cash flows	P&L accrual	Others	31st March 2021
2023 Notes - Principal	425,000	—	—	—	425,000
2023 Notes - Financing fees capitalized	(4,962)	—	1,350	—	(3,612)
2023 Notes - Accrued interest	1,948	(23,375)	23,375	—	1,948
Total Senior Notes	**421,986**	**(23,375)**	**24,725**	**—**	**423,336**
SSRCF - Principal	109,500	(54,500)	—	—	55,000
SSRCF - Financing fees capitalized	(2,218)	—	605	—	(1,613)
SSRCF - Accrued interest	49	(1,973)	1,969	—	45
Total SSRCF	**107,331**	**(56,473)**	**2,574**	**—**	**53,432**
Government sponsored loan - Principal	—	15,000	—	—	15,000
Government sponsored loan - Financing fees capitalized	—	(546)	171	—	(375)
Government sponsored loan - Accrued interest	—	(211)	307	—	96
Total Government sponsored loan	**—**	**14,243**	**478**	**—**	**14,721**
Bank facilities and bank overdrafts	—	(56)	56	16,647	16,647
Lease liabilities	4,028	(2,578)	94	3,554	5,098
Other financial liabilities	4,251	—	—	(4,240)	11
Total other financial liabilities	**8,279**	**(2,634)**	**150**	**15,961**	**21,756**
Total financial liabilities	**537,596**	**(68,239)**	**27,927**	**15,961**	**513,245**
Other payables related to financial liabilities	415	(1,212)	1,539	(216)	526
Total others	**415**	**(1,212)**	**1,539**	**(216)**	**526**
Total financing activities	**538,011**	**(69,451)**	**29,466**	**15,745**	**513,771**

The Cash Flows Statement caption "Borrowings drawdown" contains the collection of the Government sponsored loan for €15.0 million (see note 2.3).

The Cash Flows Statement caption "Reimbursement of borrowings" contains the SSRCF principal repayment for €54.5 million and the lease liabilities principal repayment for €2.5 million.

In the previous table, the cash flows shown for the lease liabilities include principal amounts for €2.5 million and interests payments for €0.1 million (see note 25).

The Cash Flows Statement caption "Interest paid" contains €23.4 million of interests paid on the 2023 Notes, €2.0 million of interests paid on the SSRCF, €0.2 million of interest paid on the Government sponsored loan, €0.1 million of interests paid on the bank facilities and bank overdrafts and €0.1 million of interests paid on leases; for a total of €25.7 million.

The amounts shown in column "others" in the reconciliation table correspond mainly to the modifications in the lease agreements for €3.6 million, the tax refund movement for €4.2 million and the bank facilities and bank overdrafts for €16.6 million.

The reconciliation showing the changes in liabilities arising from financing activities from 31st March 2019 until 31st March 2020 is as follows:

	31st March 2019	Cash flows	P&L accrual	Others	31st March 2020
2023 Notes - Principal	425,000	—	—	—	425,000
2023 Notes - Financing fees capitalized	(6,233)	—	1,271	—	(4,962)
2023 Notes - Accrued interest	1,948	(23,375)	23,375	—	1,948
Total Senior Notes	**420,715**	**(23,375)**	**24,646**	**—**	**421,986**
SSRCF - Principal	—	109,500	—	—	109,500
SSRCF - Financing fees capitalized	—	—	—	(2,218)	(2,218)
SSRCF - Accrued interest	—	(84)	133	—	49
Total SSRCF	**—**	**109,416**	**133**	**(2,218)**	**107,331**
Bank facilities and bank overdrafts	—	(108)	108	—	—
Lease liabilities	7,873	(3,271)	170	(744)	4,028
Other financial liabilities	5,685	—	—	(1,434)	4,251
Total other financial liabilities	**13,558**	**(3,379)**	**278**	**(2,178)**	**8,279**
Total financial liabilities	**434,273**	**82,662**	**25,057**	**(4,396)**	**537,596**
Other payables related to financial liabilities	401	(1,817)	1,906	(75)	415
Treasury shares	—	(6,001)	—	6,001	—
Total others	**401**	**(7,818)**	**1,906**	**5,926**	**415**
Financial assets related to the SSRCF	(2,786)	—	568	2,218	—
Financial assets related to financing activities	**(2,786)**	**—**	**568**	**2,218**	**—**
Total financing activities	**431,888**	**74,844**	**27,531**	**3,748**	**538,011**

The Cash Flows Statement caption "Borrowings drawdown" contains the collection of the SSRCF for €109.5 million related to the impact of COVID-19 (see note 3).

The Cash Flows Statement caption "Reimbursement of borrowings" contains the lease liabilities principal repayment for €3.1 million.

In the table above, the cash flows shown for the lease liabilities include principal amounts for €3.1 million and interests payments for €0.2 million (see note 25).

The Cash Flows Statement caption "Interest paid" contains €23.4 million of interests paid on the 2023 Notes, €0.1 million of interests paid on the SSRCF, €0.1 million of interests paid on the bank facilities and bank overdrafts and €0.2 million of interests paid on leases; for a total of €23.7 million.

The amounts shown in column “others” in the reconciliation table correspond mainly to the reclassification of the SSRCF Financing fees capitalized from financial assets to financial liabilities of €2.2 million and the impact in equity of the acquisition and disposal of treasury shares for €6.0 million.

26. PROVISIONS

	31st March 2020	Utilization	Reversal	Increase	Reclass	31st March 2021
Provision for tax risks	4,601	—	(1,047)	1,553	—	5,107
Provision for pensions and other post employment benefits	280	—	(27)	85	(5)	333
Provision for others	2,762	—	—	390	(1,639)	1,513
Total non-current provisions	**7,643**	**—**	**(1,074)**	**2,028**	**(1,644)**	**6,953**
Provision for litigation risks	1,439	(865)	(116)	1,831	—	2,289
Provision for pensions and other post employment benefits	61	(34)	(26)	—	5	6
Provision for operating risks and others	16,196	(9,199)	(6,380)	3,676	1,639	5,932
Total current provisions	**17,696**	**(10,098)**	**(6,522)**	**5,507**	**1,644**	**8,227**

As at 31st March 2021 the Group has a provision of €5.1 million for tax risks (€4.6 million as at 31st March 2020). In certain cases, the Company applied a tax treatment, which, if challenged by the tax authorities, may probably result in a cash outflow (see note 31).

The Group has a provision related to the earn-out for the Business Combination of Waylo (see note 32): €1.5 million non-current booked as “Provision for others” and €1.6 million current included inside “Provision for operating risks and others”.

The “Provision for litigation risks” as at 31st March 2021 is mainly related to customer and employee litigations.

“Provisions for operating risks and others” mainly includes the provision for chargebacks, that are payments rejected by customers for amounts collected by the Group in relation to the booking of travel services. These chargebacks may increase in cases where the travel suppliers have cancelled the travel service that had been booked through the mediation of the Group. The provision covers the risk of future cash outflows for amounts that have been collected but that may result in a payment if the customer executes a chargeback. The provision is only for the part of the amount that the Group will not recover from the travel supplier. The chargeback provision as at 31st March 2021 is €3.7 million (€13.0 million as at 31st March 2020). The decrease compared to previous years is mainly due to the usage for €9.0 million and to the drop in volumes, both linked with the COVID-19 situation (see note 3).

The chargeback provision includes a specific provision to cover the increased risk that customers will return the payment of a Booking if the flight is cancelled in the COVID-19 situation (see note 3). This specific provision was recognized for €10.3 million as at 31st March 2020 and €3.1 million as at 31st March 2021, representing 1.2% and 0.9%, respectively, of the amounts collected from customers for flights with departures since the beginning of the COVID-19 pandemic, minus the refunds for cancelled flights already executed.

The caption “Provisions for operating risks and others” also includes the provisions for Cancellation for any reason and Flexiticket. These products allow the customer to cancel or modify without cost their flight Bookings if they pay an additional fee at the time of booking. The provision covers the payment obligation of the Group towards the customers that have contracted this service and that execute their right to cancellation or modification. This provision is €0.1 million as at 31st March 2021 (€2.1 million as at 31st March 2020). The decrease during the year is due to the fact that the volumes of these services have been significantly reduced in relation with the COVID-19 situation (see note 3).

27. TRADE AND OTHER PAYABLES

	31st March 2021	31st March 2020
Trade payables	6,160	7,951
Total Trade and other non-current payables	**6,160**	**7,951**
Trade payables	140,265	135,644
Employee-related payables	8,256	2,257
Total Trade and other current payables	**148,521**	**137,901**

As at 31st March 2021, trade payables have increased compared to 31st March 2020 mainly due to the increase of cancellations received from suppliers (see note 3) and because volume in the last weeks of March were higher in 2021 than in 2020.

As at 31st March 2021, the Group has €6.2 million of trade and other non-current payables related to the GDS agreement, as the Group expects to repay this amount in more than 12 months (€8.0 million as at 31st March 2020).

27.1. Information on average payment period to suppliers

Pursuant to the Spanish legislation in force[1], the disclosure on the average period of payment to trade suppliers as of 31st March 2021 and 31st March 2020 for the Spanish subsidiaries is set forth in the table below:

	Year ended 31st March 2021	Year ended 31st March 2020
Number of days		
Average period of payment to trade suppliers [2]	29	23
Ratio of transactions paid [3]	28	23
Ratio of outstanding payments [4]	38	39
Thousands of euros		
Total transactions paid	136,411	795,811
Total outstanding payments	15,714	17,118

(1) Third additional provision, "Information requirement" of Law 15/2010 of July 5.

*(2) ((Ratio of transactions paid * total transactions paid)+ (Ratio of outstanding payments * total outstanding payments)) / (Total transactions paid + Total outstanding payments).*

*(3) Sum of (Number of days of payment * amounts of the transactions paid) / Total transactions paid.*

*(4) Sum of (Number of days outstanding * amounts of the transactions payable) / Total outstanding payments.*

28. DEFERRED REVENUE

	31st March 2021	31st March 2020
GDS agreement	—	1,124
Cancellation and Modification for any reason	136	1,702
Prime	22,017	11,297
Other deferred revenue	39	760
Total Deferred revenue - current	**22,192**	**14,883**

All deferred revenue of the Group relates to contracts with customers.

The deferred revenue on the GDS agreement as at 31st March 2020 has been accrued during the year for €0.2 million, and the remaining part has been reclassified to trade payables non-current (see note 27).

The deferred revenue on the service of Cancellation and Modification for any reason correspond to the amounts of these products that have not been accrued yet (see note 5.4), that are presented in the consolidated statement of financial position as deferred revenue.

The decrease in deferred revenue for Cancellation and Modification for any reason is due to the reduction in the sales of this product linked with COVID-19 (see note 3).

The deferred revenue on Prime corresponds to the Prime fee collected and pending to be accrued. The increase during the period is mainly due to the increase in Prime members.

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities from previous year-end:

	31st March 2021	31st March 2020
GDS agreement	157	3,039
Cancellation and Modification for any reason	1,702	4,979
Prime	11,297	—
Other deferred revenue	755	2,457
Total	**13,911**	**10,475**

29. OFF-BALANCE SHEET COMMITMENTS

	31st March 2021	31st March 2020
Guarantees to package travel	3,867	1,729
Other guarantees	2,822	450
Total	**6,689**	**2,179**

Guarantees to package travel are guarantees required in certain regions to sell packages of travel services. The increase during the year is due to a new guarantee issued in Spain for an amount of €2.1 million.

Other guarantees mainly include a new guarantee issued in the current year related with an appeal presented in front of the Italian tax authorities for €2.6 million (see note 31.4).

As at 31st March 2021, from the total amount of guarantees included in the detail above, €5.9 million have been issued under the SSRCF (€1.3 million as at 31st March 2020). See note 25.

All the shares held by eDreams ODIGEO, S.A. in Opodo Ltd. as well as the receivables under certain intra-group funding loans relating to the 2023 Notes made to Opodo Ltd. and Go Voyages, S.A.S. by eDreams ODIGEO, S.A., have been pledged in favour of the holders of the 2023 Notes (see note 25) and the secured parties under the Group's SSRCF dated 25th September 2018.

30. RELATED PARTIES

30.1. Transactions and balances with related parties

There have been no transactions or balances with related parties during the years ended 31st March 2021 and 31st March 2020, 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 31st March 2021 and 31st March 2020 amounted to €3.9 million and €3.1 million, respectively. For the year ended 31st March 2020 no bonus was paid as targets were not met due to COVID-19. Targets for the year ended 31st March 2021 were set taking into account the expected effects of COVID-19.

The key management has also been granted since the beginning of the plans with 3,806,386 Potential Rights of the 2016 LTIP plan and 2,168,900 Potential Rights of the 2019 LTIP plan at 31st March 2021 (3,405,676 Potential Rights of the 2016 LTIP plan and 898,900 Potential Rights of the 2019 LTIP plan at 31st March 2020) to acquire a certain number of shares of the parent company eDreams ODIGEO, S.A. at no cost.

The valuation of the rights of the 2016 LTIP amounts to €9.3 million of which €8.3 million have been accrued in equity at 31st March 2021 since the beginning of the plan (€7.8 million of which €6.4 million accrued at 31st March 2020). (See note 24.1).

The valuation of the rights of the 2019 LTIP amounts to €4.4 million of which €1.7 million have been accrued in equity at 31st March 2021 since the beginning of the plan (€1.8 million of which €0.4 million have been accrued in equity at 31st March 2020). (See note 24.2).

Regarding the 2016 LTIP, 256,049 shares (the First Tranche, First Sub-tranche, First Delivery), 256,049 shares (the First Tranche, First Sub-tranche, Second Delivery), 256,049 shares (the First Tranche, First Sub-tranche, Third Delivery), 250,890 shares (the First Tranche, Second Sub-tranche, First Delivery), 238,154 shares (the First Tranche, Second Sub-tranche, Second Delivery), 238,154 shares (the First Tranche, Second Sub-tranche, Third Delivery), 137,347 shares (the Second Tranche, First Delivery), 137,347 shares (the Second Tranche, Second Delivery) and 137,347 shares (the Second Tranche, Third Delivery) have already been delivered as shares to Key Management in August 2018, November 2018, February 2019, August 2019, November 2019, February 2020, August 2020, November 2020 and February 2021.

During the year ended 31st March 2020, from the shares delivered as part of the third delivery of the 2016 LTIP First Tranche, Second Sub-tranche, 75,067 shares were purchased by the Group from the Key Management, as part of a repurchase from all beneficiaries of the 2016 LTIP to fund future LTIP deliveries.

The Group has contracted a civil liability insurance scheme (D&O) for Directors and Managers with a yearly cost of €51 thousand.

Board of Directors

During the year ended 31st March 2021 the independent members of the Board received a total remuneration for their mandate of €315 thousand (€284 thousand during the year ended 31st March 2020). See additional detail in Annual Corporate Governance Report in section C2.

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

Remuneration for management services during the year ended 31st March 2021 and March 2020 amounted to €1.6 million and €1.1 million, respectively. For the year ended 31st March 2020 no bonus was paid as targets were not met due to COVID-19. Targets for the year ended 31st March 2021 were set taking into account the expected effects of COVID-19.

Executive Directors have been also granted since the beginning of the plan with 2,336,191 Potential Rights of the 2016 LTIP plan and 1,230,200 Potential Rights of the 2019 LTIP plan as at 31st March 2021 (2,056,343 Potential Rights of the 2016 LTIP plan and 505,200 Potential Rights of the 2019 LTIP plan as at 31st March 2020) to acquire a certain number of shares of the parent company eDreams ODIGEO at no cost.

The valuation of these rights of the 2016 LTIP plan amounts to €5.7 million of which €5.1 million have been accrued in equity as at 31st March 2021 since the beginning of the plan (€4.7 million of which €3.9 million have been accrued in equity as at 31st March 2020). (See note 24.1).

The valuation of the rights of the 2019 LTIP amounts to €2.5 million of which €1.0 million have been accrued in equity as at 31st March 2021 since the beginning of the plan (€1.0 million of which €0.2 million have been accrued in equity as at 31st March 2020). (See note 24.2).

Regarding the 2016 LTIP, 158,767 shares (the First Tranche, First Sub-tranche, First Delivery), 158,767 shares (the First Tranche, First Sub-tranche, Second Delivery), 158,767 shares (the First Tranche, First Sub-tranche, Third Delivery), 152,261 shares (the First Tranche, Second Sub-tranche, First Delivery), 152,261 shares (the First Tranche, Second Sub-tranche, Second Delivery), 152,261 shares (the First Tranche, Second Sub-tranche, Third Delivery), 85,681 shares (the Second Tranche, First Delivery), 85,681 shares (the Second Tranche, Second Delivery) and 85,681 shares (the Second Tranche, Third Delivery) have already been delivered as shares to the Executive Directors in August 2018, November 2018, February 2019, August 2019, November 2019, February 2020, August 2020, November 2020 and February 2021.

During the year ended 31st March 2020, from the shares delivered as part of the third delivery of the 2016 LTIP First Tranche, Second Sub-tranche, 47,556 shares were purchased by the Group from certain members of the Board, as part of a repurchase from all beneficiaries of the 2016 LTIP to fund future LTIP deliveries.

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

On 23rd September 2020, the Extraordinary Shareholders' Meeting approved the renewal of the mandate of all members of the Board for a period of three additional years, with effects as of the moment when the Company's relocation of its registered office to Spain is effective (see note 1).

Neither the Company's directors nor any persons related to them were party to any conflicts of interest requiring disclosure in these notes pursuant to the provisions of article 229 of the consolidated text of the Spanish Corporate Enterprises Act.

31. CONTINGENCIES AND PROVISIONS

31.1. 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 self-developed software. Tax authorities may take the view that there was an undercharge of such license fees to group companies. This contingency is estimated at €1.6 million. The Group believes that it has made the appropriate charges of license fees to group companies. The Group considers that this risk is only possible, not probable, according to the definitions in IAS 37 (it is more probable that an outflow of resources will not materialize) and for this reason it has not recognized a liability on the consolidated statement of financial position.

31.2. Payroll tax

The Group considers that there is a possible risk of assessment by tax authorities in respect of salary tax ("taxe sur les salaires") due by the French entity. The Company takes the view that only the salary cost of part of the French entity's employees are subject to this salary tax, whereas the French tax authorities may take the view that the salary cost of all employees should be included in the taxable basis. This contingency is estimated at €0.6 million. The Group believes that it has paid payroll taxes in accordance with French tax laws and regulations. The Group considers that this risk is only possible, and not probable, according to the definitions in IAS 37 (it is more probable that an outflow of resources will not materialize) and for this reason it has not recognized liability on the consolidated statement of financial position.

31.3. Retro-active effect of the migration to Spain

The Group considers that there is a possible risk of assessment by tax authorities in respect of the deduction for Spanish tax of the tax losses of the year ended 31st March 2021 generated by eDreams ODIGEO, S.A. ("the Company") prior to the effective date of the Company's redomiciliation from Luxembourg to Spain. The Spanish tax authorities may take the view that such tax losses may not be taken into account for Spanish tax. This contingency is estimated at €1.8 million. The Group believes that it has made the appropriate deduction of its expenses in accordance with Spanish law. The Group considers that this risk is only possible, not probable, according to the definitions in IAS 37 (it is more probable that an outflow of resources will not materialize) and for this reason it has not recognized a liability on the consolidated statement of financial position.

31.4. Tax audits

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.

Spain

The Spanish tax group is currently undergoing a tax audit regarding income tax (fiscal years 2015/16 - 2017/18) and VAT (calendar years 2015-2017). The Spanish tax authorities have issued their provisional assessment notices in April 2021 in which they have indicated that they will assess the Spanish companies for VAT. The Spanish tax authorities are rejecting the method applied by the Spanish companies to determine the recoverable part of the input VAT on certain operating expenses. This would result in a total VAT liability approximating €3.1 million for the audited periods. The Group believes that it has appropriate arguments against such assessment and will submit an administrative claim against the Spanish tax authorities as soon as the final assessment notice have been received by the Spanish company. The Group considers that this risk is only possible, not probable, according to the definitions in IAS 37 (it is more probable that an outflow of resources will not materialize) and for this reason it has not recognized a liability on the consolidated statement of financial position.

Further, the Spanish tax authorities have (provisionally) assessed the company for VAT and income tax for two additional corrections made in connection with the Spanish tax audit. The Group will agree with these assessments and has recognized adequate provisions for them amounting to €0.3 million and €0.5 million respectively in the consolidated statement of financial position.

Portugal

Following a tax audit in Portugal regarding income tax and VAT (fiscal years 2015/16-2017/18), the Portuguese company has been assessed by the Portuguese tax authorities for an amount of €5.2 million. The Group believes that it has appropriate arguments against this assessment and, therefore, submitted an administrative claim against the Portuguese tax authorities which is currently ongoing. The Group considers that this risk is only possible, not probable, according to the definitions in IAS 37 (it is more probable that an outflow of resources will not materialize) and for this reason it has not recognized a liability on the consolidated statement of financial position.

Italy

The Italian company has submitted its appeal with the Italian second tier court against a €10 million assessment of Italian withholding tax on dividends paid to its Spanish parent company, which is currently pending. The Group takes the position that the Italian company has correctly applied the Italian withholding tax exemption. The Group considers that this risk is only possible, not probable, according to the definitions in IAS 37 (it is more probable that an outflow of resources will not materialize) and for this reason it has not recognized a liability on the consolidated statement of financial position, except for an amount of €0.4 million which the Group considers an appropriate compromise for which it would be willing to settle this case with the Italian tax authorities.

Luxembourg

Following a tax audit, the Luxembourg tax authorities assessed the Company for VAT in respect of two cases related to the calendar years 2017 and 2018.

One case amounts to €3.2 million for the rejection of the recovery of input VAT on certain recharged expenses. The Group considers that this risk is only possible, not probable, according to the definitions in IAS 37 (it is probable that an outflow of resources will not materialize) and for this reason it has not recognized a liability in the consolidated statement of financial position.

The other case amounting to €0.9 million relates to the interpretation of the Luxembourg VAT pro rata rules. The Group estimates that there is a probable risk of outflow of resources amounting to €0.9 million for which a provision has been recognized in the consolidated statement of financial position.

The Group believes that it has appropriate arguments against the VAT assessments and, therefore, filed an administrative claim with the Luxembourg tax authorities which is currently pending.

Due to different interpretations of tax legislation, additional liabilities may arise in connection with a tax audit. However, the Group considers that any such liabilities would not materially affect the consolidated financial statements.

31.5. Investigation by the Italian consumer protection authority (AGCM)

On 18th January 2018, the Italian consumer protection authority (AGCM) rendered three decisions against Go Voyages, S.A.S., eDreams, S.R.L. and Opodo Italia, S.R.L. 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 amounts of fines issued by the AGCM are as follows: Go Voyages, S.A.S. (€0.8 million), eDreams, S.R.L. (€0.7 million) and Opodo Italia, S.R.L. (€0.1 million). A provision for this was booked on the balance sheet for €1.6 million at 31st March 2018, of which the main part has been already paid.

An appeal was lodged before the TAR Lazio in order to challenge the legal grounds invoked by the AGCM and the amount of fines. In April and May 2019, the appeal judgments were notified. The TAR reduced the amount of fines as follows: Go Voyages, S.A.S. (€0.2 million), eDreams, S.R.L. (€0.3 million) and Opodo Italia, S.R.L. (€0.1 million). The TAR Lazio judgment is not final because the AGCM has lodged an appeal before the Consiglio di Stato (the Italian Supreme Administrative Court). Based on similar cases that have been judged recently, the Group considers it is possible that it will receive a contrary judgement regarding the reduction of fines. As a consequence, a provision has been recognized for €0.2 million, and the previously registered asset for the expected refund of €0.3 million has been written off.

32. BUSINESS COMBINATION

On 12th February 2020, the Group acquired from RoamAmore Inc. the hotel booking platform TheWaylo.com ("Waylo").

This purchase provided the Group with significant, innovative AI-driven technology and leading hotel domain expertise, which will allow the Company to further grow its hotel and dynamic packages offering with additional content from thousands of hotels worldwide.

The Group considers that the acquisition constituted a business combination, as the assets acquired were already generating activity, the contract included contingent payments linked to the marginal profit generated by the acquired business, and the Group reached an agreement with Key employees of the acquired business to continue working for the Group.

As more than 12 months have passed since the acquisition, the adjustment period has ended and the acquisition accounting is final.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Waylo as at the date of acquisition were:

Assets acquired and liabilities assumed	
Intangible assets	7,772
Total identifiable net assets at fair value	**7,772**
Goodwill arising on acquisition	1,726
Total purchase consideration	**9,498**

The goodwill of €1.7 million comprises the value of expected synergies arising from the acquisition (see note 15).

Consideration

The detail of the purchase consideration was as follows:

Purchase consideration	
Consideration paid at transaction date	6,456
Contingent consideration liability	3,042
Total purchase consideration	**9,498**

As part of the purchase agreement, a contingent consideration has been agreed. There will be additional cash payments to the previous owners depending on the future performance of the business. As at 31st March 2020, the discounted value of the contingent consideration was estimated to be €3.0 million, booked as a provision (see note 26). As at 31st March 2021, the contingent consideration has been re-estimated to be €3.2 million, of which €1.6 million is booked as current provision and €1.5 million as non-current provision. The variation has been booked against profit & loss and it is mainly due to the discounting effect for an increase in the provision of €0.2 million.

33. AUDITOR'S REMUNERATION

The costs accrued by the Group in respect of the fees for services rendered by the Group's auditors are as follows:

	Year ended 31st March 2021	Year ended 31st March 2020
Audit Services	375	355
Others	28	55
Total Audit	**403**	**410**
Ernst & Young, S.L.	298	240
EY Network	105	170
Total Audit	**403**	**410**

Others corresponds to other verification services performed by Ernst & Young.

34. ENVIRONMENTAL MATTERS

eDreams ODIGEO, S.A. recognizes that businesses have a responsibility towards the environment. Although the Group's core activities have a relatively low impact, by virtue of the fact that the Group is primarily an online business, it is nevertheless committed to finding ways in which it can reduce any environmental footprint. Where possible, the Group incorporates sustainability practices, both in the office and outside the office, in procurement and purchasing processes, in the use of energy and water, waste management, travel, and in each of our business processes (see note B.4 The environment of section B. Non-financial information).

35. SUBSEQUENT EVENTS

35.1. SSRCF Covenant Waiver

On 30th April 2021, the Group announced that successful discussions with its lenders have resulted in its Super Senior Revolving Credit Facility ("SSRCF") only covenant of Gross Leverage Ratio being waived for the year ended 31st March 2022. Therefore, the next testing quarter for the covenant will be 30th June 2022.

The Group will provide a monthly liquidity report and will ensure that liquidity on each quarter date (30th June, 30th September, 31st December and 31st March) during the waiver period is not less than €25 million. The current level of liquidity gives the Group ample headroom versus the €25 million limit, as at 31st March 2021 the liquidity was €106 million (see section C.5 Reconciliation of APMs & other defined terms).

Additionally, during the waiver period the Company shall not pay any dividend or buy-back the Company's shares.

Interest on the SSRCF and the 2023 Senior Notes will continue to be paid as usual.

36. CONSOLIDATION SCOPE

As at 31st March 2021 the companies included in the consolidation are as follows:

Name	Location / Registered Office	Line of business	% interest	% control
eDreams ODIGEO, S.A.	Calle López de Hoyos 35, 2. 28002 (Madrid)	Holding Parent company	100%	100%
Opodo Ltd.	26-28 Hammersmith Grove, W6 7BA (London)	On-line Travel agency	100%	100%
Opodo, GmbH.	Hermannstraße 13, 20095 (Hamburg)	Marketing services	100%	100%
Travellink, A.B.	Rehnsgatan 11, 113 79 (Stockholm)	On-line Travel agency	100%	100%
Opodo, S.L.	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006 (Madrid)	On-line Travel agency	100%	100%
eDreams, Inc.	1209 Orange Street, Wilmington (New Castle), 19801 Delaware	Holding company	100%	100%
Vacaciones eDreams, S.L.	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006 (Madrid)	On-line Travel agency	100%	100%
eDreams International Network, S.L.	Calle López de Hoyos 35, 2. 28002 (Madrid)	Admin and IT consulting	100%	100%
eDreams, S.R.L.	Via San Gregorio, 34, 20124 (Milan)	On-line Travel agency	100%	100%
Viagens eDreams Portugal - Agência de Viagens, Lda.	Rua da Lionesa, Espaço R. Matosinhos Custóias 4465 671 (Leça do Balio, Porto)	On-line Travel agency	100%	100%
eDreams, L.L.C.	2035 Sunset Lake Road Suite B-2, 19702 (Newark) Delaware	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)	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, S.A.S.	11, Avenue Delcassé, 75008 (Paris)	On-line Travel agency	100%	100%
Go Voyages Trade, S.A.S.	11, Avenue Delcassé, 75008 (Paris)	On-line Travel agency	100%	100%
Liligo Metasearch Technologies, S.A.S.	11, Avenue Delcassé, 75008 (Paris)	Metasearch	100%	100%
ODIGEO Hungary, Kft.	Nagymezo ucta 44, 1065 (Budapest)	Admin and IT consulting	100%	100%
Tierrabella Invest, S.L.	Calle López de Hoyos 35, 2. 28002 (Madrid)	Holding company	100%	100%
Engrande, S.L.	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006 (Madrid)	On-line Travel agency	100%	100%

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C.4. Glossary of Definitions

ALTERNATIVE PERFORMANCE MEASURES

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 three-month period 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 customers for travel products and services booked through or with the Group (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 the Group serves 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 measures

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 the 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 the Group's ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.

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 flows from operating activities plus cash flows 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.

Liquidity position means the total amount of cash and cash equivalents, and remaining cash available under the SSRCF.

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 Income means Consolidated profit / loss for the year.

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.

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. The Group's management believes that the presentation of the Revenue Diversification Ratio measure may be useful to readers to help understand the results of the Group's revenue diversification strategy.

Revenue Margin means the IFRS revenue less cost of supplies. The Group's management uses Revenue Margin to provide a measure of its revenue after reflecting the deduction of amounts payable to 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.

Other defined terms

Adjusted Items refers to share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of the Group's ongoing operations.

Advertising and Metasearch Revenue represents revenue from other ancillary sources, such as advertising on the Group's websites and revenue from metasearch activities. The Group's 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.

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.

Cash burn refers to the amount of cash used by the Group, considering the normalization of interest payments, and excluding the repayment and disposal of loans, the variation in working capital except Prime, and other items which are considered by management to not be reflective of the ongoing operations.

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. The Group's 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 the Group 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.

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.

Customer Relationship Management (CRM) represents the set of activities that will encourage customers to repeat business with the Group: visit the site again and make another Booking. To be successful the Group needs to understand our customers' behaviours and needs: it collects, analyzes and uss data to make each of those interactions with customers as personalized and relevant as possible.

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, and incentives directly received from airlines. The Group's management believes that the presentation of the Diversification Revenues measure may be useful to readers to help understand the results of the revenue diversification strategy.

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. The Group's 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".

Marginal Profit means "Revenue Margin" less "Variable Costs".

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.

Top 6 Markets and Top 6 Segments refers to the Group's operations in France, Spain, Italy, Germany, United Kingdom and Nordics.

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. The Group's 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".

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C.5. Reconciliation of APM & Other Defined Terms

EBIT, EBITDA, ADJUSTED EBITDA

	Year ended 31st March 2021	Year ended 31st March 2020
Operating profit = EBIT	**(110,949)**	**(9,249)**
Depreciation and amortization	(35,353)	(34,525)
Impairment loss	(30,580)	(74,917)
Gain or loss arising from assets disposals	—	(490)
EBITDA	**(45,016)**	**100,683**
Long term incentives expenses	(6,111)	(2,962)
Redomicile to Spain	(291)	—
Restructuring cost	(18)	(8,965)
M&A Projects	—	(2,002)
Other	(438)	(467)
Adjusted items	**(6,858)**	**(14,396)**
Adjusted EBITDA	**(38,158)**	**115,079**

REVENUE MARGIN, REVENUE MARGIN PER BOOKING, DIVERSIFICATION REVENUE

	Year ended 31st March 2021	Year ended 31st March 2020
BY NATURE:		
Revenue	107,172	561,762
Cost of sales	3,918	(33,099)
Revenue Margin	**111,090**	**528,663**
BY SEGMENTS:		
Top 6	85,884	405,243
Rest of the World	25,206	123,420
Revenue Margin	**111,090**	**528,663**

	Year ended 31st March 2021	Year ended 31st March 2020
Number of Bookings	3,244,249	10,767,845
Revenue Margin per Booking (euros)	34	49

	Year ended 31st March 2021	Year ended 31st March 2020
BY SOURCE:		
Diversification revenue	63,856	277,960
Classic revenue - customer	32,961	156,497
Classic revenue - supplier	10,562	76,320
Advertising & Metasearch	3,711	17,886
Revenue Margin	**111,090**	**528,663**

FIXED COST, VARIABLE COST, ADJUSTED ITEMS

	Year ended 31st March 2021	Year ended 31st March 2020
Fixed cost	(63,193)	(62,816)
Variable cost	(86,055)	(350,768)
Adjusted items	(6,858)	(14,396)
Operating cost	**(156,106)**	**(427,980)**
Personnel expenses	(47,783)	(56,037)
Impairment loss on bad debts	1,417	(2,428)
Other operating expenses	(109,740)	(369,515)
Operating cost	**(156,106)**	**(427,980)**

GROSS FINANCIAL DEBT, NET FINANCIAL DEBT

	31st March 2021	31st March 2020
Non-current financial liabilities	488,745	489,368
Current financial liabilities	24,500	48,228
Gross Financial Debt	**513,245**	**537,596**
(-) Cash and cash equivalents	(12,138)	(83,337)
Net Financial Debt	**501,107**	**454,259**

(FREE) CASH FLOWS BEFORE FINANCING

	Year ended 31st March 2021	Year ended 31st March 2020
Net cash from operating activities	428	(101,359)
Net cash used in investing activities	(21,656)	(36,200)
Free Cash Flows before financing activities	**(21,228)**	**(137,559)**

LIQUIDITY POSITION

	31st March 2021	31st March 2020
Cash and cash equivalents (see note 22)	12,138	83,337
Remaining cash available under SSRCF (see note 25)	93,753	60,500
Liquidity position	**105,891**	**143,837**

ADJUSTED NET INCOME

	Year ended 31st March 2021	Year ended 31st March 2020
Net income	(124,229)	(40,523)
Adjusted items (included in EBITDA)	6,858	14,396
Loss on transfer of Barcelona customer service assets	—	489
Impairment loss on brands (see note 19)	6,315	8,880
Impairment loss on goodwill (see note 18)	24,147	65,182
Tax effect of the above adjustments	(2,068)	(5,446)
Capitalization of US Foreign Tax Credit (see note 14.3)	—	(9,710)
Derecognition of tax losses carried forward in the UK (see note 14.3)	2,219	1,424
Adjusted net income	**(86,758)**	**34,692**
Adjusted net income per share (€)	**(0.79)**	**0.32**
Adjusted net income per share (€) - fully diluted basis	**(0.79)**	**0.30**


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Letter from the CEO
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