HECHO RELEVANTE

De conformidad con lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, **eDreams ODIGEO** (la "**Sociedad**") informa de que su Consejo de Administración ha formulado las **cuentas anuales individuales y consolidadas correspondientes al ejercicio finalizado el 31 de marzo de 2017.**

Se adjunta a continuación el resumen ejecutivo de dichas cuentas, preparado por la Sociedad, para conocimiento de sus accionistas.

En Luxemburgo, a 27 de junio de 2017

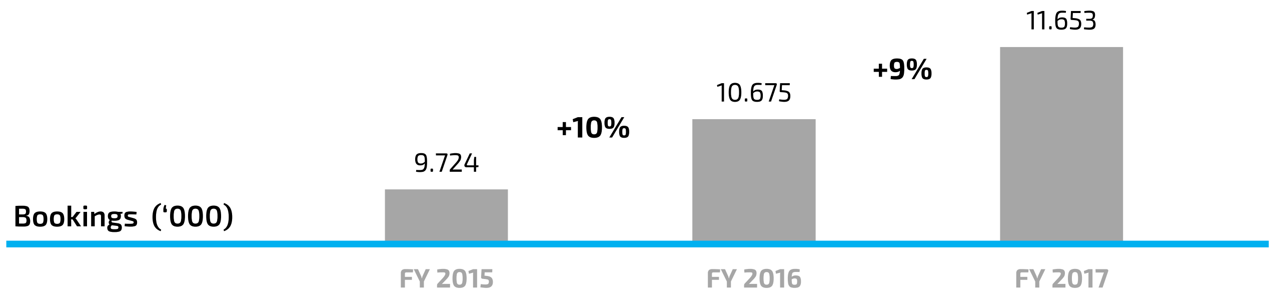
eDreams ODIGEO

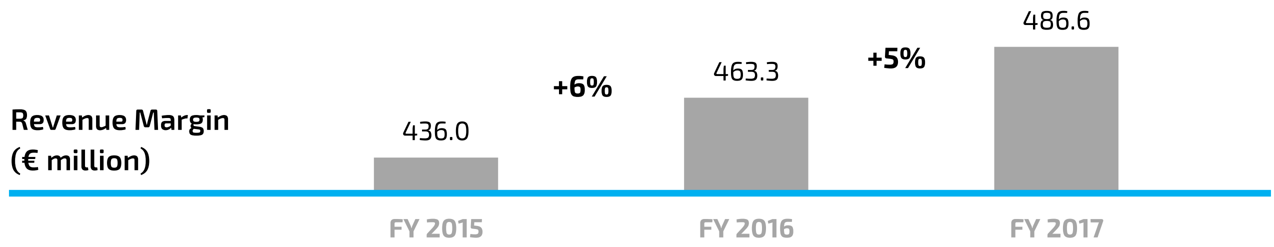
eDreams ODIGEO

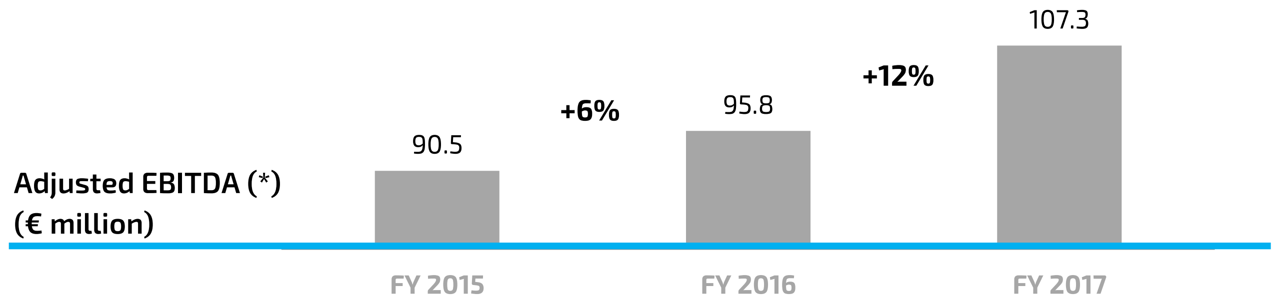
ANNUAL REPORT

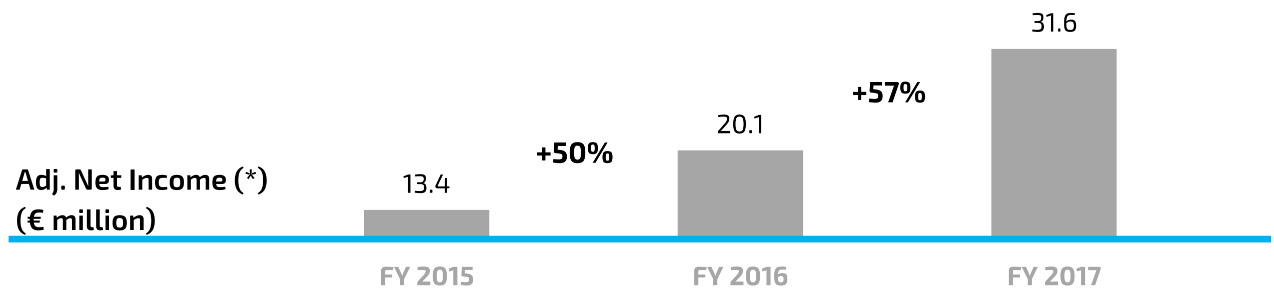
FY 2017

Summary Financial Information









(*) Non- GAAP performance measure. Definition of Non GAAP performance measures provided on pages 95-98

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

#1

flight retailer in Europe[1]; growing market share

1bn

monthly searches[1]

>18M

Customers served[1]

>1000

Product releases per annum[1]

44

countries where we operate[1]

143

web sites[3]

30%

Diversification revenues

30%

flight bookings via mobile devices[2]

[1] Reference period FY 2017
[2] Reference period Q4 FY 2017
[3] Includes sites across all markets, brands, and devices

Index

Solid results FY 2017, full year results above top end of raised guidance; Adjusted Net Income +57% y-o-y; Cash Flow before financing €104.6 million

Results Highlights

- Solid growth in bookings (+9%), revenue margin (+5%) and Adjusted EBITDA (+12%);
- Adjusted net income of €31.6 million, representing a 57% increase;
- Strong cash flow resulting in year-end cash position of €143.5 million (up 9%);
- Successful deleverage of our business and debt refinancing
    - Net leverage ratio reduce to 2.66x, from 3.43x in the same period last year
- Solid performance in Core Markets: Bookings (+11%) and revenue margin (+6%)
- Revenue diversification strategy on track and delivering results[1]:
    - Product Diversification Ratio increasing from 39% to 45%
    - Revenue Diversification Ratio increasing from 27% to 30%
- More than 1,000 product releases launched, development times reduced by 70%, and cost per release reduced by 84%;
- Accelerated performance in Mobile: Bookings up 35% in 2017, now representing 30% of total flight bookings;
- Increased customer satisfaction: 400% increase in Help Centre visits led to 10% reduction in contact rate and 40% reduction in customers needing assistance;
- New KPIS introduced enabling investors to follow implementation of the strategy;

[1] Figures given for revenue diversification ratios relates to the comparison of Q4 FY 2017 vs Q4 FY 2016

CEO's Letter

The desire to travel and explore has never been stronger. In the last year more than 18 million travellers used one of our 143 websites to pursue their travel passions, create personalised experiences and discover new worlds.

Our winning formula is simple; we save customers money on their travel, give them the best and widest choice, make it easy for them to book and customise their trips and offer them excellent customer service. It's no surprise that our customers keep coming back to us and we remain the number one flight retailer in Europe.

The financial results we present today reflect the extraordinary progress we've made in just two years. In 2015-16 we stabilised the business and began the journey of transformation. We delivered solid growth in bookings, revenue margin and Adjusted EBITDA and grew in both our core and expansion markets, putting us on a sound financial footing.

In 2016-17 we have accelerated that transformation, to build an even stronger customer-centric business. By implementing several strategic initiatives, we accelerated our performance and delivered an even stronger financial performance than the previous year. In bookings (+9%), revenue margin (+5%) and adjusted Ebitda (+12%) we beat both our original and raised guidance, [with variable costs per booking down by 8%].

In short, we have evolved into a substantially stronger business and have put in place all of the building blocks for our future success such as world class product development and technology, marketing excellence and strong management. Through revenue diversification, leadership in mobile and a more customer centric focus we are well positioned to leverage our market leadership for further growth.

One of the key drivers of that growth is the ubiquity of the mobile phone and the habits and needs of those who use them. People want products and services that are on-demand, personalised, transparent and mobile first. That is why we have spent so much time and energy in 2016 in becoming a one-stop-shop for travel and the best in mobile. Mobile bookings accounted for 30% of total flight bookings in the fourth quarter of FY17 and mobile bookings increased 35% year on year.

We believe we have one of the largest teams of its kind in the European travel industry with over 400 developers. The improvements we have made in mobile over the past year have boosted overall performance. On our mobile apps, by improving the insurance and payments pages we've increased our attach rates and conversion rates respectively. Our mobile products are constantly improving and our customers are noticing, with ratings of our apps going up. .

Our innovation in products and services is offering a greater booking experience to our customers with over 1000 product releases this year, three times more than the previous year, and delivery times reduced by 70%. In the last year alone we launched a range of products across the travel journey – whether that's a recent searches functions, seat maps or flight notifications we are always looking to making things easier and better for our customers.

Through machine learning we are leveraging the huge data sets we collect to better identify and take advantage of profitable opportunities. Using historical data to teach computer systems to complete complex tasks rather than rely on explicit programming rules, we have driven down our cost per booking index, and increased the number of bookings.

We have also been diversifying our revenue streams. Part of becoming a one-stop-shop for travel means offering customers the ability to book hotels, cars and ancillaries like priority seating and extra baggage without having to leave our site or app. That is one of the reasons why we purchased budgetplaces.com, which has accelerated the building of our dynamic packages business.

In FY 2017 we have invested in shifting our revenue model which includes changes in price display, which is increasing customer satisfaction and allowing us to sell additional products and services. As a result we continue to roll this out, in which we reduce our flight service fee and increase our revenues from non-flight services and products. This is allowing us to have a more diversified set of revenues and stronger relationships with our customers, and thus a much stronger business for the long-term.

We are now measuring all our performance through a series of new KPIs and so far, the results are positive. We are improving revenue and product diversification, driving down our acquisition cost per booking, increasing repeat bookings and share of mobile bookings.

None of this would be possible without the hard work and dedication of an incredible team, both in Barcelona and in our offices around Europe. . We have over 60 different nationalities in our Barcelona office and run a truly global team, attracts talent from around the world. It is through their excellent efforts that we continue to reinvent ourselves and travel.

Overall our performance over the past two years has been driven by a successful transformation journey to develop scale that focuses on the customer. We are in a strong position vs competitors and continue to invest in the business to build a world-class operation, and experience for our customers. Through this we are enabling people to travel the world more often and or with greater savings and convenience and on the path to becoming a one-stop-shop for millions more explorers around the world

Outlook

We will continue to invest to build long-term highly attractive business:

- Evolving our pricing and communication of that pricing
- Offering an exciting range of innovative products and services as a one-stop shop
- Improving our Product Diversification Ratio and Revenue Diversification Ratio as a result
- Pushing the transition to mobile, which affects performance in the short term but improves our strategic position and long-term attractiveness
- We will control the transformation pace to continue to grow absolute Adjusted EBITDA

Reflecting this investment, we expect markedly soft revenues and profit in the first half of the fiscal year with first quarter Adjusted EBITDA down by 10-14%, for several reasons:

- Accelerated investment in the transition to mobile and evolution in change of our revenue model
- Change in Easter seasonality vs FY17
- Comparison against excellent performance in 1Q of FY17, where many of our improvements already kicked-in and we had not started to change our revenue model

All of the above is completely built into our full-year guidance, in which we expect a growth in Adjusted EBITDA around 7%.

The annual targets for fiscal year 2018 are as follow:

- **Bookings:** In excess of 11.7 million
- **Revenue margin:** In excess of €487 million
- **Adjusted EBITDA:** €115 million (7% growth year-on-year), +/- €2 million

Business review

eDreams ODIGEO delivered a solid financial performance in fiscal year 2017, exceeding all its initial and raised guidance given to the market in June 2016 and February 2017, respectively. The strategy continues to drive improvements in the business, and is delivering positive growth rates in bookings and revenue margin, up 9% and 5% respectively. Adjusted EBITDA growth rates continue to be very strong, growing by 12% in FY 2017 as a result of growth in bookings and revenue margin combined with an 8% reduction in variable cost per booking.

Our revenue diversification strategy continues to have a positive impact on our business, with growth in our flight related ancillaries and non-flight products, despite being offset by the sale of the corporate travel and packaged tours businesses. Bookings in non-flight businesses were up 3%, and up 6% excluding the impact of the sale of our corporate travel business., Revenue margin in non-flight businesses was up 7% due to increases in revenue margin per booking in our hotels, cars and dynamic packages, and offset by a decrease in our packaged tours business and its sale in France as well as the sale of the corporate travel business.

In our flight business, good progress in delivering our strategic initiatives has boosted performance and is positioning us well for long term growth. We continue to make the planned investments in our business to build scale, become more agile, improve the business model, and create a better customer experience.

Our Core markets performed strongly with Bookings up 11% and revenue margin up 6%, driven by strategic initiatives, our diversification strategy and our continued investment.

The FY 2017 also saw strong profit growth. Adjusted net income was up significantly to €31.6 million, representing a 57% increase year-on-year.

The company successfully continues to deleverage its business, Net Leverage Ratio was down from 3.43x in March 2016 to 2.66x in March 2017. In October 2016 the group also successfully refinanced all its debt, with a full repayment of 2018 Notes and 2019 Notes, and the issuance of 2021 Notes. It increased the Super Senior Revolver Credit Facility from €130million to €147 million, and switched its new debt to a single maintenance covenant of 6.0x Gross Leverage Ratio, with the terms also improving to allow for efficient repurchases of up to 10% of principal per year. We have successfully reduced our covenant ratio from 5.0x in March 2016 to 4.0x in March 2017, which gives us ample headroom vs our Gross Leverage covenant ratio.

In the fiscal year 2017 the group reported a very solid cash flow performance with a cash position of €143.5 million (up 9% year-on-year), despite cash outflows of €52.7 million related to the repurchase of 2018 notes and the bond call premium and other refinancing flows related to the refinancing of 2018 and 2019 bonds . Cash flow from operations went from 82.0 million euros to €134.1 million, and Cash Flow before financing from 51.5 million euros to €104.6 million, as a result of improvements in EBITDA and working capital. Overall the Group delivered a very strong cash flow performance.

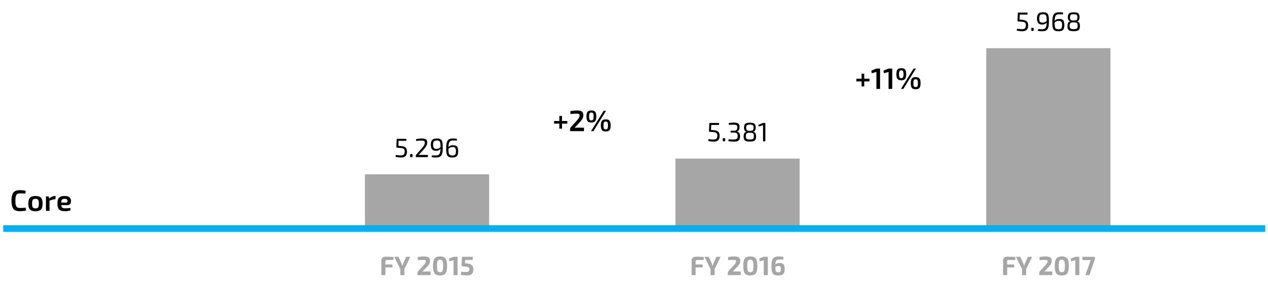
The financial performance for the fiscal year 2017 demonstrates that the shift in our business model is delivering positive results. We continue to drive more revenues outside of flight tickets which are higher margin and generate more cash for the business. Overall we consider this a solid set of results and above our initial and raised guidance, and in line with where we would expect to be following the start of our transformation in June 2015.

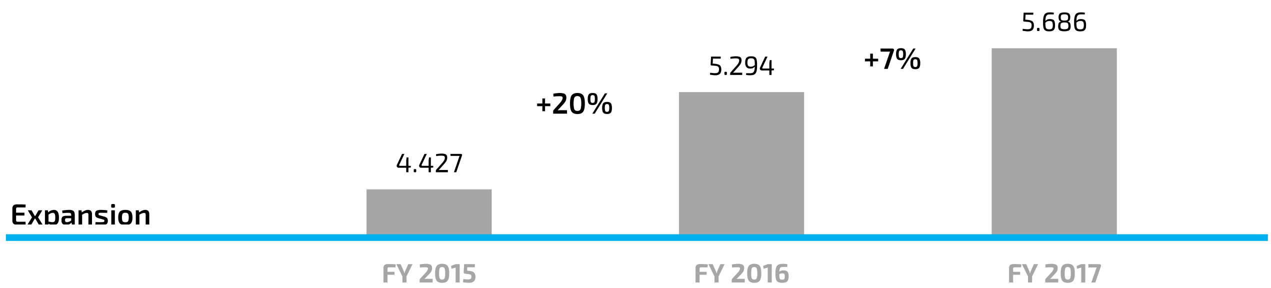
OUR MISSION

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

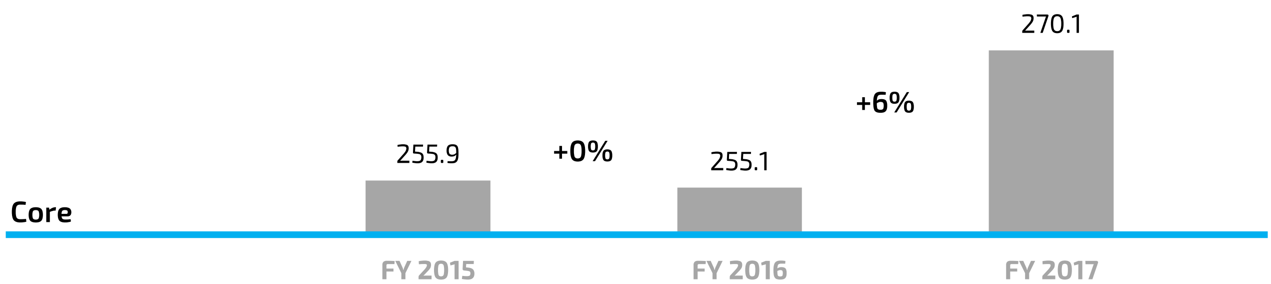
Breakdown by Geography

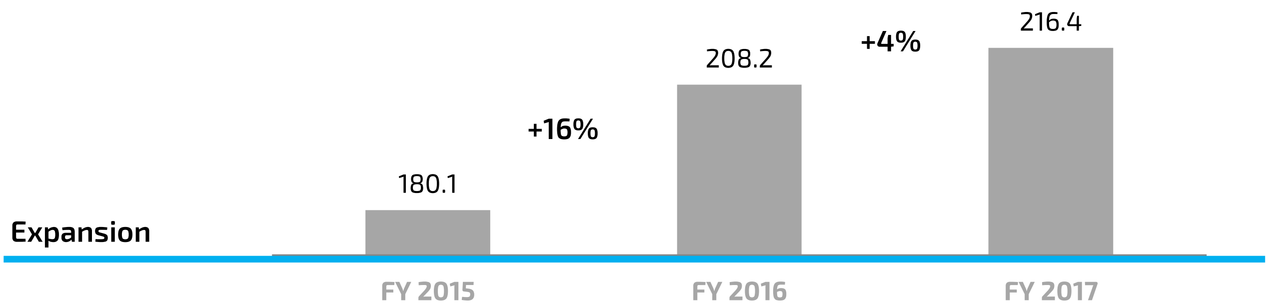
Bookings ('000)





Revenue Margin (€ million)





Business review by geography

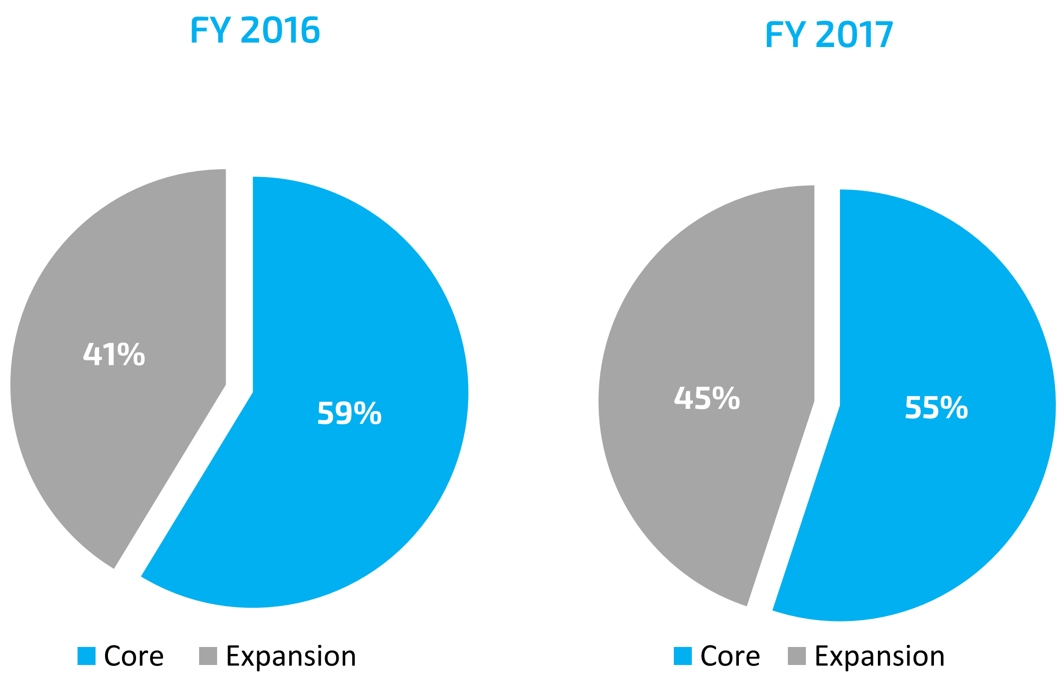
Our Core markets (France, Italy, Spain) delivered a solid growth in bookings and revenue margin in fiscal year 2017. Core markets bookings reached 6.0 million, up 11% year-on-year, as a result of our diversification strategy, the investments made on our business to build scale, become more agile, improve business model, and create better customer experience, and partially offset as a result of the sale of the packaged tours business in Q3 FY 2017.

Revenue margin in our Core segment for fiscal year 2017 also experienced solid growth rates, up 6% year-on-year, to €270.2 million. While revenue margin per booking fell 5%, the group delivered 6% growth in revenue margin as a result of our continued investment in the business.

Expansion markets experienced solid growth rates in bookings, up 7% year-on-year, in the fiscal year 2017, driven by investments made in our business and revenue diversification, growth in bookings was partially offset as a result of the sale of the corporate travel business in Q3 FY 2017.

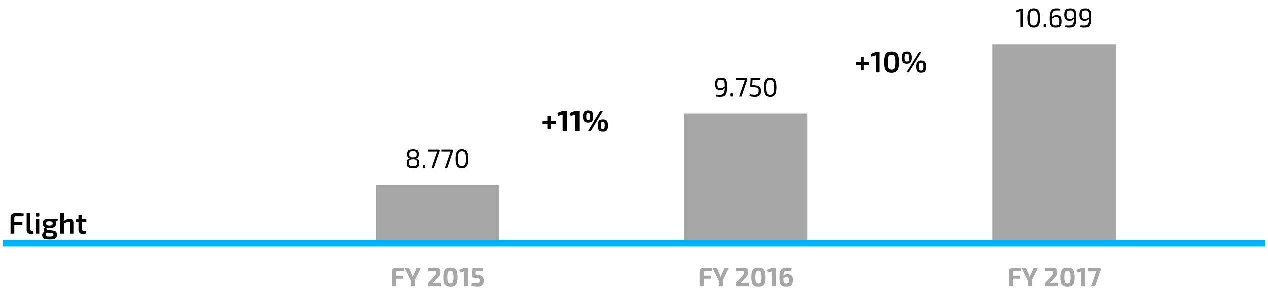
Expansion markets revenue margin was up 4% year-on-year for FY 2017 to €216.4 million. The performance was driven by booking growth, negative foreign exchange impact, in particular the depreciation of the pound vs the euro, and revenue margin per booking.

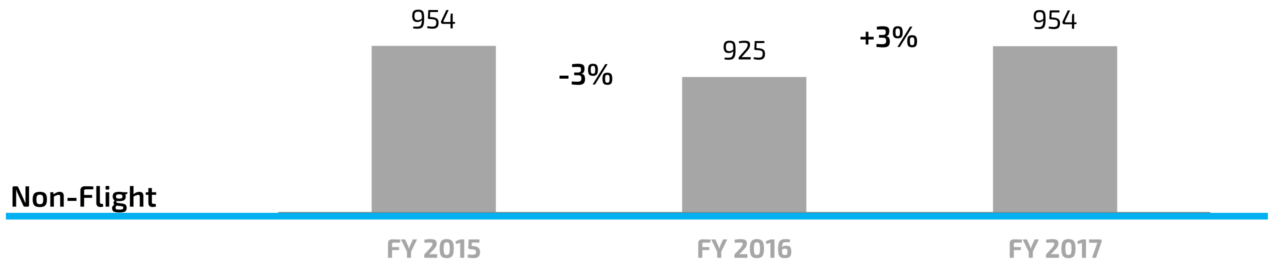
Revenue Margin Breakdown



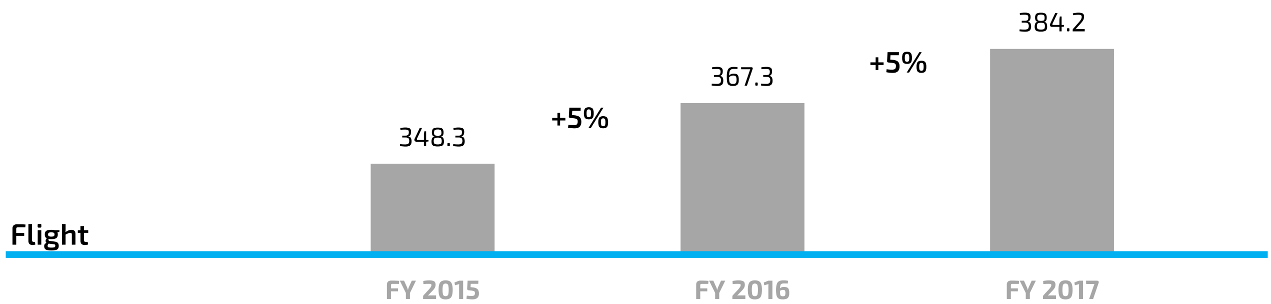
Breakdown by business line

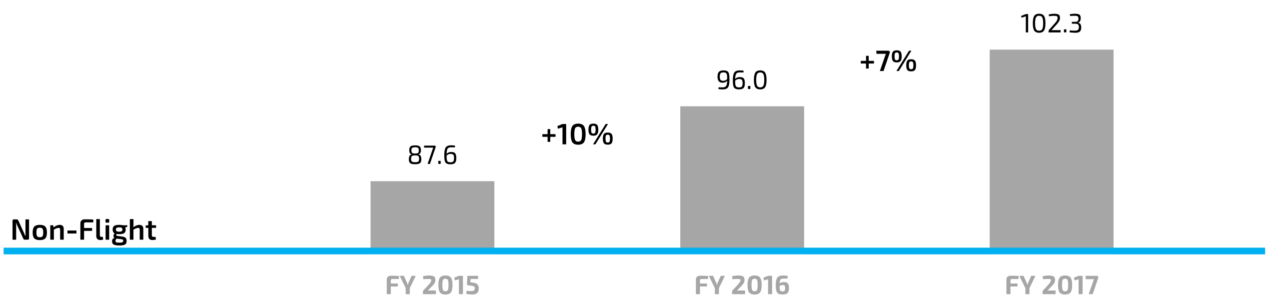
Bookings ('000)





Revenue Margin (€ million)





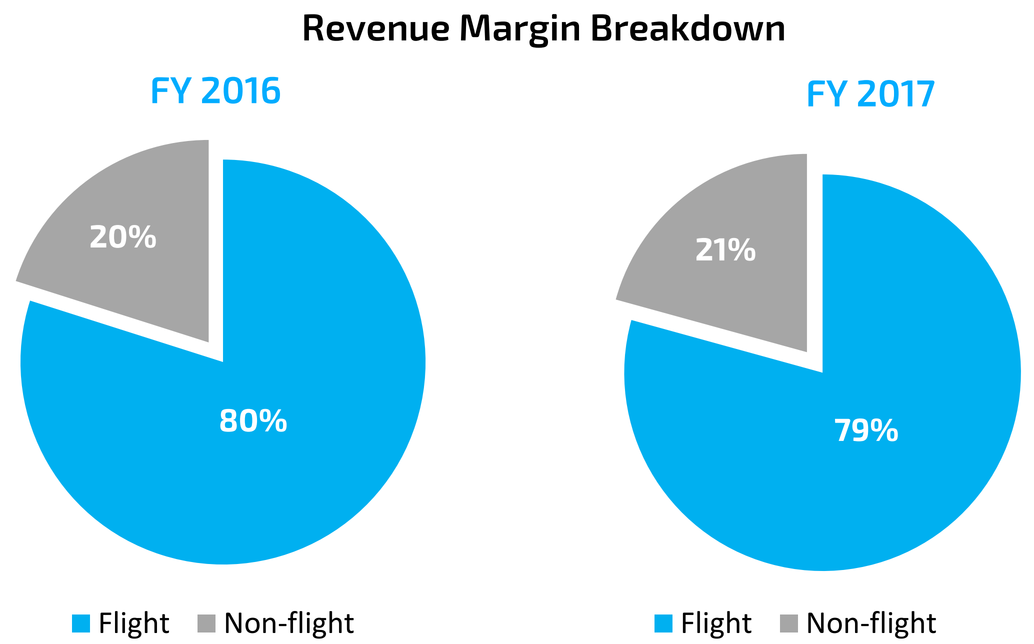
Business review by business line

Progress in strategic initiatives has boosted our performance and positioned us well for longer term growth. In fiscal year 2017 we delivered solid growth rates in flight bookings, up 10% year-on-year. We continue to make investments in order to build scale, become more agile, improve the business model, and create a better customer experience.

Revenue margin performance in our flight business experienced growth rates of 5%, reaching €384.2 million for fiscal year 2017. Revenue margin growth was driven by growth in bookings, which were up 10% year-on-year. Revenue Margin per Booking for flight products was down 5%, as a result of longer-term investment in customer value, the shift in our revenue model, which includes increased price transparency display in some countries, and the negative impact of the foreign exchange, already explained. This negative impact was partially offset by the positive impact from our revenue diversification strategy, which included flight related ancillaries, which delivered solid results, up 31% year-on-year.

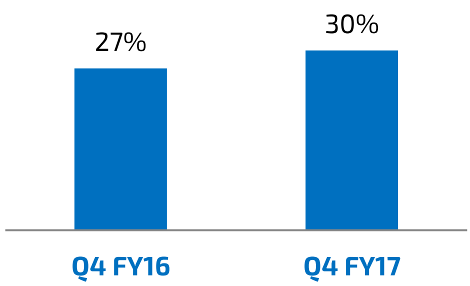
Non-flight business bookings were in particular affected by the sale of the corporate travel and packaged tour businesses. Non-flight bookings were up 3% in the FY 2017, excluding the impact of the sale of the corporate travel business growth in bookings would have been 6% in FY 2017.

Non-flight revenue margin growth was driven by the revenue diversification strategy. The growth was primarily as a result of an increase in revenue margin per booking, driven by solid growth in car rentals, hotels and dynamic packages. Revenue growth was partly offset due to the decline in packaged tours as well as the sale of the corporate travel and of the packaged tours businesses. For the FY 2017 these businesses grew revenue margin by 7%.

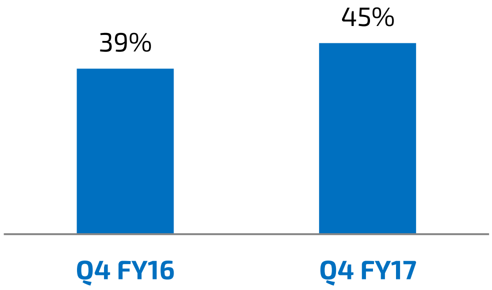


New KPIs – Full definition and GAAP reconciliation at the glossary in page 95-103

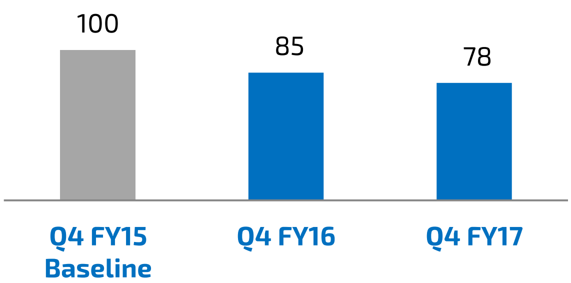
Revenue Diversification ratio



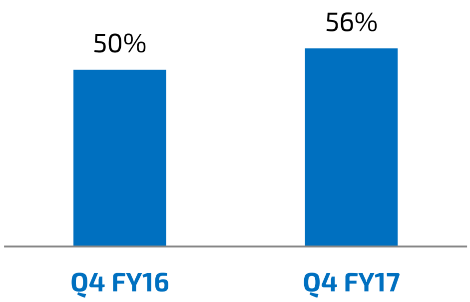
Product Diversification ratio



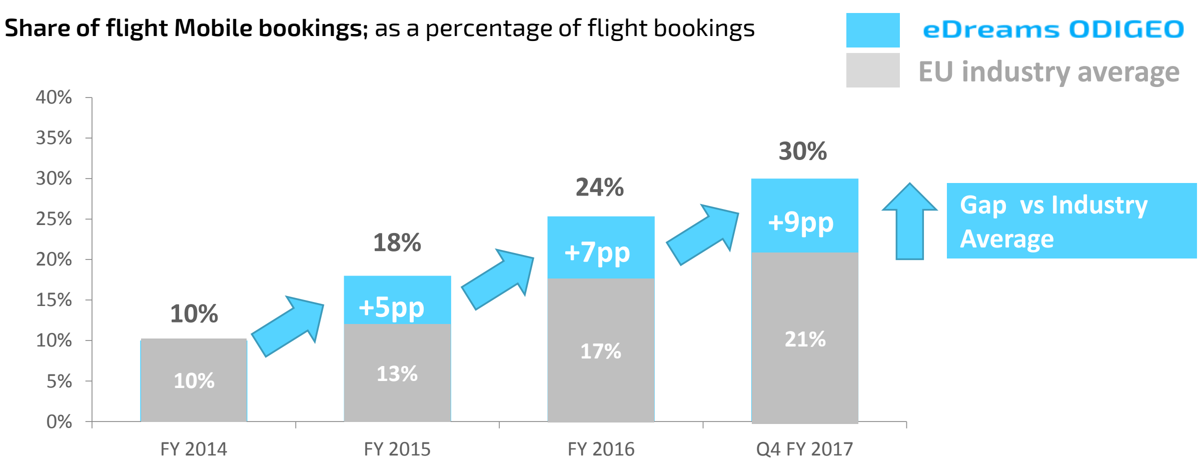
Acquisition spend per booking index



Customer Repeat booking rate



Bookings from mobile channels



Strategy update

Overall, we made good progress on all our strategic initiatives in the fiscal year 2017.

In regard to traffic source, we successfully shifted the mix to less expensive traffic sources. We have been focusing on lower cost channels and customer retention. In addition, improvements made to our products have helped. This is reflected in the 9% bookings growth while reducing our variable cost per booking by 8%. In addition, our acquisition cost per booking was reduced by 22pp since Q4 FY 15.

Mobile channel bookings continued to improve, up 35% in 2017 fiscal year, representing 30% of our total flight bookings on average in Q4 fiscal year 2017. Mobile app downloads also continue to increase, up 74% year-on-year.

Customer satisfaction results have increased significantly, with a 40% reduction in customers needing assistance, due to a 400% increase in Self Service Help Centre visits, resulting in a 10% reduction in contact rate. In addition, our resolution rate also improved, up 15% year-on-year.

All our product teams are already integrated in the new agile product development methodology. This allows us to deliver product development much faster, with a significant number of new functionalities launched both in mobile and desktop. In FY 2017, more than 1,000 product releases were launched, which is 3 times more releases than the same period last year, development times were reduced by 70%, which resulted in 15 minutes best case delivery time from development to code live, and it reduces by 84% the cost per release. Each release has 4 to 5 product features changes or launches so during the course of a year we launch up to 5,000 changes to products and/or launches of new products.

Furthermore we have been successful in revenue diversification with value-add products that increase customers' basket size, by increasing our revenue diversification ratio from 27%in Q4 FY 2016 to 30% in Q4 FY 2017, the product diversification ratio also increased from 39% in FY 2016 to 45% in FY 2017, and our ancillary revenues, which includes flight related ancillaries, also increased revenue margin by 31% year-on-year.

Financial Review

Analysis of Income Statement – Full P&L in page 26

(in € million)	12M Mar 2015	12M Mar 2016	12M Mar 2017	Var 16 vs 15	Var 17 vs 16
Revenue margin	**436.0**	**463.3**	**486.6**	**6%**	**5%**
Variable costs	-288.6	-297.5	-298.9	3%	0%
Fixed costs	-56.9	-69.9	-80.3	23%	15%
Adjusted EBITDA	**90.5**	**95.8**	**107.3**	**6%**	**12%**
Non recurring items	-16.0	-10.5	-9.3	-34%	-11%
EBITDA	**74.5**	**85.3**	**98.0**	**15%**	**15%**
D&A incl. Impairment	-199.5	-18.4	-21.1	-91%	15%
EBIT	**-125.0**	**67.0**	**76.9**	**n.a**	**15%**
Financial result	-51.1	-46.1	-60.6	-10%	31%
Income tax	-5.2	-8.4	-5.9	62%	-31%
Net income	**-181.3**	**12.4**	**10.5**	**n.a**	**-16%**
Adjusted net income	**13.4**	**20.1**	**31.6**	**50%**	**57%**

Revenue Margin increased by 5%, to €486.6 million, principally due to an increase in Bookings by 9% and partly offset by a decrease of 4% in Revenue Margin per Booking in line with our strategy to make investments on our business to build scale, become more agile, improve business model, and create better customer experience.

Variable costs were flat as increased bookings were offset by a reduction in cost per booking of 8% year-on-year. Reductions in variable costs per booking were achieved as a result of the positive impact of our strategy to re-orient price and channel performance.

Fixed costs increased mainly due to higher personnel costs, primarily related to an increase in personnel and higher external fees, mainly related to consultancy work.

Adjusted EBITDA for fiscal year 2017 amounted to €107.3 million, up 12% year-on-year.

Non-recurring items decreased by 11% mainly due to employees long term incentive plan (LTIP) expenses and contract terminations, link to the closure of the Stockholm office.

EBITDA growth was higher than Adjusted EBITDA growth, up 15% year-on-year due to the decrease in non-recurring items.

D&A and Impairment increase due to an impairment of goodwill linked to the sale of the corporate travel business and the intangible assets of the legacy Travellink leisure platform no longer in use, full detail in the note 10 of our consolidated accounts.

Financial loss in fiscal year 2017 increased by €14.5 million mainly reflecting the write off of financing costs capitalized on previous RCF and the 2018 and 2019´s bonds, and call premium expenses for repayment of old bonds for €18.2 million.

Income tax decreased by €2.5 million reflecting mainly the capitalization of other deferred tax assets in the U.K. of €3.4 million.

Adjusted Net Income stood at €31.6 million, a 57% improvement year-on-year.

Analysis of Balance sheet – Full Balance Sheet in page 28

(in € million)	Mar 2015	Mar 2016	Mar 2017
Total fixed assets	**1,018.7**	**1,032.3**	**1,044.6**
Total working capital	**-278.6**	**-276.6**	**-317.3**
Deferred tax	**-37.6**	**-41.2**	**-41.1**
Provisions	**-15.8**	**-16.5**	**-8.9**
Other non current assets / (liabilities)	**6.3**	**6.9**	**3.3**
Other current assets / (liabilities)	**0.1**	**0.1**	**0.0**
Financial debt	-457.5	-462.9	-433.7
Cash and cash equivalents	121.8	132.1	143.6
Net financial debt	**-335.7**	**-330.8**	**-290.1**
Net assets	**357.4**	**374.1**	**390.5**

Compared to last year, main changes relate to:

- Increase in **total fixed assets**, due to:
  - An increase of software internally developed
  - An increase in the financing fees capitalized due to the new Revolving Credit Facility
  - Partially offset by the sale of assets related to the Corporate Travel Business in the Nordics and Germany, and the impairment of certain assets of the Leisure Travel Business in the Nordics.
- Decrease of **provisions** due to the expiry of a tax contingency.
- Decrease of **other non current assets / (liabilities)** mainly related to the reversal of a receivable indemnity linked to the provision that has expired.
- Increase of negative **working capital** due to Easter holiday effect and working capital improvement initiatives.
- Decrease of **net financial debt**, due to:
  - Decrease of **financial debt** following the repurchase of €30m of the 2018 notes.
  - Increase of **Cash position.**

Analysis of Cash Flow Statement – Full cash flow in page 30

(in € million)	12M Mar 2015	12M Mar 2016	12M Mar 2017	Var 16 vs 15	Var 17 vs 16
Adjusted EBITDA	**90.5**	**95.8**	**107.3**	**6%**	**12%**
Non-recurring items	-16.0	-10.5	-9.3	-34%	-11%
Non-cash items	7.7	4.1	1.3	-47%	-68%
Provider termination	-6.1	0.0	0.0	n.a	n.a
Change in working capital	2.2	-2.6	42.2	n.a	n.a
Change in working capital related to the IPO	-18.1	0.0	0.0	n.a	n.a
Income tax paid	-6.0	-4.8	-7.4	-20%	56%
Net cash from operating activities	**54.3**	**82.0**	**134.1**	**51%**	**63%**
Cash flow from investing activities	**-35.2**	**-30.5**	**-29.5**	**-13%**	**-3%**
Cash flow before financing	**19.1**	**51.5**	**104.6**	**170%**	**103%**
Shares issuance	50.0	0.0	0.0	n.a	n.a
Consent fee on change in covenant	0.0	-0.3	0.0	n.a	n.a
Repayment of 2019 Notes	-46.0	0.0	0.0	n.a	n.a
Repurchase of 2018 Notes	0.0	0.0	-29.1	n.a	n.a
Debt issuance / (repayment)	-0.3	-0.4	-1.9	n.a	n.a
Bond call premium and other refinancing flows	-3.6	0.0	-21.7	n.a	n.a
Financial expenses (net)	-43.1	-40.3	-40.9	-6%	1%
Cash flow from financing	**-43.0**	**-41.1**	**-93.6**	**n.a**	**n.a**
Net increase / (decrease) in cash and cash equivalent	**-23.9**	**10.4**	**11.0**	**n.a**	**5%**
Cash and cash equivalents at end of period (net of overdrafts)	**121.8**	**132.0**	**143.5**	**8%**	**9%**

Net cash from operating activities increased by €52.1 million, mainly reflecting:

- Increased adjusted EBITDA by €11.5 million
- Lower non-recurring items (+€1.2 million impact)
- Lower change in working capital (+€42.2 million impact) as a result of the positive impact of the working capital improvement initiatives and Easter holidays, which fell this year in April.
- Partially offset by lower non-cash items and higher income tax paid

We have **used cash for investments** of €29.5 million compared to €30.5 million in the same period of last year. The decrease in investing activities mainly relates to lower development costs of our platform vs. last year, as license fees related to our new mid-back office negatively impacted last year and was partly offset by the reversal of a license fee (amortized) following the end of a white label agreement that positively impacted last year, and the neutral between the sale of the corporate travel business and acquisition budgetplaces.com.

As a result of all of the above, **cash flow before financing** increased from €51.5 million euros in FY 2016 to €104.6 million in fiscal year 2017, doubling vs the same period last year.

Cash used in financing amounted to 93.6 million euros, compared to 41.1 million euros in the same period of last year. The main difference is the 29.1 million euros related to the successful repurchase of €30 million principal amount of our 2018 notes through a tender offer, on April 14th 2016, at a clearing price of 97% for a total of €29.1 million, Bond call premium and other refinancing flows (€21.7 million), and higher financial expenses (€0.6 million)

Debt

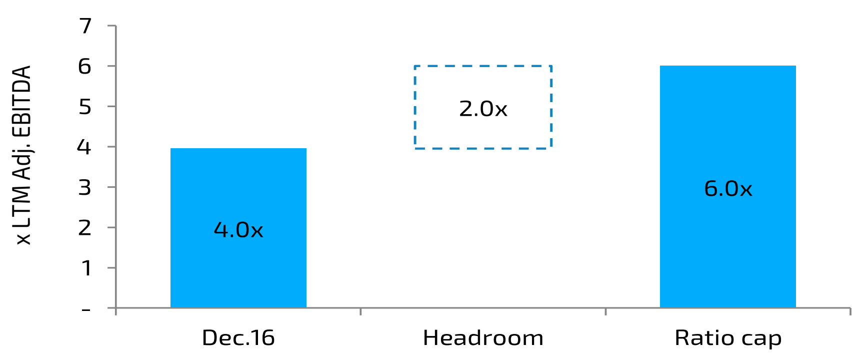
In fiscal year 2017, the company successfully continued to deleverage its business, **Net Leverage Ratio**[2] was down from 3.43x in March 2016 to **2.66x in March 2017**.

In October 2016 the group also successfully refinanced all its debt, with a full repayment of 2018 Notes and 2019 Notes, and the issuance of 2021 Notes.

Both rating agencies Moodys and S&P re-affirmed our corporate family rating at B2 and B, respectively, and both with stable outlook. The 2021 notes the rating for Moodys stand at B3 and for S&P is at B.

As part of the refinancing the group was able to increase its Super Senior Revolver Credit Facility to €147 million, to ensure it had ample headroom in terms of guarantees as business grows.

And the single maintenance covenant in our SS RCF was switched from 5.5x Net Debt to LTM adjusted EBITDA to 6.0x Gross Leverage Ratio. At the end of March 2016 the Gross leverage ratio was 4.0x, providing us with ample headroom.



The terms also improved to allow for efficient repurchases of up to 10% of principal per year.

[2] Definition of Non GAAP performance measure provided on page 96

Other information

Risks and Uncertainties

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

Annual Corporate Governance Report

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

Shareholder information

The subscribed share capital of eDreams ODIGEO at March 2017 is €10,678 thousand divided into 106,779,825 shares with a par value of ten euros cents (€0.10) each, all of which are fully paid.

Treasury Shares

See a description of transactions with Treasury shares in Note 23.5 of the Notes to the Consolidated Financial Statements attached hereafter.

Branches of the Company

The Company has no direct branches.

Research and development activities

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

See a description of the accounting policy applied by the Group for its Internally-generated intangible assets - research and development expenditure in note 4 of the Notes to the Consolidated Financial Statements attached hereafter.

Important events that have occurred since March 31, 2017

See a description of the Subsequent events in Note 35 of the Notes to the Consolidated Financial Statements attached hereafter.

OUR PURPOSE

“To help people discover their world through travel”

Consolidated Financial Statements and Notes for the full year period ended March 31, 2017

eDreams ODIGEO

and Subsidiaries

Registered office:

1, Boulevard de la Foire

L-1528 Luxembourg

R.C.S. Luxembourg B N° 159 036

Building a better working world

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Independent auditor's report

To the Shareholders of
eDreams ODIGEO SA
1, Boulevard de la Foire
L-1528 Luxembourg

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of eDreams ODIGEO SA, which comprise the consolidated statement of financial position as at 31 March 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

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

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Building a better
working world

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of eDreams ODIGEO S.A. as of 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matters

The consolidated financial statements of eDreams ODIGEO S.A. for the year ended 31 March 2016 were audited by another auditor whose report, dated 16 June 2016, expressed an unmodified opinion.

Report on other legal and regulatory requirements

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

The corporate governance statement which is included in the management report, contains the information required by law with respect to the corporate governance statement.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Consolidated Income Statement for the year ended March 31, 2017

(Thousand of euros)

	Notes	FY 2017	FY 2016
Revenue	7&8	497,408	484,650
Supplies		(10,845)	(21,395)
Revenue Margin	**7&8**	**486,563**	**463,255**
Personnel expenses	9	(73,456)	(69,818)
Depreciation and amortization	10	(18,365)	(17,628)
Impairment loss	10 & 2.1.5	(2,783)	(729)
Gain / (loss) arising from assets disposals		3	(11)
Other operating income / (expenses)	11	(315,082)	(308,089)
Operating profit/(loss)		**76,880**	**66,980**
Financial and similar income and expenses			
Interest expense on debt	12	(50,261)	(41,439)
Other financial income / (expenses)	12	(10,291)	(4,678)
Profit/(loss) before taxes		**16,328**	**20,863**
Income tax	13	(5,854)	(8,436)
Profit/(loss) for the year from continuing operations		**10,474**	**12,427**
Profit for the year from discontinued operations net of taxes		-	-
Consolidated profit/(loss) for the year		**10,474**	**12,427**
Non controlling interest - Result		-	-
Profit and loss attributable to the parent company		**10,474**	**12,427**
Basic earnings per share (Euro)	**6**	**0.10**	**0.12**
Basic earnings per share (Euro) - fully diluted basis	**6**	**0.09**	**0.11**

The notes on pages 31 to 103 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Other Comprehensive Income for the year ended March 31, 2017

(Thousand of euros)

	FY 2017	FY 2016
Consolidated profit/(loss) for the year (from the income statement)	**10,474**	**12,427**
Income and expenses recorded directly in equity		
Exchange differences	(2,082)	792
For actuarial gains and losses (pensions)	-	58
Other income and expenses recorded directly in equity	-	-
Tax effect	-	(34)
	(2,082)	**816**
Total recognized income and expenses	**8,392**	**13,243**
a) Attributable to the parent company	8,392	13,243
b) Attributable to minority interest	-	-

The notes on pages 31 to 103 are an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet Statement as at March 31, 2017

(Thousand of euros)

ASSETS	Notes	FY 2017	FY 2016
Non-current assets			
Goodwill	14	724,293	728,377
Other intangible assets	15	306,496	294,616
Tangible assets	16	9,036	7,642
Non-current financial assets	18	8,068	4,962
Deferred tax assets	13	1,365	2,298
Other non-current assets	19	-	3,599
		1,049,258	**1,041,494**
Current assets			
Inventory	20	-	800
Trade and other receivables	21	63,276	66,237
Current tax assets	13	9,807	10,075
Financial assets		-	74
Cash and cash equivalents	22	143,584	132,077
		216,667	**209,263**
TOTAL ASSETS		**1,265,925**	**1,250,757**

EQUITY AND LIABILITIES	Notes	FY 2017	FY 2016
Shareholders' Equity			
Share Capital		10,678	10,488
Share Premium		974,512	974,512
Other Reserves		(602,300)	(622,543)
Profit and Loss for the period		10,474	12,427
Foreign currency translation reserve		(2,820)	(738)
		390,544	**374,146**
Non controlling interest		-	-
	23	**390,544**	**374,146**
Non-current liabilities			
Non-current financial liabilities	25	421,565	446,463
Non current provisions	26	3,783	6,659
Deferred revenue	29	20,942	26,206
Deferred tax liabilities	13	42,437	43,518
		488,727	**522,846**
Current liabilities			
Trade and other payables	28	362,878	315,211
Current provisions	26	5,093	9,861
Current taxes payable	13	6,567	12,268
Current financial liabilities	25	12,116	16,425
		386,654	**353,765**
TOTAL EQUITY AND LIABILITIES		**1,265,925**	**1,250,757**

The notes on pages 31 to 103 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

(Thousand of euros)

	Share Capital	Share premium	Other Reserves	Profit & Loss for the period	Treasury shares	Foreign currency translation reserve	Total Equity
Closing balance at March 31, 2016	10,488	974,512	(622,543)	12,427	-	(738)	374,146
Total recognized income / (expenses)	-	-	-	10,474	-	(2,082)	8,392
Capital Increases / (Decreases) *(Note 23.1)*	190	-	(190)	-	-	-	-
Dealings with own shares or equity instruments *(Note 23.5)*	-	-	32	-	-	-	32
Operations with members or owners	190	-	(158)	-	-	-	32
Payments based on equity instruments *(Note 24)*	-	-	7,983	-	-	-	7,983
Transfer between equity items	-	-	12,427	(12,427)	-	-	-
Other changes	-	-	(9)	-	-	-	(9)
Other changes in equity	-	-	20,401	(12,427)	-	-	7,974
Closing balance at March 31, 2017	10,678	974,512	(602,300)	10,474	-	(2,820)	390,544

	Share Capital	Share premium	Other Reserves	Profit & Loss for the period	Treasury shares	Foreign currency translation reserve	Total Equity
Closing balance at March 31, 2015	10,488	974,512	(444,793)	(181,306)	-	(1,530)	357,371
Total recognized income / (expenses)	-	-	24	12,427	-	792	13,243
Operations with members or owners	-	-	-	-	-	-	-
Payments based on equity instruments	-	-	3,528	-	-	-	3,528
Transfer between equity items	-	-	(181,306)	181,306	-	-	-
Other changes	-	-	4	-	-	-	4
Other changes in equity	-	-	(177,774)	181,306	-	-	3,532
Closing balance at March 31, 2016	10,488	974,512	(622,543)	12,427	-	(738)	374,146

The notes on pages 31 to 103 are an integral part of these Consolidated Financial Statements.

Consolidated Cash Flow Statement for the year ended March 31, 2017

(Thousand of euros)	Notes	FY 2017	FY 2016
Net Profit / (Loss)		**10,474**	**12,427**
Depreciation and amortization	10	18,365	17,628
Impairment and results on disposal of non-current assets (net)	10 & 2.1.5	2,783	729
Other provisions		(1,532)	540
Income tax		5,854	8,436
Gain or loss on disposal of assets		(3)	11
Finance (Income) / Loss	12	60,552	46,117
Expenses related to share based payments	24	7,983	3,528
Other non cash items		(5,161)	-
Changes in working capital		42,207	(2,641)
Income tax paid		(7,435)	(4,773)
Net cash from operating activities		**134,087**	**82,002**
Acquisitions of intangible and tangible assets		(29,949)	(31,138)
Proceeds on disposal of tangible and intangible assets		5,155	1,705
Acquisitions of financial assets		(4)	(1,042)
Payments/ Proceeds from disposals of financial assets		350	3
Acquisitions of subsidiaries net of cash acquired	30	(5,051)	-
Net cash flow from / (used) in investing activities		**(29,499)**	**(30,472)**
Borrowings drawdown	2.1.2	422,633	-
Reimbursement of borrowings	2.1.1 & 2.1.2	(453,645)	(446)
Interest paid		(40,867)	(40,820)
Bond call premium and other financial expenses paid		(21,788)	-
Interest received		34	161
Fees paid on debt		-	-
Net cash flow from / (used) in financing activities		**(93,633)**	**(41,105)**
Net increase / (decrease) in cash and cash equivalents		**10,955**	**10,425**
Cash and cash equivalents at beginning of period		132,038	121,768
Changes in the perimeter		753	0
Effect of foreign exchange rate changes		(245)	(155)
Cash and cash equivalents at end of period		**143,501**	**132,038**
Cash at the closing:			
Cash	22	143,584	132,077
Bank facilities and overdrafts	25	(83)	(39)
Cash and cash equivalents at end of period		**143,501**	**132,038**

The notes on pages 31 to 103 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

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

eDreams ODIGEO and its direct and indirect subsidiaries (collectively the "Group") headed by eDreams ODIGEO, as detailed in Note 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.

2. SIGNIFICANT EVENTS

2.1 Significant events during the period ended March 31, 2017

2.1.1 Repurchase of 2018 Notes

The Group, through its subsidiary Geo Debt Finance S.C.A., repurchased €30 million of the 2018 Notes on April 14, 2016 at a clearing price of 97% (€29.1 million). All the repurchased Notes have been cancelled.

The tender offer was made as part of eDreams' liability management, to decrease its overall level of debt and was financed out of the company's cash flows.

2.1.2 Debt Refinancing

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

This transaction allowed the Group to extend the maturity of its debt from less than two years to five years and, in addition, gain significant flexibility versus its previous financing. In particular, the terms of the new Bond allows the company to execute on its strategy to continue to reduce its debt in the future, with contractual options to repurchase 10% of the nominal amount every year at a price of 103.

In addition, the Group refinanced its Super Senior Revolving Credit Facility, increasing the commitment from €130,000,000 to €147,000,000, under more favourable conditions versus the previous Facility.

eDreams ODIGEO and certain of its subsidiaries guarantee the 2021 Notes, and the 2021 Notes are secured by certain assets of eDreams ODIGEO. As explained in the Note 25 the settlement date for the offering was October 4, 2016.

2.1.3 Modification of existing Long Term Incentive Plan

On May 10, 2016, the Group approved a modification of the existing Long Term Incentive Plan ("LTIP") for Managers. The new scheme was based on operational performance, measured with stringent financial and strategic objectives. It will have the benefit of generating long-term company value, being simple to administer and align management and shareholder interest.

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

This LTIP will last for 2 years and is designed to vest around financial results publications between November 2016 and November 2017 (see Note 24.1).

On November 2016 and February 2017 the First two Tranches – First Instalment shares have been delivered to the Participants of the Plan (see Note 24.1) .

2.1.4 New Long Term Incentive Plan

On September 12, 2016, the Extraordinary Shareholders Meeting, upon proposal from the Board of Directors, approved amendments to the Articles of Incorporation of the Company, necessary to execute a new LTIP for Managers, to ensure that it continues to attract and retain high quality management and better align the interest of management and shareholders. (see Note 24.2).

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

Total maximum dilution of the performance stock rights ("PSRs") and restricted stock units ("RSUs") would represent, if fully vested, 6.32% of the total issued share capital of the Group, over a period of 4 years, and therefore 1.58% yearly average on a fully diluted basis.
Expected dilution (which takes into account attrition and actual expected achievement of stringent financial and strategic objectives) for all PSRs and RSUs since the IPO (Plan 1 and 2) is a 1.1% yearly average over an 8 year period.

The new LTIP will last for four years and is designed to vest based on financial results publications between August 2018 and February 2022 (see Note 24.2).

2.1.5 Sale of Corporate Travel Business

During December 2016, the Group transferred the corporate travel business of the Travellink brand in Germany, Sweden, Finland, Norway, and Denmark to the Australian group Flight Centre Travel.

The line of business transferred is not a significant part of the Group's business. As the Corporate Travel Business of Travellink brand does not represent a separate major line of business or geographical area of operations, it does not meet the criteria to be considered as discontinued operation.

The value of the assets linked to this business was impaired before the sale was finalized for an amount of €1.5 million.

The Group has reclassified the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income to Profit and Loss for an amount of €0.4 million.

The sale price of this transaction was €5 million.

2.1.6 Change in management

Carsten Bernhard was appointed as Chief Technology Officer and Gerrit Goedkoop as Chief Operating Officer, strengthening our senior management team.

Gerrit Goedkoop, who previously served as Chief Customer Officer for eDreams Odigeo will now take up position as Chief Operating Officer. Gerrit has been with eDreams since 2014.

Philippe Vimard, who previously served as Chief Technology Officer and Chief Operating Officer is leaving the business after 6 years.

These management changes were effective from August 1, 2016.

2.1.7 Acquisition of Budgetplaces.com

On January 16, 2017 the Group has acquired the Barcelona-based business Budgetplaces.com, a hotel booking site that provides customers with access to accommodation around the world.
The acquisition will give eDreams ODIGEO and its travel brands access to innovative technology and will improve product diversification, in line with the company's business strategy (see note 30).

2.1.8 Travellink business reorganization

On January 31, 2017, the Group announced the reorganization of its operations in the Nordic region; where it operates through the brand Travellink.

The reorganization centralizes the business functions currently performed in Stockholm to Barcelona. Roles opened in Barcelona as a result of this process have been available for suitable candidates to transfer.

The company has outsourced the Nordics Customer Service department to a third company in May 2017.

3. BASIS OF PRESENTATION

3.1 Statement of compliance

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

3.2 New and revised International Financial Reporting Standards

The Group has not applied any standard or interpretations whose application is not yet compulsory at March 31, 2017.

As detailed below, during the year ended March 31, 2017 new accounting standards and interpretations (IAS/IFRS and IFRIC, respectively) have come into force and have been applied.

Furthermore, on the date of drawing up these consolidated financial statements, new accounting standards and interpretations have been published, which are expected to come into effect for accounting periods starting on or after March 31, 2017.

Compulsory standards, amendments and interpretations adopted in the European Union for all accounting periods starting on or after April 1, 2016:

Title	Effective date (annual periods beginning on or after)	Application
Amendments to IAS 27- Equity Method in Separate Financial Statements	1 January 2016	Retrospective application
Amendments to IAS 1- Disclosures Initiative	1 January 2016	Retrospective application
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016	Retrospective application
Amendments to IAS 16 and IAS 38 – Clarification of Accountable Methods of Depreciation and Amortisation	1 January 2016	Retrospective application
Amendments to IFRS 11- Accounting for Acquisition of Interests in Joint Operations	1 January 2016	Retrospective application

All the standards, amendments and interpretations applicable to the Group's financial statements have been taken into account with effect from April 1, 2016, with no significant impact on these consolidated financial statements.

Standards, amendments and interpretations that may be adopted early in accounting periods starting on or after April 1, 2016, issued by the IASB and adopted by the European Union, for which the Group has not considered early adoption:

Title	Effective date (annual periods beginning on or after)	Application
IFRS 9 Financial Instruments (issued in 2014)	1 January 2018	Retrospective application
IFRS 15 Revenue from Contracts with Customers	1 January 2018	Retrospective application
IFRS 16 Leases	1 January 2018	Retrospective application

As indicated above, the Group has not considered an early application of the standards and interpretations detailed above. The Group is currently analyzing the possible effects of the application of these standards.

3.3 Use of estimates and judgements

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

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

3.4 Changes in consolidation perimeter

- **Tierrabella Invest, S.L. :**

The subsidiary Opodo Limited made an offer and entered into a sale and purchase agreement on December 21, 2016 to acquire all of the issued and outstanding capital stock of Tierrabella Invest, S.L. This company is the holding of Engrande, S.L.U. company, and operates the website Budgetplaces.com, a hotel booking site that provides customers with access to accommodation around the world. The transaction was settled on January 16, 2017 (see Note 30).

- **IIPIR Software Development, S.L. :**

This subsidiary had no business activity during both periods. On March 21, 2017 the dissolution of the company was filed at the Mercantile Register of Madrid.

3.5 Comparative information

The Directors present together with the figures for the year ended March 31, 2017, the previous years' figures for each of the items on the consolidated statement of financial position, consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and the quantitative information required to be disclosed in the consolidated financial statements.

3.6 Working capital

The Group had negative working capital as of March 31, 2017 and 2016, which is a common circumstance in the business in which the Group operates, and in its financial structure, and it does not present any impediment to its normal business.

The Group's Super Senior Revolving Credit Facility is available to fund its working capital needs and IATA Guarantees (see Note 25.1).

4. SIGNIFICANT ACCOUNTING POLICIES

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

Basis, scope and methods of consolidation

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

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

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

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

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

Business combinations

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

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

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

Goodwill

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

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

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

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

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Revenue recognition

See in the Glossary of Definitions annex (page 89) definitions of terms (specific in the sector) in order to better understand the Group Revenue recognition accounting principles.

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

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

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

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

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

Where the Group acts as a disclosed agent (*i.e.*, bears no inventory risk and is not the primary obligor in the arrangement), revenue is recognized on a "net" basis, with revenue representing the mediation fees and commissions. Such revenue comprises the supply of mediation services in respect of scheduled air passengers, hotels, car rentals and most the travel packages. For Direct Connects, the Group usually passes reservations booked by customers to the travel supplier and revenue represents the service fee charged to the customer. The Group has limited, if any, ability to determine or change the services supplied and the customer is responsible for the selection of the service supplier. Booking is then secured when no further obligation is supported by the Group.
Where the Group acts as a disclosed agent, additional income (travel supplier over-commissions) may accrue based on the achievement of certain sales target during a certain agreed period. The Group therefore accrues such income where it is considered highly probable that agreed targets will be met and the amount to be received is quantifiable. Where it is probable that the agreed targets will be met, revenue is recognized based on the percentage of total agreed over-commissions achieved at reporting date.

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

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

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

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

In case of mediation services regarding hotel accommodation, Dynamic packages, car rental and packaged products, net revenue is recognized at the date of booking. However, a provision is recognized to cover the risk of cancellation of the bookings made with departures after closing date. This provision has been calculated in accordance with the historical average cancellation rate by markets (See Note 21.1).

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

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

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

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

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

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

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

Cost of sales

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

Current operating profit

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

Finance result

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

Leasing

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

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

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

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

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

Foreign currencies

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

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

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

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

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Retirement benefits costs

Defined contribution plans

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

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

Defined benefit plans

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

The liability recognized in the balance sheet is the present value of the obligation in respect of defined benefits on the balance sheet date less the fair value of the plan assets, and adjustments for unrecognized past service costs. The obligation in respect of defined benefits is measured by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using the interest rates on high quality business bonds denominated in the same currency as will be used to pay the benefits, with maturity periods similar to those of the corresponding obligations. In countries where there is no market for such bonds, the market rates of government bonds are used. Actuarial gains or losses arising from adjustments based on experience and changes in the actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

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

Share-based payment arrangements

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the value of the equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.
The impact of the revision of the original estimates in cash-settled share-based payments, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit according to the taxation rules in the relevant countries. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets generated by tax loss are only recognized to the extent that it is probable that these tax losses will be offset against taxable profits during the testing period taking into account local limitations regarding the utilization of the tax losses. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be offset. No deferred tax assets and liabilities are recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

Intangible assets

Intangible assets acquired separately

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

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

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

Internally-generated intangible assets - research and development expenditure

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

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

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

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

Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.
Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in business combinations

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

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

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

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

Derecognition of intangible assets

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

Tangible assets

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

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

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

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

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

Derecognition of tangible assets

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

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss (See methodology used in Note 17). If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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

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.

<u>Contingent liabilities acquired in a business combination</u>

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

Financial instruments

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

<u>Financial assets</u>

Financial assets are initially recognized at the fair value of the consideration given, plus any directly attributable transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All the Group's financial assets are classified as "loan and receivables", reflecting the nature and purpose of the financial assets, determined at the time of initial recognition.

<u>Loans and receivables</u>
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.

<u>Effective interest method</u>
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.

<u>Impairment of financial assets</u>

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

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

Derecognition of financial assets

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

Restricted cash

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

Cash and cash equivalents

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Other financial liabilities

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

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

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

Current/Non-current classification

Current assets are considered to be those related to the normal cycle of operations (which is usually considered to be one year); assets which are expected to expire, be disposed of or realised in the short term as from year-end; financial assets held for trading (except for financial derivatives to be settled later than one year); and cash and other equivalent liquid assets. Assets that do not meet these requirements are qualified as non-current.
Likewise, current liabilities are those related to the ordinary cycle of operations, financial liabilities held for trading, with the exception of financial derivatives to be settled later than one year, and in general all obligations that will expire or terminate in the short term. If this is not the case, they are classified as non-current.

Related party transactions

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

5. RISK MANAGEMENT

5.1 Financial Risks

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

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

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

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

- ***Exchange rate risk:*** The exchange rate risk arising from our activities has basically two sources: the risk arising in respect of commercial transactions carried out in currencies other than the functional currency of each company of the eDreams ODIGEO Group and the risk arising on the consolidation of subsidiaries that have a functional currency other than the euro.
  In relation to commercial transactions, we are principally exposed to exchange rate risk as the Group operates with the Pound Sterling as well as the Swedish krona and other Nordic currencies (Norwegian Krone and Danish Krone). The exchange rate risk arises on future commercial transactions and on assets and liabilities denominated in a foreign currency.

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

5.2 Travel Industry Risks

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

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

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

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

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

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

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

5.3 Business Risks

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

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

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

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

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

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

- Significant proportion of our business in France and, to a lesser extent, Germany, Spain and Italy and elsewhere in Europe. Difficult macroeconomic circumstances in

Europe, in particular France, Italy or Spain, could cause a decline in the demand for travel products and adversely affect out results of operations.

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

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

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

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

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

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

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

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

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

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

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

5.4 Financial Profile Risks

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

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

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

5.5 Capital risk management

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

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

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

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

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

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

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

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

The Revolving Credit Facility due 2021 includes a covenant requiring the eDreams ODIGEO consolidation perimeter to maintain a gross debt to EBITDA ratio for the rolling twelve months at each quarter end (see Note 25.1).

At March 31, 2017 the Group complied with all the restrictions imposed by its main debt contracts, and as its businesses may reasonably be expected to continue operating, the Group does not foresee any non-compliance in the future.

6. EARNINGS PER SHARE

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

In the earning per share calculation as of March 31, 2017 and 2016 dilutive instruments are considered for the Incentive Shares granted (see Note 24).

The calculation of basic earnings per share and fully diluted earnings per share (rounded to two digits) for the years ended March 31, 2017 and 2016, is as follows:

	March 2017			March 2016		
	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)
Basic Earnings per Share	10,474	105,335,680	0.10	12,427	104,878,049	0.12
Basic Earnings per Share - fully diluted basis	10,474	110,576,897	0.09	12,427	109,750,993	0.11

7. REVENUE MARGIN

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

	March 2017	March 2016
Classic customer revenue	240,597	242,097
Diversification revenue	146,248	123,909
Advertising & Metasearch	31,757	31,629
Supplier revenue	67,961	65,620
Revenue Margin	**486,563**	**463,255**

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

8. SEGMENT INFORMATION

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

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

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

	March 2017						
	France	Southern Europe (Spain + Italy)	Core	Germany + Austria	UK + Nordics + Other	Expansion	TOTAL
Gross Bookings	1,444,841	882,227	2,327,068	799,348	1,465,846	2,265,194	4,592,262
Number of bookings	3,135,044	2,832,533	5,967,577	1,939,002	3,746,501	5,685,503	11,653,080
Revenue	163,283	111,970	275,253	79,193	142,962	222,155	497,408
Revenue Margin	159,457	110,694	270,151	77,758	138,654	216,413	486,563
Variable costs	(84,980)	(73,193)	(158,173)	(42,688)	(98,049)	(140,736)	(298,910)
Marginal Profit	74,477	37,501	111,977	35,071	40,606	75,676	187,654
Fixed costs							(80,330)
Depreciation and amortization							(18,365)
Impairment and results on disposal of non-current assets							(2,780)
Others							(9,299)
Operating profit/(loss)							76,880
Financial result							(60,552)
Profit before tax							16,328

	March 2016						
	France	Southern Europe (Spain + Italy)	Core	Germany + Austria	UK + Nordics + Other	Expansion	TOTAL
Gross Bookings	1,453,837	754,049	2,207,886	674,569	1,625,991	2,300,560	4,508,446
Number of bookings	2,984,676	2,396,007	5,380,683	1,535,104	3,759,124	5,294,228	10,674,911
Revenue	177,365	93,303	270,668	59,029	154,953	213,982	484,650
Revenue Margin	164,185	90,917	255,102	59,029	149,124	208,153	463,255
Variable costs	(93,615)	(60,082)	(153,697)	(30,942)	(112,859)	(143,801)	(297,498)
Marginal Profit	70,570	30,835	101,405	28,087	36,266	64,353	165,758
Fixed costs							(69,908)
Depreciation and amortization							(17,628)
Impairment and results on disposal of non-current assets							(740)
Others							(10,502)
Operating profit/(loss)							66,980
Financial result							(46,117)
Profit before tax							20,863

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

No single customer contributed 10% or more to the Group's revenue at March 31, 2017 and March 31, 2016.

9. PERSONNEL EXPENSES

9.1 Personnel expenses

	March 2017	March 2016
Wages and salaries	48,598	47,027
Social security costs	14,366	14,441
Pensions costs (or employees welfare expenses)	1,508	1,229
Share-based compensation	7,961	3,528
Other personnel expenses	1,023	3,593
Total personnel expenses	**73,456**	**69,818**

In March 2016 Other personnel expenses include the accrued expenses related to the restructuring in France amounting to € 2.5 million.

In March 2017, other personnel expenses relate mainly to the restructuring in Nordics (see Note 2.1.8)

9.2 Number of employees

The number of employees (including Executive Directors) by category of the Group is as follows:

	Average headcount		Headcount at the end of the period	
	March 2017	March 2016	March 2017	March 2016
Management	10	17	9	15
Administrative Staff	1,051	956	980	942
Operational Staff	563	685	589	662
Total	**1,624**	**1,658**	**1,578**	**1,619**

10. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	March 2017	March 2016
Depreciation of tangible assets *(see Note 16)*	2,477	2,404
Amortization of intangible assets *(see Note 15)*	15,888	15,224
Total Depreciation and amortization	**18,365**	**17,628**
Impairment of tangible assets *(see Note 16)*	89	579
Impairment of intangible assets and goodwill (*see Notes 14 and 15*)	2,681	150
Impairment of investments (*see Note 19*)	13	-
Impairment	**2,783**	**729**

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

In connection with the sale of our corporate travel business in the Nordics and Germany, during the quarter ended in December 2016, we have impaired the value of the assets linked to this business to the expected value to be received in the sale less the cost to sell for an amount of €1.5 million.

Additionally, fixed assets in relation with the leisure business in the Nordics operated through the subsidiary Travellink AB have been impaired for an amount of €0.9 million.

11. OTHER OPERATING INCOME/ (EXPENSES)

	March 2017	March 2016
Marketing and other operating expenses	286,891	281,660
Professional fees	13,448	9,120
IT expenses	7,332	6,737
Rent charges	3,739	3,904
Taxes	1,330	2,379
Foreign exchange losses/(gains)	2,027	908
Non-recurring expenses	315	3,381
Total other operating income and expenses	**315,082**	**308,089**

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

The marketing expenses comprise customer acquisition costs (such as paid search costs, metasearch costs and other promotional campaigns) and commissions due to agents and white label partners.

A large portion of the other operating expenses are variable costs, because they are directly related to the number of transactions processed through us.

12. FINANCIAL INCOME AND EXPENSE

	March 2017	March 2016
Interest expense on 2019 Notes	(7,176)	(13,383)
Interest expense on 2018 Notes	(11,950)	(24,375)
Interest expense on 2021 Notes	(18,077)	-
Interest expense on Revolving Credit Facilities	(514)	(383)
Effective interest rate impact on debt	(12,544)	(3,298)
Interest expense on debt	**(50,261)**	**(41,439)**
Foreign exchange differences	2,462	(1,120)
Other financial expense	(13,688)	(3,650)
Other financial income	935	92
Other financial income / (expense)	**(10,291)**	**(4,678)**
TOTAL FINANCIAL RESULT	**(60,552)**	**(46,117)**

As detailed in Note 2.1.1, on April 14, 2016 the Group repurchased €30 million of the 2018 Senior Notes at a clearing price of 97% (€29.1 million). The clearing price lower than 100% had a positive impact of €0.9 million classified as other financial income.

Additionally, as detailed in Note 2.1.2, the Group has refinanced its debt repaying the 2018 and 2019 Notes, and obtaining the new 2021 Notes.

Consequently, "Other financial expenses" includes one-off redemption expenses have been registered amounting to €8.9 million and expenses related to the obtention of the new Revolving Credit Facility for Guarantees that have not been capitalized and have been recognised as financial expenses of the period for €1,4 million.

"Effective interest rate on debt" includes the capitalized financing fees of the 2018 and 2019 Senior Notes written off to financial expenses due to the refinancing (€6,4 million), and the capitalized financing fees of the previous Revolving Credit Facility written off to financial expenses due to the refinancing (€1,4 million).

13. INCOME TAX

At 31 March 2017, the Group applies income tax consolidation in the following countries:

1) Spain
2) US
3) France
4) Luxembourg

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

- Vacaciones eDreams, S.L.U.
- eDreams International Network, S.L.
- Opodo, S.L.
- eDreams Business Travel. S.L.
- Geo Travel Ventures S.A.

The Spanish tax group headed by Tierrabella Invest, S.L includes the following subsidiary:

- Engrande, S.L.U

The tax group led by Tierrabella has been included in the Spanish tax group headed by eDreams Inc with effect of 1 April 2017.

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

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

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.

The Luxembourg tax group headed by eDreams ODIGEO includes the following subsidiaries:

- Geo Travel Finance S.C.A.
- LuxGeo S.a.r.l.
- Geo Debt Finance S.C.A.

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

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

13.1 Income tax recognized in profit or loss

This item breaks down as follows:

	March 2017	March 2016
Deferred Tax	66	(3,688)
Current Tax	(5,920)	(4,748)
Income tax (expense)/income	**(5,854)**	**(8,436)**

13.2 Income tax recognized directly in other comprehensive income

This item breaks down as follows:

	March 2017	March 2016
Other deferred tax	-	(34)
Total Income tax recognised directly in OCI	**-**	**(34)**

13.3 Analysis of tax charge

The income tax charge may be analyzed as follows:

	March 2017	March 2016
Profit/(loss) for the year from continuing operations after tax	10,474	12,427
Income Tax - Expense / Income	(5,854)	(8,436)
Profit / (loss) before tax	**16,328**	**20,863**
Permanent differences:		
Dividends distributed between subsidiaries	809	950
Capital allowances	-	(7,856)
Disallowed expenses and others	16,325	13,480
Tax basis profit / (loss)	**33,461**	**27,437**
% Income rate Present Year	29.22%	29.22%
Expected tax charge income / (expense)	**(9,777)**	**(8,017)**
Corrections of tax expense:		
Impact of tax rate differences with Parent tax rate	3,181	1,640
Derecognition of tax losses carried forward	(645)	(5)
Utilisation of tax losses not recognised	30	81
Current year losses for which no deferred tax asset has been recognised	(8,254)	(3,892)
Recognition of tax losses carried forward or other deferred tax assets	6,497	-
Change in deferred tax due to rate change	1,107	1,342
Others	2,007	415
Group tax charge income / (expense)	**(5,854)**	**(8,436)**

"Disallowed expenses" in the period ended on March 31, 2017 and March 31, 2016 relates primarily to the effect of non-deductible interest expenses under applicable legislation in certain countries such as France and UK.

13.4 Current tax assets and liabilities

This item breaks down as follows:

	March 2017	March 2016
Income tax receivable	3,269	5,120
Other tax receivables (other than income tax)	6,538	4,955
Current tax assets	**9,807**	**10,075**
Income tax payable	2,188	6,264
Other tax payable (Other than Income Tax)	4,379	6,004
Current tax liabilities	**6,567**	**12,268**

13.5 Deferred tax balances

This item breaks down as follows:

	March 2017	March 2016
Deferred tax assets	1,365	2,298
Deferred tax liabilities	(42,437)	(43,518)
Net	**(41,072)**	**(41,220)**

As explained in note 4 Significant accounting policies, the Group offsets deferred tax assets and liabilities if there is a legally enforceable right to set off the amounts recognized and the Group intends to settle the net figure or realize the asset and settle the liability simultaneously.

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

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

	Balance at March 2015	Amounts recorded in Profit and Loss Statement	Amounts recorded in Equity	Amounts recorded in OCI	Change in tax rate & others	Translation differences	Balance at March 2016
Tax losses carried forward	25,580	(724)	-	-	(658)	7	**24,205**
Other deferred tax	(63,135)	(4,159)	-	(34)	1,922	(19)	**(65,425)**
Total Deferred tax asset/(liability)	**(37,555)**	**(4,883)**	**-**	**(34)**	**1,264**	**(12)**	**(41,220)**

The tax losses carried forward of the group which are specified in the below table can be offset against future taxable profits during an indefinite period of time except for the US tax losses for which the compensation period is in 20 years :

March 2017	Unused Tax Losses present Year				
	Amount Tax Loss	Income tax rate (%)	Total DTA in Tax Losses	DTA recognised in the balance sheet	DTA non recognised in the balance sheet
eDreams ODIGEO S.A.(LUX)	123,126	29.22%	35,977	-	35,977
Lux Geo S.A.R.L. (LUX)	39,403	29.22%	11,514	-	11,514
Geo Debt Finance S.C.A.(LUX)	134	29.22%	39	-	39
LuxGeo GP (LUX)	88	29.22%	26	-	26
Geo Debt GP (LUX)	55	29.22%	16	-	16
Go Voyages SAS (FR)	128,461	34.43%	44,229	-	44,229
Geo Travel Pacific (AU)	29	30%	9	9	0
Opodo Italia SRL (IT)	3,345	27.50%	920	-	920
Opodo Limited (UK)	78,698	19%-18%	14,474	14,474	-
Travellink AB (SWE)	3,458	22.00%	761	-	761
EnGrande SL (ES)	7,514	25.00%	1,878		1,878
Tierrabella Invest SL (ES)	11,527	25.00%	2,882	-	2,882
eDreams Corporate Travel (IT)	742	27.50%	204	-	204
Total	**396,580**		**112,929**	**14,483**	**98,446**

March 2016	Unused Tax Losses last Year				
	Amount Tax Loss	Income tax rate (%)	Total DTA in Tax Losses	DTA recognised in the balance sheet	DTA non recognised in the balance sheet
eDreams ODIGEO S.A.(LUX)	120,772	29.22%	1,223	-	1,223
Lux Geo S.A.R.L. (LUX)	113,296	29.22%	7,932	-	7,932
Geo Debt Finance S.C.A.(LUX)	102	29.22%	18	-	18
LuxGeo GP (LUX)	76	29.22%	22	-	22
Geo Debt GP (LUX)	38	29.22%	11	-	11
Go Voyages SAS (FR)	109,966	34.43%	37,861	-	37,861
Geo Travel Ventures (ES)	182	30%-25%	54	-	54
Geo Travel Pacific (AU)	32	30%	10	10	0
Opodo Italia SRL (IT)	3,328	27.49%	915	-	915
Opodo Limited (UK)	105,312	19%-18%	20,009	20,009	-
Travellink AB (SWE)	12,017	22.00%	2,644	664	1,980
eDreams LTD (UK)	1,497	19%-18%	299	-	299
eDreams INC (USA)	10,062	35.00%	3,522	3,522	-
Total	**476,680**		**74,520**	**24,205**	**50,315**

eDreams Inc has a deferred tax asset activated corresponding to the Foreign tax credit for US Tax of €15.4 million in March 2017 (€6.8 million in March 2016).

LuxGeo has a recapture obligation under Luxembourg tax rules which approximates the amount of its tax losses carried forward.

14. GOODWILL

A detail of the goodwill movement by markets for the year ended March 31, 2017 is set out below:

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

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

The "Changes in the scope" include the goodwill related to Tierrabella Invest S.L. (See note 30)

As it is stated in Note 30, the transaction is accounted for in compliance with IFRS 3 "'Business combinations", with a temporary purchase price allocation that takes into consideration the fact that adjustments to purchase accounting could be performed during the "measurement period" that cannot exceed one year from the acquisition date.

As explained in notes 2.1.5, the Goodwill linked with the Corporate travel business of Travellink included in the Nordics Market has been impaired in the period prior to the sale to Australian group Flight Centre Travel. At the moment of the sale, the remaining goodwill linked with the Corporate travel business has been disposed.

A detail of the goodwill movement by markets for the year ended March 31, 2016 is set out below:

	March 2015	Changes in Scope	Disposals	Impairment	Exchange rate Diferences	March 2016
Markets						
France	326,522	-	-	-	-	326,522
Spain	49,073	-	-	-	-	49,073
UK	39,033	-	-	-	-	39,033
Italy	44,087	-	-	-	-	44,087
Germany	155,718	-	-	-	-	155,718
Nordics	50,069	-	-	-	557	50,626
Metasearch	8,608	-	-	-	-	8,608
Other	54,710	-	-	-	-	54,710
Total	**727,820**	**-**	**-**	**-**	**557**	**728,377**

As at March 31, 2016, the amount of the goodwill corresponding to the Nordic markets has increased by €0.6 million due to the evolution of the euro compared to the functional currency of these countries, with a balancing entry under "Cumulative translation adjustment".

15. OTHER INTANGIBLE ASSETS

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

The brand breakdown is as follows at March 31, 2017:

	March 2016	Impairment	Exchange rate Diferences	March 2017
Go Voyages	33,690	-	-	33,690
eDreams	80,800	-	-	80,800
Opodo	100,000	-	-	100,000
Travellink	7,955	-	(241)	7,714
Liligo	4,032	-	-	4,032
Total	**226,477**	**-**	**(241)**	**226,236**

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

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

The other intangible assets at March 31, 2016 break down as follows:

	March 2015	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Changes in scope	Exchange rate Diferences	March 2016
Licenses	10,102	1,027	(3,060)	64	-	12	**8,145**
Brands	288,130	-	-	-	-	87	**288,217**
Trademarks and domains	267	13	-	-	-	-	**280**
Software	113,780	72	(1,738)	27,834	-	79	**140,027**
Software internally developed in progress	18,422	24,785	-	(24,398)	-	13	**18,822**
Other intangible assets	19,311	3	-	(3,081)	-	-	**16,233**
Other intangible assets in progres	1,395	3,106	-	(419)	-	4	**4,086**
Total gross value	**451,407**	**29,006**	**(4,798)**	**-**	**-**	**195**	**475,810**
Licenses	(4,531)	(1,765)	1,360	(34)	-	(10)	**(4,980)**
Trademarks and domains	(253)	(1)	-	-	-	3	**(251)**
Software	(80,037)	(13,289)	1,459	34	-	(45)	**(91,878)**
Other intangible assets	(13,703)	(169)	-	-	-	-	**(13,872)**
Total accumulated amortization	**(98,524)**	**(15,224)**	**2,819**	**-**	**-**	**(52)**	**(110,981)**
Brands	(61,740)	-	-	-	-	-	**(61,740)**
Software	(6,562)	(150)	239	-	-	-	**(6,473)**
Other intangible assets	(2,000)	-	-	-	-	-	**(2,000)**
Total accumulated Impairment	**(70,302)**	**(150)**	**239**	**-**	**-**	**-**	**(70,213)**
TOTAL INTANGIBLE ASSETS	**282,581**	**13,632**	**(1,740)**	**-**	**-**	**143**	**294,616**

The disposals in Licenses correspond to the Last Minute license. The Group collected €1,7 million on the transaction, with no impact in the profit and loss.

The brand breakdown is as follows at March 31, 2016:

	March 2015	Impairment	Exchange rate Diferences	March 2016
Go Voyages	33,690	-	-	33,690
eDreams	80,800	-	-	80,800
Opodo	100,000	-	-	100,000
Travellink	7,868	-	87	7,955
Liligo	4,032	-	-	4,032
Total	**226,390**	**-**	**87**	**226,477**

16. TANGIBLE ASSETS

	March 2016	Acquisitions / Amortization	Disposals / Reversals	Changes in scope	Exchange rate Diferences	March 2017
General installations/Technical facilities	2,303	984	(240)	43	2	**3,092**
Furniture	2,278	268	(118)	(127)	(7)	**2,294**
Transports	1	-	-	-	-	**1**
Computer hardware	16,012	2,618	(1,489)	(87)	(25)	**17,029**
Other tangible assets	36	47	(18)	0	-	**65**
Fixed assets under construction	-	63	-	-	-	**63**
Total gross value	**20,630**	**3,980**	**(1,865)**	**(171)**	**(30)**	**22,544**
General installations/Technical facilities	(533)	(416)	249	(39)	(1)	**(740)**
Furniture	(1,123)	(223)	17	125	3	**(1,201)**
Transports equipment	-	-	2	-	-	**2**
Computer hardware	(11,296)	(1,835)	1,480	82	16	**(11,553)**
Other tangible assets	(36)	(3)	23	-	-	**(16)**
Total accumulated amortization	**(12,988)**	**(2,477)**	**1,771**	**168**	**18**	**(13,508)**
Total accumulated Impairment	**-**	**(89)**	**89**	**-**	**-**	**-**
TOTAL TANGIBLE ASSETS	**7,642**	**1,414**	**(5)**	**(3)**	**(12)**	**9,036**

The tangible assets break down for the previous year is as follows:

	March 2015	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Exchange rate Diferences	March 2016
Land	-	-	-	-	-	-
Buldings	-	-	-	-	-	-
General installations/Technical facilities	1,354	591	(690)	1,050	(2)	**2,303**
Furniture	2,124	544	(664)	272	2	**2,278**
Transports	6	-	(5)	-	-	**1**
Computer hardware	14,139	2,186	(319)	-	6	**16,012**
Other tangible assets	45	-	(9)	-	-	36
Fixed assets under construction	-	1,322	-	(1,322)	-	-
Total gross value	**17,668**	**4,643**	**(1,687)**	**-**	**6**	**20,630**
Buldings	-	-	-	-	-	-
General installations/Technical facilities	(639)	(269)	374	-	1	**(533)**
Furniture	(1,333)	(173)	386	-	(3)	**(1,123)**
Transports equipment	(7)	-	7	-	-	-
Computer hardware	(9,669)	(1,957)	333	-	(3)	**(11,296)**
Other tangible assets	(39)	(5)	8	-	-	**(36)**
Total accumulated amortization	**(11,687)**	**(2,404)**	**1,108**	**-**	**(5)**	**(12,988)**
TOTAL TANGIBLE ASSETS	**5,981**	**1,660**	**-**	**-**	**1**	**7,642**

17. IMPAIRMENT OF ASSETS

17.1 Measuring methodology

The assets are tested at the country level except Metasearch, which is used by management to make decisions about operating matters and is based on segment information.

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

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

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

This analysis is used by Group Management to analyze both the recoverability of the goodwill and other intangible assets belonging to each of the countries, except for the assets corresponding to the business of Budgetplaces, which have not been tested for impairment due to its recent acquisition.

17.2 Main assumptions used in the financial projections

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

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

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

- In the first year, Adjusted EBITDA was projected using the 2017/2018 budget assumptions approved by the Board of Directors. See definition of Adjusted EBITDA in the Glossary of definitions annex.

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

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

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

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

These assumptions reflect expected growth in volume and revenue margin per booking for our markets considering the historical trends and budget assumptions for 2017 / 2018.

Growth/Value in %	March 2017	March 2016
Revenue Margin (*)	5.5%	8.0%
EBITDA (*)	8.0%	8.1%

(*) over the explicit projected period

WACC by market %	Post-tax		Pre-tax	
	March 2017	March 2016	March 2017	March 2016
France	8.5%	8.8%	11.1%	11.5%
Germany	7.8%	8.3%	9.3%	9.9%
Spain	9.7%	10.5%	14.4%	15.5%
Italy	11.2%	10.3%	16.8%	15.0%
UK	9.0%	9.8%	10.7%	12.9%
Nordics	8.7%	9.3%	10.8%	11.2%
Other	9.8%	10.0%	14.0%	14.3%

17.3 Conclusions on the analysis

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

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

	March 2017		March 2016	
	Gross value of operating assets	Net value of operating assets	Gross value of operating assets	Net value of operating assets
Markets				
France	446,088	313,236	464,666	331,814
Spain	42,358	42,358	47,979	47,979
UK	60,933	29,795	65,048	33,910
Italy	74,343	59,831	68,654	54,142
Germany	163,324	152,985	171,014	160,675
Nordics	46,518	27,244	64,052	41,910
Metasearch	13,107	13,107	12,736	12,736
Other	25,044	25,044	31,847	31,847
	871,715	**663,600**	**925,998**	**715,015**

The reduction in net value of operating assets resulted from revised assumptions on our future projections taking into account the recent past trends on our markets.

17.4 Sensitivity analysis on key assumptions

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

	Increase in WACC	Decrease in Perpetual Growth
Markets		
France	1.2%	-1.5%
Spain	15.1%	-38.7%
UK	8.3%	-14.1%
Italy	2.8%	-4.1%
Germany	7.6%	-12.3%
Nordics	0.4%	-0.5%
Metasearch	15.9%	-37.5%
Other	64.9%	(*)

(*) No impairment is possible as a consequence of any variation of the Perpetual Growth Rate

18. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets break down as follows:

	March 2017	March 2016
Investments	0	13
Non-current loans and receivables	4,787	1,690
Non-current deposits and guarantees	3,281	3,259
Non-current financial assets	**8,068**	**4,962**

During the period ended at March 31, 2017, the variation regarding non-current loans and receivables corresponds mainly to the write-off of the financing fees associated with the previous Revolving Credit Facility for €1.4 million and the capitalization of the financing fees associated with the new Revolving Credit Facility for €5.4 million, in addition to the normal amortization of the financing fees.

19. OTHER NON-CURRENT ASSETS

At March 31, 2016 the other non-current assets basically included an amount of €3.6 million that was expected to be collected from Amadeus as a result of the adjustment of the acquisition price of Opodo Limited shares done in 2012 (see Note 26).

20.INVENTORY

The Group had at March 31, 2016 inventory corresponding to the charter flights agreed and contracted with a supplier, but not yet sold to the customers of €800 thousand.

At March 31, 2017, the Group had not signed any contract for charter flights assuming any inventory risk.

21. TRADE AND OTHER RECEIVABLES

21.1 Trade and other receivables

The trade receivables break down as follows:

	March 2017	March 2016
Trade receivables	22,501	36,743
Impairment loss on trade receivables *(see note 21.2)*	(4,783)	(4,883)
Accrued accounts receivables	38,326	29,303
Provision for booking cancellation	(937)	(721)
Trade related deferred expenses	169	565
Advances given - trade related	5,001	1,804
Other receivables	968	1,177
Prepaid expenses / Prepayments	2,031	2,249
Trade and other receivables	**63,276**	**66,237**

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

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

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

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

21.2 Valuation allowance

Movements in the valuation allowance are as follows:

	March 2017	March 2016
Valuation allowance opening balance	(4,883)	(2,269)
Increase / Decrease in impairment losses	(734)	(3,424)
Amount written off as uncollectible	834	810
Valuation allowance closing balance	**(4,783)**	**(4,883)**

22. CASH AND CASH EQUIVALENTS

	March 2017	March 2016
Marketable securities	8	8
Cash and other cash equivalents	143,576	132,069
Cash and cash equivalents	**143,584**	**132,077**

At the closing of March, 2016, the majority of the bank accounts and marketable securities were pledged to secure the obligations in respect of the Group financial indebtedness. At the closing of March 2017, after the refinancing mentioned in Note 2.1.2, the bank accounts and marketable securities are no longer pledged.

23. EQUITY

	March 2017	March 2016
Share capital	10,678	10,488
Share premium	974,512	974,512
Equity-settled share based payments	12,611	4,628
Retained earnings & others	(614,911)	(627,171)
Profit & Loss atributable to the parent company	10,474	12,427
Foreign currency translation reserve	(2,820)	(738)
Equity	**390,544**	**374,146**

23.1 Share capital

On November 14th, 2016 and February 22nd, 2017 the company issued share capital of €95,724.90, represented by 957,249 ordinary shares and €94,452.70, represented by 944,527 ordinary shares respectively, of €0.10 each, paid through the incorporation of available reserves of the Group. These shares have been delivered to management employees as a partial share-based-payment retribution disclosed in the Note 24.1.

As a result of the new shares' issuance, the subscribed share capital of eDreams ODIGEO as of March 31, 2017 is €10.678 million divided into 106,779,825 shares with a par value of ten euros cents (€0.10) each, all of which are fully paid.

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 March 31, 2017 and March 31, 2016 arose as a result of the Long Term Incentive plan given to the employees during the current year (see Note 24).

23.4 Foreign currency translation reserve

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

23.5 Treasury shares

Own equity instruments that are reacquired (treasury shares) have been 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. All the difference between the carrying amount and the consideration, when reissued, has been recognized in equity under "Retained earnings & others".

At November 2016, the Group acquired 345 thousand Treasury shares for €1 million, that were recognized at cost and deducted from equity. These shares have been transferred as part of the acquisition price of Budgetplaces.com, at a valuation which resulted in a gain of €32 thousand that has been recognized under "Retained earnings & others".

23.6 Significant Shareholders

As at March 31, 2017, the detail of the direct and indirect holders of significant stakes of the Company with 5% voting rights or more of the company are:

Name or corporate name of shareholder	Number of direct voting rights	% of total voting rights
LuxGoal (Permira)	32,011,388	29.98%
Ardian	18,720,320	17.53%

24. SHARE-BASED COMPENSATION

24.1 2014 Long term Incentive Plan

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

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

- Service condition: the Participants must be employed by the Company or any subsidiary during a certain period of time i.e. he must hold an active employment or services relationship until a certain future date.
- Market–performance condition: the target increase in value of the Company's shares must be reached.

The LTIP refers to the ordinary shares issued by eDreams ODIGEO, S.A.

As at March 31, 2016 4,525,591 Incentives Shares were granted under the LTIP.

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

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

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

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

The Modified 2014 LTIP will last for 2 years and will vest between November 2016 and November 2017 based on financial results.

As at March 31, 2017 4,282,170 Incentives shares were granted under the Modified 2014 LTIP, of which 957,249 shares (the First Tranche – First Installment) and 944,527 shares (the First Tranche – Second Installment) have already been delivered as shares in November 2016 and February 2017.

The additional cost of the 2014 LTIP has been recorded in the Income Statement (Personnel expenses) (see Note 9) and against Equity (see Note 23), amounting €7.2M and €3.5M in March 31, 2017 and 2016 respectively.

24.2 2016 Long term Incentive Plan

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

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

The new LTIP will last for four years and will vest between August 2018 and February 2022 based on financial results.

As at March 31, 2017 2,954,972 Incentives shares were granted under the 2016 LTIP.

The cost of the 2016 LTIP has been recorded in the Income Statement (Personnel expenses) (see Note 9) and against Equity (see Note 23), amounting to €0.7M in March 31, 2017.

25. FINANCIAL LIABILITIES

The Group debt and other Financial Liabilities at March 31, 2017 and 2016 are as follows:

	March 2017			March 2016		
	Current	Non Current	Total	Current	Non Current	Total
Principal						
2021 Notes	-	420,791	**420,791**	-	-	-
2019 Notes	-	-	-	-	124,733	**124,733**
2018 Notes	-	-	-	-	320,799	**320,799**
Total Principal	**-**	**420,791**	**420,791**	**-**	**445,532**	**445,532**
Accrued interest - 2021 Notes	6,060	-	**6,060**	-	-	-
Accrued interest - 2019 Notes	-	-	-	5,575	-	**5,575**
Accrued interest - 2018 Notes	-	-	-	4,063	-	**4,063**
Total Interests	**6,060**	**-**	**6,060**	**9,638**	**-**	**9,638**
Total Borrowing	**6,060**	**420,791**	**426,851**	**9,638**	**445,532**	**455,170**
Other Financial Liabilities						
Bank facilities and bank overdrafts	83	-	**83**	39	-	**39**
Finance Lease Liabilities	857	774	**1,631**	623	931	**1,554**
Other Financial Liabilities	5,116	-	**5,116**	6,125	-	**6,125**
Total other Financial liabilities	**6,056**	**774**	**6,830**	**6,787**	**931**	**7,718**
Total financial liabilities	**12,116**	**421,565**	**433,681**	**16,425**	**446,463**	**462,888**

Senior Notes – 2021 Notes

On October 4, 2016, eDreams ODIGEO issued €435 million 8.50% Senior Secured Notes with a maturity date of August 1st 2021 ("the 2021 Notes"). See Note 2.1.

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

Senior Notes – 2019 Notes

On April 21, 2011 Geo Travel Finance S.C.A. issued €175 million 10.375% Senior Notes with maturity date of May 5, 2019 ("the 2019 Notes"). Interest on the 2019 Notes is payable semi-annually in arrears each May 1st and November 1st.

Senior notes – 2018 Notes

On January 31, 2013 Geo Debt Finance S.C.A. issued €325 million aggregate principal amount of 7.5% Senior Secured Notes with maturity date of August 1st, 2018 ("the 2018 Notes"). Interest on the 2018 Notes is payable semi-annually in arrears each February 1st and August 1st.

As explained in Note 2.1, on April 14th 2016, the Group repurchased 30M€ of the 2018 Notes.

As explained in Note 2.1, the Group finalized the process of refinancing its debt on October 4, 2016, and used the proceeds from the new 2021 Notes, along with existing cash on balance sheet, to repay the 2019 and 2018 Notes.

25.1 Credit lines

As explained in Note 2.1, the Group also refinanced its Super Senior Revolving Credit Facility ("the SSRCF"), increasing the size to €147,000,000 from the previous €130,000,000, and gaining significant flexibility as well versus the previous terms. The interest rate of the SSRCF is the benchmark rate (such as EURIBOR for euro transactions) plus a margin of 3.75%. But at any time after June 30, 2017, and subject to certain conditions, the margin may increase to be between 3.75% and 3.00%.

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

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

The G.D.C.R is calculated quarterly and may not exceed 6.

For the year ended March 31, 2017, the Gross Debt Cover ratio was 4, so the company was in compliance with ample headroom.

At the end of March 2017 and March 2016, the Group had not drawn under the SSRCF.

25.2 Debt by maturity date

The maturity date of the debt at March 31, 2017 and 2016 is as follows:

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

March 31, 2016	< 1 year	1 to 5 years	> 5 years	Total
Principal				
2019 Notes	-	124,733	-	124,733
2018 Notes	-	320,799	-	320,799
Total Principal	**-**	**445,532**	**-**	**445,532**
Accrued interest - 2019 Notes	5,575	-	-	5,575
Accrued interest - 2018 Notes	4,063	-	-	4,063
Total Interests	**9,638**	**-**	**-**	**9,638**
Other financial liabilities				
Bank facilities and bank overdrafts	39	-	-	39
Finance Lease Liabilities	623	931	-	1,554
Other financial liabilities	6,125	-	-	6,125
Total Other Financial Liabilities	**6,787**	**931**	**-**	**7,718**
Total financial liabilities	**16,425**	**446,463**	**-**	**462,888**

25.3 Fair value measurement of debt

March 2017	Total net book value of the class	Level 1: Quoted prices and cash	Level 2: Internal model using observable factors	Level 3: Internal model using non-observable factors	Fair value
Balance Sheet headings and classes of instruments					
Cash and cash equivalents	143,585	x			143,585
Senior Notes Due 2021	426,851		x		434,654
Principal and Interest	441,060		x		448,863
Financing costs capitalized on Senior Notes due 2021	(15,997)		x		(15,997)
Amortization of Financing costs capitalized on Senior Notes due 2021	1,788		x		1,788
Bank facilities and bank overdrafts	83	x			83

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

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

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

- The fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

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

25.4 Capital lease

The detail of financial leases at the closing of March 31, 2017 and March 31, 2016 is as follows:

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

March 2016 Leased Element	Element Net Book Value	Acquisition Cost (includes residual value)	Financial Charges (as of the original leasing contract)	TOTAL	Unexpired Financial Charges	Current Debt (unexpired)	Non - Current Debt (unexpired)	Option to purchase the asset
IT Equipment	1,561	3,525	72	**3,597**	51	623	931	7
	1,561	**3,525**	**72**	**3,597**	**51**	**623**	**931**	**7**

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

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

Detail of minimum Finance lease payments							
March 2016	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
IT equipment	(674)	(654)	(277)	-	-	-	(1,605)
	(674)	**(654)**	**(277)**	**-**	**-**	**-**	**(1,605)**

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

	March 2017	March 2016
Present value of the leasing	(1,631)	(1,554)
Unexpired Financial Charges	(57)	(51)
Option to purchase the asset	(7)	(7)
Total minimum lease payments at the end of the period	**(1,695)**	**(1,612)**

26. PROVISIONS

	March 2017	March 2016
Non-current provisions		
Provisions for tax risks	2,396	5,349
Provision for pensions and other post employment benefits	1,387	1,310
Total Non-current provisions	**3,783**	**6,659**
Current provisions		
Provisions for litigation risks	3,267	3,515
Provision for pensions and other post employment benefits	62	78
Provision for other employee benefits	247	3,161
Provisions for operating risks and others	1,517	3,107
Total Current provisions	**5,093**	**9,861**

The provision for tax contingencies as of March 2016 mainly concerned a specific indirect tax contingency which is relating to a transaction between two of the Group's subsidiary companies prior to their acquisition by the Group for which the Group has obtained a full indemnity from the seller (€3.6 million). This contingency expired as of December 2016, and the provision together with the corresponding receivable have been released without impact in the Profit and Loss Statement.

A provision of €2.4 million has been recognized as at March 2017 for other indirect tax contingencies.

As at March 31, 2017 and 2016, the caption Provisions for other employee benefits mainly includes the provision for the restructuring in France and the related litigation is included in the caption Provisions for litigation risks.

27. RETIREMENT PLANS

27.1 Provisions for pensions

A breakdown of "Provisions for pensions" by company at March 31, 2017 compared to March 31, 2016 is set out below:

	March 2017	March 2016
Net liability (asset)		
ODIGEO France	363	323
Travellink Norway	-	30
Opodo Italy TFR	78	67
eDreams Italy TFR	981	944
eDreams Corporate Travel Italy TFR	27	24
	1,449	**1,388**

Note that the Net Liability (Asset) – long term and short term of retirement plans are included in the caption "Provision for pensions and other post-employment benefits" (Note 26).

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

Defined contribution plan

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

Defined benefit plans

A breakdown of the different defined benefit commitments at 31st March 2016, which have not changed significantly compared to the previous year, with the exception of Travellink Norway, which has been sold (see note 2.1.5), is set out below:

At March 31st 2017	Zone	Participants and beneficiaries	Plan Financing	Plan Description
ODIGEO France	Eurozone	132	Not externally funded	Retirement award due to legal obligation (IFC)
Travellink Norway	Norway	0	Externally funded	Retirement pension
Opodo Italy TFR	Eurozone	9	Not externally funded	Redundancy award due to a legal obligation (TFR)
eDreams Italy TFR	Eurozone	85	Not externally funded	Redundancy award due to a legal obligation (TFR)
eDreams Corporate Travel Italy TFR	Eurozone	3	Not externally funded	Redundancy award due to a legal obligation (TFR)
		229		

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

Actuarial assumptions and methodology used

The main actuarial assumptions used were as follows:

	France		Norway	Italy	
	March 2017	March 2016	March 2016	March 2017	March 2016
Discount rate	1.75%	1.75%	2.50%	1.75%	1.75%
Rate of salary increase	2.00%	2.00%	2.50%	2.00%	2.00%
Rate of price inflation	1.50%	1.50%		1.50%	1.50%
Rate of pension increases	N/A	N/A	0.00%	N/A	N/A
Mortality Tables	Women TF04/06 Men TH04/06	Women TF04/06 Men TH04/06	K2013	RG48	RG48
Disability Tables	N/A	N/A	KU	INPS rates	INPS rates
Turnover Tables	Table based on age: 8% to 40 years on average	Table based on age: 8% to 40 years on average	Table based on age: 4% to 30 years old, 3% to 35, 2% to 40, 1% to 45 and 0,5% to 50.	30% for all ages (Edreams=5 %)	30% for all ages (Edreams=5 %)

The only plan assets of the group were from the Travellink Norway defined benefit plan, and they were fully invested in assets held by an insurance company until the time of the sale of Travellink Corporate business (see note 2.1.5).

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

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

	March 2017	March 2016
Amounts recognized in the statement of financial position:		
Defined benefit obligation	1,449	1,826
Fair value of plan assets	-	(438)
Funded status	**1,449**	**1,388**
Effect of asset ceiling/onerous liability	-	-
Net liability (asset)	**1,449**	**1,388**

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

	March 2017	March 2016
Components of defined benefit cost		
Service cost		
Current service cost	229	233
Past service cost	-	(143)
Total service cost	229	90
Net interest cost		
Interest expense on defined benefit cost	32	60
Interest (income) on plan assets	(8)	(16)
Total net interest cost	24	44
Defined benefit cost included in the P&L account	**253**	**134**

	March 2017	March 2016
Recognized in statement of other comprehensive income		
Effect of changes in financial assumptions	-	268
Effect of experience adjustments	-	(306)
(Return) on plan assets (excluding interest income)	-	(20)
Total remeasurements included in OCI	**-**	**(58)**

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

Change in benefit obligation	March 2017	March 2016
Benefit obligation at beginning of year	1,826	1,959
Current service cost	229	233
Past service cost	-	(143)
Interest cost	32	60
Benefits paid from plan/company	(159)	(191)
Taxes paid	(2)	(3)
Effect of changes in financial assumptions	-	268
Effect of experience adjustments	-	(306)
Exchange rate changes	-	(51)
Decrease due to changes in scope	(477)	-
Benefit obligation at end of year	**1,449**	**1,826**

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

Change in plan assets	March 2017	March 2016
Fair value of plan assets at beginning of year	438	444
Interest income	8	16
Cash flows		
a. Total employer contributions		
(i) Employer contributions	18	24
(ii) Employer direct benefit payments	148	176
c. Benefit payments from plan	(11)	(15)
d. Benefit payments from employer	(148)	(176)
g. Taxes paid from plan assets	(2)	(3)
a. Return on plan assets (excluding interest income)	-	20
Effect of changes in foreign exchange rates	-	(48)
Decrease due to changes in scope	(451)	-
Fair value of plan assets at end of year	**-**	**438**

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

Defined benefit obligation	March 2017	March 2016
Defined benefit obligation by participant status		
a. Actives	1,449	1,513
b. Vested deferreds	-	-
c. Retirees	-	313
Total	**1,449**	**1,826**

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

Expected cash flows for following year	March 2017
Expected employer contributions	78
Year 1	71
Year 2	67
Year 3	86
Year 4	59
Year 5	59
Next 5 years	362

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

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

Sensitivity analysis: increase/(decrease) of DBO	March 2017	March 2016
Discount rate		
a. Discount rate - 25 basis points	4%	4%
b. Discount rate + 25 basis points	-4%	-4%
Salary increase rate		
a. Salary increase rate - 25 basis points	-1%	-1%
b. Salary increase rate + 25 basis points	1%	1%
Pension increase rate		
a. Pension increase rate - 25 basis points	-1%	-1%
b. Pension increase rate + 25 basis points	1%	1%

28. TRADE AND OTHER PAYABLES

	March 2017	March 2016
Trade payables	348,689	300,921
Deferred Income *(see Note 29)*	5,397	6,535
Employee-related payables	8,694	7,508
Other payables	98	247
Total Trade and other payables	**362,878**	**315,211**

29. DEFERRED REVENUE

	March 2017	March 2016
GDS agreement	20,942	26,206
Others	-	-
Total Deferred revenue - non current	**20,942**	**26,206**
Deferred revenue related to revenue recognition	475	2,092
GDS agreement	4,424	4,372
Others	498	71
TOTAL Deferred revenue - current	**5,397**	**6,535**

As mentioned in Note 4, the revenue related to the mediation of certain travel services such as certain packaged products or charter flights, is recognized when the customer uses the reservation (on the date of departure). Until such time, deferred revenue related to revenue recognition is booked in the balance sheet.

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

Note that the total of deferred income – current is included in the caption "Trade and other payables" (Note 28).

30. BUSINESS COMBINATION

Acquisition of Tierrabella Invest S.L.:

As explained in Note 3.4, Opodo Ltd made an offer and entered into a sale and purchase agreement on December 21, 2016 to acquire all of the issued and outstanding capital stock of Tierrabella Invest S.L., a company that operates the website Budgetplaces, a hotel booking site that provides customers with access to accommodation around the world. The "Transaction" was settled January 16, 2017 with a purchase price of €5 million.

The Transaction is accounted for in compliance with IFRS 3 "'Business combinations", with a temporary purchase price allocation that takes into consideration the fact that adjustments to purchase accounting could be performed during the "measurement period" that cannot exceed one year from the acquisition date.

The provisional purchase price allocation of Tierrabella Invest S.L. taken into consideration in the Consolidated Financial Statements can be summarized as follows:

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

- Developed technology (finite-lived intangible assets) €1.7 million
- Customer relationship (finite-lived intangible assets) €3.1 million
- Deferred tax liabilities arising of acquired intangibles €(1.2) million

The goodwill arising from the acquisition is €2.5 million

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

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

Had this business combination been effected at April 1, 2016, the additional revenue of the ODIGEO Group and additional losses of the year ended March 31, 2017 would have been €2.8 million and €3,7 million, respectively.

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

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

(*) April 2016 - March 2017
(**) January 2017 - March 2017

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

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

31. OFF-BALANCE SHEET COMMITMENTS

31.1 Operating lease commitments

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

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

	< 1 year	1 to 5 years	> 5 years	TOTAL
Minimum lease payments at March 2016	2,901	6,460	5,221	14,582

The consolidated income statement for March 31, 2017 and March 31, 2016 includes operating lease expenses totaling €3.7 and €3.9 million respectively.

31.2 Other off-balance sheet commitments

	March 2017	March 2016
Guarantees To IATA	36,318	42,415
Guarantees To Package Travel	5,919	6,352
Others	705	2,087
Total	**42,942**	**50,854**

All the shares held by the Group for Opodo Ltd are pledged in favor of the holders of certain of the Notes issued by eDreams ODIGEO S.A.

32. RELATED PARTIES

32.1 Transactions and balances with related parties

There have been no transactions or balances with related parties during the periods ended on March 31, 2017 and 2016, other than those detailed in note 32.2.

32.2 Directors and key management compensation

- **Key management**

During the year ended March 31, 2017, a new Organizational Structure has been defined for the Senior Management leadership team, called "CEO Staff Members" (CSM). The numbers reported for the current year represent the total remuneration accrued in favour of the members of the CSM during the fiscal year plus the remuneration of the CEO. The numbers reported in FY16 included the aforementioned members of staff plus the Country Managers of the eDreams ODIGEO Group subsidiaries.

The compensation accrued by the key management of the Group and during the years ended March 31, 2017 and 2016 amounted to €3.6 million and €5.5 million, respectively. Moreover there were one-off supplementary retribution amounting to €0.4 million in the year ended March 2016 for severance indemnities.

The key management has been also granted with 2,601,915 rights of the Modified 2014 LTIP plan and 1,864,172 rights of the 2016 LTIP plan at March 31, 2017 (2,613,225 rights of the Modified 2014 LTIP at March 31, 2016) to acquire a certain number of shares of the parent company eDreams ODIGEO at its nominal value.

The valuation of these rights of the Modified 2014 LTIP plan amounts to €7.7 million of which €6.8 million have been accrued at March 31, 2017 since the beginning of the plan (€2.7 million during the period ended at March 31, 2016). (See Note 24.1).

The valuation of these rights of the 2016 LTIP amounts to €4.0 million of which €0.5 million have been accrued at March 31, 2017 since the beginning of the plan (See Note 24.2).

Regarding the Modified 2014 LTIP, 588,018 shares (the First Tranche – First Installment) and 563,250 shares (the First Tranche – Second Installment) have already been delivered as shares to the Key Management in November 2016 and February 2017.

Board of Directors

During the period ended March 31, 2017 the independent members of the Board received a total remuneration for their mandate of €210 thousand (€ 198 thousand during the period ended March 31, 2016).

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

- Remuneration for management services during the year ending March 2017 and March 2016 amounting to €1.4 million and €1.5 million respectively.

- One-off supplementary retribution amounting to €0.4 million in the year ended March 2016 for severance indemnities.

- Some Directors have been also granted with 1,677,146 rights of the Modified 2014 LTIP plan and 1,028,172 rights of the 2016 LTIP plan at March 31, 2017 (1,240,353 rights of the LTI 1 plan at March 31, 2016) to acquire a certain number of shares of the parent company eDreams ODIGEO at its nominal value.
  The valuation of these rights of the Modified 2014 LTIP plan amounts to €4.5 million of which €4.0 million have been accrued at March 31, 2017 since the beginning of the plan (€1.3 million during the period ended at March 31, 2016).
  The valuation of these rights of the 2016 LTIP plan amounts to €2.2 million of which €0.3 million have been accrued at March 31, 2017 since the beginning of the plan.

- Regarding the Modified 2014 LTIP plan, 408,804 shares (the First Tranche – First Installment) and 408,804 shares (the First Tranche – Second Installment) have already been delivered as shares to some Directors in November 2016 and February 2017.

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

33. CONTINGENCIES

33.1 Insurance premium tax

The Group considers that there is a possible risk of reassessment of insurance premium tax in certain jurisdictions where the Group renders mediation services to its customers regarding the supply of travel insurance by insurers. This risk is relating to the possible view of local tax authorities that part of the remuneration received by the Group for the mediation of the travel insurance to its customers in certain countries should be considered basis for the levy of insurance premium tax. This risk is estimated at €2.1 million. The Group takes the view that it has sufficient grounds to successfully defend its position in case of an assessment by local tax authorities. As this risk is considered unlikely to result in a cash outflow, no liability has been recognized in the balance sheet.

33.2 Dispute with UK tax authorities

The Group has been assessed by the UK tax authorities for an amount of €0.4 million. This concerns a dispute re the qualification for VAT purposes of the contractual relationship between the UK entity and a UK bed bank. The Group disputes the UK tax authorities' view that the UK entity should have paid UK VAT on the margin which it has generated in respect of this contractual relationship relating to hotel accommodation which is located outside the UK. The Group has appealed against the assessment with the UK First tier Tribunal, which has decided in our favour. Since the UK tax authorities may appeal against this decision, this contingency remains. As the risk is considered only possible, no liability has been recognized in the balance sheet.

33.3 License fees

The group considers that there is a possible risk of reassessment by tax authorities in respect of license fees charged between entities of the Group for the use of certain self-developed software. Tax authorities may take the view that there was an undercharge of license fees to the users. This risk is estimated at a maximum amount of €2.1 million. The group takes the view that it has sufficient arguments to defend its position in case of an assessment by tax authorities. As the risk is considered only possible, no liability has been recognized in the balance sheet.

33.4 Litigation with Ryanair

In December, 2015, Ryanair launched a legal action before the Irish High Court related to the Search Engine Marketing activities performed by Vacaciones eDreams via the Google Adwords service. While travel agencies are entitled to use the trademarks and logos of the airlines offered for sale on their websites, such use must not create confusion between the official activities of the airlines and the distribution activity of the OTAs. This action could result in damages granted to Ryanair by Vacaciones eDreams and/or Google Ireland or Google Inc. A provision for this has been booked in the balance sheet for €0.8 million based on the best estimate of the Group's Management.

33.5 Tax contingencies

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

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

34. AUDITOR'S REMUNERATION

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

	March 2017	March 2016
Audit Services	521	903
Services in connection with the Debt refinancing (Note 2.1.2)	497	-
Others	88	57
	1,106	**960**

35. SUBSEQUENT EVENTS

35.1 Increase of SSRCF

On May 2017, The Group obtained the modification of the SSRCF from October 4, 2016 (see Note 25.1), increasing the commitment in €10 million to a total of €157 million.

35.2 Reorganization of operational structure of the Group

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

35.3 Share Capital Increase

On June 20, 2017 the Board of Directors resolved to issue share capital of €60,086.10, represented by 600,861 ordinary shares, of €0.10 each. These shares will be delivered to management employees as a partial share-based-payment retribution disclosed in the Note 24.1.

As a result of the new shares' issuance, the Company's share capital amounts to €10,738,068.60 and is represented by 107,380,686 shares with a face value of €0.10 per share.

35.4 Change in composition of Board of Directors

On June 20, 2017, the Board of Directors has accepted Mr. Carlos Mallo's resignation as Proprietary Director. For the replacement of Mr. Mallo, the Board of Directors of the Company has proposed the appointment of Mr. Pedro López, subject to the approval of the General Shareholders Meetings, in accordance with the Articles of Association of the Company.

36. CONSOLIDATION SCOPE

As at March 31, 2017 and 2016, the companies included in the consolidation are as follows:

Consolidated entities at March 31,2017

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

Consolidated entities at March 31, 2016

Name	Location / Registered Office	Line of business	% interest	% control
eDreams ODIGEO S.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding Parent company	100%	100%
Geo Travel Finance S.C.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
LuxGEO S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Geo Debt Finance S.C.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Geo Debt GP S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
LuxGEO GP S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Opodo Limited	Waterfront Hammersmith embankment, Chancellors Road, w6 9RU (London)	On-line Travel agency	100%	100%
eDreams, Ltd.	26-28 Hammersmith Grove, W6 7BA (London)	Administration services	100%	100%
Opodo GmbH	Büschstraße 12 20354 (Hamburg)	Marketing services	100%	100%
Travellink AB	Hemvärnsgatan 9,171 54 Solna (Stockholm)	On-line Travel agency	100%	100%
Opodo Italia SRL	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
Opodo SL	Calle Vilanueva 29 28001 (Madrid)	On-line Travel agency	100%	100%
Online Travel Portal Ltd	Waterfront Hammersmith embankment, Chancellors Road, w6 9RU (London)	Dormant	100%	100%
eDreams Inc.	1209 Orange Street, city of Wilmington, County of New Castle, 19801 (State of Delaware)	Holding company	100%	100%
Vacaciones eDreams, S.L.U	Passeig de la Zona Franca, 191-205, 08038 (Barcelona)	On-line Travel agency	100%	100%
eDreams International Network, S.L.U	Carrer Bailén, 67-69, 08009 (Barcelona)	Admin and IT consulting services	100%	100%
eDreams, S.r.L	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
Viagens eDreams Portugal LDA	Avda. Fontes Pereira de Melo, 7 (Lisbon)	On-line Travel agency	100%	100%
eDreams do Brasil Viagens e Turismo	Rua James Watt, 84, 9th floor, Room 2, Brooklin Novo, 04576-050 (São Paulo)	On-line Travel agency	100%	100%
eDreams LLC	160 Greentree Drive Suite 101 (City of Dover) Delaware	On-line Travel agency	100%	100%
eDreams Corporate Travel, S.R.L	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
eDreams Business Travel, S.L.	Carrer Bailén, 67-69, 08009 (Barcelona)	On-line Travel agency	100%	100%
Geo Travel Ventures S.A.	Carrer Bailén, 67-69, 08009 (Barcelona)	On-line Travel agency	100%	100%
Geo Travel Pacific Pty Ltd	Level 5, Plaza Building, Australia Square, 95 Pitt Street, NSW 2000 (Sidney)	On-line Travel agency	100%	100%
Go Voyages SAS	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Go Voyages Trade	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Liligo Metasearch Technologies	9, Rue Rougemont, 75009 (Paris)	Metasearch	100%	100%
ODIGEO Hungary Kft	Weiner Leó utca 16. 6. em, 1066 (Budapest)	Admin and IT consulting services	100%	100%
Findworks Technologies Bt	Sashegyi út 9, 1124 (Budapest)	On-line Travel agency	100%	100%

Affiliates at March 31, 2016

Name	Location / Registered Office	Line of business	% interest	% control
IIPIR Software Development S.L.	Calle Catalina 11, 3.º B Majadahonda (Madrid)	Development software applic	25%	25%

Glossary of definitions
Alternative Performance Measure

Non-reconcilable to GAAP measures

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

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

Reconcilable to GAAP measure

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

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

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

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

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

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

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

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

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

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

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

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

Glossary of definitions
Other Defined Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RECONCILIATIONS

APM & Other Defined Terms

(Thousands of euros, figures for the year ended on March 2017 and March 2016 unless otherwise stated)

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

	March 2017	March 2016
Operating profit = EBIT	76,880	66,980
Depreciation and amortization	-18,365	-17,628
Impairment loss	-2,783	-729
Gain or loss arising from assets disposals	3	-11
EBITDA	98,025	85,348
Long term incentives expenses	-7,982	-3,537
Termination cost	-845	-1,055
Restructuring cost	-178	-2,467
Penalties related old Barcelona office	-	-497
Exceptional consultancy fees	-	-1,365
Other	-294	-1,580
Non-recurring items	**-9,299**	**-10,501**
Adjusted EBITDA	107,324	95,849

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

	March 2017	March 2016
By Nature:		
Revenue	497,408	484,650
Supplies	(10,845)	(21,395)
Revenue Margin	**486,563**	**463,255**
By Segments:		
Core	270,150	255,102
Expansion	216,413	208,153
Revenue Margin	**486,563**	**463,255**
By Products:		
Flight	384,236	367,264
Non-flight	102,327	95,991
Revenue Margin	**486,563**	**463,255**
Number of bookings	11,653,080	10,674,911
Revenue Margin per booking (euros)	**42**	**43**

	March 2017	March 2016
By source:		
Classic customer revenue	240,597	242,097
Diversification revenue	146,248	123,909
Advertising & Metasearch	31,757	31,629
Supplier revenue	67,961	65,620
Revenue Margin	**486,563**	**463,255**

"Gross Financial Debt", "Net Financial Debt"

	March 2017	March 2016
Non-current financial liabilities	421,565	446,463
Current financial liabilities	12,116	16,425
Gross Financial Debt	**433,681**	**462,888**
(-) Cash and cash equivalents	-143,584	-132,077
Net Financial Debt	**290,097**	**330,811**

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

	March 2017	March 2016
Fixed cost	-80,330	-69,908
Variable cost	-298,910	-297,498
Non-recurring items	-9,299	-10,501
Operating cost	**(388,539)**	**(377,907)**
Personnel expenses	-73,456	-69,818
Other operating income / (expenses)	-315,083	-308,089
Operating cost	**(388,539)**	**(377,907)**

"(Free) Cash Flow before Financing"

	March 2017	March 2016
Net cash from operating activities	134,087	82,002
Net cash flow from / (used) in investing activities	-29,499 -	-30,472
Free Cash Flow before financing activities	**104,588**	**51,530**

"Adjusted Net Income"

	March 2017	March 2016
Net Income	10,474	12,427
Non-recurring items (included in EBITDA)	9,299	10,501
One-off financial expenses related to the refinancing [1]	18,197	-
Cumulative exchange rate difference related to Corporate Travel [2]	374	-
Impairment of Corporate Travel assets [3]	1,472	-
Impairment of software and licences related to the Nordics leisure activity [3]	872	-
Impairment impact related to the move of Barcelona offices [3]	-	669
Consent fees on change in covenants [4]	-	325
Expenses related to 2018 Notes repurchase [5]	204	0.00
Tax effect of the above adjustments	-4,855	-1,114
UK income tax rate regularization [6]	-1,000	-1,000
US income tax regularization [7]	-	-1,669
Capitalization of Deferred Tax in UK[8]	-3,403	-
Adjusted net income	31,634	20,139
Adjusted net income per share (€)	0.30	0.19

1. Financial expenses related to the refinancing correspond to:

    - the capitalized financing fees of the 2018 and 2019 Senior Notes written off to financial expenses due to the refinancing (€6,451 thousand)
    - the capitalized financing fees of the previous Revolving Credit Facility written off to financial expenses due to the refinancing (€1,429 thousand)
    - One-off redemption expenses (€8,878 thousand)
    - Expenses related to the obtention of the new Revolving Credit Facility for Guarantees that have not been capitalized and have been recognised as financial expenses of the period (€1,439 thousand)

    See also Note 12.

2. The Group has reclassified the proportionate share of the cumulative amount of the exchange differences linked to Corporate Travel recognised in other comprehensive income to Profit and Loss for an amount of €0.4 million (see Note 2.1.5).

3. See Notes 2.1.5, 2.1.8 and 10 of the Condensed Consolidated Interim Financial Statements and Notes.

4. Consent fee charged by the lenders under the €130 million Super Senior Revolving Credit Facility to increase the ratio of Consolidated Total Net Debt to Consolidated EBITDA from 5.50:1 to 6.00:1 for the Relevant Period ending on 31 December 2015 (See Note 2.2.1)

5. Transaction cost charged by external advisors linked to the repurchased €30 million of the 2018 Senior Notes (See Note 2.1.1).

6. In the UK, the Corporation Tax rate for the years starting the 1 April 2020 has changed from 19% to 18% in FY16 and from 18% to 17% at in FY17. This has generated a revenue in both FY of €1,000 thousand due to the update of the Deferred taxes linked to the UK.

7. This impact corresponds to the recognition of the regularization of the differences of US tax recognised in previous years versus the definitive liquidation of the income tax.

8. During FY17, a deferred tax asset of €3.5 million related to capital allowances of previous years in the UK has been recognised.

Annual Accounts

and

Report of the Réviseur d'entrepise agréé

as at March 31, 2017

eDreams ODIGEO

Société Anonyme

Registered office:

1, Boulevard de la Foire

L-1528 Luxembourg

R.C.S. Luxembourg B N° 159 036

Building a better working world

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Independent auditor's report

To the Board of Directors
eDreams ODIGEO S.A.
1, Boulevard de la Foire
L-1528 Luxembourg

Report on the annual accounts

We have audited the accompanying annual accounts of eDreams ODIGEO S.A., which comprise the balance sheet as at 31 March 2017 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

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

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

Building a better working world

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of eDreams ODIGEO S.A. as of 31 March 2017, and of the results of its operations for the year then in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Other matter

The annual accounts of eDreams ODIGEO S.A. for the year ended 31 March 2016 were audited by another auditor whose report, dated 16 June 2016, expressed an unmodified opinion.

Report on other legal and regulatory requirements

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

The corporate governance statement, which is included in the management report, contains the information required by the law with respect to the corporate governance statement.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

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

BALANCE SHEET

Financial year from 01 01/04/2016 **to** 02 31/03/2017 *(in* 03 EUR)

eDreams ODIGEO

1, boulevard de la Foire
L-1528 Luxembourg

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107	3	107	8.627,00	108	15.931,00
C. Fixed assets	1109		109	1.006.609.706,00	110	571.762.206,00
I. Intangible assets	1111		111		112	
1. Costs of development	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		115		116	
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117		118	
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible assets under development	1123		123		124	
II. Tangible assets	1125		125		126	
1. Land and buildings	1127		127		128	
2. Plant and machinery	1129		129		130	

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

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RCSL Nr.: B159036	Matricule: 2014 2202 981

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131		132	
4. Payments on account and tangible assets in the course of construction	1133		133		134	
III. Financial assets	1135	4	135	1.006.609.706,00	136	571.762.206,00
1. Shares in affiliated undertakings	1137	4.1	137	571.609.706,00	138	571.762.206,00
2. Loans to affiliated undertakings	1139	4.2	139	435.000.000,00	140	
3. Participating interests	1141		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147		147		148	
D. Current assets	1151		151	25.619.673,00	152	1.759.191,00
I. Stocks	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work in progress	1157		157		158	
3. Finished goods and goods for resale	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	25.594.088,00	164	1.714.764,00
1. Trade debtors	1165		165		166	
a) becoming due and payable within one year	1167		167		168	
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171		171	24.576.509,00	172	1.664.390,00
a) becoming due and payable within one year	1173		173	21.829.156,00	174	
b) becoming due and payable after more than one year	1175	5	175	2.747.353,00	176	1.664.390,00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183		183	1.017.579,00	184	50.374,00
a) becoming due and payable within one year	1185		185	1.017.579,00	186	50.374,00
b) becoming due and payable after more than one year	1187		187		188	

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

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RCSL Nr. : B159036	Matricule : 2014 2202 981

	Reference(s)		Current year		Previous year
III. Investments	1189	189		190	
1. Shares in affiliated undertakings	1191	191		192	
2. Own shares	1209	209		210	
3. Other investments	1195	195		196	
IV. Cash at bank and in hand	1197	197	25.585,00	198	44.427,00
E. Prepayments	1199	199	15.164,00	200	12.742,00
TOTAL (ASSETS)		201	1.032.253.170,00	202	573.550.070,00

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

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RCSL Nr. : B159036	Matricule : 2014 2202 981

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301		301	555.088.798,00	302	557.399.139,00
I. Subscribed capital	1303	6	303	10.677.982,00	304	10.487.805,00
II. Share premium account	1305	6	305	974.512.197,00	306	974.512.197,00
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	-303.143.090,00	310	-302.952.912,00
1. Legal reserve	1311		311		312	
2. Reserve for own shares	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429		429	-303.143.090,00	430	-302.952.912,00
a) other available reserves	1431		431	-303.143.090,00	432	-302.952.912,00
b) other non available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319	-124.647.951,00	320	-194.863.753,00
VI. Profit or loss for the financial year	1321		321	-2.310.340,00	322	70.215.802,00
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
C. Creditors	1435		435	477.164.372,00	436	16.150.931,00
1. Debenture loans	1437		437	441.059.793,00	438	
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445		445	441.059.793,00	446	
i) becoming due and payable within one year	1447	8	447	6.059.793,00	448	
ii) becoming due and payable after more than one year	1449	8	449	435.000.000,00	450	
2. Amounts owed to credit institutions	1355		355	713,00	356	
a) becoming due and payable within one year	1357		357	713,00	358	
b) becoming due and payable after more than one year	1359		359		360	

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

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RCSL Nr. : B159036	Matricule : 2014 2202 981

	Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367	1.264.655,00	368	480.429,00
a) becoming due and payable within one year	1369	369	1.264.655,00	370	480.429,00
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379	379	33.936.690,00	380	15.374.140,00
a) becoming due and payable within one year	1381 9	381	29.770.690,00	382	8.843.666,00
b) becoming due and payable after more than one year	1383 9	383	4.166.000,00	384	6.530.474,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451	451	902.521,00	452	296.362,00
a) Tax authorities	1393	393	860.522,00	394	216.369,00
b) Social security authorities	1395	395	0,00	396	662,00
c) Other creditors	1397	397	41.999,00	398	79.331,00
i) becoming due and payable within one year	1399 10	399	41.999,00	400	79.331,00
ii) becoming due and payable after more than one year	1401	401		402	
D. Deferred income	1403	403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	1.032.253.170,00	406	573.550.070,00

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

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

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/04/2016 to 02 31/03/2017 (in 03 EUR)

eDreams ODIGEO

1, boulevard de la Foire
L-1528 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)		Current year		Previous year
1. Net turnover	1701	701		702	
2. Variation in stocks of finished goods and in work in progress	1703	703		704	
3. Work performed by the undertaking for its own purposes and capitalised	1705	705		706	
4. Other operating income	1713	713		714	
5. Raw materials and consumables and other external expenses	1671	671	-2.338.101,00	672	-1.972.246,00
a) Raw materials and consumables	1601	601		602	
b) Other external expenses	1603 11	603	-2.338.101,00	604	-1.972.246,00
6. Staff costs	1605	605	-23.220,00	606	-32.404,00
a) Wages and salaries	1607	607	-20.575,00	608	-28.500,00
b) Social security costs	1609	609	-2.645,00	610	-3.904,00
i) relating to pensions	1653	653		654	
ii) other social security costs	1655	655	-2.645,00	656	-3.904,00
c) Other staff costs	1613	613		614	
7. Value adjustments	1657	657	-7.304,00	658	-13.995,00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 3	659	-7.304,00	660	-13.995,00
b) in respect of current assets	1661	661		662	
8. Other operating expenses	1621 12	621	-230.051,00	622	-405.894,00

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

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RCSL Nr. : B159036	Matricule : 2014 2202 981

		Reference(s)		Current year		Previous year
9. Income from participating interests	1715		715		716	74.000.000,00
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	74.000.000,00
10. Income from other investments and loans forming part of the fixed assets	1721		721		722	
a) derived from affiliated undertakings	1723		723		724	
b) other income not included under a)	1725		725		726	
11. Other interest receivable and similar income	1727	13	727	42.484.710,00	728	228.344,00
a) derived from affiliated undertakings	1729		729	42.376.451,00	730	
b) other interest and similar income	1731		731	108.259,00	732	228.344,00
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	4.1	665	-152.500,00	666	
14. Interest payable and similar expenses	1627	14	627	-42.309.840,00	628	-355.109,00
a) concerning affiliated undertakings	1629		629	-426.407,00	630	-230.799,00
b) other interest and similar expenses	1631		631	-41.883.433,00	632	-124.310,00
15. Tax on profit or loss	1635	15	635	265.966,00	636	-1.229.096,00
16. Profit or loss after taxation	1667		667	-2.310.340,00	668	70.219.600,00
17. Other taxes not shown under items 1 to 16	1637		637		638	-3.798,00
18. Profit or loss for the financial year	1669		669	-2.310.340,00	670	70.215.802,00

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

1. GENERAL

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

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

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

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

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

The Company eDreams ODIGEO and its direct and indirect subsidiaries form a Consolidation Group headed by eDreams ODIGEO ("The Group"). The Company prepared IFRS consolidated financial statements for the year ended March 31, 2017 which can be obtained at its registered office.

On April 1, 2014 the Extraordinary General Meetings of Shareholders of eDreams ODIGEO and of its shareholders approved the merger by absorption between eDreams ODIGEO as the absorbing company, its shareholders AXEUROPE S.A., Luxgoal s.à.r.l., G. Co-Investment GP S.à.r.l., G Co-Investment I S.C.A., G Co-Investment II S.C.A., G Co- Investment III S.C.A., G Co-Investment IV S.C.A. and its indirect shareholder GO Partenaires 3, as absorbed companies (the “Merger”). The Merger was effective on April 3, 2014 (April 1, 2014 for accounting purposes).

As a result of the Merger, the absorbed companies contributed all of their assets and liabilities to eDreams ODIGEO. The assets of the absorbed companies mainly consisted of shares in eDreams ODIGEO and convertible bonds issued by a subsidiaries of eDreams ODIGEO.

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

2. ACCOUNTING PRINCIPLES, RULES AND METHODS

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

- *Formation expenses*

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

- *Financial assets*

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

- *Loans*

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

- *Debtors*

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

- *Conversion of foreign currencies*

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

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

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

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

- *Provisions*

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

- *Deferred charges*

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

- *Deferred income*

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

- *Creditors*

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

- *Interest income and expenses*

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

3. FORMATION EXPENSES

The movements of the year are as follows:

	Rate	Gross book value-opening balance	Amortisation opening balance	Increase during the year	Amortisation for the year	Net book value as of March 31, 2017
		EUR	EUR	EUR	EUR	EUR
Incorporation fees	20%	10,866	(8,780)	-	(1,076)	1,010
Capital increase fees	20%	70,477	(56,632)	-	(6,228)	7,617
Total		**81,343**	**(65,412)**	**-**	**(7,304)**	**8,627**

4. FINANCIAL FIXED ASSETS

4.1 Shares in affiliated in affiliated undertakings:

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

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

The shares in affiliated undertakings consist of:

Description	Ownership (%)	Gross Book Value EUR	Impairment	Net Book Value EUR	Shareholders equity EUR (*)	Results of the last financial year EUR (*)
Geo Travel Finance S.C.A.	99.99%	571,609,706	0	571,609,706	563,708,131	2,623,275
Geo Debt GP S.à r.l.	100%	50,000	(50,000)	0	(16,622)	(10,928)
LuxGEO GP S.àr.l.	100%	102,500	(102,500)	0	(7,159)	(10,921)

* including the results of the financial year ending March 31, 2017

The 3 affiliated undertakings have their registered office at 1, Boulevard de la Foire, L-1528 Luxembourg and their financial year runs from April 1to March 31.

As at March 31, 2017 the Company holds 31,140,386,313 ordinary shares (*actions de commanditaire*) in Geo Travel Finance S.C.A. having a par value of EUR 0.01 each, together with a share premium of EUR 260,206,843, i.e. total investment of EUR 571,609,706.

As at March 31, 2017 the Company holds 5,000,000 ordinary shares in Geo Debt GP S.à r.l. having a par value of EUR 0.01 each, i.e. total investment of EUR 50,000.

As at March 31, 2017 the Company holds 5,250,000 ordinary shares in LuxGEO GP S.à r.l. having a par value of EUR 0.01 each, together with a contribution to the equity reserve of EUR 50,000, i.e. total investment of EUR 102,500.

As at March 31, 2017 the management has decided to recognize an impairment on GeoDebt GP and on LuxGEO GP for an amount of EUR 50,000 and EUR 102,500 respectively.

eDreams ODIGEO and certain of its subsidiaries guarantee the new Bond, and the new Bond is secured by certain assets of eDreams ODIGEO (refer to **Note 8**).

4.2 Loans to affiliated undertakings:

Following the refinancing dated October 4, 2016 (refer to **Note 8**), the Company granted loans to GoVoyage SAS, LuxGEO Sàrl and Opodo Ltd for a total amount of EUR 435,000,000 (2016: EUR 0). These loans bear interest at a rate per annum equal to 8,5% plus a margin of 0.2172%. Interests are payable semi-annually in arrears on the 1st of February and on the 1st of August. The maturity of the loans is 1st of August 2021. Loan origination cost incurred by the Company has been recharged through affiliated undertakings.

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

5. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

The amount owed by affiliated undertakings consists of a receivable due to tax group consolidation for an amount of EUR 2,747,353 (2016: EUR 1,664,390).

6. SUBSCRIBED CAPITAL

As at March 31, 2016 the subscribed share capital of eDreams ODIGEO is set at EUR 10,487,804.09 divided into 104,878,049 shares with a par value of ten euro cents (€0.10) each, all of which fully paid up, together with a share premium of EUR 974,512,197.

On November 14, 2016 the Board has resolved to increase the Company's share capital by EUR 95,724.90 through the issue of 957,249 shares with a nominal value of EUR 0.10 each. The new shares have been paid up through the incorporation of available reserves of the Company.

On February 22, 2017 the Board has resolved to increase the Company's share capital by EUR 94,452.70 through the issue of 944,527 shares with a nominal value of EUR 0.10 each. The new shares have been paid up through the incorporation of available reserves of the Company.

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

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

7. LEGAL RESERVE

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

As at March 31, 2017 the Company registered a loss for the year. Therefore, no transfer to the legal reserve will be required.

8. NON CONVERTIBLE LOANS

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

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

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

eDreams ODIGEO and certain of its subsidiaries guarantee the new Bond, and the new Bond is secured by certain assets of eDreams ODIGEO. The settlement date for the offering was October 4, 2016.

9. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Becoming due and payable within one year:

	2017 EUR	2016 EUR
LuxGEO Loan (**9.1**)	3,650,474	-
Interest on LuxGEO Loan (**9.1**)	398,038	278,121
Interest on Geo Travel Finance Loan (**9.2**)	314,301	167,751
Group Credit Facility (**9.3**):		
eDreams Srl	29,376	-
eDreams International Network SL (Spain)	159,756	-
Go Voyage SAS	372,118	-
Vacaciones eDreams SLU	1,811,129	-
Opodo Ltd	3,244,675	-
Travellink AB	26,160	-
Payable to affiliated undertakings – group tax consolidation	3,634,935	2,817,938
Payable and cash advances	16,129,728	5,579,856
Total	**29,770,690**	**8,843,666**

Becoming due and payable after more than one year:

	2017 EUR	2016 EUR
LuxGEO Loan (**9.1**)	-	3,008,474
Geo Travel Finance Loan (**9.2**)	4,166,000	3,522,000
Total	**4,166,000**	**6,530,474**

9.1 LuxGEO loan

On April 2, 2014, LuxGEO loan was signed. It bears interest of EURIBOR 1 MONTH + 400 bps per annum, payable each March 31. The LuxGEO Loan will mature on March 31, 2018. The interest expense for the year ended 31 March 2017 was amounted 119,916 EUR (2016: 107,128 EUR).

9.2 Geo Travel Finance loan

On October 1, 2014, Geo Travel Finance loan was signed. It bears interest of EURIBOR 1 MONTH + 400 bps per annum, payable each March 31. The Geo travel Finance Loan will mature on March 31, 2018. The interest expense for the year ended 31 March 2017 was amounted 146,550 EUR (2016: 126,671 EUR).

9.3 Group Credit Facility agreement

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

10. OTHER CREDITORS

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

11. OTHER EXTERNAL EXPENSES

	2017 EUR	2016 EUR
Office rental	28,857	31,196
Bank charges	59,724	9,996
Consulting fees	607,274	380,911
Audit, accounting and administration fees	130,846	220,814
IPO expenses	21,660	-
Other fees invoiced from affiliated company	1,256,573	1,219,537
LTI expenses	50,575	-
Miscellaneous fees	182,592	109,792
Total	**2,338,101**	**1,972,246**

12. OTHER OPERATING EXPENSES

	2017 EUR	2016 EUR
Board Remuneration	210,000	197,620
Others	20,051	208,274
Total	**230,051**	**405,894**

13. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	EUR	EUR
Interest on loans to affiliated undertakings (**Note 4.2**)	18,538,450	-
Other financial income linked to the refinancing (**Note 4.2**)	23,838,001	-
Exchange gain	108,259	228,343
Other interest and similar financial income	-	1
Total	**42,484,710**	**228,344**

14. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	EUR	EUR
Interest on loan from affiliated undertakings (**Note 9**)	426,407	230,799
Interest on Senior Secured Notes (**Note 8**)	18,076,668	-
Exchange loss	51,878	124,291
Fees linked to Senior Secured Notes (refinancing) (**Note 8**)	15,480,886	-
Other financial expenses linked to the refinancing (**Note 8**)	8,273,700	-
Other	301	19
Total	**42,309,840**	**355,109**

15. TAXES

The Company is subject to the general tax regulations applicable to all companies in Luxembourg. As at April 1, 2014 the Company has taken part of a Luxembourg tax integration with its indirect and direct subsidiaries Geo Travel Finance, LuxGEO and Geo Debt Finance. In this context, the item "income tax" consists of:

	2017	**2016**
	EUR	EUR
Luxembourg tax integration	(265,966)	1,163,178
Corporate income tax	-	65 918
Total	**(265,966)**	**1,229,096**

16. STAFF

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

17. AUDIT FEES

Audit fees are composed of:

	2017	**2016**
	EUR	EUR
Year-end audit fees	76,000	140,000
Other services	496,581	33,013
Total	**572,581**	**173,013**

18. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

During April 2014 the Board of Directors approved a new “Long Term Incentive Plan” to be given to the Management of the Company or any subsidiaries. The purpose of this incentive will be to enable the Managers to participate in the increase in value of the Company for the benefit of both the Company and its shareholders. The total maximum number of shares that would be acquired by the Holders under this new Incentive Plan will represent 4.4% of the total issued share capital of the Company on a fully diluted basis.

Some of the characteristics of the Plan (for example, the target increase in value of the Company’s shares) were modified on February 2015. The total maximum number of shares that would be acquired by the Holders under this new Incentive Plan will represent 4.4% of the total issued share capital of the Company on a fully diluted basis.

On May 10, 2016, the Group has approved a new Long Term Incentive Plan for Managers that will be offered to currently employed managers as an alternative to the existing plan. The new scheme will be based on operational performance, measured with stringent financial and strategic objectives. It will have the benefit of generating long-term company value, being simple to administer and align management and shareholder interest. The settlement of the Performance Stock Rights (“PSRs”) would represent 4.4% of the total issued share capital of the company on a fully diluted basis. The vesting of the rights is pushed out in time a maximum of one year vs currently scheduled vestings. The estimated accounting value of the plan is €13.1 million, €6.8 million more than before the change.

19. SUBSEQUENT EVENTS

Share Capital Increase

On June 20, 2017 the Board of Directors resolved to issue share capital of EUR 60,086.10, represented by 600,861 ordinary shares, of EUR 0.10 each. These shares will be delivered to management employees as a partial share-based-payment retribution.

As a result of the new shares’ issuance, the Company’s share capital amounts to EUR 10,378,068.60 and is represented by 107,380,686 shares with a face value of EUR 0.10 per share.

Change in composition of Board of Directors

On June 20, 2017, the Board of Directors has accepted Mr. Carlos Mallo's resignation as Proprietary Director. For the replacement of Mr. Mallo, the Board of Directors of the Company has proposed the appointment of Mr. Pedro López, subject to the approval of the General Shareholders Meetings, in accordance with the Articles of Association of the Company.

Luxembourg, June 20th 2017

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

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge that:

1. The Consolidated Financial Statements of eDreams ODIGEO as of March 31, 2017 presented in this Annual report and established in conformity with International Financial Reporting Standards as adopted in the European Union give a true and fair view of the assets, liabilities, financial position and results of eDreams ODIGEO and the undertakings included within the consolidation taken as a whole; and

2. The annual accounts of eDreams ODIGEO as of March 31, 2017 presented in this Annual Report and established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabilities, financial position and results of eDreams ODIGEO; and

3. The management report as of March 31, 2017 includes a fair view of the development and performance of the business and position of eDreams ODIGEO and the undertakings included within the consolidation taken as a whole, together with a description of the principal risk and uncertainties they face.

In representation of The Board of Directors

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

ANNEX I

ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED STOCK

IDENTIFICATION DETAILS OF ISSUER

FISCAL YEAR ENDING	31/03/2017

TAX ID NUMBER	N0183514I

CORPORATE NAME
eDreams ODIGEO S.A.

REGISTERED OFFICES:
1, Boulevard de la Foire, L-1528 Luxembourg Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 159.036

A STRUCTURE OF OWNERSHIP

A.1 Please complete the following chart on the company's share capital:

Date last modification	Share Capital (€)	Number of shares	Number of voting rights
February,21st 2017	10,677.982	106.779.825 shares	106.779.825 shares

Please indicate whether there are different classes of shares with different associated rights:

YES ☐ NO

A.2 Please detail the direct and indirect holders of significant stakes of your company as of the fiscal year closing date, excluding directors:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
LuxGoal Sàrl	32.011.388		29,97%
AXA LBO Fund IV	18.720.320		17,53 %

Please indicate the most significant movements in the shareholder structure occurring during the fiscal year:

Name or corporate name of shareholder	Date of transaction	Description of transaction
HG Vora Special Opportunities Master Fund, Ltd	21st October 2016	Selling of voting rights holding to take them below the 5% threshold.

A.3 Please complete the following charts on the members of the company's board of directors who hold voting rights on the company's shares:

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
Dana Philip Dunne	713.112		0,67%
David Elizaga	333.586		0,31%
Robert Gray	10.000		0.01%

% of voting rights in the possession of the board of directors	0,99%

Please complete the following charts on the members of the company's board of directors who hold rights to the company's shares:

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights	Number of equivalent Shares	% of total voting rights
Dana Philip Dunne	713.112		713.112	0,67%
David Elizaga	333.586		333.586	0,31%
Robert Gray	10.000		10.000	0.01%

A.4 Please indicate, as the case may be, relations of a family, commercial, contractual or corporate nature that exist between the holders of significant stakes, to the extent known by the company, unless they are hardly relevant or derive from the ordinary course of business:

Name or corporate name relationships	Type of relationship	Brief description
N/a	N/a	N/a

A.5 Please indicate, as the case may be, relations of a commercial, contractual or corporate nature that exist between holders of significant stakes and the company and/or its group, unless they are hardly relevant or derive from the ordinary course of business:

Name or corporate name relationships	Type of relationship	Brief description
N/a	N/a	N/a

A.6 Please indicate whether the company has been notified of shareholders agreements that affect it according to the provisions of articles 530 and 531 of the Capital Corporations Act (Ley de Societies de Capital). As appropriate, please describe them briefly and list the shareholders bound by the agreement:

YES ☒ NO ☐

Parties involved	% of share capital affected	Brief Description
- AXA LBO Fund IV FCPR - AXA LBO Fund IV Supplementary FCPR - AXA Co-investment Fund III LP - LuxGOAL 3, SÀRL - Javier Pérez-Tenessa de Block	**53,40%**	There were no new significant shareholder agreements during the fiscal year ended 31st March 2017. The only shareholder agreement there has been is the original Agreement dating back to 3rd April 2014. The % figure reported represents the amount of capital held at that time by the shareholders involved. As of the end of FY 17, the percentage of outstanding stock held by shareholders party to this agreement was 47,5% (Ardian and Permira Funds) Major Shareholders entered into this relationship agreement to take account of the change in the capital structure and governance of the Company as a

		result of the IPO and to incorporate certain provisions as necessary in light of the change in status of the Company from a privately owned to a publicly traded company.

Please indicate whether the company is aware of the existence of actions arranged between its shareholders. As appropriate, please describe them briefly:

YES ☐ NO

Please expressly identify any amendments or interruptions to the above covenants, agreements or arranged actions during the fiscal year:

A.7 Please indicate whether there is a natural person or legal entity who exercises or can exercise control over the company in accordance with article 4 of the Securities Market Act (Ley del Mercado de Valores). As appropriate, please identify such natural person or legal entity:

YES ☐ NO

A.8 Please complete the following charts on the company's treasury stock: As of the fiscal year closing date:

Number of direct shares	umber of indirect shares (*)	total % of share capital
None	None	None

(*} through:

Name or corporate name of the direct holder of the	Number of direct shares
N/a	None
Total:	None

Please detail the significant variations, in accordance with the provisions of Royal Decree 1362/2007, made during the fiscal year:

Date of notice	Total direct shares acquired	Total indirect shares acquired	total % of share capital
N/a	N/a	N/a	N/a

A.9 Describe the terms and conditions and the duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase, or transfer own shares of the company:

[Art. 5 Articles of Association]

AUTHORISED CAPITAL

The authorized but unissued share capital is 20,322,017.50€ and the Board of Directors is authorized to increase it up to 31,000,000€.

BOARD ISSUED SHARES

The Board of Directors is authorized to issue shares in one or more or several tranches up to the limit of the authorized capital from time to time subject to the following conditions:

a) Such authorization will expire on 12 September 2021;

b) It is permitted to limit or cancel the shareholders' preferential rights to subscribe for the Board Issued Shares and issue the Board Issued Shares to such persons and at such price, with or without a premium, and paid up by contribution in kind or for cash or by incorporation of claims or capitalization of reserves or in any other way allowed by the Law;

c) Issuances of Board Issued Shares may not in total exceed 50% of the total issued share capital, in accordance with the following limits:

i. They may in total represent up to 50% of the total issued share capital if the Board of Directors does not limit or cancel the shareholders' preferential rights;

ii. They may not in total exceed 20% of the total issued share capital if the Board of Directors limits or cancels the shareholders' preferential rights.

<u>TRANSFER OF SHARES</u>

All shares are issued in dematerialized form and are freely transferable by account-to-account transfers.

A.9.bis Estimated floating capital:

	%
Estimated floating capital	51,5

A. 10 Please indicate whether there is any restriction on the transferability of securities and/or any restriction to voting rights. In particular, please report the existence of any type of restrictions that may make difficult the taking of control of the company through the acquisition of its shares on the Market.

YES ☐ NO ☒

Description of the restrictions

A.11 Please indicate whether the general meeting has resolved to adopt neutralization measures against a public tender offer by virtue of the provisions of Law 6/2007.

YES ☐ NO ☒

As appropriate, please explain the measures approved and the terms in which the ineffectiveness of the restrictions will occur:

A.12 Please indicate whether the company has issued securities not traded on a regulated Community market.

YES ☐ NO

As appropriate, please indicate the different classes of shares and, for each class of shares, the rights and obligations it grants.

B GENERAL MEETING

B.1 Please indicate and, as appropriate, detail, whether there are differences with the scheme of minimums provided by the Capital Corporations Act (Ley de Sociedades de Capital; LSC) with respect to the quorum for assembling the general meeting.

YES NO ☐

	% quorum other than as established by article 193 LSC for	% quorum other than as established by article 194
Quorum required in 1st call	0%	50%
Quorum required in 2nd call	0%	0%

Description of the differences

For general cases: Art. 193 LSC requires a minimum quorum of 25% of the share capital to validly constitute a Shareholders meeting in 1st call, and below that for 2nd call, while the Company requires just representation of one Shareholder in both cases. **For special cases:** Art. 194 LSC requires a minimum quorum of 50% of the share capital to validly constitute a Shareholders meeting in 2nd call, while the Company does not require any minimum quorum, provided that (i) the 1st call was properly convened and (ii) the agenda for the reconvened meeting does not include any new item.

B.2 Please indicates and, as appropriate, detail, whether there are differences with the scheme provided by the Capital Corporations Act (Ley de Sociedades de Capital; LSC) for the adoption of corporate resolutions:

YES ☐ NO ☐

Please describe how it is different from the scheme provided by the LSC.

	Reinforced majority other than as established by article 201.2 LSC for cases of article 194.1 LSC	Other cases of reinforced majority
% established by the company for the adoption of resolutions	66%	N/A
Please describe the differences		
Art. 201.2 LSC requires absolute majority to adopt a resolution affecting special cases in 1st call and, at least, the positive vote from 2/3 of the votes cast in 2nd call, while the Company requires the positive vote of 2/3 in both 1st and 2nd meetings.		

B.3 Please indicate the rules applicable to the amendment of the company's bylaws. In particular, please report the majorities provided for the amendment of the bylaws, as well as, if appropriate, the rules provided for the protection of the shareholders' rights in the amendment of the bylaws.

As per the Articles of Association, article 14.8.2, a Shareholders' Meeting convened to amend any provisions of the Articles of Association shall not validly deliberate unless at least one half of the capital is represented and the agenda indicates the proposed amendments to the Articles of Association. If the first of these conditions is not satisfied, a second meeting may be duly convened, provided that (i) the first Shareholders' Meeting was properly convened; and (ii) the agenda for the reconvened meeting does not include any new item. The second meeting shall validly deliberate regardless of the proportion of the capital represented. At both meetings, resolutions, in order to be adopted, must be carried by at least two-thirds of the votes cast.

B.4 Please indicate the attendance details at general meetings held in the fiscal year to which this report refers and those of the previous fiscal year:

	Attendance details				
Date of general meeting	% of physical presence	% by proxy	% distance voting		Total
			Electronic voting	Others	
22 July 2015	30,96%	28,03%	0%	0%	58,99%
20th July 2016	33,88%	8,57%	0%	18,02%	60,46%
12th September 2016	30,94%	0,32%	0%	26,16%	57,42%

B.5 Please indicate whether there is any statutory restriction that establishes a minimum number of shares necessary to attend the general meeting:

YES ☐ $\boxed{\text{NO}}$

Number of shares necessary to attend the general meeting

There is no statutory restriction establishing a minimum number of shares.

B.6 Paragraph revoked

B.7 Please indicate the address of the company's website and form of access to information on corporate governance and other information on general meetings, which must be made available to shareholders through the Company's website.

Web address: http://www.edreamsodigeo.com/

Under the section "Investors/Corporate Governance" to access corporate information, including that referring to the Company's Corporate Governance and General Shareholders' Meeting.

C STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors contemplated in the Articles of Incorporation:

Maximum number of directors	15
Minimum number of directors	5

C.1.2 Please complete the following chart with the board members:

Name or corporate name of	Director Category	Position on the board	Date first appointment	Date last appointment	Election procedure

director					
Philip Clay Wolf	Independent	Chairman	18th of March, 2014	14th March 2017	Voting at Board of Directors
Robert Apsey Gray	Independent	Vice Chairman	18th of March, 2014	14th March 2017	Voting at Board of Directors
Dana Philip Dunne	Executive	CEO	23rd of January, 2015	22nd of July, 2015	Voting at Shareholders' Meeting
David Elizaga Corrales	Executive	Director	22nd of July, 2015	20th July 2016	Voting at Shareholders' Meeting
Philippe Michel Poletti	Proprietary	Director	18th of March, 2014	14th March 2017	Voting at Board of Directors
Lise Fauconnier	Proprietary	Director	18th of March, 2014	14th March 2017	Voting at Board of Directors
Benoit Vauchy	Proprietary	Director	18th of March, 2014	14th March 2017	Voting at Board of Directors
Carlos Mallo Alvarez	Proprietary	Director	18th of March, 2014	14th March 2017	Voting at Board of Directors
Amanda Wills	Independent	Director	22nd of July, 2015	20th July 2016	Voting at Shareholders' Meeting

Number of directors	9

Please indicate removals taking place on the board of directors during the period subject to information:

Name or corporate name of director	Status of director at the time of removal	Date of removal

C.1.3 Please complete the following charts on the board members and their status:

EXECUTIVE DIRECTORS

Name or corporate name of director	Position on the company's organization chart
Dana Philip Dunne	CEO
David Elizaga Corrales	CFO

Total number of executive directors	2
% of total board	22,2%

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder the director represents or who proposed the director's appointment
Philippe Poletti	AXA LBO FUND IV
Lise Fauconnier	AXA LBO FUND IV
Benoit Vauchy	LUXGOAL 3 SARL
Carlos Mallo	LUXGOAL 3 SARL

Total number of proprietary directors	4
% of total board	44,4%

EXTERNAL INDEPENDENT DIRECTORS

Name of member: Philip Clay Wolf

Profile:

Mr. Wolf, globally renowned travel guru, is the retired Chairman of PhoCusWright Inc., an independent travel, tourism and hospitality research firm specializing in the impact of technology and innovation on the world's third largest industry. The pioneer of Travel 2.0, he founded PhoCusWright in 1994 and grew the firm into the research authority on how travellers, suppliers and intermediaries connect. He is the architect of the annually acclaimed PhoCusWright Conference; the event's provocative Center Stage themes are relied upon as industry bellwethers, quickly becoming accepted wisdom each year. He is a magna cum laude graduate of Duke University and holds an MBA from Vanderbilt University. In addition to eDreams ODIGEO, he serves as board director for companies on three continents:

- India: MakeMyTrip (NASDAQ: MMYT), (makemytrip.com)
- USA: Hopper (hopper.com)
- Germany: TrustYou (trustyou.com) and Blacklane (blacklane.com)

Mr. Wolf was appointed for the first time as Independent Director by the Shareholders Meeting held on 8th April 2014, and subsequently re-appointed for a period of three years by the Board during a meeting held on 14th of March 2017. His appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held in July 2017.

Name of member: Robert Apsey Gray

Profile:

Mr. Gray was Chief Executive Officer of PR Newswire, the global leader in innovative communications and marketing services until July 2016. From 2009-2015 he was Executive Director and CFO of UBM plc, a U.K. B2B media group listed on the London Stock Exchange. Before joining UBM's Board in 2009, he was CFO of Codere S.A. Previously he served in a number of investment banking roles with J.P. Morgan & Co. and Deutsche Bank. Mr. Gray is a graduate of Dartmouth College (BA) and Harvard Business School (MBA).

As at 31st of March 2017, Mr. Gray held 10.000 eDreams ODIGEO shares.

Mr. Gray was appointed for the first time as Independent Director by the Shareholders Meeting held on 8th April 2014, and subsequently re-appointed for a period of three years by the Board during a meeting held on 14th of March 2017. His appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held in July 2017.

Name of member: Amanda Wills

Profile: Ms Wills is an award winning and highly respected UK travel industry executive. Starting her tourism career at Airtours PLC, where she became the first woman appointed to the Board of the United Kingdom Leisure group, she subsequently spent over 13 years as Managing Director of the Virgin Holidays Group joining in September 2001. During this time under her leadership the company experienced exponential growth in both revenues and profit and became the market leader in long haul holidays. Her guidance lead to an introduction of industry firsts in both products and services with an acquisition led strategy that penetrated new markets both in the UK and USA. During her tenure as Managing Director Virgin Holidays won many industry accolades.

Ms Wills was recognized and honored in the UK for her commitment to charity work and was awarded as Commander of the Order of the British Empire (CBE) by the Queen in 2014.

Ms Wills is also a director of:

- Urbanologie Global Limited, a UK travel lifestyle website
- NED of AirPartner Global Limited, a private jet charter and consultancy business

Ms. Wills was appointed as Independent Director for a period of three years, by the shareholders of the Company in the Shareholders' General Meeting held on 20th July 2016.

Total number of independent	3
% of total board	33,

Please indicate whether any director classified as independent receives from the company, or from its group, any sum or benefit for a concept other than the director's remuneration, or maintains or has maintained, during the last fiscal year, a business relationship with the company or with any company belonging to its group, whether in the director's own name or as a significant shareholder, director or senior executive of an entity that maintains or has maintained said relationship.

As appropriate, please include a motivated declaration of the board on the reasons why it considers that said director can perform his or her duties as an independent director.

Name or corporate name of director	Description of the relationship	Motivated declaration
-	-	-

OTHER EXTERNAL DIRECTORS

Please identify the other external directors and detail the reasons why they cannot be considered as proprietary or independent directors and their relationships, whether with the company or its executives, or its shareholders:

Name or corporate name of director	Committee reporting or proposing the director's nomination
	-
	-

Total number of other external directors	-
% of total board	-

Please indicate the variations which as the case may be, have occurred during the period in the typology of each director:

None

C.1.4 Please complete the following chart with the information relating to the number of female directors during the last four fiscal years, as well as the status of such female directors:

	Number of female directors			% of all directors of each type		
	Fiscal year 2017	Fiscal year	Fiscal year	Fiscal year	Fiscal year	Fiscal year

		2016	2015	2017	2016	2015
Executive	0	0	0	0	0	0
Proprietary	1	1	1	25,00 %	25,00 %	25,00 %
Independent	1	1	0	33,33%	33,33%	0%
Other external female directors	0	0	0	0	0	0
Total	2	2	1	22,22 %	22,22 %	12,50 %

C.1.5 Please explain the measures which, as appropriate, have been adopted to procure including on the board of directors a number of women which allows achieving a balanced presence of women and men.

Explanation of measures

The Company's Director Selection Policy, establishes that each Director Selection Process will start with an analysis of the Board's needs, bearing in mind several factors, among others, the diversity of the board, in particular, but not restricted to, diversity of gender.
The Company's Director Selection Policy, entrusts the Remuneration and Nomination Committee with the duty to ensure that when new director vacancies arise, the selection procedures are free from bias and discrimination and do not in any way hinder the selection of female directors. The Director Selection Policy shall endeavor to ensure that whenever a vacancy occurs in the Board of Directors, and the selection process begins, at least one woman candidate will take part, without prejudice to the principles of merit and ability. In this regard, the Director Selection Policy shall promote the objective of having female directors for at least 30% of the total number of Board members by 2020.
The profile of the current Board members, men and women, responds to the needs of the Company, without any explicit or implicit obstacles having been placed on the selection of female directors.
The Board proactively supports increasing the number of females on the Board, in the case of male and female candidates with the same skill and professional quality in order to achieve a more balanced representation in the Board. This was reflected in the appointment of Ms. Amanda Wills to fill the latest independent Director vacancy.

C.1.6 Please explain the measures to which, as the case may be, the appointments committee has agreed in order for the selection procedures not to suffer implicit impairments, which place an obstacle on the selection of female directors and on the company deliberately searching for and including among potential candidates, women who meet the professional profile sought:

Explanation of measures

eDreams ODIGEO has approved a Director Selection Policy to ensure that proposals for appointment or re-election of Directors are based on a prior analysis of the needs of the Company's Board of Directors, that they foster a diversity of knowledge, experience and gender, and are free from any implicit bias entailing any kind of discrimination. In particular, the candidates must be respectable and qualified persons, widely recognized for their expertise, competence, experience, qualifications, training, availability, and commitment to their duties. They must be irreproachable professionals with a personal and professional track record of respect for the laws and good business practices, and whose professional conduct and background are aligned with the principles set forth in the Business Code of Conduct and with the mission, vision, and values of the Group.

Efforts should also be made to ensure that there is an appropriate balance on the Board of Directors that enriches decision-making and encourages plural viewpoints on the discussion of matters within its purview.

The Board has entrusted to the Remuneration and Nomination Committee the responsibility of ensuring that the aforementioned criteria are applied in the selection of new directors.

When despite the measures which, as the case may be, have been adopted, the number of female directors is scarce or nil, please explain the reasons that justify this:

Explanation of measures

Not applicable

C.1.6bis Please explain the conclusions of the Nominations Committee regarding verification of compliance with the director appointment policy and, in particular, describe how this policy promotes the objective of having a female representation of at least 30% of the Board of Directors by 2020.

The Policy seeks diversity of knowledge, experience, origin, nationality, and gender within the Board of Directors. The selection process shall promote a search for candidates with knowledge and experience in the main countries and sectors in which the Group does or will do business.

The Board, and Remuneration and Nomination Committee proactively support increasing the number of females on the Board, in the case of male and female candidates with the same skill and professional qualities, in order to achieve a more balanced representation in the Board.

C.1.7 Please explain the form of representation on the board of shareholders holding significant stakes.

The Company has two significant Shareholders; Ardian Group (AXA Funds) and Permira Group (LuxGoal 3).

Articles 10.8.1 & 10.8.2 of the Articles detail how these significant Shareholders' shall be represented on the Board:

Article 10.8.1: Two (2) Directors shall be appointed from among candidates put forward by LuxGoal 3 S.a.r.l (LuxGoal 3) and/or its Affiliates, as the case may be, (the "LuxGoal 3 Group")as long as the LuxGoal 3 Group holds at least 17,5% of the Shares issued by the Company; if LuxGoal 3 Group ´s shareholding in the Company falls below 17,5% of the share Capital, then only one (1) Director shall be appointed from among candidates put forward by the LuxGoal 3 Group. For the avoidance of doubt, if the LuxGoal 3 Group´s shareholding in the Company falls below 7,5%, it will have no specific entitlement for its candidates to be appointed as Directors whether or not its shareholding later increases such that it exceeds 7,5% of the share capital. If LuxGoal 3 Group´s shareholding in the Company falls below 17,5, the LuxGoal 3 Group shall ensure that one of the Directors appointed from a list of candidates put forward by it shall immediately resign. If the shareholding of the LuxGoal 3 Group in the Company falls below 7,5%, the LuxGoal 3 Group shall ensure that the other Director appointed from a list of candidates put forward by it shall immediately resign. The Board of Directors shall appoint a new independent Director as a replacement for this resigning Director. This replacement Director shall be selected and appointed by the Board of Directors as soon as possible following the resignation of the relevant Director and in accordance with the Articles.

Article 10.8.2: Two (2) Directors shall be appointed from among candidates put forward by AXA LBO Fund IV, AXA LBO Fund IV Supplementary and AXA CO-investment III LP and/or its Affiliates, as the case may be, (the "Ardian Group") as long as the Ardian Group holds at least 17,5% of the Shares issued by the Company; if the Ardian Group ´s shareholding in the Company falls below 17,5% of the share Capital, but remains above 7,5% of the share capital then only one (1) Director shall be appointed from among candidates put forward by the Ardian Group. For the avoidance of doubt, if the Ardian Group´s shareholding in the Company falls below 7,5%, it will have no specific entitlement for its candidates to be appointed as Directors whether or not its shareholding later increases to the extent that it exceeds 7,5% of the share capital. If following the initial public offering of the Shares in the Company and as a result of the disposal of any Shares by Ardian other than in such an initial public offering (including any over-allotment option Shares), the Ardian Group´s shareholding in the

Company is below 17,5%, the Ardian Group shall ensure that one of the Directors appointed from a list of candidates put forward by it shall immediately resign. If the shareholding of the Ardian Group in the Company falls below 7,5%, the Ardian Group shall ensure that the other Director appointed from a list of candidates put forward by it shall immediately resign. The Board of Directors shall appoint a new independent Director as a replacement for this resigning Director. This replacement Director shall be selected and appointed by the Board of Directors as soon as possible following the resignation of the relevant Director and in accordance with the Articles.

C.1.8 Please explain, as the case may be, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholder stake is less than 3% of the capital:

No

Please indicate whether formal requests for presence on the board coming from shareholders whose shareholder stake is greater than or equal to that of others who have been appointed as proprietary directors at their request have not been filled. As appropriate, please explain the reasons why they were not filled:

Name or corporate name of	Explanation
NA	NA

C.1.9 Please indicate whether any director has left his or her position prior to completing the director's mandate, whether he or she has explained the reasons to the board and through what means and, in the event he or she has done so in writing to the entire board, please explain below at least the reasons he or she has given:

Name or Corporate name of Shareholder:

Reason for departure

C.1.10 Please indicate, if any, the powers delegated to the chief executive officer(s):

Name	Brief description
Dana Philip Dunne	The Board of Directors delegated to the CEO, in the Board of Directors Meeting held on 2nd April 2014, the following powers as permitted by the law and the bylaws: 1. The sale or purchase of a business in cash either through an asset or share transaction, with a value, per transaction, not greater than EUR 2,500,000 and with a maximum total amount of EUR 5,000,000 per year 2. Entering into any partnership or joint venture transactions (i) not included in the Group's annual budget but not likely to generate net costs in excess of EUR 6,000,000; or (ii) not included in the Group's annual budget but expected to generate more revenue than cost, the difference not surpassing EUR 6,000,000, and in the case of (i) and (ii) such amounts not exceeding 2.5% of Group revenue for the immediately preceding financial year. 3. Concluding agreements for or amendment of agreements in the ordinary course of business relating to ad hoc borrowings in an amount not greater than EUR 5,000,000 per financial year. 4. The granting of any charge, pledge, guarantee or any other security of any type if (i)(a) carried out in the ordinary course of business and (b) the value of assets so encumbered or charged is not greater than EUR 5,000,000 per financial year and (ii) that are permitted by the financing agreements entered into by any Group Company. 5. The drawing down by one or more Group companies of loans under any existing Group or standalone credit facilities granted by external lenders. 6. The conclusion, amendment or termination of any agreement in the ordinary course of business, that will or is reasonably likely to generate total expenditure by the Group companies of an amount not greater than 5% of the yearly revenue target for the Group. 7. The commencement of any judicial, regulatory or arbitration proceedings of any kind or the conclusion of any settlement agreement as defendant or plaintiff, and in which the amount at stake does not exceed EUR 2,000,000. 8. The recruitment, hiring and the removal or termination of individual employees of any of Group company (including any manager), with the exception of the Group's CFO and the company secretary, unless a series of removals or terminations affecting a large group of employees is to be carried out in connection with a general reorganisation (including a disposal of) of the Group's business activities. 9. The fixing of the individual remuneration and other benefits of any employee (including any manager) and the increase or decrease of such remuneration and other benefits, at all times in accordance with the relevant budget and general remuneration policy approved by the Board of Directors from time to time. 10. Approval of payments made to and receipt of payments from third parties in the ordinary course of business of the Group companies.

C.1.11 Please identify, as the case may be, the board members who assume positions of directors or officers at other companies that form part of the group of the listed company:

Name or corporate name of the Director	Corporate name of the entity of the group	Position	Executive Duties
Mr. Dana Philip Dunne	eDreams Odigeo SA	Director, CEO, Daily Manager	Yes
Mr. Dana Philip Dunne	Opodo Ltd	Director	Yes
Mr. Dana Philip Dunne	Opodo SL	Director	Yes
Mr. Dana Philip Dunne	Opodo GmbH	Sole Director	Yes
Mr. Dana Philip Dunne	Online Travel Portal Ltd	Director	Yes
Mr. Dana Philip Dunne	eDreams Business Travel SL	Director	Yes
Mr. Dana Philip Dunne	eDreams Corporate Travel Srl	Sole Director	Yes
Mr. Dana Philip Dunne	GEO Travel Ventures SA	Director	Yes
Mr. Dana Philip Dunne	GEO Travel Pacific Pty Ltd	Director	Yes
Mr. Dana Philip Dunne	Go Voyages SAS	President	Yes
Mr. Dana Philip Dunne	Go Voyages Trade SAS	President	Yes
Mr. Dana Philip Dunne	Travellink AB	Director	Yes
Mr. Dana Philip	Liligo Metasearch	President	Yes

Dunne	Technologies SAS		
Mr. Dana Philip Dunne	Opodo Italia Srl	Sole Director	Yes
Mr. Dana Philip Dunne	eDreams Inc	Director	Yes
Mr. Dana Philip Dunne	eDreams Ltd	Director	Yes
Mr. Dana Philip Dunne	Vacaciones eDreams, SL	Legal Representative of the Sole Director	Yes
Mr. Dana Philip Dunne	eDreams International Network, SL	Sole Director	Yes
Mr. Dana Philip Dunne	eDreams LLC	Director, President	Yes
Mr. Dana Philip Dunne	Viagens eDreams Portugal - Agência de Viagens LDA	Director	Yes
Mr. Dana Philip Dunne	eDreams Srl	Sole Director	Yes
Mr. Dana Philip Dunne	Tierrabella Invest SL	Director	Yes
Mr. Dana Philip Dunne	Engrande SL	Director	Yes
Mr. David Elizaga Corrales	eDreams Odigeo SA	Director	Yes
Mr. David Elizaga Corrales	Opodo Ltd	Director	Yes
Mr. David Elizaga Corrales	Opodo SL	Director	Yes
Mr. David Elizaga Corrales	Online Travel Portal Ltd	Director	Yes
Mr. David Elizaga Corrales	eDreams Business Travel SL	Director	Yes
Mr. David Elizaga Corrales	GEO Travel Ventures SA	Director	Yes

Mr. David Elizaga Corrales	GEO Travel Pacific Pty Ltd	Director	Yes
Mr. David Elizaga Corrales	Travellink AB	Director	Yes
Mr. David Elizaga Corrales	eDreams Inc	Director	Yes
Mr. David Elizaga Corrales	eDreams Ltd	Director	Yes
Mr. David Elizaga Corrales	eDreams LLC	Director, Secretary	Yes
Mr. David Elizaga Corrales	Viagens eDreams Portugal - Agência de Viagens LDA	Director	Yes
Mr. David Elizaga Corrales	Tierrabella Invest SL	Director	Yes
Mr. David Elizaga Corrales	Engrande SL	Director	Yes

C.1.12 Please detail, as the case may be, the directors of your company who are members of the board of directors of other companies listed on official securities markets different from your group, which have been reported to the company:

Name or corporate name of the Director	Corporate name of the listed company	Position
Carlos Mallo	Telepizza	Board Member
Lise Fauconnier	Linedata Services	Supervisory Board member
Philip Clay Wolf	MakeMyTrip Limited	Board member
Amanda Wills	AirPartner Global	Board Member

C.1.13 Please indicate and, as appropriate, explain, whether the company has established rules on the number of boards of which its directors may form part:

The Internal Rules of Procedure of the Board of Directors, articles 6.3 and 6.6 required that each Director shall inform the Board of Directors of any other boards on which the said Director holds a position, and the Director shall ensure that he/she devotes sufficient time and effort to perform his/her duties in respect of the Company efficiently.

Sideline activities, such as Board of Directors mandates outside the Company and Group, require the approval of the Board of Directors.

The Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

The Chief Executive Officer has a clause that restricts his participation as a Non-Executive Director to one Board of Directors.

C.1.14 Paragraph revoked

C.1.15 Please indicate the global remuneration of the board of directors:

Remuneration of the board of directors (thousands of euros)	4.119
Amount of global remuneration referring to rights accumulated by the directors for pensions (thousands of	0
Global remuneration of the board of directors (thousands of	4.119

C.1.16 Please identify the members of senior management who are not, in turn, executive directors, and indicate the total remuneration accruing in their favor during the fiscal year:

Name or corporate name	Position(s)

Philippe Vimard	Former Chief Technology Officer & Chief Operating Officer (From 1st April 2016 to 5th August 2016)
Carsten Bernhard	Chief Technology Officer (Since 1st September 2016)
Sophie Bernard	Chief Revenue Officer (From 1st April 2016 to 30th November 2016)
Gerrit Goedkoop	Chief Operating Officer and Chief Customer Service Officer
Blandine Kouyaté	Chief People Officer
Marcos Guerrero	Chief Retail & Product Officer
Jerome Laurent	Chief Marketing Officer.
Andreas Adrian	Chief Trading Officer
Quentin Bacholle	Chief Vacation Products Officer & Country Director France
Guillaume Teissonniere	Group Legal Counsel
Daniel Francis	Head of Internal Audit

Total remuneration of senior management (in thousands of euros): 3.045

C.1.17 Please indicate, as the case may be, the identity of the board members who are, in turn, members of the board of directors of companies of significant shareholders and/or at entities of their group:

Name or corporate name of Director	Corporate name of significant shareholder	Position
Philippe Michel Poletti	Ardian France, Ardian Spain & Ardian Germany	Member of the Board of Directors
Benoit Vauchy	Permira Holding & Vacalians Holding	Member of the Board of Directors

Please detail, as the case may be, the relevant relationships other than those contemplated in the above heading, of the members of the board of directors that link them to the significant shareholders and/or entities of your group:

Name or corporate name of the related director	Corporate name of the significant shareholder	Description of relationship
N/a	N/a	N/a
N/a	N/a	N/a

C.1.18 Please indicate whether any amendment to the board regulation has occurred during the fiscal year:

YES ☐ NO X

C.1.19 Please indicate the selection, appointment, re-election, evaluation and removal procedures for directors. Please detail the competent bodies, the formalities to be followed and the criteria to be employed in each one of the procedures.

In accordance with the provisions of the Articles of Association, the Internal Rules of Procedure of the Board of Directors and the Luxembourg Law, the members of the Board of Directors shall be appointed by the Shareholders' Meeting:

Selection:

The Remuneration and Nomination Committee, applying the Director Selection Policy, is responsible for (i) evaluating the skills, expertise and experience necessary in the Board of Directors to define, consequently, the functions and abilities needed in candidates who are to fill each vacancy, and to evaluate the time and dedication necessary in order for them to perform their duties; and of (ii) to safeguard that, when filling new vacancies, the selection procedure does not suffer from implicit biases that might hinder the selection of female Directors, and takes into account the company´s strategic and operational objectives.

Appointment

Each Director shall be appointed by a Shareholders' Meeting for a term of three (3) Financial Years of the Company, subject to possible renewal, by simple majority of the Shareholders' present or represented at such General Meeting.

The type of Director shall be explained by the Board of Directors before the Shareholders' Meeting deciding on, finalising or ratifying the appointment of such Director. Similarly, on an annual basis and upon verification by the Remuneration and Nomination Committee, the Board of Directors will confirm or, if applicable, review the nature of each position.

The nomination and appointment procedure shall be as follows:

- Executive Directors are appointed by the Shareholders' Meeting. Considered as Executive Directors are the CEO and other Directors who, under any title, carry out management roles as officers within the Company or in companies under the control thereof.

- Proprietary Directors are those who have been appointed by the Shareholders' Meeting upon the nomination of a specific Shareholder, or as otherwise defined in the Spanish Corporate Governance regulations, as may be amended from time to time. Those directors shall be appointed from among candidates put forward by AXA LBO and LuxGoal 3. Proprietary Directors who lose this status as a consequence of the sale of its stake holding by the shareholder they represented shall immediately resign. The Board of Directors shall appoint a new Independent Director as a replacement for this resigning Director. The replacement Director shall be selected and appointed by the Board of Directors.

- Independent Directors shall be appointed by the Shareholders' Meeting, after approval by the Board of Directors, upon proposal of the Remuneration and Nomination Committee. The Chairman of the Board of Directors shall be entitled to propose to the Remuneration and Nomination Committee candidates for independent directorships provided that the Remuneration and Nomination Committee may concurrently, independently search for and consider alternative candidates for such a position, in addition to those proposed by the Chairman of the Board of Directors. To evaluate the aforementioned status of independence, the Board of Directors will follow the applicable law and current corporate governance recommendations and practices, as well as any other relevant criteria.

- Other external Directors are non-executive Directors who, in conformity with the provisions of this article, cannot be considered as being either proprietary or independent Directors.

Re-election

A Director may be re-elected.

Independent Directors shall only be re-elected to the extent that the aggregate time served by them (i.e., taking into account, for the avoidance of doubt, the sum of the time served by the independent Directors for each of his/her terms as an independent Director) does not exceed a period of twelve (12) consecutive Financial Years.

Removal

A Director may be removed from office at any time by the Shareholders' Meeting. However, the Board of Directors shall not propose the removal of any independent Director prior to the expiration of the term for which he/she appointed, except where good cause is found by the Board and, if any, upon a prior recommendation of the Remuneration and Nomination Committee.

Any Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to his or her behavior.

Directors who voluntarily give up their place before their tenure expires shall explain the reasons to the Board of Directors.

In the event that a Director appointed in the Shareholders' Meeting ceases to be a Director for any reason, the remaining Directors may fill the vacancy; a Director so appointed will hold office only until the conclusion of the next Shareholder´s Meeting, unless the appointment is confirmed by the Shareholders at the Shareholders' Meeting. Directors so appointed will have the same powers as other Directors appointed by the Shareholders' Meeting.

Evaluation

The Board of Directors must undertake an annual evaluation to assess the overall and individual performance and effectiveness of the Board and its Committees, including consideration of the balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness and shall adopt appropriate measures for the improvement thereof. The evaluation process will also take into consideration the Board Succession Plans.

The results of the evaluation shall be recorded in the minutes of the meeting or included therein as an attachment. Any recommendations for improvement arising from the evaluation exercise will be formalized in an action plan.

Every three years, the Board of Directors shall be assisted in performing the evaluation by an external consultant, the independence of which shall be verified by the Remuneration and Nomination Committee.

C.1.20 Please indicate whether the board of directors has performed an evaluation of its activity during the fiscal year:

$\boxed{\text{YES}}$ NO ☐

Please explain to what extent the annual evaluation of the Board has led to significant changes in its internal organization and on the procedures applicable to its activities:

The annual self-evaluation of the Board of Directors, its Committees and the CEO performance, was performed during the second quarter of the fiscal year ended March 2017. The results of this evaluation were reviewed by the Board in the October 2016 Board meeting, and as a result actions have been taken to improve the Board´s efficiency and effectiveness.

The self-evaluation of the Board of Directors (performed on an annual basis) has not led to significant changes in its internal organization, neither on the procedures applicable to its activities. However, some measures were defined in order to improve its efficiency and effectiveness.

C.1.20.bis Please describe the evaluation process undergone by the Board of Directors and the areas assessed, with the assistance of an external consultant, as regards the diversity of its composition and competencies, operation and composition of its committees, performance of the Chairman of the Board of Directors and of the chief executive of the company and the performance and contribution of each director.

The annual self-evaluation of the Board of Directors, its Committees, performance of the Chairman of the Board of Directors and of the chief executive of the company and the performance and contribution of each director wasperformed during the second quarter of the fiscal year ended March 2017. It was performed internally via questionnaire. External advisors were not engaged. The process is designed to assess the overall and individual performance and effectiveness of the Board and its Committees. It takes into consideration the balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness.

The areas of evaluation included:

a) Board's Overall Role and Responsibilities:
   - Whether the Board of Directors has addressed the appropriate issues to duly fulfil its aims, and in particular: (i) have clear responsibilities and authority ; (ii) understand the organization's mission and its products / programs; (iii) strategy; (iv) Board Plans (v) significant transactions and fundraising.

b) Board’s Relationship with Executive Directors
   - Whether the Board of Directors in relation with its Executive Directors: (i) have good two-way communication; (ii) policies

providing good directions on business and (iii) and are evaluated primarily on the accomplishment of the organization's strategic goals

c) Board's Formal Structures and Operating Processes
   - Whether the Board Committees (i) are those that should reasonably exist taking into account the characteristics of the group; (ii) and have clear responsibilities and authority

d) Composition of the Board and Development of Board Members
   - Whether the Board Structure is: (i) sufficient taking into account the number of members of each category; (ii) Board members have necessary skills, stakeholders and diversity; (iii) the Company has a clear recruitment strategy, selection policy and procedures and (iv) Board Members receive training on key trade related subjects

e) Board Meetings
   - Whether the Board of Directors and Board Committees have met with the appropriate frequency, information has been received sufficiently in advance, and matters have been debated with reasonable dedication.

f) Performance of Individual Board Members
   - Whether the Board Members are fully capable of performing their roles and responsibilities.

g) Feedback to the Chair of the Board
   - Whether the Chairman of the Board has carried out his responsibilities adequately.

The results of this evaluation were reviewed by the Board in the October 2016 Board meeting, where action plans were defined.

Every three years, the Board of Directors shall be assisted in performing the evaluation by an external consultant, the independence of which shall be verified by the Remuneration and Nomination Committee.

C.1.20.ter Provide a breakdown, as applicable, of the business relationships between the consultant or any company of its group and the company or any other group company.

N/A

C.1.21 State the circumstances under which the resignation of directors is mandatory:

According to the Article of Association, article 10.9 and 10.10, a Director may be removed from office at any time by the Shareholders' Meeting. However, the Board of Directors shall not propose the removal of any independent Director prior to the expiration of the term for which he/her was appointed, except where good cause is found by the Board and, if any, upon a prior recommendation of the Remuneration and Nomination Committee.

Any Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to his/her behaviour.

C.1.22 Paragraph revoked

C.1.23 Are reinforced majorities, other than those provided by law, required in any type of decision?

YES ☐ NO ☒

As appropriate, please describe the differences. Explanation of differences

C.1.24 Please explain whether specific requisites exist, other than those relating to directors, to be appointed chairman of the board of directors.

YES ☐ NO ☒

Explanation of requisites

C.1.25 Please indicate whether the chairman has a tie-breaking vote:

YES ☒ NO ☐

Matters in which a tie-breaking vote exists

As set forth in article 13.4 of the Articles of Association, "all resolutions of the Board of Directors shall require the approval of a simple majority of the Directors present or duly represented at the Board of Directors meeting. In the case of an equality of votes, the Chairman shall cast the deciding vote".

C.1.26 Please indicate whether the bylaws or the board regulation establish any limit to the age of directors:

YES ☐ **NO**

C.1.27 Please indicate whether the bylaws or board regulation establish a limited mandate for independent directors, other than as established by the regulations:

YES ☐ **NO**

C.1.28 Please indicate whether the bylaws or the board of directors regulation establish specific rules for delegating voting to the board of directors, the way of doing so and, in particular, the maximum number of delegations a director may have, as well as whether the obligation to delegate to a director of the same type has been established. As appropriate, please detail such rules briefly.

Voting by proxy is regulated in the Articles of Association and the Internal Rules of Procedure of the Board of Directors.

A Director may, pursuant to article 13.3 of the Articles of Association, appoint any other Director (but not any other person) to act as his representative (a "Director's Representative") at a Board Meeting to attend, deliberate, vote and perform all his functions on his behalf at that Board Meeting. A Director can act as representative for more than one other Director at a Board Meeting provided that (without prejudice to any quorum requirements) at least a simple majority of the total number of Directors of the Company at the time are physically present at a Board Meeting held in person or participate in person in a Board Meeting. In any case, Directors' absences shall be limited to unavoidable cases and when there is no choice but to grant a proxy to a Director's Representative, it shall be granted with instructions.

Pursuant to article 7.10 of the Internal Rules of Procedure of the Board of Directors, a Director or his Director's Representative may validly participate in a Board Meeting through the medium of video-conferencing equipment or telecommunication means, except for those meetings where the Board of Directors must resolve on either the convening of the General Shareholders Meeting, the approval of the annual accounts or approval of the annual budget, in which case Directors must attend the meeting in person.

C.1.29 Please indicate the number meetings the Board of Directors has held during the fiscal year. Furthermore, please point out, as appropriate, the times the board has met without the attendance of its chairman. Please consider in the computation of attendances proxies given with specific instructions.

Number of board meetings	12
Number of board meetings not attended by the chairman	0

In case the chairman is an executive director, please detail the number of meetings held where any executive director was present nor represented and chaired by the lead independent director.

N/A

Please indicate the number of meetings the various board committees have held during the fiscal year:

Number of meetings of the audit committee	5
Number of meetings of the nominations and remuneration committee	6

C.1.30 Please indicate the number of meetings held by the Board of Directors during the fiscal year attended by all of its members. In the computation, please consider attendance by proxies given with specific instructions:

Attendance by directors	11
% of attendance vs. total votes during the fiscal year	98.3%

C.1.31 Please indicate whether the individual and consolidated annual financial statements presented to the board for approval are previously certified:

YES ☒ NO ☐

Please identify, as appropriate, the person(s) certifying the individual and consolidated annual financial statements of the company, for drawing up by the board:

Name	Position
Dana Philip Dunne	CEO
David Elizaga	Chief Financial Officer

C.1.32 Please explain, if any, the mechanisms established by the Board of Directors to avoid that the individual and consolidated financial statements drawn up by the board are presented at the general meeting with exceptions in the auditors' report.

The Audit Committee is the body entrusted with addressing these matters, in such a manner that prior to forwarding the financial statements to the Board of Directors for drawing up and subsequent submission to the General Shareholders' Meeting, the prior resolution of said Committee is required.

According to the Audit Committee Terms of Reference, Article 6 and 7, the Committee shall have the following responsibilities in relation to the preparation of economic and financial information:

a) Evaluate the results of each external audit as well as the management team's responses to the recommendations made therein.
b) Oversee the integrity of the financial information that the ODIGEO Group must make public due to its status as a listed company.
c) Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

No exceptions have been raised by the external auditors in the years that eDreams ODIGEO has presented financial statements as a listed company.

C.1.33.Does the secretary of the board holds the status of director?

YES ☐ NO x

If the secretary is not a member of the Board, please complete the following table.

Name or corporate name of the secretary	Representative
Guillaume Teissonniere	

C.1.34 **Paragraph revoked**

C.1.35 Please indicate, if any, the mechanisms established by the company to preserve the independence of the external auditors, the financial analysts, investment banks and rating agencies.

It is the task of the Audit Committee to liaise with the external auditors in order to receive information on matters which may place the independence of the latter at risk and any other matters related to the auditing process, as well as such other communications provided by auditing laws and the technical rules of auditing.

According to the Internal Rules of Procedure of the Board of Directors, article 10.3.2, one of the key responsibilities of the Audit Committee is to liaise with external auditors with regards to:

a) To receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that senior management takes its recommendations into account.

b) To monitor the independence of the external auditor, to which end:

- The Company reports a change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.

- The Audit Committee ensures that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, all other regulations established to safeguard the independence of the auditors.

- In the event of resignation of the external auditor, the Audit Committee investigates the circumstances that may have given rise thereto.

The Audit Committee is responsible for making a proposal to the Board of Directors, for submission to the General Shareholders' Meeting, in relation to the appointment of the external auditors, and as the case may be, their revocation or non-renewal.

As per the proposal of the Board of Directors and following the positive endorsement of the Audit Committee, the Company's General Shareholders' Meeting held on July 20, 2016, appointed Ernst & Young, SL, as the Company's Auditors in order to perform the audit of the individual and consolidated annual accounts of the Company and its Group of companies for a term of three fiscal years ending March 31, 2019.

In accordance with the current legislation in force, this Audit Committee has received the written confirmation of the auditors Ernst & Young, SL of its independence vis-à-vis the Company and its Group of companies.

During fiscal year 2017 the auditor has not informed the Audit Committee of any issues that may jeopardize their independence.

In addition, the auditor has ensured that, pursuant to its internal procedures, it has not identified circumstances that, individually or collectively, could pose a significant threat to their independence and therefore could assume causes of incompatibility.

There are no special conditions relating to relationships with financial analysts, investment banks and rating agencies and these entities operate fully independently of the Company. The information disclosed by the Company complies with the principles of transparency and fairness; the information is true, clear, quantified and complete and contains no subjective assessments that are or may be misleading.

C.1.36 Please indicate whether during the fiscal year the Company has changed external auditor. As appropriate, please identify the incoming and outgoing auditor:

YES ☐ $\boxed{\text{NO}}$

In the event of disagreements with the outgoing auditor, please explain the contents thereof:

C.1.37 Please indicate whether the audit firm performs other works for the company and/or its group other than auditing and, in such case, please declare the amount of fees received for said works and the percentage it entails of the fees billed to the company and/or its group:

YES ☒ NO ☐

	Company	Group	Total
Amount of other works other than auditing (thousands of euros)	497	88	585
Amount of works other than auditing / Total amount billed by the audit firm (in %)	87%	17%	53%

C.1.38 Please indicate whether the auditors' report on the annual financial statements of the previous fiscal year presents reservations or exceptions. As appropriate, please indicate the reasons given by the chairman of the audit committee to explain the contents and scope of such reservations or exceptions.

YES ☐ NO ☒

Explanation of reasons

C.1.39 Please indicate the number of fiscal years the present audit firm has been performing the audit of the annual financial statements of the company and/or its group uninterruptedly. Furthermore, please indicate the percentage representing the number of fiscal years audited by the present audit firm of the total number of fiscal years in which the annual financial statements have been audited:

	Company	Group
Number of uninterrupted fiscal years	1	1
	Company	Group
Number of fiscal years audited by the present audit firm / Number of fiscal years the company has been audited (in %)	20%	20%

C.1.40 Please indicate and, as the case may be, detail, whether a procedure exists for the directors to have external advice:

YES ☒ NO ☐

According to the Internal Rules of Procedure of the Board of Directors, article 7.2, Directors, in order to perform their duties shall be entitled to call on the Company for the advice they may need and the Company shall provide suitable channels for the exercise of this right, which, in special circumstances, may include external advice at the Company's expense provided such expense is reasonable and subject to Board of Directors' approval. Directors shall make an effort to limit their additional requests of information to those requests which are material. The guideline for materiality (the "**Materiality Threshold**") is set at one million euros (EUR 1,000,000) and shall be reviewed periodically by the Board of Directors.

During the fiscal year ended 31st March, 2017, external advice was requested in relation to the long term share incentive plan and with regards to the strategic positioning of the Company.

C.1.41 Please indicate and, as appropriate, detail, whether a procedure exists for directors to be able to have the necessary information to prepare meetings of the management bodies with sufficient time:

YES ☒ NO ☐

According to the Internal Rules of Procedure of the Board of Directors, article 7.2, 7.4 and 7.5, any Director shall have access to the corporate files and any other information of the Company. Each member of the Board of Directors shall as a rule receive ten (10) Business Days (with "**Business Days**" being, as defined in Article 14.12.1 of the Articles of Association, days on which banks are generally open for business in Luxembourg, Madrid, Barcelona, Bilbao and Valencia) prior to any meeting of the Board of Directors all documents and transaction papers (if available) to be discussed during the meeting of the Board of Directors.

The Directors shall be convened to each meeting of the Board of Directors by notice. Except in cases of urgency which shall be specified in the convening notice or with the prior consent of the directors, at least a (10) ten Business Days prior written notice of Board of Directors meetings shall be given, unless applicable law provides otherwise.

A meeting may be duly held without prior notice, if (in accordance with article 13.2 of the Articles of Association) all the Directors have waived the relevant convening requirements and formalities either in writing or, at the relevant Board Meeting, in person or by a Director's Representative.

The annual Board Evaluation performed via questionnaire for this fiscal year had a dedicated section referring to the Directors rating of the quality of information received and timeliness of receipt of this information in order to prepare for meetings.

C.1.42 Please indicate and, as appropriate detail, whether the company has established rules that require directors to report and, as the case may be, resign, in those cases that may damage the credit and reputation of the company:

$\boxed{\text{YES}}$ NO ☐

As stated in the Articles of Association 10.10, a Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to their behaviour.

C.1.43 Please indicate whether any member of the board of directors has informed the company that it has been indicted or a ruling opening an oral trial has been handed down against it, for any of the criminal offenses indicated in article 213 of the Capital Corporations Act (Ley de Sociedades de Capital):

YES ☐ $\boxed{\text{NO}}$

Name of director	Criminal Cause	Observations
-	-	-

Please indicate whether the board of directors has analyzed the case. If the response is affirmative please explain in a reasoned manner the decision made on whether or not it is appropriate for the director to continue in his or her position or, as the case may be, state the actions performed by the board of directors until the date of this report or which it is planning on carrying out.

YES ☐ NO

Decision made/action performed	Reasoned explanation
-	-

C.1.44 Please detail the significant agreements entered into by the company and which enter into force, whether amended or terminated in case of change of control of the company as a consequence of a public tender offer, and its effects.

NONE

C.1.45 Please identify in an aggregate manner and indicate in detail the agreements between the company and its administrative and management positions or employees that have indemnities, guarantee clauses or golden parachutes, when they resign or are dismissed wrongfully or if the contractual relationship terminates on the occasion of a public tender offer or other type of transaction.

Number of beneficiaries: 9

Type of beneficiary: Executive Directors and members of the CSM "CEO Staff Members".

They have the following significant standard clauses:

- **Indefinite Duration:** The contracts with CSM of the Company are of indefinite duration. For the Chief Executive Officer a financial compensation is contemplated therein in the event of termination of the contractual relationship with the Company, provided that such termination does not occur exclusively due to the decision of the Executive Director to withdraw or as a result of a breach of their duties.

- **Exclusivity:** CSM may not hold any direct or indirect interest in any other business or activity which may represent a conflict of interests in relation to the Company's obligations and liabilities or in relation to its activity and that of eDreams ODIGEO.

  The Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

  The Chief Executive Officer has a clause that restricts his participation as a Non-Executive Director to one Board of Directors.

- **Confidentiality and Return of Documents:** There is a rigorous duty of confidentiality both during the term of the contracts and after the relationship has terminated. In addition, upon termination of their relationship with the Company, CSM must return to the Company any documents and items in their possession relating to the activities carried out thereby

- **Non-competition:** The contracts with CSM in all cases establish a duty not to compete with respect to companies and activities that are similar in nature during the term of their relationship with the Company.

- **Industrial Property:** The contracts with CSM contain a clause to prevent the Management from using any work produced by him or any of the Company´s copyright, experiences, confidential information, design right, registered trademark, patents, applications for any of the intellectual property rights. For the CEO, this obligation remains effective after the termination of the contract and will not be affected should the contract end for any reason.

- **Non-hiring:** for a specific period after the termination date of the employment contract CSM will not recruit or participate in the recruitment (for him/her or for the entity which he/she represents or in which he/she performs his activities) of employees who, at the date of termination of their contract or in the preceding six to twelve months, form part or have formed part of the Company's workforce or that of any eDreams ODIGEO Group.

- **Non-solicitation:** The contracts with CSM in all cases establish a duty to prevent them engaging in activities with existing customer/suppliers of the Company for a determined period of time.

- **Applicable Legal Provisions:** The contracts with CSM are governed by the legal provisions applicable in each case.

- **Compliance with the Company's Corporate Governance System:** CSM have the duty to strictly observe the rules and provisions contained in the Company's Corporate Governance System, to the extent applicable thereto.

The majority of CSM´s have a three month notice period clause in their contracts.

In addition, Dana Philip Dunne, CEO of the Company, is eligible for an indemnity (in case of unfair dismissal) severance equivalent to 30 days' fixed remuneration per year of service (with a minimum amount of Eur500.000 rising up to the equivalent amount of a maximum of 24 monthly salary payments)

Specific clauses are defined for:

- Jerome Laurent, Chief Marketing Officer, andBlandine Kouyate, Chief People Officer have an "elastic" clause that obliges the company to hire them in a French entity for a period of 3 months in case of termination for reasons other than gross negligence or serious misconduct.

With regards to the LTI plans the CEO and the CFO have the following specific clauses in case of a "change of control":

- 1st LTI plan: Both Executive Directors will vest rights entitling them to receive all the incentive shares that each would have been entitled to receive had they stayed in the Company until the Second Cycle Second Tranche Value date.
- 2nd LTI plan: should the present shareholders lose control directly or indirectly (in a material sense) as a result of any transaction by ODIGEO, its shareholders or the Group in relation to a third party ("Change of Control"), (i) the non-vested Rights that have been already allocated to him will automatically vest upon the date of the Change of Control, and (ii) the Potential Rights that have been

already allotted to him, by means of an individual invitation letter, will be converted into Rights and will automatically vest upon the date of the Change of Control.

Please indicate whether these contracts have been reported and/or approved by the bodies of the company or its group:

	Board	General Meeting
Body authorizing the clauses	Yes	No

	YES	NO
Is the general meeting informed of the clauses?	X	

C.2 Board of Directors Committees

C.2.1 Please detail all committees of the board of directors, their members and the proportion of proprietary and independent directors forming them:

AUDIT COMMITTEE

Name	Position	Type
Robert Apsey Gray	Chairman	Independent Director
Benoît Vauchy	Member	Proprietary Director
Philip Clay Wolf	Member	Independent Director

% of executive director	-
% of proprietary directors	33,33
% of independent directors	66,67
% of other external directors	-

Explain the functions of the committee; describe the procedures and organization rules and its functioning, as well as the main performance of the year.

According to the Articles of Association 12.6 and 12.7 and the Internal Rules of Procedure of the Board of Directors, article 10.2 to 10.6, and the Audit Committee Terms of Reference, the Audit Committee should:

Name of the Committee

AUDIT COMMITTEE

Brief Description:

COMPOSITION:

The Audit Committee shall be composed of at least three (3) members initially comprised of (i) one (1) Director nominated for appointment to the Board of Directors by the Luxgoal 3 Group or Ardian Group, as the case may be and (ii) two (2) independent Directors. The members of the Audit Committee shall be non-executive Directors. A chairman of the Audit Committee shall be selected from among its members and shall be an independent Director. The members of the Audit Committee and, particularly, its chairman shall be appointed taking into account their background knowledge and experience in accounting, auditing and risk management matters.

DUTIES

The role of the Audit Committee is:

- **With respect to Internal Audit:**

  a) Ensure the independence and efficacy of the Internal Audit function.

  b) Approve decisions regarding the appointment and removal of the Head of Internal Audit.

  c) Approve the Internal Audit annual plan.

  d) Supervise and monitor eDreams ODIGEO Group´s Internal Audit activity, ensuring that it is primarily focused on risks that are relevant to eDreams ODIGEO Group, as well as receive periodic reports of all activities performed by Internal Audit.

e) Ensure that Senior Executive Management takes into consideration the conclusions and recommendations contained in Internal Audit Management reports.

f) Ensure the Internal Audit Area has sufficient resources and has adequately qualified staff to carry out its duties efficiently.

g) Approve the Internal Audit Charter and any subsequent amendments thereto.

- **With respect to Internal Control and Risk Management:**

a) Consider the effectiveness of the Company´s internal control and risk management systems, including information technology security and controls, to ensure the main risks are identified and analyzed and that they are adequately communicated to whoever the Committee may consider appropriate.

b) Review with Management the Company´s major financial risk exposures and the steps Management has taken to monitor and control such risk exposures, including the Group Risk Assessment, and internal controls status reports. Verify that Senior Management takes into account the findings and recommendations raised in the Internal Audit reports.

c) To establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

- **With respect to the external auditor:**

a) To receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that Senior Management takes its recommendations into account.

b) Provide guidance and make recommendations to the Board of Directors for the appointment, compensation, retention and oversight of, and consider the independence of the external auditors of the eDreams ODIGEO Group.

c) Monitor the independence of the External Auditor, ensuring adherence to current regulations on the provision of non-audit services, the limits on the concentration of the auditor´s business and, in general, all other regulations established to safeguard the independence of the auditors. Monitor the independence of the external auditor, should the Company report a change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.

d) In the event of resignation of the external auditor, the Audit Committee investigates the circumstances that may have given rise thereto.

e) On a regular basis meet directly with the external auditors.

- **With respect to preparation of economic and financial information:**

a) Oversee the integrity of the financial information that the eDreams ODIGEO Group must make public due to its status as a listed company.

b) Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

c) Evaluate any proposal made by senior officers regarding changes in accounting practices.

- **With respect to compliance with the legal provisions and internal rules:**

  To examine compliance with: the Internal Regulations for Conduct in the Securities Market, with Internal Rules of Procedure and, in general, with the rules are of good corporate governance of the company and make any appropriate proposals for improvement.

- **With respect to Business Conduct:**

  Review the procedures established by Management for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

ACTIVITIES CARRIED OUT DURING FISCAL YEAR ENDED 31ST MARCH 2017

The Audit Committee informs the Board of Directors about its activities in the Board meetings usually held immediately after each Audit Committee meeting. All related documentation is made available to the Directors, through the Directors portal.

The main activities carried out by the Committee during fiscal year 2017 were:

In relation to Internal Audit:

- Approval of the Internal Audit Plan.
- Analysis of the budgets, means and resources of the Internal Audit department.

In relation to Internal Control and Risk Management:

- Review of the Group Risk Assessment.
- Review of the quarterly internal control status reports prepared by the Internal Audit department, detailing the status of all internal control issues, recommendations raised, and corporate governance and compliance issues.
- Review of the main recommendations arising from the Internal Audit reviews carried out during fiscal year.
- Requested management to report on information security events, policy and procedure

In relation to the External Auditors:

- Approval to carry out a tender process for the fiscal year.
- Proposal to the Board of Directors of the New Auditors for the fiscal year, Ernst&Young Auditores.
- Analysis of the report on the independence of the external auditor issued by EY Auditores, S.L.
- Review of the External Audit Plan for the fiscal year prepared by EY Auditores, S.L.

In relation to economic and financial information:

- Review of the individual and consolidated financial statements for last fiscal year , and of the annual audit report prepared by the external auditor, Deloitte Auditores, prior to being sent to the Board of Directors.
- Review of financial information for Investors and the market supervisory bodies (Luxembourg Commission de Surveillance du Secteur Financier (CSSF) and to the Spanish National Stock Market Commission (CNMV))
- Review of the company's Annual Corporate Governance Reports for the fiscal year 2016.
- Analysis of the external auditor's (Ernst & Young) report on the consolidated financial statements for the first quarter of the current fiscal year, prepared for the refinancing operation.
- Review of the Group Reforecasts for the fiscal year.
- Review of the Group Budget for next fiscal year.

Regarding compliance with the legal provisions and internal rules:

- Analysis of the status and follow-up of the company's rules and procedures.
- Analysis of compliance with the recommendations of the Code for Good Corporate Governance for Listed Companies.

Regarding Business Conduct:

- Periodic update on issues relating to the Business Code of Conduct and Corporate Code Committee.

Other Activities:

- Preparation of the Audit Committee's Activity Report for fiscal year.
- Approval of the updated Audit Committee Terms of Reference.
- Approval of the annual calendar of meetings scheduled for next fiscal year.

Identify any director forming part of the Audit Committee having been appointed based on his/her knowledge or experience in the areas of accounting or auditing, or both; and indicate the number of years the Chairman of this committee has been in office:

- Name of directors with experience: Robert Apsey Gray
- No. of years Chairman has been in office: 3

NOMINATIONS AND REMUNERATION COMMITTEE

Name	Position	Type

Philip Clay Wolf	Chairman	Independent Director
Amanda Wills	Member	Independent Director
Lise Fauconnier	Member	Proprietary Director

% of executive directors	0%
% of proprietary directors	33.3
% of independent directors	66.6
% of other external directors	0

Explain the functions of the committee; describe the procedures and organization rules and its functioning, as well as the main performance of the year.

According to the Articles of Association, the Internal Rules of Procedure of the Board of Directors, and the Remuneration and Nomination Terms of Reference, the Committee should:

Name of the Committee

Remuneration and Nomination Committee

Brief Description:

COMPOSITION:

The Remuneration and Nomination Committee shall be composed of at least three (3) members initially comprised of (i) one (1) Director nominated for appointment to the Board of Directors by the Luxgoal 3 Group or Ardian Group and (ii) two (2) independent Directors. The members of the Remuneration and Nomination Committee shall all be non-executive Directors, the majority of who shall be independent Directors. A chairman of the Remuneration and Nomination Committee shall be selected from among its members and shall be an independent Director.

DUTIES:

The Remuneration and Nomination Committee has the following duties:

- To assess the qualifications, background knowledge and experience necessary to sit on the Board of Directors, defining, accordingly, the duties and qualifications required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties. The Chairman may request the Remuneration and Nomination Committee to consider possible candidates to fill vacancies for the position of Director, provided that the Remuneration and Nomination Committee may as well independently search for and consider alternative candidates for such position. Such Directors are, for the avoidance of doubt, to be appointed upon a decision of the Shareholders.

- To examine or organize, in the manner it deems appropriate, the succession of the Chairman and CEO and, if appropriate, make proposals to the Board of Directors for such succession to take place in an orderly and well-planned manner.

- To propose to the Board of Directors:

  (a) The remuneration policy for Directors and Senior Management;

  (b) The individual remuneration of Executive Directors and other terms of their contracts.

  (c) The basic terms and conditions of the contracts with Senior Management on a group basis.

- To carry out their duties, the Remuneration and Nomination Committee shall consult the Company's CEO, where appropriate, especially on matters relating to executive Directors and, in particular, the individual remuneration of such executive Directors in their capacity as Directors.

ACTIVITIES CARRIED OUT DURING FISCAL YEAR ENDED 31ST MARCH 2017

The main tasks carried out by the Committee during the fiscal year 2017 have been the following:

- **Advice to the Board of Directors of the Company on:**
  - a new performance share plan (the "New PSP")
  - the invitation letter relating to the New PSP;
  - the performance conditions in relation to the New PSP;
  - the executive Board members allocation under the New PSP.

- **Preparation and review of the following policies and recommendation for approval to the Board:**
  - RemCo Terms of Reference;
  - Director Remuneration Policy
  - Director Selection Policy

- **Approval of compensation:**
  - Approval Company annual bonus pay-out results.
  - Approval of Executive Directors and CSM (CEO Staff members) bonus.

- Approval of annual bonus structure, metrics and calibration of performance ranges.
- Review of the CSM (CEO Staff Members) aggregate compensation.
- Salary increase proposal and the human resources remuneration taskforce.

- **Advice to the Board on:**
    - a new LTI (the "LTIP 2016");
    - the performance conditions in relation to this LTIP
    - the executive Board members allocation under the LTIP 2016;

- **Review of the results of the Board annual evaluation process.**
- **Review of HR updates such as: KPI´s, attrition rate, budget and key replacements.**
- **Proposals for the renewal of independent Directors and proprietary Directors.**
- **Review of the Annual Report on the Remuneration of Directors**

C.2.2 Please complete the following chart with the information relating to the number of female directors forming the committees of the board of directors during the last four fiscal years:

	Fiscal Year 2017		Fiscal Year 2016		Fiscal year 2015	
	Number	%	Number	%	Number	%
Audit Committee	0	0	0	0	0	0
Nominations and Remuneration Committee	2	66,6%	2	66,60%	2	66,60%

C.2.3 Paragraph revoked

C.2.4 Paragraph revoked

C.2.5 Please indicate, as the case may be, the existence of regulations of the board committees, the place where they are available for consultation, and any amendments made during the fiscal year. In turn, please indicate whether any annual report on the activities of each committee has been prepared voluntarily.

- The Regulations of the Audit Committee are contained in (i) the Articles of Association of the Company, (ii) the Internal Rules of Procedure of the Board of Directors, and (iii) the Audit Committee Terms of Reference, none of which have undergone any amendments during the financial year closed at 31st March 2017.

- The Remuneration and Nomination Committee is regulated by (i) the Articles of Association of the Company, and; (ii) the Internal Rules of Procedure of the Board of Directors, and (iii) the Remuneration & Nomination Committee Terms of Reference, none of which have undergone any amendments during the financial year closed at 31st March 2017.

  Documents are available for consultation on the Company´s website: (http://www.edreamsodigeo.com/investors/corporate-governance/rules-of-organization/)

C.2.6 Paragraph revoked

D RELATED PARTY TRANSACTIONS AND INTER-GROUP TRANSACTIONS

D.1. Explain the procedure for approval of related party and inter-group transactions.

Procedure for approval of related party transactions

According to the Internal Rules of Procedure of the Board of Directors, article 6.4, all transactions between the Company or a Group company on one side, and Directors or persons, companies or organizations closely related to Directors on the other side, must be at arm's length and any such transaction with a value exceeding EUR 50,000 requires the prior consent of the Board of Directors, upon a prior favourable report of the Audit Committee.

However, so as not to overwork the Board with less relevant issues, the Board of Directors authorization is not required for those related-party transactions that simultaneously meet the following three conditions: (i) they are governed by standard-form agreements applied on an across-the-board basis to a large number of clients; (ii) they are conducted at prices or rates generally set by the party acting as supplier of the goods or services in question; and (iii) the amount thereof is no more than 1% of the Company's annual revenue.

This process is executed via analysis of the responses provided by the Directors to specific questions in the annual certification sent to them by the General Counsel.

D.2 Please detail those significant transactions by their amount or considered relevant due to their subject matter carried out between the company or entities of its group and the company's significant shareholders:

Name or corporate name of significant shareholder	Name or corporate name of the company or entity of its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
N/a	N/a	N/a	N/a	N/a

D.3 please detail significant transactions by their amount or considered relevant due to their subject matter carried out between the company and entities of its group, and the directors or officers of the company:

N/A

D.4 Please report on the significant transactions carried out by the company with other entities belonging to the same group, provided that they are not eliminated in the preparation process of consolidated financial statements and do not form part of the company's ordinary course of business with regard to purpose and conditions. In any case, please report on any inter-group transaction carried out with entities established in countries or territories considered to be tax havens:

Corporate name of group entity	Brief description of the transaction	Amount (thousands
NONE		

D.5 Please indicate the amount of transactions carried out with other related parties.

None

D.6 Please detail the mechanisms established to detect, determine and resolve potential conflicts of interest between the company and/or its group, and its directors, officers or significant shareholders.

According to the Internal Rules of Procedure of the Board of Directors, article 6.1, 6.2 and 6.3, when making their decisions, Directors must not be guided by personal interests or exploit business opportunities offered to the Company for their own advantage.

The Directors shall be subject to a comprehensive prohibition on competitive activity for the term of their membership of the Board of Directors and the term of their contract of employment, if any.

If a Director or a person, company or organization closely related to the Director, has an interest contrary to that of the Company in a matter submitted to the approval of the Board of Directors, the Director shall be obliged to inform the Board of Directors thereof and to have his declaration recorded in the minutes of the meeting. Such interested Director shall not deliberate or vote on the matter. At the next following Shareholders' Meeting, in accordance with article 57 of the 1915 Law, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the Directors may have had an interest conflicting with that of the Company.

D.7 Is more than one Group company listed in Spain?

YES ☐ NO x

Please indicate whether the respective areas of activity and eventual business relations between them have been publicly defined with precision, as well as those of the listed dependent company with the other group companies;

Not applicable

Please define the eventual business relations between the parent company and the listed subsidiary company, and between the latter and the other group companies.

Not applicable

Please identify the mechanisms provided to resolve eventual conflicts of interest between the listed subsidiary and the other group companies:

Not applicable

E. SYSTEMS OF CONTROL AND RISK MANAGEMENT

E.1 Please explain the scope of the company's Risk Management System, including tax risks.

The Company Risk Management process involves the identification, measurement, and prioritization of risks. It is an exercise that enables the Company to assess how significant each risk is in relation to the achievement of overall goals, and anticipate, control, and manages the most relevant risks via adequate procedures, and contingency plans to mitigate the impact of risk materialization. Risks are assigned owners responsible for valuation, mitigation, and action plans.

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

The Corporate Risk Map prioritizes risks according to impact (financial, operational, regulatory and reputational) and likelihood of occurrence (based on the quality of the following factors: Internal Controls and Processes, People, Technology and Audit &Fraud History).

Tax risks are incorporated within the umbrella of the Corporate Risk Map in the same way as any other risk, and scored and prioritized according to probability and impact.

E.2 Please identify the company's bodies responsible for preparing and executing the Risk Management System, including the tax area.

The Board of Directors of the Company has ultimate responsibility for establishing the basic principles and the general framework of action for the main risks to be identified, evaluated, managed and controlled appropriately. Risk Management is the responsibility of Senior Management.

In accordance with the Articles of Association, the Audit Committee of the Company is responsible for "periodically reviewing the adequacy and effectiveness of internal controls and the Risk Management System.

The Audit Committee is assisted by the Internal Audit Department in these functions. Specifically, the activities inherent to Internal Audit in relation to the Risk Management System of the Company are to provide a guarantee in relation to adequacy and the effectiveness of the Internal Control Systems, the Risk Management System and the internal audit system.

The Risk Assessment exercise is prepared with the input of all key stakeholders in the business, and where necessary with advice from external experts (legal, regulatory, and tax specialists).

E.3 Please indicate the main risks, including tax risks, which could affect the achievement of business objectives.

The main risks that may adversely affect our business, financial condition and results of operations are:

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

- General economic conditions
- The occurrence of events affecting travel safety, such as natural disasters and political and social instability.
- Deterioration in the financial condition or restructuring of operations of one or more of our major suppliers.
- Changes in current laws, rules and regulations and other legal uncertainties
- Conditions required for obtaining and maintaining certain licenses or accreditations, especially IATA.
- Exposure to seasonal fluctuations and impact on comparability of quarterly and yearly results
- Dependence on the level of Internet penetration

Risks Related to Our Business:

- Competitive landscape of the travel industry, rapidly changing market, with many players.
- Evolving customer demand, self-sufficiency, fee sensitivity, and increased awareness due to the evolution of social media.
- Innovation and ability to keep up with rapid technological changes and industry trends (such as the increased importance of the mobile channel), and the success of execution of changes.
- Failures in technology due to system interruption or cyberattack, and the effectiveness of response plans.
- Dependence on significant third party supplier relationships for; content, commissions, incentive payments, advertising and metasearch revenue, systems, processing, and fees.
- Changes in search engine algorithms and search engine relationships.
- Exposure to risks associated with booking and payment fraud.
- Intense competition for advertising and metasearch revenue.
- The ability to successfully grow the business via merger or acquisition, and the optimization of cost and the efficiency of integration of new businesses.
- Reliance on the value and strength of our brands, and increased costs of maintaining and enhancing brand awareness.
- Human capital retention of highly skilled personnel and ability to attract and retain executives and other qualified employees.

- Processing, storage, use and disclosure of personal data and potential liabilities arising as a result of governmental and/or industry regulation.
- Adverse tax events.

Risks Related to Our Financial Profile:

- Impairments of goodwill and other intangible assets.
- Significant leverage and financial products subject to restrictive debt covenants.
- Risks associated with currency fluctuations.
- Quality of financial information risk.

E.4 Please identify whether the entity has a risk tolerance level, including for tax risks.

Risks are evaluated on the basis of quantitative and qualitative factors based on the impact and the likelihood of occurrence. The results of the Corporate Risk Assessment exercise are consolidated into a heat map, scaling impact and probability. Senior Management proactively aims to ensure that adequate risk management measures are in place to address all key risks. These are defined as all those above the "tolerance curve" in the heat map (falling into the "medium to high impact" – "medium to high probability" quartile).

The exercise is performed periodically so that Management can evaluate and react to other risks that may have subsequently changed in profile and increased in significance.

Furthermore with regards to tax risks the Company does not apply aggressive tax planning and strives to be compliant with all tax compliance rules.

E.5 Please indicate what risks have materialized during the fiscal year, including tax risks.

Risks that have materialized during the fiscal year include:

- Uncertainty resulting from changes in the geo-political landscape such as the United Kingdom's decision to leave the European Union
- Events affecting travel safety, such as the airplane crashes of EgyptAir flight MS804 in the Mediterranean Sea in May 2016 and LaMia flight LMI2933 in Colombia in November 2016 and the various terrorist events (Nice, Berlin, Istanbul, Turkey…) that have occurred during the yea, generate uncertainty and a loss of appetite to travel to these destinations.
- Significant increases in regulatory environment and consumer regulation in some of the geographical locations, in particular in the UK and France.
- Content availability and cost: Supplier bankruptcy of Alitalia reducing the number of airline tickets and routes available, and the announcement in May 2017 of Iberia and British Airways to introduce a GDS booking surcharge of Eur9,5, increasing content cost.
- Continued commercial and intellectual property disputes with Ryan Air.
- Increased contractual complexities with Metasearch partners.
- Increased GDS search costs

E.6 Please explain the response and supervision plans for the entity's principal risks, including tax risks.

Each of the risks is assigned to a Senior Management owner in the business responsible for managing it on an ongoing basis, reporting back; key risk indicators used to measure the level of risk, business initiatives currently in place, and where necessary, business action plans for the future to further mitigate the risk.

Risks are tracked and reported on a continual basis as part of the weekly meetings the CEO has with all his direct reports.

On an annual basis these responses are consolidated into a Consolidated Risk Assessment presentation, which is shared with the Executive Committee, Audit Committee and Board of Directors who will review, and provide further input where relevant.

For risk areas that require specialist knowledge (such as tax and local legal or regulatory matters) external advisors may be used to provide expert assessment.

A periodic exercise is performed by Internal Controls & Compliance to obtain updates of the status and continued relevance of the key risks and of mitigating measures implemented to address them.

F. INTERNAL SYSTEMS OF CONTROL AND RISK MANAGEMENT IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (SCIIF)

Please describe the mechanisms that form the control and risk management systems in relation to the process of issuing financial information (ICFR) of your entity.

F.1 Control environment of the entity

Please report on, indicating the principal characteristics, at least:

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

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

Board of Directors

The Board of Directors of eDreams ODIGEO (hereinafter referred to as the Company), is the organizational body upon which rests the final responsibility for ensuring there is an adequate internal controls framework and risk management process in place to manage financially reported information.

The Board of Directors is responsible for approving the risk control and management policy, as well as the periodical monitoring of the internal information and control systems.

Audit Committee

The Articles of Association and Internal Rules of Procedure of the Board of Directors state that the primary duty of the Audit Committee shall be to support the Board of Directors in its supervisory duties.

The Audit Committee is responsible for supervising the Internal Control System. Among its functions with respect to the internal control and reporting systems, as Delegated Committee of the Board of Directors, are the following:

- To manage and report the main risks identified as consequence of the monitoring of the efficiency of the company internal controls by Internal Audit.
- To ensure the independence and efficacy of the Internal Audit function; propose the selection, appointment, reappointment, and removal of the Group Internal Audit Director; propose the department's budget; receive regular reports on its activities; and verify that senior management takes into account the findings and recommendations of its reports
- To establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

Group Internal Audit Department

The Group Internal Audit department reports to the Audit Committee, and assists it in its mandate of monitoring the effectiveness of the company´s internal control and risk management systems. This is achieved via the performance of internal controls, financial and operational reviews, which result in periodic reports on deficiencies detected and the actions plan proposed to remediate them.

Governance Risk Compliance Department

The main responsibilities of the Governance Risk Compliance department, as part of the Finance 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
- Monitoring compliance with internal controls over Financial Statements
- Training of Finance personnel on internal controls and best practice
- Supporting the Group Internal Audit Department with testing procedures
- Follow up on corrective actions proposed by the Group Internal Audit

Other bodies – Finance & Controlling Function

The functional teams within eDreams ODIGEO, primarily Finance & Controlling headed by the Chief Financial Officer (a member of the Executive Committee), also play a critical role in ICFR as they are responsible for the documentation, maintenance, and update of the various procedures that govern their operations, and for identification of the tasks to be carried out, as well as assigning ownership for them.

F.1.2. The existence of, especially in connection with the financial reporting process, the following components:

- The departments and/or mechanisms are in charge of: (i) the design and review of the organizational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process.
- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.
- 'Whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organization, stating whether reports made through this channel are confidential.
- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

Organizational Structure

At an Executive level the Board of Directors as advised by the Remuneration and Nomination Committee is responsible for the appointment and removal of senior personnel. The design and review of the organizational structure as a whole is a responsibility that rests with the Company CEO, who ensures that all departments are adequately resourced and fully aligned with the overall Company goals.

On a Finance departmental level, the Chief Financial Officer and the Group Financial Controller, together with the HR function, are responsible for ensuring that; the team is adequately staffed, that all personnel involved in the preparation of the financial statements of the Group are appropriately qualified, and that they have received the necessary training and updates on International Financial Reporting Standards, local GAAP, and in principles of internal control of financial information.

The Group Human Resource function is responsible for the maintenance and continuous update of the detailed Group organizational chart, which is available to all employees for consultation on the corporate intranet.

Code of Conduct

The Company has two main codes of conduct issued to employees on joining the Company, and available for further consultation on the Corporate intranet as well as the Corporate website. Employees are required to read them and sign as acknowledgement.

<u>Internal Regulations for Conduct in the Securities Markets:</u>

This Internal Regulations (amendment approved by the Board on November 11th, 2016), forms part of the Company´s corporate governance system and sets out the standards of performance that Company employees must observe and respect with regards to Securities Markets. As a publicly-traded company, it is the duty and intention of the Company and the eDreams ODIGEO Group to behave at all times with the utmost diligence and transparency, reducing to a minimum any risk of conflict of interest, and ultimately ensuring that investors receive proper and timely information, for the benefit of the integrity of the market.

<u>Business Code of Conduct</u>

The Business Code of Conduct is applicable to all employees anywhere in the world employed or otherwise engaged by the eDreams ODIGEO Group, and also extends to seconded and temporary employees, third party contractors, and any other person or organization representing or acting on behalf of the Company. The code is designed to provide a frame of reference for the integrity of conduct with respect to; confidentiality of data and information, the treatment of intellectual property, privacy and data protection, transparency, communication with the media, relationships with competitors and fellow employees, corporate social responsibilities, conflicts of interest, and the reporting of any infringements.

“Whistle-blowing” channels

Per the Internal Rules of Procedure of the Board of Directors, article 10.3 c, the role of the Audit Committee is to establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

The Business Code of Conduct expressly states that any employee who has knowledge of any questionable or possibly illegal actions affecting the Company is required to report such actions promptly.

The Company has an internal whistleblowing channel (“Confidential Channel”) through which all employees can address their queries and report confidentially. In addition, the following channels of communication are available to employees: via the corporate website, intranet HUB, and a generic e-mail address.

The Company also has a Corporate Code Committee, consisting of the General Counsel, the Chief People Officer, and the Group Director Internal Audit, with a remit to deal with the queries and complaints received through the Confidential Channels of reporting. Its objective is to carry out monitoring and control of compliance with the principles established in the Business Code of Conduct.

All complaints are investigated. The Company prohibits retaliation against any employee for such reports made in good faith, while it also protects the rights of the employee being investigated.

The Corporate Code Committee performs quarterly meetings to analyze the complaints submitted during the quarter; minutes are prepared as an evidence of the meeting.

Significant breaches of the Business Code of Conduct and corrective actions proposed are reported to the Audit Committee on a timely basis. A summary of the

Corporate Code Committee highlights is presented to the Audit Committee as part of the quarterly Internal Controls presentation.

Training

The Company is firmly committed to and proactively encourages continuous refresher training on key accounting policy and legislation changes for all employees directly involved in the preparation of financially reported data.

Training requirements are determined internally by Finance Line Managers and Human Resources on the basis of performance reviews. Training agendas are set in coordination with advice on regulatory and accounting policy changes from external advisors (external auditors, consultants, and other relevant accounting and compliance subject matter experts).

During the fiscal year key Company Finance Controlling and Compliance personnel have attended monographic seminars and webinars on key regulatory, governance, risk, and compliance, and IFRS subject matter, provided by external consultants.

The Company subscribes to various publications which offer up-to-date information on the evolution of the business and regulatory environment of the activities performed by the Group and on International Financial Information Standards and internal control.

F.2 Risk assessment in financial reporting

Please report, at least, on:

F.2.1. the main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented:

As explained above in Section E, eDreams ODIGEO has a Corporate Risk Assessment Procedure which is executed on a periodic basis. This risk mapping procedure details the risks identified by the organization, which are classified into the following categories; compliance, market, operational, and quality of financial information. Each risk is assigned a probability of occurrence score, and an impact (monetary and operational) score, and the results are analyzed by Senior Management, who will provide feedback regarding mitigating business actions in place, actions to be implemented and accepted levels of tolerance.

A mapping exercise is performed of the risks identified in the ICFR business processes (Revenue, Procurement, HR & Payroll, Treasury, IT General Computer Controls) controls matrices to the Corporate Risk Map to ensure all control risks are included.

- The process covers all financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

The risk identification procedure and ICFR controls process cover all the financial reporting objectives of: existence and occurrence, completeness, valuation, presentation, disclosure and fraud. The formal Corporate Risk Map is produced on an annual basis, and an informal update exercise to risk scores and continued relevance is performed every 6 months.

- A specific process is in place to define the scope of Consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies. etc.

The Consolidation perimeter of eDreams ODIGEO is subject to revisions during each quarterly closing. The Consolidation department is responsible for analyzing companies that enter and exit the perimeter. Both the formation and acquisition of companies, as well as their sale or dissolution, are subject to internal authorization processes that permit the clear identification of all entries and exits to and from the consolidation perimeter.

- The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

The Company Risk Management Model covers four key areas of risk:

  - Operational Risk (technological, reputational, etc.)

- Quality of Financial Information which includes risks associated with the accuracy, completeness and publication of reporting information.
- Compliance (legal, industry related, financial, fiscal, and corporate governance)
- Market (Sector related, strategic)

- Finally, which of the company's governing bodies is responsible for overseeing the process

The Board of Directors, through the Audit Committee, is the body in the entity which oversees the process, as defined in Article 10.3 of the Internal Rules of Procedure of the Board of Directors. "The role of the Audit Committee with respect to the internal control and reporting systems is to manage and report the main risks identified as consequence of the monitoring of the efficiency of the company internal controls and internal auditor, if applicable"

F.3 Control activities

Please report, indicating their principal characteristics, on whether you have at least:

F.3.1. Procedures for reviewing and authorizing the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case, together with the documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgments, estimates, evaluations and projections.

Review & Authorization of Financial Information:

The Group reports consolidated financial information to the Commission de Surveillance du Secteur Financier" (CSSF) in Luxembourg, and to the Spanish National Securities Market Comissions (CNMV) on a quarterly basis. This information is prepared by the Group Accounting and Consolidation department who report directly to the Chief Financial Officer. The department performs a series of period end control activities to ensure the accuracy and completeness of the financial information reported, giving particular attention to areas that involve judgment, estimation, and projections. The consolidated financial information is reviewed and approved by the CEO, Audit Committee, and the Board prior to release to the stock market.

ICFR Framework

The Company ICFR model consists of Financial Risk and Control Matrix that includes the six main business cycles considered relevant for the preparation of the Financial Statements plus Entity Level Controls (ELC):

- Financial Close Reporting and Group Consolidation
- Procurement and accounts payable management;
- Revenue and accounts receivable management;
- Treasury;
- Human Resources;
- Corporate IT
- Entity Level Controls (ELC): These controls work transversally, and are designed to supervise the effectiveness of the internal control framework as a whole. The Company classifies ELC´s in accordance with the COSO control framework, which considers the following components:
    - Environment of control;
    - Evaluation of the risk;
    - Control activities;
    - Information and communication;
    - Supervision;

The six main business cycles are divided into sub-processes, adapted to the particularities of the business operations of each country or region. The Financial Risk and Control Matrices are structured in the following way:

- **Control objectives:** Control requirements which must be fulfilled in each activity of the process. They are intended to ensure the reliability of the financial information, covering the premises of; integrity, existence and occurrence, valuation and measurement, presentation and disclosure, and rights and obligation.
- **Risks**: The resulting impact of the control objective not being in place on the capacity of the Group to achieve its financial information goals, including the risk of fraud.
- **Control**: Policies, procedures, and other actions generally incorporated within the business process, designed to ensure achievement of the control objective over the financial statements and/or to prevent fraudulent activities. The controls are sub-categorized as; preventive or detective depending on the stage of the business process at which they are executed, and manual, semi-automated or automated, as defined by the means by which they are executed. Control owners have been defined for each control activity.

- **Control Evidence:** The documentation kept by the control owner (company personnel), to ensure that the controls framework can be monitored and audited on a periodical basis.

Ownership & Responsibility:

- Business control owners are responsible for the timely execution of the controls defined within the framework.
- Governance, risk, and compliance are responsible for the supervision, maintenance and update of the internal controls framework.
- Internal Audit is responsible for the review and testing of the framework of internal controls over financial information to validate whether they are effective in design and operation. All issues identified are validated with the control/process owner, and the necessary remediation action plans and timings agreed with them.
- The results of the periodic ICFR review are shared with Company Management, the Audit Committee, and the Board, who are committed to providing the resources required to assist with remediation.

The Group uses an automated tool, Archer GRC (Governance Risk and Compliance), to manage the controls framework, evaluation of design and operating effectiveness, and control issues identified.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The Group has implemented an internal controls framework over IT systems that support the relevant processes impacting the financial statements. This model is based on COSO and COBIT (ISACA recommendations) and includes an IT General Controls (hereinafter ITGC), risk matrix as well as policies and procedures in order to mitigate risks related to IT and security.

Internal Audit works closely with the IT Security Office, IT Development and IT Operations, identifying critical systems impacting the financial statements reporting process, and evaluating the design and operating effectiveness of the key controls in the ITGC matrix with respect to these systems. This contributes to ensure the quality and reliability of the information reported to the markets.

The ITGC matrix is comprised of the following main areas:

- Physical & Logical Security of Systems, Programs, and Data
- Program Changes and Program Development

- Computer Operations

Physical & Logical Security of Systems, Programs, and Data

This area contains the controls required to ensure the following:

i) Computing facilities are appropriately managed in order to ensure that physical access is appropriately restricted to authorized personnel and the necessary environmental conditions are maintained to operate Information Systems.
ii) Systems are adequately configured and monitored to ensure sufficient levels of information system security to safeguard against unauthorized access to systems or modifications to programs and data that could result in incomplete, inaccurate, invalid processing or recording of financial information.

Program Changes and Program Development

i) Changes to eDreams ODIGEO applications and software are properly authorized, tested, approved, implemented and documented.
ii) Programs and systems changes are appropriately managed to minimize the likelihood of disruption, unauthorized alterations and errors that could impact the accurate, complete, and valid processing and recording of financial information.

Computer Operations

i) Information systems are adequately operated and monitored in order to ensure system availability and data integrity.
ii) Incidents arising during the course of normal business operations are adequately resolved in a timely manner.
iii) A Business Continuity and Disaster Recovery Plan is in place in order to ensure business operations in case of a contingency.

During FY17 the Company rolled-out new middle and back office systems in the Group in order to standardize processes, gain efficiency, and improve the quality of controls.

Management also continued to strongly focus and reinforce compliance with PCI Standards (Payment Card Industry Data Security Standards) of all key systems across the Group.

The following companies have successfully obtained the PCI DSS v3.2 certification during FY17, ensuring that the company has implemented appropriate security measures to store, process and transmit cardholder data in its e-commerce operations: Vacaciones eDreams, S.L; eDreams LLC; eDreams Srl; Viagens eDreams Lda; Opodo Limited; Opodo Italia Srl and Travellink AB

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The Company outsources a number of activities.

When the Company outsources an activity or engages the services of an independent expert, measures are taken to verify the competence, technical capacity, and level of internal controls. This can take a variety of forms: Service Level Agreement conditions, certifications such as ISAE3402 and SSAE16, etc…depending on the outsourced activity.

The Company has defined a Group Third Party Outsourced Policy in order to set up a common framework detailing the requirements for outsourcing activities. The Policy provides clear guidance on the criteria that must be followed in selection of an outsourced supplier, key clauses that need to be included in the agreement, and ongoing monitoring procedures that should be followed.

For all outsourced processes, Service Level Agreements (SLA) have to be defined, agreed and signed in the contract with the vendor.

The SLA's outsourced processes are monitored periodically through the vendor evaluation process. Any problem in the SLA or deliverables is escalated accordingly and may result in corrective actions taken with the vendor.

When the Group outsources relevant processes for the preparation of financial information to an independent expert, it ensures the professional has the required levels of technical and legal competence. In addition Non-Disclosure agreements (NDA´s) are signed off timely.

Outsourced activity risk and mitigating controls are included in the ICFR model and the Company´s Risk Management Model.

F.4 Information and communication

Please report, indicating their principal characteristics, on whether you have at least:

F.4.1. The entity has a specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations. A manual of accounting policies regularly updated and communicated to all the company's operating units.

The Group Accounting and Consolidation department, reporting directly to the Chief Financial Officer, is responsible for the definition, update and dissemination of accounting policies, and resolution of interpretation doubts or conflicts. There is a constant flow of information between this Group function and the different Finance and Operations teams, who are proactively encouraged to escalate all doubts they have in the application of accounting and financial reporting policies.

Group Accounting and Consolidation maintain a library of key accounting policies which are updated when necessary to reflect changes in local or international accounting rules. This library is available on a Group shared folder, accessible to all stakeholders involved in the drafting and review of financial information.

Training sessions are provided periodically (by Group Controlling personnel and by external subject matter experts) to Finance Managers and Controllers in order to keep them up to date with the interpretation and application of any changes in accounting legislation and rules. These Finance Managers and Controllers are then responsible for cascading this knowledge down to their teams.

The Group's external auditor, for consolidated statements and subsidiary statutory accounts, request and review that the financial information reported follows the principles stated in the Group's Accounting Policies.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

All Group companies report their individual financial statements and the notes and account breakdowns for the preparation of the consolidated annual accounts to the Group Accounting and Consolidation Department, integrated within the Finance Department

At month end, in order to report all financial information, the local entities upload their local trial balances to the HFM (Hyperion consolidation system) using the FDM module of HFM. Several checks are performed in the FDM module to validate the accuracy and completeness of the local trial balance, before it is transferred to the consolidation system "HFM". The HFM system is managed centrally and uses one single accounting plan.

The ICFR internal control system evaluates control activities for the local subsidiary month end closing process as well as the consolidation closing process conducted by the Group Controlling and Consolidation Department.

During FY17 the Company rolled-out new middle and back office systems in the Group in order to standardize processes, gain efficiency, and improve the quality of controls.

F.5 Supervision of the functioning of the system

Please report, indicating their principal characteristics, on at least:

F.5.1. Describe the ICFR monitoring activities undertaken by the audit committee together with a description of the internal audit function whose competencies shall include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Also, describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

a) ICFR monitoring activities undertaken by the audit committee.

The Audit Committee is the advisory body through which the Board of Directors executes the maintenance and supervision of the ICFR. As part of this function, and to achieve the objectives of the Board, the Committee:

- Receives and reviews the financial information that the Company must periodically make public to markets and to regulatory bodies
- Receives regular information from the external auditor on the audit plan and the results of the implementation thereof, and checks that Senior Management takes its recommendations into account.
- Guides and supervises the activities of the Internal Audit Area, including; approval of the annual plan and monitoring of senior management actions on recommendations raised as a result of reviews.
- To examine compliance with: the Internal Regulations for Conduct in the Securities Market, with Internal Rules of Procedure and, in general, with the rules are of good corporate governance of the company and make any appropriate proposals for improvement.

The Audit Committee, via the Internal Audit Department, supervises and monitors the effectiveness of the Company´s internal control system, and ICFR. The Audit Committee is regularly informed by the Group Internal Audit Director on the design and operating assessment of the effectiveness of the ICFR, any weaknesses detected during the course of the Internal Audit work, and on remediation plans or actions already undertaken to address the weaknesses detected.

The Internal Audit Plan for the assessment of the ICFR is presented to the Audit Committee for final validation and approval before execution, in order to ensure that it addresses and covers all the Committee's concerns.

The Committee's procedures are documented in the minutes of each meeting held.

b) Internal Audit Function.

Internal Audit activity is carried out by the Group Internal Audit Department. The Group Internal Audit Director reports directly to the Audit Committee Chairman, and will report any issues raised as a result of the execution of its annual work plan and shall submit a presentation at the end of each financial quarter summarizing activity undertaken, issues arising, and planned activity for the following quarter.

With regards to the ICFR monitoring activities, the Group Internal Audit Department is responsible for:

- Performing Independent assessments of the internal control model for financial reporting (ICFR).
- Performing tests of management's basis for assertions.
- Perform design and operating effectiveness testing on internal controls for the Group companies in scope
- Supporting in the identification of control gaps and reviewing management plans for correcting control gaps.
- Performing follow-up reviews to ascertain whether control gaps have been adequately addressed.
- Acting as coordinator between management and the external auditor as to discussions of scope and testing plans.

c) Scope of evaluation of the Internal Control System with regard to Financial Reporting

During FY17 Internal Audit completed a review of the ICFR controls design and operating effectiveness in the critical business processes at all in scope Group entities (including information systems).

The determination of scope entities depended on factors such as; contribution to Group Revenue Margin, EBITDA, and whether the entity was newly acquired or had a prior history of control issues.

All key ICFR controls were scoped in; some non-key controls rated as effective last year were rotated out of scope.

A validation exercise was carried out of the status of all issues identified in the prior year, performing retest and validation of all control issues reported by Management as remediated.

The results of this review serve as the basis for the supervision of the internal controls over financially reported data.

d) Communication of results and corrective measure action plans.

Internal Audit Management informs Financial Management and the Audit Committee of all significant internal controls weaknesses detected during the ICFR reviews carried out during the year, as well as the degree of execution of action plans and any mitigating measures implemented during the months subsequent to the review. Weaknesses in internal controls identified in Internal Audit reviews are categorized as; high, medium or low; depending on the significance they may have if an error materializes in the financial statements. Management are required to set out action plans for remediation, business owners, and estimated due dates for remediation.

Internal Audit performs quarterly update reviews with Management on the status of all open issues. This updated information is included in the Quarterly Internal Controls status update presentation shared by Internal Audit with Senior Management, the Audit Committee, and the Board.

F.5.2. A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its audit committee or board of directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Audit Committee meets as many times as its Chairman deems necessary for the fulfillment of its obligations, at least four (4) times per year to obtain and analyze the information necessary to discharge the duties entrusted to it. Any member of the Board of Directors, company officer or employee of the eDreams ODIGEO Group, may be requested to attend meetings of the Committee on requirement of its Chairman. The Committee may require the presence of the external auditor in its meetings.

The external auditor of the Group may request direct access with the Management, for meetings both to obtain the necessary information to carry out its task and to communicate any control weaknesses identified as a result of its auditing work. The external auditor will report to the Audit Committee on “gaps” and/or improvements detected relating to the Internal Control System.

As explained in section F.5.1. Internal Audit provides the Audit Committee with a quarterly report detailing all significant internal control weaknesses and Management´s action plan to remediate.

F.6 Other relevant information

There is no other relevant information worth noting with respect to the Internal Control System for Financial Reporting.

F.7 External audit report

Please report on:

F.7.1. State whether the ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

The ICFR information included has not been subject to review by the external auditor given that the controls framework was in a transitional state owing to the implementation of the new middle and back offices across the Group subsidiaries enabling continued improvement and standardization of controls and processes. Serious consideration will be given to adopting external auditor review in the next fiscal year.

G DEGREE OF MONITORING OF RECOMMENDATIONS OF CORPORATE GOVERNANCE

Please indicate the degree of monitoring of the company with respect to the recommendations of the Unified Code of Good Governance.

In the event that a recommendation is not followed or is followed partially, please include a detailed explanation of its reasons in such a manner that the shareholders, the investors and the market in general have sufficient information to evaluate the company's procedures. Explanations of a general nature will not be acceptable.

1. That the Bylaws of the listed companies not limit the maximum number of votes the same shareholder may cast, or contain other restrictions that make difficult the taking of control of the company through the acquisition of its shares on the Market.

Complies x Explain □

2. When a dominant and subsidiary company are both listed, they should provide detailed disclosure on:

a) The activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.

b) The mechanisms in place to resolve possible conflicts of interest.

Complies □ Partially complies □ Explain □ Not applicable x

3. During the annual general meeting the Chairman of the Board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

   a. Changes taking place since the previous annual general meeting.
   b. The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Complies x Partially complies □ Explain □

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation

Complies x Partially complies □ Explain □

5. The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies x Partially complies □ Explain □

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

a) Report on auditor independence.

b) Reviews of the operation of the Audit Committee and the nomination and remuneration committee.

c) Audit Committee report on third-party transactions.

d) Report on corporate social responsibility policy.

Complies x Partially complies Explain

7. The company should broadcast its general meetings live on the corporate website.

Complies Explain x

To date the Company has not transmitted general shareholders' meetings live on its website, although, if requests to do so were received from shareholders, the Company would study this possibility and would make every effort to implement this measure. In any event as soon as the AGM is finalized all decisions voted on are communicated to the CNMV via "Relevant Fact", and the company also makes them available on its corporate web page.

8. The Audit Committee should strive to ensure that the Board of Directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

Complies x Partially complies □ Explain □

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies x Partially complies □ Explain □

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate the supplementary items and new proposals.

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies x Partially complies □ Explain □ Not applicable □

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies □ Partially complies □ Explain □ Not applicable x

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies x Partially complies □ Explain □

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.

Complies x Explain □

14. The Board of Directors should approve a director selection policy that:

a) Is concrete and verifiable;

b) Ensures that appointment or re-election proposals are based on a prior analysis of the Board's needs; and

c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of Board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The nomination committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Complies x Partially complies □ Explain □

15. Proprietary and independent directors should constitute an ample majority on the Board of Directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies x Partially complies □ Explain □

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the Board but not otherwise related.

Complies x Explain □

17. Independent directors should be at least half of all Board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent directors should occupy, at least, a third of Board places.

Complies x   Explain □

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a Board member and subsequent reelections.

e) Shares held in the company, and any options on the same.

Complies x   Partially complies □   Explain □

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies x   Partially complies □   Explain □   Not applicable □

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latters' number should be reduced accordingly.

Complies x Partially complies □ Explain □ Not applicable □

21. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a Board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in Board membership ensue from the proportionality criterion set out in recommendation 16.

Complies x Explain □

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the Board of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the offences stated in company legislation, the Board of Directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The Board should give a reasoned account of all such determinations in the annual corporate governance report.

Complies x Partially complies □ Explain □

23. Directors should express their clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking Board representation.

When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the Board, even if he or she is not a director.

Complies x Partially complies □ Explain □ Not applicable □

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the annual corporate governance report.

Complies x Partially complies □ Explain □ Not applicable □

25. The Nominations Committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company Boards on which directors can serve.

Complies □ Partially complies x Explain □

The Internal Rules of Procedure of the Board of Directors, articles 6.3 and 6.6 required that each Director shall inform the Board of Directors of any other boards on which such Director holds a position, and such Director shall ensure that he/she devotes sufficient time and effort to perform his/her duties in respect of the Company efficiently.

Sideline activities, such as Board of Directors mandates outside the Company and Group, require the approval of the Board of Directors.

The Director Selection Policy states that the Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and

agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies x Partially complies □ Explain □

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies x Partially complies □ Explain □

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies x Partially complies □ Explain □ Not applicable □

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Complies x Partially complies □ Explain □

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programs when circumstances so advise.

Complies x Partially complies □ Explain □

31. The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for Board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded, of the majority of directors present.

Complies x Partially complies □ Explain □

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies x Partially complies □ Explain □

33. The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the Board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the Board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies x Partially complies □ Explain □

34. When a lead independent director has been appointed, the bylaws or Board of Directors regulations should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice-Chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the Chairman's succession plan.

Complies □ Partially complies □ Explain □ Not applicable x

35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Corporate Governance Code of relevance to the company.

Complies x Explain □

36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the Board's operation.

b) The performance and membership of its committees.

c) The diversity of Board membership and competences.

d) The performance of the Chairman of the Board of Directors and the company's Chief Executive.

e) The performance and contribution of individual directors, with particular attention to the chairmen of Board committees.

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the nomination committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies x Partially complies □ Explain □

37. When an Executive Committee exists, its membership mix by director class should resemble that of the Board. The secretary of the Board should also act as secretary to the Executive Committee.

Complies □ Partially complies □ Explain □ Not applicable x

38. The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the committee's minutes.

Complies □ Partially complies □ Explain □ Not applicable x

39. All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.

Complies x Partially complies □ Explain □

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's non-executive Chairman or the Chairman of the Audit Committee.

Complies x Partially complies □ Explain □

41. The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Complies x Partially complies □ Explain □ Not applicable □

42. The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies x Explain □

43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies x Explain □

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies x Partially complies □ Explain □ Not applicable □

45. Risk control and management policy should identify at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) The determination of the risk level the company sees as acceptable.

c) The measures in place to mitigate the impact of identified risk events should they occur.

d) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies x Partially complies □ Explain □

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.

Complies x Partially complies □ Explain □

47. Appointees to the nomination and remuneration committee or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies x Partially complies □ Explain □

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Complies □ Explain □ Not applicable x

49. The nomination committee should consult with the company's Chairman and Chief Executive, especially on matters relating to executive directors. When there are vacancies on the Board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Complies x Partially complies □ Explain □

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the Board the standard conditions for senior officer contracts.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

Complies x Partially complies □ Explain

51. The remuneration committee should consult with the company's Chairman and Chief Executive, especially on matters relating to executive directors and senior officers.

Complies x Partially complies □ Explain

52. The terms of reference of supervision and control committees should be set out in the Board of Directors regulations and aligned with those governing legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The Board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first Board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be recorded and a copy made available to all Board members.

Complies x Partially complies □ Explain □ Not applicable □

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one Board committee or split between several, which could be the Audit Committee, the nomination committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the Board under its powers of self-organisation, with at the least the following functions:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.

b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.

c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.

e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.

f) Monitor and evaluate the company's interaction with its stakeholder groups.

g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.

h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Complies x Partially complies ◻ Explain ◻

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

a) The goals of its corporate social responsibility policy and the support instruments to be deployed.

b) The corporate strategy with regard to sustainability, the environment and social issues.

c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.

d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.

e) The mechanisms for supervising non-financial risk, ethics and business conduct.

f) Channels for stakeholder communication, participation and dialogue.

g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies x Partially complies □ Explain

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Complies x Partially complies □ Explain

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies x Explain □

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate.

This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies x Partially complies □ Explain □

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies x Partially complies □ Explain □ Not applicable □

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies x Partially complies □ Explain □ Not applicable □

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduces their amount.

Complies x Partially complies □ Explain □ Not applicable □

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies x Partially complies □ Explain □ Not applicable □

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Complies □ Partially complies □ Explain x Not applicable □

Executive Directors can be awarded shares as part of the company's Performance Share Plan. No holding period has been established, however, there is a period defined from the date of vesting to the date of delivery of the shares. Should the beneficiary leave the company during that period the shares may be lost according to the Terms and Conditions of the Plan.

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies □ Partially complies □ Explain x Not applicable □

In line with the company's Remuneration Policy the company will consider including "Clawback" or "Malus" clauses in any new contracts or schemes signed with Executive Directors.

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Complies x Partially complies □ Explain □ Not applicable □

H OTHER INFORMATION OF INTEREST

1. If any relevant aspect exists on the subject of corporate governance at the company or at entities of the group that has not been reflected in the rest of the sections of this report, but is necessary to include in order to reflect a more complete and reasoned information on the structure and governing practices at the entity or its group, please detail them briefly.

2. Within this section, any other information, clarification or embellishment related to the above sections of the report may also be included to the extent they are relevant and non-repetitive.
Specifically, please indicate whether the company is subject to laws other than Spanish law on the subject of corporate governance and, as appropriate, include such information that it is required to furnish and which is different from that required in this report.

3. The company may also indicate whether it has voluntarily adhered to other codes of ethical principles or good practices, whether

international, sectorial or of another scope. As appropriate, identify the code in question and the date of adherence. In particular, indicate whether the company has adhered to the Code of Best Tax Practices of July, 20 2010.

Point 1.

SECTION A.2

- LuxGoal Group is composed by: Luxgoal 2 S.à.r.l holding 0,76% of voting rights and Luxgoal 3 S.à.r.l holding 29,21% of voting right
- AXA Group is composed by: Axa LBO Fund IV FCPR holding 15,771% of voting rights and AXA LBO Fund IV Supplementary FCPR holding 1,76% of voting rights

Note that the number of Shares reported by each Significant Shareholder corresponds to the information publicly reported by as required under the Luxembourg regulation thresholds for reporting significant holdings.

SECTION A.3

Data at the end of the fiscal year ended 31st March 2017.

SECTION A.9.bis

The free float % amount has been calculated by taking the total number of shares issued (stated in A.1) less the Significant Shareholders Shares (stated in A.2) and the shares held by Directors (stated in A.3).

SECTION B.5

According to the Article of Association, article 5.10, all shares have equal rights.

According to the Regulations for the General Shareholders' Meeting, article 12.7, all shares have equal rights.

The right of a Shareholder to participate in a Shareholders' Meeting and exercise voting rights attached to its Shares are determined by reference to the number of Shares held by such Shareholder at midnight (00:00) on the day falling fourteen (14) days before the date of the Shareholders' Meeting.

SECTION C.1.15

The figures reported represent the total cash remuneration received by the Board of Directors during FY17 (1,674 thousands of euros) and the gross profit of the options exercised (2,445 thousands of euros) for the two executive Directors. For more information see disclosure on the Annual Remuneration report.

SECTION C.1.16

During FY17, a new Organizational Structure has been defined for the Senior Management leadership team, called "CEO Staff Members" (CSM). The numbers reported for FY17 represent the total remuneration accrued in favour of the members of the CSM during the fiscal year (partial or full year), excluding the two Executive Directors, plus the remuneration of the Group Internal Audit Director and Group Legal Director. The numbers reported in FY16 included the aforementioned members of staff plus the Country Managers of the eDreams ODIGEO Group subsidiaries.

SECTION C1.2

The two independent Directors, Philip Clay Wolf and Robert Apsey Gray, were re-appointed as Independent Directors for an additional period of three years, on a provisional basis by the Remco (on the 21st February 2017) and the Board of Directors (on 14th March) . Their appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held on July 2017.

The four Proprietary Directors, Carlos Mallo, Benoit Vauchy, Lise Fauconnier and Philippe Michael Poletti, were re-appointed as Proprietary Director for an additional period of three years, on a provisional basis by the Remco (on the 21st February 2017) and the Board of Directors (on the 14th March 2017). Their appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held on July 2017.

SECTION C1.27

Article 10.9, establishes that "Independent Directors shall only be re-elected to the extent that the aggregated time served by such independent Director (i.e, taking into account, for the avoidance of doubt, the sum of the time served by such independent Director for each of his/her terms as independent Director) does not exceed a period of twelve (12) consecutive Financial Years (equivalent to four (4) mandates)"

SECTION C.1.30

Below is the data on attendance of each and every one of the directors at the meetings of the Board of Directors and its committees during financial year (From 1st April 2016 to 31st March 2017):

	Board	Remuneration and Nomination Committee	Audit Committee
Philip Clay Wolf (Independent Director during all Fiscal Year)	12/12	6/6	5/5
Robert Apsey Gray (Independent Director during all Fiscal Year)	12/12		5/5
Amanda Wills (Independent Director during all Fiscal Year)	12/12	6/6	
Dana Philip Dunne (Executive Director during all Fiscal Year)	12/12		
David Elizaga Corrales (Executive Director during all Fiscal Year)	12/12		
Lise Fauconnier (Proprietary Director during all Fiscal Year)	11/12	5/6	
Carlos Mallo Alvarez (Proprietary Director during all Fiscal Year)	11/12		
Benoit Vauchy (Proprietary Director during all Fiscal Year)	12/12		5/5
Philippe Michel Poletti (Proprietary Director during all Fiscal Year)	12/12		

Notes: The denominator indicates the number of meetings held during the period of the year in which the director served as such or as a member of the respective Committee.

SECTION C.1.37

Non audit-fees are linked to the services provided during the refinancing, the settlement date was October 4th, 2016.

SECTION C.2.1

Ms Amanda Wills was appointed as Chairwoman of the Remuneration and Nomination Committee on the meeting held by the Board of Directors on the 14th of March 2017, effective date 1st April 2017. Since the date of her appointment, Philip Clay Wolf was the Chairman of the Remuneration and Nomination Committee.

SECTION G

Question 6

No report has been prepared by the Audit Committee in relation to third party transactions with directors and significant shareholders as none occurred during the fiscal year. (See relevant section D in this report).

Point 2 and 3.

Without prejudice of compliance with Spanish Corporate Governance rules, the Company is at time subject to the Luxembourg Transparency Laws, i.e. pursuant to the Directive 2004/109/EC of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the “Transparency Directive”), which has been implemented in Spain, listed companies are entitled to choose to be subject to the relevant transparency provisions of the Member State in which the issuer has its registered office (Luxembourg) or in which it has its securities admitted to trading (Spain). The Company has chosen to be subject to Luxembourg regulations.

As consequence the “Commission de Surveillance du Secteur Financier” (CSSF) is the supervisory body on transparency for eDreams ODIGEO and the company is subject to limited transparency obligations provided in the Spanish implementing regulations of the Transparency Directive. Please find below a summary of these obligations:

Transparency obligations	
Financial information (annual, Half-yearly and quarterly)	• Subject to Luxembourg regulations. • To be submitted as a relevant fact (hecho relevante) to the CNMV.
Qualifying shareholdings and net short positions	• Subject to Luxembourg regulations. • There is no obligation to submit any information to the CNMV, provided that it does not constitute a relevant event (hecho relevante).
Treasury stock	• The disclosure and limits of the treasury stock is subject to Luxembourg regulations. There is no obligation to submit any information to the CNMV. • However, the company follows the guidelines of the CNMV on treasury stock, which is currently included in the internal Regulations for Conduct in the Security Markets of eDreams ODIGEO.

The Code of Best Tax Practices of July, 20 2010 is a Spanish based document which has been developed for Spanish Tax Payers. The Company has adopted the eDreams ODIGEO Group Tax Principles which contain elements which the company considers relevant for the Organization of the Management of its tax affairs, the way it determines the tax position in its Financial Statements, as well as the level of transparency in the communication with Tax Authorities. These Group Tax Principles contain overlap with other codes of Best Tax Practices which have been published in various countries (including Spain).

Please indicate whether there have been directors who have voted against or abstained in relation to the approval of this Report.

YES ◻ NO x

Name or corporate name of the director that did not vote in favor of the approval of this Report	Reasons (against, abstention, non-attendance)	Explain the reasons
N/a	N/a	N/a

Full Year Results

Fiscal Year 2017 FY Results, ending March 31st 2017

June 27th 2017

Disclaimer

- This presentation is to be read as an introduction to the unaudited consolidated financial statements of the Group and contains key information presented in a concise manner on the Group and its financial condition. The information contained in this presentations is extracted from the unaudited consolidated financial statements of the Group and is qualified in its entirety by the additional information contained in the unaudited consolidated financial statements of the Group. This presentation should only be read in conjunction with the unaudited consolidated financial statements of the Group. Copies of the unaudited consolidated financial statements of the Group are available under http://www.edreamsodigeo.com/category/investors/quarterly-edreams-odigeo/.

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- The financial information included in this presentation includes certain non-GAAP measures, including "Bookings", "Gross Bookings", "EBITDA", "Adjusted EBITDA", "Revenue Margin" and "Variable Costs", which are not accounting measures as defined by IFRS. We have presented these measures because we believe that they are useful indicators of our financial performance and our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate our business. However, these measures should not be used instead of, or considered as alternatives to, the audited consolidated financial statements for the Group based on IFRS. Further, these measures may not be comparable to similarly titled measures disclosed by other companies.

Full Year Results Highlights

- Financial Analysis
- Strategy Update and Outlook
- Appendix

RESULTS HIGHLIGHTS

Solid results with growth in bookings, revenue margin & adjusted EBITDA

Strong cash flow

Cash position stood at €143.5 million, up 9% y-on-y

Group continues to deleverage its business

Net leverage Ratio reduced from 3.43 to 2.66 times in the past 12 months

Full year results above top end of our raised guidance

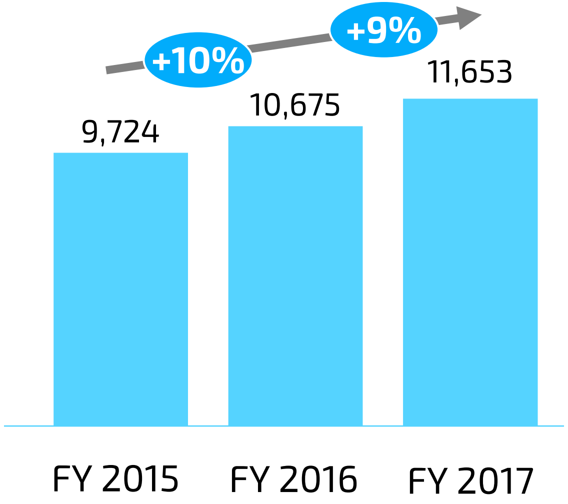
Substantially stronger business

- Revenue diversification on track
- Marketing excellence
- Leading product development
- Pricing model reorientating
- Strong management

SOLID RESULTS, results above initial and raised guidance

Bookings

In thousands

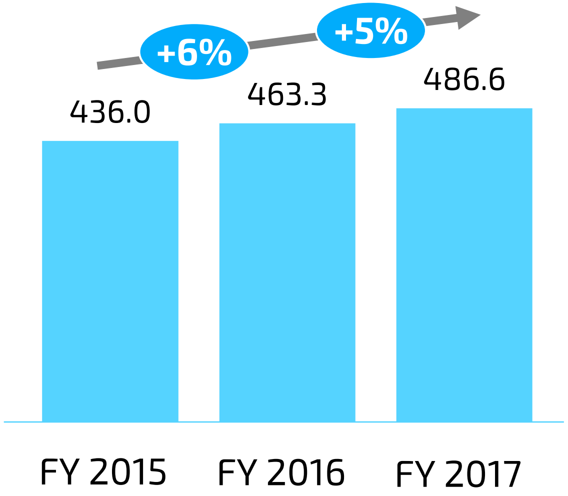


Initial guidance > 10.7Mn

Raised guidance 11.2-11.5Mn

Revenue Margin

In € million

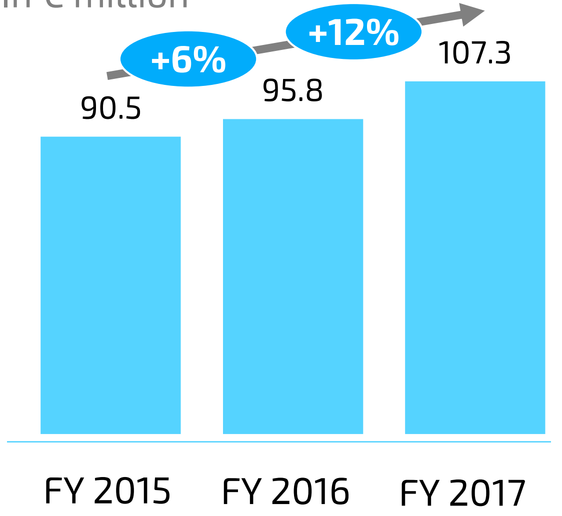


Initial guidance > €465Mn

Raised guidance €465-475Mn

Adjusted EBITDA

In € million



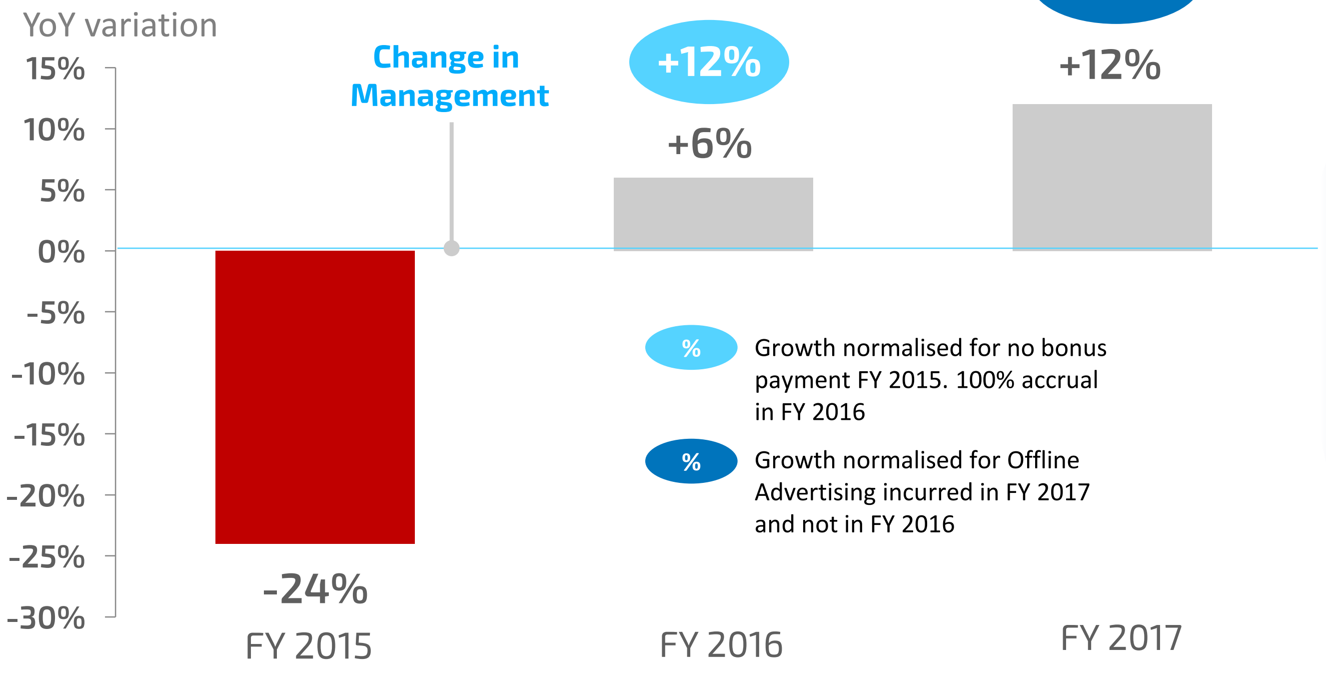
Initial guidance > €103-107Mn

Raised guidance €105-107Mn

Source: Consolidated financial statements, audited

STRATEGY DELIVERING GOOD GROWTH IN ADJUSTED EBITDA

Adjusted EBITDA evolution



FY 2017

+9%
Bookings

+5%
Revenue Margin

-8%
Variable costs per booking

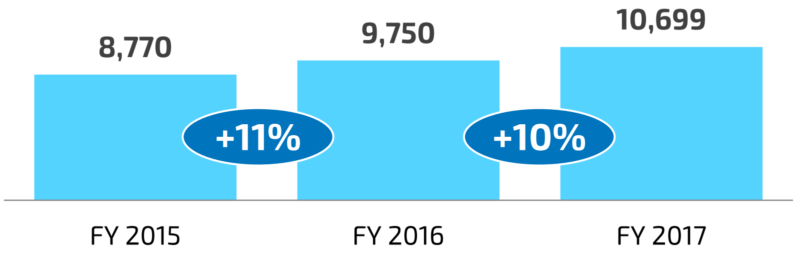
Note normalised for no bonus payment: In the year ended March 2015 we paid zero bonus to staff while in the year ended March 2016 we accrued at 100% (€5.2 million). If we normalise for the different level of bonus payment, which has been provisioned and accrued each quarter, our implied adjusted EBITDA growth is higher.

Source: Consolidated financial statements, audited

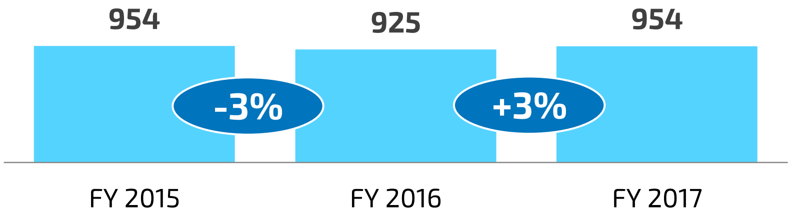
FLIGHT AND NON-FLIGHT BOOKINGS

Revenue diversification drives growth in Flight Business and Non-flight improving

Flight - Bookings
In '000



Non Flight - Bookings
In '000



Source: Consolidated financial statements, audited

Flight

- Progress in strategic initiatives have boosted our performance and they have also set us the path for longer term growth
- We continue to make investments on our business to build scale, become more agile, improve business model, and create better customer experience

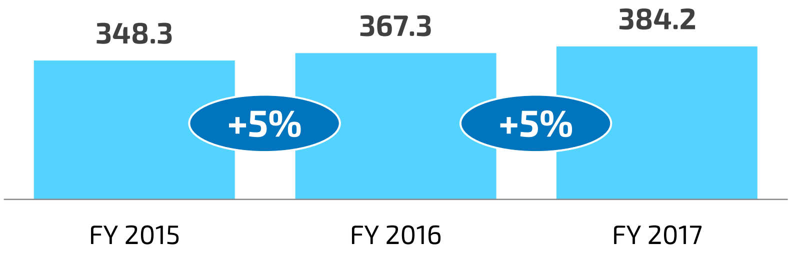
Non-Flight

- Non-flight business trend has improved, in FY 2016 bookings were down due to a decrease in packaged tours in France and Germany
- Non-flight business bookings in FY 2017 affected by the sale of the corporate travel and packaged tours businesses.
  - Excluding the sale of the corporate travel business growth in non-flight bookings would have been +6% in the FY 2017

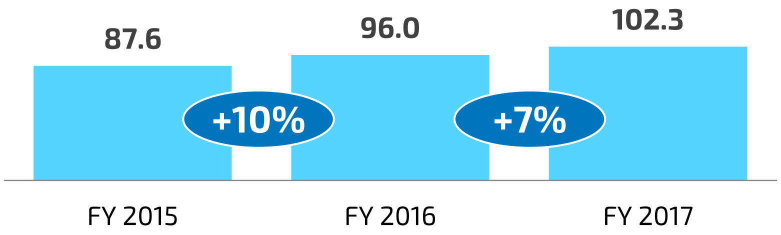
FLIGHT AND NON-FLIGHT REVENUE MARGIN

Positive growth in flight and non-flight products

Flight – Revenue Margin
In € million



Non Flight – Revenue Margin
In € million



Source: Consolidated financial statements, audited

Flight

- In FY 2016, revenue growth was driven by our continued efforts to improve product, re-orient price and channel performance
- In FY 2017, revenue margin performance driven by:
  - Bookings, already explained in previous slide.
  - A reduction in revenue margin per booking:
    - Due to longer-term investment in customer value, the shift in our revenue model, which includes increased price transparency display in some countries.
    - Foreign exchange impact, in particular the depreciation of the pound vs the euro
  - The positive impact from our revenue diversification strategy, which includes flight related ancillaries, which delivered strong results

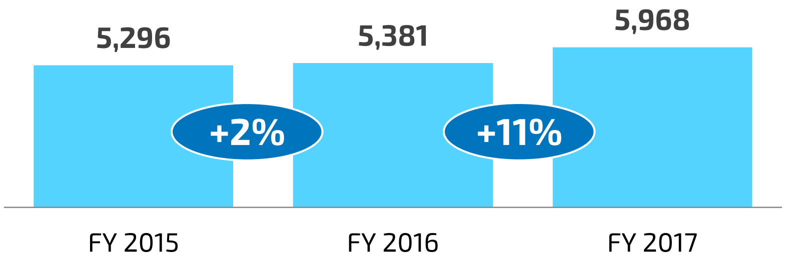
Non-Flight

- In FY 2016, growth was driven by 13% increase in revenue margin per booking, partly offset by a decrease in Bookings of non-flight products, due largely to decline in package tours
- In FY 2017, non-flight revenue margin growth driven by the revenue diversification strategy:
  - An increase in revenue margin per booking, driven by solid growth in DP, cars and hotels
  - Offset as a result of the sale of the packaged tours and corporate travel businesses in Q3 FY 2017

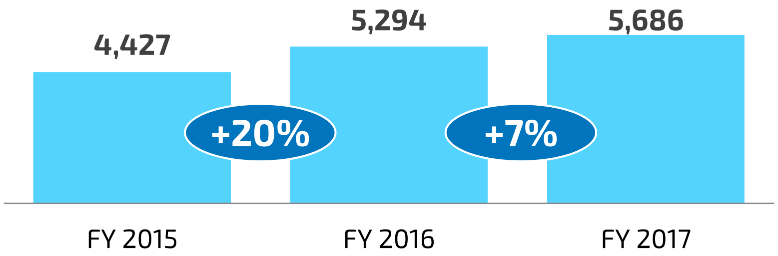
CORE AND EXPANSION BOOKINGS

Solid Growth in Core and Expansion markets due to diversification strategy

Core- Bookings
In ‘000



Expansion - Bookings
In ‘000



Source: Consolidated financial statements, audited

Core

- In FY 2016, bookings trend continued to improve, with growth in flight business mainly in Spain and Italy, trend that continues and improves into FY 2017
- In FY 2017, strategic initiatives on track and delivering results, bookings performance driven by:
  - Our diversification strategy
  - Investments made on our business to build scale, become more agile, improve business model, and create better customer experience
  - And partially offset as a result of the sale of the packaged tours businesses in Q3 FY 2017

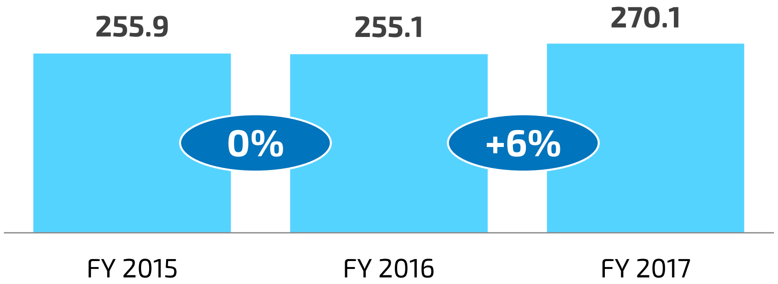
Expansion

- In FY 2016, Expansion markets showed strong growth rates, mostly driven by the UK, Germany and the United States markets.
- In FY 2017, positive growth continues as strategic initiatives are paying off, growth in bookings performance driven by investments made on our business and revenue diversification
  - Partially offset as a result of the sale of the corporate travel business in Q3 FY 2017

CORE AND EXPANSION REVENUE MARGIN

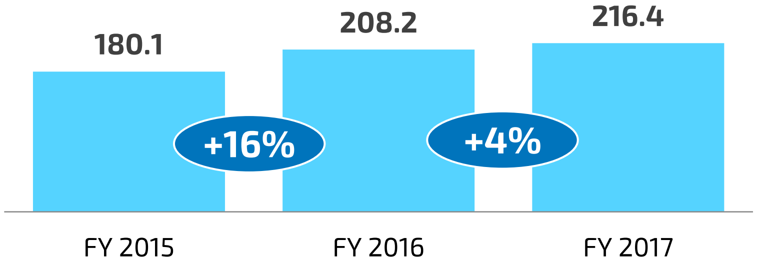
Positive growth in our Core and Expansion markets

Core – Revenue Margin
In € million



Expansion – Revenue Margin

In € million



Source: Consolidated financial statements, audited

Core

- In FY 2016, we had a significant improvement in the revenue trajectory toward the end of FY 2016, which continues in FY 2017.
- Solid performance in the Core markets revenue margin in the FY 2017, growth driven by:
  - Bookings, already explained in previous slide
  - Reductions in revenue margin per booking as previously explained

Expansion

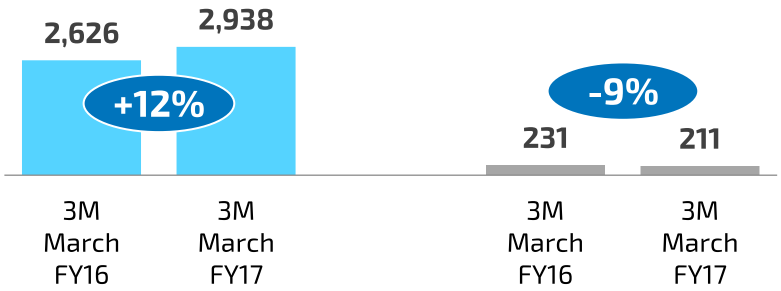
- Strong performance in FY 2016 driven by strong growth rates in bookings, already explained in previous slide
- In FY 2017, positive growth continues, despite tough comps, revenue margin performance driven by:
  - Bookings
  - Foreign exchange impact headwinds
  - Reductions in revenue margin per booking, all of which have been explained in previous slides

Q4 FY 2017 - FLIGHT AND NON-FLIGHT

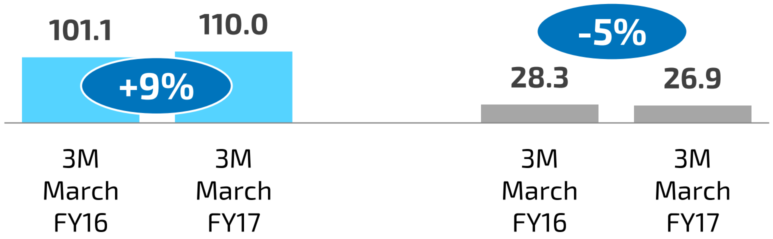
Flight
Non-Flight

Strategic initiatives on track and delivering results

Bookings
In ‘000



Revenue Margin
In € million



Flight

- Progress in strategic initiatives has boosted our performance and positioned us well for longer term growth
- Revenue margin driven by bookings and a reduction of 3% on revenue Margin per Booking for flight products, as a result of longer-term investment in customer value, the shift in our revenue model, which includes increased price transparency display in some countries, and the negative impact of the foreign exchange, already explained.
- This negative impact was partially offset by the positive impact from our revenue diversification strategy, which included flight related ancillaries, which delivered solid results.

Non-Flight

- Non-flights bookings and revenue margin results in Q4 FY 2017 was affected as a result of the sale of the packaged tours and corporate travel businesses in Q3 FY 2017.
  - Excluding the sale of the corporate travel business growth in non-flight bookings would have been +2% in Q4 FY 2017

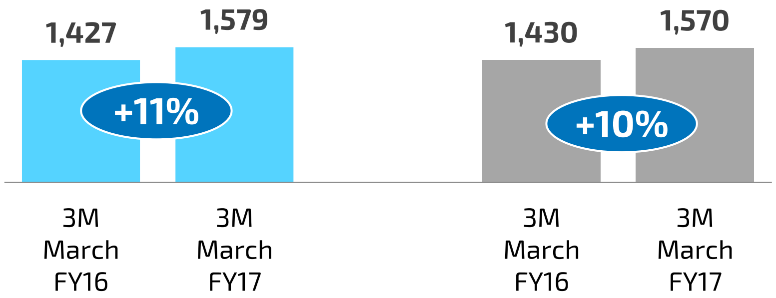
Source: Consolidated financial statements, audited

Q4 FY 2017 – CORE AND EXPANSION

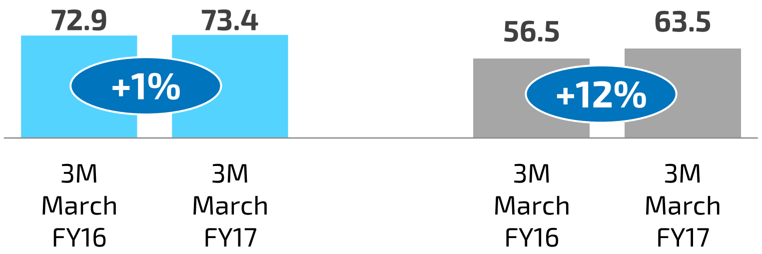
Core
Expansion

Solid Performance in Core and Expansion Markets

Bookings
In '000



Revenue Margin
In € million



Source: Consolidated financial statements, audited

Core

- Strategic initiatives on track and delivering results, bookings performance driven by:
  - Our diversification strategy
  - Investments made on our business to build scale, become more agile, improve business model, and create better customer experience
  - And partially offset as a result of the sale of the packaged tours businesses in Q3 FY 2017
- While revenue margin per booking fell 9%, the group delivered 1% growth in revenue margin as a result of our continued investment in the business.

Expansion

- Expansion markets experienced solid growth rates in bookings, driven by investments made in our business and revenue diversification
  - Growth in bookings was partially offset as a result of the sale of the corporate travel business in Q3 FY 2017
- Revenue margin performance was driven by bookings and improvements in revenue margin per booking in Germany and the International markets

Financial Analysis

- Full Year Results Highlights
- Strategy Update and Outlook
- Appendix

INCOME STATEMENT

(In € million)	FY 2015	FY 2016	FY 2017	Var. 16 vs 15	Var. 17 vs 16
Revenue margin	**436.0**	**463.3**	**486.6**	***6%***	***5%***
Variable costs	(288.6)	(297.5)	(298.9)	*3%*	*0%*
Fixed costs	(56.9)	(69.9)	(80.3)	*23%*	*15%*
Adjusted EBITDA	**90.5**	**95.8**	**107.3**	***6%***	***12%***
Non recurring items	(16.0)	(10.5)	(9.3)	*(34)%*	*(11)%*
EBITDA	**74.5**	**85.3**	**98.0**	***15%***	***15%***
D&A incl. impairment & results on assets disposals	(199.5)	(18.4)	(21.1)	*(91)%*	*15%*
EBIT	**(125.0)**	**67.0**	**76.9**	***n.a.***	***15%***
Financial loss	(51.1)	(46.1)	(60.6)	*(10)%*	*31%*
Income tax	(5.2)	(8.4)	(5.9)	*62%*	*(31)%*
Net income	**(181.3)**	**12.4**	**10.5**	***n.a.***	***(16)%***
Adjusted net income	**13.4**	**20.1**	**31.6**	***50%***	***57%***

Source: Consolidated financial statements, audited

Key highlights FY 2017

In FY 2017, main YoY evolutions reflect:

- **Revenue margin** increase by 5%
- **Variable Costs** flat despite the increase of bookings. On a per booking basis, variable costs decrease by 8% year-on-year as a result of our strategic initiatives
- **Higher Fixed Costs** mainly due to
  - Higher personnel expenses
  - Higher external fees
- **Non recurring items** mainly due to LTI expenses and contract terminations, link to the closure of the Stockholm office
- **D&A and impairment** increase due to an impairment of goodwill linked to the sale of the corporate travel business and the intangible assets of the legacy Travellink leisure platform no longer in use
- **Financial loss** increase mainly due to the refinancing costs (impact of €18.2m on the financial result) encompassing:
  - Write-off of previous financing costs
  - Call premium expenses for repayment of the previous bonds
- **Income tax** mainly due to the capitalization of other deferred tax assets in the U.K.

CASH FLOW STATEMENT

(In € million)	FY 2015	FY 2016	FY 2017
Adjusted EBITDA	**90.5**	**95.8**	**107.3**
Non recurring items	(16.0)	(10.5)	(9.3)
Non cash items	7.7	4.1	1.3
Provider Termination	(6.1)	-	-
Change in WC	2.2	(2.6)	42.2
Change in WC related to the IPO	(18.1)	-	-
Income tax paid	(6.0)	(4.8)	(7.4)
Cash flow from operating activities	**54.3**	**82.0**	**134.1**
Cash flow from investing activities	**(35.2)**	**(30.5)**	**(29.5)**
Cash flow before financing	**19.1**	**51.5**	**104.6**
Shares issuance	50.0	-	-
Consent fee on change in covenant	-	(0.3)	-
Repurchase of 2019 Notes	(46.0)		
Repurchase of 2018 Notes	-	-	(29.1)
Other debt issuance/ (repayment)	(0.3)	(0.4)	(1.9)
Bond call premium and other refinancing flows	(3.6)	-	(21.7)
Financial expenses (net)	(43.1)	(40.3)	(40.9)
Cash flow from financing	**(43.0)**	**(41.1)**	**(93.6)**
Net increase/(decrease) in cash	**(23.9)**	**10.4**	**11.0**
Cash (net of overdrafts)	**121.8**	**132.0**	**143.5**

Source: Consolidated financial statements, audited

Key highlights FY 2017

In FY 2017, main YoY evolutions reflect:

- **Cash flow from operations increased by €53.1 million:**
  - Increased adj. EBITDA by €11.5m
  - An inflow in working capital of €42.2m as a result of the working capital improvement initiatives and impact of Easter holidays, which fell this year in April.
  - Lower non-recurring items

  Offset by:
  - Lower non cash items and higher tax paid
- **Cash outflow from investing activities decreased by €1.0 million:**
  - Lower development costs of our platform vs. last year
  - The absence in FY 2017 of the costs related to the move of our Barcelona offices.
  - The neutral impact between the sale of the corporate travel business and acquisition of budgetplaces.com.
- **Cash flow used in financing increased by €53.5 million:**
  - Higher cash flow used in financing mainly due to:
    - Repurchase and cancellation of 2018 notes (€29.1 million)
    - Bond call premium and other refinancing flows, which amounted to €21.7 million

WORKING CAPITAL EVOLUTION

Industry change

Back in 2015, IATA approved regulations to increase frequency of remittance in 2 markets in which we operate:

- UK, moving from monthly payments to fortnightly payments, starting from June 2016
- France, moving from monthly payments to fortnightly payments, starting from April 2017

Performance to offset in advance

In order to balance the negative effect on our working capital, we have executed during FY17 a working capital optimisation program

- Optimisation of display and pricing to customers of flight options that improve working capital
- Optimisation of process of collection of cash from customers
- Optimisation of payment rules and release of cash trapped

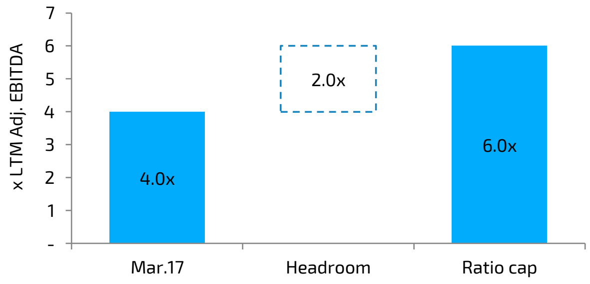
Working capital movement in FY17 has been very positive and will allow us to compensate in advance the negative effect in working capital which will be impacting us mostly from Q1 of FY18

SUCCESFUL DELEVERAGE OF OUR BUSINESS AND DEBT REFINANCING

Refinancing highlights

- **Net leverage** ratio **down from 3.43x** in March 2016 **to 2.66x in March 2017**
  - Gross Leverage ratio down from 4.81x in March 2016 to 4.0x in March 2017.
- Refinancing closed in October 2016
- Full repayment of 2018 Notes and 2019 Notes, issuance of 2021 Notes
- Increase in SS RCF to €147 million
- Single maintenance covenant switched to 6.0x Gross Leverage Ratio
- Terms improved to allow for efficient repurchases of up to 10% of principal per year

Gross Leverage Ratio (Total Gross Financial Debt[1] / LTM Adjusted EBITDA)



Debt Details

(million euros)	Principal	Rating	Maturity
Corporate Family Rating		Moodys:B2 S&P: B Outlook: Stable	
2021 Notes	435	Moodys:B3 S&P: B	01/08/21

NOTES: Covenants figures presented above are unaudited and at eDreams ODIGEO level
1 IFRS gross financial debt is calculated after deducting the financing fees capitalized

Strategy Update and Outlook

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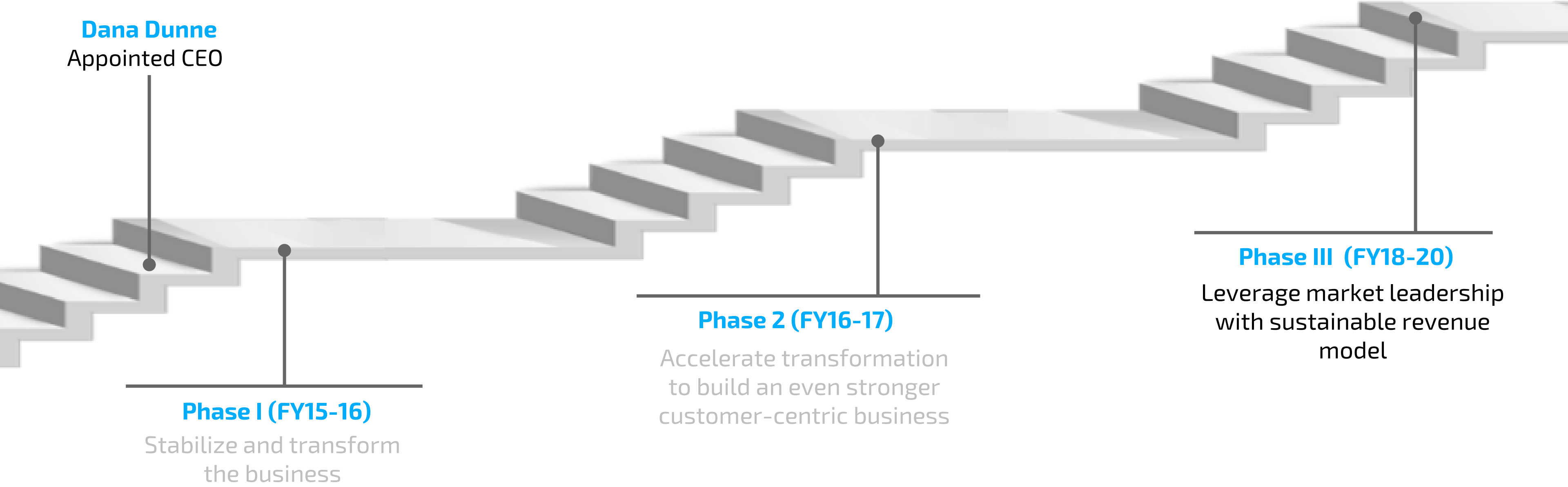
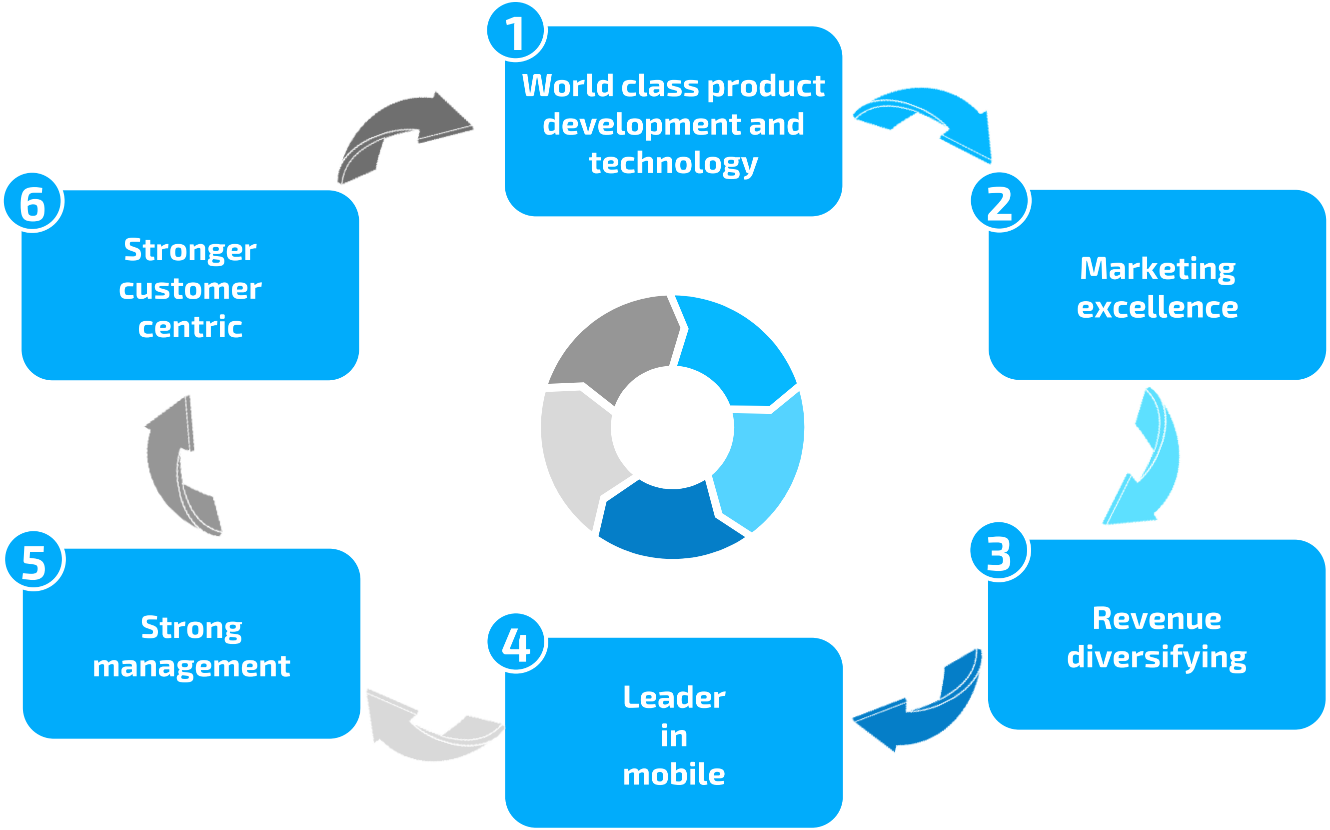
Our performance over the past two years has been driven by a successful transformation journey focusing on the customer and developing scale



We have shown strong improvements as we continue to invest to build a great business



We provide to customers strong value and choice, in the most convenient way

We save customers money

€134
cheaper than airlines on average across all common routes

We give customers the best choice

8 vs 3
direct flight options per day with airline

We make it easiest to book

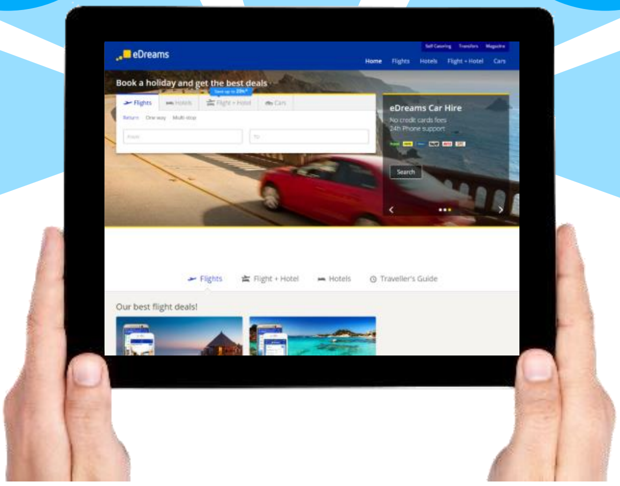
<100 seconds
for users to book a direct flight

They can customize every element of their trip

>1,000
new product features every year allow our customers to find exactly what they want

We offer better service

24/7
Customer service across all major markets



Our scale is balanced by a high level of agility to execute on ideas rapidly and cost efficient

50 agile teams

of top development talent

1,000+

releases p.a.

15 minutes

best case delivery time from development to code live

A/B tests

3,600 simultaneous A/B tests possible per day

x3

Number of releases

-70%

Development delivery times

-84%

Cost reduction per release

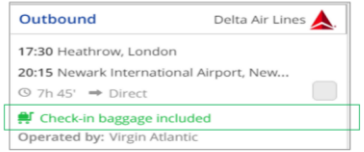
Our innovation in product and services is offering a greater booking experience to our customers

FY 2017 – Product Launches

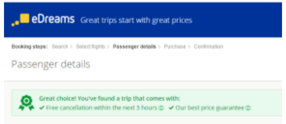
Inspire and plan → Search → Compare and select → Order and confirm → Pre-travel → Travel → Post-travel

Location heatmaps

Baggage information

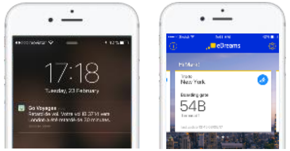


Free cancellation

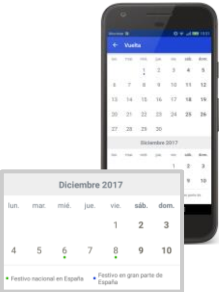


Scan card

Flight notifications



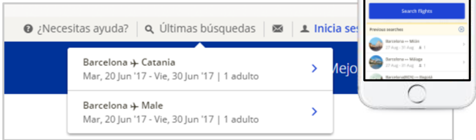
Holidays in calendar

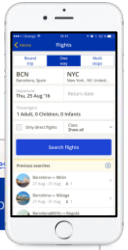


Seat map

Flexible travel dates

Recent searches





>1,000 new product releases

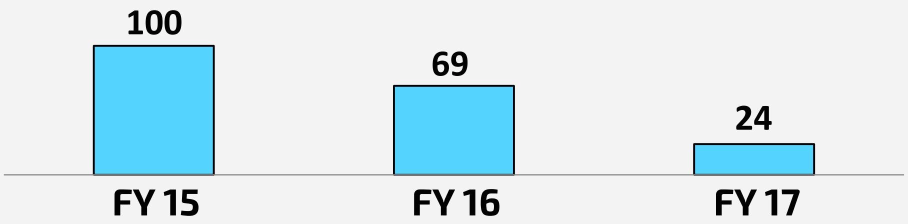
Through Machine Learning we leverage data assets to better identify & take advantage of profitable opportunities

What is machine learning?

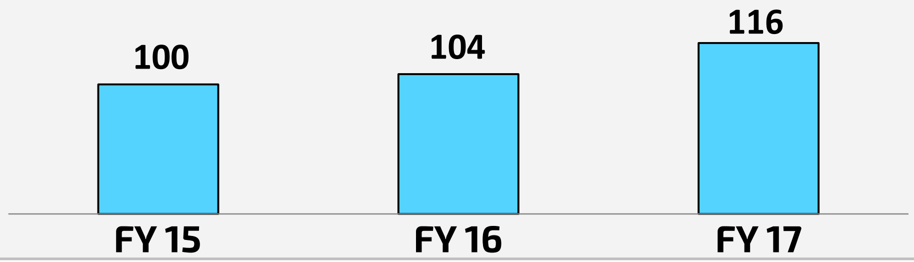
- Uses **historical data** to teach computer systems to do a complex task instead of programming explicit rules, automating analytical model building.
- We use machine learning in a couple of areas of our business, and see increased application in a wide variety of areas

Applying machine learning delivered significant improvement: Real example

Cost per booking index



Orders of area; Scale Indexed



1 (Orders classified as no risk or low risk)/ (Total orders reaching fraud system)
Source: Internal data (Qlikview); Management report

Our large customer database and the use of our CRM, Mobile and app services, including push notifications boosted performance

Customer database

15M
reachable customers in CRM datamart

78%
of customers get personalized content within their journey

4.5x
increases in booking rate through personalization

CRM Bookings GROUP
+41%
YoY growth

CRM Bookings NON FLILGHT
+96%
YoY growth

Note: Management accounts, unaudited

Improvements on our Mobile Apps boosted performance

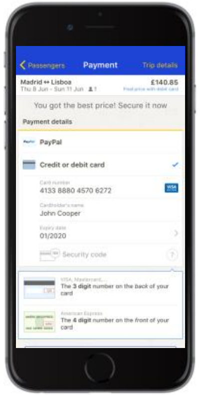
Repeat rate	Bookings	App rating
75%	+30%	4+

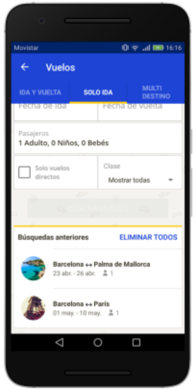
+5% Attach Rate	+5% conversion	+30% usage	+0.8 stars
Insurance	**Payment**	**Searches**	**Ratings**

Apps improvements boost performance via…

- Insurance screen
- Payment
- Latest searches
- Ratings

Our **mobile products are constantly improving** in quality and value for the users as demonstrated by the good ratings that our applications have on the stores. The applications also lead in revenue diversification, repeat rate and NPS.





Our diversification strategy is delivering positive results through the offering of non-flight and new ancillary products

	FY 16	FY 17
Dynamic Packages	+18%	+13%
Hotels	-3%	+10%
Cars	+31%	+15%
Ancillaries	+18%	+31%

Ancillaries Products

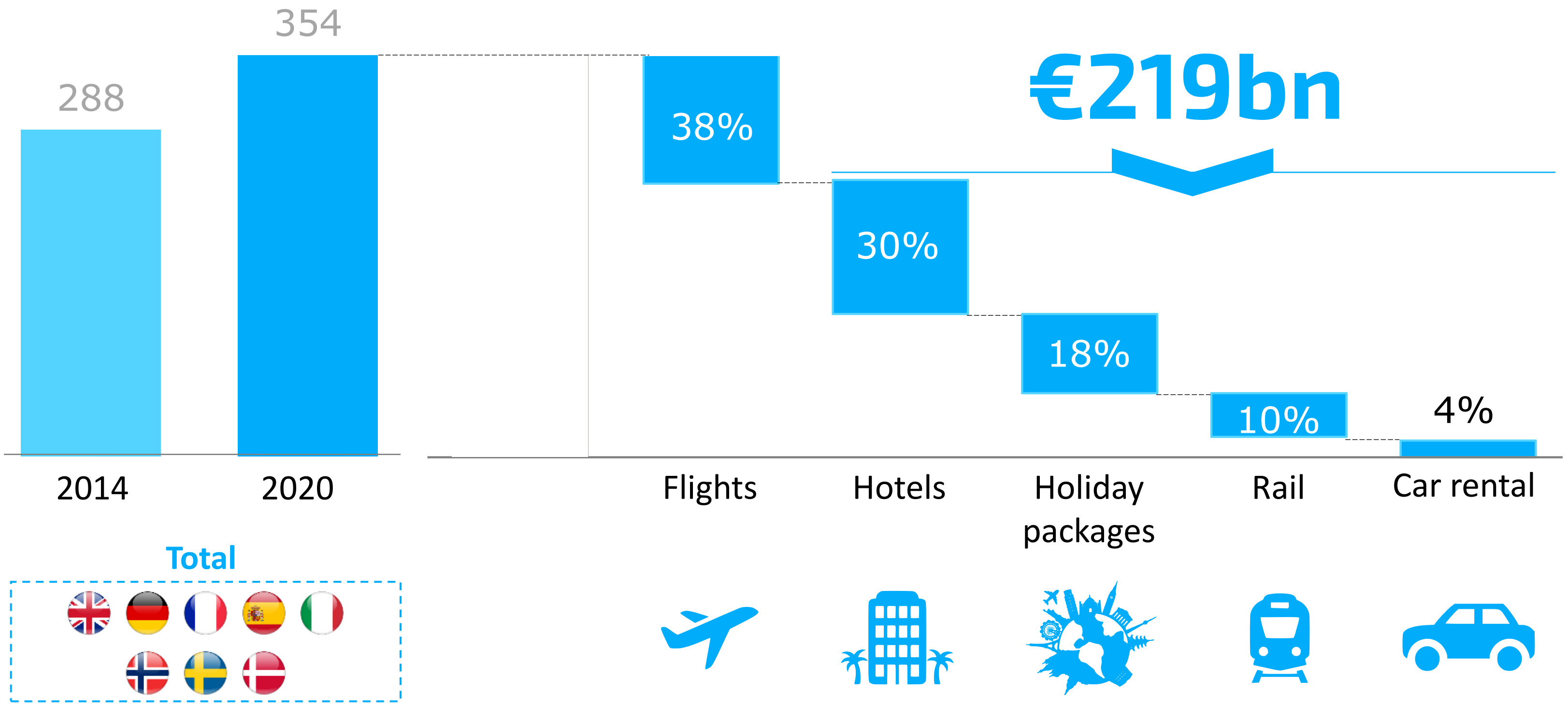
DOUBLED IN FY 2017

DOUBLING AGAIN IN FY 2018

Note: Growth in revenue margin, management accounts, unaudited

European travel market offers a €219bn business opportunity for revenue diversification

European travel market – Gross Bookings, Billion Euros



SOURCE: Phocuswright, breakdown estimates as per European total travel market (online and offline)

In line with our revenue diversification strategy we recently acquired budgetplaces.com to reinforce the building of our dynamic packages

Rational of the acquisition

Faster time to market and offering

- **Platform:** Allows us to accelerate our plan by not having to build parts of the platform. We now focus on both integration of their platform as well as building other necessary elements within the entire platform and product offering.

Industry expertise

- **Expertise and resources:** acquired entire teams specialized on management, distribution and IT development

Content capabilities

- **Inventory:** Improves quality and value of our inventory, as well as development capabilities, allowing us to offer a unique experience that leverages our flight strengths

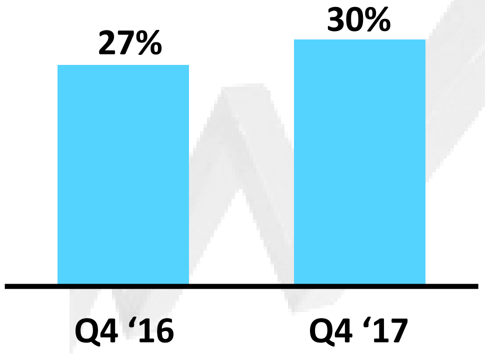
The results of our revenue diversification strategy are being monitored in a series of performance indicators

- Revenue diversification ratio
- Product diversification ratio
- Acquisition cost per booking index
- Repeat booking
- Share of mobile bookings

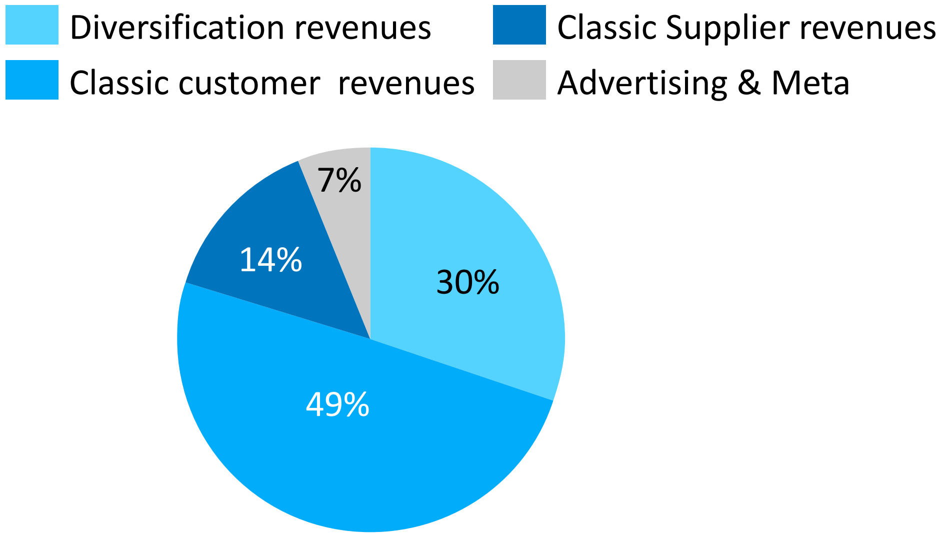
Growing share of revenues coming from our diversification strategy

Revenue diversification ratio

Revenue diversification ratio; Percent



Revenue split; Percent

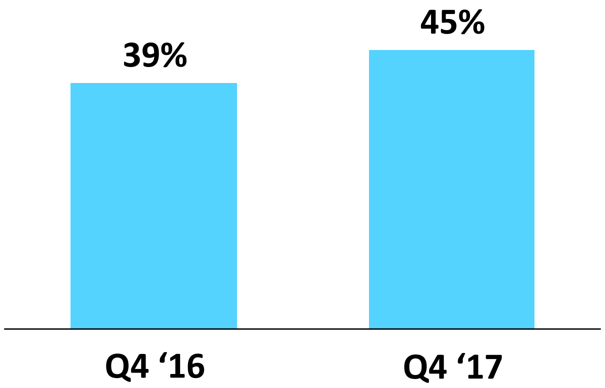


Revenue Diversification Ratio is a ratio representing the amount of Diversification Revenue earned in a twelve-month period as a percentage of our total revenue. Our management believes that the presentation of the Revenue Diversification Ratio measure may be useful to readers to help understand the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

Increasing ability to add value to a customers booking through higher attachments

Product diversification ratio

Product diversification ratio; Percent



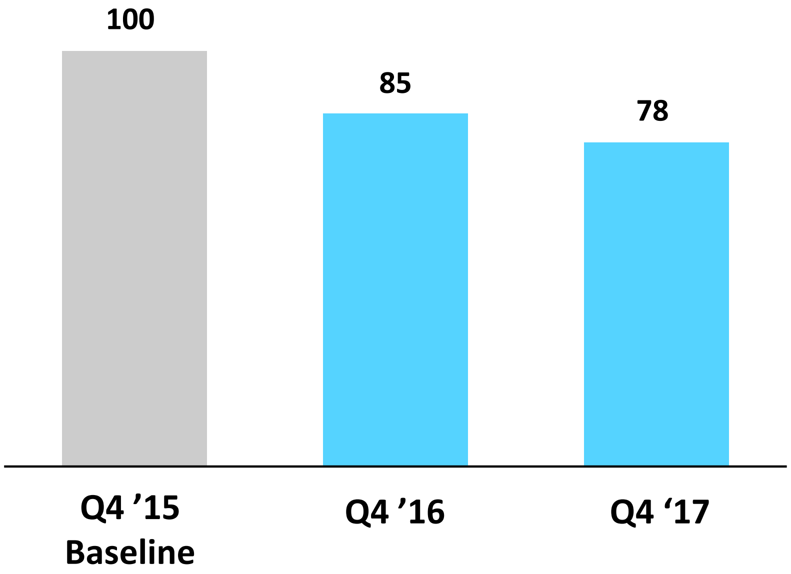
Product Diversification Ratio (%) is a ratio expressed on a percentage basis and calculated by dividing the number of flight ancillary products and non-flight products linked to a Booking (such as insurance, additional check-in luggage, reserved seats, certain additional service options, Dynamic Packages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

Decreasing acquisition cost v. index of Q4 FY 15 before start of transformation

Acquisition cost per booking index

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

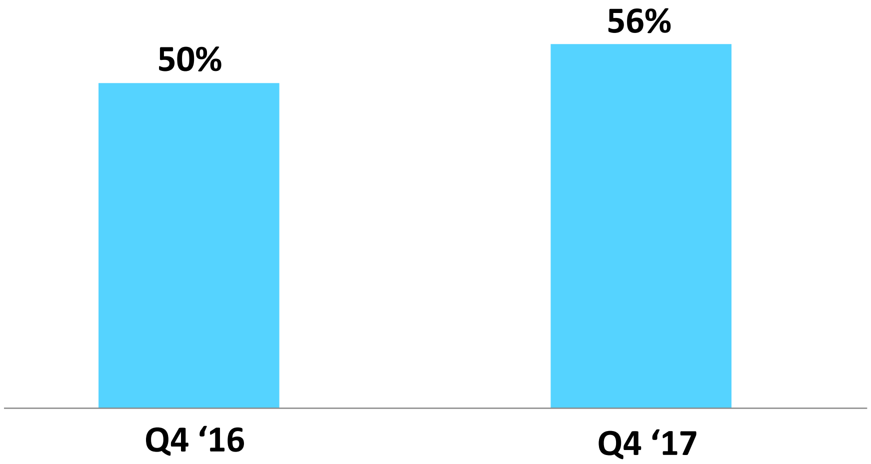
Acquisition cost per booking Index



Stable repeat rates with positive YoY

Repeat booking

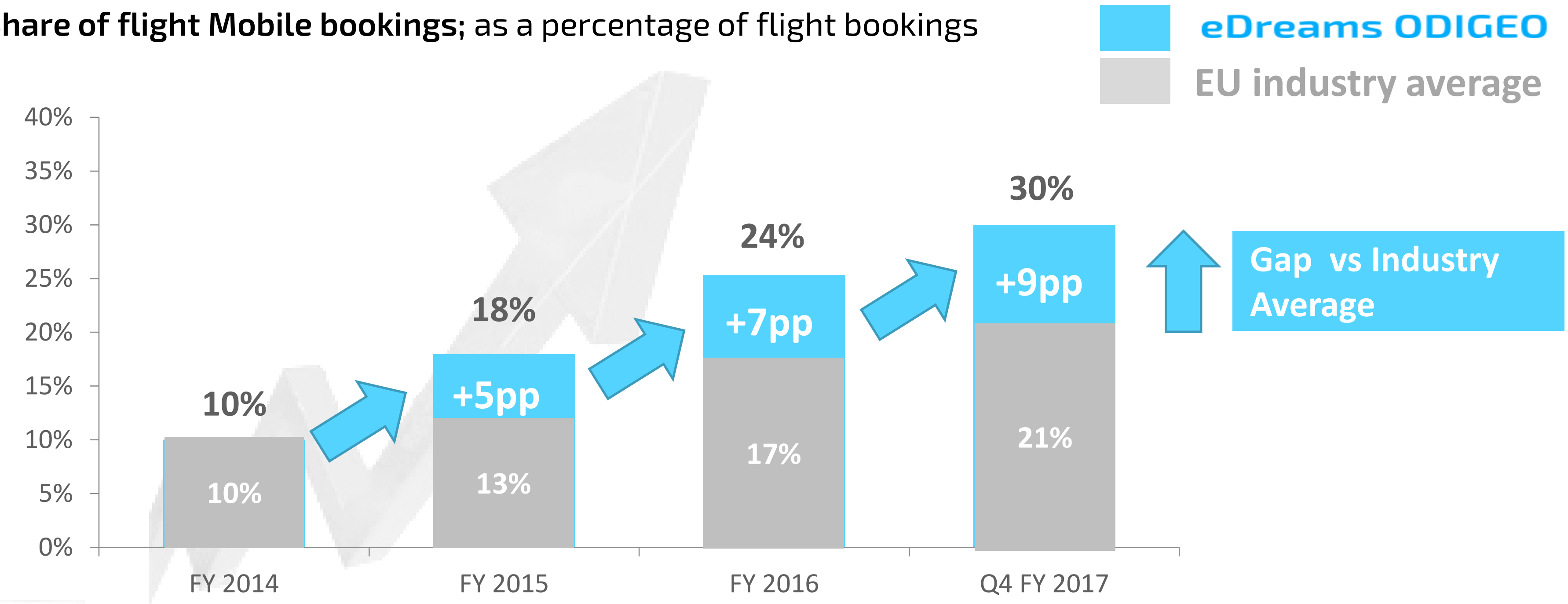
Customer repeat booking rate; Percent, annualised view



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

Strong growth in Mobile Bookings

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



Share of mobile bookings

Outlook Statement

We will continue to invest to build long-term highly attractive business:

- Evolving our pricing and communication of that pricing
- Offering an exciting range of innovative products and services as a one-stop shop
- Improving our Product Diversification Ratio and Revenue Diversification Ratio as a result
- Pushing the transition to mobile, which affects performance in the short term but improves our strategic position and long-term attractiveness

We will control the transformation pace to continue to grow absolute Adjusted EBITDA

Reflecting this investment, we expect markedly soft revenues and profit in the first half of the fiscal year with first quarter Adjusted EBITDA down by 10-14%, for several reasons:

- Accelerated investment in the transition to mobile and evolution in change of our revenue model
- Change in Easter seasonality vs FY17
- Comparison against excellent performance in 1Q of FY17, where many of our improvements already kicked-in and we had not started to change our revenue model

All of the above is completely built into our full-year guidance, in which we expect a growth in Adjusted EBITDA around 7%.

Targets for FY 2018

Bookings

In excess of 11.7 million

Revenue Margin

In excess of €487 million

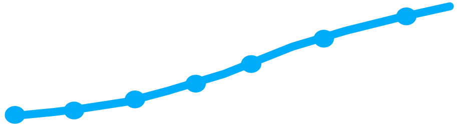
Adjusted Ebitda

€115 million (7% growth y-on-y)

+/- €2 million

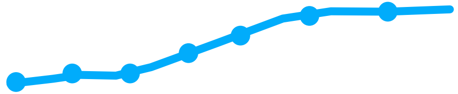
Our financial strategy is in line with these choices

We will control the transformation pace to continue to grow absolute EBITDA



✓ Long-term target of EUR 125-140m EBITDA by 2020

We expect a period of softer top-line performance to reflect longer-term investment in customer value



✓ More robust revenue profile

✓ Increased satisfaction

✓ Increased competitiveness as leader in Europe

This is part of a broader investment to ensure our business is well-positioned and attractive in the long term…

✓ Prioritizing long-term profitability

…and fits into our wider strategy of derisking our financial profile and increasing value to both debt and equity investors

✓ Select restructuring including divestments of Package and Corporate businesses

✓ Debt buy-back/successful refinancing

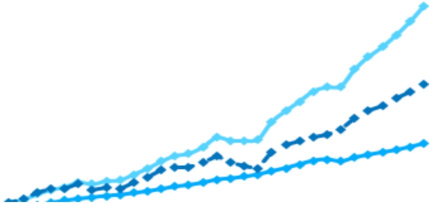
✓ Continue to reduce leverage

In summary…

World-class product and technology

Customer value

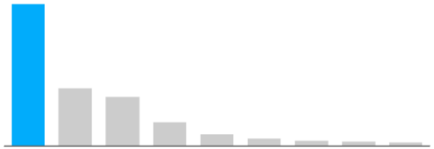
Growing market



Industry structure

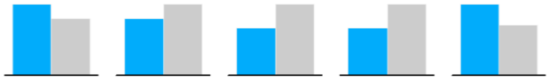
Mobile leader

Scale



Market leadership

Investment



Results

eDreams ODIGEO

Strategic progress - FY 2017

1 Traffic Source	2 Mobile	3 Customer Experience	4 Lean and Nimble	5 Revenue diversification	6 Culture and talent
Bookings grew by 9% while **variable costs per booking** decreased by 8% **Acquisition cost per booking index** reduced by 22pp since Q4 FY 15	**Mobile bookings** accounted for 30% of total flight bookings in Q4 FY 17 **Mobile bookings** increased 35% y-o-y in FY 17 **Mobile app downloads** increased by 74%	Over 40% reduction in **contact rate** 400% growth in **Help center** visits, resulting in 10% reduction in contact rate **Resolution rate** grew by 15%	50 **agile teams** More than 1,000 **product releases** p.a (x3 number of releases) **Development delivery times** reduced by 70% 84% **cost reduction per release**	**Revenue diversification ratio** increased from 27% to 30% in Q4 FY17 **Product diversification ratio** increased from 39% to 45% in Q4 FY17 **Ancilliary revenues** up 31%	**Acquisition of Talent,** in FY 2017 we were able to hire 98% of our IT and Product targeted candidates, while **attrition rates** were reduced by 4pp.

Source: Management data, unaudited

QUARTERLY INCOME & CASH FLOW STATEMENT

Income Statement

(In € million)	3M Mar FY16	3M Mar FY17	Var.
Revenue margin	**129.4**	**136.9**	***6%***
Variable costs	(78.8)	(84.4)	*7%*
Fixed costs	(18.8)	(21.1)	*12%*
Adjusted EBITDA	**31.7**	**31.5**	***(1)%***
Non recurring items	(3.4)	(2.4)	*(29)%*
EBITDA	**28.3**	**29.1**	***3%***
D&A incl. impairment & results on assets disposals	(4.2)	(6.6)	*57%*
EBIT	**24.1**	**22.4**	***(7)%***
Financial loss	(11.5)	(9.3)	*(19)%*
Income tax	(6.7)	0.3	*n.a.*
Net income	**5.9**	**13.5**	***127%***
Adjusted net income	**9.2**	**12.2**	***32%***

+15%

Cash Flow Statement

(In € million)	3M Mar FY16	3M Mar FY17
Adjusted EBITDA	**31.7**	**31.5**
Non recurring items	(3.4)	(2.4)
Non cash items	4.6	1.8
Change in WC	53.9	64.2
Income tax paid	(0.1)	(1.4)
Cash flow from operating activities	**86.7**	**93.6**
Cash flow from investing activities	**(7.1)**	**(15.6)**
Cash flow before financing	**79.6**	**78.1**
Shares issuance	-	-
Consent fee on change in covenant	-	-
Repurchase of 2018 Notes	-	-
Other debt issuance/ (repayment)	(0.2)	(0.2)
Bond call premium and other refinancing flows	-	-
Financial expenses (net)	(12.7)	(12.1)
Cash flow from financing	**(12.9)**	**(12.3)**
Net increase/(decrease) in cash	**66.7**	**65.8**
Cash (net of overdrafts)	**132.0**	**143.5**

Source: Consolidated financial statements, audited

% Growth normalised for Offline Advertising incurred in Q4 FY 2017 and not in Q4 FY 2016