HBX GROUP

HBG LIMITED

Special purpose consolidated financial information
Years ended 30 September 2024, 2023 and 2022

Company number: 121392 (Jersey registry)

HBXGROUP.COM

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DIRECTORS' REPORT

The Directors present their report together with the audited special purpose consolidated financial information for the years ended 30 September 2024, 30 September 2023 and 30 September 2022.

The Directors report has been prepared under Jersey Law, with additional disclosures to align with Directors' report requirements under UK law.

Incorporation

HBG Limited (the "Company") was incorporated on 27 May 2015 in Jersey as a private company limited by shares. The address of its registered office is 11-15 Seaton Place, St Helier, JE4 0QH, Jersey.

Principal activities

As a TravelTech business, the Group's principal activity is the purchase of hotel accommodation and mobility and experiences (car rental, transfers and experiences) on behalf of travel service providers such as wholesalers, tour operators, travel agencies and airlines. Additionally, through its Hoteltech product line, the Group assists hotels with optimising their direct online channel, creating booking engines and supporting with digital marketing. Through fintech initiatives, HBX Group is optimising profit by reducing costs related to payment processing and increasing other income.

Directors

The Directors who served during the years ended 30 September 2024, 2023 and 2022 and/or up to the date of approval of this special purpose consolidated financial information are:

- Joan Vila Bosch
- Ronica Wang
- Richard Leslie Solomons
- Stephen Nicholas Huntley
- Nicolas Raoul Georges Huss
- Jonah Enbar (resigned 8 April 2022, reappointed 4 October 2022)
- Jose Antonio Tazon Garcia (resigned 19 July 2022)
- Peter Anthony Colin Catterall (resigned 21 June 2023)
- Sven Lindner (resigned 21 June 2023)
- William Henry Peter Boardman (appointed 18 July 2023)
- Guillermo Jonas (appointed 18 July 2023)
- Jorge Quemada Saenz-Badillos (resigned 14 May 2024)
- Matthew Sabben-Clare (appointed 14 May 2024)

Independent auditors and Reporting Accountant

PricewaterhouseCoopers LLP were appointed as Reporting Accountants of HBG Limited on 19 December 2023 in respect of this Special Purpose Consolidated Financial Information. PricewaterhouseCoopers LLP were appointed the independent statutory auditor of HNVR Topco Limited (a wholly owned subsidiary of HBG Limited) on 24 February 2017 for the year ended 30 September 2017, and have continued to be its independent auditor since that date.

The Audit Committee has satisfied itself that the independence of the Group's auditors is not impaired by the performance of other assurance and advisory services, noting that the Group is not currently a Public Interest Entity as defined by the UK Financial Reporting Council's Revised Ethical Standard 2024.

Directors' insurance

Throughout the financial year and up to the date of approval of these special purpose consolidated financial information, the Group maintained Directors' and Officers' liability insurance policies on behalf of the Directors of the Group and the Company.

Financial review

The Group has access to sources of capital that are sufficient to develop the business. Its funds are provided by a syndicate of leading banks and include a revolving credit facility. These arrangements and the recurring nature of much of the business give confidence over the Group's financial strength and provide the basis on which future investment decisions can be taken. The Board continually reviews the performance of the business and regularly reviews its divestment or investment strategies.

Results and dividends

The results for the years ending 30 September 2022, 30 September 2023 and 30 September 2024 are set out in the consolidated statement of comprehensive income. On 4 October 2022 the Board approved a dividend in relation to select D Ordinary shares and on 23 December 2022, CAD60,000 (€41,548) was paid out to these shareholders. Other shareholders waived their right to receive a dividend totalling CAD240,000 (€166,193). No dividends were declared, paid or waived during the years ending 30 September 2024 or 30 September 2022.

Alternative Performance Measures

In addition to the financial information presented under IFRS-EU, this special purpose consolidated financial information includes the following Alternative Performance Measures ("APM"):

- Adjusted EBITDA^{APM} is detailed as follows:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Loss for the year	(24)	(75)	(192)
Taxation	(24)	11	(1)
Finance costs, net	308	299	237
Depreciation and amortisation	103	101	108
Non-underlying items	25	10	7
Other non-recurring items[1]	9	8	1
Adjusted EBITDA^{APM}	**397**	**354**	**160**

1. Other non-recurring items principally relate to the cost of long-term incentive plans related to an exit event.

- Adjusted Net Debt[APM] is detailed as follows:

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Cash and short-term deposits	(686)	(690)	(539)
Senior debt	1,740	1,728	1,825
Bank loans (other)	4	5	7
Other borrowings	13	2	12
Bank overdrafts	-	-	11
Net debt	**1,071**	**1,045**	**1,316**
Working capital adjustment[1]	214	186	205
Adjusted Net Debt[APM]	**1,285**	**1,231**	**1,521**

1. The working capital adjustment is the difference between the working capital at the reporting date and the average working capital for the previous 12 months.

- Adjusted Net Debt[APM] to Adjusted EBITDA[APM] being:

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Adjusted Net Debt[APM]	1,285	1,231	1,521
Adjusted EBITDA[APM]	397	354	160
Adjusted Net Debt[APM] to Adjusted EBITDA[APM]	**3.2**	**3.5**	**9.5**

Going concern

At 30 September 2024, the Group had net liabilities of €1,399m (30 September 2023: €1,353m and at 30 September 2022: €1,258m) and net current liabilities of €177m (30 September 2023: €25m and at 30 September 2022: €69m), having generated a €449m cash inflow in the financial year from operating activities (30 September 2023: €461m and at 30 September 2022: cash inflow of €396m), following the strong business performance during the year. The Directors have considered the funding and liquidity position of the Group. At 30 September 2024, the main sources of debt funding included €1,528m loan notes due for repayment in 2056, €1,740m bank syndicated facilities, net of modification gain and capitalised finance costs, which mature in 2027 for the term loan D2 (€976m) and 2028 for the term loan B3 (€764m), and €53m of preference shares. The Group closed the year with cash in bank of €686m and total liquidity of €925m (including the available revolving credit facility from lenders of €157m under the Senior Facilities Agreement and €82m of other undrawn committed credit facilities).

The Group was compliant with its covenant requirement for 2024, 2023 and 2022 (cash and cash equivalents balance on the last business day of each month are not less than €75m). The Group has always complied with its covenant and no breach has arisen in previous years.

The Directors have assessed the Group's cashflow forecasts for a period of twelve months from the date of approval of this special purpose consolidated financial information, while being cognisant of the impact of the proposed admission to trading of all of the ordinary shares of HBX Group International Plc (a wholly owned subsidiary of HBG Limited prior to the proposed reorganisation outlined in note 23) on the Spanish Stock Exchange (the "Proposed IPO"), as detailed in note 23.

As the Proposed IPO and fundraising is not committed at the date of approving this special purpose consolidated financial information, the Directors have assessed the Group's cashflow forecasts under two scenarios, where Forecast A assumes the admission of the Group on the Spanish Stock Exchange in February 2025, including the associated reorganisation and refinancing steps set out in note 23, and Forecast B assumes no admission to the Spanish Stock Exchange takes place within a period of twelve months from the date of approval of the special purpose consolidated financial information.

Both cashflow forecasts have been prepared on the basis of low double-digit annual growth in TTV, high single digit revenue growth, cash conversion of approximately 100% and an underlying tax rate in the mid 20%.

In addition to the trading assumptions detailed above, Forecast A incorporates the following steps:

- The Group reorganisation, comprising the transfer of existing loan notes and preference shares totalling €1,581m at 30 September 2024, to HBG Limited for newly issued share capital in HBG Limited. This transaction has no cash impact, and on a consolidated basis will result in the elimination of the loan notes and preference share balance, to be replaced with share capital and reserves for a corresponding amount.

- The sale of HBG Limited shares held by certain officers and senior employees of the Group to HBX Group International Plc at 100% and the sale of shares held by other individual and non-institutional shareholders, including certain former officers and senior employees of the Group to HBX Group International, pro rata to the number of offering shares to be sold by the ultimate owners of the Group. In the base case scenario, at the mid-range, this results in a cash outflow of €83m.

- HBG Limited will become a subsidiary of HBX Group International Plc which will become the parent company of the HBX Group following admission. The Directors have received a letter of support from HBX Group International Plc confirming its intention to support HBG Limited for a period of at least 12 months from the date of signing this special purpose consolidated financial information in the Forecast A scenario.

- The reinvestment in newly issued shares in HBX Group International Plc by certain key management personnel, resulting in a cash inflow to the Group of €49m in the base case scenario, representing the mid-point of the expected price range.

- The issuance of new shares under the offering totalling €725m, with a nominal value of €1m, less associated advisors fees totalling €50m. The net impact will be a cash inflow of €675m. Costs which are not directly attributable to the issuance of new shares will be recognised as non-underlying items within operating expenses in the profit and loss account for the year ended 30 September 2025, whilst costs which are directly attributable will be recognised against the share premium account. The primary issuance of €725m will be recognised against share capital (€1m) and share premium (€724m).

- The payment of management incentive plans, as detailed in note 23, which fall payable in the event of an Initial Public Offering resulting in a net cash outflow of €208m in the base case scenario, which represents the mid-point of the expected price range. €23m will extinguish the existing provision, whilst the remaining €185m will be recognised within operating expenses as a non-recurring cost.

- The refinancing of the existing debt under the Senior Facilities Agreement totalling €1,740m at 30 September 2024, to be repaid and replaced by a new €1.2bn facility, comprising two term loans, A and B, maturing five years and seven years after the date of the IPO respectively, and a €400m (undrawn) Revolving Credit Facility maturing five years after the date of the IPO. This will result in a cash outflow, based on the position at 30 September 2024, of €601m, comprising the net repayment of the debt and accrued interest, plus associated fees totalling €29m. The new financing is expected to be substantially different from the existing arrangement and held in HBX Group International Plc, and consequently the existing debt, including unamortised fees, will be extinguished in full. The minimum cash covenant included in the existing financing arrangement will be replaced by a maximum Adjusted Net Debt^{APM} / Adjusted EBITDA^{APM} ratio of between 4.0

and 4.5 times. As at the date of approving this special purpose consolidated financial information, the new facilities are committed, contingent upon the Proposed IPO proceeding.

As a consequence of the outlined steps, in Forecast A, the capital structure of the Group will be substantially changed, with existing loan notes and preference shares effectively converted into equity, and a c. €500m reduction in the external debt, both of which will reduce future financing costs. The changed capital structure would result in the Group having €1,200m of debt under the new facilities maturing between five and seven years after the date of the IPO, a new revolving credit facility for €400m maturing five years after the date of the IPO, and all loan notes and preference shares will be fully redeemed. In Forecast B, the capital structure remains unchanged, with the main sources of debt funding being €1,528m loan notes due for repayment in 2056, €1,740m bank syndicated facilities which mature in 2027 for the term loan D2 (€976m) and 2028 for the term loan B3 (€764m) and €53m of preference shares.

Furthermore, under both Forecasts A and B, the Directors have used a base case and a severe but plausible downside scenario ("the Downside Scenario"). In the Downside Scenario for both Forecasts A and B, a 30% reduction in TTV and a 30% reduction in Adjusted EBITDA^{APM} compared to the budget for the next two financial years has been assumed. Additionally, in Forecast A, a higher Company valuation has been assumed, resulting in additional cash (outflows)/inflows in relation to:

- an increased management sell down, totalling €(25)m; and
- additional reinvestment by key management personnel totalling €2m.

The Directors have committed that the IPO scenario outlined in Forecast A would not proceed if the quantum of the primary offer proceeds was insufficient such that it would cause risk to the Group's ability to continue as a going concern.

In both Forecast A and Forecast B, including both the base case and the Downside Scenario, the Group is projected to have sufficient liquidity to support its operations and to be compliant with its banking covenants.

Consequently, the Directors are satisfied that the Group has adequate resources to continue operations for the foreseeable future and consider it appropriate to continue to prepare this special purpose consolidated financial information on a going concern basis.

Future outlook

The Directors expect the trading performance of the Group to continue to improve.

Health and safety quality audit

HBX Group is committed to its legal and ethical obligations for the health and safety of its partners, clients, employees and all those affected by HBX's operations. The Group aims to prevent harm to people and to establish best practices in health and safety. This applies both within the office premises and outside the office wherever HBX's operations take place. The company undertakes the measures needed to fulfil its health and safety obligations. The Group also ensures that clients and employees are provided with information on the risks they may face, and the preventative and protective measures implemented to control these risks.

The Group has an established client health and safety policy that focuses on the ability to measure performance and to pursue continuous improvement in managing health and safety of its clients and others who may be affected by the operations and activities of HBX Group. The policy is reviewed regularly by the health and safety quality audit team.

About ESG at HBX Group

As a leader in the TravelTech space, HBX is committed to contribute to creating a sustainable future for the planet and to making tourism a force for good. The Group is committed to position itself as a benchmark in sustainability in the travel-tech industry.

Our ESG strategic plan focuses on three pillars: Environment, Social and Governance.

Environment

HBX Group looks for a positive impact. The Group is committed to protect the planet by doing all it can to preserve it and its biodiversity. HBX will play its part in slowing down climate change and protecting its future.

This is why the Group is dedicated to reduce its impact and working collaboratively with its partners (hotels, clients, industry organisations) to help them to do the same so the difference we make together is more impactful.

Some facts that illustrate the environmental commitment:

- this is the seventh year HBX Group has been carbon neutral in scope 1 and 2;
- the Group has reduced its emissions by 48% in the last 3 years;
- HBX has about 40,000 properties in its portfolio within the sustainable hotels programme, which means they meet ESG criteria certifications; and
- 5,000 of the properties in the Group's portfolio are free of single-use plastics.

Social

The Group is dedicated to its people and the prosperity of the society. HBX works hard to promote an inclusive, respectful and fair workplace grounded in diversity and equal opportunities and promoting wellbeing and continuous development.

The Group strives to make a positive impact in the communities where it operates, empowering them to generate their own prosperity while protecting at the same time their natural and cultural resources.

Highlights of HBX Group's social performance:

- 43,000 hours invested in learning;
- 8,000 of volunteer hours;
- 46% of women in management positions and 55% of women out of the total workforce; and
- 89 nationalities in the Group.

Governance

The Group focuses its governance on trust, transparency and collaboration. HBX strongly believes in driving excellence in corporate governance and compliance standards, creating trusted products and systems focused on ensuring the privacy and security of the data the Group manages.

HBX focuses on sustainable growth and commits to use its strategic position to influence, create alliance and promotes collaboration to make travel a force for good.

Further details of the Group's environmental initiatives can be found in the ESG report, published annually and available online at https://www.hbxgroup.com/environmental-social-governance.

Supplier and customer relationships

HBX Group seeks to understand and deliver the expectations of its suppliers and customers, as this is in our mutual interest.

The Group has a Supplier Code of Conduct that establishes the values and principles required of suppliers to drive the development of ethical and environmentally sustainable business practices. Suppliers and customers are encouraged to be part of this commitment to sustainability and responsible business conduct, sharing good practices and working together.

The Group informs its suppliers and customers of the measures it has implemented to respect and uphold human rights, and expects them to do the same.

Measures have been taken, both internally and with trade partners, suppliers and customers to fight against "Modern Slavery". The Group's Modern Slavery and Human Trafficking Statement is available online at hbxgroup.com/corporate-governance.

A new "Know Your Business" initiative is currently in design phase and is expected to enhance HBX Group´s ability to manage supplier and customer relationship risks, including fraud, sanctions and money laundering.

Compliance

As a global company, HBX must comply with national and international legislation. HBX is committed to carrying out business fairly, openly and honestly with no tolerance for breaches of laws and regulations.

The HBX compliance program, operated throughout the Group's subsidiaries, is designed to ensure that the actions of both employees and third parties comply with regulatory requirements and international standards.

The Code of Conduct is the foundational document of the HBX compliance program and all employees must uphold the standards set out within the code. HBX Group takes its Code of Conduct seriously and any breach of it or any applicable law or regulation can result in disciplinary action for the employees involved.

HBX Group provides compliance training and communication, including e-learning via the HBX learning management platform and a structured onboarding process for new employees. This covers general compliance training on the Code of Conduct and ethical behaviour, and more detailed training and awareness campaigns tailored to specific employee group.

Statement of Directors' responsibilities in respect of special purpose consolidated financial information

The Directors are responsible for preparing this special purpose consolidated financial information which give a true and fair view, in accordance with applicable Jersey Law and International Financial Reporting Standards, of the state of affairs of the Group and of the profit or loss of the Group for that period.

The Directors have prepared this special purpose consolidated financial information in accordance with EU-adopted international accounting standards.

Under company law, Directors must not approve the financial information unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing this special purpose consolidated financial information, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable EU-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the special purpose consolidated financial information;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the special purpose consolidated financial information on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the special purpose consolidated financial information complies with the Companies Act 2006.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Significant events since the year end

Incentive plans

On 1 October 2024, the Group approved the following changes to existing incentive plans, in addition to the implementation of new incentive plans:

- The removal of the minimum threshold exit valuation on the main employee incentive plan (EIP 1). As a result of this change, the Directors anticipate that this scheme will vest during the financial year ending 30 September 2025, resulting in an estimated cash outflow of €17m (excluding social security costs) at both the lower and upper end of the price range. The estimated cash outflow is derived from the number of tokens held by each employee at 30 November 2024. Tokens were initially granted in October 2023 and subsequently topped up in November 2023 and November 2024 dependent on employee performance. Each token represents 1% of employee salary payable in an exit event, conditional on continued tenure and performance remaining at "performing" or higher throughout the plan period. The number of tokens at exit are subject to a multiplier dependent on the Company enterprise value. The Directors anticipate that the multiple will be 1x based on the anticipated enterprise value. The total cost of €17m will be recognised within operating expenses in the profit and loss account, and shown as an adjustment for the purposes of calculating Adjusted EBITDA[APM] as a "non-recurring item" as this payment is linked to a one off exit event.

- The extension of both management incentive plans (MIP 1 and MIP 2) to be conditional on an exit event completing by 31 December 2025 (previously 31 December 2024). Consequently, the Directors anticipate that these schemes will become payable during the year ended 30 September 2025, resulting in an estimated cash outflow of between €34m and €39m (without considering social security costs), representing the cash payment granted as detailed in the plan terms and assuming no leavers between the date of signing the financial statements and the date of vesting. The total cost will be recognised within operating expenses in the profit and loss account, and shown as an adjustment for the purposes of calculating Adjusted EBITDA[APM] as a "non-recurring item" as this payment is linked to a one off exit event.

- The implementation of an additional cash bonus in favour of 48 key Group employees, including two Directors and seven other members of key management personnel, as a reward for their value creation achieved over the years, conditional upon admission to the Spanish Stock Exchange taking place by 31 March 2025. The Directors anticipate that the admission to the Spanish Stock Exchange will be met before 31 March 2025 and consequently that this scheme will become payable during the year ended 30 September 2025. This will result in an estimated cash outflow of €120m (without considering social security costs), representing the fixed cash payment granted as detailed in the plan terms, and assuming no leavers between the date of signing the financial statements and the date of vesting. The total cost of €120m will be recognised within operating expenses in the profit and loss account, and shown as an adjustment for the purposes of calculating Adjusted EBITDA[APM] as a "non-recurring item", as this payment is linked to a one off exit event. The payment is not linked to the value of equity instruments and therefore does not represent a share-based payment in accordance with IFRS 2.

Including the impact of these amendments and associated social security costs, the Directors anticipate a total cash outflow of c.€208m during the year ended 30 September 2025 in relation to incentive plans, comprising, at the lower end of the price range: EIP1: €17m; LTIP 2016 and LTIP 2017: €16m; MIP1 and MIP 2: €39m; the additional incentive bonus: €120m; LTIP 2021-2024: €2m; Roiback LTIPs: €4m; and social security and other related fees totalling €10m. At 30 September 2024, a provision of €23m has been recognised in the consolidated statement of financial position, including €9m relating to share-based payments. Consequently, the total cost to be recognised in operating expenses for the year ending 30 September 2025 is expected to be c. €185m.

On 14 January 2025, the Remuneration Committee of the Group approved, subject to Admission, a long-term incentive plan for key employees, managers and executive Directors (including the members of the Executive Committee) of the Group (the "Performance Share Plan") who are invited to participate. It is expected that the Performance Share Plan will be ratified by the Board in its first meeting following Admission.

The Performance Share Plan is a long-term incentive program offered by HBX Group to align key employees, managers and executive Directors' efforts with the organisation's long-term goals. It involves granting the beneficiaries Company's shares contingent on meeting specific performance targets over a set performance period thus creating a direct link between the employee and senior executive's performance and the Company's market value.

The Performance Share Plan will be implemented through the granting of a certain number of "theoretical shares" or "units", which will entitle the holder to receive shares at the end of the performance period, provided that the objectives of the plan are met, including the fulfilment of certain financial and non-financial objectives and the holder remains employed with or providing services to the HBX Group from the start date of the relevant cycle until the vesting date of the relevant cycle.

The number of units to be awarded to each beneficiary would be determined based on a target reference amount in cash, corresponding to a percentage of the annual fixed remuneration of each of the beneficiaries.

The Performance Share Plan will have a total duration of five years, and it will be divided into three independent and overlapping three-year cycles (the "Cycles" and each of them, a "Cycle"), according to the following calendar:

- First Cycle: from Admission, until 30 September 2027.
- Second Cycle: from 1 October 2025 to 30 September 2028.
- Third Cycle: from 1 October 2025 to 30 September 2029.

The objectives foreseen for the first Cycle and their weighting are as follows:

- Total shareholders return: weighting 30%.
- Revenue growth: weighting 30%.
- Free cashflow conversion: weighting 30%.
- Environmental, Social and Governance (ESG): weighting 10%.

For the rest of the Cycles, the objectives will be approved by the Board, at the proposal of the Remuneration Committee, following the provisions of the Remuneration Policy.

The settlement of the Plan would be made, after determining the degree of achievement of the objectives of the corresponding Cycle, in shares of the Company.

The maximum cost of the Performance Share Plan to the Group is expected to be approximately €54m for the three Cycles of the Performance Share Plan, payable according to the plan vesting terms and conditions over its total duration of five years.

Reorganisation

In contemplation of the proposed admission of the Group to the Spanish Stock Exchange, on 18 December 2024 certain companies within the HBX Group and the shareholders of HBG Limited entered into a reorganisation deed under which each of the parties have agreed to undertake certain transactions as part of a corporate reorganisation to be effected after approval of the prospectus and the special purpose consolidated financial information and prior to admission, pursuant to which HBX Group International Plc ("Listco"), which was a wholly owned indirect subsidiary of HBG Limited at 30 September 2024, will become the sole shareholder of HBG Limited ("the Company") and therefore the parent company of the HBX Group.

As the Proposed Reorganisation does not alter the economic substance of the Group, management believe that the adoption of the predecessor accounting method accurately represents the assets, liabilities, revenues, and operating results of the Group as if Listco had been the parent entity of the consolidated Group for the past three financial years. Therefore, this method is considered the most suitable accounting approach for preparing the consolidated financial information of the Group following the Proposed Reorganisation. The Group intends to adopt this on a retrospective basis, with comparative amounts disclosed on a consistent basis following admission. Under the predecessor accounting method, assets and liabilities involved in the Proposed Reorganisation are recorded at their existing carrying amounts, rather than at fair value, in this case those recorded in the financial statements of the Company and its subsidiaries.

Steps completed prior to the date of signing this special purpose consolidated financial information

On 16 December 2024, HNVR Topco Limited ("Topco"), the wholly owned subsidiary of the Company, subscribed for 57,100 fully paid up redeemable non-voting preference shares of €1 each in the capital of its subsidiary, HBX Group International Limited ("Listco") for consideration by way of an undertaking to pay.

On 6 January 2025, Listco re-registered from a private limited company to a public limited company, HBX Group International Plc.

Steps to be completed prior to admission

Prior to admission, Topco has committed to transfer the entire issued share capital of Listco and the redeemable non-voting preference shares to Prometheus Aggregator S.A.R.L., which is indirectly controlled by funds managed by Cinven, for consideration of €0.01 and the assumption of Topco's undertaking to pay the Company the subscription price of the redeemable non-voting preference shares detailed above.

Topco has committed to redeem its preference shares (€53m at 30 September 2024) including all accrued dividends to the date of redemption, and subsequently cancel them. The redemption proceeds will be used to subscribe for newly issued shares in the Company. This will result in the recognition of additional share capital in the Company and a credit in the share premium account for the difference between the price paid, less the nominal value of the share capital.

The Company has committed to use part of the proceeds received from the subscription of ordinary shares to subscribe for at least one ordinary share in Topco.

The holders of Topco shareholder loan notes have committed to transfer their shareholder loan notes (€1,528m at 30 September 2024), including all accrued interest to the date of transfer to the Company in exchange for newly issued shares in the Company, resulting in additional share capital in the Company of less than €1m and the recognition of a credit in the share premium account for the difference between the value of the shareholder loan notes exchanged and the nominal value of the share capital.

The shareholders of the Company, with the exception of minority shareholders detailed in the "Management selldown", have committed to transfer to Listco their respective shares in the Company in exchange for newly issued shares in Listco. Management have concluded that this will meet the criteria of IAS27.13 and therefore Listco will recognise its investment in the Company at the carrying amount of the Company's net assets.

Listco has committed to redeem all of the redeemable non-voting preference shares acquired by Prometheus Aggregator as detailed above, resulting in Listco having a single class of ordinary shares in issue.

Management selldown

Directors and active senior employees together with select non-institutional investors have committed to sell down their shares in the Company to Listco in full for a consideration calculated by reference to the Offering price, for deferred sale consideration to be paid using proceeds from the Offering. Certain other individuals and non-institutional shareholders have committed to sell a proportion of their shares in the Company to Listco pro rata to the number of offer shares to be sold by the ultimate controlling parties for deferred sale consideration to be paid using the proceeds from the Offering.

In the records of Listco, this will be recognised as a cost of its investment in the Company, with a corresponding credit recorded for the deferred sale consideration.

Management reinvestment

The Chair of the Board, Chief Executive Officer, certain members of the Executive Committee and certain senior managers have committed to reinvest in Listco by subscribing for newly issued shares at the offering price.

This cash reinvestment will be recognised as newly issued share capital and share premium in Listco.

As a result of all of the above pre-admission steps, all shareholders of the Company at the date of signing of this special purpose consolidated financial information have committed to cease being shareholders of the Company, and Listco will become the sole shareholder of the Company. Preference shares and shareholder loan note balances will be nil.

On 16 January 2025, the Group entered into the New Facilities Agreement, conditional on the IPO proceeding. Accordingly, the Group is committed to repay the existing Senior Facility Agreement (€1,740m at 30 September 2024) and to enter into the New Facilities Agreement, comprising €1,200m of Senior Debt and a Revolving Credit Facility of €400m, which will support its growth strategy and other capital requirements following the IPO.

The new capital structure, following the proposed refinancing, will comprise available facilities of €1,200m, which mature in 2030-2032 and a revolving credit facility of €400m maturing in 2030.

Post Admission steps

Following admission, Listco has committed to reduce its share premium by way of a court-sanctioned capital reduction.

Other

On 27 January 2025, the Group entered into a long-term strategic partnership with a leading online travel marketplace and travel technology company in Latin America, to become their preferred supplier in all destinations outside of Latin America. Under the agreement, HBX Group has agreed to pay an upfront signing bonus in exchange for certain future minimum revenue levels obtained by the Group during the eight-year contract term.

Approval

This report was approved and signed on behalf of the Board on 28 January 2025 by:

Nicolas Huss
Director
Company number: 121392 (Jersey registry)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**Year ended 30 September 2024 €m**	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Revenue from contracts with customers	4	693	656	434
Other income	5	50	40	27
Other costs	5	(58)	(63)	(58)
Gross profit		**685**	**633**	**403**
Operating expenses	6	(322)	(297)	(251)
Depreciation and amortisation	11, 12	(103)	(101)	(108)
Operating profit		**260**	**235**	**44**
Finance costs	8	(327)	(312)	(243)
Finance income	8	19	13	6
Loss before taxation		**(48)**	**(64)**	**(193)**
Taxation	9	24	(11)	1
Loss for the financial year		**(24)**	**(75)**	**(192)**
Basic and diluted loss per share (€)	10	(0.20)	(0.61)	(1.59)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR EXPENSE

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Loss for the financial year	**(24)**	**(75)**	**(192)**
Other comprehensive (expense) / income:			
Items that may be reclassified to profit or loss:			
Currency translation differences	(26)	(24)	66
Related taxation	-	4	(4)
Net profit / (loss) on hedges	4	(1)	1
Total items that may be reclassified to profit or loss	(22)	(21)	63
Items that will not be reclassified to profit or loss:			
Remeasurement of pension provisions	-	-	1
Total items that will not be reclassified to profit or loss	-	-	1
Total other comprehensive (expense) / income for the financial year	**(22)**	**(21)**	**64**
Total comprehensive expense for the year	**(46)**	**(96)**	**(128)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Non-current assets				
Goodwill	11	1,535	1,550	1,574
Other intangible assets	11	517	576	649
Property, plant and equipment	12	10	15	17
Investment in associate	13	32	-	-
Derivatives	18	-	-	16
Other financial assets	18	2	2	1
Deferred tax assets	9	20	13	20
Trade receivables and other assets	14	9	10	14
Total non-current assets		**2,125**	**2,166**	**2,291**
Current assets				
Trade receivables and other assets	14	608	567	501
Income tax recoverable		7	6	1
Derivatives	18	8	23	-
Cash and short-term deposits	15	686	690	539
Total current assets		**1,309**	**1,286**	**1,041**
Total assets		**3,434**	**3,452**	**3,332**
Current liabilities				
Trade payables and other liabilities	16	1,351	1,227	1,031
Income tax payable		21	15	16
Interest-bearing loans and lease liabilities	18	82	60	60
Derivatives	18	4	7	2
Provisions for liabilities	17	28	2	1
Total current liabilities		**1,486**	**1,311**	**1,110**
Non-current liabilities				
Interest-bearing loans and lease liabilities	18	1,681	1,684	1,806
Loan notes and preference shares	20	1,581	1,663	1,512
Trade payables and other liabilities	18	34	32	41
Deferred tax liabilities	9	43	89	100
Provisions for liabilities	17	8	26	21
Total non-current liabilities		**3,347**	**3,494**	**3,480**
Total liabilities		**4,833**	**4,805**	**4,590**
Net liabilities		**1,399**	**1,353**	**1,258**
Equity				
Called up share capital	19	1	1	1
Share premium account	19	136	136	135
Accumulated losses		(1,525)	(1,501)	(1,426)
Other components of equity		(11)	11	32
Total equity		**(1,399)**	**(1,353)**	**(1,258)**

The special purpose consolidated financial information was approved by the Board of Directors on 28 January 2025 and signed on its behalf by:

Nicolas Huss
Director
Company number: 121392 (Jersey registry)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

				Other components of equity		
	Called up share capital €m	Share premium account €m	Accumulated losses €m	Hedging reserve €m	Translation reserve €m	**Total equity €m**
At 1 October 2021	**1**	**133**	**(1,235)**	**(1)**	**(30)**	**(1,132)**
Loss for the financial year	-	-	(192)	-	-	**(192)**
Other comprehensive income, net of tax	-	-	1	1	62	**64**
Total comprehensive (expense) / income	-	-	(191)	1	62	**(128)**
Issue of shares (note 19)	-	2	-	-	-	**2**
At 30 September 2022	**1**	**135**	**(1,426)**	**-**	**32**	**(1,258)**
Loss for the financial year	-	-	(75)	-	-	**(75)**
Other comprehensive expense, net of tax	-	-	-	(1)	(20)	**(21)**
Total comprehensive expense	-	-	(75)	(1)	(20)	**(96)**
Issue of shares (note 19)	-	1	-	-	-	**1**
At 30 September 2023	**1**	**136**	**(1,501)**	**(1)**	**12**	**(1,353)**
Loss for the financial year	-	-	(24)	-	-	**(24)**
Other comprehensive income / (expense)	-	-	-	4	(26)	**(22)**
Total comprehensive (expense) / income	-	-	(24)	4	(26)	**(46)**
At 30 September 2024	**1**	**136**	**(1,525)**	**3**	**(14)**	**(1,399)**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	**Year ended 30 September 2024 €m**	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Loss before taxation		**(48)**	**(64)**	**(193)**
Adjustments to reconcile loss before tax to net cash flows from operating activities:				
Depreciation and amortisation	11, 12	103	101	108
Finance costs	8, 20	327	312	243
Finance income	8	(19)	(13)	(6)
Change in working capital				
Increase in trade receivables and other assets		(50)	(71)	(150)
Increase in trade payables and other liabilities		156	209	399
Increase in provisions		8	6	1
Fair value adjustment to derivatives		(4)	(3)	(1)
Other non-cash items		-	-	1
Other items of operating activities				
Income taxes paid		(24)	(16)	(6)
Net cash inflow from operating activities		**449**	**461**	**396**
Cash flows from investing activities				
Payments for intangible assets		(41)	(35)	(24)
Payments for property, plant and equipment		(1)	(3)	(2)
Investment in an associate	13	(32)	-	-
Interest received		29	9	2
Net cash outflow from investing activities		**(45)**	**(29)**	**(24)**
Cash flows from financing activities				
Proceeds from issue of shares	19	-	1	2
Repayment of preference shares	20	(175)	-	-
Repayment of revolving credit facility from lenders		-	-	(248)
Repayment of senior debt	18	-	(100)	-
Payment of senior debt refinancing costs	18	(2)	(29)	-
Repayment of bank borrowings		(1)	(2)	(1)
(Repayment of) / proceeds from other borrowings		-	(5)	5
Interest paid		(212)	(117)	(110)
Payment of principal portion of lease liabilities		(6)	(6)	(6)
Net cash outflow from financing activities		**(396)**	**(258)**	**(358)**
Net increase in cash and cash equivalents		8	174	14
Net foreign exchange difference		(12)	(12)	18
Cash and cash equivalents at the beginning of the financial year		690	528	496
Cash and cash equivalents at end of year		**686**	**690**	**528**

NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL INFORMATION

1. Corporate information

HBG Limited (the "Company") was incorporated on 27 May 2015 in Jersey as a private company limited by shares and has been the holding company of the Group since 2016, when Cinven, a European private equity firm, and Canada Pension Plan Investment Board ("CPPIB") reached an agreement to acquire Hotelbeds from the TUI Group. The address of its registered office is 11-15 Seaton Place, St Helier, JE4 0QH, Jersey.

The Group is domiciled at 12th Floor, Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW.

As a TravelTech business, the Group's principal activity is the purchase of hotel accommodation and mobility and experiences (car rental, transfers and experiences) on behalf of travel service providers such as wholesalers, tour operators, travel agencies and airlines. Additionally, through its Hoteltech product line, the Group assists hotels with optimising their direct online channel, creating booking engines and supporting with digital marketing. Through fintech initiatives, HBX Group is optimising profit by reducing costs related to payment processing and increasing other income.

The special purpose consolidated information covers three years between 1 October 2021 and 30 September 2024.

2. Summary of material accounting policy information

A. Basis of preparation

The Historical Financial Information ("HFI") of the Group has been prepared on a going concern basis under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) measured at fair value. This special purpose consolidated financial information is presented in Euros, the Group´s presentation currency. The figures shown in the financial information are rounded to the nearest million Euros ("€m") unless otherwise stated.

The HFI of the Group has been prepared in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom, and in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee pronouncements as adopted for use in the European Union ("IFRS-EU"), and in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council dated 19 July 2002 on the application of international accounting standards. The HFI for the three years ended 30 September 2024 has been prepared specifically for the purposes of the HBX Group prospectus and in accordance with the requirements of Prospectus Regulation number 2019/980 of the European Commission. This HFI does not constitute statutory financial statements within the meaning of section 434(3) of the Companies Act 2006.

Prior to this special purpose consolidated financial information, HBG Ltd prepared its financial statements in accordance with Financial Reporting Standard 102 ("FRS102" or "UK GAAP"). This special purpose consolidated financial information for the years ended 30 September 2022, 30 September 2023 and 30 September 2024 is the first the Group has prepared in accordance with IFRS, and the first time consolidated financial information have been prepared at the HBG Limited level. Previous unaudited HBG Limited accounts were standalone unconsolidated company accounts. Refer to note 22 for information on how the Group adopted IFRS.

The material accounting policies have been applied consistently to all accounting periods presented.

This special purpose consolidated financial information has been authorized for issue on 28 January 2025.

Climate-related risk

The Directors have considered the impact of climate-related risk on the financial information.

The travel industry as a whole is likely to be impacted by climate-related change. Rising temperatures may result in acute weather events such as wildfires and flooding, together with reducing the attractiveness of certain destinations due to the higher temperatures. Additionally, the financial burden of adhering to sustainability legislation may increase the cost of travel and consequently reduce demand. It may, however, result in a shift in the travel destinations of choice, rather than an overall reduction in travel.

The Directors have considered the impact of climate-related change on the financial information, specifically in relation to their assessment of going concern and impairment of intangible assets and do not expect the impact on future cash flows to be material. The Group distributes accommodation and other related services across over 170 countries, enabling it to offset downturns in some destinations due to climate-related events, or temperature changes, with stronger performance in others. Additionally, increasing temperatures might reduce peak season demand in hotter climates, but this would be offset by the extension of the typical travel season.

Going Concern

At 30 September 2024, the Group had net liabilities of €1,399m (30 September 2023: €1,353m and at 30 September 2022: €1,258m) and net current liabilities of €177m (30 September 2023: €25m and at 30 September 2022: €69m), having generated a €449m cash inflow in the financial year from operating activities (30 September 2023: €461m and at 30 September 2022: cash inflow of €396m), following the strong business performance during the year. The Directors have considered the funding and liquidity position of the Group. At 30 September 2024, the main sources of debt funding included €1,528m loan notes due for repayment in 2056, €1,740m bank syndicated facilities, net of modification gain and capitalised finance costs, which mature in 2027 for the term loan D2 (€976m) and 2028 for the term loan B3 (€764m), and €53m of preference shares. The Group closed the year with cash in bank of €686m and total liquidity of €925m (including the available revolving credit facility from lenders of €157m under the Senior Facilities Agreement and €82m of other undrawn committed credit facilities).

The Group was compliant with its covenant requirement for 2024, 2023 and 2022 (cash and cash equivalents balance on the last business day of each month are not less than €75m). The Group has always complied with its covenant and no breach has arisen in previous years.

The Directors have assessed the Group's cashflow forecasts for a period of twelve months from the date of approval of this special purpose consolidated financial information, while being cognisant of the impact of the proposed admission to trading of all of the ordinary shares of HBX Group International Plc (a wholly owned subsidiary of HBG Limited prior to the proposed reorganisation outlined in note 23) on the Spanish Stock Exchange (the "Proposed IPO"), as detailed in note 23.

As the Proposed IPO and fundraising is not committed at the date of approving this special purpose consolidated financial information, the Directors have assessed the Group's cashflow forecasts under two scenarios, where Forecast A assumes the admission of the Group on the Spanish Stock Exchange in February 2025, including the associated reorganisation and refinancing steps set out in note 23, and Forecast B assumes no admission to the Spanish Stock Exchange takes place within a period of twelve months from the date of approval of the special purpose consolidated financial information.

Both cashflow forecasts have been prepared on the basis of low double-digit annual growth in TTV, high single digit revenue growth, cash conversion of approximately 100% and an underlying tax rate in the mid 20%.

In addition to the trading assumptions detailed above, Forecast A incorporates the following steps:

- The Group reorganisation, comprising the transfer of existing loan notes and preference shares totalling €1,581m at 30 September 2024, to HBG Limited for newly issued share capital in HBG Limited. This transaction has no cash impact, and on a consolidated basis will result in the elimination of the loan notes and preference share balance, to be replaced with share capital and reserves for a corresponding amount.

- The sale of HBG Limited shares held by certain officers and senior employees of the Group to HBX Group International Plc at 100% and the sale of shares held by other individual and non-institutional shareholders, including certain former officers and senior employees of the Group to HBX Group International, pro rata to the number of offering shares to be sold by the ultimate owners of the Group. In the base case scenario, at the mid-range, this results in a cash outflow of €83m.

- HBG Limited will become a subsidiary of HBX Group International Plc which will become the parent company of the HBX Group following admission. The Directors have received a letter of support from HBX Group International Plc confirming its intention to support HBG Limited for a period of at least 12 months from the date of signing this special purpose consolidated financial information in the Forecast A scenario.

- The reinvestment in newly issued shares in HBX Group International Plc by certain key management personnel, resulting in a cash inflow to the Group of €49m in the base case scenario, representing the mid-point of the expected price range.

- The issuance of new shares under the offering totalling €725m, with a nominal value of €1m, less associated advisors fees totalling €50m. The net impact will be a cash inflow of €675m. Costs which are not directly attributable to the issuance of new shares will be recognised as non-underlying items within operating expenses in the profit and loss account for the year ended 30 September 2025, whilst costs which are directly attributable will be recognised against the share premium account. The primary issuance of €725m will be recognised against share capital (€1m) and share premium (€724m).

- The payment of management incentive plans, as detailed in note 23, which fall payable in the event of an Initial Public Offering resulting in a net cash outflow of €208m in the base case scenario, which represents the mid-point of the expected price range. €23m will extinguish the existing provision, whilst the remaining €185m will be recognised within operating expenses as a non-recurring cost.

- The refinancing of the existing debt under the Senior Facilities Agreement totalling €1,740m at 30 September 2024, to be repaid and replaced by a new €1.2bn facility, comprising two term loans, A and B, maturing five years and seven years after the date of the IPO respectively, and a €400m (undrawn) Revolving Credit Facility maturing five years after the date of the IPO. This will result in a cash outflow, based on the position at 30 September 2024, of €601m, comprising the net repayment of the debt and accrued interest, plus associated fees totalling €29m. The new financing is expected to be substantially different from the existing arrangement and held in HBX Group International Plc, and consequently the existing debt, including unamortised fees, will be extinguished in full. The minimum cash covenant included in the existing financing arrangement will be replaced by a maximum Adjusted Net Debt[APM] / Adjusted EBITDA[APM] ratio of between 4.0

and 4.5 times. As at the date of approving this special purpose consolidated financial information, the new facilities are committed, contingent upon the Proposed IPO proceeding.

As a consequence of the outlined steps, in Forecast A, the capital structure of the Group will be substantially changed, with existing loan notes and preference shares effectively converted into equity, and a c. €500m reduction in the external debt, both of which will reduce future financing costs. The changed capital structure would result in the Group having €1,200m of debt under the new facilities maturing between five and seven years after the date of the IPO, a new revolving credit facility for €400m maturing five years after the date of the IPO, and all loan notes and preference shares will be fully redeemed. In Forecast B, the capital structure remains unchanged, with the main sources of debt funding being €1,528m loan notes due for repayment in 2056, €1,740m bank syndicated facilities which mature in 2027 for the term loan D2 (€976m) and 2028 for the term loan B3 (€764m) and €53m of preference shares.

Furthermore, under both Forecasts A and B, the Directors have used a base case and a severe but plausible downside scenario (“the Downside Scenario”). In the Downside Scenario for both Forecasts A and B, a 30% reduction in TTV and a 30% reduction in Adjusted EBITDA[APM] compared to the budget for the next two financial years has been assumed. Additionally, in Forecast A, a higher Company valuation has been assumed, resulting in additional cash (outflows)/inflows in relation to:

- an increased management sell down, totalling €(25)m; and
- additional reinvestment by key management personnel totalling €2m.

The Directors have committed that the IPO scenario outlined in Forecast A would not proceed if the quantum of the primary offer proceeds was insufficient such that it would cause risk to the Group’s ability to continue as a going concern.

In both Forecast A and Forecast B, including both the base case and the Downside Scenario, the Group is projected to have sufficient liquidity to support its operations and to be compliant with its banking covenants.

Consequently, the Directors are satisfied that the Group has adequate resources to continue operations for the foreseeable future and consider it appropriate to continue to prepare this special purpose consolidated financial information on a going concern basis.

B. Basis of consolidation

The special purpose consolidated financial information comprises the financial information of the Group and its subsidiaries as at 30 September 2024, 2023 and 2022.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are adjusted where appropriate to be consistent with the accounting policies used by the Group.

A list of subsidiaries at 30 September 2024 is shown in Note 20.

C. Foreign currency translation (functional and presentation currency)

The Group's special purpose consolidated financial information is presented in Euros, which is also the Company's functional currency as the financing received by the Group is denominated in Euros and this is the main currency in which the main Company's subsidiaries conduct their business.
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

Average exchange rates are used to translate the results of all subsidiaries that have a functional currency other than Euro. The statements of financial position of such entities are translated at period end exchange rates. The resulting differences are recorded through a separate component of equity.

Transactions in currencies other than a Group entity´s functional currency (foreign currencies) are recognised at the rate of exchange prevailing on the date of each transaction. At the end of each period, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the period end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated 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 are recognised in profit or loss in the period, except where they relate to a monetary item that forms part of the net investment in a foreign operation. In these cases, exchange gains and losses are recognised in other comprehensive income as a movement on the translation reserve and reclassified from equity to profit or loss on disposal of the net investment.

The average exchange rate used during the financial year and the exchange rate at 30 September 2024 of the Euro to the US dollar are $1.0842 and $1.1168 for €1, respectively (30 September 2023: $1.0675 and $1.0579 for €1, respectively and at 30 September 2022: $1.0850 and $0.9792 for €1, respectively).

The average exchange rate used during the financial year and the exchange rate at 30 September 2024 of the Euro to the British Pound Sterling is £0.8554 and £0.8343 for €1, respectively (30 September 2023: £0.8706 and £0.8667 for €1, respectively and at 30 September 2022: £0.8471 and £0.8857 for €1, respectively).

D. Fair value measurement

Assets and liabilities designated at fair value such as derivatives are carried at fair value. The fair value of cash at bank and in hand approximates to book value due to its short-term maturity.

All assets and liabilities for which fair value is measured or disclosed in the special purpose consolidated financial information are categorised within the fair value hierarchy, described as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

E. Segmental reporting

IFRS 8 defines an operating segment as a component of an entity engaging in business activities from which it earns revenues and incurs expenses and whose discrete operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM").

The Group has determined that the Executive Committee is the CODM, being the collective responsible for allocating resources and assessing the performance of the Group's operating segments.

As a TravelTech business, the Group provides travel bookings to B2B customers via its platforms. This includes two product lines, accommodation and mobility and experiences (comprising car rental, transfers and activities) which are predominantly sold via the same distribution methods and booking platforms and to the same customer groups (being tour operators and travel agents), and have similar economic characteristics. The revenue to TTV%s for both accommodation and mobility and experiences are within the same range. The most significant product line is accommodation, from which there are on-selling opportunities for mobility and experiences products.

The profitability of the individual product lines is not reviewed by the CODM due to their interdependencies, nor is it used to make decisions on the allocation of resources. Consequently, the Directors have concluded that the operating segment is the provision of travel products through the Group's online platforms, and within this are the separate product lines, being accommodation and mobility and experiences.

The Group's Hoteltech product line assists hotels with optimising their direct online channel. The Group's customers are the hotels, the services provided differ and the revenue is recognised on a principal basis as detailed in note 2F. Consequently, Hoteltech is a separate operating segment.

For the purposes of reportable segments, the Hoteltech operating segment constitutes less than 5% of the Group's revenue and less than 3% of the Group's gross profit and therefore the two operating segments have been aggregated on a materiality basis.

F. Revenue

The principal activity of the Group is the provision of travel services for the travel industry. HBX Group operates online intermediary platforms that offer hotel rooms and other connected services (comprising transfers, activities and car rental) to its customers.

The Group's customers for accommodation, transfers, activities and car rental are principally travel agencies and tour operators. The Group's customers for the Hoteltech sector are hoteliers.

For all revenue streams with the exception of Hoteltech, the Group´s performance obligations are to arrange for the provision of the specified services by a third party where the Group primarily acts as an agent. The Group does not control the services provided by the third party before they are transferred to the customer and therefore the supplier of the travel products is considered to be the principal.

For the Group's Hoteltech revenue stream, the Group acts as a principal. Revenue is recognised over time as a fixed fee or based on a percentage of the customer's total sales generated depending on the contract.

The Group recognises as revenue the amount to which it is entitled in exchange for arranging services to be provided by the other party. This is the net amount of consideration that the Group retains after paying the other party for the services provided. This includes the cost of the underlying service (e.g. payment to the hotelier) together with any variable consideration payable to the customer or receivable from the supplier in the form of rebates as detailed in note 3B. Revenue is recognised when performance obligations under the terms of contracts with customers are satisfied. The Group uses a five-step model for recognising revenue from contracts with customers: (1) identify contract(s) with the customer; (2) identify the separate performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the separate performance obligations in the contract; and (5) recognise revenue when (or as) each performance obligation is satisfied.

An overview of the Group's key revenue streams is detailed below:

Revenue stream	Performance obligation	Basis of revenue recognition	Revenue recognition point
Accommodation, transfers, activities and car rental[2]	Successful non-refundable booking completed	Total Transaction Value (TTV) less amount payable to the supplier, plus or minus other directly attributable costs or income[1].	Check-in date per the booking with the exception of rebates which are recognised over time
Hoteltech[3]	Availability of platform to the customer	Over time as a fixed fee or based on a percentage of the customer's total transaction value generated as per the contract.	Over time

1. Other directly attributable costs or income include agency commissions, rebates payable to customers and rebates receivable from suppliers.
2. Revenue from car rental is recognised at the date of the vehicle return, as in some instances the customer can modify the booking duration after the collection date.
3. For the Group's Hoteltech business, the Group acts as a principal.

Rebates payable to customers and rebates receivable from suppliers are variable based on the contractual terms and calculated as a percentage of transaction volumes. Percentages may vary dependent on thresholds defined in the contract. Rebates receivable from suppliers are accrued over time using the most likely amount methodology, accruing when it is highly probable that the thresholds will be met based on historic and anticipated trading levels. Rebates payable to customers are accrued over time using the most likely amount methodology. Rebates receivable are recognised within other receivables and rebates payable are recognised within other payables.

In the event that invoices received from suppliers are less than cost accrued, due to events such as no shows, and it is determined that, based on historical performance, it is highly probable that we will not be required to pay the supplier, the value of the liability is reduced, with the corresponding credit recognised through revenue.

G. Other income and other costs

Other income

Other income relates to rebates received in relation to payments to suppliers made by virtual credit cards. Rebates from credit card providers are received quarterly in arrears with a receivable balance recognised within accrued other income at the year-end.

Other costs

Other costs relate to variable expenses the Group incurs in order to generate revenue. These include credit card fees, marketing costs, platform fees, commissions and foreign exchange translation costs.

H. Non-underlying items

To improve the understanding of the Group's financial performance, items that are material to the Group either by virtue of their size or nature, and not considered to reflect the underlying performance are presented as non-underlying items and are recognised in the consolidated statement of profit or loss within operating expenses.

Items classified as non-underlying are disclosed separately as they do not reflect the underlying profit or loss of the business due to their nature. This enables a better understanding of performance.

Non-underlying items are considered individually and assessed at each reporting period. These typically comprise cost of severances associated with major restructuring projects, COVID-19 related costs, integration costs and fees associated with potential acquisitions and divestments.

I. Finance expense and income

Finance expense and income arising on interest bearing financial instruments carried at amortised cost is recognised in the consolidated statement of profit or loss using the effective interest rate method. Finance expense includes the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price.

J. Investment in associates

An associate is an entity over which the Group has significant influence. 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.

Under the equity method of accounting, investments in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Additionally, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

K. Taxes

Corporate income tax

The corporate income tax expense or credit is based on the applicable income tax rate for each jurisdiction in which the Group has a taxable presence adjusted by changes in deferred tax assets and liabilities attributable to taxable temporary differences and the carry forward of unused tax losses.

The corporate income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes accruals where appropriate based on amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period that will apply when the temporary difference is expected to reverse.

Deferred tax assets are recognised only if it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities in that jurisdiction.

Current and deferred tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

L. Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. In accordance with IFRS 3 Business Combinations, goodwill is not amortised but reviewed annually for impairment and as such, is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the consolidated statement of profit or loss and is not subsequently reversed. On acquisition, any goodwill acquired is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

M. Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful life of 15 years.

N. Computer software and other intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business combination are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. The costs relating to internally generated intangible assets, principally computer software, are capitalised if the criteria for recognition as assets are met. Other expenditure is expensed in the period in which the expenditure is incurred.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated using the straight-line method over their estimated useful lives of up to 10 years.

An intangible asset is derecognised on disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated statement of profit or loss in the year of disposal.

Computer software in development is not amortised.

O. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements the remaining lease term, if shorter as follows:

Buildings: Right-of-use asset	Over expected lease term (up to 8 years)
Buildings: Leasehold improvements	Up to 15 years
Fixtures, fittings and equipment	3-10 years

The carrying values of plant and equipment is reviewed annually for impairment to assess whether there are events or changes in circumstances indicating that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating unit are impaired to their recoverable amount.

The recoverable amount of plant and equipment is the greater 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An item of property, plant or equipment is derecognised upon disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated statement of profit or loss in the year of disposal.

P. Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

Right-of-use asset

The Group recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments over the expected lease term that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method.

The Group presents right-of-use assets that do not meet the definition of investment property in "Property, plant and equipment" and lease liabilities in "Interest-bearing loans and lease liabilities" in the consolidated statement of financial position.

Q. Financial assets and financial liabilities

Financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, with the exception of the derivatives, financial assets are measured at their amortised cost less impairment.

Financial assets comprise trade receivables and other financial assets, cash and short-term deposits and derivative financial instruments.

Trade receivables are recognised initially at their transaction price and subsequently measured at amortised cost, less allowance for expected credit losses. The Group recognises an allowance for expected lifetime credit losses applying a simplified approach that uses a provision matrix based on historical credit loss experience, adjusted for forward looking factors specific to the receivable and the economic environment. The provision for expected credit losses is recognised in the consolidated statement of profit or loss within other costs.

Financial liabilities

At initial recognition, the Group measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Subsequently, with the exception of the derivative financial instruments, financial liabilities are measured at their amortised cost.

Financial liabilities comprise loan notes, preference shares, interest-bearing loans and other borrowings, trade payables and other liabilities, customer deposits and derivative financial instruments.

Loan notes, preference shares, interest-bearing loans and other borrowings are initially recognised at fair value net of issue costs associated with the borrowing. After initial recognition, loan notes, preference shares, other interest-bearing loans and other borrowings are subsequently measured at amortised cost using the effective interest rate method.

Derivatives and hedging activities

The Group uses derivatives to hedge foreign currency risk and interest rate risk arising from operational and financing activities. In accordance with internal Group accounting principles, derivative financial instruments are not used for trading purposes. However, derivatives used for hedging purposes that are not designated or do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss. Amounts accumulated in equity are reclassified to profit or loss when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the consolidated statement of profit or loss.

Derivatives that are not designated nor qualifying for hedge accounting
Changes in the fair value of any derivative instrument that are not designated nor qualifying for hedge accounting are recognised immediately as finance costs or finance income in the consolidated statement of profit or loss.

Derecognition of financial assets and financial liabilities
Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Group has transferred its contractual right to receive the cash flows from the financial assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either:

- substantially all the risks and rewards of ownership have been transferred; or
- substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

R. Prepayments

Prepayments are recognised at amortised cost. The Group recognises a provision for non-recoverable prepayments made to hoteliers based on the financial strength of those hoteliers. This provision on prepayments is recognised in the consolidated statement of profit or loss within other costs, and within trade receivables and other assets in the consolidated statement of financial position.

S. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash at bank and in hand, short-term deposits with an original maturity of less than three months and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

T. Provisions for liabilities

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

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the period end.

Retirement benefit liabilities

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated 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 interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

U. Long-term incentive plans and share-based payments

Certain employees are members of long-term incentive plans. Awards under the plans are settled in cash (cash-settled awards). Some of these are based on the value of the underlying shares in HBG Limited.

The Group recognises a liability for share-based payments when the vesting is deemed probable.

A liability for other long-term incentive plans, accounted for under IAS 19, is recognised when the employee has rendered the service based on the amount of benefits expected to be paid in exchange for that service.

Until settlement of the liability, the fair value of the liability is re-measured initially at each reporting date up to and including the settlement date, with changes in fair value recognised through profit and loss. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

V. Future accounting developments

The standards and interpretations that are issued and endorsed, but not yet effective, up to the date of issuance of the Group's financial statements include:

- amendments to IAS 1 "Presentation of financial statements" - Classification of liabilities as current or non-current and non-current liabilities with covenants;
- amendments to IAS 7 "Statement of cash flows" and IFRS 7 "Financial instruments disclosures" - Disclosures: Supplier finance arrangements;
- amendments to IFRS 16 "Leases" - Lease liability in a sale and leaseback; and
- amendments to IAS 21 "The effects of changes in foreign exchange rates" - Lack of exchangeability.

The standards and interpretations that are issued but not yet endorsed, up to the date of issuance of the Group's financial statements include:

- amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments;
- IFRS 18 - Presentation and disclosure in financial statements; and
- IFRS 19 - Subsidiaries without public accountability: disclosures.

None of these standards and interpretations are expected to have a significant effect on the consolidated financial statements of the Group in the near term.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two "Income Taxes". The Group does not anticipate any near term impact of IAS 12 "Income taxes" - International tax reform – Pillar two model rules, but will continue to assess this on an ongoing basis.

3. Critical accounting judgements and estimates

The preparation of financial information requires the use of judgements, estimates and assumptions about current and future conditions. The use of available information and the application of judgements are inherent in the formation of estimates. Actual results in the future may differ from those reported.

A. Judgements

In the process of applying the Group's accounting policies, management has made the following key judgements, being those which have the most significant effect on the amounts recognised in the special purpose consolidated financial information:

Internally generated intangible assets from software development

The capitalisation of internally generated computer software requires significant judgement in order to determine both whether the criteria for capitalisation are met, and in assessing the proportion of costs which are attributable to the intangible asset. This is a significant judgement as the Group makes material investment in its tech platforms and the determination of what can be capitalised is complex.

Under IFRS, the costs relating to internally generated computer software intangible assets, are capitalised when the criteria for recognition as assets are met. These conditions include technical feasibility; intention to complete; the ability to use the asset under development; and demonstrating how the asset is controlled by the Group and will generate probable future economic benefits.

The initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. The cost of a recognised internally generated intangible asset comprises all directly attributable costs necessary to make the asset capable of being used as intended. This capitalisation of costs of internally developed software requires an estimate of the cost per employee and the resources used to be capitalised.

Revenue recognition

In recognising revenue, judgement is required in the consideration of whether HBX is acting as a principal or agent and therefore revenues should be recognised on a gross or net basis.

Management has assessed whether the Group acts as a principal or agent by taking into consideration whether the nature of its promise to the customer is to provide the underlying goods or services itself (principal) or to arrange for the third party to provide the underlying goods or services directly to the customer (agent). To conclude this assessment, management has determined the nature of its promise to the customer by first identifying the specified service to be provided, and then assessing whether the Group obtains control of each specified service before transfer to the customer. In establishing whether the Group controls the service, management has considered a number of key factors, including: whether the Group is responsible for fulfilling the delivery of the service; whether the Group is exposed to inventory risk; and if the Group has discretion in establishing the price for the specified service.

Further details on the conclusions reached are provided in note 2F.

Judgement is also required in assessing the value and accounting treatment as revenue or a reduction in costs of the liability due to suppliers in the event that invoices received are less than costs accrued. Cost accruals are recorded based on the best available information at the time the booking is unconditional and the liability is incurred (typically at check-in date); adjustments to the amount of these accruals are made when further information is available to the Group, at the time of receipt of updated information from suppliers, typically by way of billing. Management has assessed these differences and concluded that materially they all relate to post arrival adjustments, for example no-shows, and hence should be recognised within revenue.

Share-based payments

The Group operates a number of cash-settled incentive schemes, which are classified as share-based schemes under IFRS 2 as they relate to the underlying value of shares in the Group. These allow certain employees the right to receive a variable payment, in return for services rendered, through the payment of cash incentives which are based on a number of performance conditions. The valuation of share-based payment expense requires a significant degree of judgement to be applied by management in respect of the assessment of vesting conditions. At 30 September 2024 and based on an assessment at the balance sheet date, management has concluded that it is not probable that the vesting conditions will be met for all of these plans, and accordingly accruals have only been recognised for those schemes where management expects the vesting conditions to be met.

Taxes

The Group operates in many tax jurisdictions and regimes and it is subject to the tax implications of operating in different tax environments. Significant management judgement is required to determine whether deferred tax assets can be recognised, taking into consideration the availability and accuracy of forecast future profits.

Recoverability of receivables

The recoverability of receivables involves both judgement and estimates. Significant management judgement is required to measure the expected credit losses on trade receivables. Judgements have been made in respect of the volumes of future trading with hoteliers and the creditworthiness of those hoteliers, their financial strength and the quality of, and demand for, each hotel over the coming seasons, in order to assess the recoverable amounts of deposits and prepayments made to those hoteliers.

B. Estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Further information about key assumptions concerning the future and other key sources of estimation uncertainty are set out below.

Impairment of goodwill, other intangible assets and tangible assets

The Group determines whether goodwill and indefinite life intangible assets are impaired at least on an annual basis. This requires an estimation of the ”value in use” of the cash generating units to which the goodwill and intangible assets are allocated. Estimating the value in use amount requires management to estimate the expected future cash flows from each cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The impairment of tangible assets, other intangible assets and non-financial assets are reviewed if there is any indication of impairment.

Further details on impairment of goodwill and other intangible assets testing are provided in note 11.

Recoverability of receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (“ECL”) on trade receivables which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, as follows:

- accounts in default: 100% provision against amount outstanding (after deducting amounts due to the customer deposits and the insured amount);
- accounts with lower credit ratings and non-graded accounts: provision by risk category based on historic loss experience; and
- disputed accounts more than 90 days overdue: 50% to 100% provision dependent on the ageing.

Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. Other receivables are assessed collectively to determine whether there is objective evidence that impairment indicators exist. For these receivables, the estimated impairment losses are recognised in a separate provision for impairment.

The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation; and
- default or delinquency in payments.

Receivables for which an impairment loss was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses and subsequent recoveries of impairment losses are recognised in the consolidated statement of profit or loss within other costs.

A 20% increase or decrease in the ECL provision rate required would result in a €2m increase or decrease in the impairment of trade receivables recognised in the consolidated statement of profit or loss.

Rebates payable to customers / rebates receivable from suppliers

Rebates are variable based on the contractual terms and calculated as a percentage of transaction volumes. Percentages may vary dependent on thresholds which are defined in the contract. Rebates are accrued when it is highly probable that the thresholds will be met based on historic and anticipated trading levels. A 10% overestimate of rebates payable to customers and rebates receivable from suppliers would reduce revenue for the year ended 30 September 2024 by €3m. Correspondingly, a 10% underestimate of rebates payable to customers and rebates receivable from suppliers would increase revenue for the year ended 30 September 2024 by €3m.

Revenue recognition

Management estimates the amount of the liability due to the suppliers which based on historical experience and the underlying contractual arrangements is highly probable not to be settled and the release is then recognised in revenue. The Group's typical contract specifies a 6 month period, with adjustment made for specific arrangements and practices with suppliers where relevant.

4. Revenue from contracts with customers

Disaggregated revenue information

Detailed below is the disaggregation of the Group's revenue:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Revenue recognised at point in time	685	664	455
Revenue recognised over time	8	(8)	(21)
Total revenue	**693**	**656**	**434**

Revenue recognised at point in time relates to revenue from accommodation and related services, including car rental, experiences and transfers, all of which are recognised at the point of check-in per the booking or when the transfer or activity has taken place. No revenue is recognised until the booking is non-refundable. Revenue recognised over time principally comprises rebates payable to customers and rebates receivable from suppliers in relation to accommodation and related services as well as Hoteltech revenue.

Revenue by travel destination for the Group is detailed below:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Spain	82	73	53
Other European countries	261	239	156
USA	123	123	93
Other American countries	95	96	67
Rest of the world	132	125	65
Total revenue	**693**	**656**	**434**

The Group's ten largest customers (by total transaction value) represent approximately 30% of total accommodation revenue. No single customer represents more than 10% of the Group's TTV.

Contract balances

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m	1 October 2021 €m
Trade receivables (note 14)	478	380	339	152
Contract liabilities (note 16)	(92)	(94)	(82)	(43)

Payment terms on trade receivables are different for each customer. Contracts with customers do not contain significant financing components.

Contract liabilities relate to deferred revenue. The amount of revenue recognised during the year ended 30 September 2024 from amounts included in contract liabilities at the beginning of the period totalled €94m (30 September 2023: €82m and at 30 September 2022: €43m). Amounts recognised as deferred revenue of €92m as at 30 September 2024 are expected to be recognised as revenue within one year.

No revenue was recognised relating to performance obligations that were satisfied in prior years.

HBX GROUP

5. Other income and other costs

Other income

Other income relates to rebates received in relation to payments to suppliers made by virtual credit card.

Other costs

Other costs relate to variable expenses the Group incurs in order to generate revenue. These include credit card fees, marketing costs, platform fees and certain commissions. For the year ended 30 September 2024, foreign exchange translation costs included within other costs were €nil (2023: foreign exchange losses of €2m and 2022: foreign exchange losses of €1m).

6. Operating expenses

Considering the Group operates as an agent, operating expenses has been identified as a function in the Group with the following key costs being identified within the operating expenses function:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Employee related expenses	207	195	179
Administrative expenses	90	92	65
Non-underlying items	25	10	7
Total operating expenses	**322**	**297**	**251**

Employee related expenses

Employee costs for the Group were:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Wages and salaries	190	175	158
Social security costs	41	37	33
Other benefits	10	5	7
Total employee costs	**241**	**217**	**198**
Capitalised employee costs	(25)	(18)	(13)
Employee costs considered as non-underlying items	(9)	(4)	(6)
Total employee related expenses	**207**	**195**	**179**

Included within employee costs are €9m of severance costs which are included within non-underlying items for the year ended 30 September 2024 (2023: €4m and 2022: €5m).

The monthly average number of employees for the Group were:

Number	**Year ended 30 September 2024**	Year ended 30 September 2023	Year ended 30 September 2022
Business related functions	2,304	2,257	2,068
Support functions	1,270	1,123	980
Total	**3,574**	**3,380**	**3,048**

Non-underlying items

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Advisory costs	16	6	1
Restructuring costs	9	4	6
Total non-underlying items	**25**	**10**	**7**

Non-underlying items principally comprise one off advisory and assurance costs related to specific projects for €16m (2023: €6m and 2022: €1m) and severance costs related to major restructuring programmes totalling €9m (2023: €4m and 2022: €6m).

Out of the €25m of non-underlying costs incurred in the year ended 30 September 2024 (30 September 2023: €10m and at 30 September 2022: €7m), €15m were paid during the year ended 30 September 2024 (30 September 2023: €4m and at 30 September 2022: €5m), the remaining cost is committed and included within liabilities.

Non underlying items are included in the Group's reconciliation to Adjusted EBITDA[APM] which is an Alternative Performance Measure.

7. Auditors' remuneration

The Group (including its overseas subsidiaries) obtained the following services from the Company's auditors PricewaterhouseCoopers LLP and their associates:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Fees payable to the auditors and their associates for the audit of the consolidated financial statements	1.0	1.1	0.9
Fees payable to the auditors and their associates for other services:			
- Audit of the financial statements of the Company's subsidiaries	0.4	0.3	0.3
- Other assurance services[1]	1.4	-	-
- Advisory services	0.3	1.4	0.2
Total auditors' remuneration	**3.1**	**2.8**	**1.4**

1. Other assurance services include fees primarily in relation to a potential IPO. Advisory services include fees primarily in relation to due diligence services.

8. Finance costs and income

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Loan notes interest (note 20)	(139)	(126)	(114)
Senior debt interest and associated costs	(157)	(140)	(94)
Interest on revolving credit facility from lenders	(4)	(4)	(8)
Interest on lease liabilities	-	(1)	(1)
Accrued dividend on preference shares (note 20)	(17)	(25)	(23)
Hedging cost	(6)	(3)	-
Foreign exchange losses, net	-	(10)	-
Other interest and similar expenses	(4)	(3)	(3)
Total finance costs	**(327)**	**(312)**	**(243)**
Finance income derived from interest rate caps (note 18)	-	7	4
Bank interest income	10	6	1
Modification gain on senior debt	4	-	-
Foreign exchange gains, net	5	-	1
Total finance income	**19**	**13**	**6**
Net finance costs	**(308)**	**(299)**	**(237)**

Interest is charged on the loan notes at a rate of 10%. This interest is not paid on a regular basis but is rolled up into the loans until they fall due for repayment.

Senior debt interest is calculated using the effective rate method and includes €6m (2023: €11m and 2022: €9m) amortisation of issue costs.

The preference shares carry a cumulative dividend of 10% per annum. The preference shares have been classified as liabilities as the Company will be required in the future to deliver cash or another financial instrument to the holders. No rights are attached to the preference shares other than the dividends payable to the preference shareholders.

9. Taxation

Analysis of credit / (expense) for the year:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Current income tax:			
- UK	(1)	-	(1)
- Overseas	(33)	(16)	(16)
- Adjustment in respect of previous period	5	1	-
Total current income tax	(29)	(15)	(17)
Deferred tax:			
- Arising from origination and reversal of temporary differences	14	9	18
- Reversed on tax losses utilised	(6)	(5)	-
- Recognised on tax losses carried forward	31	-	-
- Reassessment of deferred tax liabilities	9	-	-
- Adjustment in respect of previous period	5	-	-
Total deferred tax	53	4	18
Total tax credit / (expense)	**24**	**(11)**	**1**

A reconciliation of corporate income tax credit applicable to the loss before taxation at the UK standard rate of UK corporation tax to the corporate income tax credit / (expense) for the year ended 30 September is as follows:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Loss before taxation	(48)	(64)	(193)
Loss multiplied by the effective standard rate of UK corporation tax of 25% (2023: 22%, 2022: 19%)	12	14	37
Effects of:			
- Adjustment in respect of previous period	10	1	-
- Non-recoverable overseas withholding taxes	(1)	-	-
- Interest costs for which no tax deduction is available	(66)	(52)	(34)
- Tax losses utilised for which no deferred income tax asset is / was previously recognised	17	5	13
- Other taxable net income / (non-deductible expenses) for tax purposes	4	19	(19)
- Different tax rates of subsidiaries operating in other jurisdictions	8	2	4
- Deferred tax assets recognised on tax losses carried forward	31	-	-
- Reassessment of deferred tax liabilities	9	-	-
Total tax credit / (expense)	**24**	**(11)**	**1**

The Group's tax charge is driven by its geographical mix of profits which are subject to statutory rates of tax principally ranging from 9% to 25%. The majority of taxes arise in the Group's major trading jurisdictions, such as Spain, the UK, the US, Switzerland, Singapore, Australia and Mexico.

Deferred tax

The Group's totalled deferred tax balances are detailed as follows:

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Deferred tax liabilities recognised from business combinations	(89)	(116)	(135)
Tax losses for which deferred tax assets have been recognised	51	28	35
Deferred tax assets arising from temporary differences	15	12	20
Net deferred tax liabilities	**(23)**	**(76)**	**(80)**
Reflected in the consolidated statement of financial position as follows:			
- Deferred tax assets	20	13	20
- Deferred tax liabilities	(43)	(89)	(100)
Deferred tax liabilities, net	**(23)**	**(76)**	**(80)**

The movements in deferred tax are detailed as follows:

	Deferred tax assets €m	Deferred tax liabilities €m	**Net deferred tax liabilities €m**
At 1 October 2021	**17**	**(113)**	**(96)**
Reversal of temporary differences from previous business combinations	-	15	**15**
Deferred tax assets arising from temporary differences	3	-	**3**
Exchange differences	-	(2)	**(2)**
At 30 September 2022	**20**	**(100)**	**(80)**
Reversal of temporary differences from previous business combinations	-	15	**15**
Deferred tax assets reversal on temporary differences	(6)	-	**(6)**
Tax losses utilised for which a deferred tax asset was previously recognised	-	(5)	**(5)**
Exchange differences	-	1	**1**
Other	(1)	-	**(1)**
At 30 September 2023	**13**	**(89)**	**(76)**
Reversal of temporary differences from previous business combinations	-	16	**16**
Deferred tax assets reversal on temporary differences	(2)	-	**(2)**
Adjustment in respect of previous period	5	-	**5**
Tax losses utilised for which a deferred tax assets were previously recognised	-	(6)	**(6)**
Deferred tax assets recognised on tax losses carried forward	31	-	**31**
Reassessment of deferred tax liabilities	-	9	**9**
Netting of deferred tax assets and liabilities	(27)	27	**-**
At 30 September 2024	**20**	**(43)**	**(23)**

Deferred tax assets and liabilities are presented net on a jurisdictional basis. The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Management had previously recognised deferred tax assets only where supported by deferred tax liabilities but, given sustained profits in certain territories, deferred tax assets have now been recognised based on expectations of future profits for €31m. Additionally, a detailed reassessment has been performed in the current period in respect of the Group's deferred tax positions, resulting in the recognition of a €9m reduction in deferred tax liabilities.

Deferred tax assets are predominantly recognised in Spain and in the US and unrecognised predominantly in the UK where the Group remains loss making.

The Group has not recognised deferred tax assets of €56m (2023: €106m and 2022: €50m) in respect of accumulated losses amounting to €223m (2023: €429m and 2022: €249m) that can be carried forward against future taxable income. €1m of these losses expire in 2027, €2m of these losses expire in 2028 and €2m expire after 2030. The remainder of these losses do not expire. These assets have not been recognised because the Directors are not assured of the timing of when the Group will be able to utilise those tax losses in the future.

Additionally, in the UK the Group did not recognise deferred tax assets of €66m (2023: €30m and 2022: €10m) in respect of the corporate interest restriction amounting to €264m (2023: €119m and 2022: €40m), as the Directors are not assured of the timing of when the Group will be able to utilise these deductions in the future. The Group did not recognise deferred tax assets of €6m (2023: €6m and 2022: €6m) in respect of capital losses amounting to €26m (2023: €26m and 2022: €26m), as the Directors do not foresee the future opportunity where these capital losses would be used.

Factors affecting the future tax charges & other tax matters

In the 2021 Budget, the UK Government announced that the Corporation Tax rate would be increased, subject to a taper, from 19% to 25% with effect from 1 April 2023. Accordingly, the Group utilised a rate of 22% for the year ended 30 September 2023 to reflect that corporation tax was levied at 19% for the first six months of the financial year and at 25% for the second six months. A Corporation Tax rate of 25% has been applied for the year ended 30 September 2024. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

As an international Group, HBX is subject to tax laws and regulations in all the countries in which it conducts business. Every effort is made to be compliant with all relevant tax laws and regulations. However, the Group's subsidiaries are subject, periodically, to tax audits by the tax authorities in the countries where the Group operates. The tax authorities can take a different interpretation of tax laws and regulations to that adopted or used by the HBX subsidiary company. This can lead to disputes which may increase or decrease the Group's overall tax liabilities.

In August 2023, the Group submitted an application to the UK High Court to request a judicial review of HM Revenue & Customs' ("HMRC") decision to refuse to repay input VAT to a Group subsidiary on the basis that the entity was unable to obtain and provide invoices from certain suppliers that it paid using virtual credit cards ("VCC"). The outstanding VAT has been provided for in full at 30 September 2024. The UK High Court hearing took place in October 2024 and the outcome of this hearing is likely to be released during the year ended 30 September 2025.

In February 2023, the Spanish tax authorities informed the Group that it would be performing a routine review of the Group's Spanish business activities for the purposes of Spain's Digital Services Tax. In July 2024, the Spanish tax authorities raised assessments on three of the Group's Spanish companies, totalling €3.1m on the basis that Spanish digital services tax was applicable to their business operations. The Group disagrees with the position of the Spanish tax authorities and appealed against these assessments in September 2024 on the basis that Spanish digital services tax is not applicable to its business operations. The Spanish tax authorities must now choose which route to take to progress this matter. They can either rescind the assessments or require additional audit fieldwork to obtain additional data or to progress to litigation through the Spanish legal system. At the present time, the Group is not able to determine the outcome of the situation and no provision has been made on the basis that Spanish digital services tax is not applicable to its business operations, and therefore there is no probable outflow.

The New York State tax authorities are conducting a routine tax audit of Hotelbeds USA Inc for the period from June 2019 to November 2022 in connection with New York State sales taxes. The tax authorities have raised two issues relating to sales taxes paid by Hotelbeds USA Inc. to hotels and sales taxes charged by Hotelbeds USA Inc. to its customers. The tax authorities have issued a Notice of Determination to assess sales taxes. Hotelbeds USA Inc. has appealed against this Notice of Determination as it considers that the sales taxes being assessed are not applicable to its business operations and that the calculations made by the tax authorities are not correct. Hotelbeds USA Inc. continues to discuss these matters with the New York tax authorities and to address their questions and to resolve any matters that may arise. At 30 September 2024, a provision has been recorded in relation to this matter for €1m. It is likely that the audit will be resolved during the year ended 30 September 2025.

10. Loss per share

Basic loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Preference shares do not confer any further right of participation in the profits or assets of the company and they do not confer any entitlement to receive notice of or attend or vote at any general meetings of the company. Therefore, there is no difference between basic and diluted loss per share.

The following table reflects the loss and share data used in the basic losses per share calculations:

	Year ended 30 September 2024	Year ended 30 September 2023	Year ended 30 September 2022
Loss attributable to ordinary equity holders of the parent (€m)	(24)	(75)	(192)
Weighted average number of ordinary shares (millions) (note 19)	122	122	121
Basic and diluted loss per share (€)	(0.20)	(0.61)	(1.59)

11. Goodwill and other intangible assets

	Goodwill	Other intangible assets Customer relationships	Computer Software[1]	**Total**
	€m	€m	€m	**€m**
Cost				
At 1 October 2021	**1,522**	**798**	**292**	**2,612**
Additions – internally generated	-	-	27	**27**
Retirements	-	-	(7)	**(7)**
Exchange differences	52	40	-	**92**
At 30 September 2022	**1,574**	**838**	**312**	**2,724**
Additions – internally generated	-	-	32	**32**
Retirements	-	-	(8)	**(8)**
Exchange differences	(24)	(19)	-	**(43)**
At 30 September 2023	**1,550**	**819**	**336**	**2,705**
Additions – internally generated	-	-	41	**41**
Retirements	-	-	(25)	**(25)**
Exchange differences	(15)	(11)	-	**(26)**
At 30 September 2024	**1,535**	**808**	**352**	**2,695**
Accumulated amortisation				
At 1 October 2021	**-**	**(240)**	**(155)**	**(395)**
Amortisation charge for the year	-	(55)	(45)	**(100)**
Retirements	-	-	7	**7**
Exchange differences	-	(13)	-	**(13)**
At 30 September 2022	**-**	**(308)**	**(193)**	**(501)**
Amortisation charge for the year	-	(55)	(38)	**(93)**
Retirements	-	-	8	**8**
Exchange differences	-	6	1	**7**
At 30 September 2023	**-**	**(357)**	**(222)**	**(579)**
Amortisation charge for the year	-	(55)	(40)	**(95)**
Retirements	-	-	25	**25**
Exchange differences	-	6	-	**6**
At 30 September 2024	**-**	**(406)**	**(237)**	**(643)**
Net book value				
At 1 October 2021	1,522	558	137	**2,217**
At 30 September 2022	1,574	530	119	**2,223**
At 30 September 2023	1,550	462	114	**2,126**
At 30 September 2024	**1,535**	**402**	**115**	**2,052**

1. At 30 September 2024, computer software includes internally generated intangible assets with a net book value of €86m (30 September 2023: €71m and at 30 September 2022: €62m). The additions of internally generated intangible assets for the year ended 30 September 2024 comprise employee costs for €25m (2023: €18m and 2022: €13m), as detailed in note 6.

Goodwill impairment testing

Goodwill has been historically generated through various business combinations summarised as follow:

	Hotelbeds Group €m	Tourico Group[1] €m	GTA business €m	Holiday Taxis Group[1] €m
Date of acquisition	12 September 2016	7 June 2017	3 October 2017	18 January 2019
Purchase consideration transferred	1,233	204	567	69
Identifiable net (assets)/liabilities at fair value	(516)	35	(191)	(31)
Deferred tax liabilities, net	95	54	43	5
Goodwill arising on acquisition	**812**	**293**	**419**	**43**
Disposals	(35)	-	-	-
Exchange differences	-	2	-	1
Carrying value of goodwill	**777**	**295**	**419**	**44**

1. The acquisition of Tourico Group was made in USD and the acquisition of Holiday Taxis Group was made in GBP and therefore their related goodwill and intangible assets are subject to foreign exchange rate variances.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The Group has only two operating segments and considers there to be only two CGUs, being, firstly, accommodation, mobility and experiences (transfers, activities and car rental) and, secondly, Hoteltech. All goodwill was attributable to accommodation, mobility and experiences. The Group tests goodwill annually for impairment or more frequently if there are indications that the goodwill might be impaired.

The recoverable amount of the CGU is determined from the value in use calculation. Value in use has been determined as the present value of expected future cash flows associated with the accommodation and mobility and experiences CGU. The cash flows used in this calculation are consistent with those monitored by management. Expected future cash flows are based on financial plans reviewed by senior management, covering a period of three years from end of relevant financial year. The cash flow forecast has been prepared on the basis of low double-digit annual growth in TTV, high single digit revenue growth, cash conversion of approximately 100% and an underlying tax rate in the mid 20%s.

Parameters used for the calculation of the value in use:

	As at 30 September 2024	As at 30 September 2023	As at 30 September 2022
Terminal growth rate	2.1%	2%	2%
Tax rate	25%	25%	25%
Pre-tax discount rate (derived from weighted average cost of capital "WACC")	11.2%	11.8%	11.6%

The extrapolated cash flows in perpetuity are based on an estimated growth rate, being an estimated average of long-term economic growth rates for the principal countries in which HBX Group operates. The decrease in the pre-tax discount rate between the year ended 30 September 2024 and the year ended 30 September 2023 is mainly due to the decrease in interest rate combined with the decrease in the risk free rate following the reduction in interest rates globally. The slight increase in the pre-tax discount rate between the year ended 30 September 2023 and the year ended 30 September 2022 is due to the increase in interest rate partially offset by the decrease in the risk free rate and the equity risk premium following the end of the COVID-19 pandemic situation.

Management estimates discount rates using pre-tax rates reflecting current market assessments of the time value of money and the risks specific to the CGU and considers that no reasonably possible change in the key assumptions on which the recoverable amounts are based would cause the carrying amount of goodwill to exceed its recoverable amount.

Since the determination of both a WACC and an estimated growth rate in perpetuity are judgemental, management has performed sensitivity calculations that address how changes in these estimates might impact the results of the impairment test. Management note that, for the existing headroom to be eliminated, the WACC rate would need to increase or the estimated terminal growth rate would need to decrease by the following percentage points ("ppt"), respectively:

	As at 30 September 2024	As at 30 September 2023	As at 30 September 2022
WACC	29.2 ppt	26.0 ppt	9.1 ppt
Terminal growth rate	-77.2 ppt	-63.4 ppt	-11.2 ppt

An increase to the WACC rate or a decrease to the estimated growth rate of more than these percentage points would result in an impairment to goodwill having to be recognised. However, these scenarios are not considered to be a reasonably possible outcome for the year-ended 30 September 2024, 30 September 2023 and 30 September 2022.

Management has considered a downside scenario consistent with the Directors' severe but plausible scenario, which represents a 20% reduction in the TTV which leads to an overall reduction of the expected future cash flows of 27% for the year ended 30 September 2024 (30 September 2023: 23% and 30 September 2022: 21%) and still obtained a comfortable headroom.

As a result of this impairment review, no impairment has been recognised in the year ended 30 September 2024 (30 September 2023: €nil and at 30 September 2022: €nil).

Non-current assets by geographic area are detailed in the table below:

	Spain €m	USA €m	UK €m	Rest of the world €m	**Total €m**
At 30 September 2024					
Other intangible assets	167	67	31	252	**517**
Property, plant and equipment (note 12)	4	-	-	6	**10**
Investment in associate (note 13)	-	-	32	-	**32**
At 30 September 2023					
Other intangible assets	169	78	34	295	**576**
Property, plant and equipment (note 12)	6	1	1	7	**15**
At 30 September 2022					
Other intangible assets	179	91	38	341	**649**
Property, plant and equipment (note 12)	9	1	1	6	**17**

12. Property, plant and equipment

	Buildings €m	Fixtures, fittings and equipment €m	**Total €m**
Cost			
At 1 October 2021	**25**	**19**	**44**
Additions: Right-of-use assets	3	2	**5**
Additions	-	2	**2**
Disposals and retirements	(1)	(2)	**(3)**
Rent incentive	1	-	**1**
At 30 September 2022	**28**	**21**	**49**
Additions: Right-of-use assets	4	-	**4**
Additions	1	2	**3**
Disposals and retirements	(6)	(1)	**(7)**
At 30 September 2023	**27**	**22**	**49**
Additions: Right-of-use assets	2	-	**2**
Additions	-	1	**1**
Disposals and retirements	(3)	(2)	**(5)**
Exchange differences	(1)	-	**(1)**
At 30 September 2024	**25**	**21**	**46**
Accumulated depreciation			
At 1 October 2021	**(12)**	**(14)**	**(26)**
Depreciation charge for the year	(5)	(3)	**(8)**
Disposals and retirements	1	2	**3**
Exchange differences	(1)	-	**(1)**
At 30 September 2022	**(17)**	**(15)**	**(32)**
Depreciation charge for the year	(6)	(2)	**(8)**
Disposals and retirements	5	1	**6**
At 30 September 2023	**(18)**	**(16)**	**(34)**
Depreciation charge for the year	(5)	(3)	**(8)**
Disposals and retirements	3	2	**5**
Revaluation of depreciation: Right-of-use assets	-	1	**1**
At 30 September 2024	**(20)**	**(16)**	**(36)**
Net book value			
At 1 October 2021	13	5	**18**
At 30 September 2022	11	6	**17**
At 30 September 2023	9	6	**15**
At 30 September 2024	**5**	**5**	**10**

Property, plant and equipment comprise owned and leased (right-of-use) assets that do not meet the definition of investment property. The Group leases a number of assets including buildings, vehicles and IT equipment. Information about right-of-use assets related to leases for which the Group is a lessee is presented below:

	Buildings €m	Fixtures, fittings and equipment €m	**Total** **€m**
Balance at 1 October 2021	**11**	**2**	**13**
Additions	3	2	**5**
Depreciation charge for the year	(5)	(1)	**(6)**
Balance at 30 September 2022	**9**	**3**	**12**
Additions	4	-	**4**
Disposals and retirements (net of depreciation)	(1)	-	**(1)**
Depreciation charge for the year	(5)	(1)	**(6)**
Balance at 30 September 2023	**7**	**2**	**9**
Additions	2	-	**2**
Depreciation charge for the year	(5)	(1)	**(6)**
Revaluation of depreciation	-	1	**1**
Balance at 30 September 2024	**4**	**2**	**6**

13. Investment in associate

On 19 June 2024, the Group' subsidiary Trina Group Limited acquired a 25% interest in PerfectStay.com SAS, a B2B tour operator specialising in packaged travel sales, for a consideration of €31m and related acquisition costs of €1m. PerfectStay.com SAS is a private entity mainly present in France and in the UK that is not listed on any public exchange with its registered office located at 10, rue de Penthièvre, 75008 Paris, France.

The Group's interest in PerfectStay.com SAS is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in PerfectStay.com SAS:

Summarised statement of financial position of PerfectStay.com SAS:

	As at 30 September 2024 €m
Non-current assets	6
Current assets	49
Current liabilities	(55)
Non-current liabilities	(4)
Net liabilities	**(4)**
Group's share of net liabilities	(1)
Goodwill	33
Group's carrying amount of the investment	**32**

Summarised statement of profit or loss of PerfectStay.com SAS:

	Period from 19 June 2024 to 30 September 2024 €m
Revenue from contracts with customers	4
Operating expenses	(5)
Loss for the period	**(1)**
Group's share of net loss for the period	**-**

The associate had no contingent liabilities or capital commitments as at 30 September 2024.

14. Trade receivables and other assets

Current	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Trade receivables, net of provisions	478	380	339
Supplier deposits	6	41	29
Other receivables	33	25	23
VAT recoverable and other taxes	20	23	13
Trade prepayments	43	66	64
Other prepayments	8	6	11
Accrued other income	20	26	22
Total trade receivables and other assets	**608**	**567**	**501**

Non-current	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Supplier deposits	1	-	-
Other receivables	2	3	3
Trade prepayments	6	7	11
Total trade receivables and other assets	**9**	**10**	**14**

Trade receivables are non-interest bearing. Trade receivables are stated net of the expected lifetime credit loss, which is calculated in accordance with the methodology detailed in note 3B.

Other receivables principally relate to rebates receivable from suppliers and supplier deposits.

Trade prepayments principally relate to advance payments to accommodation providers.

At 30 September, the ageing of the gross carrying amount of trade receivables is as follows:

			Days past due		
	Total €m	Current €m	< 30 days €m	30-90 days €m	> 90 days €m
2024	**504**	427	55	13	9
2023	**409**	352	42	7	8
2022	**371**	319	33	7	12

The expected credit loss allowance against trade receivables is €26m at 30 September 2024 (30 September 2023: €29m and at 30 September 2022: €32m).

The movement in the credit loss allowance was as follows:

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Balance at 1 October	**29**	**32**	**26**
Loss allowance measured under lifetime ECL	1	1	8
Amounts written off during the year	(2)	(4)	(3)
Reversal of loss allowance brought forward	(1)	-	(1)
Exchange differences	(1)	-	2
Balance at 30 September	**26**	**29**	**32**

Information on credit exposure is disclosed in note 18.

15. Cash and short-term deposits

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Cash at bank and in hand	686	680	539
Deposits (maturity less than three months)	-	10	-
Total cash at bank and in hand and short-term deposits	**686**	**690**	**539**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Cash at bank and in hand	686	680	539
Deposits (maturity less than three months)	-	10	-
	686	690	539
Bank overdrafts (note 18)	-	-	(11)
Total cash and cash equivalents	**686**	**690**	**528**

16. Trade payables and other liabilities

Current	**As at 30 September 2024 €m**	As at 30 September 2023 €m	As at 30 September 2022 €m
Trade payables	1,065	933	769
Other payables	99	99	74
VAT payable and other taxes	8	7	8
Accruals	87	94	98
Deferred income	92	94	82
Total trade payables and other liabilities	**1,351**	**1,227**	**1,031**

Non-current	**As at 30 September 2024 €m**	As at 30 September 2023 €m	As at 30 September 2022 €m
Customers deposits	33	32	37
Other payables	1	-	1
Accruals	-	-	3
Total trade payables and other liabilities	**34**	**32**	**41**

Other payables principally comprise rebates payable to customers.

Accruals comprise employee related accruals and other overheads accruals.

Deferred income constitutes contract liabilities as detailed in note 4.

For explanations on the Group's liquidity risk management processes, refer to note 18.

17. Provisions for liabilities

	Retirement benefits €m	Other provisions for employees[1] €m	Provision for buildings restoration[2] €m	Other provision[3] €m	Total €m
At 1 October 2021	**2**	**14**	**3**	**2**	**21**
Additional provisions	-	2	-	1	**3**
Reversals	-	(1)	-	-	**(1)**
Other	(1)	-	-	-	**(1)**
At 30 September 2022	**1**	**15**	**3**	**3**	**22**
Additional provisions	1	6	-	2	**9**
Utilised	-	(1)	-	(1)	**(2)**
Other	(1)	-	-	-	**(1)**
At 30 September 2023	**1**	**20**	**3**	**4**	**28**
Additional provisions	1	9	-	1	**11**
Reversals	-	(1)	-	-	**(1)**
Utilised	-	-	(1)	(1)	**(2)**
At 30 September 2024	**2**	**28**	**2**	**4**	**36**
At 30 September 2022					
Current	-	-	-	1	1
Non-current	1	15	3	2	21
	1	**15**	**3**	**3**	**22**
At 30 September 2023					
Current	-	-	-	2	2
Non-current	1	20	3	2	26
	1	**20**	**3**	**4**	**28**
At 30 September 2024					
Current	-	23	2	3	28
Non-current	2	5	-	1	8
	2	**28**	**2**	**4**	**36**

1. Other provisions for employees principally comprise provision for long term employee incentive plans (30 September 2024: €14m, 30 September 2023: €12m and at 30 September 2022: €11m), provision for share-based payments (30 September 2024: €9m, 30 September 2023: €4m and at 30 September 2022: €1m) and other legal provisions (30 September 2024: €5m, 30 September 2023: €4m and at 30 September 2022: €3m). Refer to note 21 for further details on share-based payments.
2. Provision for estimated restoration costs on leased buildings. It is expected that these costs will be incurred in the next financial year.
3. Includes outstanding litigation claims in the Group companies totalling €3m. A consistent methodology based upon historical claims patterns, average claims amounts, external legal advice and future expectations is used to determine those amounts. It is expected that €2m of these costs will be incurred in the next financial year and €1m in more than a year.

Retirement benefits

The liability for retirement benefits principally relates to the Hotelbeds Switzerland AG pension plan which provides retirement benefits based on a participant's accumulated account balance. The plan also provides benefits on death, disability and termination. This plan is financed through a fund that is legally separate from Hotelbeds Switzerland AG. The trustees of the fund consist of representatives appointed by the affiliated companies and representatives elected by the fund participants and are required by law to act in the interests of the fund and its beneficiaries. The trustees are responsible for the investment policy of the fund. The fund must comply with the compulsory insurance requirements as per the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Funds ("BVG"). The fund undertakes to respect at least the minimum requirements imposed by the BVG and its ordinances. If the plan is underfunded according to Swiss Law, the trustees decide measures that will allow the coverage ratio to get back to 100% within an appropriate horizon of time (usually, a time horizon of five to seven years is considered appropriate).

Under the plan, members are entitled to an annual pension on the attainment of retirement age 65 for men and for women, however early retirement is permitted from the age of 58. Both the employer and employees are required to make contributions to the plan based on salary and attained age, and the total employer contributions must be at least equal to the total employee contributions. The scheme had 16 active members at 30 September 2024 (30 September 2023: 17 and at 30 September 2022: 20).

The plan exposes Hotelbeds Switzerland AG to actuarial risks including investment risk, interest rate risk, longevity risk and salary increase risk.

Actuarial valuations carried out by Aon Schweiz AG used the projected unit credit service prorate method to determine liabilities and service cost at 30 September 2024, 30 September 2023 and 30 September 2022. The principal assumptions used to determine the retirement benefit liability in this special purpose consolidated financial information were:

	2024	**2023**	**2022**
Discount rate[1]	0.95%	1.80%	2.00%
Expected rate of salary increase (including inflation)	1.50%	1.50%	1.25%
Inflation	1.50%	1.25%	1.00%
Average life expectancy at age 65 for current employees			
- Male	22.1	22.0	22.0
- Female	23.9	23.8	23.7

Movements in the fair value of plan assets and the present value of the defined benefit obligation during the year were as follows:

	Plan assets €m	Benefit obligation €m	**Benefit liability €m**
Value at 1 October 2021	**2.0**	**(3.1)**	**(1.1)**
Current service costs	-	(0.5)	**(0.5)**
Employer contributions	0.4	-	**0.4**
Remeasurement	-	0.9	**0.9**
Exchange differences	0.2	(0.4)	**(0.2)**
Value at 30 September 2022	**2.6**	**(3.1)**	**(0.5)**
Current service costs	-	(0.3)	**(0.3)**
Employer contributions	0.3	-	**0.3**
Remeasurement	-	(0.1)	**(0.1)**
Other	(0.1)	-	**(0.1)**
Value at 30 September 2023	**2.8**	**(3.5)**	**(0.7)**
Current service costs	-	(0.3)	**(0.3)**
Employer contributions	0.3	-	**0.3**
Remeasurement	-	(0.5)	**(0.5)**
Value at 30 September 2024	**3.1**	**(4.3)**	**(1.2)**

Plan assets are only composed of insurance policies at each year ended 30 September.

[1] Discount rate is based on Swiss AA-rated non-government bonds and foreign AA-rated corporate bonds. The variances reflect the change in market conditions.

18. Financial assets and financial liabilities

Financial assets

The table below analyses the Group's financial assets into their relevant categories:

	Financial assets at amortised cost €m	Derivatives at fair value through profit and loss €m	Derivatives designated as hedging instruments €m	**Total €m**
At 30 September 2024				
Derivatives	-	4	4	**8**
Trade receivables and other assets[1] (note 14)	540	-	-	**540**
Other financial assets	2	-	-	**2**
Cash and short-term deposits (note 15)	686	-	-	**686**
Total financial assets	**1,228**	**4**	**4**	**1,236**
Total current	1,223	4	4	**1,231**
Total non-current	5	-	-	**5**
At 30 September 2023				
Derivatives	-	22	1	**23**
Trade receivables and other assets[1] (note 14)	475	-	-	**475**
Other financial assets	2	-	-	**2**
Cash and short-term deposits (note 15)	690	-	-	**690**
Total financial assets	**1,167**	**22**	**1**	**1,190**
Total current	1,162	22	1	**1,185**
Total non-current	5	-	-	**5**
At 30 September 2022				
Derivatives	-	16	-	**16**
Trade receivables and other assets[1] (note 14)	416	-	-	**416**
Other financial assets	1	-	-	**1**
Cash and short-term deposits (note 15)	539	-	-	**539**
Total financial assets	**956**	**16**	**-**	**972**
Total current	952	-	-	**952**
Total non-current	4	16	-	**20**

1. Excluding non-financial assets.

The fair value of all other financial assets is approximate to their carrying value at amortised cost.

Derivatives at fair value through profit and loss reflect the positive change in fair value of foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign exchange rate risk on highly probable forecast sales and purchases.

For the year ended 30 September 2023 and 30 September 2022, derivatives at fair value through profit and loss also included the positive change in fair value of the interest rate cap contracts that were not designated as a hedge, but was, nevertheless, intended to reduce the level of interest rate risk for the interest on the senior debt, as detailed below:

- On 15 June 2022, the Group entered into an interest rate cap agreement to hedge the risk of a rise in interest rates on the senior debt variable rate. The original notional amount of the contract was €1,050m at 15 June 2022 and expired on 15 June 2024. The cap rate was fixed at 2% based on the index EURIBOR 6 months. The premium of €12m was recorded as non-current derivative on the face of the consolidated statement of financial position for the year ended 30 September 2022 and then moved to current for the year ended 30 September 2023. At 30 September 2022, the fair value of the interest rate cap was €16m and the Group recognised a finance income of €4m. At 30 September 2023, the fair value of the interest rate cap was €20m and the Group recognised a finance income of €7m. During the year ended 30 September 2023, the Group received €3m interest as cash from this instrument. Then, the Group received €20m interest as cash from this instrument for the year ended 30 September 2024.

- On 7 July 2023, the Group entered into an additional interest rate cap agreement to hedge the risk of a rise in interest rates on the senior debt variable rate. The original notional amount of the contract was €650m at 7 July 2023 and expired on 7 July 2024. The cap rate was fixed at 4% based on the index EURIBOR 6 months. The premium of €1m was recorded as current derivative on the face of the consolidated statement of financial position. At 30 September 2023, the fair value of the interest rate cap was €0.4m.

Financial liabilities

Financial liabilities (at amortised cost): Interest-bearing loans and other borrowings

	Interest rate %	Maturity[2]	**Carrying value €m**
At 30 September 2024			
Lease liabilities	4.25/6.58	2024-2029	6
€760m senior debt (term loan B3)	EURIBOR+4.50	2028	764
€948m senior debt (term loan D2)	EURIBOR+4.25	2027	976
Bank loans (other)	1.78	2026-2030	4
Other borrowings[1]	-	On demand	13
Total interest-bearing loans and lease liabilities			**1,763**
€719m loan notes (note 20)	10	2056	1,528
€27m preference shares (note 20)	10	-	53
Total loan notes and preference shares			**1,581**
Total interest-bearing loans and other borrowings			**3,344**
Total current			**82**
Total non-current			**3,262**
At 30 September 2023			
Lease liabilities	4.25/6.58	2023-2028	9
€148m senior debt (term loan B1)	EURIBOR+4.25	2025	151
€760m senior debt (term loan B2)	EURIBOR+5.00	2028	753
€400m senior debt (term loan C)	EURIBOR+4.50	2027	408
€400m senior debt (term loan D)	EURIBOR+5.50	2027	416
Bank loans (other)	1.78	2026-2030	5
Other borrowings[1]	-	On demand	2
Total interest-bearing loans and lease liabilities			**1,744**
€719m loan notes (note 20)	10	2056	1,388
€202m preference shares (note 20)	10	-	275
Total loan notes and preference shares			**1,663**
Total interest-bearing loans and other borrowings			**3,407**
Total current			**60**
Total non-current			**3,347**

	Interest rate %	Maturity[2]	Carrying value €m
At 30 September 2022			
Lease liabilities	4.25	2022-2028	11
€1,008m senior debt (term loan B)	EURIBOR+4.25	2025	1,012
€400m senior debt (term loan C)	EURIBOR+4.50	2027	403
€400m senior debt (term loan D)	EURIBOR+5.50	2027	410
Bank loans (other)	1.68	2026-2030	7
Other borrowings[1]	-	On demand	12
Bank overdrafts	2.30	On demand	11
Total interest-bearing loans and lease liabilities			**1,866**
€719m loan notes (note 20)	10	2056	1,262
€202m preference shares (note 20)	10	-	250
Total loan notes and preference shares			**1,512**
Total interest-bearing loans and other borrowings			**3,378**
Total current			**60**
Total non-current			**3,318**

1. Other borrowings include confirming balances for €13m at the year ended 30 September 2024 (30 September 2023: confirming balances of €2m and at 30 September 2022: confirming balances of €7m and factoring balances of €5m). Proceeds and repayments of factoring balances are included as cash flows from financing activities in the consolidated statement of cash flows. Proceeds and repayments of confirming balances are included as cash flows from operating activities in the consolidated statement of cash flows.
2. For the purposes of the maturity profile the Group assumed the repayment date (being an exit as defined by the HBG Limited articles of association) of the loan notes and of the preference shares being 2028 for the year ended 30 September 2024 (30 September 2023 and 2022: 2028).

Lease liabilities

The Group leases many assets including buildings, vehicles and IT equipment for which lease liabilities have been recognised.

On 1 October 2022, the Group reviewed its incremental borrowing rate and concluded to use a rate of 6.58% for all new lease agreements.

For the year ended 30 September 2024, the Group paid €6m (30 September 2023: €7m and at 30 September 2022: €7m) of lease liabilities including interest expense for less than €1m (2023: €1m and 2022: €1m).

Senior debt

On 11 July 2016, the Group signed a syndicated Senior Facilities Agreement (“SFA”). The rate of interest is the aggregate of the applicable EURIBOR plus a variable margin dependent on the Group’s leverage. When EURIBOR is lower than zero, the interest rate applicable is the margin due following the latest signed loan amendment agreement.

On 3 July 2023, HBX Group signed an amendment to the SFA with the following modifications:

- partial repayment (€100m) of the existing term loan B;
- conversion of the existing term loan B tranche into two tranches: Term loan B1, with a principal amount of €148m, has an interest rate of EURIBOR + 4.25% and matures in September 2025. Term loan B2, with a principal amount of €760m, has an interest rate of EURIBOR + 5.00% and matures in September 2028; and
- the extension of 63% of the existing revolving credit facility from lenders (undrawn amount of €248m as at 30 September 2023), or €157m, by two years until September 2026. For the remaining €91m, the maturity date remains September 2024.

On 17 April 2024, HBX Group signed an amendment to the SFA with the following modifications:

- conversion of the existing term loan B1 (€148m) into the newly created term loan D2 tranche;
- conversion of the existing term loan B2 tranche into the newly created term loan B3 tranche, with a principal amount of €760m, bearing interest rate of EURIBOR + 4.50% and maturing in September 2028;

- transfer of the principal amount of term loan C (€400m) into the newly created term loan D2 tranche; and
- conversion of the existing term loan D tranche into the newly created term loan D2 tranche, with a principal amount of €948m, bearing interest rate of EURIBOR + 4.25% and maturing in September 2027.

These modifications to the original terms of the senior debt and the revolving credit facility do not represent substantial modifications, as per IFRS 9, as the discounted present value of the cash flows under the new terms (including any fees paid and discounted using the original effective interest rate), differs by less than 10 per cent from the discounted present value of the remaining cash flows of the original financial liability. Additionally, the qualitative changes to the terms of the liability were not substantially different. Therefore, these modifications do not imply that the financial liability, and more specifically the existing senior debt, is extinguished and consequently the liability has not been derecognised.

Following these modifications of the original terms of the senior debt and the credit facility, a modification gain of €4m has been recognised within finance income in the consolidated statement of profit or loss for the year-ended 30 September 2024 (2023: €nil).

The transaction costs relating to these amendments totalled €29m for the year-ended 30 September 2023, comprising lenders fees of €25m and other professional fees of €4m and €3m for the year ended 30 September 2024, of which €1m was outstanding at 30 September 2024. These have been capitalised over the remaining life of the senior debt.

Following this amendment, the senior debt includes the following tranches at the year ended 30 September 2024:

- ***€760m senior debt (term loan B3)***: At 30 September 2024, the interest payable balance amounts to €29m; and
- ***€948m senior debt (term loan D2)***: At 30 September 2024, the interest payable balance amounts to €35m.

All term loans are stated net of issue costs. These costs are amortised over the life of the loans. The outstanding balance of issue costs is as follow:

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Term loan B1	-	1	9
Term loan B2	-	27	-
Term loan B3	24	-	-
Term loan C	-	2	3
Term loan D	-	1	1
Term loan D2	4	-	-
Total issue costs	**28**	**31**	**13**

All term loans are subject to a covenant requirement to ensure that cash and cash equivalents balance on the last business day of each month are not less than €75m. If liquidity goes below this level, the Group is obliged to correspond with the banking syndicate to determine the next steps. The Group was compliant with this covenant requirement for 2024 and does not foresee any issue complying with it for the forthcoming financial year. The Group has always complied with its covenant and no breach has arisen in previous years.

Other financial liabilities

The table below analyses the Group's other financial liabilities into their relevant categories:

	Financial liabilities at amortised cost €m	Derivatives at fair value through profit and loss €m	Derivatives designated as hedging instruments €m	**Total €m**
At 30 September 2024				
Derivatives	-	2	2	**4**
Trade payables and other liabilities[1] (note 16)	1,285	-	-	**1,285**
Total other financial liabilities	**1,285**	**2**	**2**	**1,289**
Total current	1,251	2	2	**1,255**
Total non-current	34	-	-	**34**
At 30 September 2023				
Derivatives	-	4	3	**7**
Trade payables and other liabilities[1] (note 16)	1,158	-	-	**1,158**
Total other financial liabilities	**1,158**	**4**	**3**	**1,165**
Total current	1,126	4	3	**1,133**
Total non-current	32	-	-	**32**
At 30 September 2022				
Derivatives	-	2	-	**2**
Trade payables and other liabilities[1] (note 16)	982	-	-	**982**
Total other financial liabilities	**982**	**2**	**-**	**984**
Total current	941	2	-	**943**
Total non-current	41	-	-	**41**

1. Excluding non-financial liabilities.

The fair value of all other financial liabilities is approximate to their carrying value at amortised cost, except for the loan notes and preference shares. Refer to the fair value measurement section below.

Derivatives at fair value through profit and loss reflect the negative change in fair value of foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign exchange rate risk on highly probable forecast sales and purchases.

Derivatives designated as hedging instruments

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk. Some foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast highly probable sales and purchases.

The Group is holding the following foreign exchange forward contracts:

	Maturity			
	Less than 6 months	6 to 12 months	More than 12 months	**Total**
At 30 September 2024				
Forwards EUR/USD				
Notional amount (€m)	17	8	-	**25**
Average forward rate	1.1085	1.1038	-	
Forwards EUR/GBP				
Notional amount (€m)	20	10	-	**30**
Average forward rate	0.8573	0.8515	-	
Forwards EUR/SGD				
Notional amount (€m)	38	9	5	**52**
Average forward rate	1.4524	1.4534	1.4470	
Forwards SGD/THB				
Notional amount (€m)	26	2	-	**28**
Average forward rate	26.3668	25.8107	-	
Other currencies				
Notional amount (€m)	106	18	-	**124**
At 30 September 2023				
Forwards EUR/USD				
Notional amount (€m)	10	-	-	**10**
Average forward rate	1.0694	-	-	
Forwards EUR/GBP				
Notional amount (€m)	18	4	-	**22**
Average forward rate	0.8695	0.8724	-	
Forwards USD/MXN				
Notional amount (€m)	21	4	-	**25**
Average forward rate	17.8764	18.1142	-	
Forwards SGD/THB				
Notional amount (€m)	28	3	-	**31**
Average forward rate	25.5766	25.6394	-	
Other currencies				
Notional amount (€m)	61	11	-	**72**

There are no foreign exchange forward contracts designated as hedging instruments for the year-ended 30 September 2022.

The impact of the hedging instruments on the consolidated statement of financial position is as follows:

	Notional amount €m	Carrying amount €m	Change in fair value used for measuring ineffectiveness for the period €m
At 30 September 2024			
Foreign exchange forward contracts	259	2	3
At 30 September 2023			
Foreign exchange forward contracts	160	(2)	(1)

The effect of the cash flow hedge in the consolidated statement of profit or loss and other comprehensive income is, as follows:

	Total hedging gain/(loss) recognised in OCI €m	Amount reclassified from OCI to profit or loss €m	Line item in the consolidated statement of profit or loss
At 30 September 2024			
Foreign exchange forward contracts	4	(1)	Other costs
At 30 September 2023			
Foreign exchange forward contracts	(1)	-	-

Fair value measurement

The financial instruments for which fair value is disclosed in the three tables above, and derivative financial instruments, are classified as level 2 of the IFRS 13 “Fair Value Measurement” fair value hierarchy (note 2D). HBX Group does not have any financial instruments classified as level 3.

The following table presents the Group’s financial liabilities difference between their fair value and their carrying amount:

	Valuation Technique	Fair value €m	Carrying amount €m	Difference €m
At 30 September 2024				
Loan notes	Discounted cash flow	2,035	1,528	507
Preference shares	Discounted cash flow	58	53	5
At 30 September 2023				
Loan notes	Discounted cash flow	1,541	1,388	153
Preference shares	Discounted cash flow	286	275	11
At 30 September 2022				
Loan notes	Discounted cash flow	2,127	1,262	865
Preference shares	Discounted cash flow	306	250	56

The variation over the years is explained by the market interest rate used. The higher difference reflected at the year ended 30 September 2024 compared to the year ended 30 September 2023 is the consequence of the decrease in the market interest rate during the period which is significantly lower than the interest rate charged on the loan notes of 10%. On the contrary, the lower difference reflected at the year ended 30 September 2023 compared to the year ended 30 September 2022 is the consequence of the significant increase in the interest market rate during the period which was more aligned with the interest rate charged on the loan notes.

The loan notes are not easily transferable or tradeable and there are no quoted market prices for them. Hence, they have been classified as level 2 liabilities.

The fair value of the financial assets, lease liabilities, senior debt and other borrowings approximate their carrying values at amortised cost.

Financial risk management

The Group faces a range of financial risks comprising liquidity risk, market risks (consisting of currency risks and interest rates risks) and credit risk.

The Group’s principal financial instruments comprise trade receivables, trade payables, senior debt, bank loans, revolving credit facilities, bank overdrafts, lease liabilities, loan notes, and cash and short-term deposits, together with certain derivative financial instruments.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. The liquidity position of the Group is significantly influenced by the booking and payment pattern of customers. As a result, liquidity is at its lowest in the winter months and at its highest in the summer months.

The Group manages liquidity risk through regular cash flow forecasting and monitoring of cash flows, management review and regular review of working capital and costs. The Group continues to hold significant cash and liquid funds to mitigate the impact of potential business disruption events. At 30 September 2024 HBX Group had cash of €686m (30 September 2023: €690m and at 30 September 2022: €539m) in addition to a €157m revolving credit facility and other undrawn committed credit facilities of €82m, and complied with the covenant requirements of the Senior Facilities Agreement. Cash and cash equivalents include €39m (30 September 2023: €1m and at 30 September 2022: €29m) that is held in specific bank accounts of HBX as guarantees to third parties to support bilateral lines of credit. These deposits are highly liquid and can be recovered on demand but the consequence would be that the line of credit will be withdrawn.

The Board does not anticipate a need for the Group to have to obtain additional funding.

In respect of the Group's financial liabilities including estimated interest where applicable, the table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (at the year-end):

	Note	Book Value €m	On demand or within 1 year €m	1 to 2 years €m	2 to 3 years €m	3 to 4 years €m	4 to 5 years €m	> 5 years €m	Total €m
At 30 September 2024									
Senior debt (term loan B3)		**764**	55	50	51	811	-	-	**967**
Senior debt (term loan D2)		**976**	66	60	1,009	-	-	-	**1,135**
Bank loans (other)		**4**	2	2	-	-	-	-	**4**
Other borrowings		**13**	13	-	-	-	-	-	**13**
Lease liabilities		**6**	3	2	1	-	-	-	**6**
Loan notes[2]	20	**1,528**	-	-	-	-	2,237	-	**2,237**
Preference shares[2]	20	**53**	-	-	-	-	78	-	**78**
Trade payables and other liabilities[1]	16	**1,285**	1,251	34	-	-	-	-	**1,285**
Derivatives		**4**	4	-	-	-	-	-	**4**
Total		**4,633**	**1,394**	**148**	**1,061**	**811**	**2,315**	**-**	**5,729**
At 30 September 2023									
Senior debt (term loan B1)		**151**	12	159	-	-	-	-	**171**
Senior debt (term loan B2)		**753**	67	58	53	54	843	-	**1,075**
Senior debt (term loan C)		**408**	33	29	26	427	-	-	**515**
Senior debt (term loan D)		**416**	37	33	30	431	-	-	**531**
Bank loans (other)		**5**	2	2	1	-	-	-	**5**
Other borrowings		**2**	2	-	-	-	-	-	**2**
Lease liabilities		**9**	5	3	1	-	-	-	**9**
Loan notes[2]	20	**1,388**	-	-	-	-	-	2,237	**2,237**
Preference shares[2]	20	**275**	-	-	-	-	-	440	**440**
Trade payables and other liabilities[1]	16	**1,158**	1,126	32	-	-	-	-	**1,158**
Derivatives		**7**	7	-	-	-	-	-	**7**
Total		**4,572**	**1,291**	**316**	**111**	**912**	**843**	**2,677**	**6,150**
At 30 September 2022									
Senior debt (term loan B)		**1,012**	62	82	1,078	-	-	-	**1,222**
Senior debt (term loan C)		**403**	26	33	29	26	427	-	**541**
Senior debt (term loan D)		**410**	30	37	33	30	431	-	**561**
Bank loans (other)		**7**	2	2	2	1	-	-	**7**
Other borrowings		**12**	12	-	-	-	-	-	**12**
Bank overdrafts		**11**	11	-	-	-	-	-	**11**
Lease liabilities		**11**	5	4	2	-	-	-	**11**
Loan notes[2]	20	**1,262**	-	-	-	-	-	2,237	**2,237**
Preference shares[2]	20	**250**	-	-	-	-	-	440	**440**
Trade payables and other liabilities[1]	16	**982**	941	37	-	4	-	-	**982**
Derivatives		**2**	2	-	-	-	-	-	**2**
Total		**4,362**	**1,091**	**195**	**1,144**	**61**	**858**	**2,677**	**6,026**

1. Excluding non-financial liabilities.
2. For the purposes of the maturity profile the Group assumed the repayment date (being an exit as defined by the HBG Limited articles of association) of the loan notes and of the preference shares being 2028 for the year ended 30 September 2024 (30 September 2023 and 2022: 2028).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's senior debt with floating interest rates.

Interest rate risk management has the following key objectives:

- Profit protection – to protect the profit margin from material adverse movements in interest rates.
- Cash flow protection – to ensure that the Group's liquidity is not materially impacted by adverse movements in interest rates.

The Group's exposure to interest rates is managed to minimise the impact on profit over the short to medium-term whilst providing flexibility over the longer-term.

The Group Corporate Finance team has been given delegated responsibility by the Board to manage the Group's exposures to interest rate risk.

Permitted instruments when managing interest rate risk are limited to the following:

- interest rate caps;
- interest rate swaps;
- forward rate agreements; and
- cross currency swaps.

Interest rate sensitivity

The table below demonstrates the sensitivity to reasonably possible changes in interest rates on the senior debt tranches. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

Effect on loss before tax (additional finance costs):	**Year ended 30 September 2024 €m**	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
100 basis points increase (2023: 100 & 2022: 100 basis points increase)	(17)	(18)	(18)
200 basis points increase (2023: 200 & 2022: 200 basis points increase)	(34)	(36)	(36)

The sensitivity has been estimated by applying the basis points movement to the carrying value of the senior debt, subject to interest at floating rates, held by the Group at the financial year end.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility for the year ended 30 September 2023. The EURIBOR applied to the Group was negative for the year ended 30 September 2022 and was amounting to 3.66% at the end of the year ended 30 September 2023, which is much higher than previous year.

The EURIBOR slightly increased during the year ended 30 September 2024, therefore, the Group assumed an increase in interest rate of 18 basis points and 50 basis points for the purpose of this sensitivity analysis.

The change in interest rates does not impact the Group's equity beyond the impact on the consolidated statement of profit or loss as detailed above.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign currency risk on transactions denominated in currencies other than the functional currency of the subsidiaries and on the translation of the statements of financial position and statements of profit or loss of foreign operations into Euros. The currency giving rise to this risk is primarily the US Dollar.

In managing currency risks, the Group aims to reduce the impact of short-term fluctuations on its cash inflows and outflows in a foreign currency. Forward exchange contracts are used to hedge against foreign currency risk, mainly the US Dollar.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US Dollar exchange rate (as experienced in the year ended 30 September 2024), with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities (mainly trade receivables, trade payables, derivatives and cash at bank).

Effect on loss before tax (additional (expenses) / income):	**Year ended 30 September 2024 €m**	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
+5% change in USD rate (2023: +8% and 2022: +5%)	(1)	(9)	1
-5% change in USD rate (2023: -8% and 2022: -5%)	1	9	(1)

The impact on the Group's equity due to changes in the fair value of forward exchange contracts designated as cash flow hedges is not material. The Group's exposure to other foreign exchange movements is not material.

The assumed movement in percentage for the USD rate sensitivity analysis is based on the currently observable market environment.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances (including bank deposits and cash and cash equivalents) and derivative financial instruments, as well as credit exposure to accounts receivable and prepayments made. Credit risk is managed separately for treasury and operating related credit exposures.

The Group is not subject to a significant concentration of credit risk, with exposure spread across a large number of counterparties and customers.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Any changes to credit terms are assessed and authorised by senior management on an individual basis. In addition, the Group has credit insurance to cover possible risks. The insurance premium is accounted for separately and not netted off against the expected credit loss. Insurance is only drawn down upon when there is a default by an insured debtor.

With respect to credit risk arising from the other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Credit risk in respect of cash and cash equivalents is managed by restricting those transactions to banks that have a defined minimum credit rating and by setting an exposure ceiling per bank.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Trade receivables

Customer credit risk is subject to the Group's established policy, procedures and control relating to customer credit risk management. As detailed in note 3B, the Group has applied the simplified approach under IFRS 9 and adopted a provisioning matrix to determine the Expected Credit Loss ("ECL"), grouping receivables dependent on their risk level taking into account historic default rates, credit ratings, ageing and future expectations, and applying a relevant provision percentage after adjusting for deposits and insurance coverage.

The table below details the total trade receivables and associated loss allowance based on the risk categorisation:

Current	**As at 30 September 2024 €m**	As at 30 September 2023 €m	As at 30 September 2022 €m
Trade receivable			
Low	282	205	131
Medium	191	178	206
High	17	13	21
Very high	14	13	13
Total	**504**	**409**	**371**
Loss allowance			
Low	-	(1)	(1)
Medium	(5)	(9)	(11)
High	(7)	(6)	(7)
Very high	(14)	(13)	(13)
Total	**(26)**	**(29)**	**(32)**
Net receivable			
Low	282	204	130
Medium	186	169	195
High	10	7	14
Very high	-	-	-
Total	**478**	**380**	**339**

A 20% increase or decrease in the ECL provision rate required would result in a €2m increase or decrease in the impairment of trade receivables recognised in the consolidated statement of profit or loss.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, support the growth of the business and maximise the return to the stakeholders through the optimisation of the debt and equity balance. The Group reviews the capital position prior to assessing whether any distribution should be made. The Group considers capital to comprise the following items:

	As at 30 September 2024 €m	As at 30 September 2023 €m	As at 30 September 2022 €m
Interest-bearing loans (excluding lease liabilities)	1,757	1,735	1,855
Cash and short-term deposits	(686)	(690)	(539)
Net debt	**1,071**	**1,045**	**1,316**
Loan notes and preference shares	1,581	1,663	1,512
Equity attributable to owners of parent company	(1,399)	(1,353)	(1,258)
Capital and net debt	**1,253**	**1,355**	**1,570**

The Group finances its operations through a combination of debt, cash and short-term deposits and equity.

Changes in liabilities arising from financing activities

	Current other interest-bearing loans and lease liabilities €m	Non-current interest-bearing loans and lease liabilities €m	Loan notes and preference shares €m	**Total €m**
At 1 October 2021	**53**	**2,050**	**1,375**	**3,478**
Cash flows	(97)	(248)	-	**(345)**
Senior debt issuance costs amortisation	-	9	-	**9**
Interest on senior debt	84	-	-	**84**
Interest on revolving credit facility from lenders	8	-	-	**8**
Lease liabilities	7	(2)	-	**5**
Bank loans (other)	3	(3)	-	**-**
Other interest	2	-	-	**2**
Interest on loan notes	-	-	114	**114**
Accrued dividend on preference shares	-	-	23	**23**
At 30 September 2022	**60**	**1,806**	**1,512**	**3,378**
Cash flows	(147)	(129)	-	**(276)**
Senior debt issuance costs amortisation	-	11	-	**11**
Interest on senior debt	129	-	-	**129**
Interest on revolving credit facility from lenders	4	-	-	**4**
Lease liabilities	6	(2)	-	**4**
Bank loans (other)	2	(2)	-	**-**
Other interest	6	-	-	**6**
Interest on loan notes	-	-	126	**126**
Accrued dividend on preference shares	-	-	25	**25**
At 30 September 2023	**60**	**1,684**	**1,663**	**3,407**
Cash flows	(143)	(3)	(238)	**(384)**
Senior debt issuance costs amortisation	-	6	-	**6**
Modification gain on senior debt	-	(4)	-	**(4)**
Interest on senior debt	146	-	-	**146**
Interest on revolving credit facility from lenders	4	-	-	**4**
Lease liabilities	4	(1)	-	**3**
Bank loans (other)	1	(1)	-	**-**
Other interest	10	-	-	**10**
Interest on loan notes	-	-	139	**139**
Accrued dividend on preference shares	-	-	17	**17**
At 30 September 2024	**82**	**1,681**	**1,581**	**3,344**

19. Called up share capital and share premium account

Authorised shares

Group and Company	As at 30 September 2024 shares	2024 €	As at 30 September 2023 shares	2023 €	As at 30 September 2022 shares	2022 €
Ordinary shares authorised:						
Class A ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class B ordinary shares of €0.01 each	7,000,000	70,000	7,000,000	70,000	7,000,000	70,000
Class C ordinary shares of €0.01 each	8,000,000	80,000	8,000,000	80,000	8,000,000	80,000
Class D ordinary shares of €0.01 each	5,000	50	5,000	50	5,000	50
Class E ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class F ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class G ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class H ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class I ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class J ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class K ordinary shares of €0.01 each	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Class L ordinary shares of €0.01 each	2,120,000	21,200	2,120,000	21,200	2,120,000	21,200
Total	**817,125,000**	**8,171,250**	**817,125,000**	**8,171,250**	**817,125,000**	**8,171,250**

Ordinary shares issued and fully paid

Group and Company	As at 30 September 2024 shares	2024 €	As at 30 September 2023 shares	2023 €	As at 30 September 2022 shares	2022 €
Ordinary shares issued and fully paid:						
Class A ordinary shares of €0.01 each	87,027,652	870,277	87,027,652	870,277	87,027,652	870,277
Class B ordinary shares of €0.01 each	7,000,000	70,000	7,000,000	70,000	6,200,918	62,009
Class C ordinary shares of €0.01 each	8,000,000	80,000	8,000,000	80,000	8,000,000	80,000
Class D ordinary shares of €0.01 each	5,000	50	5,000	50	5,000	50
Class E ordinary shares of €0.01 each	1,573,743	15,737	1,573,743	15,737	1,419,560	14,195
Class F ordinary shares of €0.01 each	486,525	4,865	486,525	4,865	486,525	4,865
Class G ordinary shares of €0.01 each	2,292,552	22,925	2,292,552	22,925	2,292,552	22,925
Class H ordinary shares of €0.01 each	333,059	3,331	333,059	3,331	333,059	3,331
Class I ordinary shares of €0.01 each	1,093,159	10,932	1,093,159	10,932	1,093,159	10,932
Class J ordinary shares of €0.01 each	11,753,877	117,539	11,753,877	117,539	11,753,877	117,539
Class K ordinary shares of €0.01 each	180,834	1,808	180,834	1,808	180,834	1,808
Class L ordinary shares of €0.01 each	2,120,000	21,200	2,120,000	21,200	2,120,000	21,200
Total	**121,866,401**	**1,218,664**	**121,866,401**	**1,218,664**	**120,913,136**	**1,209,131**

The nominal value of the ordinary shares of €1m (30 September 2023: €1m and at 30 September 2022: €1m), together with the share premium of €136m (30 September 2023: €136m and at 30 September 2022: €135m), have been recognised in called up share capital and the share premium account, respectively.

Voting rights

Each A ordinary share, B ordinary share, C ordinary share, D ordinary share, E ordinary share, F ordinary share, H ordinary share, I ordinary share or L ordinary share gives its holder the right to receive notice of and attend general meetings of the Company, and to exercise one vote at such meetings in respect of each such share he holds, except that:

- the A ordinary shares do not give their holders such right in respect of any shareholders' resolution to appoint or remove a Director of the Company;
- the D ordinary shares give their holders such right only in respect of any shareholders' resolution to appoint or remove a Director of the Company and not in respect of any other resolution; and
- the total votes exercisable in respect of all the issued E ordinary shares and F ordinary shares, in aggregate, may not exceed 4.5 per cent. of the total votes attaching to all of the ordinary shares of the Company, in aggregate.

The G ordinary shares, K ordinary shares and preference shares do not give their holders the right to receive notice of or attend general meetings of the Company. The J ordinary shares give their holders the right to receive notice of and attend general meetings of the Company, but not to vote or speak at such meetings.

The special rights attaching to any class of shares may only be varied or abrogated in certain circumstances, including with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the relevant class of shares, in which case the holders of the relevant class of shares shall have the right to receive notice of, attend and vote at such general meeting.

20. Related party disclosures

Ultimate owner

The Group is ultimately owned by funds advised by Cinven Capital Management (V) General Partner Limited (Cinven) and Canada Pension Plan Investment Board (CPPIB).

All transactions with other entities controlled by Cinven or CPPIB are carried out on an arm's length basis. During the year ended 30 September 2023, fees of €0.3m were charged to the Group by Cinven and CPPIB (2023: €0.3m and 2022: €0.3m).

Key management personnel

The remuneration of key management personnel (who are collectively considered to have the authority to directly or indirectly plan and control the Group's operations) for the year was as follows:

	Year ended 30 September 2024 €m	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Employee benefits	11.7	9.7	4.7
Share-based payments	0.4	0.4	0.1
Total	**12.1**	**10.1**	**4.8**

The remuneration of key management personnel includes incentives as detailed in the section share-based payments below in addition to the 2021-2024 LTIP.

At 30 September 2024 certain key management personnel collectively held €0.4m loan notes (2023: €0.3m and 2022: €0.3m). Interest charged for the year ended 30 September 2024 amounted to less than €0.1m (2023: less than €0.1m and 2022: less than €0.1m).

During the year ended 30 September 2022, the Group advanced loans totalling €1.2m to certain key management personnel. During the year ended 30 September 2023, the Group advanced additional loans totalling €0.1m to key management personnel. The average interest rate on these loans is 3% and accrued interest is capitalised and added to the outstanding principal amount every 30 September. These are due for repayment on or before the date that the individual ceases to be an employee of the Group.

Share-based payments

The Group operates a number of cash-settled schemes which allow certain senior employees the right to participate in the performance of the Group, in return for services rendered, through the payment of cash incentives which are dependent upon on a number of performance conditions. Share-based payments relate to schemes offered to senior management, including some key management personnel, which will be cash settled upon a triggering event being concluded.

When the vesting of share-based payments is probable, the fair value is recognised as a share-based payment expense together with a corresponding increase in the associated liability. This is subsequently revalued periodically to reflect changes in the fair value and vesting assumptions. The fair value of the share-based payment is calculated based on the anticipated value of the underlying metrics, derived from the latest forecast and factoring in wider market expectations where relevant.

During the year ended 30 September 2024, the total charge to the consolidated statement of profit or loss for the year relating to all share-based payments was €5m (30 September 2023: €3m and at 30 September 2022: €1m) and at 30 September 2024 the liability totalled €9m (30 September 2023: €4m, 30 September 2022: €1m).

The table below details the share-based incentive schemes in existence at 30 September 2024. These are all treated as share-based as some of the conditions are linked to the underlying value of equity in the Company:

Scheme	LTIP[2]	LTIP[2]	MIP[2] 1	MIP[2] 2	Complementary scheme	EIPs[2]
Year of grant	2016	2017	2021	2021	2021	2023
Vesting basis						
- Tenure	Yes	Yes	Yes	Yes	Yes	Yes
- Performance	No	No	No	No	No	Yes[1]
- Other vesting conditions	Yes	Yes	Yes	Yes	Yes	Yes
Vesting deemed probable	Yes	Yes	No	No	No	No
Fair value at 30 September 2024 (€m)	4	5	-	-	-	-
Fair value at 30 September 2023 (€m)	2	2	-	-	-	-
Fair value at 30 September 2022 (€m)	-	1	-	-	-	-
Total units at 30 September 2024 (‘000)	609	929	-	-	-	-
Total units at 30 September 2023 (‘000)	609	929	-	-	-	-
Total units at 30 September 2022 (‘000)	609	929	-	-	-	-
Fair value per unit at 30 September 2024 (€)	6.5	5.2	-	-	-	-
Fair value per unit at 30 September 2023 (€)	3.1	2.8	-	-	-	-
Fair value per unit at 30 September 2022 (€)	-	0.6	-	-	-	-

1. Vesting subject to achieving specified Adjusted EBITDA[APM] for relevant business line at the date of other vesting conditions being met.
2. LTIP: Long Term Incentive Plan, MIP: Management Incentive Plan, EIP: Employee Incentive Plan.

LTIP 2016

The LTIP scheme granted in 2016 entitles 33 employees, including two members of key management personnel, to units, each representing the right to receive a cash payment. Vesting is dependent upon continued tenure, or “good leaver” status and the completion of an exit event, being the sale, IPO or winding up of the Company. The amount to be paid is partially linked to the carrying value of the loan notes, and therefore increases at 10% p.a. compounded, consistent with the interest on the loan notes. This component, which totalled €11m (without considering social security costs) at 30 September 2024 (30 September 2023: €10m and 30 September 2022: €9m), is recognised within provisions as it is not linked to the market value of underlying shares. The remaining allocation is based upon the fair market value of the underlying ‘A’ shares in the Group, valued at €4m at 30 September 2024 (30 September 2023: €2m, 30 September 2022: nil). The valuation of the shares is based upon an equity valuation of the Group. This is calculated by applying a relevant and comparable market multiple to the latest Adjusted EBITDA[APM] of the Group to obtain an enterprise value. The Enterprise value is then adjusted for the current Adjusted Net Debt[APM] position less forecast payments to be made in the event of an exit, to reach the equity value. The resulting equity value is allocated across the differing classes of shares to reach the ‘A’ share valuation.

LTIP 2017

The LTIP scheme granted in 2017 entitles eleven employees, including two members of key management personnel to units, each representing the right to receive a cash payment. Vesting is dependent upon continued tenure, or “good leaver” status and the completion of an exit event, being the sale, IPO or winding up of the Company. The amount to be paid is based on the fair market value of the underlying ‘B’ shares in the Group, valued at €5m (without considering social security costs) at 30 September 2024 (30

September 2023: €2m, 30 September 2022: €1m). The valuation of the shares is based upon an equity valuation of the Group. This is calculated by applying a relevant and comparable market multiple to the latest Adjusted EBITDA^{APM} of the Group to obtain an enterprise value. The Enterprise value is then adjusted for the current Adjusted Net Debt^{APM} position less forecast payments to be made in the event of an exit, to reach the equity value derived from a valuation of the Company based upon a comparable market EBITDA multiple. The resulting equity value is allocated across the differing classes of shares to reach the 'B' share valuation.

MIP 1 and MIP 2

The two Management Incentive Plans have been granted to 64 members of senior management, including five members of key management personnel. These entitle management to a fixed cash payment in the event of an exit, conditional upon continued tenure, a minimum return being achieved by the current ultimate owners, and an exit event happening by 31 December 2024. At 30 September 2024, 30 September 2023 and 30 September 2022 an exit event completing within the required timeframe was not deemed probable and therefore no provision has been recognised.

Complementary LTIP

The complementary scheme awards 78 beneficiaries, including one Director and two other members of key management personnel, the contingent right to receive a cash payment subject to an exit event and dependent on conditions related to the underlying valuation of the shares. The complementary scheme would only be payable in the event of the Company enterprise value being below €3,300m at which management do not believe it feasible an exit would be exercised. Consequently, since inception, it has not been expected that payment rights in favour of this plan's beneficiaries would be triggered.

Other EIPs

The principal EIP (EIP 1) provides approximately 2,800 employees with tokens, conditional upon both tenure and performance, which can be converted to a cash payment in the event of an exit event prior to 31 December 2025, conditional upon a minimum enterprise value. At 30 September 2024, management do not believe it probable that the minimum value as defined by the scheme at that date will be met and therefore no provision has been recognised.

EIP 2, effective from June 2023, grants one individual entitlement to a cash incentive subject to continued service, an exit completing before 31 December 2025, the equity value per share of the Company being higher than €1 at the date of exit and conditional upon achieving a minimum annual Adjusted EBITDA^{APM} from Fintech product line at the date of an exit event. At 30 September 2024, based on the latest forecast, management do not expect the target to be achieved and therefore no provision has been recognised.

EIP 3, effective from June 2023, grants one individual entitlement to a cash incentive subject to continued service, an exit completing before 31 December 2025, the equity value per share of the Company being higher than €1 at the date of exit and conditional upon achieving a minimum annual Adjusted EBITDA^{APM} from the Hoteltech product line. At 30 September 2024, based on the latest forecast management do not expect the target to be achieved and therefore no provision has been recognised.

On 1 October 2024, changes were made to the vesting conditions of MIP 1, MIP 2 and employee EIP schemes as detailed in note 23.

Directors' emoluments

The Company had ten Directors during the year ended 30 September 2024 (30 September 2023: eleven Directors and at 30 September 2022: eleven Directors). The total Directors´ remuneration paid by the Group was €3.6m (2023: €3.4m and 2022: €1.7m). Some of the non-executive Directors act as representatives of the related party shareholders and were not remunerated by the Group for their services to the Group.

At 30 September 2024 certain Company Directors collectively held €1.4m loan notes (2023: €1.4m and 2022: €1.5m). Interest charged for the year ended 30 September 2024 amounted to €0.3m (2023: €0.2m and 2022: €0.2m).

As at 30 September 2024 certain Company Directors collectively had borrowed approximately €2.4m from the Group pursuant to loans granted for the purchase of HBG Ltd shares (30 September 2023: €2.4m, 30 September 2022: €2.3m). Interest charged for the year ended 30 September 2024 amounted to €0.07m (2023: €0.06m, 2022: €0.05m). The average interest rate on these loans is 3% and accrued interest is capitalised and added to the outstanding principal amount every 30 September.

Included within Directors' emoluments for the year ended 30 September 2024 is €3m of remuneration, related to one Director, (30 September 2024: €2.8m, 30 September 2022: €1.0m) which is also included in the key management personnel disclosure above.

Included within Directors' loans at 30 September 2024 is €1.2m which is also included in the key management personnel disclosure above (2023: €1.2m, 30 September 2022: €1.2m).

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period (from 19 June 2024 to 30 September 2024):

	Sales to related parties (TTV) €m	Amounts owed by related parties[1] €m
Associate:		
PerfectStay.com SAS	4.7	0.3

1. The amount is classified as trade receivables.

Loan notes

On 12 September 2016, The Group issued €695m unsecured loan notes due for repayment in 2056 at their nominal value of €1.00 with an interest rate of 10 per cent per annum.

On 7 June 2017, the Group issued €232m unsecured loan notes due for repayment in 2056 at their nominal value of €1.00 with an interest rate of 10 per cent per annum.

On 3 October 2017, the Group issued €197m unsecured loan notes due for repayment in 2056 at their nominal value of €1.00 with an interest rate of 10 per cent per annum.

On 29 June 2018, an interest amount of €80m due on the class A loan notes and related to the year-ended 30 September 2017 was converted into "payment-in-kind" (PIK) loan notes.

On 18 January 2019, the Group issued €7m unsecured loan notes due for repayment in 2056 at their nominal value of €1.00 with an interest rate of 10 per cent per annum.

On 8 April 2019, the Group reimbursed to the shareholders €492m unsecured loan notes at their nominal value of €1.00.

The loan notes are principally held by the ultimate owners of the Group. The loan notes are divided into several classes but all have the same principal terms and conditions. Loan notes in classes A, F, H and J with a total carrying value of €1,476m are listed on The International Stock Exchange which is based in Guernsey, Channel Islands.

The loan notes shall be redeemed in the event of an exit, except where the notes are transferred to a Group Company in connection with an exit, or on the redemption date in 2056.

Interest is charged on the loan notes at a rate of 10%. This interest is not paid on a regular basis but is rolled up into the loans until they fall due for repayment. Under the terms of the loan notes, the Group, as issuer, may elect to pay the interest, issue PIK notes or to defer the interest.

Interest charged on the loan notes in the year ended 30 September 2024 totalled €139m (2023: €126m and 2022: €114m).

None of the Group's assets were pledged as security for the loan notes.

Details of loan note balances by holder and the interest accrued each year are provided in the table below:

	Year ended 30 September 2024	**Interest accrued in year**	Year ended 30 September 2023	Interest accrued in year	Year ended 30 September 2022	Interest accrued in year
	€m	**€m**	€m	€m	€m	€m
Cinven	600	55	545	50	495	45
CPPIB	600	55	545	50	495	45
Funds managed by EQT	239	22	217	19	198	18
Other[1]	89	8	81	7	74	6
Total loan notes	**1,528**	**140**	**1,388**	**126**	**1,262**	**114**

1. Includes current and former management.

Preference shares

On 3 October 2017, a subsidiary within the Group issued 27,300,000 preference shares of €1 each which are classified as liabilities based on the terms of the contract, which does not permit the shareholders any rights to participate in the profits or assets of the Group beyond the receipt of fixed dividends. The dividends on these preference shares are recognised in the consolidated statement of profit or loss as interest expense and totalled €5m for the year ended 30 September 2024 (2023: €4m and 2022: €4m). No rights are attached to the preference shares other than the dividends payable to the preference shareholders.

On 13 May 2021, the Group and the Company issued 174,999,996 preference shares of €1 each which are classified as liabilities based on the terms of the contract, which does not permit the shareholders any rights to participate in the profits or assets of the Company beyond the receipt of fixed dividends.

The dividends are charged on the preference shares at a fixed rate of 10%. Under the terms of the preference share agreement, dividends do not have to be cash settled prior to redemption. Therefore dividends have been rolled up into the outstanding balance until they fall due for repayment.

The dividends on these preference shares are recognised in the consolidated statement of profit or loss as finance costs and totalled €12m for the year ended 30 September 2024 (2023: €21m and 2022: €19m).

No rights are attached to the preference shares other than the dividends payable to the preference shareholders.

On 11 April 2024 the Directors approved the redemption of the Preference Shares, issued on 22 January 2021, totalling €175m principal plus €63m of accumulated dividends up to the date of redemption.

The preference shares do not have a maturity date, but will be redeemed in the event of an exit, defined as the sale, IPO or winding up of the Company. None of the Group's assets were pledged as security for the preference shares.

Details of preference shares by holder, dividends accrued and the redemption are provided in the table below:

	Year ended 30 September 2024	**Dividends accrued in year**	Year ended 30 September 2023	Dividends accrued in year	Year ended 30 September 2022	Dividends accrued in year
	€m	**€m**	€m	€m	€m	€m
Cinven	-	5	96	9	87	8
CPPIB	-	5	96	9	87	8
Funds managed by EQT	49	6	79	7	72	6
Other[1]	4	-	4	-	4	-
Total preference shares	**53**	**16**	**275**	**25**	**250**	**22**

1. Includes current and former management.

Consolidated subsidiaries

The special purpose consolidated financial information includes the financial information of HBG Limited and its subsidiaries. The subsidiary undertakings at 30 September 2024 were:

Company	Registered address	Country	Capital share in %	Principal activities
A2H Services Limited	Moore House, 13 Black Lion Street, Brighton, East Sussex, BN1 1ND	United Kingdom	100%	Dormant
Advantos Brasil Operadora de Turismo Limitada	Rua Barao de Tefle 1000, sala 162 Jundiai Sao Paulo 13208-761	Brazil	100%	Trading
Beds On Line, S.L.U.	Complejo Mirall Balear – Torre A, 5ª. Planta, 3A – 4A Camí de Son Fangos, 100 – 07007 Palma de Mallorca	Spain	100%	Trading
Business Taxis Group Limited	Moore House, 13 Black Lion Street, Brighton, East Sussex, BN1 1ND	United Kingdom	100%	Dormant
Business Taxis Limited	Moore House, 13 Black Lion Street, Brighton, East Sussex, BN1 1ND	United Kingdom	100%	Dormant
Club Turavia SA de CV	Av. Bonampak Z.T. MZA 27 LT 1-02, UC 12 Sección E. S-02 A al S-02 C2, Benito Juarez, Quintana Roo C.P. 77500	Mexico	100%	Trading
Club Turavia SA de CV - Colombia Branch	Carrera 16, #97-48, Torre 97, piso 6 Bogotá Bogotá, 110221	Colombia	100%	Under deregistration
Conxxe Management and Consulting (Shanghai) Co. Limited	Room 1006-07, No. 333 Jiujiang Road, Huangpu District, Shanghai	China	100%	Under liquidation
Donvand Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Holding
Branch of Donvand Limited (Dubai)	Suite 116, IF oud Mehta Building, Bur Dubai, PO Box 28352, Dubai	United Arab Emirates	100%	Under deregistration
Easy Market, S.p.A.	Strada Statale Consolare 51/c. 47900. Rimini, Italy	Italy	100%	Trading and software development
Global Obi S.L.	Complejo Mirall Balear, Camí De Son Fangos 100, Torre B, 2º Planta, 07007, Palma de Mallorca	Spain	100%	Trading and software development
Branch of Global Obi, SL (Colombia)	Carrera 43 A - 1, 50 Torre 1 Piso 6, Oficina 621, San Fernando Plaza, Medellín, Antioquia, Colombia	Colombia	100%	Branch
GTA (Beijing) Travel Consulting Co. Limited (Guangzhou Branch)	Unit 82 Room 901, No. 6 Zhujiang Dong Road, Tian He District, Guangzhou, China	China	100%	Under deregistration
GTA (Beijing) Travel Consulting Co. Limited (Shanghai Branch)	Shanghai Oriental Centre, Room 1105, No. 699 West Nanjing Road, Jing'an District, Shanghai	China	100%	Under deregistration
GTA (Beijing) Travel Consulting Co. Limited	Unit 1111, Floor 11, Building 8, Yard 91, Jianguo Road, Chaoyang District, Beijing	China	100%	Trading
GTA (Middle East) FZ-LLC	DMC-BLD05-VD-G00-769, Commercial building 5, Dubai Media City, Dubai, United Arab Emirates	United Arab Emirates	100%	Dormant
GTA (Retail) Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Dormant
GTA Global (France) SAS	3 rue de Stockholm 75008, Paris, France	France	100%	Trading
GTA Holdco Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Holding
GTA Reisen Holding AG	Thurgauerstrasse 101, 8152, Zurich, Opfikon, Switzerland	Switzerland	99.9%[1]	Holding
GTA (Sourcing) Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Under liquidation
Gullivers OCTGRP Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Dormant
Gullivers Travel Associates (Hong Kong) Limited	29/F and 30/F, The Gateway Tower 5, Harbour City, 15 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	Hong Kong	100%	Dormant
Gullivers Travel Associates (Investments) Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Dormant
Hotelbeds Services (Thailand) Limited	50 Tonson Building, Suite 201-207; Soi Tonson, Ploenchit Road; Lumpini, Pathumwan; Bangkok; 10330	Thailand	49%[2]	Trading
Gullivers Travel Associates Tour Travel Organizers Co Limited	Abdar Centre, Office No. 303; Off Olaya Road; PO Box 8015; Riyadh; 11482	Saudi Arabia	100%	Trading
HBG Company Cancun., SA de CV	Av. Bonampak Z.T. MZA 27 LT 1-02, UC 12, S-02 A al S-02 C2, Sección E, Benito Juárez, Cancún, Quintana Roo, C.P. 77500 Mexico	Mexico	100%	Under liquidation
HBX Group International Ltd	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN, London, Greater London, United Kingdom	United Kingdom	100%	Holding
HNVR Holdco Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Holding
HNVR Midco Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Holding
HNVR Topco Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Holding
Holiday Taxis Group Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Trading and software development

Company	Registered address	Country	Capital share in %	Principal activities
Holiday Taxis Limited	Moore House, 13 Black Lion Street, Brighton, East Sussex, BN1 1ND	United Kingdom	100%	Dormant
Hotelbeds Canada Inc.	28 – 19628 55a Avenue, Langley BC V3A 3X2, CANADA	Canada	100%	Trading
Hotelbeds (Shanghai) Commercial Services Co, Limited	Shanghai Oriental Centre, Room 1103, Physical floor 903, No. 699 West Nanjing Road, Jing'an District, Shanghai, People's Republic of China	China	100%	Trading
Hotelbeds (Shanghai) Commercial Services Co, Limited (Guangzhou Branch)	Unit 79, Room 901, No. 6, Zhujiang Dong Road, Tianhe District, Guangzhou, China	China	100%	Branch
Hotelbeds (Thailand) Limited	50 Tonson Building, Suite 201-207; Soi Tonson, Ploenchit Road; Lumpini, Pathumwan; Bangkok; 10330	Thailand	48.8%[2]	Under liquidation
Hotelbeds DMCC	Units T301, T302, T303, 3rd Floor, Red Diamond Building, Al Thanyah Fifth, Dubai, United Arab Emirates JLT-PH2-O1A	United Arab Emirates	100%	Trading
Hotelbeds Dominicana SA	Avenida Independencia, Plaza Pinos del Cacique, suite 201, Distrito Nacional, Santo Domingo Republic	Dominican Republic	100%	Dormant
Hotelbeds Group Italy SRL	Via Nomentana 41, 00161, Rome	Italy	100%	Trading
Hotelbeds HBGP. Lda.	Rua de Gaza, 17-B-Loja, 2775 576, Lisboa, Carcavelos	Portugal	100%	Trading
Hotelbeds Hong Kong Limited	29/F and 30/F, The Gateway Tower 5Harbour City, 15 Canton Road, Tsim Sha Tsui Kowloon Hong Kong	Hong Kong	100%	Dormant
Hotelbeds India Private Limited	817, 8th Floor, Pearls Omaxe, Netaji Subhash Place, New Delhi, 110034 India	India	100%	Trading
Hotelbeds Japan KK	16F Link Square Shinjuku, 5-27-5 Sendagaya, Shibuya-ku, Tokyo	Japan	100%	Trading
Hotelbeds Product, SLU	Complejo Mirall Balear, Torre A, 5ª. Plta, Camí de Son Fangos, 100 - 07007 Palma de Mallorca	Spain	100%	Trading
Hotelbeds Pte Limited	101 Thomson Road; #16-01 United Square; 307591	Singapore	100%	Trading
Hotelbeds Services Greece Limited Liability Company	9 Feidiou str., Athens, 10678, Greece	Greece	100%	Trading
Hotelbeds Spain, SLU	Complejo Mirall Balear - Torre A, 5ª. Planta, 6A - 7A Camí de Son Fangos, 100 - 07007 Palma de Mallorca	Spain	100%	Trading
Hotelbeds Switzerland AG	Regus Ambassador House,Thurgauerstrasse 101, lattpark (Opfikon), 8152 Zurich, Switzerland	Switzerland	100%	Trading
Hotelbeds Technology S.L.U.	Complejo Mirall Balear - Torre B, 5ª. Planta, 6B-7B, Camí de Son Fangos, 100 - 07007 Palma de Mallorca	Spain	100%	Software development
Hotelbeds UK Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Trading
Hotelbeds US Holdco, Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States of America	99.929%[1]	Holding
Hotelbeds USA, Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States of America	100%	Trading
Hotelbeds, S.L.U.	Complejo Mirall Balear - Torre A, 5ª. Planta, 1A - 2A, Camí de Son Fangos, 100 - 07007 Palma de Mallorca	Spain	100%	Trading
Hotelopia S.L.U.	Complejo Mirall Balear - Torre B, 5ª. Planta, 4B - Camí de Son Fangos, 100 - 07007 - Palma de Mallorca	Spain	100%	Trading
Isango! India Pvt Limited	817, 8th Floor, Pearls Omaxe, Netaji Subhash Place, New Delhi, 110034 India	India	100%	Dormant
Isango! Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Under liquidation
Kuoni GTS (Korea) Limited	Eulji Hankook Building 19F 50, Eulji-ro, Jung-gu, Seoul	Korea	100%	Trading
Kuoni Holding Delaware	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States of America	100%	Holding
Kuoni Holdings Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Holding
Kuoni Travel Property DL Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Under liquidation
Micronnexus GmbH	Hohe Bleichen 22, 20354 Hamburg	Germany	100%	Trading and software development
Ponto Brasil Agencia de Turismo e Viagens Limitada	Avda Brigadeiro Faria Lima, 1.811, 10º andar, conjunto 1014, Jardim Paulistano, Sao Paulo, Brasil, 01.452-001	Brazil	100%	Under liquidation
PT Hotelbeds Services Indonesia	WTC 5 Building Level 3A, JI. Jenderal Sudirman Kav. 29-31, Jakarta Selatan, Indonesia	Indonesia	100%	Trading
TGS. Israel Development Limited	c/o Meny Broid, Advocate Pearl Cohen Law Firm121 Menachem Begin Rd, 53 Floor Tel Aviv6701203Israel	Israel	100%	Dormant
Tourico Holidays Argentina SRL	Carlos Pellegrini 1141 - 7th floor, Buenos Aires C1009ABW	Argentina	100%	Trading
Tourico Holidays Germany, GmbH	Leipziger Platz 15, 10117, Berlin	Germany	100%	Trading
Tourico Holidays Hong Kong Limited	29/F and 30/F, The Gateway Tower 5Harbour City, 15 Canton Road, Tsim Sha Tsui Kowloon Hong Kong	Hong Kong	100%	Trading

Company	Registered address	Country	Capital share in %	Principal activities
Tourico Holidays Malaysia Sdn. Bhd.	12th Floor, Menara Symphony, No. 5, Jalan Prof, Khookay Kim, Seksyen 13, 46200 Petaling Java, Selangor	Malaysia	100%	Under liquidation
Tourico Holidays Spain, S.L.	Complejo Mirall Balear, Camí de Son Fangos, nº 100, Torre A, 5ª planta, 07007 Palma de Mallorca	Spain	100%	Under liquidation
Tourico Holidays, Inc.	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States of America	100%	Holding
Travel Holdings Parent LLC	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801	United States of America	100%	Holding
Travel Holdings, Inc.	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801	United States of America	100%	Holding
Travel Partner Brazil Agencia de Turismo e Viagens Limitada	Rua Barão de Teffé, 1.000 - Sala 162, parte B, CEP: 13.208-761, Jundiaí - SP	Brazil	100%	Trading
Travel Partner Turkey Turizm ve Seyahat Anonim Sirketi	Arapcami Mah. Bankalar Cad. Bozkurt Han No:3 D:3 Karaköy Beyoğlu, İstanbul	Turkey	100%	Trading
Branch of Travel Partner Turkey Turizm Ve Seyahat Anonim Sirketi in Antalya	Güzeloba Mahallesi Çağlayangil Cad. No: 25 A, Muratpaşa, Antalya	Turkey	100%	Branch
Branch of Travel Partner Turkey Turizm ve Seyahat Anonim Sirketi Antalya 2 Subesi	Güzeloba Mahallesi Çağlayangil Cad. No: 25 A Muratpaşa, Antalya	Turkey	100%	Branch
Travel Scot World Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Under liquidation
Travelcube Pacific Pty Limited	Level 17, 1 Denison Street North Sydney, New South Wales, Australia	Australia	100%	Trading
Travelstack Inc	Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801	United States of America	100%	Trading
Trina Group Limited	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN London, United Kingdom	United Kingdom	100%	Holding
Turismo Asia Company Limited	511 Soi 6, Sri-Ayuthaya Road, Rajthevee, Bangkok, Thailand 10400	Thailand	48.3%[2]	Under liquidation

1. Non-controlling interest has not been presented in the primary statements because the total value is immaterial to the special purpose consolidated financial information.
2. All the entities in the tables above for which the Company holds directly or indirectly less than 50% are considered as subsidiaries, and are included in the special purpose consolidated financial information of the Group, as the Group has control over the entities. These entities are majority owned by residents of the country of incorporation as required by local laws but they do not have control over these entities neither right of receiving dividends.

Change in the perimeter of consolidation

The following subsidiaries have been liquidated during the year ended 30 September 2022:

Company	Registered address	Country	Capital share in %
Americas Corporate Business Services Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	United States of America	100%
GTA Australasia Pty Ltd	Level 17, The Ark Coca Cola Place, 40 Mount Street, North Sydney NSW 2060 Australia	Australia	100%
GTA Global España S.L.	C/Maria de Molina, 54, Planta Baja; 28006; Madrid	Spain	100%
Branch of GTA Sourcing Ltd	Suipacha 1111 - Floor 11, Buenos Aires	Argentina	100%
HBG Holidays Singapore Pte	101 Thomson Road, #16-01 United Square, Singapore, Singapore, 307591	Singapore	100%
Kuoni GTA (España) SA	C/Maria de Molina, 54, Planta Baja; 28006; Madrid	Spain	100%
Liberate S.L.U.	Complejo Mirall Balear, Camí de Son Fangos, nº 100, Torre A, 5ª planta, 07007 Palma de Mallorca	Spain	100%
Tourico Holidays Australia Pty Limited	RSM Bird Cameron, Level 12, 60 Castlereagh Street, Sydney, NSW 2000	Australia	100%
Tourico Holidays Denmark ApS	Holbergsgade 14, 2tv, 1057, Copenhagen	Denmark	100%
Tourico Holidays Holdings Thailand, LLC	CORPORATION TRUST CENTER, 1209 ORANGE STREET WILMINGTON 19801	United States of America	40%
Tourico Holidays India Private Limited	The Executive Centre, DLF Cyber City, Gurgaon Level 18, Building no. 5, Tower A, DLF Cyber City Phase III, Gurgaon, Haryana 122002	India	100%
Travel Holdings DE, Inc.	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801	United States of America	100%
Travel Holdings France S.A.S.	Centre Affaires Paris Victoire, 52 Rue De La Victoire, Paris 75009	France	100%
Travel Holdings Israel Ltd	c/o Meny Broid, Advocate Pearl Cohen Law Firm121 Menachem Begin Rd, 53 Floor Tel Aviv6701203Israel	Israel	100%
Travel Holdings Spanish Company, SLU	Complejo Mirall Balear, Camí de Son Fangos, nº 100, Torre A, 5ª planta, 07007 Palma de Mallorca	Spain	100%

The following subsidiaries have been liquidated during the year ended 30 September 2023:

Company	Registered address	Country	Capital share in %
Tourico Holidays Beijing Co., Limited	Suite 915, Tower B, Full Link Plaza, No. 18 Chaowai Street, Chaoyang District Bejing 100020	China	100%
Tourico Holidays Holdings, LLC	CT Corporation System, 1200 South Pine Island Road, Plantation, Florida 33324	United States of America	100%
Tourico Holidays U.K. Limited	Tallis House, 2 Tallis Street, London EC4Y 0AB, United Kingdom	United Kingdom	100%
Travel Holdings do Brasil Operadora de Turismo, Limitada	Av. Brigadeiro Faria Lima 1461 12º andar Torre Sul, Cj 124, Pinheiros, Sao Paulo, 01452002	Brazil	100%

The following subsidiaries have been liquidated during the year ended 30 September 2024:

Company	Registered address	Country	Capital share in %
Branch of Donvand Limited (Israel)	17 Kfar Saba Street, Neve Tzedek, 65147 Tel Aviv	Israel	100%
Tourico Holidays Mexico S R.L. CV	Av. Tulum Manzana 2 Lote 1 N° 286, Sm 8 Cancún, Benito Juárez, Quintana Roo. C.P. 77500, Mexico	Mexico	100%
Tourico Holidays Brazil Intermediacao de Servicios Turísticos Limitada	Alameda Santos, 1165 – Jardim Paulista, Cidade de Sao Paulo, CEP 01419-002	Brazil	100%

The following subsidiary has been created during the year ended 30 September 2024:

Company	Registered address	Country	Capital share in %	Principal activities
HBX Group International Ltd	7th Floor, Tower 42, 25 Old Broad Street, EC2N 1HN, London, Greater London, United Kingdom	United Kingdom	100%	Holding

21. Contingent liabilities

Bank guarantees have been issued in the ordinary course of business during the year amounting to €23m (2023: €3m and 2022: €4m). €3m of bank guarantees have expired during the year (2023: €4m and 2022: €14m). At 30 September 2024, the bank guarantees issued totalled to €34m (30 September 2023: €14m and at 30 September 2022: €15m).

The senior debt is secured by way of fixed and floating charges (as applicable pursuant to applicable law) over the share capital and certain other material assets of certain subsidiaries of the Company.

The Group has widespread global operations and is consequently a defendant in legal, tax and customs proceedings incidental to those operations. In addition, there are contingent liabilities arising in the normal course of business in respect to indemnities, warranties and guarantees. These contingent liabilities are not considered to be unusual or material in the context of the normal operating activities of the Group. Provisions have been recognised in accordance with the Group's accounting policies where required. None of these claims are expected to result in a material gain or loss to the Group.

22. First-time adoption of IFRS

The special purpose consolidated financial information for the three years ended 30 September 2024 is the first consolidated financial information prepared by HBG Limited in accordance with IFRS. The date of transition is 1 October 2021. For periods up to and including the year ended 30 September 2021, the Company prepared its standalone financial statements in accordance with Financial Reporting Standard 102 ("FRS102"), the financial reporting standard applicable in the UK and the Republic of Ireland and the Companies (Jersey) Law 1991. Consolidated financial statements were not previously prepared for HBG Limited, but were historically prepared under IFRS (UK) by its immediate 100% owned subsidiary, HNVR Topco Limited.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the following optional exemptions:

IFRS 3 Business combinations

The Group elected to apply the business combination exemption on its opening IFRS consolidated statement of financial position, as those business combinations carried out under previous GAAP meet the IFRS 3 definition of business combinations.

Consequently, the classification of former business combinations has been maintained, original fair values determined at the time of the business combination have not been re-measured and the carrying amount of goodwill previously recognised has not been adjusted.

IFRS 15 Revenue

The Group did not restate contracts that were completed before the date of transition to IFRS.

Estimates

The estimates at 1 October 2021 are consistent with those made for the same date in accordance with FRS102.

Group reconciliation

Group reconciliation of equity as at 1 October 2021 (date of transition to IFRS):

	HBG Limited parent company accounts prepared under FRS102 €m	HNVR Topco Limited consolidated accounts prepared in accordance with the UK-adopted IFRS €m	Impact of consolidation €m	Effect of transition to IFRS €m	**Opening consolidated statement of financial position as at 1 October 2021 prepared under IFRS €m**
Non-current assets					
Goodwill	-	1,522	-	-	1,522
Other intangible assets	-	695	-	-	695
Property, plant and equipment	-	18	-	-	18
Investment	132	-	(132)	-	-
Other financial assets	187	1	(187)	-	1
Deferred tax assets	-	17	-	-	17
Trade receivables and other assets	-	25	-	-	25
Total non-current assets	**319**	**2,278**	**(319)**	**-**	**2,278**
Current assets					
Trade receivables and other assets	1	306	(1)	-	306
Income tax recoverable	-	9	-	-	9
Cash and short-term deposits	-	507	-	-	507
Total current assets	**1**	**822**	**(1)**	**-**	**822**
Total assets	**320**	**3,100**	**(320)**	**-**	**3,100**
Current liabilities					
Trade payables and other liabilities	-	586	(1)	-	585
Income tax payable	-	8	-	-	8
Interest-bearing loans and lease liabilities	-	53	-	-	53
Provisions for liabilities	-	4	-	-	4
Total current liabilities	**-**	**651**	**(1)**	**-**	**650**
Non-current liabilities					
Interest-bearing loans and lease liabilities	-	2,050	-	-	2,050
Loan notes and preference shares	187	1,375	(187)	-	1,375
Trade payables and other liabilities	-	27	-	-	27
Deferred tax liabilities	-	113	-	-	113
Provisions for liabilities	-	17	-	-	17
Total non-current liabilities	**187**	**3,582**	**(187)**	**-**	**3,582**
Total liabilities	**187**	**4,233**	**(188)**	**-**	**4,232**
Net assets / (liabilities)	**133**	**(1,133)**	**(132)**	**-**	**(1,132)**
Equity					
Called up share capital	1	1	(1)	-	1
Share premium account	133	132	(132)	-	133
Accumulated losses	(1)	(1,235)	1	-	(1,235)
Other components of equity	-	(31)	-	-	(31)
Total equity	**133**	**(1,133)**	**(132)**	**-**	**(1,132)**

The impacts of consolidation represent the elimination of the investment that HBG Limited holds in HNVR Topco Limited and the elimination of the intercompany balances that exist between HBG Limited and certain Group' subsidiaries.

Group reconciliation of equity as at 30 September 2022:

	HBG Limited parent company accounts prepared under FRS102 €m	HNVR Topco Limited consolidated accounts prepared in accordance with the UK-adopted IFRS €m	Impact of consolidation €m	Effect of transition to IFRS €m	**Closing consolidated statement of financial position as at 30 September 2022 prepared under IFRS €m**
Non-current assets					
Goodwill	-	1,574	-	-	1,574
Other intangible assets	-	649	-	-	649
Property, plant and equipment	-	17	-	-	17
Investment	132	-	(132)	-	-
Derivatives	-	16	-	-	16
Other financial assets	210	1	(210)	-	1
Deferred tax assets	-	20	-	-	20
Trade receivables and other assets	-	14	-	-	14
Total non-current assets	**342**	**2,291**	**(342)**	**-**	**2,291**
Current assets					
Trade receivables and other assets	-	501	-	-	501
Income tax recoverable	-	1	-	-	1
Cash and short-term deposits	-	539	-	-	539
Total current assets	**-**	**1,041**	**-**	**-**	**1,041**
Total assets	**342**	**3,332**	**(342)**	**-**	**3,332**
Current liabilities					
Trade payables and other liabilities	-	1,031	-	-	1,031
Income tax payable	-	16	-	-	16
Interest-bearing loans and lease liabilities	-	60	-	-	60
Derivatives	-	2	-	-	2
Provisions for liabilities	-	1	-	-	1
Total current liabilities	**-**	**1,110**	**-**	**-**	**1,110**
Non-current liabilities					
Interest-bearing loans and lease liabilities	-	1,810	(4)	-	1,806
Loan notes and preference shares	206	1,512	(206)	-	1,512
Trade payables and other liabilities	-	41	-	-	41
Deferred tax liabilities	-	100	-	-	100
Provisions for liabilities	-	21	-	-	21
Total non-current liabilities	**206**	**3,484**	**(210)**	**-**	**3,480**
Total liabilities	**206**	**4,594**	**(210)**	**-**	**4,590**
Net assets / (liabilities)	**136**	**(1,262)**	**(132)**	**-**	**(1,258)**
Equity					
Called up share capital	1	1	(1)	-	1
Share premium account	135	132	(132)	-	135
Accumulated losses	-	(1,427)	1	-	(1,426)
Other components of equity	-	32	-	-	32
Total equity	**136**	**(1,262)**	**(132)**	**-**	**(1,258)**

The impacts of consolidation represent the elimination of the investment that HBG Limited holds in HNVR Topco Limited and the elimination of the intercompany balances that exist between HBG Limited and certain Group' subsidiaries.

Group reconciliation of total comprehensive expense for the year ended 30 September 2022:

	HBG Limited parent company accounts prepared under FRS102 €m	HNVR Topco Limited consolidated accounts prepared in accordance with the UK-adopted IFRS €m	Impact of consolidation €m	Effect of transition to IFRS €m	**Total comprehensive expense for the year ended 30 September 2022 prepared under IFRS €m**
Revenue from contracts with customers	-	434	-	-	434
Other income	-	27	-	-	27
Other costs	-	(58)	-	-	(58)
Gross profit	**-**	**403**	**-**	**-**	**403**
Operating expenses	-	(251)	-	-	(251)
Depreciation and amortisation	-	(108)	-	-	(108)
Operating profit	**-**	**44**	**-**	**-**	**44**
Finance costs	(19)	(244)	20	-	(243)
Finance income	19	6	(19)	-	6
Loss before taxation	**-**	**(194)**	**1**	**-**	**(193)**
Taxation	-	1	-	-	1
Loss for the financial year	**-**	**(193)**	**1**	**-**	**(192)**
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Currency translation differences	-	66	-	-	66
Related taxation	-	(4)	-	-	(4)
Net profit / (loss) on hedges	-	1	-	-	1
Total items that may be reclassified to profit or loss	-	63	-	-	63
Items that will not be reclassified to profit or loss:					
Remeasurement of pension provisions	-	1	-	-	1
Total items that will not be reclassified to profit or loss	-	1	-	-	1
Total other comprehensive income for the financial year	**-**	**64**	**-**	**-**	**64**
Total comprehensive expense for the year	**-**	**(128)**	**-**	**-**	**(128)**

The impacts of consolidation represent the elimination of the intercompany transactions that occurred during the financial year between HBG Limited and certain Group' subsidiaries.

23. Subsequent events

Incentive plans

On 1 October 2024, the Group approved the following changes to existing incentive plans, in addition to the implementation of new incentive plans:

- The removal of the minimum threshold exit valuation on the main employee incentive plan (EIP 1). As a result of this change, the Directors anticipate that this scheme will vest during the financial year ending 30 September 2025, resulting in an estimated cash outflow of €17m (excluding social security costs) at both the lower and upper end of the price range. The estimated cash outflow is derived from the number of tokens held by each employee at 30 November 2024. Tokens were initially granted in October 2023 and subsequently topped up in November 2023 and November 2024 dependent on employee performance. Each token represents 1% of employee salary payable in an exit event, conditional on continued tenure and performance remaining at "performing" or higher throughout the plan period. The number of tokens at exit are subject to a multiplier dependent on the Company enterprise value. The Directors anticipate that the multiple will be 1x based on the anticipated enterprise value. The total cost of €17m will be recognised within operating expenses in the profit and loss account, and shown as an adjustment for the purposes of calculating Adjusted EBITDA^{APM} as a “non-recurring item” as this payment is linked to a one off exit event.

- The extension of both management incentive plans (MIP 1 and MIP 2) to be conditional on an exit event completing by 31 December 2025 (previously 31 December 2024). Consequently, the Directors anticipate that these schemes will become payable during the year ended 30 September 2025, resulting in an estimated cash outflow of between €34m and €39m (without considering social security costs), representing the cash payment granted as detailed in the plan terms and assuming no leavers between the date of signing the financial statements and the date of vesting. The total cost will be recognised within operating expenses in the profit and loss account, and shown as an adjustment for the purposes of calculating Adjusted EBITDA^{APM} as a “non-recurring item” as this payment is linked to a one off exit event.

- The implementation of an additional cash bonus in favour of 48 key Group employees, including two Directors and seven other members of key management personnel, as a reward for their value creation achieved over the years, conditional upon admission to the Spanish Stock Exchange taking place by 31 March 2025. The Directors anticipate that the admission to the Spanish Stock Exchange will be met before 31 March 2025 and consequently that this scheme will become payable during the year ended 30 September 2025. This will result in an estimated cash outflow of €120m (without considering social security costs), representing the fixed cash payment granted as detailed in the plan terms, and assuming no leavers between the date of signing the financial statements and the date of vesting. The total cost of €120m will be recognised within operating expenses in the profit and loss account, and shown as an adjustment for the purposes of calculating Adjusted EBITDA^{APM} as a “non-recurring item”, as this payment is linked to a one off exit event. The payment is not linked to the value of equity instruments and therefore does not represent a share-based payment in accordance with IFRS 2.

Including the impact of these amendments and associated social security costs, the Directors anticipate a total cash outflow of c.€208m during the year ended 30 September 2025 in relation to incentive plans, comprising, at the lower end of the price range: EIP1: €17m; LTIP 2016 and LTIP 2017: €16m; MIP1 and MIP 2: €39m; the additional incentive bonus: €120m; LTIP 2021-2024: €2m; Roiback LTIPs: €4m; and social security and other related fees totalling €10m. At 30 September 2024, a provision of €23m has been recognised in the consolidated statement of financial position, including €9m relating to share-based payments. Consequently, the total cost to be recognised in operating expenses for the year ending 30 September 2025 is expected to be c. €185m.

On 14 January 2025, the Remuneration Committee of the Group approved, subject to Admission, a long-term incentive plan for key employees, managers and executive Directors (including the members of the Executive Committee) of the Group (the "Performance Share Plan") who are invited to participate. It is expected that the Performance Share Plan will be ratified by the Board in its first meeting following Admission.

The Performance Share Plan is a long-term incentive program offered by HBX Group to align key employees, managers and executive Directors' efforts with the organisation's long-term goals. It involves granting the beneficiaries Company's shares contingent on meeting specific performance targets over a set performance period thus creating a direct link between the employee and senior executive's performance and the Company's market value.

The Performance Share Plan will be implemented through the granting of a certain number of "theoretical shares" or "units", which will entitle the holder to receive shares at the end of the performance period, provided that the objectives of the plan are met, including the fulfilment of certain financial and non-financial objectives and the holder remains employed with or providing services to the HBX Group from the start date of the relevant cycle until the vesting date of the relevant cycle.

The number of units to be awarded to each beneficiary would be determined based on a target reference amount in cash, corresponding to a percentage of the annual fixed remuneration of each of the beneficiaries.

The Performance Share Plan will have a total duration of five years, and it will be divided into three independent and overlapping three-year cycles (the "Cycles" and each of them, a "Cycle"), according to the following calendar:

- First Cycle: from Admission, until 30 September 2027.
- Second Cycle: from 1 October 2025 to 30 September 2028.
- Third Cycle: from 1 October 2025 to 30 September 2029.

The objectives foreseen for the first Cycle and their weighting are as follows:

- Total shareholders return: weighting 30%.
- Revenue growth: weighting 30%.
- Free cashflow conversion: weighting 30%.
- Environmental, Social and Governance (ESG): weighting 10%.

For the rest of the Cycles, the objectives will be approved by the Board, at the proposal of the Remuneration Committee, following the provisions of the Remuneration Policy.

The settlement of the Plan would be made, after determining the degree of achievement of the objectives of the corresponding Cycle, in shares of the Company.

The maximum cost of the Performance Share Plan to the Group is expected to be approximately €54m for the three Cycles of the Performance Share Plan, payable according to the plan vesting terms and conditions over its total duration of five years.

Reorganisation

In contemplation of the proposed admission of the Group to the Spanish Stock Exchange, on 18 December 2024 certain companies within the HBX Group and the shareholders of HBG Limited entered into a reorganisation deed under which each of the parties have agreed to undertake certain transactions as part of a corporate reorganisation to be effected after approval of the prospectus and the special purpose consolidated financial information and prior to admission, pursuant to which HBX Group International Plc ("Listco"), which was a wholly owned indirect subsidiary of HBG Limited at 30 September 2024, will become the sole shareholder of HBG Limited ("the Company") and therefore the parent company of the HBX Group.

As the Proposed Reorganisation does not alter the economic substance of the Group, management believe that the adoption of the predecessor accounting method accurately represents the assets, liabilities, revenues, and operating results of the Group as if Listco had been the parent entity of the consolidated Group for the past three financial years. Therefore, this method is considered the most suitable accounting approach for preparing the consolidated financial information of the Group following the Proposed Reorganisation. The Group intends to adopt this on a retrospective basis, with comparative amounts disclosed on a consistent basis following admission. Under the predecessor accounting method, assets and liabilities involved in the Proposed Reorganisation are recorded at their existing carrying amounts, rather than at fair value, in this case those recorded in the financial statements of the Company and its subsidiaries.

Steps completed prior to the date of signing this special purpose consolidated financial information

On 16 December 2024, HNVR Topco Limited ("Topco"), the wholly owned subsidiary of the Company, subscribed for 57,100 fully paid up redeemable non-voting preference shares of €1 each in the capital of its subsidiary, HBX Group International Limited ("Listco") for consideration by way of an undertaking to pay.

On 6 January 2025, Listco re-registered from a private limited company to a public limited company, HBX Group International Plc.

Steps to be completed prior to admission

Prior to admission, Topco has committed to transfer the entire issued share capital of Listco and the redeemable non-voting preference shares to Prometheus Aggregator S.A.R.L., which is indirectly controlled by funds managed by Cinven, for consideration of €0.01 and the assumption of Topco's undertaking to pay the Company the subscription price of the redeemable non-voting preference shares detailed above.

Topco has committed to redeem its preference shares (€53m at 30 September 2024) including all accrued dividends to the date of redemption, and subsequently cancel them. The redemption proceeds will be used to subscribe for newly issued shares in the Company. This will result in the recognition of additional share capital in the Company and a credit in the share premium account for the difference between the price paid, less the nominal value of the share capital.

The Company has committed to use part of the proceeds received from the subscription of ordinary shares to subscribe for at least one ordinary share in Topco.

The holders of Topco shareholder loan notes have committed to transfer their shareholder loan notes (€1,528m at 30 September 2024), including all accrued interest to the date of transfer to the Company in exchange for newly issued shares in the Company, resulting in additional share capital in the Company of less than €1m and the recognition of a credit in the share premium account for the difference between the value of the shareholder loan notes exchanged and the nominal value of the share capital.

The shareholders of the Company, with the exception of minority shareholders detailed in the "Management selldown", have committed to transfer to Listco their respective shares in the Company in exchange for newly issued shares in Listco. Management have concluded that this will meet the criteria of IAS27.13 and therefore Listco will recognise its investment in the Company at the carrying amount of the Company's net assets.

Listco has committed to redeem all of the redeemable non-voting preference shares acquired by Prometheus Aggregator as detailed above, resulting in Listco having a single class of ordinary shares in issue.

Management selldown

Directors and active senior employees together with select non-institutional investors have committed to sell down their shares in the Company to Listco in full for a consideration calculated by reference to the Offering price, for deferred sale consideration to be paid using proceeds from the Offering. Certain other individuals and non-institutional shareholders have committed to sell a proportion of their shares in the Company to Listco pro rata to the number of offer shares to be sold by the ultimate controlling parties for deferred sale consideration to be paid using the proceeds from the Offering.

In the records of Listco, this will be recognised as a cost of its investment in the Company, with a corresponding credit recorded for the deferred sale consideration.

Management reinvestment

The Chair of the Board, Chief Executive Officer, certain members of the Executive Committee and certain senior managers have committed to reinvest in Listco by subscribing for newly issued shares at the offering price.

This cash reinvestment will be recognised as newly issued share capital and share premium in Listco.

As a result of all of the above pre-admission steps, all shareholders of the Company at the date of signing of this special purpose consolidated financial information have committed to cease being shareholders of the Company, and Listco will become the sole shareholder of the Company. Preference shares and shareholder loan note balances will be nil.

On 16 January 2025, the Group entered into the New Facilities Agreement, conditional on the IPO proceeding. Accordingly, the Group is committed to repay the existing Senior Facility Agreement (€1,740m at 30 September 2024) and to enter into the New Facilities Agreement, comprising €1,200m of Senior Debt and a Revolving Credit Facility of €400m, which will support its growth strategy and other capital requirements following the IPO.

The new capital structure, following the proposed refinancing, will comprise available facilities of €1,200m, which mature in 2030-2032 and a revolving credit facility of €400m maturing in 2030.

Post Admission steps

Following admission, Listco has committed to reduce its share premium by way of a court-sanctioned capital reduction.

Other

On 27 January 2025, the Group entered into a long-term strategic partnership with a leading online travel marketplace and travel technology company in Latin America, to become their preferred supplier in all destinations outside of Latin America. Under the agreement, HBX Group has agreed to pay an upfront signing bonus in exchange for certain future minimum revenue levels obtained by the Group during the eight-year contract term.