eDreams ODIGEO, S.A.

31st March 2023

Free translation from the original document in Spanish.

In the event of discrepancy, the Spanish-language version prevails.

eDreams ODIGEO, S.A.

Audit Report on Financial Statements
Issued by an Independent Auditor

eDreams ODIGEO, S.A.
Financial Statements and Management Report
for the year ended
March 31, 2023

Building a better working world

Ernst & Young, S.L.
Torres Sarrià A
Avda. Sarrià, 102-106
08017 Barcelona
España

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

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Report on the financial statements

Opinion

We have audited the financial statements of eDreams ODIGEO, S.A. (the Company), which comprise the balance sheet as at March 31, 2023, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at March 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Key audit matters

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

EY
Building a better working world

Measurement of equity instruments and long-term loans in group companies

Description

As indicated in note 10 and 19.2 to the accompanying financial statements, at March 31, 2023 the Company has recorded investments in group companies and long-term loans to group companies amounting to 863,138 thousand euros and 198,313 thousand euros, respectively, which account for 96% of total Assets.

According to the accounting policy detailed in note 4.6.1 to the accompanying financial statements, investments in group companies are initially recognized at fair value and subsequently recognized at recoverable amount, whereas long-term loans are initially measured at fair value and subsequently at amortized cost.

The measurement of these assets requires Management to make estimates in order to determine their recoverable amount for the purposes of assessing whether impairment exists, calculating impairment losses as the difference between book value and recoverable amount, which is the higher of fair value less costs to sell and the present value of future cash flows derived from the investment.

We have considered this matter a key audit matter due to the complexity of the judgments inherent in the allocation of value to the key assumptions considered by Management in the determination of expected cash flows and the fact that any change in these judgments could have a significant impact on the accompanying financial statements, considering the relevance of the balance shown in "Long-term investments in group companies and associates".

Our response

Our audit procedures for this area consisted, among others, in:

- Understanding the process implemented by the Company in the determination of the impairment of long-term investments in group companies and associates, including the assessment of the design and implementation of relevant controls established for this process.
- Reviewing the analysis conducted by the Company to identify impairment indications and assessing the valuation model and impairment test prepared by Management to determine the recoverable amount of long-term investments in group companies and associates, in collaboration with our valuations specialists, considering the methodology, assumptions and discounted rates used by Management to obtain expected future cash flows.
- Recalculating the recoverable amount estimated by Company Management, comparing it with the book value in order to determine whether the assets may be impaired.
- Reviewing the information disclosed in the notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Other information: management report

Other information refers exclusively to the 2023 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

EY
Building a better working world

a) Checking only that certain information included in the Corporate Governance Report and Annual Report on the Remuneration of Directors, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2023 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of eDreams ODIGEO, S.A. for the 2023 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of eDreams ODIGEO S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and Annual Report on the Remuneration of Directors has been included by reference in the management report.

Our responsibility consists of examining the digital file prepared by the directors of the Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on May 24, 2023.

Term of engagement

The extraordinary general shareholders' meeting held on September 20, 2022 appointed us as auditors for 1 year, commencing on March 31, 2022.

Previously, Ernst & Young in Luxembourg was appointed as auditors by the shareholders for 1 year and they have been carrying out the audit of the financial statements continuously since March 31, 2017.

ERNST & YOUNG, S.L.

Albert Closa Sala

May 24, 2023

eDreams ODIGEO, S.A.

2.1. Balance Sheet Statement

ASSETS (Euros)	Notes	31st March 2023	31st March 2022
Equity investment in Group entities	10	863,137,719	851,740,896
Loans with Group entities - non-current	19.2	198,312,857	222,481,355
Investment in Group entities - non-current		**1,061,450,576**	**1,074,222,251**
Other financial assets - non-current	12	60,700	4,472,423
Investments - non-current		**60,700**	**4,472,423**
Deferred tax assets	9.4	**3,685,939**	**5,368,015**
Total non-current assets		**1,065,197,215**	**1,084,062,689**
Trade receivables	11	4,721,818	6,683,977
Trade receivables with Group entities	19.2	390,293	10,015,456
Current tax assets	9.3	19,172	19,172
Other receivables with Tax Authorities	9.3	399,231	2,576,350
Trade receivables and others		**5,530,514**	**19,294,955**
Loans with Group entities - current	19.2	37,161,233	23,648,317
Investment in Group entities - current		**37,161,233**	**23,648,317**
Short-term accruals		**71,410**	**91,120**
Cash and cash equivalents	13	**10,302**	**17,506**
Total current assets		**42,773,459**	**43,051,898**
TOTAL ASSETS		**1,107,970,674**	**1,127,114,587**

The accompanying notes 1 to 21 and appendices are an integral part of these financial statements.

EQUITY AND LIABILITIES (Euros)	Notes	31st March 2023	31st March 2022
Share capital	14.1	12,760,506	12,760,506
Share premium	14.2	1,048,629,841	1,048,629,841
Reserves	14.3	(359,814,045)	(361,584,499)
Treasury shares	14.4	(3,320,289)	(3,320,289)
Previous year retained earnings-before distrib. gain/loss		(153,498,417)	(169,360,710)
Profit / (Loss) for the period		(22,234,376)	17,704,535
Other equity instruments	14.5	38,406,319	27,009,496
Capital and reserves		**560,929,539**	**571,838,880**
Total equity		**560,929,539**	**571,838,880**
Non-current provisions	17	**900,000**	**900,000**
Bonds and other negotiable securities	16	369,110,772	368,058,068
Non-current debt		**369,110,772**	**368,058,068**
Non-current debt with Group entities	19.2	**—**	**4,802,895**
Total non-current liabilities		**370,010,772**	**373,760,963**
Bonds and other negotiable securities	16	1,447,646	4,413,796
Current debt		**1,447,646**	**4,413,796**
Current debt with Group entities	19.2	**170,252,224**	**163,612,678**
Trade payables	18	1,676,158	5,992,204
Trade payables with Group entities	19.2	3,387,948	7,489,582
Current tax liabilities	9.3	266,387	6,484
Trade payables and others		**5,330,493**	**13,488,270**
Total current liabilities		**177,030,363**	**181,514,744**
TOTAL EQUITY & LIABILITIES		**1,107,970,674**	**1,127,114,587**

2.2. Income Statement

(Euros)	Notes	Year ended 31st March 2023	Year ended 31st March 2022
Rendering of services	6	21,027,510	35,792,450
Revenue		**21,027,510**	**35,792,450**
External services	7	(25,063,284)	(38,531,362)
Taxes		(80,620)	(3,291)
Other operating expenses		(15,704)	—
Operating expenses		**(25,159,608)**	**(38,534,653)**
Operating loss		**(4,132,098)**	**(2,742,203)**
Financial expenses for debts with third parties	8	(24,041,633)	(34,318,601)
Financial expenses for debts with Group entities	19.1	(8,074,760)	(2,282,289)
Financial expenses	8	**(32,116,393)**	**(36,600,890)**
Financial income with third parties		289	1,761
Financial income with Group entities	19.1	15,243,095	55,382,830
Financial income		**15,243,384**	**55,384,591**
Foreign exchange gains and losses		**(42,412)**	**5,553**
Financial gain / (loss)		**(16,915,421)**	**18,789,254**
Profit / (Loss) before tax		**(21,047,519)**	**16,047,051**
Income tax	9	(1,186,857)	1,657,484
Profit / (Loss) for the year		**(22,234,376)**	**17,704,535**

The accompanying notes 1 to 21 and appendices are an integral part of these financial statements.

2.3. Statement of Changes in Equity

2.3.A. Statement of Recognised Income and Expenses

(Euros)	Year ended 31st March 2023	Year ended 31st March 2022
Result of the profit and loss account	(22,234,376)	17,704,535
Income and expenses recorded directly in equity	—	—
Transfers to the profit and loss statement	—	—
Total recognised income and expenses	**(22,234,376)**	**17,704,535**

The accompanying notes 1 to 21 and appendices are an integral part of these financial statements.

2.3.B. Statement of Changes in Equity

(Euros)	Share capital	Share premium	Reserves	Treasury shares	Previous year retained earnings	Profit / (Loss) for the period	Other equity instruments	**Equity**
31st March 2022	**12,760,506**	**1,048,629,841**	**(361,584,499)**	**(3,320,289)**	**(169,360,710)**	**17,704,535**	**27,009,496**	**571,838,880**
Total recognised income / (expenses)	**—**	**—**	**—**	**—**	**—**	**(22,234,376)**	**—**	**(22,234,376)**
Capital increases / (decreases) (see note 14.1)	—	—	—	—	—	—	—	**—**
Operations with members or owners	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Payments based on equity instruments (see note 14.5)	—	—	—	—	—	—	11,396,823	**11,396,823**
Transfer between equity instruments	—	—	1,770,454	—	15,934,081	(17,704,535)	—	**—**
Other changes	—	—	—	—	(71,788)	—	—	**(71,788)**
Other changes in equity	**—**	**—**	**1,770,454**	**—**	**15,862,293**	**(17,704,535)**	**11,396,823**	**11,325,035**
31st March 2023	**12,760,506**	**1,048,629,841**	**(359,814,045)**	**(3,320,289)**	**(153,498,417)**	**(22,234,376)**	**38,406,319**	**560,929,539**

(Euros)	Share capital	Share premium	Reserves	Treasury shares	Previous year retained earnings	Profit / (Loss) for the period	Other equity instruments	**Equity**
31st March 2021	**11,878,153**	**974,512,197**	**(355,783,503)**	**(3,320,289)**	**(154,456,417)**	**(14,904,293)**	**16,485,062**	**474,410,910**
Total recognised income / (expenses)	**—**	**—**	**—**	**—**	**—**	**17,704,535**	**—**	**17,704,535**
Capital increases / (decreases) (see note 14.1)	882,353	74,117,644	(5,800,996)	—	—	—	—	**69,199,001**
Operations with members or owners	**882,353**	**74,117,644**	**(5,800,996)**	**—**	**—**	**—**	**—**	**69,199,001**
Payments based on equity instruments (see note 14.5)	—	—	—	—	—	—	10,524,434	**10,524,434**
Transfer between equity instruments	—	—	—	—	(14,904,293)	14,904,293	—	**—**
Other changes in equity	**—**	**—**	**—**	**—**	**(14,904,293)**	**14,904,293**	**10,524,434**	**10,524,434**
31st March 2022	**12,760,506**	**1,048,629,841**	**(361,584,499)**	**(3,320,289)**	**(169,360,710)**	**17,704,535**	**27,009,496**	**571,838,880**

The accompanying notes 1 to 21 and appendices are an integral part of these financial statements.

2.4. Cash Flows Statement

(Euros)	Notes	Year ended 31st March 2023	Year ended 31st March 2022
Profit / (Loss) before tax for the year		**(21,047,519)**	**16,047,051**
Adjustments to the result:		**16,931,125**	**(18,788,717)**
Variation of provisions		15,704	537
Financial income		(15,243,384)	(55,384,591)
Financial expenses	8	32,116,393	36,600,890
Exchange rate differences		42,412	(5,553)
Changes in working capital:		**22,281,316**	**27,341,067**
Debtors and other accounts receivable		2,318,472	(11,241,291)
Other current assets		22,115,536	33,287,293
Creditors and other accounts payable		12,206,206	36,659,668
Other current liabilities		(10,388,973)	(29,707,378)
Other non-current assets and liabilities		(3,969,925)	(1,657,225)
Other cash flows from operating activities:		**(21,569,213)**	**(32,896,050)**
Interest payments	16	(19,787,874)	(21,640,921)
Interest collections		—	4,374,020
Other (payments) / collections		(1,781,339)	(15,629,149)
A) Cash flows from operating activities		**(3,404,291)**	**(8,296,649)**
Payments for investments:		**(217,660,873)**	**(127,187,189)**
Payments for investments in Group companies		(217,660,873)	(127,187,189)
Collections from divestments:		**—**	**347,175**
Collections from divestments in Group companies		—	347,175
B) Cash flows from investing activities		**(217,660,873)**	**(126,840,014)**

(Euros)	Notes	Year ended 31st March 2023	Year ended 31st March 2022
Collections and payments for equity instruments:		**(3,713,711)**	**70,903,432**
Proceeds on issue of shares	14.1	—	75,000,000
Transaction costs on issue of shares		(3,713,711)	(4,096,568)
Collections and payments for financial liabilities:		**225,121,262**	**67,971,431**
Debt issue obligations and other financial liabilities	16	—	375,000,000
Debt issues with Group companies		773,004,269	472,690,620
Repayment of debt obligations and other financial liabilities	16	—	(425,000,000)
Repayment of debt with Group companies		(547,883,007)	(354,719,189)
C) Cash flows from financing activities		**221,407,551**	**138,874,863**
D) Effect of exchange rate variations		**(3,613)**	**961**
E) Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		**338,774**	**3,739,161**
Cash and cash equivalents at beginning of period		(1,073,373)	(4,812,534)
Cash and cash equivalents net of bank overdrafts at end of period		**(734,599)**	**(1,073,373)**
Cash and cash equivalents	13	10,302	17,506
Bank overdrafts	16	(744,901)	(1,090,879)
Cash and cash equivalents net of bank overdrafts at end of period		**(734,599)**	**(1,073,373)**

The accompanying notes 1 to 21 and appendices are an integral part of these financial statements./

2.5. Notes to the Financial Statements

1. General information

eDreams ODIGEO, S.A. (the "Company"), formerly LuxGEO Parent S.à r.l., was set up as a limited liability company (société à responsabilité limitée) formed under the Laws of Luxembourg on Commercial Companies on 14th February 2011, for an unlimited period. In January 2014, the denomination of the Company changed to eDreams ODIGEO, S.A. and its corporate form from S.à r.l. to S.A. ("Société Anonyme").

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

The Company moved its registered seat ("siège sociale") and administration center ("administration centrale") from Luxembourg to Spain on 10th March 2021, once the Spanish public deed was registered in the Commercial Registry of Madrid.

Following the change in nationality, the denomination of the Company changed from eDreams ODIGEO, S.A. ("Société Anonyme") to eDreams ODIGEO, S.A. ("Sociedad Anónima").

The new registered office is located at calle López de Hoyos 35, Madrid, Spain (previously, located at 4, rue du Fort Wallis, L-2714 Luxembourg).

The corporate purpose of the Company according to its bylaws is to carry out travel agency activities on a wholesale-retail basis including mediation and /or organisation of tourist services (such as flights, hotels, vacation packages, car rentals, cruises, travel insurance). The activities included in the corporate purpose may be carried out indirectly by the Company, totally or partially, by means of the ownership of shares or stockholdings in companies with an identical or analogous corporate purpose. To that end, the Company may acquire, manage and transfer securities of any type.

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

The Company eDreams ODIGEO, S.A. and its direct and indirect subsidiaries form a Consolidation Group headed by eDreams ODIGEO, S.A. ("the Group"). The Company prepared consolidated financial statements for the year ended 31st March 2023 which can be obtained at its registered office in Spain.

2. Basis of presentation

2.1 Regulatory framework

These financial statements have been prepared in accordance with the accounting principles and standards contained in the Spanish GAAP in force approved by Royal Decree 1514/2007 of 16th November (PGC 2007), which since its publication has been subject to several modifications, the last of them through Royal Decree 1/2021 of 12th January and other prevailing legislation at the date of these financial statements, to give a true and fair view of the Company's equity, financial position, results and cash flows obtained and applied in the year ended 31st March 2023.

The accompanying financial statements for the year ended 31st March 2023 were approved by the Company's Board of Directors at its meeting on 23rd May 2023 for submission for approval at the General Shareholders' Meeting, which is expected to occur without modification.

The figures included in these financial statements are expressed in euros unless otherwise indicated.

2.2 Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results and cash flows for the year.

2.3 Impact of COVID-19 and the current macroeconomic environment

Impact in the year ended 31st March 2023

After two years of COVID-19 pandemic-related challenges, in the year ended 31st March 2023 we have seen the travel market continue to improve and recover significantly.

The industry is moving to more normalised seasonality patterns, and despite the conflict in Ukraine, the global increase in inflation, and industry disruptions, in the year ended 31st March 2023 the Group that the company belongs to, has achieved strong Bookings, reaching 16.2 million Bookings, 29% above the year ended 31st March 2022 and 44% above pre-COVID-19 levels. Revenue margin continues with levels above pre-COVID-19 by 7%.

However, the pandemic has had a significant impact on how tourists choose to travel. Many have shifted their preferences opting for closer destinations, shorter and less complex trips as a consequence of travel restrictions imposed by some countries. Despite the recovery experienced in the year ended 31st March 2023, the complexity of the trips, although improving year over year, is not yet at the levels of 2019.

Although there was an overall improvement for the Group for the year ended 31st March 2023 coming from COVID-19 recovery, on 2nd March 2022, the Company signed a new amendment to the contract with one of its main customers, the Spanish company Amadeus IT Group, S.A. ("Amadeus"), with effective date 1st March 2022, transferring the rights and obligations of the contract with Amadeus to its indirect subsidiary Vacaciones eDreams, S.L. This consequently has meant a general decrease in trading activities, trade receivables and trade payables for the Company compared to the previous year.

Future effects of the current macroeconomic environment

The Company's financial statements have been prepared on a going concern basis, as Management considers that the Company is in a strong financial and liquidity position.

The Company has prepared three different scenarios of projections in the year ended 31st March 2023. These projections were based on external reports on the travel sector published by Bain & Company. The Company took into consideration the differences that its own business had with the overall travel sector evolution based on the actual differences seen in the performance of the year ended 31st March 2023. The scenarios were different depending on the evolution of the current macroeconomic environment and the related evolution of consumer behaviour and travel demand, taking into consideration factors such as inflation and recession concerns:

- In scenario I, travel demand continues to grow. However cuts in discretionary spending are expected from cautious travellers due to rising concerns over the likelihood of a recession and growing concerns around oil prices.
- In scenario II, travel demand continues to grow. An overall improvement is expected driven by the lifting of the restrictions, however a slower growth rate is contemplated due to concerns of travellers around inflation, economic recession and oil prices.
- In scenario III, travel demand continues to grow, and inflation starts to stabilise. There are lower recession concerns and less discretionary spending cuts than expected.

The Group undertook strategic actions to improve its capital structure and to obtain additional liquidity in prior years.

On 12th January 2022, the Board of Directors of the Company approved the issue of 8,823,529 new shares (see notes 2.1 and 22 of the consolidated financial statements for the year ended 31st March 2022).

The Group that the company belongs to, has access to funding from its €180 million SSRCF, of which €159.6 million is available for draw down as at 31st March 2023 (€128.2 million as at 31st March 2022) to manage the liquidity requirements of its operations.

On 2nd February 2022, the SSRCF was amended, increasing the commitment to €180 million, extending its maturity until 2027 and improving its conditions. The Adjusted Gross Leverage Financial Covenant is only tested in respect of a testing period if, on the last day of such testing period, the aggregate principal amount of outstanding loans exceeds 40% of the total commitments under the Super Senior Facilities Agreement.

Even under the worst scenario, the projections show that the liquidity of the Group will be sufficient for the next 12 months.

2.4 Going concern principle of accounting

The accompanying financial statements were prepared in accordance with the going-concern principle of accounting, under which it is assumed that the assets and liabilities will be realised and settled, respectively, in the ordinary course of operations.

The Company had negative working capital as of 31st March 2023 and 31st March 2022, mainly originated by debts with Group companies in the short term, which is a common circumstance in the business in which the Group operates and considering its financial structure. It does not present any impediment to its normal business.

The Group's €180 million Super Senior Revolving Credit Facility ("SSRCF") is available to fund its working capital needs and guarantees, of which €159.6 million is available for cash drawn down as at 31st March 2023 (€128.2 million as at 31st March 2022). See note 16.

2.5 Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the Board of Directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect.

2.6 Use of estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting principles. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant.

These estimates and assumptions mainly concern the recoverability of the investments in Group entities, revenue recognition and the provision for cancellation of GDS (Global Distribution System) incentives.

Recoverability of the investments in Group entities

The Company performs an impairment test on the value of the investments in Group entities annually, or in the event of an indication of impairment, in order to identify a possible impairment. Determining the recoverable value of the investments involves the use of assumptions and estimates and requires a significant degree of judgement, both in making future cash flow projections and in determining the rate of discount (WACC). The projected future cash flows discounted at present value, minus the net debt of the investees, are compared to the net book value of the investments in order to determine if there is an impairment.

Group Management has prepared 3 different scenarios of projections, depending on the evolution of the current macroeconomic environment and the related evolution of consumer behaviour and travel demand taking into consideration factors such as inflation and recession concerns. Scenarios I, II and III have been weighted at 15%, 70% and 15%, respectively. See section "Judgements and estimates related to business projections".

Revenue recognition

The Company uses judgements and estimates to assess the impact on income of the risk of cancellations.

GDS incentive income is subject to cancellation. Based on historical data, the Group had always observed a very low level of flight cancellations, because the flight cancellation conditions to which the customer was subjected to were very restrictive. For this reason the risk of cancellation under normal conditions was not relevant. But in the context of the COVID-19 pandemic, given the increase in flight cancellations, the Company had considered that there is a risk of cancellation in this case. The Company has estimated the risk of flight cancellations considering the most recent data on restrictions and cancellations, using historical percentages of cancellations and external information provided by certain suppliers.

Likewise, the Company also uses judgements to determine the revenue recognition criteria applicable to its sales.

Share-based payment valuation

The share-based payments are subject to service and performance conditions, not market conditions. The valuation of the share-based payments depends on the fair value of the rights granted, as well as the estimate of the number of shares expected to be delivered. At the end of each reporting period, the Company reviews its estimate of the number of shares expected to be delivered based on historical employee turnover and the estimate of compliance with performance targets.

See more detail on the accounting policies for share-based payments in note 4.9.

Judgements and estimates related to business projections

The financial statements have been prepared on a going concern basis, as Management considers that the Company is in a strong financial and liquidity position.

Group Management prepares the business projections taking into consideration external factors, such as macroeconomic, geopolitical and social factors.

Group Management has prepared 3 different scenarios of projections, depending on the evolution of the current macroeconomic environment and the related evolution of consumer behaviour and travel demand taking into consideration factors such as inflation and recession concerns. Scenarios I, II and III have been weighted at 15%, 70% and 15%, respectively. See details of the main assumptions used in the financial projections in note 2.3.

2.7 Comparative information

The accounting principles and the main valuation standards used by the Company to prepare the financial statements for the year ended 31st March 2023 are the same as those applied in the Company's financial statements for the year ended 31st March 2022.

2.8 Grouping of items

Certain items in the balance sheet statement, income statement, statement of changes in equity and cash flows statement are grouped together to facilitate their understanding. However, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

2.9 Change in accounting policies

During the year ended 31st March 2023 there were no significant changes in accounting policies with respect to those applied in 31st March 2022.

2.10 Correction of errors

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for the year ended 31st March 2022.

3. Proposed allocation of the Company's result

The Board of Directors will submit to the Ordinary Shareholders' Meeting, for approval, the proposal to carry forward the result for the year ended 31st March 2023 as shown below, determined according to the applicable Spanish regulations:

	31st March 2023	31st March 2022
Basis of distribution:		
Result for the period	(22,234,376)	17,704,535
Total	**(22,234,376)**	**17,704,535**
Distribution:		
Legal reserve	—	1,770,454
Previous year retained earnings-before distrib. gain/loss	(22,234,376)	15,934,081
Total	**(22,234,376)**	**17,704,535**

The Company is required by law to allocate 10% of the profits for the year to the constitution of the legal reserve, until it reaches at least 20% of the share capital (see note 14.3).

4. Significant accounting policies

4.1 Revenue recognition

The Company receives incentives from its Global Distribution System ("GDS") service providers based on the volume of Bookings intermediated by the Company through the GDS systems.

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

Basis of Revenue Recognition

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

In the event of the cancellation of a Booking, the GDS incentives earned are reversed. Based on historical data, the Company had always observed a very low level of flight cancellations, because the flight cancellation conditions to which the customer was subjected to were very restrictive. For this reason the risk of cancellation under normal conditions was not relevant. But in the context of the COVID-19 pandemic, given the increase in flight cancellations, the Company had considered that there is a risk of cancellation in this case. The Company has estimated the risk of flight cancellations considering the most recent data on restrictions and cancellations, using historical percentages of cancellations and external information provided by certain suppliers (see note 11 "Provision for Booking cancellation")

The Company recognises revenue when (i) there is evidence of a contractual relationship in respect of services provided, (ii) the separate performance obligations in the contract are identified, (iii) the transaction price is determinable and collectability is reasonably assured, (iv) the transaction price is allocated to the separate performance obligation, and (v) the services are provided to the customer (performance obligation satisfied). The Company has evidence of a contractual relationship when the customer has acknowledged and accepted the Group's terms and conditions that describe the service rendered as well as the related payment terms. The Company considers revenue to be determinable when the product or service has been delivered or rendered in accordance with the said agreement. Contractual obligations are fulfilled at a certain time, so the income derived from their execution will be recognised on that date.

The timing of revenue recognition, invoicing and cash collections results in trade receivables and accrued income on the balance sheet statement. Generally, invoicing occurs subsequent to revenue recognition, resulting in trade receivables.

4.2 Income and expenses

In accordance with the accrual principle, income and expenses are recorded when they occur, regardless of the date of collection or payment.

Financial result consists of income and expense relating to the Company's net financial debt during the accounting period, including gains and losses on the corresponding interest rate.

4.3 Operating leases

Leases are classified as operating lease if the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee.

Expenses resulting from operating leases are charged to the income statement during the year in which they are incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

4.4 Foreign currencies

The Company keeps its books in Euro (€) and the balance sheet statement and income statement are expressed in the same currency.

At the end of each reporting period, monetary items denominated in foreign currencies are converted at the rates prevailing at that date.

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

Non-monetary items carried at fair value that are denominated in foreign currencies are converted at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4.5 Taxation

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current tax is based on the taxable profit or loss for the year. Taxable profit or loss may differ from the profit or loss reported in the income statement due to income or expense that are taxable or deductible in other years and items that are permanently exempt or permanently non-deductible for taxation purposes.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

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

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

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

4.6 Financial instruments

4.6.1 Financial assets

Classification

The financial assets held by the Company are classified in the following categories:

- Assets at amortised cost: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. This category includes mainly trade and other receivables from third parties and Group companies, guarantees and pledged bank accounts.
- Assets at cost: Equity instruments in Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence.

Initial recognition

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

In the case of equity investments in Group companies affording control over the subsidiary, the fees paid to legal advisers and other professionals relating to the acquisition of the investment are recognised directly in profit or loss.

Subsequent measurement:

Loans and receivables are measured at amortised cost.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement.

Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement. At least at each reporting date, the Company recognises the required valuation adjustments provided that there is objective evidence of impairment.

The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

Interest, calculated using the effective interest rate method, and accrued dividends (financial income) are also recognised in the profit and loss account.

4.6.2 Financial liabilities

Financial liabilities including accounts payable by the Company are classified in the category of Liabilities at amortised cost and include the accounts payables of the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

Liability derivative financial instruments are measured at fair value using the same methods as those for held-for-trading financial assets.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.7 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other reserves.

4.8 Current/Non-current classification

Current assets are considered to be those related to the normal cycle of operations (considered for the Company to be one year); other assets which are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year, and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year, and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

4.9 Long term incentive plan

Share awards under Long term incentive plan ("LTIP") are granted to the Management and key employees of the Company subsidiaries.

On the granting date, the new rights are value at market price (nominal value) and the total amount is accrued monthly until the end of the LTIP. The shares at €0 cost for the employees are booked as an increase in investment in subsidiaries against equity settled share based payments.

If shares are issued from treasury shares, the difference between the exercise price of the shares issued (€0) and the acquisition cost of the treasury shares is recorded in equity as an adjustment to the value of treasury shares.

4.10 Transactions with related companies and associates

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

4.11 Cash and cash equivalents

This caption includes cash on hand, bank checking accounts and deposits that meet all of the following requirements:

- They are convertible into cash.
- At the time of acquisition, their maturity was not greater than three months.
- They are not subject to a significant risk of change in value.
- They are part of the Company's normal cash management policy.

For the purposes of the cash flows statement, occasional overdrafts that are part of the Company's cash management are included as less cash and cash equivalents.

4.12 Provisions and contingencies

Liabilities that are uncertain as to their amount or the date on which they will be settled are recognised in the balance sheet as provisions when the Company has a present obligation (either by a legal or contractual provision or by an implicit or tacit obligation), arising as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and which can be quantified.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party, and adjustments arising from the restatement of the provision are recorded as a financial expense as they accrue. In the case of provisions maturing in one year or less, and the financial effect is not significant, no discounting is performed. Provisions are reviewed at the closing date of each balance sheet and are adjusted to reflect the best current estimate of the corresponding liability at each moment.

Compensation to be received from a third party at the time of settlement of the provisions is recognised as an asset, without reducing the amount of the provision, provided that there are no doubts that such reimbursement will be received, and without exceeding the amount of the recorded obligation. When there is a legal or contractual link of externalisation of the risk, by virtue of which the Company is not obliged to respond to it, the amount of such compensation is deducted from the amount of the provision.

On the other hand, contingent liabilities are considered to be those possible obligations, arising from past events, whose materialisation is conditional upon the occurrence of future events not wholly within the Company's control and those present obligations, arising from past events, for which it is not probable that an outflow of resources will be required for settlement or which cannot be measured with sufficient reliability. These liabilities are not recorded in the accounts and are disclosed in the notes to the financial statements, except when the outflow of resources is remote.

5. Risk management

5.1. Financial risks

The Company's financial risk management is centralised in its Finance Department, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

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

Our credit risk is mainly attributable to business-to-business customer receivables and intercompany receivables. Our credit risk is not significant.

Interest rate risk: Most of our financial debt is exposed to fixed interest rates. However, at 31st March 2023, the Company had drawn €744,901 of SSRCF complementary credit policies that accrue interest at a variable rate (see note 16).

If the EURIBOR increased by 2 basis points, the yearly interest expense calculated on the basis of the amount drawn down at 31st March 2023 would increase by €14,898 if we kept that draw-down for a 12-month period. If the EURIBOR decreased by 2 basis points, the yearly interest expense calculated on the basis of the amount drawn down at 31st March 2023 would decrease by €14,898 if we kept that draw-down for a 12-month period.

Liquidity risk: In order to meet the liquidity requirements, the Company has as principal sources of liquidity the cash and cash equivalents from the balance sheet statement. Additionally, the Company has access to the Super Senior Revolving Credit Facility ("SSRCF"), which is a €180 million credit facility for the eDreams ODIGEO Group (see note 16).

Exchange rate risk: The exchange rate risk arising from the Company activities has basically two sources: the risk arising in respect of commercial transactions carried out in currencies other than the functional currency of the Company and the risk arising on the intercompany loans in currencies other than the functional currency.

In relation to commercial transactions, the Company is principally exposed to exchange rate risk as the Company operates with the US Dollar (USD) and other foreign currencies.

The exchange rate risk arises on future commercial transactions and on assets and liabilities denominated in a foreign currency.

However, the volume of our transactions in foreign currency is of little relevance compared to the Company's total operations.

The following table demonstrates the sensitivity to a reasonably possible change in British Pound (GBP), US Dollar (USD) and Swiss Franc (CHF) exchange rates, with all other variables held constant.

	+5%	-5%	+10%	-10%
Effect on Profit before Tax of a change in Exchange rate:				
GBP	38	(42)	73	(90)
USD	(269)	297	(513)	627
CHF	2,293	(2,534)	4,378	(5,350)

The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Exposure to changes in the British Pound, US Dollar and Swiss Franc would not have any impact on pre-tax Equity (other than Profit before tax).

The Company's exposure to foreign currency changes as at 31st March 2023 for all other currencies is not significant.

5.2. Financial profile risks

Restrictive debt covenants that may limit the ability of the Company to finance future operations and capital needs and to pursue business opportunities and activities.

The Company's significant leverage could affect the financial position and results, but also the ability of the Company to operate its business and raise additional capital to fund its operations.

5.3. Capital risk management

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

The Company's growth is financed mainly through internal cash flows generated by the Company's recurring businesses and usage of the SSRCF (see note 16).

The Company's optimal leverage level is not determined on the basis of its overall debt-to-equity ratio but with the goal of maintaining moderate levels of debt. With the IPO completion in April 2014, the Company used the proceeds from the issuance of new shares to reduce debt. Additionally, during the year ended 31st March 2022, the Company used €50.0 million of the proceeds from the capital increase in January 2022, to reduce debt (see note 2.1 of the consolidated financial statements for the year ended 31st March 2022).

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

- The effect of fluctuations in functional currencies other than the Euro through currency translation differences; and
- The impairment losses on assets that will not recur and which do not involve a cash outflow when recognised.

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

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

The SSRCF includes a covenant requiring the eDreams ODIGEO consolidation perimeter to maintain a gross debt to Cash EBITDA ratio for the rolling twelve months at each quarter end. The first testing period in respect of which the Adjusted Gross Leverage Financial Covenant could have been tested was the testing period ended on 30th September 2022. However, the Adjusted Gross Leverage Financial Covenant is only tested in respect of a testing period if, on the last day of such testing period, the aggregate principal amount of outstanding loans (excluding any outstandings under any letter of credit or bank guarantee) exceeds 40% of the total commitments under the Super Senior Facilities Agreement (see note 16). As at 31st March 2023 the Adjusted Gross Leverage Financial Covenant did not need to be tested as the SSRCF drawn amount (Principal and Bank facilities) was under the 40% limit.

As at 31st March 2023 the Company complied with all the restrictions imposed by its main debt contracts, and as its businesses may reasonably be expected to continue operating, the Company does not foresee any non-compliance in the future.

6. Revenue

	Year ended 31st March 2023	Year ended 31st March 2022
GDS incentives with third parties	20,941,504	35,575,255
Revenue with related parties (see note 19.1)	86,006	217,195
Total revenue	**21,027,510**	**35,792,450**

Revenue with third parties arises from transactions with two third-party customers, the Spanish company Amadeus IT Group, S.A. ("Amadeus") and the British company Travelport International Operations Ltd. ("Travelport"). Both companies are operating an automated travelling reservations or Global Distributions System ("GDS") used by the Company in exchange for incentive payments (the "Incentives").

The decrease in revenue is due to the novation of the contract with Amadeus on 1st March 2022, as detailed in the following section (see note 2.3).

Amadeus

Pursuant to an amendment to the Global Agreement with Amadeus from 2011, an incentive is received by the Company based on the volume of net transactions done through Amadeus's GDS. The amendment was signed on 20th August 2019, with effective date 1st January 2021.

On 2nd March 2022, the Company signed a new amendment to the contract, with effective date 1st March 2022, transferring the rights and obligations of the contract with Amadeus to its indirect subsidiary Vacaciones eDreams, S.L.

Travelport

In the year ended 31st March 2021, the Group implemented a second GDS and a contract was signed with Travelport on 12th December 2019 with effective date 30th June 2020. Similar to the Amadeus contract, an incentive is received by the Company based on the volume of net transactions done through Travelport's GDS. Yearly targets are set out in the contract.

There are no contracts with customers with significant financing components.

The following is an analysis of the revenue by country:

	Year ended 31st March 2023	Year ended 31st March 2022
France	6,714,026	10,527,446
Spain	1,269,325	3,808,489
Italy	2,189,563	2,041,582
Germany	3,381,166	6,548,587
UK	1,762,596	2,568,364
Others	5,710,834	10,297,982
Total revenue	**21,027,510**	**35,792,450**

The allocation of revenue by country is done on the basis of the country of the customer.

7. External services

	Year ended 31st March 2023	Year ended 31st March 2022
GDS Incentives - Group	(20,941,504)	(34,898,031)
Other operating expenses - Group	(1,830,235)	(1,924,509)
External services with Group entities (see note 19.1)	**(22,771,739)**	**(36,822,540)**
Audit, accounting, finance and tax services	(773,924)	(597,367)
Board fees	(315,000)	(315,000)
Legal fees	(139,064)	(93,342)
Insurance fees	(76,227)	(65,412)
Bank fees	(3,690)	(10,057)
Rental expense	(21,931)	(1,094)
Others	(961,709)	(626,550)
External services with third parties	**(2,291,545)**	**(1,708,822)**
Total external services	**(25,063,284)**	**(38,531,362)**

The decrease in expenses linked with the reinvoicing of GDS Incentives to other companies of the Group is due to the modification of the contract with Amadeus transferring the rights and obligations to its indirect subsidiary Vacaciones eDreams, S.L. (see note 6), partly offset by the increase of volumes (see note 2.3).

The expenses classified as "Others" correspond mainly to the amount charged by the GDS suppliers as search fees. The increase is due to higher legal fees, partly offset by lower GDS connection and search costs.

8. Financial expenses

	Year ended 31st March 2023	Year ended 31st March 2022
Interest expense on 2027 Notes	(20,625,000)	(3,322,917)
Interest expense on 2023 Notes	—	(19,609,028)
Effective interest rate impact on debt	(2,041,826)	(4,548,174)
Other financial expenses	(1,374,807)	(6,838,482)
Financial expenses for debts with third parties	**(24,041,633)**	**(34,318,601)**
Financial expenses for debts with Group entities (see note 19.1)	(8,074,760)	(2,282,289)
Financial expenses for debts with Group entities	**(8,074,760)**	**(2,282,289)**
Total financial expenses	**(32,116,393)**	**(36,600,890)**

Interest expense on the 2027 Notes corresponds to the 5.50% interest, payable semi-annually in arrears on 15th July and 15th January each year of the €375 million Senior Secured Notes issued 2nd February 2022, due 15th July 2027 ("the 2027 Notes"), see note 16.

The interest expense on the 2023 Notes in the year ended 31st March 2022 corresponded to 5.5% interest rate on the €425.0 million principal of the Notes, that was payable semi-annually in arrears. In the year ended 31st March 2022, €19.6 million was accrued and €21.6 million was paid for the interest on the 2023 Notes.

The 2023 Notes were redeemed in full on 2nd February 2022 (see note 16).

The effective interest rate impact on debt corresponds to the amortisation of financing fees capitalised on debt, that are expensed over the period of the debt.

Other financial expense mainly includes commitment fees related to the Super Senior Revolving Credit Facility ("SSRCF"). The decrease in other financial expense is related to the expenses associated with the early redemption of the 2023 Notes booked during the year ended 31st March 2022, for an amount of €5.8 million (see note 16).

9. Income tax

The Company considers that there is a possible risk of assessment by tax authorities in respect of the deduction for Spanish tax of the tax losses of the year ended 31st March 2021 generated by the Company prior to the effective date of the Company's redomiciliation from Luxembourg to Spain. The Spanish tax authorities may take the view that such tax losses may not be taken into account for Spanish tax. This contingency is estimated at €1.8 million. The Company believes that it has made the appropriate deduction of its losses in accordance with Spanish law. The Company considers that this risk is only possible, not probable, and for this reason it has not recognised a liability on the balance sheet statement.

The companies that are included in the Spanish tax group headed by the Company for the year ended 31st March 2023 are Vacaciones eDreams, S.L., eDreams, Inc., eDreams International Network, S.L., Tierrabella Invest, S.L., Engrande, S.L. and eDreams Gibraltar Ltd.

9.1 Income tax recognised in profit or loss

	Year ended 31st March 2023	Year ended 31st March 2022
Recognition / (derecognition) of tax losses carried forward	(111,972)	(848,637)
Other deferred tax (expense) / income	(1,594,033)	2,485,282
Deferred Tax	**(1,706,005)**	**1,636,645**
Current tax income of the period	519,148	20,839
Current Tax	**519,148**	**20,839**
Total Income tax (expense) / income	**(1,186,857)**	**1,657,484**

9.2 Reconciliation of Income tax expense

	Year ended 31st March 2023	Year ended 31st March 2022
Profit / (loss) for the year from continuing operations after tax	(22,234,376)	17,704,535
Income tax	(1,186,857)	1,657,484
Profit / (loss) before tax	**(21,047,519)**	**16,047,051**
Dividends	—	(41,042,119)
Permanent differences	**—**	**(41,042,119)**
Tax basis profit	**(21,047,519)**	**(24,995,068)**
% Income tax rate	25.00%	25.00%
Expected tax charge expense	**5,261,880**	**6,248,767**
Current year losses for which no deferred tax asset has been recognised	(2,808,899)	(4,591,283)
Derecognition of tax losses carried forward and other deferred tax	(3,639,838)	—
Corrections of tax expense	**(6,448,737)**	**(4,591,283)**
Total Income tax (expense) / income	**(1,186,857)**	**1,657,484**
Deferred tax due to temporary differences	1,594,033	(2,485,282)
Tax losses carried forward recognised	111,972	848,637
Amounts with Group companies for tax consolidation	(519,148)	(20,839)
Current tax payable of the year	**—**	**—**

The above table contains the reconciliation between the profit or loss before tax and the total income tax expense or income, broken down into deferred tax and current tax.

During the year ended 31st March 2023, the Company has received no dividends from its subsidiary Opodo Ltd. (€43,202,230 during the year ended 31st March 2022), see note 19.1. These dividends were 95% exempt from income tax.

Derecognition of tax losses carried forward and other deferred tax mainly relate to the write-off of the deferred taxes on interest expenses exceeding 30% of the Company's adjusted taxable income.

9.3 Current tax receivables and payables

	31st March 2023	31st March 2022
Income tax receivable	19,172	19,172
Current tax assets	**19,172**	**19,172**
VAT receivable	399,087	2,576,350
Other tax receivable	144	—
Other receivables with tax authorities	**399,231**	**2,576,350**

	31st March 2023	31st March 2022
Social Security payable	(222)	(222)
Other tax payable	—	(6,262)
VAT payable	(266,165)	—
Current tax liabilities	**(266,387)**	**(6,484)**

The Company recognises the total consolidated income tax payable (or recoverable) with a charge (credit) to tax receivable or tax payable accounts. The tax payable or receivable accounts relating to the subsidiaries are recognised with a credit or charge, respectively, to accounts payable and receivable from the Spanish Tax Group companies (see note 19.2).

On 1st January 2022, the Company became the head of the Spanish VAT group. The VAT receivable recognised as at 31st March 2023 corresponds to €399,087 Luxembourg VAT pending to collect.

The VAT payable recognised as at 31st March 2023 corresponds to €266,165 Spanish VAT pending to be paid.

Due to the taxable losses of the year, no tax payable for the year arises as a result of the corporate income tax calculation. The amounts recorded as income tax receivable correspond mainly to payments on account made to the Luxembourg Public Administration in previous years, pending to collect.

During the years ended 31st March 2023 and 31st March 2022, the Company has not made any payment of income tax.

9.4. Deferred tax balances

The following table contains the movement of deferred tax assets / liabilities presented in the financial statements for the year ended 31st March 2023:

	31st March 2022	Amounts recorded in Profit and Loss	Amounts recorded in Equity	31st March 2023
Tax losses carried forward	2,770,233	(111,972)	23,929	2,682,190
Other deferred tax	2,597,782	(1,594,033)	—	1,003,749
Total deferred tax asset	**5,368,015**	**(1,706,005)**	**23,929**	**3,685,939**

The recognition of any deferred tax asset is based on the Company's opinion on the recoverability of the value of such asset, which, in the case of assets for tax losses, is based on the taxable profits forecast for the Spanish tax group considering a 10 year horizon. While there is some uncertainty as to whether the forecast taxable earnings will turn out to be correct, the Company's view is that it takes a prudent position by taking the same amount of earnings for the tax consolidation group as used for the impairment test of its investments for the first 5 years projected and a growth of 1.5% for all subsequent periods based on external sources.

The amounts recorded in the profit and loss in the year ended 31st March 2023 mainly correspond to the write off of the excess interest expenses carried forward amounting to €1,594,033.

The tax losses carried forward of the Company which are specified in the below table can be offset against future taxable profits during an indefinite period. Note that Spain applies temporisation rules relating to the compensation of tax losses which limit the amount of tax losses which can be offset against taxable profits of a year to a certain percentage of the taxable profits of that year.

Unused tax losses
31st March 2023

Tax loss amount	Income tax rate (%)	Total deferred tax on tax losses	Deferred tax asset recognised	Deferred tax asset not recognised
31,950,376	25.00%	7,987,594	2,682,190	5,305,404

Unused tax losses
31st March 2022

Tax loss amount	Income tax rate (%)	Total deferred tax on tax losses	Deferred tax asset recognised	Deferred tax asset not recognised
26,122,615	25.00%	6,530,654	2,770,233	3,760,421

The Income tax rate is the 25.00% Spanish rate.

The Company's Luxembourg tax losses, net of recoveries, have been lost as a result of the migration. No deferred tax asset had been recognised for these tax losses.

9.5. Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the applicable statute-of-limitations period has expired.

Following a VAT audit, the Luxembourg tax authorities assessed the Company for VAT in respect of two cases relating to the calendar years 2016-2018 as well as, subsequently, relating to the calendar years 2019-2021. As the tax authorities only partly accepted the Company's administrative claim against the 2016-2018 VAT assessment, the Company has appealed the tax authorities' decision relating to this period to the Luxembourg court which is still pending. The Company submitted an administrative claim against the 2019-2021 VAT assessment with the Luxembourg tax authorities which is still pending.

The court appeal against the administrative claim concerns two VAT disputes. One dispute, amounting to €3.2 million (2016-2018) and €2.7 million (2019-2021) relates to the rejection of the recovery of input VAT on certain expenses which the Company recharged to other persons. The Company considers that this risk is only possible, not probable and for this reason it has not recognised a provision in the balance sheet statement.

The other dispute, amounting to €0.45 million (2016-2018), and €0.45 million (2019-2021) relates to the interpretation of the Luxembourg VAT pro rata rules. The Company estimates that there is a probable risk of outflow of resources amounting to €0.9 million for which a provision has been recognised in the balance sheet statement (see note 17).

10. Equity investment in Group entities

The Company holds the entire share capital of Opodo Ltd. The movement of the asset at cost for the investment in the years ended 31st March 2023 and 31st March 2022 is as follows:

	Investment
Investment in Opodo Ltd. as at 31st March 2022	**851,740,896**
Increase due to Share-based compensation (see note 15)	11,222,819
Others	174,004
Investment in Opodo Ltd. as at 31st March 2023	**863,137,719**

	Investment
Investment in Opodo Ltd. as at 31st March 2021	**841,216,462**
Increase due to Share-based compensation (see note 15)	10,524,434
Investment in Opodo Ltd. as at 31st March 2022	**851,740,896**

The increase due to Share-based compensation (see note 15) includes:

- The cost of the 2016 LTIP that has been recorded as an addition for €3,892,507 for the year ended 31st March 2023 (€4,832,199 for the year ended 31st March 2022).
- The cost of the 2019 LTIP that has been recorded as an addition for €7,330,312 for the year ended 31st March 2023 (€5,692,235 for the year ended 31st March 2022).

The most significant information in relation to its direct subsidiary as at 31st March 2023 is the following:

Name	Address	Activity	Investment	Ownership %	Voting rights %
Opodo Ltd.	26-28 Hammersmith Grove, W6 7BA (London)	Online travel agency	863,137,719	100%	100%

Name	Share capital (*)	Share premium (*)	Net Profit / (loss) from the year (*)	Other equity items (*)	Total shareholder's equity (*)	Operating profit / (loss) of the year (*)
Opodo Ltd.	344,377,618	75,731,894	5,831,906	99,159,877	525,101,295	5,017,878

(*) Amounts pending to be audited, including the results of the financial year ended 31st March 2023.

The financial year of Opodo Ltd. runs from 1st April to 31st March.

As at 31st March 2023, the Company holds the entire share capital of Opodo Ltd. represented by 3,443,776,177 ordinary shares of €0.10 each.

The net asset value of the participation is lower than the purchase price value. However, the Company has performed an impairment test on the investment and has concluded that there is no impairment.

Opodo Ltd. is the subholding company of the other companies of the eDreams ODIGEO Group.

The procedure for performing the impairment test consists of comparing the net book value of the investment with the expected future cash flows, discounted to their present value, less the net debt of the investees, to determine whether an impairment exists.

The value of future cash flows has been estimated at €1,400 million and has been obtained as follows:

- A business plan, with different scenarios, has been prepared for the entire subgroup headed by Opodo Ltd. for the next 5 years in which the main components are projected adjusted EBITDA, investments and working capital (see definition of Adjusted EBITDA in C4. Alternative Performance Measures in the Group's Notes to the Consolidated Financial Statements). The main drivers in the EBITDA projection are Revenue Margin and Variable costs, which together result in Marginal Profit (see definition of Revenue Margin, Variable costs and Marginal Profit in C4. Alternative Performance Measures in the Group's Notes to the Consolidated Financial Statements). These projections include Management's best estimates, which are consistent with external information, past experience and future expectations.
- Scenarios I, II and III, detailed in note 2.3 have been weighted at 15%, 70% and 15%, respectively.
- The perpetual growth rate used to extrapolate cash flow projections beyond the first five years has been estimated to be between 1.5% and 1.6%.
- The after-tax discount rate has been defined based on the weighted average cost of capital (WACC), being at 31st March 2023 11.6% (10.8% at 31st March 2022).

The value of the net debt of the investees at 31st March 2023 was €170 million.

Consequently, the surplus value based on the calculation made is €366 million.

At 31st March 2023, the investee company was not listed on the stock exchange.

During the year ended 31st March 2023 the Company has not received dividends (43,202,230 during the year ended 31st March 2022), see note 19.1.

11. Trade receivables

The detail of assets at amortised cost of trade receivables at 31st March 2023 and 31st March 2022 is as follows:

	31st March 2023	31st March 2022
GDS incentives - receivable	3,233,302	3,725,028
GDS incentives - accrued income	1,726,944	3,080,931
Provision for Booking cancellation	(238,428)	(121,982)
Trade receivables	**4,721,818**	**6,683,977**

The trade receivables of the Company are related to the amounts invoiced or pending to invoice to the Company's GDS providers (see note 6).

The decrease in trade receivables and accrued income as at 31st March 2023 is mainly due to the transfer of the rights and obligations of the contract with Amadeus to its indirect subsidiary Vacaciones eDreams, S.L., partly offset by an increase in business volumes (see note 2.3) and consequently, in incentives with Travelport.

As at 31st March 2023 and 31st March 2022 no amounts of trade receivables have been impaired.

"Provision for Booking cancellation" covers the risk that GDS incentives earned are reversed in case of Bookings cancellation. The provision covers the risk for all Bookings with departure dates after the closing date.

12. Other non-current financial assets

The detail of non-current financial assets at amortised cost at 31st March 2023 and 31st March 2022 is as follows:

	31st March 2023	31st March 2022
SSRCF - Financing fees capitalised	—	4,411,723
Other non-current assets	60,700	60,700
Other non-current financial assets	**60,700**	**4,472,423**

Financing fees capitalised on the Super Senior Revolving Credit Facility ("SSRCF") relate to the financing costs to obtain the SSRCF, that have been capitalised and are being amortised during the life of the contract (see note 16).

These financing fees have been reclassified and are presented reducing the liability as at 31st March 2023 (see note 16).

13. Cash and cash equivalents

	31st March 2023	31st March 2022
Cash and cash equivalents	10,302	17,506
Total cash and cash equivalents	**10,302**	**17,506**

The Company has no restricted cash.

14. Equity

14.1 Share Capital

The Company's share capital amounts to €12,760,505.90 and is represented by 127,605,059 shares with a face value of €0.10 per share.

During the year ended 31st March 2023, the Company has paid €3.7 million of transaction costs on the issue of 8,823,529 new shares in the year ended 31st March 2022. The costs related to the transaction were booked in Retained earnings and others (see note 14 of the individual annual accounts of eDreams ODIGEO for the year ended 31st March 2022).

On 7th July 2020, before its relocation to Spain, the Board of Directors resolved to issue 8,318,487 new shares, corresponding to the maximum amount of shares available pursuant to the authorised capital included in the current Articles of Association of the Company effective as at that date, to serve the Group's LTIPs ("Long Term Incentive Plans", see note 15).

It was also agreed that the shares would be delivered to the beneficiaries in accordance with the timetable set out by the Board of Directors at the time the LTIPs were approved and which, generally, are expected to occur on or before the publication of the Company's financial results for the first three reporting quarters, provided that the relevant allocation parameters are met. Any non-allocated shares at the end of the LTIPs would be cancelled.

These shares were subscribed by the Company's indirect subsidiary eDreams International Network, S.L. in accordance with Luxembourg law, which was the law applicable to the Company at the time.

These shares are held by the Group as treasury stock and therefore both their economic and political rights are suspended.

On 9th December 2022, Ardian notified the Company that it placed all of its ordinary shares in the Company with institutional investors, representing 15.6% of the Company at the close of business on 8th December 2022. Ardian has been a shareholder of the Company for the last twelve years and assisted the Company's growth and transition to a subscription-based business. Ardian's decision to exit was driven by legal obligations linked to the relevant fund coming to the end of its term.

The significant shareholders of the Company and Board members as at 31st March 2023 are the following:

Shareholder	Number of Shares	% Share Capital
Permira	32,011,388	25.1%
Board Members	3,343,925	2.6%
Treasury shares	4,877,565	3.8%
Free Float [1]	87,372,181	68.5%
Total	**127,605,059**	**100%**

[1] The free float has been calculated on the basis of shareholder notifications of voting rights communicated to the Company as of 31st March 2023 in accordance with the Royal Decree 136272007 and other information made available to the Company by shareholders by taking the total number of shares issued less the Strategic Shareholders Shares, the shares held by Directors, and Treasury Shares

Free Float Composition	Number of Shares	% Share Capital
Astaris	1,304,375	1.0%
Bank of America Corporation	3,272,302	2.6%
Barclays PLC	8,090,230	6.3%
JP Morgan Chase & CO	5,975,363	4.7%
Morgan Stanley	9,467,330	7.4%
Sunderland Capital	6,371,316	5.0%
UBS Group AG	11,137,037	8.7%
Others less than 3%	41,754,228	32.7%
Total	**87,372,181**	**68.5%**

The information provided regarding the free float composition is based on significant interests from the reports sent by the holders thereof to the National Securities Market Commission ("CNMV") and to the Company itself considering the total number of voting rights of the Company as of 31st March 2023 The information above includes direct and indirect holdings of shares and is, therefore, not a true representation of the Company's shareholding structure. The Company also notes that the voting rights attached to shares reported by financial institutions in this section may be the counterpart to the voting rights through financial instruments reported by other investors.

In the years ended 31st March 2023 and 31st March 2022, the shareholders did not carry out any significant transactions other than those mentioned in note 20.3 with Board members.

The Company's shares are admitted to official listing on the Spanish Stock Exchanges.

14.2 Share premium

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

The increase of €74.1 million in share premium during the year ended 31st March 2022 was due to the issue of 8,823,529 new shares on 12th January 2022, at €8.40 share premium per share.

14.3 Reserves

	31st March 2023	31st March 2022
Legal reserve	1,770,454	—
Other available reserves	(361,584,499)	(361,584,499)
Reserves	**(359,814,045)**	**(361,584,499)**

The Company's legal reserve as at 31st March 2023 is €1,770,454 (€0 as at 31st March 2022). Under the Spanish Companies Law, the legal reserve is not distributable to shareholders, until it exceeds 20% of share capital, and may only be used to offset losses if no other reserves are available. This reserve may also be used to increase share capital to the extent that it exceeds 10% of the increased share capital.

14.4 Treasury shares

As at 31st March 2021, the Company had 1,081,466 treasury shares, carried in equity at €3,320,289.

During the years ended 31st March 2023 and 31st March 2022, the Company has had no transactions with treasury shares.

As at 31st March 2023, the Company had 1,081,466 treasury shares, carried in equity at an average historic price of €3.07 per share. The treasury shares have a nominal value of €0.10 each.

The treasury shares have been fully paid.

14.5. Other equity instruments

The amount recognised as equity-settled share-based payments arose as a result of the long-term incentive plan given to the employees of the Company's direct and indirect subsidiaries.

As at 31st March 2023, the only long-term incentive plans currently granted are the 2016 LTIP and the 2019 LTIP detailed in note 15.1 and 15.2, respectively.

15. Share-based compensation

15.1 2016 Long-term incentive plan

On 20th July 2016, the Board of Directors decided to implement a long-term incentive plan ("2016 LTIP") for key executives and other employees of the Group with a view to incentivising them to continue improving the Group's results and retaining and motivating key personnel.

During the year ended 31st March 2021, the Company observed that there were significant potential rights pending to be allotted under the 2016 LTIP. As a result, on 23rd March 2021, the Board of Directors agreed to extend and adjust the 2016 LTIP by creating four additional tranches and extending its duration, intending to include new individuals that previously were not beneficiaries of the 2016 LTIP and continue incentivising and retaining its personnel.

The 2016 LTIP lasts for eight years and vests between August 2018 and February 2026 based on financial results. The exercise price of the rights is €0.

The 2016 LTIP is split equally between performance stock rights ("PSRs") and restricted stock units ("RSUs") subject to continued service. Based on operational performance, the scheme is linked to stringent financial and strategic objectives.

Performance stock rights are conditional on meeting the financial objectives established by the Company's Board of Directors with respect to the relevant period of the corresponding Tranche, provided that the Beneficiary is currently employed or has a management position in the Group during the relevant period up to the date of delivery of shares.

Restricted stock units are only conditional on the Beneficiary being currently employed or holding a management position in the Group during the relevant period up to the date of delivery of shares.

Following the transfer of the registered seat in March 2021, from Luxembourg (where a Company is permitted to issue shares at zero cost to employees as part of a long-term incentive plan) to Spain (where it is not permitted), delivery of shares under the LTIPs do not and will not generate any additional shareholder dilution. Future deliveries of shares under the plans are serviced from the stock of Treasury shares held by the Company.

The value of the plan depends on internal conditions (not market) and is valued according to the market value of the share on the grant date, multiplied by the probability of compliance with the conditions. This probability is updated and re-estimated at least annually, but the market value of the share on the grant date remains unchanged.

As at 31st March 2023 9,351,256 Potential Rights have been granted since the beginning of the plan under the 2016 LTIP (7,859,876 Potential Rights at 31st March 2022), of which 2,425,180 Potential Rights (the Fifth, Sixth and Seventh Tranches) are outstanding.

The First, Second, Third and Fourth Tranche, for which 6,926,076 rights have been granted since the beginning of the 2016 LTIP, have been closed and the following deliveries have been made:

- 385,575 shares in August 2018 (The First Tranche, First Sub-tranche, First Delivery);
- 377,546 shares in November 2018 (The First Tranche, First Sub-tranche, Second Delivery);
- 377,546 shares in February 2019 (The First Tranche, First Sub-tranche, Third Delivery);
- 379,548 shares in August 2019 (The First Tranche, Second Sub-tranche, First Delivery);
- 364,443 shares in November 2019 (The First Tranche, Second Sub-tranche, Second Delivery);
- 353,188 shares in February 2020 (The First Tranche, Second Sub-tranche, Third Delivery);
- 217,516 shares in August 2020 (The Second Tranche, First Delivery);
- 216,183 shares in November 2020 (The Second Tranche, Second Delivery);
- 210,516 shares in February 2021 (The Second Tranche, Third Delivery);
- 898,936 shares in September/October 2021 (The Third Tranche, First Delivery);
- 911,867 shares in November 2021 (The Third Tranche, Second Delivery);
- 882,096 shares in February 2022 (The Third Tranche, Third Delivery);
- 145,475 shares in August 2022 (The Fourth Tranche, First Delivery);
- 145,475 shares in November 2022 (The Fourth Tranche, Second Delivery); and
- 134,167 shares in February 2023 (The Fourth Tranche, Third Delivery).

Starting from September 2021, the Group delivers to the beneficiaries the Incentive Shares net of withholding tax.

For the Third Tranche, First Delivery, 898,936 gross shares were delivered to the beneficiaries, corresponding to 580,546 net shares and 318,390 shares withheld and sold for tax purposes.

For the Third Tranche, Second Delivery 911,867 gross shares were delivered to the beneficiaries, corresponding to 591,224 net shares and 320,643 shares withheld and sold for tax purposes.

For the Third Tranche, Third Delivery 882,096 gross shares were delivered to the beneficiaries, corresponding to 575,874 net shares and 306,222 shares withheld and sold for tax purposes.

For the Fourth Tranche, First Delivery 145,475 gross shares were delivered to the beneficiaries, corresponding to 89,162 net shares and 56,313 shares withheld for tax purposes. The Group pays the corresponding tax on behalf of the beneficiaries but it will not sell any shares for this purpose.

For the Fourth Tranche, Second Delivery 145,475 gross shares were delivered to the beneficiaries, corresponding to 89,552 net shares and 55,923 shares withheld for tax purposes. The Group pays the corresponding tax on behalf of the beneficiaries but it will not sell any shares for this purpose.

For the Fourth Tranche, Third Delivery 134,167 gross shares were delivered to the beneficiaries, corresponding to 83,970 net shares and 50,197 shares withheld for tax purposes. The Group pays the corresponding tax on behalf of the beneficiaries but it will not sell any shares for this purpose.

The 2016 LTIP continues to be classified in its entirety as an equity-settled share-based payment.

The 425,117 shares delivered during the year ended 31st March 2023 have been satisfied with shares of eDreams ODIGEO, S.A. owned by the Group entity eDreams International Network, S.L. (see note 14.1).

The movement of the Potential Rights during the years ended 31st March 2023 and 31st March 2022 is as follows:

			Granted / Forfeited			Delivered
	Performance Stock Rights	Restricted Stock Units	Total	Performance Stock Rights	Restricted Stock Units	Total
2016 LTIP Potential Rights - 31st March 2021	**3,322,319**	**3,322,319**	**6,644,638**	**1,004,916**	**1,877,145**	**2,882,061**
Potential Rights forfeited - leavers	(68,692)	(68,692)	**(137,384)**	—	—	—
Additional Potential Rights granted	676,311	676,311	**1,352,622**	—	—	—
Shares delivered	—	—	**—**	1,323,652	1,369,247	**2,692,899**
2016 LTIP Potential Rights - 31st March 2022	**3,929,938**	**3,929,938**	**7,859,876**	**2,328,568**	**3,246,392**	**5,574,960**
Potential Rights forfeited - leavers	(10,000)	(10,000)	**(20,000)**	—	—	—
Additional Potential Rights granted	755,690	755,690	**1,511,380**	—	—	—
Shares delivered	—	—	**—**	207,108	218,009	**425,117**
2016 LTIP Potential Rights - 31st March 2023	**4,675,628**	**4,675,628**	**9,351,256**	**2,535,676**	**3,464,401**	**6,000,077**

In the year ended 31st March 2023, the Group has granted 755,690 new potential PSR rights and 755,690 new potential RSU rights. The average market value of the shares used to value these rights has been €5.2 per share, corresponding mainly to the market value of the shares as at 29th July 2022 when most of these rights were granted. The probability of compliance with conditions as at 31st March 2023 has been estimated at 67% for PSR and 74% for RSU.

The cost of the 2016 LTIP has been recorded as an addition to Investments in Group entities (see note 10) and against Equity (included in Equity-settled share based payments, see note 14.5), amounting to €3,892,507 and €4,832,199 for the years ended 31st March 2023 and 31st March 2022, respectively.

15.2 2019 Long-term incentive plan

On 19th June 2019, the Board of Directors of the Company approved a new long-term incentive plan ("2019 LTIP") to ensure that it continues to attract and retain high-quality management and better align the interests of management and shareholders.

The new 2019 LTIP lasts for four years and is designed to vest around financial results publications between August 2022 and February 2026. The exercise price of the rights is €0. The Group will deliver to the beneficiaries the Incentive Shares net of withholding tax.

The 2019 LTIP is split equally between performance stock rights ("PSRs") and restricted stock units ("RSUs") subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives, which will be assessed in cumulative periods.

Performance stock rights are conditional on meeting the financial objectives established by the Company's Board of Directors with respect to the relevant period of the corresponding Tranche, provided that the Beneficiary is currently employed or has a management position in the Group during the relevant period up to the date of delivery of shares.

Restricted stock units are only conditional on the Beneficiary being currently employed or holding a management position in the Group during the relevant period up to the date of delivery of shares.

Following the transfer of the registered seat in March 2021, from Luxembourg (where a Company is permitted to issue shares at zero cost to employees as part of a long-term incentive plan) to Spain (where it is not permitted), delivery of shares under the LTIPs do not and will not generate any additional shareholder dilution. Future deliveries of shares under the plans are serviced from the stock of Treasury shares held by the Company.

The value of the plan depends on internal conditions (not market) and is valued according to the market value of the share on the grant date, multiplied by the probability of compliance with the conditions. This probability is updated and re-estimated at least annually, but the market value of the share on the grant date remains unchanged.

As at 31st March 2023 7,701,254 Potential Rights have been granted since the beginning of the plan under the 2019 LTIP (5,878,860 Potential Rights at 31st March 2022), of which 6,246,527 Potential Rights (the Second, Third and Fourth Award) are outstanding.

The First Award, for which 1,454,727 rights have been granted since the beginning of the 2019 LTIP, has been closed and the following deliveries have been made:

- 296,014 shares in August 2022 (The First Award, First Delivery);
- 634,531 shares in November 2022 (The First Award, Second Delivery); and
- 460,174 shares in February 2023 (The First Award, Third Delivery).

The Group delivers to the beneficiaries the Incentive Shares net of withholding tax.

For the First Award, First Delivery 296,014 gross shares were delivered to the beneficiaries, corresponding to 177,658 net shares and 118,356 shares withheld for tax purposes. The Group pays the corresponding tax on behalf of the beneficiaries but does not sell any shares for this purpose.

For the First Award, Second Delivery 634,531 gross shares were delivered to the beneficiaries, corresponding to 437,662 net shares and 196,869 shares withheld for tax purposes. The Group pays the corresponding tax on behalf of the beneficiaries but does not sell any shares for this purpose.

For the First Award, Third Delivery 460,174 gross shares were delivered to the beneficiaries, corresponding to 307,270 net shares and 152,904 shares withheld for tax purposes. The Group pays the corresponding tax on behalf of the beneficiaries but does not sell any shares for this purpose.

The 2019 LTIP continues to be classified in its entirety as an equity-settled share-based payment.

The 1,390,719 shares delivered during the year ended 31st March 2023 have been satisfied with shares of eDreams ODIGEO, S.A. owned by the Group entity eDreams International Network, S.L. (see note 14.1).

The movement of the Potential Rights during the years ended 31st March 2023 and 31st March 2022 is as follows:

	Granted / Forfeited			Delivered		
	Performance Stock Rights	Restricted Stock Units	Total	Performance Stock Rights	Restricted Stock Units	Total
2019 LTIP Potential Rights - 31st March 2020	**2,134,306**	**2,134,306**	**4,268,612**	**—**	**—**	**—**
Potential Rights forfeited - leavers	(112,550)	(112,550)	**(225,100)**	—	—	**—**
Additional Potential Rights granted	917,674	917,674	**1,835,348**	—	—	**—**
2019 LTIP Potential Rights - 31st March 2022	**2,939,430**	**2,939,430**	**5,878,860**	**—**	**—**	**—**
Potential Rights forfeited - leavers	(72,640)	(72,640)	**(145,280)**	—	—	**—**
Additional Potential Rights granted	983,837	983,837	**1,967,674**	—	—	**—**
Shares delivered	—	—	**—**	663,356	727,363	**1,390,719**
2019 LTIP Potential Rights - 31st March 2023	**3,850,627**	**3,850,627**	**7,701,254**	**663,356**	**727,363**	**1,390,719**

In the year ended 31st March 2023, the Group has granted 983,837 new potential PSR rights and 983,837 new potential RSU rights. The average market value of the shares used to value these rights has been €5.2 per share, corresponding mainly to the market value of the shares as at 29th July 2022 when most of these rights were granted. The probability of compliance with conditions has been estimated at 76% for PSR and 80% for RSU.

The cost of the 2019 LTIP has been recorded as an addition to Investments in Group entities (see note 10) and against Equity (included in Equity-settled share based payments, see note 14.5), amounting to €7,330,312 and €5,692,235 for the years ended 31st March 2023 and 31st March 2022 respectively.

16. Bonds and other negotiable securities

The detail of the liabilities at amortised cost as at 31st March 2023 and 31st March 2022 is as follows:

	31st March 2023			31st March 2022		
	Current	Non current	Total	Current	Non current	Total
2027 Notes - Principal	—	375,000,000	**375,000,000**	—	375,000,000	**375,000,000**
2027 Notes - Financing fees capitalised	—	(5,889,228)	**(5,889,228)**	—	(6,941,932)	**(6,941,932)**
2027 Notes - Accrued interest	4,296,875	—	**4,296,875**	3,322,917	—	**3,322,917**
SSRCF - Financing fees capitalised	(3,594,130)	—	**(3,594,130)**	—	—	**—**
Bank facilities & bank overdrafts	744,901	—	**744,901**	1,090,879	—	**1,090,879**
Total bonds and other negotiable securities	**1,447,646**	**369,110,772**	**370,558,418**	**4,413,796**	**368,058,068**	**372,471,864**

Senior Notes – 2027 Notes

On 2nd February 2022, eDreams ODIGEO, S.A. issued €375 million 5.50% Senior Secured Notes with a maturity date of 15th July 2027 ("the 2027 Notes").

Interest on the 2027 Notes is payable semi-annually in arrears on the 15th of January and 15th of July each year. In the year ended 31st March 2023, €20.6 million have been accrued and €19.7 million have been paid for this concept (€3.3 million accrued and no interest paid for the year ended 31st March 2022).

The transaction costs of the issuance of the 2027 Notes had been capitalised for a total amount of €7.2 million of which €1.2 million have been amortised during the year ended 31st March 2023 (€0.2 million amortised for the year ended 31st March 2022). They will be amortised during the life of the debt.

The 2027 Notes had been admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market of the Luxembourg Stock Exchange.

All the shares held by eDreams ODIGEO, S.A. in Opodo Ltd. as well as the receivables under certain intra-group funding loans made by eDreams ODIGEO, S.A., have been pledged in favour of the holders of the 2027 Notes and the secured parties under the Group's SSRCF dated 2nd February 2022.

The 2023 Notes were redeemed in full on 2nd February 2022.

Super Senior Revolving Credit Facility

On 4th October 2016, the Company refinanced its Super Senior Revolving Credit Facility ("the SSRCF"), increasing the size to €147 million from the previous €130 million, and gaining significant flexibility as well versus the previous terms.

In May 2017, the Company obtained the modification of the SSRCF from 4th October 2016 increasing the commitment by €10 million to a total of €157 million.

In September 2018, the Company obtained another modification of the SSRCF increasing the commitment to €175 million, and extending its maturity until September 2023.

The SSRCF has been amended on 2nd February 2022, increasing the commitment to €180 million and extending its maturity until 15th January 2027.

The Company considers that this amendment is a modification of debt not substantially different, as the net present value of the cash flows under the new terms (including fees paid) discounted at the original effective interest rate was less than 10% different from the discounted present value of the remaining cash flows of the original SSRCF.

The interest rate of the SSRCF is the benchmark rate (such as EURIBOR for Euro transactions) plus a margin of 3.25% (previously, 3.00%). Though at any time after 2nd May 2022, and subject to certain conditions, the margin may decrease to be between 3.25% and 2.25%.

In addition to the increased commitment and extended maturity until 15th January 2027, the amended SSRCF also provides improved conditions regarding the Financial Covenant.

The amended SSRCF contains financial covenants that require the Group to ensure that the ratio of Gross Financial Indebtedness as at the end of each testing period to Cash EBITDA (previously, Adjusted EBITDA) as adjusted by the financial covenant definition (the "Adjusted Gross Leverage Financial Covenant") does not exceed 6.00.

The first testing period in respect of which the Adjusted Gross Leverage Financial Covenant could have been tested was the testing period ended on 30th September 2022. The Adjusted Gross Leverage Financial Covenant is only tested in respect of a testing period if, on the last day of such testing period, the aggregate principal amount of outstanding loans (excluding any outstandings under any letter of credit or bank guarantee) exceeds 40% (previously 30%) of the total commitments under the Super Senior Facilities Agreement. As at 31st March 2023 the Adjusted Gross Leverage Financial Covenant did not need to be tested as the SSRCF drawn amount (Principal and Bank facilities) was under the 40% limit.

In the event of a breach of the gross leverage covenant when tested, in the absence of an exemption, an event of default would occur under the SSRCF and lenders required under the SSRCF could accelerate all loans and terminate all commitments under it.

If loans under the SSRCF were to be accelerated, then the necessary majority of holders of the €375 million 2027 Notes could accelerate those bonds.

The Company has converted €72.0 million from its SSRCF into credit facilities ancillary to the SSRCF with certain Banks and €16.5 million into a facility specific for guarantees (€62.0 million and €11.9 million as at 31st March 2022, respectively).

As at 31st March 2023, the Company had drawn €744,901 of credit facilities ancillary to the SSRCF (€1,090,879 as at 31st March 2022).

Additionally, the Group subsidiaries have drawn €0 under the SSRCF (€30,000,000 as at 31st March 2022) and €3,138,099 of credit facilities ancillary to the SSRCF (€8,837,121 as at 31st March 2022).

See below the detail of cash available to the Group under the SSRCF:

	31st March 2023	31st March 2022
SSRCF total amount	180,000,000	180,000,000
Guarantees drawn under SSRCF	(14,607,283)	(11,061,429)
Drawn under SSRCF	—	(30,000,000)
Ancillaries to SSRCF drawn	(3,883,000)	(9,928,000)
Remaining undrawn amount under SSRCF	**161,509,717**	**129,010,571**
Undrawn amount specific for guarantees	(1,900,000)	(788,571)
Remaining cash available under SSRCF	**159,609,717**	**128,222,000**

16.1. Debt by maturity date

The maturity date of bonds and other negotiable securities based on undiscounted payments as at 31st March 2023 is as follows:

	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	>4 years	Total
2027 Notes - Principal	—	—	—	—	375,000,000	**375,000,000**
2027 Notes - Financing fees capitalised	—	—	—	—	(5,889,228)	**(5,889,228)**
2027 Notes - Accrued interest	4,296,875	—	—	—	—	**4,296,875**
Total Senior Notes	**4,296,875**	**—**	**—**	**—**	**369,110,772**	**373,407,647**
SSRCF - Financing fees capitalised	(3,594,130)	—	—	—	—	**(3,594,130)**
Total SSRCF	**(3,594,130)**	**—**	**—**	**—**	**—**	**(3,594,130)**
Bank facilities and bank overdrafts	744,901	—	—	—	—	**744,901**
Total other financial liabilities	**744,901**	**—**	**—**	**—**	**—**	**744,901**
Trade payables (see note 18)	1,676,158	—	—	—	—	**1,676,158**
Total trade payables	**1,676,158**	**—**	**—**	**—**	**—**	**1,676,158**
Total	**3,123,804**	**—**	**—**	**—**	**369,110,772**	**372,234,576**

The maturity date of the financial liabilities based on undiscounted payments as at 31st March 2022 was as follows:

	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	>4 years	Total
2027 Notes - Principal	—	—	—	—	375,000,000	**375,000,000**
2027 Notes - Financing fees capitalised	—	—	—	—	(6,941,932)	**(6,941,932)**
2027 Notes - Accrued interest	3,322,917	—	—	—	—	**3,322,917**
Total Senior Notes	**3,322,917**	**—**	**—**	**—**	**368,058,068**	**371,380,985**
Bank facilities and bank overdrafts	1,090,879	—	—	—	—	**1,090,879**
Total other financial liabilities	**1,090,879**	**—**	**—**	**—**	**—**	**1,090,879**
Trade payables (see notes 18)	5,992,204	—	—	—	—	**5,992,204**
Total trade payables	**5,992,204**	**—**	**—**	**—**	**—**	**5,992,204**
Total	**10,406,000**	**—**	**—**	**—**	**368,058,068**	**378,464,068**

16.2. Fair value measurement of debt

31st March 2023	Total net book value of the class	Fair value Level 1: Quoted prices and cash	Level 2: Internal model using observable factors	Level 3: Internal model using non-observable factors
Balance sheet headings and classes of instruments:				
Cash and cash equivalents	10,302	10,302		
2027 Notes	373,407,647		339,011,708	
Bank facilities and bank overdrafts	744,901	744,901		

31st March 2022	Total net book value of the class	Fair value Level 1: Quoted prices and cash	Level 2: Internal model using observable factors	Level 3: Internal model using non-observable factors
Balance sheet headings and classes of instruments:				
Cash and cash equivalents	17,506	17,506		
2023 Notes	371,380,985		332,454,651	
Bank facilities and bank overdrafts	1,090,879	1,090,879		

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

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

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

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

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

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

17. Non-current provisions

As at 31st March 2023 the Company had a provision of €900,000 for indirect tax risks (€900,000 as at 31st March 2022), see note 9.5.

18. Trade payables

The detail of liabilities at amortised cost for trade payables as at 31st March 2023 and 31st March 2022 is as follows:

	31st March 2023	31st March 2022
GDS related payables	591,789	633,189
Other payables	1,084,369	5,359,015
Trade payables	**1,676,158**	**5,992,204**

GDS related payables correspond to accruals (invoices pending to be received) or invoices not yet settled by the Company in relation with the agreements with its GDS providers (see note 6).

The decrease in other payables as at 31st March 2023 is mainly due to the payment during the current fiscal year of the costs related to the capital increase (see note 14.1), financing costs on the 2027 Notes and modified SSRCF (see note 16) pending to be paid as at 31st March 2022.

18.1 Disclosures on the average period of payment to suppliers

Pursuant to the Spanish legislation in force[(1)], the disclosure on the average period of payment to trade suppliers as at 31st March 2023 and 31st March 2022 is set forth in the table below:

	Year ended 31st March 2023	Year ended 31st March 2022
Number of days		
Average period of payment to trade suppliers (2)	18	30
Ratio of transactions paid (3)	17	30
Ratio of outstanding payments (4)	32	30
Euros		
Total transactions paid	7,240,712	20,146,186
Total outstanding payments	388,670	1,611,774
Monetary volume of invoices paid in a period less than the maximum established in the delinquency regulations	7,037,486	N/A
Percentage that payments less than said maximum represent over the total payments made	97%	N/A
Number of invoices		
Total invoices paid in a period less than the maximum established in the regulation	162	N/A
Percentage of total invoices	91%	N/A

(1) As at 19th October 2022, Law 18/2022 came into force, of 28th September, on the creation and growth of companies, which modifies the third additional provision of Law 15/2010. The new standard establishes the obligation to publish in annual accounts, in addition to the information already required, the monetary volume and number of invoices paid in a period less than the maximum established in the delinquency regulations, and the percentage they represent of the total number of invoices and on the total monetary payments to your suppliers.

*(2) ((Ratio of transactions paid * total transactions paid) + (Ratio of outstanding payments * total outstanding payments)) / (Total transactions paid + Total outstanding payments).*

*(3) Sum of (Number of days of payment * amounts of the transactions paid) / Total transactions paid.*

*(4) Sum of (Number of days outstanding * amounts of the transactions payable) / Total outstanding payments.*

The trade payables considered as accounts payable eligible to be disclosed in the financial statements are those which by nature are trade payables with suppliers of goods and services and, therefore, are included under Trade payables within current liabilities on the balance sheet statement.

19. Related parties transactions and balances

Related parties involved in transactions with the Company, as well as the nature of the relationship, are:

	Nature of the relationship
Opodo Ltd.	Direct subsidiary
Opodo, GmbH.	Indirect subsidiary
Travellink, A.B.	Indirect subsidiary
eDreams, Inc.	Indirect subsidiary
Vacaciones eDreams, S.L.	Indirect subsidiary
eDreams International Network, S.L.	Indirect subsidiary
eDreams, S.R.L.	Indirect subsidiary
Viagens eDreams Portugal - Agência de Viagens, Lda.	Indirect subsidiary
eDreams, L.L.C.	Indirect subsidiary
GEO Travel Pacific, Pty. Ltd.	Indirect subsidiary
Go Voyages, S.A.S.	Indirect subsidiary
Liligo Metasearch Technologies, S.A.S.	Indirect subsidiary
ODIGEO Hungary, Kft.	Indirect subsidiary
Tierrabella Invest, S.L.	Indirect subsidiary
eDreams Gibraltar Ltd.	Indirect subsidiary
Engrande, S.L.	Indirect subsidiary

On 30th September 2022, eDreams, Inc., the Sole Shareholder of Vacaciones eDreams, S.L. approved the merger by absorption of its 100% owned Spanish subsidiaries Opodo, S.L., Traveltising, S.A. and eDreams Business Travel, S.L. into the absorbing company Vacaciones eDreams, S.L. The merger became effective on 25th November 2022.

19.1 Related party transactions

Year ended 31st March 2023	Revenue	Other operating income	External services	Financial expenses	Financial income
Vacaciones eDreams, S.L.	86,006	—	(20,941,504)	(34,512)	4,447,908
Opodo Ltd.	—	—	(312,132)	(7,536,735)	7,700,362
eDreams, S.R.L.	—	—	—	(9)	—
Go Voyages, S.A.S.	—	—	—	(232,886)	3,061,066
eDreams International Network, S.L.	—	—	(1,518,103)	(270,618)	33,759
Travellink, A.B.	—	—	—	—	—
Total	**86,006**	**—**	**(22,771,739)**	**(8,074,760)**	**15,243,095**

Year ended 31st March 2022	Revenue	Other operating income	External services	Financial expenses	Financial income
Vacaciones eDreams, S.L.	217,195	—	(35,108,871)	(791,653)	8,182,459
Opodo Ltd.	—	—	(241,232)	(1,215,781)	43,538,394
eDreams, S.R.L.	—	—	—	(7)	—
Go Voyages, S.A.S.	—	—	—	(153,018)	3,627,343
eDreams International Network, S.L.	—	—	(1,472,437)	(71,213)	34,634
Travellink, A.B.	—	—	—	(50,617)	—
Total	**217,195**	**—**	**(36,822,540)**	**(2,282,289)**	**55,382,830**

External services with Group entities mainly correspond to the invoices issued by Vacaciones eDreams, S.L. in relation to the Global agreement between the Company and its GDS providers.

Financial expenses for debts with Group entities includes the Interest expenses on inter-company loans, the current account, cash pooling and the Group Credit Facility.

Financial income for the year ended 31st March 2023 corresponds mainly to the interests accrued for the loan with Opodo Ltd., the 2027 Notes (see note 16) and the current accounts.

Financial income for the year ended 31st March 2022 corresponds mainly to the dividends the Company has received from Opodo Ltd. (see note 10), paid through the compensation of current debt for an amount of €36,083,128 and non-current debt for an amount of €7,119,102. It also includes interests accrued in relation to the loan with Opodo Ltd., the 2023 Notes and 2027 Notes (see note 16) and the current accounts.

19.2 Related party balances

The detail of assets at amortised cost with related parties is as follows:

	31st March 2023			31st March 2022		
	Non-current loans	Current loans	Trade Receivables	Non-current loans	Current loans	Trade Receivables
Vacaciones eDreams, S.L.	40,775,433	6,642,595	349,073	65,048,715	2,486,194	8,806,508
Opodo Ltd.	121,749,980	—	27,403	121,749,980	—	27,403
Go Voyages, S.A.S.	35,787,444	23,663,732	13,817	35,682,660	20,860,517	1,181,545
Engrande, S.L.	—	1,455,507	—	—	106,554	—
eDreams International Network, S.L.	—	5,024,823	—	—	—	—
eDreams, Inc.	—	18,799	—	—	—	—
Tierrabella Invest, S.L.	—	193,110	—	—	195,052	—
eDreams Gibraltar Ltd.	—	162,667	—	—	—	—
Total	**198,312,857**	**37,161,233**	**390,293**	**222,481,355**	**23,648,317**	**10,015,456**

Non-current loans with Group entities includes mainly the loans granted to Group entities in relation with the Senior Notes (see note 16).

As at 31st March 2023, the balances with Go Voyages, S.A.S. relates to the 2027 Notes loans, formalised on 2nd February 2022, with maturity on 15th July 2027 and bearing interest at a rate of 5.50% + 21.01 bps per annum.

The loans granted to Vacaciones eDreams, S.L. during the fiscal year ended 31st March 2022 related to the 2027 Notes have been almost completely offset with current and non-current debt during the current fiscal year. A new loan agreement was signed on 31st March 2023 for an amount of €40,775,432.44. The interest rate is set at EURIBOR 1 year + 4% with maturity on 31st March 2026.

The non-current loans with Opodo Ltd. is related to a loan agreement signed on 31st March 2022 for an amount of €121,749,980. The interest rate is set at EURIBOR 1 year + 4% with maturity on 31st March 2025.

Current loans with Group entities mainly includes the following:

- Interests related to the non-current loans granted to Group entities in relation with the 2023 Notes and 2027 Notes for an amount of €2,943,909 as at 31st March 2023 (€9,552,796 as at 31st March 2022). Decrease is due to offsetting against current debt.
- Cash-pooling and current accounts with Group entities, for an amount of €21,361,268 as at 31st March 2023 (€11,930,354 as at 31st March 2022).

- Amounts receivable for the tax consolidation of Spanish corporate income tax, for an amount of €190,533 with Tierrabella Invest, S.L., €162,667 with eDreams Gibraltar Ltd., €2,109,023 with eDreams International Network, S.L., €810,082 with Engrande, S.L and €127,245 with Vacaciones eDreams, S.L. as at 31st March 2023 (€195,052 with Tierrabella Invest, S.L. and €127,245 with Vacaciones eDreams, S.L. as at 31st March 2022).
- Amounts receivable for VAT with companies of the Spanish VAT group for a total amount of €9,469,216 as at 31st March 2023 (€1,842,821 as at 31st March 2022) . The Company has become the head of the Spanish VAT group from 1st January 2022.

Trade receivables with Group entities as at 31st March 2023 mainly relates to the amount recharged for GDS incentives. Balances as at 31st March 2022 also includes the recharge of the 2027 Notes financing costs and the modified SSRCF financing costs, as well as the early redemption costs of the 2023 Notes (see note 16).

The detail of liabilities at amortised cost with related parties is as follows:

	31st March 2023			31st March 2022		
	Non-current debt	Current debt	Trade payables	Non-current debt	Current debt	Trade payables
Vacaciones eDreams, S.L.	—	(5,142,048)	(1,869,845)	—	(33,285,796)	(6,028,623)
Opodo Ltd.	—	(159,485,500)	—	(487,136)	(128,119,874)	—
eDreams, S.R.L.	—	(125,953)	—	—	(23,360)	—
Go Voyages, S.A.S.	—	—	—	(4,315,759)	—	—
eDreams, Inc.	—	(821,066)	—	—	(22,676)	—
Engrande, S.L.	—	(17,907)	—	—	(17,907)	—
eDreams International Network, S.L.	—	(4,589,088)	(1,518,103)	—	(2,067,204)	(1,460,959)
Tierrabella Invest, S.L.	—	—	—	—	(5,199)	—
Travellink, A.B.	—	(70,662)	—	—	(70,662)	—
Total	**—**	**(170,252,224)**	**(3,387,948)**	**(4,802,895)**	**(163,612,678)**	**(7,489,582)**

Non-current debt with Group entities includes the following loans:

- Loan with Go Voyages, S.A.S.: On 31st March 2019, Go Voyages, S.A.S. and eDreams ODIGEO, S.A. entered into a loan agreement for a total amount of €4,315,759. On 31st March 2022 they renegotiated the maturity to 31st March 2025. The interest rate was set at EURIBOR 1 year + 4%. The loan has been offset with current credit during the current fiscal year.
- As at 31st March 2022, SSRCF financing cost capitalised for an amount of €487,136 with Opodo Ltd.

Current debt with Group entities mainly includes the following loans:

- Cash-pooling and current accounts with Group entities, for an amount of €164,068,340 as at 31st March 2023 (€162,588,916 as at 31st March 2022).
- Group Credit Facility with Group companies, for an amount of €215 as at 31st March 2023 (€80,580 as at 31st March 2022). On 15th February 2016, the Group Credit Facility agreement was signed. It bears interest of EURIBOR 1 year + 400 bps per annum, payable monthly but interest can be added to the principal amount. The Group Credit Facility Agreement will mature on 14th of February of each year and is automatically renewed for successive annual periods.
- Income tax payable to companies of the Spanish tax group, for a total amount of €2,830,603 as at 31st March 2023 (€270,667 as at 31st March 2022).
- VAT debts with companies of the Spanish VAT group for a total amount of €0 as at 31st March 2023 (€270,667 as at 31st March 2022). The Company has become the head of the Spanish VAT group from 1st January 2022.
- SSRCF financing fees capitalised for an amount of €3,353,066 with Opodo Ltd. and Vacaciones eDreams, S.L. as at 31st March 2023 (presented as assets as at 31st March 2022, see note 12).

Trade payables with Group entities mainly includes:

- Amounts payable related to GDS incentives for an amount of €1,230,664 as at 31st March 2023 (€5,388,349 as at 31st March 2022).
- Management fees with eDreams International Network, S.L. for an amount of €1,518,103 as at 31st March 2023 (€1,460,959 as at 31st March 2022).

There are no differences between the book values and the fair values of debts with Group companies.

20. Other disclosures

20.1 Foreign currency transactions and balances

The detail of the most significant balances and transactions in foreign currency (mainly US Dollars, British Pounds and Swiss Francs) valued in Euros at the year-end exchange rates and the average exchange rates for the years ended 31st March 2023 and 31st March 2022 is as follows:

		Year ended 31st March 2023		Year ended 31st March 2022
	US Dollars	Other foreign currencies	US Dollars	Other foreign currencies
Revenue	—	—	(111,735)	—
Other operating income	—	—	42,640	—
Operating expenses	(183,260)	(60,011)	(85,521)	(38,755)
Total transactions	**(183,260)**	**(60,011)**	**(154,616)**	**(38,755)**

The Revenue in US Dollars for the year ended 31st March 2022 includes the regularisation of amounts from the previous year.

		31st March 2023		31st March 2022
	US Dollars	Other foreign currencies	US Dollars	Other foreign currencies
Current assets	750	(807)	424,436	(7,905)
Current liabilities	4,896	(48,154)	(479,051)	(76,723)
Total balances	**5,646**	**(48,961)**	**(54,615)**	**(84,628)**

20.2 Auditor's remuneration

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

	31st March 2023	31st March 2022
Audit Services	109,679	101,900
Services in connection with Corporate transactions (see note 14.1)	—	386,000
Other services related to audit	30,000	21,000
Total Audit	**139,679**	**508,900**

The services included inside "Other services related to audit" correspond mainly to the verification of the non-financial information report for the Group.

20.3 Remuneration of Key Management and Board of Directors

The Company does not have any direct employees.

During the year ended 31st March 2023 the independent members of the Board received a total remuneration for their mandate of €315,000 (€315,000 during the year ended 31st March 2022). See additional detail in Annual Corporate Governance Report of the Group.

Some members of the Board are also members of the Key Management of subsidiaries of the Company and, consequently, their remuneration has been accrued based on their executive services, not for their mandate as members of the Board. This remuneration has not been satisfied by the Company, it has been satisfied by its subsidiaries.

Remuneration of members of the Board for management services during the years ended 31st March 2023 and 31st March 2022 amounted to €2.0 million and €1.7 million, respectively.

Executive Directors have also been granted since the beginning of the plan with 2,336,191 Potential Rights of the 2016 LTIP and 2,774,164 Potential Rights of the 2019 LTIP plan at 31st March 2023 (2,336,191 Potential Rights of the 2016 LTIP and 2,008,147 Potential Rights of the 2019 LTIP plan at 31st March 2022) to acquire a certain number of shares of the company eDreams ODIGEO, S.A. at no cost.

The valuation of these rights of the 2016 LTIP amounts to €5,841,111 of which €5,841,111 have been accrued in equity at 31st March 2023 since the beginning of the plan (€5,841,111 of which €5,841,111 have been accrued in equity at 31st March 2022). (See note 15.1).

The valuation of the rights of the 2019 LTIP amounts to €9,207,915 of which €5,382,589 have been accrued in equity at 31st March 2023 since the beginning of the plan (€6,374,981 of which €3,050,175 have been accrued in equity at 31st March 2022). (See note 15.2).

As at 31st March 2023, there are outstanding 2,216,017 Potential Rights under the 2019 LTIP pending to vest (none under the 2016 LTIP).

Regarding the 2016 LTIP, the First, Second and Third Tranche, for which 2,336,191 have been granted since the beginning of the 2016 LTIP, have been closed and the following deliveries have been made to Executive Directors:

- 158,767 shares in August 2018 (the First Tranche, First Sub-tranche, First Delivery);
- 158,767 shares in November 2018 (the First Tranche, First Sub-tranche, Second Delivery);
- 158,767 shares in February 2019 (the First Tranche, First Sub-tranche, Third Delivery);
- 152,261 shares in August 2019 (the First Tranche, Second Sub-tranche, First Delivery);
- 152,261 shares in November 2019 (the First Tranche, Second Sub-tranche, Second Delivery);
- 152,261 shares in February 2020 (the First Tranche, Second Sub-tranche, Third Delivery);
- 85,681 shares in August 2020 (the Second Tranche, First Delivery);
- 85,681 shares in November 2020 (the Second Tranche, Second Delivery);
- 85,681 shares in February 2021 (the Second Tranche, Third Delivery);
- 260,224 shares in September 2021 (the Third Tranche, First Delivery);
- 260,224 shares in November 2021 (the Third Tranche, Second Delivery); and
- 260,224 shares in February 2022 (the Third Tranche, Third Delivery).

Regarding the 2019 LTIP, the First Award, for which 558,147 rights have been granted since the beginning of the 2019 LTIP, have been closed and the following deliveries have been made to Executive Directors:

- 0 shares in August 2022 (The First Award, First Delivery);
- 355,726 shares in November 2022 (The First Award, Second Delivery); and
- 177,863 shares in February 2023 (The First Award, Third Delivery).

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

The Group has contracted a civil liability insurance scheme (D&O) for Directors and Managers with a yearly cost of €76 thousand.

20.4 Information regarding situation of conflict of interest involving the Board of Directors

During the years ended 31st March 2023 and 31st March 2022, neither the Board of Directors, nor the persons related thereto, as defined in the Spanish Limited Liability Companies law, had reported any direct or indirect conflict that they might have with the Company's interests.

20.5 Environmental matters

The Company recognises that businesses have a responsibility towards the environment. Although the Company's core activities have a relatively low impact, by virtue of the fact that it is primarily an online business, the Company is nevertheless committed to finding ways in which it can reduce any environmental footprint it may leave. Where possible, the Company incorporates sustainability practices, both in the office and outside the office, in procurement and purchasing processes, in the use of energy and water, waste management, travel, and in each of its business processes (see note B.4 Environment in section B. Non Financial Information).

20.6 Rental commitments

Since the migration to Spain in March 2021, the Company has a cancellable rental contract with a Group entity.

During the year ended 31st March 2023, the Spanish building lease expense is €21,931 (€1,094 for the year ended 31st March 2022).

21. Subsequent events

There have been no significant subsequent events after the closing of the year.

eDreams ODIGEO, S.A.

3. Director's Report

3. Director's Report

General business outlook and business evolution

Rapid growth with increasing profitability

eDreams ODIGEO, S.A. together with the rest of the Group ("eDO") made further significant progress in FY23. In FY23 we set a record year in many KPIs (Bookings, Mobile Bookings, Revenue Margin, and Cash Revenue Margin, to name a few) in our 20 plus year history, we continued rapid sales growth with sharply improved margins (an 8ppt improvement since the start of FY23), resulting in accelerating profitability and we are on target to meet or exceed our self-set targets for FY25.

Prime, with its now proven model, was the catalyst for our growth and driver of our outperformance. During FY23 we grew our membership by 1.7 million subscribers to 4.3 million, growth over the previous year of 64% and over 200% on a compound annual growth basis per year during the past 5 years. In fact eDO is the fastest growing members subscription programme over the past 5 years. This is despite the COVID-19 pandemic and the other systemic global macroeconomic issues impacting most markets including the travel industry. Bookings increased from 12.5 million to 16.2 million during FY23, an all-time record, testament to eDO's market leading position in flights (outside China) and the strength of its overall proposition to customers.

Another year of strong strategic delivery of the Company

eDO continues to deliver on its three-year plan. FY23 has been another year in which we have successfully executed the strategic plan and objectives outlined in 2021. We have consistently met or exceeded our self-set targets and have achieved this again in FY23. We have continued to grow the business and outperform the travel market, one of the largest markets in the world and done so in challenging times, a testament to the quality of our unique and compelling offer, our leading position in flights globally (ex-China) and our talented people. In fact, while the European and Global travel markets are still below pre-COVID-19 levels, we have been for 7 quarters above pre-COVID-19 levels, the only major travel company to achieve this.

Prime continuing its success: near doubling of Prime customers by 2025

eDO invented and developed the inaugural travel subscription service, pioneering the model in a similar way to Netflix in video, Spotify in music or Costco in supermarkets. This has given eDO first mover advantage and the opportunity to capitalise on the huge potential in an enormous, global market.

Our successful subscription model has a loyal and rapidly growing membership base which can exclusively access and purchase unique, award winning travel products such as flights, car hire, hotels and other ancillaries. Prime's success lies not only with the exclusivity of the offer, but is also attributed to constant evolution through product development, expansion into new markets and listening to our customers and delivering to them the products and services they want to buy in a personalised and convenient way.

The relationship created with our customers, delivered through Prime, is transformational for our business and is a far superior proposition to the transactional offer that was previously purveyed.

Prime delivers choice, value and excellence in customer service to those that subscribe. Prime membership offers savings on flights, hotels and car rentals. Prime is constantly evolving - our subscriber's family and friends can now also benefit from the Prime discounts as well even if the member is not with them, making our proposition even more appealing to consumers seeking the best value for money.

Large future growth

The leisure travel market has recovered quickly and is growing. FY23 has shown the true power of leisure travel. Whilst FY22 was continually interrupted with borders opening and closing, leisure travellers returned to the market and demonstrated their strong desire to travel. Even with the war in Ukraine, high inflation and other macroeconomic concerns, leisure travellers prioritised this over many other discretionary expenditure items. This is a testament to the power and appeal of travel to leisure travellers and bodes well for the future. In fact travel is a growth market, not just still recovering some of the pre-COVID-19 expenditures, but over the past 40 years has continually grown every year except for 3 years.

Besides market factors, eDO has many long-term levers for growth. These are:

- The underlying global structural shifts of digitalisation, convenience and premiumisation. In Europe a large portion of the market continues to be offline. Every year a portion of this shifts to online, and with the COVID-19 pandemic this has accelerated.
- The proven desire for global leisure consumer to travel. As mentioned travel grows every year in the past 40 years except for 3 years (excluding the COVID-19 pandemic). Beyond this there still is a portion of the market to still recover in Europe.
- eDO's ability to increase household penetration in the markets in which it currently operates. Penetration of subscription products in Europe varies by offering, and can be in the 20% to 60% penetration range depending on the product (e.g. video, music, etc).
- Expansion into new markets. While we are in 44 countries as a transaction based product, our Prime offering is in 10 countries. Every time we go to a new market we expand the Total Addressable Market and thus have even more growth potential.

- New customer segments. Prime started as a flight only offering. Over time we evolved to a multiple travel product offering (e.g. flights, hotels, cars etc). Many other subscription companies segment their offering, adding additional benefits etc. to address specific segment needs. We have a number of opportunities here.

Further evolution of the products and services offered. Our products and services have evolved rapidly over the past 5 years. We will continue to evolve them much further, to continue to offer superior and differentiated offerings to travellers, all of which can increase customer loyalty, attract more, and help us enter newer revenue growth markets.

Primed for further success

The desire to travel is undiminished.

eDO has demonstrated that with Prime and its global leadership in flights ex China it has a unique model which is delivering rapid sales growth together with improving margins and growing profitability and is enabling eDO to deliver outstanding performance and consistently outperform both the industry and its peers, trends which are expected to continue regardless of economic conditions.

Operating in the 2.1 trillion euros travel segment, one of the largest in the world, and with a model matching global structural drivers, eDO is in pole position and primed for further growth and success.

eDO has a clear strategy focused on taking advantage of its global opportunity and has demonstrated it's ability to capture new customers through the Prime programme with 67% of new Prime members never having booked with eDO previously since 2019.

Our future growth will be driven by developing and growing our Prime membership base, enhancing the breadth and depth of the offer to customers, further international expansion, continued enhancement of our e-commerce platform, increasing margins and delivering value.

eDO is optimally positioned operationally, well financed and is on track to meet its 2025 targets. We are excited for the year ahead where further strong growth is anticipated in sales and profitability and further progress made towards our FY25 targets and beyond.

FY23 Group Results - Strong profitability improvement

Overall, FY23 has seen consistently improving trends and strong improvements in profitability. eDO performance continues to be materially better than the market, with a higher quality business with the pivot to subscription.

Prime membership grew by 64% year-on year to 4.3 million subscribers. In FY23 we added an additional 1.7 million new Prime members over and above the same period of last year. Despite industry moving to more normalised seasonality patterns, and the conflict in Ukraine, the global increase in inflation, and industry disruptions, in FY23 we achieved strong Bookings, reaching 16.2 million Bookings, 29% above FY22 and 44% above pre-COVID-19 (the year ended 31st March 2019).

Revenue Margin and Cash Revenue Margin continue with levels above pre-COVID-19 levels by 1% and 9% respectively in FY23. Cash Marginal Profit, stood at €164.7 million, an increase of 53% over FY22 (€107.4 million in FY22).

Cash EBITDA also showed substantial improvements, which resulted in €84.4 million in FY23, up 91% vs the same period last year.

We have managed our liquidity position well, a consequence of our strong business model and active management. We have achieved this despite headwinds and normalisation in the market. In 4Q FY23 (at the end of March 2023), the liquidity position was strong at €196 million.

FY23 eDreams ODIGEO, S.A. Individual Results

Revenue with third parties arises from transactions with GDS (Global Distributions System) companies which are operating an automated travelling platform, used by the Company in exchange for incentive payments.

The decrease in Revenue and Operating expenses vs FY22 by 41% and 35% respectively, is due to the novation of the contract with Amadeus transferring the rights and obligations of the contract to its indirect subsidiary Vacaciones eDreams, S.L.This consequently has meant a general decrease in trading activities, and the expenses linked with the reinvoicing of GDS Incentives to other companies of the Group.

Financial results have decreased compared with FY22 due to the receipt of dividends last year of €42.3 million. The Company has not received dividends during FY23.

Significant events during the period

2022 Long-term incentive plan

The Board of Directors of the Company approved a new long-term incentive plan ("2022 LTIP") on 16th August 2022 to ensure that it continues to attract and retain high-quality management and better align the interests of management and shareholders.

The 2022 LTIP is split equally between performance stock rights ("PSRs") and restricted stock units ("RSUs") subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives, which will be assessed in cumulative periods.

Performance stock rights are conditional on meeting the financial objectives established by the Company's Board of Directors with respect to the relevant period of the corresponding Tranche, provided that the Beneficiary is currently employed or has a management position in the Group during the relevant period up to the date of delivery of shares.

Restricted stock units are only conditional on the Beneficiary being currently employed or holding a management position in the Group during the relevant period up to the date of delivery of shares.

The 2022 LTIP lasts for four years and is designed to vest around financial results publications between August 2026 and February 2030. The exercise price of the rights is €0. The Group will deliver to the beneficiaries the Incentive Shares net of withholding tax.

At 31st March 2023, no rights for incentive shares have been granted under this plan, so there has been no impact in the Financial Statements.

Change in composition of shareholders and the Board of Directors

On 9th December 2022, Ardian notified the Company that it placed all of its ordinary shares in the Company with institutional investors, representing 15.6% of the Company at the close of business on 8th December 2022. Ardian has been a shareholder of the Company for the last twelve years and assisted the Company's growth and transition to a subscription-based business. Ardian's decision to exit was driven by legal obligations linked to the relevant fund coming to the end of its term.

Consequently, on 9th December 2022, Lise Fauconnier and Daniel Setton resigned as Proprietary Directors, a position they had held since 2014 and 2019, respectively. Therefore, as of the date of publication of the consolidated financial statements as at 31st March 2023, the Board of Directors is made up of seven members.

On 18th January 2023, the Board approved the nomination of Pedro López de Guzmán as a member of the Remuneration and Nomination Committee.

Main risks

In the notes of the annual report presented and formulated by the Board of Directors, in accordance with the current accounting regulations, the main risks and uncertainties of the Company's business are described (see note 5 of the annual report).

Treasury shares

As at 31st March 2023, the Company had 1,081,466 treasury shares, carried in equity at an average historic price of €3.07 per share. The treasury shares are valued at €0.10 each.

During the years ended 31st March 2023 and 31st March 2022, the Company has had no transactions with treasury shares.

The treasury shares have been fully paid.

Research, Development and Technology Innovation

Although no direct investments have been made by the Company in research, development and technological innovation in FY22 and FY23, the Group, through the Company's subsidiaries, is a 'technology Group that focuses on travel' as opposed to the other way around. As such we have innovated in a number of ways, not just in terms of Prime but in how technology can provide a much better and superior offering to customers. At eDO we aim to innovate relentlessly utilising the latest technology including generative AI to deliver our members an outstanding experience through our direct to member platform, generating rich data which provides the Group with detailed customer insight to continually improve and target ever more effectively and scale the business to handle the expected near doubling of Prime customers by 2025 and beyond. We have unique insights that allows us to individualise our offering to our customers, meeting their needs in a highly personalised manner. As a result we continually have extremely high customer satisfaction scores, and large word of mouth referrals to our subscription programme.

Underpinning our proposition and growth, the Group has invested in technology and talent creating a tech lab in Milan to add to those already in Barcelona, Madrid, Porto, Palma de Mallorca and Alicante to harness and recruit best in class talent.

The online travel industry stands to gain from this highly sophisticated technology in numerous areas, be it by helping travellers in the inspiration phase, making planning and booking much easier or offering personalised customer support through conversational AI-powered solutions.

Environmental issues

As at 31st March 2023 eDreams Odigeo S.A. has no significant assets for the protection or improvement of the environment and it has not incurred any major expenses of an environmental nature during either year.

eDO group has a focused Environmental, Social, and Governance agenda, with a commitment to responsible management and sustainable practices, relevant to our business and our stakeholders.

As a customer-facing company, it is essential to consider the social and governance impacts of our activities; ensuring our stakeholders data is robustly protected, engaging and retaining our talent, and maintaining high standards of compliance.

We have a firm commitment to positively contribute to the environment even if our core activities have a relatively low environmental impact. We have achieved carbon neutrality for the past four fiscal years, a significant accomplishment, and have made strong progress during FY23 in our transition to a greener supply chain. By leveraging our scale and reach, we have the platform to promote our partners' sustainable content, and the potential to empower customers to make more sustainable choices, and foster deeper connections between diverse cultures across the globe.

We will continue to focus on engaging with eDOers, customers, partners, suppliers, and investors on ESG, to further develop as a diverse, sustainable business, and attractive proposition to work for and partner with.

Overall, our commitment to sustainability and ESG practices is firm, and we will continue to prioritise this in the future.

Personnel

The Company has no employees.

Use of derivative financial instruments

The Company did not use any derivative financial instruments during the years ended 31st March 2023 and 31st March 2022.

Payments to suppliers

In compliance with the duty to disclose the average period of payment to suppliers, provided for in Law 18/2022, of 28th September, on the creation and growth of companies, which modifies the Additional Provisional Three of Law 15/2010 (as amended by Final Provision Two of Law 31/2014 reforming Spanish Limited Liability Companies Law), the Company hereby discloses that the average period of payment to suppliers was 18 days. For the purposes of this calculation, the number of days from the invoice date until the payment date was taken into consideration, without deducting the management period that normally occurs from receipt of the invoice until its recognition in accounting.

Annual Corporate Governance Report and Annual Directors' Remuneration Report

The Annual Corporate Governance Report and the Annual Director Remuneration Report form part of the Management Report in accordance with Article 538 of the Spanish Companies Act. The aforementioned report is submitted separately to the CNMV and can be consulted on the website www.cnmv.es.

Subsequent events

There have been no significant subsequent events after the closing of the year.