



# Europe's leading independent rail platform

Annual Report and Accounts 2022



# We empower greener travel choices, connecting people and places.

Visit our investor site for more information on Trainline:



[investors.thetrainline.com](https://investors.thetrainline.com)

## My Tickets

NEW

**Milan Centrale**

Thu 5 May

[View tickets](#)

12:05 Roma Termini  
3h 10m, Direct

15:15 Milano Centrale



## Overview

**We believe we must make more environmentally friendly travel choices – with rail offering a greener alternative to air and car.**

**Through our customer-centric, scalable platform, we are committed to driving responsible and sustainable business growth, by:**



**Making rail travel easier, championing a much greener way to travel**



**Leveraging scale, data and technology to offer a superior customer experience**



**Offering our carrier partners global distribution at a lower cost to serve**

## Strategic Report

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## Chair's statement



**Trainline has played a leading role in the rail industry's recovery.**

**Brian McBride**  
Chair



Over the last year Trainline has played a leading role in the rail industry's recovery from the significant disruption of Covid-19. Having continued to invest in product and technology through the pandemic, the business was in a strong position to encourage people back to train travel and accelerate the market shift to online and mobile.

The unwavering focus of the business reflects a team and organisational culture centred around a core purpose – to increase greener travel. Looking forward, the business is in a strong position to grow and further support the rail industry recovery.

### Financial and strategic performance

The Board is focused on the Group's financial and strategic performance. We were pleased with the financial recovery in FY2022, with net ticket sales recovering well and the business returning to positive EBITDA despite the impact of Covid-19.

The Group made further good progress against its strategic priorities, enhancing the customer experience, building demand, increasing customer lifetime value and growing Trainline Partner Solutions. We invested behind an enhanced 'new commuter' proposition in the UK and stepped up our investment in our International business as the domestic rail markets in Europe increasingly liberalise. You can read more about progress on our strategy this year and our future priorities on pages 24 and 25.

### Williams-Shapps Plan for Rail

Following the publication by the Department for Transport of the Williams-Shapps white paper in May 2021, the Group has continued to engage with the UK Government and the wider rail industry to help formulate the detail of its proposals and support their delivery.

The white paper included proposals to replace many of the sub-scale train operating company websites and apps with a Great British Railways ('GBR') branded app and website. At this stage, neither the UK Government nor the GBR Transition Team have confirmed how they plan to develop and operate an online retailing platform for GBR.

The Company engaged with Rail Delivery Group's ('RDG') consultative review of the broader retailing landscape and the commercial framework. We have reached agreement with RDG on a memorandum of understanding to amend the third-party retail licence, including a back stop arrangement we estimate would result in a c.0.25% net reduction in our commission rate, effective 1 April 2025.

You can read more about the Williams-Shapps Plan for Rail and our response on page 17.

### Looking ahead

While there may continue to be some bumps ahead, the rail industry is on a path to recovery and Trainline continues to benefit from significant structural tailwinds. With increased awareness of the environmental benefits of rail travel, growing investment in the industry, a continuing shift to online and mobile ticketing and liberalisation trends in European rail, we are confident in the huge opportunity ahead. By maintaining investment in product and tech through the pandemic, the business is well-positioned to drive long-term growth and create value for customers and shareholders.

I would like to thank the Trainline team for the resilience and dedication they have demonstrated through the pandemic. While it has been a challenging time the team has continued to prioritise the needs of our customers and remained focused on delivering our strategic goals.

**Brian McBride**  
Chair

5 May 2022

## Highlights FY2022

### Strategic highlights



#### Enhancing the customer experience

Launched new products and features for commuters in the UK while positioning ourselves as the rail aggregator app in France, Italy and Spain



#### Building demand

Strong rebound in new app customers to record levels, customer engagement back to pre-Covid-19 levels and launched our first major brand campaign in Italy



#### Increasing customer lifetime value

Growing relevance for more of our customers' travel needs, selling >1million digital railcards and growing number of customers travelling 2+ times a month by 39% in the UK over the last two years



#### Growing Trainline partner solutions

Expanding white label into Europe with new client NTV Italo

→ Find our strategic objectives on page 24

→ Find our KPIs on page 32

### Financial highlights

#### Net ticket sales

## +222%

Increased to £2.5 billion, from £783 million last year, and recovering to 68% of FY2020

#### Revenue

## +181%

Recovered to £189 million from £67 million last year as a result of the recovery in net ticket sales

#### Adjusted EBITDA

## £39m

At the top end of previously stated guidance expectations, versus £25 million loss in FY2021

#### Operating free cashflow

## £166m

£312 million improvement since FY2021, reflecting EBITDA generation and recovery in net working capital as business recovered

#### EPS

## +16.6p

Improved to -2.5p loss, from -19.1p loss in FY2021



At a glance

# We are Europe's leading independent rail platform

We enable millions of travellers to seamlessly search, book and manage their journeys through our highly rated Trainline website, mobile app and B2B partner channels.



We work with more than 270 rail and coach companies across 45 countries.

Through our broad range of carrier partners we cover over 80% of rail routes in Europe.

By bringing all of the major carriers and new entrants onto one platform, we provide travellers with an unrivalled set of journey options. Our smart technology, data driven features and real-time information help our customers to stay one step ahead.

For our carrier and B2B partners, Trainline Partner Solutions offers access to a huge supply of rail carrier inventory across the UK and continental Europe through our proprietary platform. With tested and proven technology – we enable them to offer best in class customer experience at low cost.



# 4.9/5

star app rating



# 175+

countries where our customers come from



# 270+

rail and coach companies



# 10

currencies and multiple payment methods including Apple Pay, Google Pay, PayPal, SOFORT and iDEAL



# 84%

of our UK transactions are through our app



# 45

countries travelled in and across by Trainline customers



# 44m

cumulative app downloads



# >750

people in our Trainline team from >50 nationalities

## CEO's statement

# Innovating to make rail travel easier for millions of people.

Over the last year we have continued to innovate to make rail travel easier for millions of people, which in turn encourages them to make travel choices that are better for the environment. We believe our actions will have a huge impact, with a 5-million tonne annual CO<sub>2</sub> saving for every 1% of air and car journeys that switches to rail in the UK alone.

Our innovation focuses on creating a simple, consistent, friction-free experience for booking and managing travel. We bring together all carriers into one app while providing smart, real-time travel information and self-serve capabilities like journey changes and refunds.

As a platform business, we offer our innovative retailing experience directly to customers through our Trainline-branded businesses, while also giving carrier partners and other travel businesses access to our retail solutions to offer to their customers.

As a business we benefit from structural tailwinds that provide significant and long-term growth opportunities. We operate in a large market, set to benefit from significant investment in capacity expansion across Europe and growing awareness of the environmental benefits of switching to rail. Within that, the ongoing market transition to digital ticketing offers significant upside opportunity, as does market liberalisation in Europe, with growing carrier competition enhancing Trainline's role as a third-party aggregator.

### Accelerating growth of our International business

Domestic competition between rail carriers in Europe is stepping up

meaningfully, with the recent launch of new entrants Ouigo in Spain and Trenitalia in France. Carrier competition now exists on six of the top ten high-speed routes in Europe. As already evidenced in markets like Italy, greater competition increases the value and choice for consumers in rail.

Against this backdrop, we have the opportunity and ambition to significantly scale our international business in France, Italy and Spain over the medium term. To accelerate our pace of growth, we have stepped up investment in the customer experience. We are progressing well against our plan to hire 150 people, predominantly software developers and data scientists, while expanding our performance marketing capability and launching new, above-the-line brand marketing campaigns.

### Good progress against our strategic priorities

Having maintained investment in product and technology throughout the pandemic, we have enjoyed strong momentum of delivery against our four strategic priorities. These priorities are: enhancing the customer experience, building demand, increasing customer lifetime value and growing Trainline Partner Solutions.



### Enhancing the customer experience

Online penetration for the UK rail industry increased to 52% by February 2022, up from 39% pre-Covid-19. Within this, e-ticket penetration has doubled over the last two years to reach 42% in Q4. This reflected a greater prevalence of people buying train tickets through

our 4.9-star app. With Covid-19 changing the way we work and travel, we invested behind an enhanced 'new commuter' proposition in the UK, including new features like Save Your Commute journey personalisation and ticket rebooking in just two clicks. We also launched flexi tickets on our app and will roll-out our new digital season ticket product next year.

In International we are gaining ground as the aggregator for newly liberalised routes, giving customers an easy way to compare carriers, fares and journey options all in one place. At the same time we are enhancing our offering, launching airline style seatmaps in France and Italy and recently upgrading our Récup' Retard (delay-repay) product feature.



### Building demand

As Covid-19 related restrictions eased, we scaled up our performance marketing and ran brand-led leisure campaigns. This generated a sharp rebound in new customers – with record levels of new app customer acquisition. Likewise customer engagement recovered, with unique monthly active users ('MAUs') reaching the same level as its pre-Covid-19 peak.

In the UK we increased our reach, integrating Trainline into the Google Maps app for Android, while in Italy we launched our first brand campaign as we begin to grow consumer awareness in Europe.



### Increasing customer lifetime value

We deepened our relationship with customers, growing our relevance for more of their travel needs. There was a significant step up in our transaction





**The ongoing market transition to digital ticketing offers significant upside opportunity, as does market liberalisation in Europe, with growing rail carrier competition enhancing Trainline's role as a third-party aggregator.**

**Jody Ford**  
Chief Executive Officer



frequency (the number of tickets purchased by existing customers), particularly in the UK where customers purchasing 2+ tickets per month grew 39% vs pre-Covid-19 in Q3. In Europe we delivered a meaningful step up in regional travel, increasing 125% in Italy and 106% in France in H2 versus the same period two years ago.

In the UK we also made progress scaling digital railcards, selling over 1 million in FY2022, a significant performance considering there were an estimated 6 million railcards in use when we launched the product in FY2021.



### **Growing Trainline Partner Solutions ('TPS')**

Demand for business travel remained subdued, but TPS saw some signs of recovery as restrictions eased – with TPS net ticket sales 88% up between H1 and H2 this year. We renewed contracts for all our existing white label train carrier clients, giving them access to our industry-leading core platform functionality and upgraded customer experience features. We also signed a multi-year deal in Italy with challenger brand NTV Italo, enabling them to sell regional transport connections to their customers.

Within our Global Distribution and Business Solutions segment, we continued to scale the Global API platform, giving B2B partners the ability to offer European rail options to their customers through one simple, seamless connection. We have continued to sign B2B customers, including the recent addition of Travelport, one of the top three Global Distribution Systems ('GDS').

### **Strong recovery**

We have taken a leading role in the rail industry's recovery, encouraging people back on to trains and helping accelerate the market shift to online and digital channels, leveraging our continued investment in product, technology and marketing.

As a result, the business delivered a strong recovery, with a financial performance in line with expectations despite the effects of the Omicron variant in the fourth quarter. Net ticket sales were £2.5 billion, 222% higher year-on-year, and 68% of the same period in FY2020. We delivered revenue of £189 million, up 181%, and adjusted EBITDA of £39 million.

Next year, assuming no travel disruption, we expect sales and revenue for the Group to be above FY2020 (the last pre-Covid-19 year).

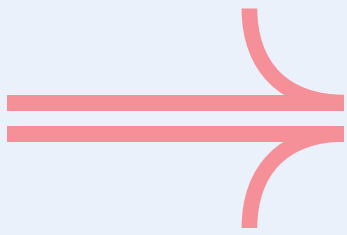
### **New hires to the Management Team**

We further evolved our Management Team based on the needs of our organisation and broader strategy, with the addition of Milena Nikolic as Chief Technology Officer to lead our tech engineering teams, Mike Hyde as Chief Data Officer to unlock our significant data opportunity, and Martin Sheehan as Chief Corporate Affairs Officer to further enhance our engagement with government and industry stakeholders.

### **People and culture**

I continue to be impressed with the way our teams actively engage with our purpose, working tirelessly every day to innovate and improve the customer experience, and in doing so empower people to make greener travel choices. This year we welcomed our people back to our offices, rolled out our new 'flexi-first' hybrid-working approach, and introduced objective and key results ('OKR') methodology to align the team behind a set of common objectives, improving focus and transparency.

**Jody Ford**  
Chief Executive Officer  
5 May 2022



# Purpose driven sustainability

**Traveling by rail generates less than 1/20 of the CO<sub>2</sub> emissions of air travel and approximately 1/7 of the CO<sub>2</sub> emissions per passenger of travelling by car.<sup>1</sup>**



## What sustainability means to us

### Empower people to make greener travel choices

At Trainline, environmental sustainability is fundamental to our purpose. Through our technology and data, we make rail travel easier, empowering people to make travel choices that are better for the environment.

Rail offers travellers a greener alternative to flying or driving, generating less than 1/20 of the CO<sub>2</sub> emissions of air travel and approximately 1/7 of the CO<sub>2</sub> emissions compared with car travel, per passenger. It can move millions of people quickly and cleanly, for leisure or business, across countries and continents. We believe we have a key role to play in supporting the rail industry, businesses and governments in meeting their emissions targets by promoting modal shift and encouraging greater use of rail and coach.

This is why when the UK hosted the 26th UN Climate Change Conference of the Parties ('COP26') we were proud to be Provider of Rail Travel.

To ensure we support the transition to a lower carbon economy, in June 2021 we set a five-year climate strategy. In FY2023, we will create a dedicated cross-functional team that will work across all areas of the business to drive modal shift through use of our platform as well as reduce the impact of our own operations.

1. European Environment Agency Study (2014)

## The external context

UK and European governments have continued to encourage modal shift to rail and increase their investment in rail in order to meet their net-zero emissions goals. The EU is targeting a 55% reduction target for CO<sub>2</sub> emissions by 2030, and the UK a reduction target of at least 78% by 2035.

Transport is the largest contributor to UK domestic greenhouse gas emissions, contributing 28% of UK domestic emissions in 2018, and the main source of these emissions is the use of petrol and diesel in road transport. Similarly, in Europe, transport accounts for more than a fifth of greenhouse gas emissions, almost 72% of which come from road transport whilst less than 0.4% comes from rail transport. Strategic priority one of the UK Decarbonising Transport plan is to accelerate modal shift by making public transport “the natural first choice for our daily activities” and, where the car remains attractive for longer journeys, increasing “competition from high-speed decarbonised rail and zero emissions coaches”.

The UK Decarbonising Transport plan highlights rail as “the greenest form of motorised transport”. It sets a target of achieving net-zero greenhouse gas emissions from trains by 2050, through increased electrification of the rail network and introduction of new technologies such as hydrogen-powered trains.

The EU Commission have highlighted rail as playing a key role in the EU becoming climate-neutral by 2050. They target the doubling of high-speed rail traffic by 2030 and a tripling of high-speed rail by 2050. Third-party ticket vendors such as Trainline have been identified as having a key role to play in the delivery of elements of this plan.

European governments are also starting to take steps to encourage modal shift from cars and planes to rail to achieve their carbon reduction targets, for example France is introducing a ban on internal flights where the equivalent rail journey is less than two and a half hours. Also, as part of its Covid-19 crisis support programme for Austrian Airlines, Austria has introduced a similar prohibition where the equivalent rail journey is under three hours as well as a tax on flights spanning less than 350 km.

## Product and promotion

**Our aim is to empower people to make greener travel choices, driving a modal shift that benefits the world.**

In October 2021 we conducted a survey across the UK. Three in every five respondents stated they feel a sense of pride to travel by train, knowing it's better for the environment. Likewise, 85% of respondents wanted to see more publicity about the sustainability benefits of rail. However only 4% of respondents knew quite how much their carbon footprint could be reduced by choosing to travel by train rather than car. The majority estimated a reduction of between 10-30%, when in reality it is closer to 80%.

In FY2023 we are making green data more accessible and transparent on our platform to allow customers to better understand and reduce the carbon impact of their journey and continue to build awareness around the benefits of using rail and coach instead of car or plane. We will also continue to steer customers to digital tickets where available to reduce paper ticket waste, promote digital railcards and encourage modal shift more broadly.

## What we're doing internally

In September 2021, through the Science Based Targets initiative ('SBTi') we committed to set an SBTi aligned Net-Zero target, achievable no later than 2050, and to reduce emissions from our own operations (Scopes 1 & 2) in line with 1.5°C and from our value chain (Scope 3) in line with the Well-Below 2°C scenario. We also signed up to the Business Ambition for 1.5°C and UNFCC Race to Zero campaigns.

Since then, we have completed a greenhouse gas inventory of our full value chain and modelled our near-term science-based targets.

We have offset our operational greenhouse gas emissions for FY2022, including the impact of our people working from home as well as scope 1, 2, waste, water and business travel.

We did this by investing in the Gandhi Wind Project, which plays a vital part in India's shift towards a low carbon economy. The project is fully certified by the Verified Carbon Standard and spans the Indian states of Rajasthan, Gujarat, Tamil Nadu, Maharashtra and Madhya Pradesh. The Gandhi Wind Project aims to ensure access to affordable, reliable, sustainable modern energy as well as promote sustained, inclusive and sustainable economic growth. The SDGs for this project are:



**Ensure access to affordable, reliable, sustainable modern energy.**



**Promote sustained, inclusive and sustainable economic growth.**



## Market overview

# A large and recovering market set for long-term growth

Pre-Covid-19, the global rail and coach market's worth was estimated to be over €225 billion per annum. Europe represents over €70 billion of this total, giving Trainline significant headroom to grow across existing and future geographies.

In the UK, rail usage effectively doubled over the 20 years prior to 2019, growing faster than any other mode of transport.

Since then, the rail industry has been dealing with the impacts of the coronavirus pandemic, at times with a significant downturn in passenger numbers. However, the easing of Covid-19 related travel restrictions has resulted in passengers returning to rail in all our markets. While there have continued to be setbacks on the road to recovery, such as the coronavirus Omicron variant, the trends over the past 12 months have been positive for Trainline, as set out for the UK below.

Market worth over

€225bn

Total investment across  
continental Europe planned  
over the next ten years totals

£176bn

Investment pledged in  
UK Integrated Rail Plan

£96bn

## UK Rail market recovery - FY2022



### Leisure travel – recovered to growth on pre-pandemic levels

Traditionally Trainline's strongest market segment – responded strongly to easing of Covid-19 restrictions. Before and after the Omicron wave, it recovered broadly to pre-pandemic levels



### Commuter travel – partly recovered but higher digital share

Recovered to ~50% of pre-pandemic levels. Historically underserved with digital options, Trainline is priming its features and digital ticket options to make rail travel easier for commuters



### Business travel – slowest to recover but longer term growth due to greener travel choices

Partially recovered to ~40% of pre-pandemic levels. Whilst behind the recovery of other segments, demand should increasingly benefit from growing environmental reporting requirements for corporates

As passengers returned to rail, there was a notable shift in people booking online – avoiding queues at station counters and ticket machines – and choosing the contactless travel experience provided by digital tickets and our great mobile app. The accelerated shift to online and mobile ticketing has enabled Trainline to disproportionately benefit as people return to rail travel.

Governments' ongoing investment into rail across Europe will further facilitate recovery and growth. In the UK, this includes £96 billion announced in the Integrated Rail Plan in November 2021. The stated objectives of the investment are to support continued growth, improve efficiency and reliability, and to further facilitate the transition of travellers to more sustainable modes of transport including rail.

In continental Europe, governments are seeking to double passengers on high-speed rail by 2030 and triple passengers by 2050, with the most significant network expansion planned in Spain, France, Italy and Germany. Investments planned over the next ten years total £176 billion, in line with government commitments to net zero greenhouse gas emissions and the European Green Deal initiatives.



## Market overview continued

## Trainline operates in a large market that enjoys significant structural tailwinds

## Our structural tailwinds:



Shift to online and mobile ticketing accelerated



Driving Modal Shift with significant investments in rail



Greater supply fragmentation in our core European geographies



#### Shift to online and mobile ticketing accelerated

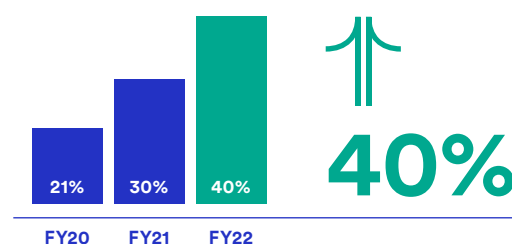
Online bookings in the UK increased to 52% of total rail industry sales by February 2022, up from 39% pre-Covid-19. Industry penetration of mobile ticketing (etickets) grew to 42% in Q4 FY2022, double where it was in FY2020, reflecting a greater prevalence of people buying train tickets through Trainline's 4.9-star app.

**UK eticket availability grew from 71% in FY2020 to over 80% in FY2022**

**>80%**

Significant headroom remains for eticket penetration to grow further, particularly as etickets become increasingly available to use on all rail journeys. Over 80% of journeys in the UK are now eticket-enabled, up from c.75% at the end of 2021, following Scotrail's roll-out across its network. Within the next year, etickets are expected to be available on more than 90% of the UK network, with Southeastern having commenced their roll-out from April 2022.

#### eticket penetration in the UK





2



### Driving Modal Shift with significant investments in rail

Governments are investing to drive modal shift to rail as a greener mode of transport amid growing environmental awareness and ambitious net zero targets.

Governments and businesses continue to recognise that achieving net zero emissions targets will require a modal shift to more sustainable travel options. In comparison to air and road transport, rail is a significantly lower carbon form of transport, generating less than 1/20 of the CO<sub>2</sub> emissions of air travel and less than 1/7 of the CO<sub>2</sub> emissions compared with car travel. Rail is also a very efficient way of moving people into city centres and over long distances, reducing road congestion and pollution.

Strategic priority one of the UK Decarbonising Transport plan is to accelerate modal shift by making public transport “the natural first choice for our daily activities” and where the car remains attractive for longer journeys increasing “competition from high-speed decarbonised rail and zero emissions coaches”. The UK government has set a reduction target for CO<sub>2</sub> emissions of at least 78% by 2035 and plans to invest a record £48 billion by 2024 to “maximise the shift of users to rail”.

The EU is targeting a 55% reduction for CO<sub>2</sub> emissions by 2030. The EU Commission highlighted rail as playing a key role in the EU becoming climate-neutral by 2050, with 2030 targets to double high-speed rail traffic (triple it by 2050) and for scheduled travel of under 500 km to be carbon-neutral. Third-party ticket vendors such as Trainline have been identified as having a key role to play in the delivery of elements of this plan.

European governments have also begun taking action to promote rail over internal flights in order to meet their net-zero targets and we anticipate more governments will introduce similar regulations in the coming years.

With growing environmental awareness by travellers, it is expected that over time road travel will become increasingly less attractive, with congestion, slowing road speeds in urban areas, growing taxation on certain fuel types and congestion charge zones in major cities (already including London, Stockholm, Milan and Gothenburg) set to increase.

Sustainability is increasingly becoming a necessity for corporations of all sizes around the world and implementing sustainable business practices includes the introduction of sustainable travel policies.

A recent SAP Concur report found that 97% of business travellers would increase their journey time if it significantly reduced the environmental impact, and 69% of travel managers have updated their company's travel guidelines to have a greater focus on sustainability.

Several large European companies have said they will reduce their carbon emissions from flights including Deloitte, PwC, Lloyds Banking Group, ABN Amro and Nestlé.

## Market overview continued

### Trainline operates in a large market that enjoys significant structural tailwinds



#### Greater supply fragmentation in our core European geographies

Trainline operates in an increasingly complex and fragmented rail market, where we provide transparency and choice for our customers and partner with carriers, governments and the wider rail industry.

There are approximately 400 rail carriers and more than 120 long-distance bus operators in the UK and continental Europe. With ongoing liberalisation and investment in rail and greener modes of transport, we expect these numbers to increase.

The liberalisation of domestic rail has opened a new chapter of competition between operators in continental Europe – with major carriers from France, Italy and Spain starting to compete in each other's domestic markets.

France's SNCF entered the Spanish market under its low-cost brand Ouigo Spain in May 2021 on the busy Madrid-Barcelona route. In turn, the incumbent rail operator Renfe launched its own low-cost offshoot Avlo on the same route and is planning to enter the French market in 2024.

Italy's Trenitalia followed suit in late 2021, entering the French market with services between Paris, Lyon and Milan. This trend is set to continue: Iryo, for example, a new brand joint-owned by Trenitalia, will start running train services in the Spanish market before the end of 2022.

We are also witnessing the advent of smaller new operators in markets across Europe – such as Lumo, who commenced a competing service between London and Edinburgh in 2021. Railcoop is aiming to offer a new service between Bordeaux and Lyon in France and has received the approval to operate on six routes – Le Train and Midnight Trains are further examples of new operators planning to launch services.

With these operators offering new and different customer propositions – from low-cost (Lumo, Ouigo Spain and Avlo) to premium service (Trenitalia France and Iryo) – such competition will provide more choice, convenience and quality for customers, as well as more competitive fares.

As competition grows, passengers will increasingly need help to find the right ticket at the best value. Trainline will fulfil this role by positioning ourselves as the rail app of choice for European rail travel. We will aggregate all the carriers, fares and journey options in one place, so customers can compare and select the right option for them.

For carrier partners seeking to grow or enter new markets, we can rapidly add their inventory and offer access to a diverse global customer base across our B2C and B2B channels – connecting to consumers, business travellers and travel resellers. Trainline also offers carriers world-class digital distribution solutions through Platform One – our single global tech platform – which enables them to outsource the technology behind their retail channels at a lower cost.



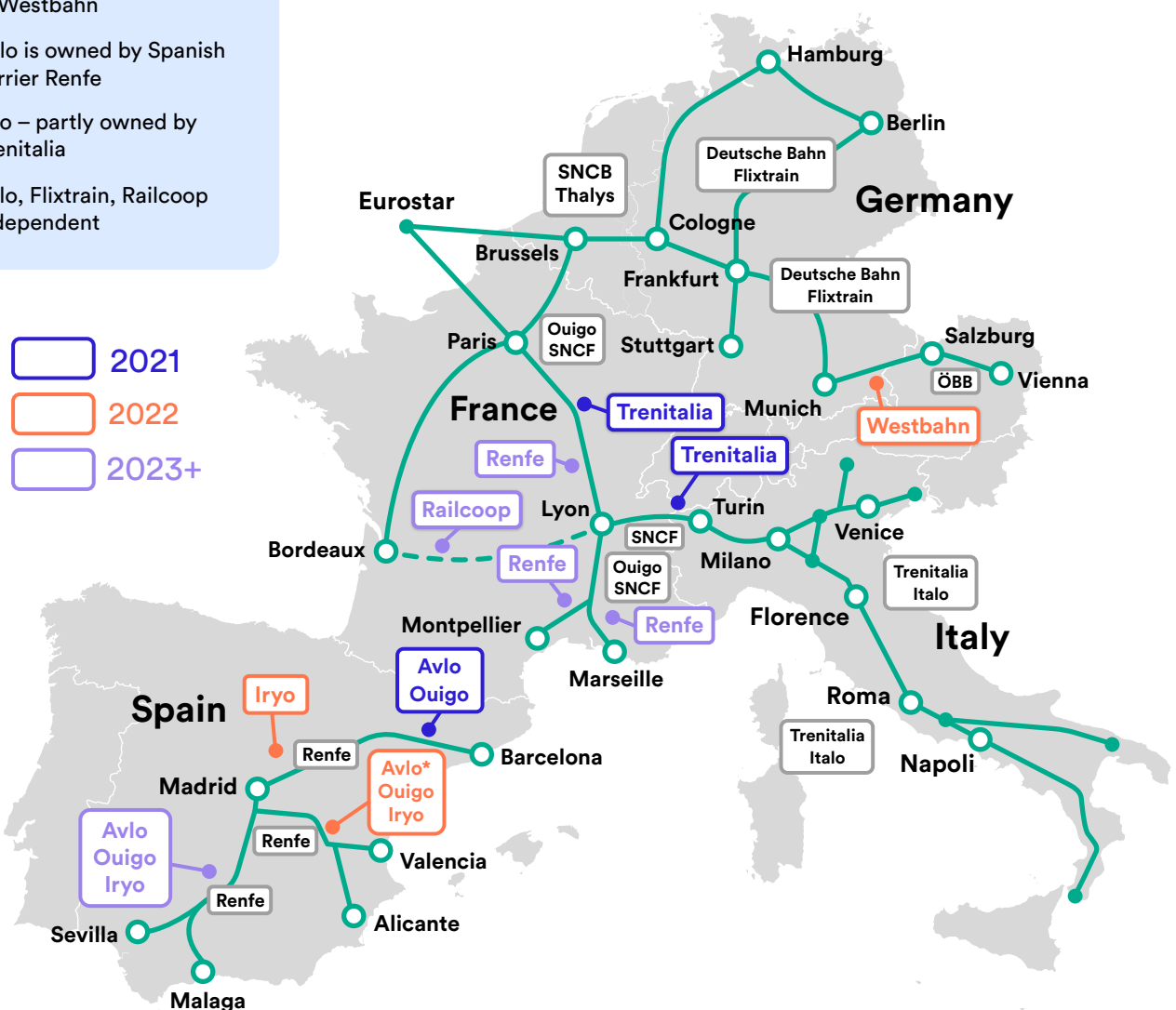
## Selected key rail routes in continental Europe with competition

### Who owns whom?

- Ouigo and Ouigo Spain are off-shoots of the French carrier SNCF; SNCF also owns a minority stake in Westbahn
- Avlo is owned by Spanish carrier Renfe
- Iryo – partly owned by Trenitalia
- Italo, Flixbus, Railcoop independent

400+

rail carriers in Europe





## Market overview continued

# Regulatory and political environment



### Europe

#### Working towards more competitive mobility

Liberalisation of the national rail and coach markets continues to unfold, promoted by a series of European Commission initiatives aimed at encouraging competition across Europe's railways and facilitating efficient transport systems that operate effectively across borders.

The Fourth Railway Package (proposed by the European Commission in 2013) is one such initiative and comprises a series of measures aimed at creating a truly integrated European Railway Area and making EU railways more attractive, innovative and competitive. This process started in 2019 with the opening of the market for domestic passenger transport services by rail and aims to be finalised by the end of 2023 with the opening of competition for public service contracts for rail domestic passenger transport services.

These legislative initiatives are helping to create an environment which is supportive of further competition and market volume

growth, expanding opportunities for new rail operators to enter the rail markets in other geographies as well as for independent retailers who have played a key part in supporting these new entrants. Independent retailers do so by aggregating, combining and showcasing a multitude of operators on their platforms and provide much needed transparency and optionality to rail users.

#### Working towards digital mobility

The Commission's European Green Deal had established a goal of becoming climate-neutral by 2050 and committed to a rethink of EU policies for clean energy in the transport sector. This priority was confirmed and reiterated with the Smart & Sustainable Mobility Strategy ('SSMS') in December 2020, which the Commission started to deliver on in 2021. The EU's ambitions for rail stated above were promoted by making 2021 the European Year of Rail. As part of this promotional initiative the EU organised a series of events throughout the year and a special EU train toured the continent from 2 September to 7 October 2021, stopping in over 100 cities in 26 countries. The initiative showcased rail to encourage its use for carrying people and freight.

#### Working towards green mobility

Concluding the European Year of Rail, in late 2021 the European Commission presented its "Action Plan on boosting long-distance and cross-border passenger rail" as part of a package of initiatives to foster green mobility. The Action Plan is a follow-up to the Smart & Sustainable Mobility Strategy and presents a roadmap for concrete priority measures to achieve the goals of doubling high-speed rail traffic by 2030 and tripling it by 2050. Objectives of the Action Plan include the promotion of more user-friendly ticketing and access to the rail system such as allowing passengers to find the best tickets at the most attractive price and better support when faced with disruption. The category of third-party ticket vendors (e.g. Trainline) have been identified as having a key role to play in the delivery of this plan.



**2021**

European Year of Rail

**By 2030**

2x high-speed rail traffic

Scheduled collective travel of under 500km should be carbon-neutral within the EU

**By 2050**

3x high-speed rail traffic



UK

Passenger rail services are currently delivered by 34 train operators including those let as franchises to private companies by the Department for Transport, Transport Scotland, and Transport for Wales; and those run by private companies under an Open Access model (where track access rights are bought from Network Rail for specific routes).

The UK railway is, however, currently going through a period of industry reform, led by the Department for Transport. This was announced through the Williams-Shapps Plan for Rail, published in May 2021, which sets out the government's plans for the implementation of changes to the management of the railways.

The current franchising model is due to be replaced by a new structure in which a central organisation called Great British Railways ('GBR') may grant concessions to companies to run train services in different areas. Most existing train operator brands are likely to be retired and replaced with a single GBR brand as agreements run to an end. The process of restructuring the industry is complex and is expected to take several years, requiring legislation to complete.



Another aspect of the Williams-Shapps Plan for Rail is the proposal for a new GBR website and app for the sale of rail tickets online, which is expected to subsume most existing train operator websites. At the same time, the Department for Transport recognised the importance of the role of independent retailers in the market. It was acknowledged that independent retailers will continue to operate alongside GBR's direct retail channels.

At this stage, neither the UK Government nor the GBR Transition Team have confirmed how they plan to develop and operate an online retailing platform for GBR. However, RDG has taken preliminary steps ahead of a formal procurement exercise under which it may look to procure a Consolidated Online Retailing Solution ('CORS') for the sale and purchase of Great British Rail tickets. Provisional documentation outlines the proposed scope for a "cost effective, market leading, online ecommerce service". The proposed contract length is four years, with the potential opportunity to extend for a further four years. It is expected that the contract would be entered into by RDG and novated to GBR at some future stage. The estimated contract notice (effectively the official process start date) was 1 April 2022, but no formal procurement exercise has yet started at time of writing. We have engaged with the preliminary stages of the CORS procurement exercise and are ready to engage more fully once the official process begins.

## RDG Retail Review

Along with other third-party retailers, Trainline was invited by RDG to take part in a review process of the broader retailing landscape and the commercial framework, including industry commission rates. As an output of the review, we have reached agreement with RDG on a memorandum of understanding ('MOU') to amend our third-party retail licence. Trainline and other third-party retailers will now enter into a collaborative phase of engagement with RDG to mutually agree new contractual licence terms.

In the event new contractual terms cannot be mutually agreed, under the provisions of the MOU, RDG has the right to implement a legally binding minimum set of commercial terms. We estimate this would result in a c.0.25% net reduction in commission rate for Trainline, effective 1 April 2025. The minimum terms applicable to Trainline include:

- A 0.5% reduction in the base B2C online sales commission rate, from 5% to 4.5%
- An offsetting removal of shared central industry costs. Trainline estimates this to be c.0.25%.

## Business model

# Building the world's #1 rail platform

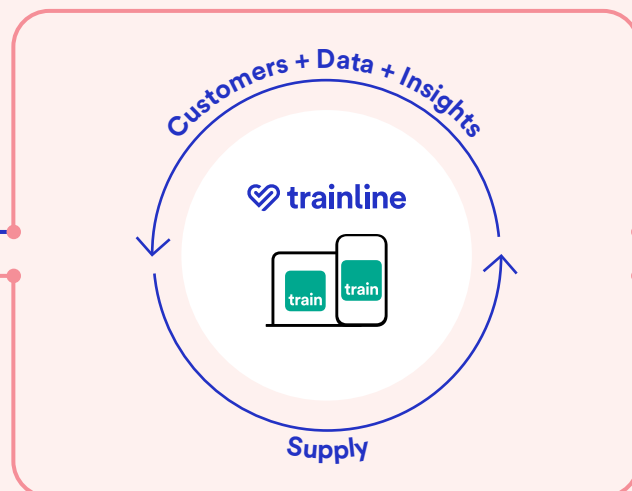
We aggregate data from  
>270 carriers across Europe  
on our platform



We have integrated over 270 carrier partners to date, mostly across the UK and Europe, bringing together the majority of rail and coach operators onto one platform, covering all of the UK rail network and ~80% of the European network.

This breadth allows us to offer all the journeys, fares and ticket options to our customers, whenever and wherever they may be travelling.

We apply the brilliant minds of our people, our smart technology and customer insights...



### Our proprietary technology - Platform One

Platform One is our agile and proprietary technology. It is the engine behind our Trainline consumer app and website, and it also powers the booking and retailing solutions for our partners and B2B clients such as rail carriers, travel sellers, businesses and public sector organisations.

### Powerful data assets

We understand the travel needs and patterns of our customers in over 45 countries through our B2C and B2B channels with around 78 million visits to our platform each month.

### Market-specific features and personalisation

Using our product and technology expertise plus the unique data insights generated across our large customer base, we continue to enhance our customer proposition and tailor it to the needs of different markets.

### Revenue model

We earn a commission and fees on ticket sales. We also generate revenue from advertising and ancillary services such as travel insurance and multi-currency payment options.

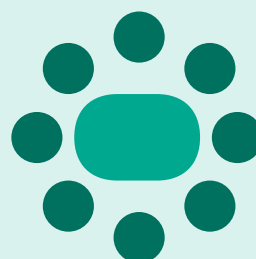
B2B partners pay a commission and/or transaction fee on ticket sales, as well as other related technology service fees for the provision of our solutions.



To generate our highly rated user experience and partner solutions



For travellers



For businesses

#### Highly rated customer experience for travellers globally

- 4.9/5 star rated app
- Search and book train tickets for journeys in 45 countries
- Available ticket types, journey combinations and fares across carriers in one place
- Seamless, friction-free booking experience
- Multiple languages, currencies and payment options
- Digital tickets, smart personalisation, real-time travel information and many more features

#### We provide end-to-end digital retailing solutions for carriers

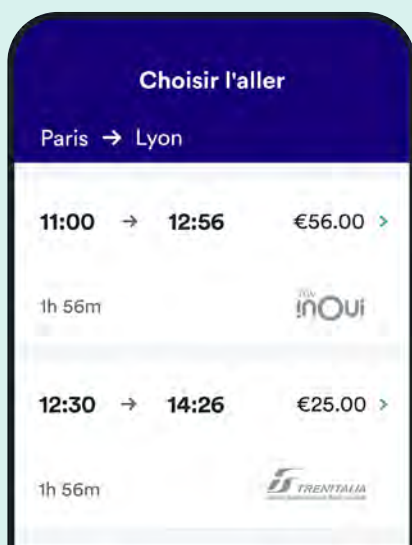
- Fast and secure tech platform for retailing and ticketing at a lower cost to serve
- Deep rail tech expertise – customised, high converting and high-quality solutions

#### We give travel sellers access to our rail content via our global API

- Access our rail content with all local features through one connection
- Allows travel sellers to integrate rail into their offering, helping them grow their business

#### We offer smart rail booking solutions for companies of all sizes

- Trainline branded business portal for businesses and public sector clients of all sizes
- All in one place for full travel visibility, cost control, and sustainability reporting



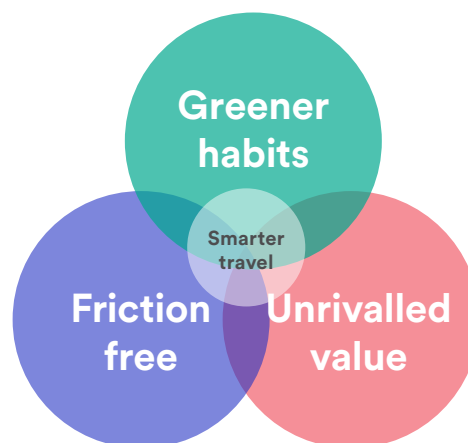
## Business model continued

# Creating value for our app and online customers

At Trainline, our purpose is to empower greener travel choices, connecting people and places. Our vision is to be the world's Number One rail platform, providing us with the scale and reach to achieve our purpose.

Offering smarter travel, Trainline unlocks the power of our platform and data, offering unrivalled value, a friction-free experience and motivating greener habits – thereby encouraging customers to switch from car and air to rail.

We work tirelessly to provide the best possible product fit in our target markets – tailoring our app and website experience to the needs of our local customers, providing high-quality and relevant features and services.



### Friction free

Enabling customers to get it right

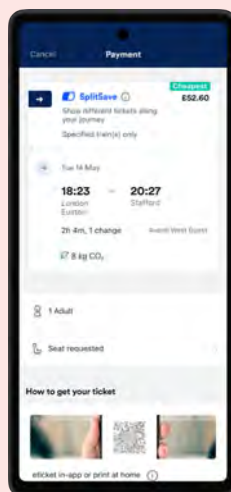


#### Key features

- Simple, intuitive user interface
- Digital ticketing including seasons
- Set multiple commute favourites
- Real-time information
- Self-service change of journey, automated refund capability
- Modern payment options

### Unrivalled value

Unearthing the greatest, most trusted value for your journey

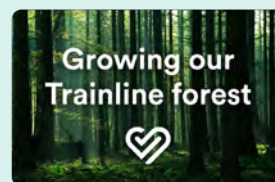
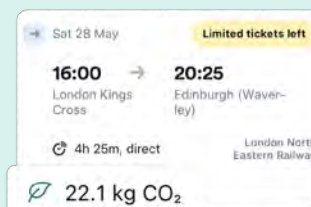


#### Key features

- All carriers, fares and railcards in one place
- Money-saving features include: SplitSave, Price Prediction, Ticket Alerts, Best Fare Finder, Railcard Finder

### Greener habits

Motivation and pride to switch from car and air to rail



#### Key features

- Route emission info
- Campaigns to drive awareness of sustainability of rail

# Creating value for our partners, business customers and the industry

**Through Trainline Partner Solutions, we provide retailing capabilities and solutions to travel sellers, businesses, and rail carriers.**

## **Distribution Solutions for Travel Sellers**

For over 20 years we've been powering some of the largest travel brands and online booking tools to help them provide a seamless rail booking experience for their customers and travellers.

We aim to be the leading distributor of global rail content, providing unrivalled reach and access for our partners at lower cost as well as opening new points of sale for carriers.

Our Global API and Agent Tools allow our partners to maximise revenues by providing extensive customer-first, feature-rich rail content all through one simple connection. It is quick and easy to integrate with Trainline's continuous support to ensure a seamless go-live through to transaction growth.

## **Trainline Business for companies of all sizes**

For businesses of all sizes we provide a suite of products that ensures full employee travel visibility, better cost efficiencies and controls as well as CO<sub>2</sub> reporting, and gives millions of employees an effortless way to book rail for business travel in and across 45 countries.

## **IT Solutions for Carriers**

Through Platform One, we enable digital innovation in the rail industry. Our tailored retailing solutions meet the needs of our carrier partners, lowering their cost to serve and simplifying their innovation process.

Carrier partners can access our innovative suite of products and features, benefiting from our scale and expertise:

- One-stop shop (front-end and back-end retailing needs)
- Customer-centric ecommerce experience
- Deep inventory connections
- Security, payments, fulfilment, fraud safeguards
- Dedicated customer team

## **For the rail industry**

Across our whole platform ecosystem, we provide cutting-edge rail technology and digital ticketing innovation that encourages more people to travel by train versus other less sustainable modes of transport, at a lower cost to the industry.

On the flipside, we bring incremental demand from customers, and provide our carrier partners and the rail industry more broadly with access to travellers all over the world.



## Our technology

**At Trainline, we pride ourselves on our proprietary, modern, scalable tech platform created and maintained by our c.400 bright product, data and tech minds**

Our ability to bring together teams comprising developers, designers, infrastructure and data scientists to create a world-class experience for our customers and carrier partners is what defines us and allows us to continually innovate and maintain our superior customer experience.



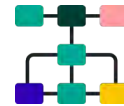
# 600+

releases a week



# 3.8m

origin-destination  
pairs per month



# >500

microservices



# 296

searches per second



# 4+TB

data processed a day



# c.400

engineers, data and  
tech specialists

### Reliable, scalable, secure

- >500 microservices, increasing speed of development, flexibility and scalability
- c.400 engineers, data and tech specialists
- 600+ releases per week

### Customer-centric ecommerce

- Simple 'one click' user interface: hides industry complexity; multi-product basket
- Proprietary multi-carrier/modal journey planner
- 10+ payment options including Google Pay and Apple Pay

### Security, payments, fulfilment, fraud safeguards

- PCI-DSS Level 1 (Merchant & Service Provider) since 2013
- Cyber Essentials certification since 2017
- Partnership with NCSC & NCA
- Internal standards aligned with ISO27001 certification & NIST framework
- Business Continuity Planning (ISO 22301) compliant
- 3DS version 2 implemented
- Payment Services Directive II Secure Customer Authentication ready
- Industry-leading fraud to sales ratio
- Industry-leading payment acceptance rates

### Deep inventory connections

- Rail and coach
- Pre- and post-sales
- Real-time data
- Add-on travel services: insurance, etc.

### Personalised AI data products

- >4 TB data processed per day
- Bespoke AI-driven features
- Personalised UX and CRM



## Platform One

Systems and tools for smart access and use of our unique data set to provide services for our B2C and B2B customers.



# Strategy

**By making rail travel easier and more accessible, we are inviting new generations of travellers to ditch the car or plane and switch to train travel instead.**

## Our strategic growth priorities:



### Enhance the customer experience

Providing a smart, intuitive and seamless experience for our customers is at the heart of our business – we are continually improving and optimising our user experience on our mobile app and web interface, removing friction for customers while offering them access to unrivalled value and the widest choice.

Through customer insights and research, personalisation, data and machine learning, we invest in designing features that enhance the journeys of our customers at every stage, from planning and booking through to post sales.

We have created a platform that consolidates rail and coach inventory for carriers across our European markets, providing one convenient online experience for customers.

We remain committed to delivering the best possible user experience through a pipeline of new, innovative products and features, for deployment to all our customers globally.



### Build demand

Our key focus is to strengthen demand by deploying our marketing playbook.

We have built a strong brand, notably in the UK, with opportunity to grow customer awareness in Europe. Our addressable customer base remains large and the headroom for Trainline to grow across our core markets remains significant.

We continue to deploy our marketing playbook in order to drive customer acquisition, encouraging more customers to choose more environmentally sustainable modes of transport.



### Increase customer lifetime value

Increasing customer lifetime value means, for us, our customers use us more frequently for more of their travel needs – be it commuting, shopping trips, getting to university, business trips, family days out, buying a railcard or international travel.

Through our enhanced product offering and broader marketing, we are significantly increasing our ability to help people make these everyday travel choices.

While helping to drive faster growth, increasing customer lifetime value is also improving our customer economics, allowing us in turn to invest more in customer acquisition.



### Grow Trainline Partner Solutions

Trainline Partner Solutions ('TPS') is playing a key role in providing reach and scale to rail operators. TPS has primarily focused on opportunities in the UK to date, but we are now starting to break through into European markets with our retailing solutions for carriers as well as distribution capabilities for travel sellers.

Our solutions for Distribution, Carrier IT and Businesses offer further and significant growth headroom for Trainline. We remain focused on increasing demand from our existing accounts and winning new accounts in all three areas.

## Key measures

## Progress in FY2022

## Priorities for 2022/23

- App rating
- Conversion rate growth
- eticket penetration

- 4.9/5 star rated app
- Enhanced 'new commuter' experience – with exciting new features
- New 'Favourites' tab – allowing customers to personalise their journey and rebook in two clicks
- Real-time push notifications – alerting customers to delays
- We upgraded Récup' Retard (Delay Repay) in France, making it even easier to submit a claim
- We introduced airline style seatmap reservation capability in France and Italy
- We partnered with every European high-speed rail entrant as they launched their services, including Lumo in the UK, Avlo and Ouigo in Spain and Trenitalia in France

- Investing in our strong pipeline of innovation with a particular focus on features that differentiate our offer and meet specific local market needs in our European target markets
- Continuing to innovate for the returning commuter market in the UK
- Adding new supply as it hits the European markets, offering our customers better choice and value whilst enabling our carrier partners to reach a wide user base

- Monthly Active Users
- New customers
- App share of transactions

- Customer engagement recovered to pre-Covid-19 levels of c.30m unique monthly active users in Q3 (prior to Omicron)
- Scaled our marketing investment as Covid-19 restrictions eased – with particular focus on performance marketing
- Generated a sharp rebound in new app customer acquisition reaching its highest ever levels in the UK and Europe
- UK Consumer app share of transactions up 1 percentage point to 84%
- Increased our reach by integrating Trainline into Google Maps for Android users, who are now able to click through to us to book their travel
- Google Pay now integrated into our app alongside other payment options such as Apple Pay

- Flexible ramping of performance marketing and customer acquisition as Covid-19 restrictions ease, supporting the market's recovery
- Significant investment in brand awareness in key European markets

- Customer transaction frequency
- Customer retention
- Digital railcards sold

- Notable increase in repeat usage with customers booking their commute and regional travel through Trainline
- Strong progress in scaling digital railcards with >1 million railcards sold during FY2022
- Launched UK Flexi Season Tickets in the app and are in the process of rolling out further digital season tickets

- Continuing to win and retain high value and loyal customers
- Investing in and building out monetisation levers beyond commission in the UK and International
- Making Trainline more relevant for more of our customers' journeys
- Completing the full roll-out of digital season tickets


- B2B win/retention rate
- Growth in international business travel market share
- Supporting our Carrier IT Solutions clients through Covid-19

- New Global API wins and growth in Distribution (e.g. Travelport, CTM)
- Renewed contracts for all UK white label train carrier clients, giving them access to our industry-leading core platform functionality and upgraded customer experience features
- Signed a multi-year deal in Italy with challenger brand NTV Italo, enabling them to sell regional transport connections to their customers

- Retaining and growing existing UK customer base
- Expanding into European markets



## Case study



# Bringing commuters and frequent travellers on board

At Trainline, we are driven by making rail travel easier. We help travellers find the best value journey for their needs in an intuitive and seamless experience.

Link to strategic objectives:

Enhance the customer experience



Build demand



Increase customer lifetime value





This year, we launched exciting new features addressing needs of the frequent traveller and commuter across all our markets. In the UK, this includes the launch of the digital season ticket.

### Digitalising commuter tickets

Despite being the most frequent rail users, until recently commuters had to put up with an antiquated, paper-based ticketing experience. Trainline deployed the industry's new commuter ticket offering with the launch of in-app digital flexi tickets last summer – for our carrier partners as well as Trainline customers – with digital season tickets to come next year.

In order to be able to offer all season tickets digitally we have taken eticket barcodes to the next level. We have developed the sTicket – a secure eticket, which has been established as an official ticketing standard for high-value barcode tickets with Rail Delivery Group. It includes extra smart security features such as time limited barcodes in the app and also allows for passenger photos to be embedded directly in the digital ticket, removing the need for a separate physical photo card.

Season tickets have historically been the largest ticket type not available through Trainline digitally. Pre-Covid-19 about 20% of the market were season tickets. After successfully piloting digital season tickets in early 2022, we now have the technical ability to offer all types of season tickets in-app, offering a much improved customer experience on commuter routes.

### New commuter and frequent traveller features and functionality

Finding journey options and buying tickets for your favourite routes has never been easier – with our new Favourites experience, commuters can save their most frequent journeys, buy a ticket in just a few taps, and track their daily commute in real time.

Further enhancements of our Favourites experience are underway including push notifications of real-time updates.

### Enhanced digital railcard experience

In 2020, we launched our in-app digital railcard in the UK – allowing our customers to buy, store and use a digital railcard alongside their tickets in our app, without the hassle of keeping and renewing a paper version.

In 2021 and 2022, we have continued to enhance the railcard experience for our customers in the UK and in France, making buying and applying railcards in the app and online even easier.

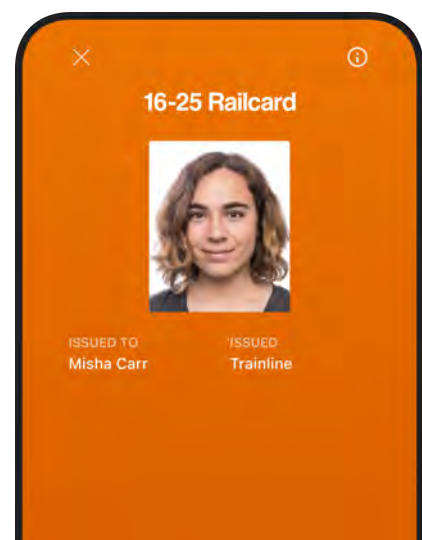
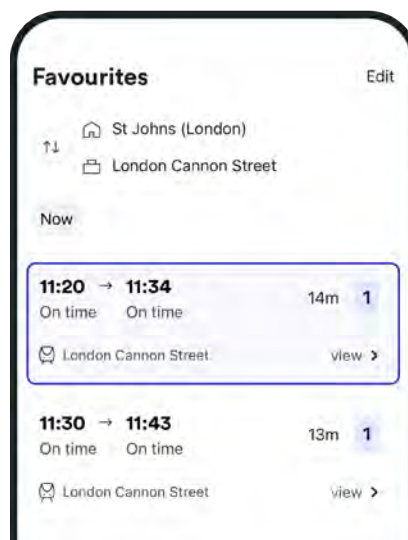
### Making Delay Repay easier for our customers

For some time, Delay Repay has been one of our top unmet customer needs, consistently coming out top in customer research.

We do listen to our customers! In response, we introduced Récup' Retard in 2020, helping our French customers to request compensation for delayed journeys.

This year, Récup' Retard v2 simplified this even further – unique automation capabilities allow our customers to submit their compensation claim from within the app in just two taps.

Our customers are clearly loving it, around 65% of notified customers submitted a compensation claim through our app.



## Case study



# Accelerating growth in International

Greater competition in rail increases value and choice for customers and enhances the role of Trainline as a third-party aggregator. By positioning Trainline as the marketplace of choice for European rail travel, we are well placed to significantly scale our International business.

Link to strategic objectives:

Enhance the customer experience



Build demand



Increase customer lifetime value



**Choose outbound**

Barcelona → Madrid

17:00 → 19:45
2h 45m
17:25 → 19:55
2h 30m
17:45 → 20:15
2h 30m

**Choose outbound**

Paris → Lyon

11:00 → 12:56	€56.00 >
1h 56m	inOui
12:30 → 14:26	€25.00 >
2h 30m	

### Aggregator advantage in liberalising markets

Since December 2020, the EU's Fourth Railway Package has opened domestic rail passenger services to competition.

At that point, Italy was the only large country with major competition across its high-speed routes, following NTV Italo's market entry several years earlier.

Over the last year, domestic competition between rail carriers in Europe has stepped up meaningfully:

- In France, the new Trenitalia service launched on the Paris-Lyon route in December 2021, with Trainline the only place where travellers were able to compare and book tickets across all operators (SNCF, OuiGo and Trenitalia). Following the recent flight ban on journeys that can be made by train in less than 2.5 hours, this is a route ripe for modal shift to rail.
- In Spain, three different rail carrier brands now run services on the Barcelona to Madrid route – Renfe, Avlo and SNCF's low-cost brand OuiGo. More competition is expected in late 2022 when Iryo (a Trenitalia joint venture) is due to enter the market. The 386-mile journey can be done by train in 2.5 hours – a great alternative to flying on what was the busiest domestic airline route in Europe pre-Covid-19.

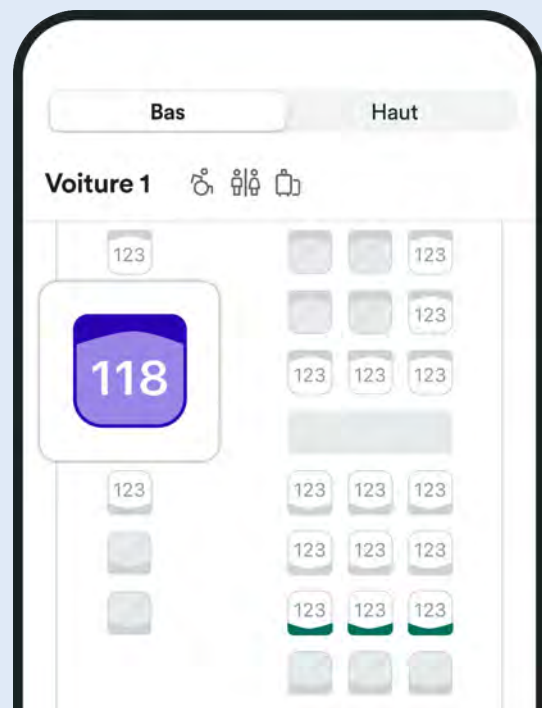
Competition in domestic European rail markets increases the need for an aggregator like Trainline, where customers can compare fares, ticket types and journey options across all the different operators – and then book the combination they want.

### Investing in product market fit, marketing and brand awareness

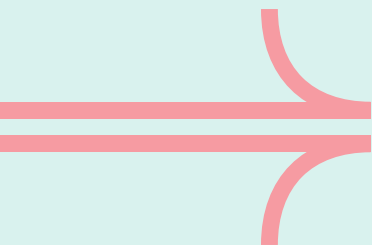
By positioning Trainline as the marketplace of choice for European rail travel, we are well placed to significantly scale our International business in France, Italy and Spain over the medium term.

We are scaling up our organisation as we invest to enhance our product offering in our target markets – including integrating all carriers and fare options – and to build brand awareness.

- We are growing headcount – predominantly software developers and data scientists – increasing the pace at which we can launch innovation in our digital and online channels and integrate new carriers onto our platform. We have also opened offices in Milan and a tech hub in Barcelona to ensure we have a localised presence in our emerging markets.
- To meet the specific needs of local customers, we innovate and integrate new features. For example, we recently launched airline-style seatmap selection in France and Italy, so customers can now choose a specific seat to enjoy for their journey. All new features are developed with the broadest possible applicability across markets in mind.
- We are scaling our marketing investment, utilising our deep in-house expertise developed from our marketing playbook, expanding our performance marketing capability, and launching our first major brand marketing campaigns to grow awareness. We will remain agile and disciplined, only investing where the unit economics are attractive and sustainable.



## Case study



# Growing Trainline Partner Solutions

## Distribution Solutions – Global API

Our vision is to build the world's Number One rail travel platform, pioneering the technology behind rail content and ticketing globally to provide access to nearly 1.8 billion unique rail routes, across 11 different markets, through one simple connection.

Trainline Partner Solutions provides a market-making role for the rail industry by bringing incremental customers to rail through its multi-channel reach.

For over 20 years we've been powering some of the largest travel brands and online booking tools to help them provide a seamless rail booking experience for their customers and travellers.

Our Global API allows our partners to maximise revenues by providing extensive customer-first, feature-rich rail content all through one simple connection. It is quick and easy to integrate with Trainline's continuous support to ensure a seamless go-live through to transaction growth.

[Link to strategic objectives:](#)

Grow Trainline Partner Solutions



# 45k

Connecting to 45k  
train stations

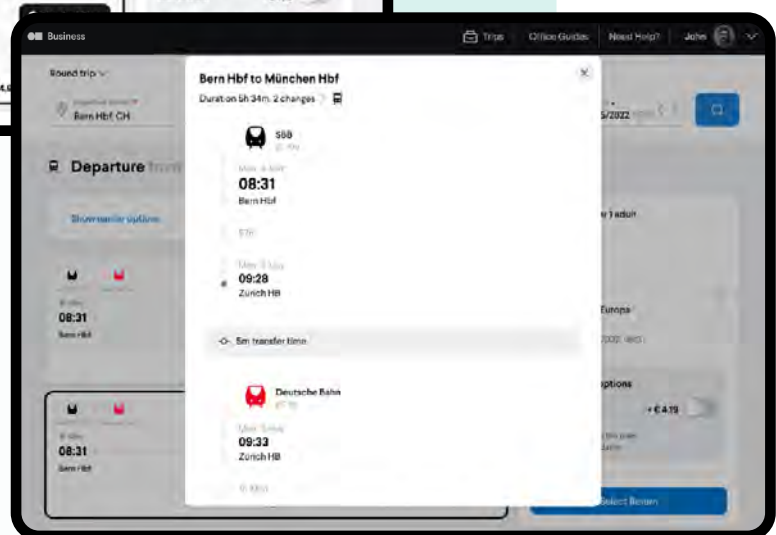
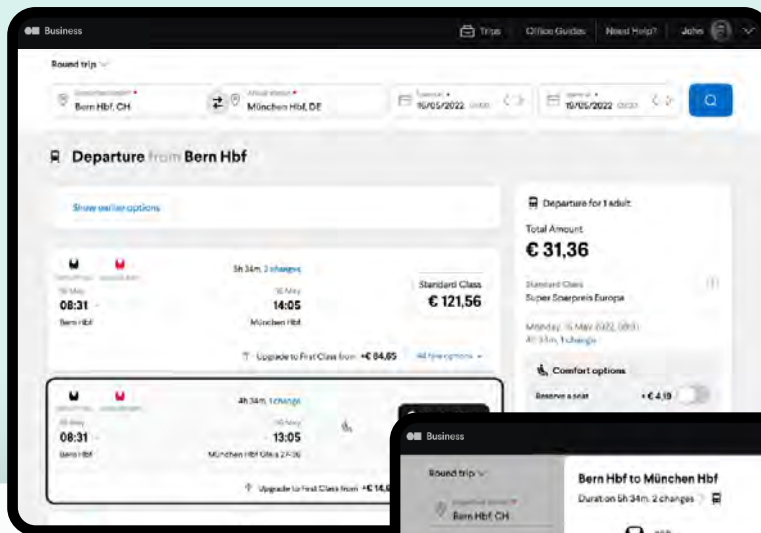
# 1.8bn

Access to nearly  
1.8bn unique routes

# 11

Access to 11 markets  
through our API





## Case study

### Leading corporate travel platform TripActions partnered with Trainline to enhance their customer proposition through launching their European rail offer.

TripActions, the only all-in-one travel, corporate card, and expense management solution partnered with Trainline to enhance their customer proposition by launching their European rail offer. TripActions became the first partner to go live on Trainline's Global API, offering their approximately 8,800 corporate customers a seamless rail booking experience that also provides a sustainable travel option – all through one simple connection.

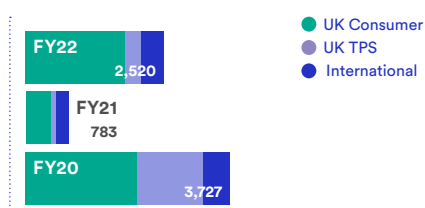
Trainline's Global API enables TripActions to provide their customers with a superior and feature-rich customer service. As well as offering a wide choice of routes and fares, customers have the freedom to manage their own booking, empowered by self-service capabilities such as obtaining refunds on-the-go, saving both time and money.

"TripActions believes in helping customers deliver sustainable business travel, giving the business traveller the tools and resources to make a more informed choice to reduce their impact on carbon emissions. Our partnership with Trainline has strengthened and broadened our train offering across Europe, giving travellers an additional mode of transport to consider when looking to offset their carbon footprint," said Danny Finkel, Chief Commercial Officer, TripActions.

## Key performance indicators

We use the following financial and non-financial KPIs to measure the strategic performance of our business.

### Net ticket sales<sup>1</sup> (£m)



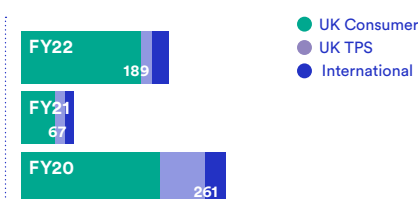
#### Description

Net ticket sales represents the gross value of ticket sales to customers, less the value of refunds issued, during the year. Net ticket sales does not represent the Group's revenue.

#### Performance

Net ticket sales increased to 322% of prior year at £2,520 million, with UK Consumer at 383%, International at 178% and TPS at 384% of prior year.

### Revenue (£m)



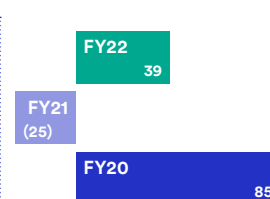
#### Description

The Group generates the majority of its revenue in the form of commissions earned from the rail and coach industry on ticket sales based on a percentage of the value of the transaction. The Group also earns fees and other service charges billed directly to the customer, on a per transaction basis.

#### Performance

Revenue increased to 281% of prior year at £189 million, with UK Consumer at 348%, International at 185% and TPS at 126% of prior year.

### Adjusted EBITDA<sup>1</sup> (£m)



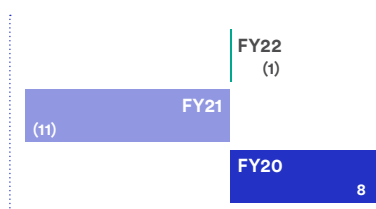
#### Description

Adjusted EBITDA is profit or loss after tax before net financing expense, tax, depreciation and amortisation, exceptional items and share-based payment charges.

#### Performance

Adjusted EBITDA increased to £39 million from a loss of £25 million last year, reflecting the recovery from Covid-19.

### Adjusted basic earnings per share<sup>1</sup> (p)



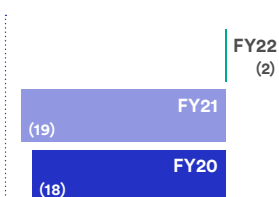
#### Description

Adjusted basic EPS is profit / loss after tax for the year, excluding exceptional items, amortisation of acquired intangibles, gain on repurchase of convertible bonds, and share-based payment charges together with the tax impact of these items, divided by the weighted average number of ordinary shares.

#### Performance

Adjusted EPS was (0.8) pence, a 10 pence increase on the prior year, reflecting the recovery from Covid-19.

### Basic earnings per share (p)



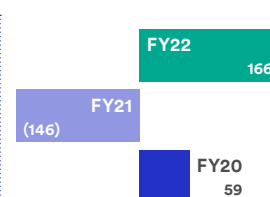
#### Description

Basic EPS is profit / loss after tax for the year divided by the weighted average number of ordinary shares.

#### Performance

Basic earnings per share was (2.5) pence, an increase of 16.6 pence on the prior year, reflecting the recovery from Covid-19.

### Operating free cash flow<sup>1</sup> (£m)



#### Description

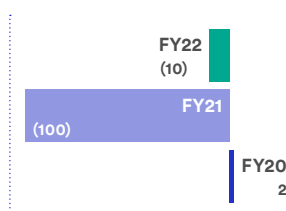
Operating free cash flow is cash generated from operating activities adding back exceptional items, and deducting cash flow in relation to capital expenditure.

#### Performance

Operating free cash flow was £166 million versus (£146) million in the prior year. This reflected EBITDA generation and working capital inflows as the business recovered.

1. See page 162 to 164 for the definition of this KPI.

### Operating (loss)/profit (£m)



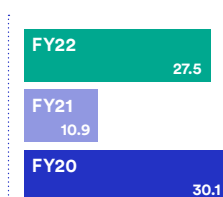
#### Description

Operating loss/profit is a profit measure reflecting profit or loss after tax before net financing income/expense and tax.

#### Performance

Operating loss improved to £10 million from £100 million last year, reflecting the recovery from Covid-19.

### Monthly active users (m)



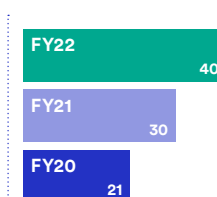
#### Description

Number of unique visitors to Trainline's sites and mobile apps each month as at end of February.

#### Performance

MAUs recovered to 27.5 million in February FY2022, reaching 30 million in Q3 (prior to impact of Omicron).

### UK industry eticket penetration (%)



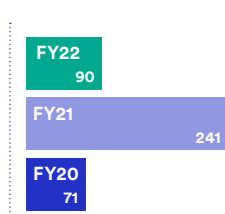
#### Description

Internally calculated value of eticket sales as a percentage of total rail ticket sales value for the UK rail industry.

#### Performance

In FY2022, eticket penetration increased to 40% (42% in Q4) from 21% in FY2020, reflecting heightened demand for etickets during Covid-19 and growing availability.

### Net debt<sup>1</sup> (£m)



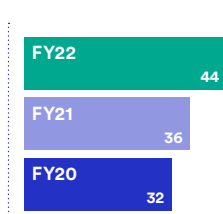
#### Description

Net debt is a measure used by the Group to measure the overall debt position after taking into account cash held by the Group.

#### Performance

Net debt reduced to £90 million at the end of February 2022 from £241 million a year before, primarily as a result of the positive operating free cash flow.

### Cumulative app downloads (m)



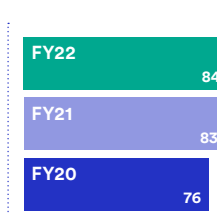
#### Description

Cumulative number of app downloads in UK Consumer and International.

#### Performance

Total cumulative downloads of the Trainline app increased to 44 million.

### Transactions through mobile app (%)



#### Description

Gross transactions through the mobile app as a percentage of total gross transactions over the year for UK Consumer.

#### Performance

The percentage of transactions that went through the Trainline mobile app increased by 1 percentage point to 84%.

1. See page 163 for the definition of this KPI.

## CFO's financial highlights

# Strong growth in net ticket sales and a return to positive EBITDA

### Group overview

Group net ticket sales recovered to £2.5 billion, 222% higher year-on-year ('YoY'), and 68% of FY2020. They were also within our guidance range of £2.4-2.8 billion despite the impact of the Omicron variant in the fourth quarter. Net ticket sales were materially higher prior to Omicron, with Q3 at 86% of the same period in FY2020.

As a result of the recovery in net ticket sales, Group revenue recovered to £189 million, 181% higher YoY, and gross profit increased by 214% to £153 million. The business returned to positive EBITDA, with adjusted EBITDA of £39 million – at the top end of the £35-40 million guidance range – versus an EBITDA loss in the prior year of £25 million.

### Net ticket sales

**£2.5bn**

### Adjusted EBITDA

**£39m**

### Operating free cash flow

**£166m**

### Basic loss per share

**(2.5)p**

### UK Consumer

Net ticket sales for UK Consumer were £1.8 billion, 283% higher YoY, and 89% of FY2020. Net ticket sales were materially higher prior to Omicron, with Q3 up 14% versus the same period in FY2020.

UK Consumer revenue recovered to £153 million, 248% higher than the prior year given the increase in net ticket sales. Gross profit increased to £129 million, a 279% increase on the prior year.

### Trainline Partner Solutions ('TPS')

Net ticket sales for TPS were £290 million, 284% higher than the prior year and 24% of FY2020 sales. While business travel remained subdued, net ticket sales stepped up 88% in H2 versus H1, and in Q3 reached 35% of the same period in FY2020.

TPS revenue grew 26% YoY to £15 million while gross profit was 31% higher at £11 million, with increased net ticket sales partly offset by lower project revenue from white label clients.

### International

Net ticket sales were £418 million, 78% higher YoY, and 85% of FY2020 sales. Net ticket sales improved throughout the year and in Q3 were at 99% of the same period two years ago, despite travel restrictions continuing to impede the return of inbound customers to Europe. In Q4, International net ticket sales reached 106% of FY2020 levels, although this was lapping a quarter of French rail strikes and the onset of Covid-19 in Europe.

International revenue grew 85% YoY to £21 million given the increase in net ticket sales. Gross profit increased to £13 million, 105% higher than the prior year.

### Adjusted EBITDA

The Group returned to positive adjusted EBITDA of £39 million (adjusted EBITDA loss of £25 million in FY2021). Adjusted EBITDA was at the top of the £35-40 million guided range set out in the Group's half year trading update last September.

The UK business contributed £98 million, £78 million higher than the prior year driven by the recovery in the UK Consumer business. The net investment in the International business was £9 million (£4 million last year) as we stepped up investment in marketing and customer experience from the second half of this year.

Central administrative costs were £51 million, up from £41 million in FY2021 and £45 million in FY2020, reflecting a normalisation of our costs as trading conditions recovered and as we make progress against our International growth investment plans.



	FY2022 £m	FY2021 £m	Change from PY %	FY2020 £m	% of FY2020
<b>Net ticket sales</b>					
UK Consumer	1,812	473	283%	2,046	89%
UK TPS	290	75	284%	1,191	24%
<b>UK total</b>	<b>2,102</b>	<b>548</b>	<b>283%</b>	<b>3,237</b>	<b>65%</b>
International	418	235	78%	490	85%
<b>Total Group</b>	<b>2,520</b>	<b>783</b>	<b>222%</b>	<b>3,727</b>	<b>68%</b>
<b>Revenue</b>					
UK Consumer	153	44	248%	178	86%
UK TPS	15	12	26%	57	27%
<b>UK total</b>	<b>168</b>	<b>56</b>	<b>200%</b>	<b>235</b>	<b>71%</b>
International	21	11	85%	26	80%
<b>Total Group</b>	<b>189</b>	<b>67</b>	<b>181%</b>	<b>261</b>	<b>72%</b>
<b>Gross profit</b>					
UK Consumer	129	34	279%	144	90%
UK TPS	11	8	31%	40	27%
<b>UK total</b>	<b>139</b>	<b>42</b>	<b>231%</b>	<b>184</b>	<b>76%</b>
International	13	7	105%	17	77%
<b>Total Group</b>	<b>153</b>	<b>49</b>	<b>214%</b>	<b>201</b>	<b>76%</b>
Adjusted EBITDA	39	(25)		85	
Operating (loss)/profit	(10)	(100)		2	



**We're back on track with strong growth expected in FY2023.**

**Shaun McCabe**  
Chief Financial Officer



## CFO's financial highlights continued

### Operating loss

The Group reported an operating loss of £10 million versus a £100 million loss last year. The operating loss included:

- Depreciation and amortisation charges of £43 million, slightly higher than last year given our continued investment in product and technology throughout the pandemic (FY2021: £41 million)
- Share-based payment charges of £7 million, in line with prior year (FY2021: £7 million)

### Loss after tax

Loss after tax was £12 million, reflecting the £10 million operating loss and a net finance charge of £5 million (which benefited from a £4 million gain on our repurchase of convertible bonds in the year), partly offset by a tax credit of £4 million arising from the operating loss. This compares to a £91 million loss last year, reflecting the strong recovery of the business.

### Earnings per share ('EPS')

Adjusted basic loss per share was 0.8 pence versus a loss of 10.8 pence in FY2021. Adjusted basic earnings per share adjusts for exceptional one-off costs in the period (of which there were none), gain on repurchase of convertible bonds, amortisation of acquired intangibles, gain on the repurchase of convertible bonds and share-based payment charges, together with the tax impact of these items.

Basic loss per share was 2.5 pence versus a loss of 19.1 pence in FY2021.

### Statement of financial position

	FY2022 £m	FY2021 £m	Change from PY %	FY2020 £m	Change from FY2020 %
Non-current assets	525	532	(1%)	557	(6%)
Cash and cash equivalents	68	37	84%	92	(26%)
Other current assets	50	25	100%	52	(4%)
Current liabilities	(233)	(42)	(454%)	(169)	(38%)
Non-current liabilities	(151)	(267)	43%	(159)	5%
Net assets & total equity	259	284	(9%)	373	(31%)

### Outlook for FY2023

Assuming no significant disruption to rail travel, Trainline expects strong growth in FY2023, generating:

- Net ticket sales in the range of £3.8-£4.2 billion
- Revenue in the range of £280-£310 million
- Adjusted EBITDA in the range of £70-£75 million, factoring in higher investment for growth in our International business

Non-current liabilities decreased to £151 million from £267 million in FY2021. The reduction was predominantly driven by using surplus cash to reduce the drawn down balance of our Revolving Credit Facility, and by repurchasing £35.2 million of convertible bonds.

Net debt reduced to £90 million at the end of February 2022 from £241 million a year before, primarily as a result of the positive operating free cash flow.

This was partly offset by capital expenditure in the period of £29 million, slightly higher than the prior year (FY2021: £26 million) as we step up investment in product and technology for our International business. Cash and cash equivalents ended the year at £68 million, a net cash inflow of £31 million.

**Shaun McCabe**  
Chief Financial Officer  
5 May 2022

### Statement of financial position

Total net assets at the end of FY2022 were £259 million, a decrease from £284 million in FY2021. Net current assets decreased to £(114m) million from £19 million in FY2021. The decrease was predominantly the result of a significant working capital inflow as our sales recovered, reversing the outflow seen in the prior year.

### Cash flow

Operating free cash flow was £166 million, a £312 million improvement year-on-year. This reflected our return to positive EBITDA and working capital inflows as the business recovered, as well as the timing of industry settlement payments.

## Viability statement

In accordance with the requirements of the UK Corporate Governance Code 2018, the Directors have assessed the long-term viability of the Group and its ability to meet its liabilities over a three-year period. The Directors carried out a robust assessment of the Group's principal and emerging risks as set out on pages 38 to 47 and the potential impact of any of these risks on the long-term viability of the Group.

### Forecasting period

Three years was considered an appropriate assessment period. Given the fast pace of the digital environment in which the Group operates, a longer forecasting period would become less reliable as it is difficult to predict digital trends and the pace of change over a longer period. The three-year period is also aligned to the Group's annual strategic planning process. The base case reflects the Group's three-year plan, which includes the current best estimate of outlook. The key assumptions in the three-year plan which could be impacted by the principal risks are: the legacy of Covid-19 and its impact on trading; the rate of net ticket sales growth and the associated revenue growth; and the level of cost required, including capex, to meet sales and revenue forecasts.

### How viability was considered

To assess the viability of the business, sensitivity scenarios were modelled from the base case taking into consideration the Group's principal risks if they were to occur. This involved flexing some of the key assumptions by downside changes, incorporating severe but plausible downside scenarios and quantifying the potential impact of one or more of the principal risks crystallising over the assessment period. None of the scenarios modelled include any mitigating actions. The viability assessment considered the liquidity of the Group and whether the covenant requirements would be met in all applicable periods.

The Board has reasonable confidence that the Group will be able to refinance its existing £350 million revolving credit facility and intends to do so in advance of its contractual maturity in June 2024. Management have considered covenant requirements for public listed companies seeking finance under current market conditions. The most likely covenant tests do not indicate a risk to viability and requirements would be met by the Group in all applicable periods.

The outcome of RDG's Retail Review as disclosed on page 17 is not expected to come into effect until 1 April 2025, and as such falls outside of the assessment period.

### Sensitivities applied

The sensitivity scenarios applied were as follows:

#### Scenario 1

- A significant reduction in sales with no corresponding reduction in costs, resulting in a c.15% decrease in adjusted EBITDA in each year during the assessment period

[Link to principal risks: all](#)

#### Scenario 2

- 20% additional marketing spend with no upside in sales/revenue

[Link to principal risks: market shock/ economic disruption, IT security and cybercrime, competitive landscape, regulatory and political environment](#)

#### Scenario 3

- £10 million additional capex in each year with no upside in sales/revenue

[Link to principal risks: IT security and cybercrime, people, competitive landscape](#)

#### Scenario 4

- Data breach in FY2024, resulting in reduced revenue, compliance fines and ongoing increased IT security costs

[Link to principal risks: IT security and cybercrime, compliance, regulatory and political environment](#)

### Conclusion

The Group is forecast to meet covenant requirements in all periods in which they are applicable under the base case and under all scenarios considered.

Although existing covenant requirements would no longer be applicable when the Group's existing revolving credit facility expires in June 2024, the Group is expected to comply with management's best estimate of covenant requirements imposed as part of refinancing under the base case and under all scenarios considered.

The Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years.

## Principal risks and uncertainties

**At Trainline, we adopt a robust risk management strategy to ensure we continue to grow our business in a sustainable way, achieve our objectives and provide value to our customers, shareholders and other stakeholders.**

### Our risk management framework

The Group has a defined Enterprise Risk Management ('ERM') framework that governs our risk management and methodologies. The process allows a robust identification and assessment of the risks facing the Group. Our risk management framework and processes are described in detail opposite.

#### Trainline Board

Overall responsibility for Trainline's risk management programme.



#### Audit & Risk Committee

Responsible for reviewing the effectiveness of Trainline's internal controls and risk management processes, and for reporting such matters to the Board.



#### Management Team

Supports and contributes to internal risk management systems and processes.



#### Internal Risk Committee ('IRC')

The IRC serves as a forum to consider new risks facing the business, discuss the existing risk register and the mitigation in place and identify emerging risks facing the Group and reports regularly to the Audit and Risk Committee and the Board.

### Trainline's framework for risk management spans all levels of our business

The Board of Directors has ultimate responsibility for our risk management programme and for setting the risk parameters within which Trainline's Management Team operates. The Board also sets the tone for risk management; the culture, as well as the context, for how decisions are made when evaluating risk. The Board is also responsible for assessing events and circumstances which could threaten Trainline's current and/or future strategy, business operations or business model, and for providing guidance and advice to our Management Team on navigating risks. The Board is supported by the Group, through Trainline's Management Team and the Audit and Risk Committee, in particular, to review, report on and manage risk.

The Audit and Risk Committee is responsible for reviewing the effectiveness of Trainline's internal controls and risk management processes, and for reporting such matters to the Board. The responsibility for reviewing Trainline's risk register also belongs to the Audit and Risk Committee. The Committee makes sure that Trainline's risk register is: frequently updated and reviewed; comprehensive; monitored and managed; and effectively communicated back to the Board on a regular basis.



This helps to ensure that the Board remains up to date with Trainline's risk profile, allows them to define appropriate strategic objectives for the Group and consider the effectiveness of the risk management process.

During our annual long-term business planning process, all high-level strategic, financial, regulatory and reputational risks are formally assessed by the Board.

A flow of clear, timely and relevant communication exists between the Audit and Risk Committee and the Board, which continues from the Board to Trainline's wider business and vice versa. This clear flow of communication seeks to ensure that our leadership remains aligned on our risk appetite, how decisions around risk are made and how our strategy is executed in line with Trainline's risk parameters.

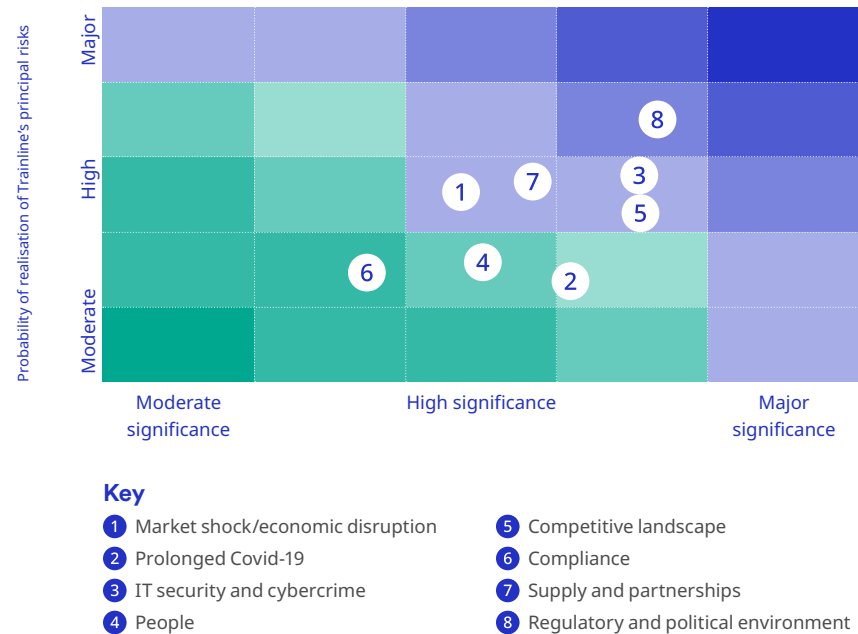
### Procurement process and assessing our suppliers

Trainline's procurement processes reflect our commitment to sustainability and governance. All material suppliers are assessed to ensure they are fit for purpose and meet Trainline's ethical standards, security requirements, environmental and corporate responsibilities, and comply with relevant legislation, wherever they are in the world.

### Compliance and risk management processes

Enterprise risks are formally assessed bi-annually as part of dedicated 'Risk Workshops' held with responsible risk owners. The Head of Risk and Internal Audit joined the business in October 2021 and has been tasked to co-ordinate our risk management practices. As part of the enterprise risk management framework, potential emerging risks and longer-term threats are considered to identify new trends, competitor actions, regulations, government

### Principal risks heat map



interventions, or business disruptors that could impact the Group's business strategy and plans.

The enterprise risk management process has been in place throughout FY2022 up to the date of this Annual Report.

### Trainline identified risks and mitigants

At Trainline, risk management is an integral part of our business culture and organisation. The Board holds ultimate responsibility for risk management, supported by the Audit and Risk Committee which has responsibility for reviewing and maintaining Trainline's risk register, and approach to risk management and compliance.

Our Management Team takes an active role in managing risk throughout day-to-day operations at Trainline, guided by the Board and the risk parameters as set through Trainline's strategic objectives. By providing input to the risk register

process, as overseen by the Audit and Risk Committee, the Management Team helps to determine the risk appetite for the business which is approved by the Board.

### Emerging risks

Other than the Principal Risks, the Board also considers potential emerging risks and their impact on our operations. Though we believe the Group is well-positioned to take advantage of the increased push for sustainable travel, there are potential uncertainties around the climate change related legislative agenda in our markets. Though we continue to proactively monitor these developments, if we are unable to proactively demonstrate our sustainability credentials (e.g. 'Net Zero' commitments) or fail to comply with the reporting requirements (e.g. Task Force on Climate-related Financial Disclosures), our corporate reputation may be negatively impacted. Further information on climate-related risks is available on page 55.

## Principal risks and uncertainties continued

### 1. Market shock/economic disruption

**Status:** With the easing of the impact of Covid-19 on the overall economic landscape in our principal markets, we have seen a partial recovery in net ticket sales. This has consequently improved our financial position and reduced our exposure to uncertainties around external funding and debt levels. However, slower recovery of the commuter and corporate market as well as additional economic headwinds (e.g. inflationary pressures and other macroeconomic repercussions due to the Russian sanctions) could still impact our financial performance.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>Exposure to market risks including foreign currency rates, general market sentiment and the risk of global market shocks, including a recession.</p> <p>Significant market events could damage Trainline's competitiveness, creditworthiness and the spending power of our clients and customers, ultimately impacting our financial results and the success of our product offering.</p> <p>.....</p> <p><b>Link to Strategic Objectives:</b></p> <div>   </div>	<p>As part of our operations, we conduct detailed and careful analysis and modelling of cash balances and debt levels to ensure Trainline's liquidity, access to financial facilities and sustainable business operations all support our long-term growth.</p> <p>Through this analysis, we create forecasts and projections, including contingencies that help us cater for any negative impacts on our business – operationally or financially.</p> <p>Trainline has a large and diverse portfolio of investors, banks and advisers, allowing us to maintain access to global capital markets and funding.</p>	<ul style="list-style-type: none"> <li>• Duration and cost of debt</li> <li>• Monitoring of financial and investment markets</li> <li>• Investor engagement</li> <li>• Engagement with banking and finance partners</li> <li>• Monitoring our credit rating</li> <li>• Analysis of industry, economic and financial drivers</li> </ul>	<p>High</p> <p><b>Change</b></p> 

## Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions

## 2. Prolonged Covid-19

**Status:** Though the scale and duration of the Covid-19 pandemic remain uncertain and may continue to negatively impact the corporate and commuter passenger travel, we continue to see rail travel recovering in all of our major markets, resulting in a gradual improvement in our financial performance across all our markets. We continue to maintain the appropriate health and safety protocols implemented to ensure the safety and wellbeing of our people and remain committed to working with our customers, clients, and industry partners to support longer-term recovery. Whilst we remain vigilant around the potential resurgence of Covid-19 and other virus variants and remain committed to implementing the required remediation measures, if necessary, we believe the potential impact of this risk on our overall business has become more moderate.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>Increases in Covid-19 case numbers, emerging variants and any future government travel restrictions may impact domestic leisure, corporate and commuter travel, as well as cross-border travel into and around Europe and International inbound travel into the UK and Europe from overseas.</p> <p><b>Link to Strategic Objectives:</b></p>	<p>Throughout Covid-19 Trainline's priorities have remained the safety and wellbeing of our people, supporting our customers and engaging with industry and governments to plan and support recovery in rail travel. Protecting our shareholders against the economic impact of Covid-19 has also been a priority for us, and we've taken several actions to manage and mitigate the Group's financial position. We continue to monitor developments closely across all our markets and adapt our responses accordingly.</p> <p>Trainline carefully manages its operations to sustain a profitable and stable business in the long term. Should there be a significant resurgence in Covid-19 we can take the following actions, amongst others, to mitigate the impact on our business:</p> <ul style="list-style-type: none"> <li>• Evaluate and reduce operating costs and cash outflows</li> <li>• Reduce marketing and other discretionary spend</li> <li>• Effective management of our working capital</li> <li>• Secure debt covenant waivers from Lenders</li> </ul> <p>We have maintained wellbeing activities for all team members including online fitness sessions and activities including regular and frequent all-company meetings; virtual wellbeing sessions; meditation and yoga; 24-hour, free, confidential, one-on-one counselling. We also continue to monitor employee engagement through our annual 'Have Your Say' surveys.</p>	<ul style="list-style-type: none"> <li>• Engagement with key government organisations and representatives as well as monitoring announcements.</li> <li>• Monitoring customer contact, refund rates and sentiment across markets</li> <li>• Engagement with carrier partners</li> <li>• Monitoring financial performance and updating financial projections</li> <li>• Staying close to our employees via engagement surveys and check-ins</li> </ul>	<p>Moderate</p> <p><b>Change</b></p>

## Principal risks and uncertainties continued

### 3. IT security and cybercrime

**Status:** The fast-moving nature of IT security and cyber risks mean that Trainline will always face a level of vulnerability. Due to the pandemic and changes in ways of working there has been a greater focus on ensuring that devices are secured appropriately to mitigate against the increase in threats as a result of remote working practices. With the expansion into new and existing markets, data privacy legislation risks will remain high for the foreseeable future. We have increased our investment in cyber security, data privacy and related IT security systems, processes and resources.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>Trainline is a processor of large amounts of customer data. There is a risk that data is intercepted or leaked impacting negatively on our customers, business and reputation.</p> <p><b>Link to Strategic Objectives:</b></p> <div>   </div>	<p>The Group's cross-functional Security Steering Committee regularly reviews and monitors existing and emerging threats as well as our current mitigation strategies and privacy matters to validate that we continue to adhere to data privacy regulations across our markets. Trainline is certified PCI Level 1 compliant.</p> <p>We perform detailed access management reviews and have prioritised mitigating activities in place around our information processing systems. We remain focused on our business continuity activities around critical systems to ensure that in case of disruptions, recovery is managed with the highest priority.</p> <p>All new Trainline employees are required to complete a cyber security and privacy related training course as part of their on-boarding. The Chief Information Security Officer ('CISO'), Security and Privacy teams provide additional periodic and, if required, targeted training to Trainline employees to up-skill and ensure good practices are followed.</p> <p>We have policies and procedures in place to monitor systems access and remote working practices are continuously reviewed and reinforced to help us monitor potential cyber and data security risks.</p>	<ul style="list-style-type: none"> <li>Regular, independent review of detection and prevention systems / process operating effectiveness and remedial activity</li> <li>Annual targeted threat assessments tailored to Trainline's specific circumstances</li> <li>Threat and vulnerability monitoring by cross-functional, executive-level committees</li> </ul>	<p>High</p> <p><b>Change</b></p> 

→ For more information on our technology, see page 22



## Key



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## 4. People

**Status:** As a fast-growing technology business, attracting and retaining the best talent is a critical element of our strategy. The technology market is particularly competitive, which creates challenges when hiring for technology roles and retaining talent. Trainline has taken numerous steps to ensure it continues to be an attractive place to work and develop. To further mitigate this risk, we have launched another technology hub in Barcelona, Spain with a planned initial staff of 60 engineers and developers. Though the overall risk remains high, the actions implemented help mitigate our exposure.



Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>Trainline's business depends on hiring and retaining first-class talent in the highly competitive tech industry. Inability to attract and retain critical skills and capabilities could hinder our ability to deliver on our strategic objectives.</p> <p><b>Link to Strategic Objectives:</b></p> <div>   </div>	<p>We work hard to develop and sustain our highly collaborative, agile and innovative culture, which incorporates the wellbeing and professional development of team members across each site. We continue to build capabilities and grow our teams, in particular focusing on Engineering, Data, Industry and Government Relations. New joiners are recruited and carefully screened by our in-house talent team.</p> <p>Organisational reviews are undertaken on a regular basis to ensure that teams are built to succeed and that we remain competitive to retain and attract talent. We continue to place a high priority on the mental health and wellbeing of our people, through our well-developed and continuously improving wellbeing initiatives.</p> <p>To help us deliver our strategic goals and ambitious growth plans we have made a number of key hires to our Management Team with the addition of a Chief Technology Officer, Chief Data Officer and Chief Corporate Affairs Officer. We have also expanded our Management Team in Europe. Highlighting the strength of our succession planning process, we have also promoted internal talent to senior leadership roles.</p>	<ul style="list-style-type: none"> <li>• We conduct regular employee engagement surveys and monitor and act on employee feedback</li> <li>• Regretted attrition rate monitoring</li> <li>• External benchmarking</li> </ul>	<p>High</p> <p><b>Change</b></p> 

→ For more information on our people and culture, see page 48.

## Principal risks and uncertainties continued

### 5. Competitive landscape

**Status:** There is an increasingly competitive online travel environment as existing travel service providers continuously improve their offerings and new disruptive technologies may emerge. The Williams-Shapps Plan for Rail may further increase competitive pressure. We continue to closely monitor the market and proactively manage our technology portfolio.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>As we operate in the fast-moving technology sector, we are faced with new and emerging technologies as well as new entrants in our markets.</p> <p>Ensuring that Trainline meets the needs of its consumers – both B2C and Trainline Partner Solutions customers – is of paramount importance in building, growing and sustaining a healthy business.</p> <p>Failure to ensure our technology and user experience meets those needs and that Trainline's offering remains ahead of competitor products could have an adverse impact on our future results.</p> <p>.....</p> <p><b>Link to Strategic Objectives:</b></p> <div>   </div>	<p>At Trainline, we recognise the importance of building and sustaining both a strong team and strong relationships. Our leadership, exceptional team, strong industry networks and agile way of working help to ensure that we stay ahead of our competitors, up to date and innovative. We continue to make targeted product investments and proactively monitor our brand health.</p> <p>With c.400 engineers, data and tech specialists, we use our skills and experience across our Product and Tech teams, to innovate for, engage with and listen to our customers.</p> <p>We work closely with industry groups and leaders to understand key trends to proactively respond to emerging changes and requirements.</p> <p>We also undertake regular market and competitor analysis to understand potential competitive threats and opportunities for partnerships and growth. We have created a strategic partnership with Google, as part of which we are now able to integrate our product offering with Google Maps on the Android platform.</p>	<ul style="list-style-type: none"> <li>Monitoring and analysis of competitor behaviours</li> <li>Clearly defined performance indicators to monitor customer engagement statistics</li> <li>Regular evaluation of industry and consumer trends</li> </ul>	<p>High</p> <p><b>Change</b></p> 

## Key



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Increase customer lifetime value



Growing Trainline Partner Solutions

## 6. Compliance

**Status:** The Group has maintained its focus on compliance with key regulations and mandatory training programmes have continued throughout the year. As we continue to expand our operations within the EU, we remain fully committed to maintaining our compliance processes by recruiting, training and deploying legal and compliance professionals in those markets.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>The Group works within various licence terms and with licensing bodies and regulatory structures in order that it may retail rail and coach tickets to customers across the world.</p> <p>Should Trainline not comply with licences, legislation, regulatory requirements or other such frameworks, this could affect the reputation of the Group and the Group's ability to conduct business operations. Non-compliance could also result in legal or financial penalties, the inability to retail rail and coach tickets and the loss of revenue.</p> <p><b>Link to Strategic Objectives:</b></p> 	<p>At Trainline, we take a comprehensive and robust approach to compliance, which is overseen by the Audit and Risk Committee, our Board and by our Management, Legal, Finance, Technology and Security teams on an operational basis.</p> <p>We have dedicated resources and training to ensure that each member of our team is appropriately trained on compliance topics. Security, privacy and data, as well as corporate hospitality, bribery, gifting and political and charitable donation compliance training are mandatory for all at Trainline. We also ensure that extra training is given to team members, relative to their roles at Trainline.</p> <p>We operate a whistleblowing policy, whereby any member of our team is able to quickly and confidentially raise concerns and feedback through an appropriate, procedural channel.</p> <p>We employ dedicated staff members and teams, where appropriate locally in countries where we operate, who help to track and monitor legal, contractual and regulatory compliance requirements in each of the major markets in which we operate.</p> <p>Where required, annual assessments are performed and reported to the relevant party on compliance. Under some contracts and regulations, Trainline is subject to third-party reviews on either a regular or ad hoc basis to assess its compliance with the underlying requirements and the results of such reviews are reported to the relevant third parties.</p>	<ul style="list-style-type: none"> <li>Regular assessment of laws and regulations across geographies in which we operate</li> <li>Regular review and maintenance of risk register</li> <li>Monitoring of customer, industry and Board concerns</li> <li>Audit and Risk Committee reviews of compliance processes</li> </ul>	<p>Moderate</p> <p><b>Change</b></p> 

## Principal risks and uncertainties continued

### 7. Supply and partnerships

**Status:** The successful execution of Trainline's strategy is reliant upon retaining its existing licences with carriers and also integrating new carriers as they launch via existing licences or by agreeing new licences where required. Successful contractual arrangements with partners to provide access to Trainline's supply remains key as the industry continues to recover from Covid-19 and with growing interest in rail as a more sustainable means of business travel.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>Trainline retails rail and coach tickets across many countries and to customers across the world. We therefore rely on secure and reliable connections from all rail and coach operators.</p> <p>A unilateral termination or variation by a rail or coach carrier of its licence terms with Trainline, including a significant reduction in the levels of commissions which Trainline receives, or a significant or prolonged disruption to traveller services or systems would have an adverse impact on Trainline's results.</p> <p>In order to ensure a superior customer experience for our customers, we also rely on accurate and relevant information and data from carrier partners. Lack of or incomplete information would also impede Trainline's ability to offer a useful product to meet the needs of customers.</p> <p>.....</p> <p><b>Link to Strategic Objectives:</b></p> 	<p>By working closely with our carrier partners and by remaining actively engaged with the industry across all geographies in which we have supply, we ensure we remain up to date on any industry or service issues. We also believe relevant competition laws may limit the scope of carriers' abilities to amend or otherwise treat Trainline unfairly.</p> <p>As our presence in Europe continues to grow and our relationships with the train operators continue to expand, we have been expanding our team of commercial and technology resources.</p> <p>Though our business-to-business and corporate travel services were significantly impacted by the Covid-19 related lockdowns, we have continued to reinforce our Sales and Account Executive teams.</p>	<ul style="list-style-type: none"> <li>• Long-standing relationships with the industry, our carrier partners</li> <li>• Highly experienced Supply and Government Relations teams responsible for monitoring and responding to the needs of our partners, as well as identifying new supply opportunities</li> <li>• We have been continuing to add experienced, senior level resources to the European supply and partnership teams</li> <li>• We have effective processes in place to support informed, data-led decision making</li> </ul>	<p>High</p> <p><b>Change</b></p> 



## Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions

## 8. Regulatory and political environment

**Status:** The UK operating environment has seen opportunities and risks generated by the Williams-Shapps Plan for Rail. This could impact our commercial environment in the UK, with changes expected to our licence counterparty, the Rail Delivery Group ('RDG'). We are engaged closely with relevant government and industry stakeholders to proactively monitor and mitigate risk. We have recently agreed a Memorandum of Understanding with RDG to set a back-stop for commission should we be unable to agree a mutually acceptable outcome to the Retail Review, currently being undertaken by RDG. This back-stop would result in a net 25bps reduction in Trainline UK Consumer economics, being a ~50bps reduction in commission offset by a removal of central industry costs previously recharged to Trainline to the value of ~25bps. In our European markets, the continued liberalisation of the rail industry presents significant growth opportunities.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
<p>Trainline's operations could be affected by changes to policy or regulation by government, regulators and industry.</p> <p>Changes to state-owned carriers, which operate in most geographies in continental Europe, as a result of government activity in their respective jurisdictions could also affect Trainline's operation and/or financial prospects, in the short to medium term.</p> <p><b>Link to Strategic Objectives:</b></p> 	<p>Trainline recognises the importance of developing strong and effective relationships with governments and rail industry partners. The Corporate Affairs team proactively engages with UK and EU national governments, institutions and carrier partners as part of a structured programme of stakeholder engagement.</p> <p>We work to ensure our voice is heard in key debates. In the last 12 months this has included the Williams-Shapps Plan for Rail, the RDG Retail Review and Europe-wide liberalisation initiatives such as the EU Plan for Rail.</p> <p>This engagement is joined with our overall communication and brand positioning, to present a coherent message to all our audiences.</p> <p>A range of tactical work including attendance at industry and political events, thought leadership and media and social media interventions amplifies this voice.</p> <p>Through doing this, we ensure that Trainline's external operating environment remains as supportive as possible to our growth ambitions.</p>	<ul style="list-style-type: none"> <li>By utilising specialised monitoring tools, we track changes to laws and regulations across all geographies in which we operate</li> <li>We undertake comprehensive risk analysis and modelling, both in-house and through specialist consultancies</li> <li>We monitor public sentiment and trends via polling, focus groups and other methods</li> <li>We have programmatic engagement with key industry partners and government representatives with monitoring of sentiment shifts</li> </ul>	<p>High</p> <p><b>Change</b></p> 

Our people and culture

# Our People are at the heart of our business

A woman with dark curly hair, wearing a dark hoodie, is smiling broadly and holding a large blue balloon. The balloon has the words "Welcome back" written on it in white cursive. The background is a blurred office or meeting room with other people visible in the distance.

Welcome back

It's our innovative team accomplishing brilliant things every day that makes it simpler, easier, cheaper and greener for people to plan their journeys and see the world.

## Investing in our People

### Investing in leadership

A number of key hires to our Management Team are helping us deliver on our strategic goals and ambitious growth plans, with the addition of Milena Nikolic from Google as Chief Technology Officer, Mike Hyde from Facebook as Chief Data Officer and Martin Sheehan from Portland as Chief Corporate Affairs Officer. Highlighting the strength of our succession planning process we also promoted James Hanratty, who

joined Trainline in 2009, to General Counsel. As part of our commitment to promoting diversity, all executive search shortlists achieved a 50:50 balance of male and female candidates.

### Investing in tech talent

Leveraging our position in Europe, we opened new offices in both Milan and Barcelona this year, giving us access to new talent markets. These new offices provide an important strategic opportunity for us to attain the expertise and technical skills we need to deliver on our transnational expansion.



**I want to maintain a dynamic tech culture at Trainline so people really enjoy working here. I draw a lot of joy out of seeing us, as a team, utilising our data and expertise to ship great products that enhance the user experience and grows our customer base so that we encourage more people to reduce the environmental impact of their travel choices.**

**Milena Nikolic**  
Chief Technology Officer

# 750+

Employees

# 110

Promotions

# >50

Nationalities

# c.400

Engineers,  
data and tech  
specialists





## Our people and culture continued

### Our values



**We're building the future of rail**



**We focus on every customer, partner and journey**



**We make a positive impact**



**We are one team**

### A culture built for success

Empowering people to make greener travel choices, connecting people and places, sits at the heart of our business.

#### Greener workplaces

By reviewing all the suppliers and products we use across our offices, we can ensure we choose more sustainable options. This helped us reduce the environmental impact of our offices in FY2022.

#### Communication and engagement

Our green purpose is at the forefront of regular communications with our People and a programme of 'green-focused' events. This included the launch of our first ever 'Green Week' in November 2021, which saw employees from our London, Edinburgh and Paris offices taking direct action to benefit our local communities, and the launch of a dedicated 'Green' learning hub on our training platform.

#### Perks for good

As part of Green Week, we launched our Trainline Forest in partnership with our charity partner, onHand, who will plant two trees in the Bosawas Biosphere Reserve in Nicaragua for each of our employees. OnHand also help provide our People with access to volunteering opportunities and sustainability knowledge.

Another tree planting initiative was also put in place, where we committed to planting a tree every time a new employee passes probation. This enables each of us to actively have a positive, direct and long-lasting impact on the environment.

### High performance

Keeping our People and teams connected to our business goals is key to our continued success and growth. This year we have introduced Objectives and Key Results ('OKRs') as our goal setting methodology, to help us simplify the process and better align teams to the things that matter most.

This way of working will also demonstrate to our People how they can directly shape and contribute to our success, increasing job satisfaction and engagement. To help us embed this new way of working, we have established a partnership with a leading OKR platform, including investment in enablement services for our People. We started on this journey in late FY2022 and will continue to roll out OKRs in our key strategic activities and across all departments during FY2023.

#### Encouraging innovation

We are proud of the bright minds that work here at Trainline, constantly innovating, problem-solving and obsessing over making our customer experience ever better. We celebrate new ideas and encourage our People to stretch their minds, share their knowledge and be inspired.



## An inclusive and diverse workforce

Our approach to diversity, inclusion and belonging focuses on removing barriers, creating connections and being a place where everyone can belong and thrive.

### People Led Groups

People Led Groups ('PLGs') play a key role in our diversity and inclusion agenda as inclusive communities developed and led by our People with sponsorship and support from senior leaders. They are all about empowering and supporting underrepresented groups, by providing a safe space to talk, a place to come up with new ideas and a channel for voices to be heard.

We've worked to deliver a programme of events that celebrate and raise awareness of key diversity and inclusion calendar moments such as International Women's Day, Black History Month, Pride and Autism Awareness Week.

### Senior Women's Network

The Senior Women's Network focuses on supporting and helping to develop our female leaders, accelerate gender parity and encourage more women to take up leadership positions.

### Family friendly

Family friendly policies that are both supportive and competitive help us increase diversity and inclusivity and attract and retain talent.

### Apprentices

There is an enormous opportunity to increase diversity in the technology sector. Our apprenticeship programme was launched this year to provide career opportunities to a cross-section of young people from under-represented communities. Partnering with Multiverse, we welcomed our very first apprentices to our Engineering, Data and People teams in September 2021 and we expect to welcome our second group of apprentices in September 2022.

### Diverse hiring practices

To recruit across diverse communities we partner with diversity-focused job boards and platforms, such as Women in Tech and Diversity in Tech. Our relationships with Academy and Bootcamp training providers help us develop an inclusive early career programme.

Training for our hiring managers is provided to help remove any bias from decision making and ensure that our internal hiring process is fair and inclusive for all.

Further information on our workforce diversity is available on page 77.

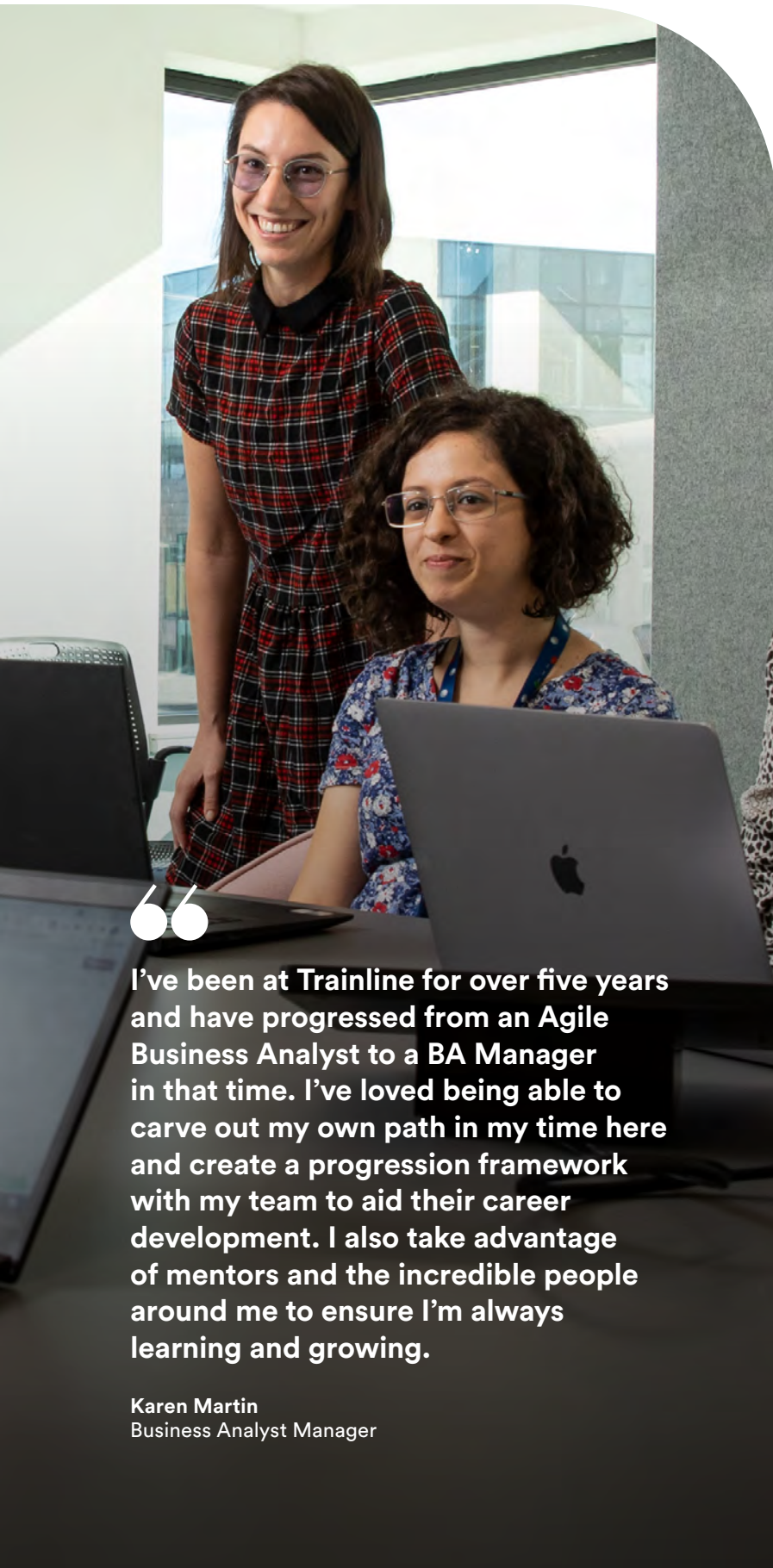


**Joining Trainline has given me a great opportunity to learn from many people who come from diverse backgrounds and a variety of sectors. I'm particularly enjoying working alongside experienced programmers, it's a very welcoming, friendly and supportive environment!**

**Tymoteusz Hylinski**  
Software Engineer Apprentice



## Our people and culture continued



**I've been at Trainline for over five years and have progressed from an Agile Business Analyst to a BA Manager in that time. I've loved being able to carve out my own path in my time here and create a progression framework with my team to aid their career development. I also take advantage of mentors and the incredible people around me to ensure I'm always learning and growing.**

**Karen Martin**  
Business Analyst Manager

### Growing a career

#### Supporting our managers

Management and leadership development is offered to ensure managers have the skills and expertise they need to lead their teams. Our Leading at Trainline New Manager accelerator programmes deliver leadership coaching, leveraging our experienced Management Team to host talks and workshops on specific management topics.

#### Investing in our Technology teams

Supporting our thriving Tech community with events, resources and tools to keep building world-class talent is key. We've grown our partnerships with some of the leading technology-focused capability platforms to ensure we are building the cutting-edge skills required to keep our teams at the forefront of developments in technology.

### Our focus on wellbeing

#### Looking after our People

Over the course of FY2022, we continued to place great importance on the wellbeing of our teams, to help support each of our People professionally and personally during Covid-19 restrictions and the transition back to office life.

Our annual cross-company wellbeing weeks and celebrations tied to key wellbeing calendar moments help our People take care of their mind, body and spirit.



### Giving back

Future Frontiers, Ada Tech School, onHand and Railway Children are partners that we are proud to work with, helping us support our communities and champion future talent.

### Inspiring

To do our part in fulfilling potential we partnered with the award-winning charity, Future Frontiers, to help equip students from disadvantaged backgrounds with the information, skills and mindset to achieve their career aspirations. Since our partnership began, our teams in London and Edinburgh have mentored more than 170 secondary school students, encouraging them to dream big, explore opportunities and achieve their career aspirations.

### Educating

Tackling gender imbalance and championing talent within the tech industry is a core focus for Trainline. Women represent only 26% of professionals in the tech sector, of which only 11% are in leadership positions. We believe the key is to inspire women to choose a career in tech from an early stage. One of our partners, the Ada Tech School in Paris, enables us to support young people's aspirations to become developers.

### Supporting

Across the world many children are forced to find refuge in railway stations. For many years we've partnered with and supported Railway Children, the charity that provides safety, protection and opportunity

for these vulnerable young people. Through our fundraising activities we help Railway Children continue the fundamental work they do for some of the most vulnerable in our societies.

We moved quickly to help Ukrainian refugees by launching and maintaining a help page for refugees travelling from Ukraine to other countries in Europe which included advice on where they could access free transport, accommodation and support from governments and charities. We also donated in-product advertisement space to Unicef and the Disaster Emergency Committee in addition to a cash donation to the Unicef Ukraine Appeal.

“

**I'm really excited about how much growth opportunity there is at Trainline. Since I've joined, I've been continuously learning new things, building my skill-set and becoming more knowledgeable within my field.**

**Sahid Miah**  
HR & Talent Apprentice



## Task Force on Climate-related Financial Disclosures ('TCFD')

Trainline has made strong progress during the year in setting its sustainability goals and developing a strategy to achieve them. To achieve our sustainability goals we recognise the importance of disclosing climate-related risks and opportunities in line with the TCFD and SASB frameworks so that investors and other stakeholders have a better understanding of the climate-related risks and opportunities that apply to Trainline. We have structured this report in line with the four core themes and the eleven recommended

TCFD disclosures. In implementing the TCFD framework we have provided a summary of the actions we have taken to review the key risks and opportunities arising from climate change and the transition to a lower carbon economy and their potential impacts on Trainline.

Due to the nature of our business, Trainline has an inherently lower carbon intensity compared to other business sectors with the majority of our greenhouse gas ('GHG') emissions arising from the

use of third-party cloud computing services. We have limited ability to influence the emissions created by these third parties but we apply pressure where we can to encourage the transition to renewable energy sources and we welcome the net-zero carbon emission commitments that have been made. Whilst the GHG emissions we have direct control over – predominantly the operation of our office spaces – are not substantial we are taking steps to reduce them.

### Governance

Our governance for climate-related risks and opportunities:

TCFD Recommendation	How we apply the recommendation
<b>Describe the Board's oversight of climate-related risks and opportunities</b>	<p>The Board is ultimately responsible for Trainline's strategy and approach to climate-related risks and opportunities.</p> <p>During the year the Board discussed the climate-related risks for Trainline and the opportunities arising from the transition to a lower carbon economy including the importance of sustainability to our stakeholders and their particular focuses. The Board also received an update on our sustainability strategy and discussed its ambitions, goals, the roadmap for the implementation of sustainability elements into our products and the sustainability strategy investment plan.</p> <p>The Board was particularly focused on the steps Trainline can take to promote the sustainability of rail and the implementation of the sustainability strategy. Further updates on the sustainability programme will form part of the Board's annual agenda to enable it to monitor and oversee progress against our sustainability goals.</p> <p>The Audit and Risk Committee received an update on the inclusion of climate-related risks into Trainline's risk management framework as part of the FY2022 risk management process. This update included all of the risk types identified in tables A1 and A2 of the TCFD implementation recommendations. The Audit and Risk Committee will continue to monitor the effectiveness of the risk management process in regards to the appropriate inclusion of climate-related risks.</p> <p>The Remuneration Committee will also receive updates on performance on sustainability measures included in any Executive Director's remuneration. See page 89 for further information on the inclusion of sustainability measures in remuneration.</p>
<b>Describe management's role in assessing and managing climate-related risks and opportunities</b>	<ul style="list-style-type: none"> <li>The CEO is ultimately responsible for delivering Trainline's sustainability strategy and reports to the Board on sustainability matters.</li> <li>The CEO is supported by the Sustainability Steering Committee (the 'Committee') which is responsible for developing and managing delivery of the sustainability strategy and identifying climate-related risks and opportunities. The Committee is chaired by the Chief Product Officer and includes senior members of teams that are crucial to the success of the sustainability strategy. The Committee provides updates to the Management Team via monthly team meetings.</li> <li>In turn the Sustainability Delivery Group reports to the Committee and is responsible for executing the sustainability strategy. The Sustainability Delivery Group is made up of representatives from the teams executing the sustainability strategy.</li> </ul>



## Strategy

Our climate-related risks and opportunities:

TCFD Recommendation	How we apply the recommendation
<p><b>Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term</b></p>	<p>The transition to a lower-carbon economy will require increasing use of rail and coach which in turn provides opportunities for Trainline over the short, medium and long term. Further information on these opportunities is available on page 8.</p> <p>The Committee has identified and considered a number of climate-related risks that are relevant to Trainline, in particular:</p> <p><b>Short-term (0-5 years)</b></p> <ul style="list-style-type: none"> <li>• Policy and Legal: policies and legal requirements in relation to climate-related matters continue to develop as the significance and need for action grows. We operate in a lower carbon intense industry so we do not currently expect related policy and legal changes to have a negative material financial impact on Trainline, however, we recognise the need to continually monitor developments in this area to ensure we remain compliant.</li> <li>• Technology: no fundamental technology issues arising from climate-related risks have been identified but we have noted the current market difficulties in hiring people with relevant skills and experience and the potential need to invest further in developing our technology platform and data to enhance Trainline's sustainability offering to our customers.</li> <li>• Reputational: as sustainability is a key part of our purpose there is reputational risk to Trainline that could arise as a result of us failing to live up to our purpose and through poor execution of our sustainability strategy.</li> </ul> <p><b>Medium-term (5-10 years)</b></p> <ul style="list-style-type: none"> <li>• Market: the transition to a lower-carbon economy and the resulting requirement for increased use of rail and coach is fundamentally an opportunity for Trainline, however, there is the risk of increased competition as the size of the market opportunity increases, in particular if we fail to execute our strategy.</li> </ul> <p><b>Long-term (10+ years)</b></p> <ul style="list-style-type: none"> <li>• Acute and chronic physical risks: risks to Trainline's day-to-day operations are minimal as we operate via a relatively small office footprint and have a proven ability to transition to remote working rapidly when required. Expected increases in extreme weather events arising from climate change would result in increased disruption or cancellation of rail services which could cause short-term pressure on customer service capacity. However we are well placed to mitigate the impact due to our investment in simple automated processes that are available to our customers in our app and website.</li> </ul> <p>The above risks were included in the FY2022 risk management process. All were assessed to have no material potential financial impact (&lt;1% of annual revenue) or require additional responses or mitigations at this time. The process to assess climate-related risks will develop as our ability to analyse them matures in the coming years.</p>
<p><b>Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning</b></p>	<p>Our purpose is anchored in environmental sustainability and as a result climate-related risks and opportunities impact all areas of our business. During FY2022 this included:</p> <ul style="list-style-type: none"> <li>• using a sustainability measure in the FY2023 annual bonus to ensure that executives and senior management are incentivised to achieve our sustainability goals;</li> <li>• making sustainability one of our Objectives and Key Results; and</li> <li>• using our brand recognition to champion rail as the future of sustainable travel.</li> </ul>

## Task Force on Climate-related Financial Disclosures ('TCFD') continued

TCFD Recommendation	How we apply the recommendation
<b>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</b>	<p>When considering the following scenarios the Network Rail Third Adaptation Report and the Climate Change Committee Independent Assessment of UK Climate Risk were used to help qualitatively determine the impact of each scenario on Trainline:</p> <p>The increased use of rail and coach required for the transition to a lower-carbon economy consistent with a 2°C or lower scenario would create a larger and expanded market which is a strategic opportunity for Trainline. We closely monitor policy and legal developments related to rail and frequently engage with regulators and policymakers on rail industry policy so are well placed to understand the impact of developments and identify opportunities. Whilst there would be risks that arise from this scenario they would be predominantly mitigated through the successful execution of our strategic goals.</p> <p>A climate-related scenario resulting in a 4°C or more scenario in which the modal shift from cars and planes to rail and coach does not occur would not materially impact Trainline's strategy as the long-term structural tailwinds for the business would endure, in particular the transition to online and digital ticketing. There would be increased risk of short-term pressure on customer service capacity due to increased disruption and cancellation of rail services arising from extreme weather events but this would be mitigated by our investment in simple automated processes that are available to our customers in our app and website.</p>

### Risk management

Our risk management process for climate-related risks:

TCFD Recommendation	How we apply the recommendation
<b>Describe the organisation's process for identifying and assessing climate-related risks</b>	<p>The Committee meets to discuss our sustainability strategy and climate-related matters. These meetings help to identify relevant climate-related risks that are then assessed by the Committee.</p>
<b>Describe the organisation's process for managing climate-related risks</b>	<p>As part of its assessment of climate-related risks the Committee considers: the probability and significance of each climate-related risk identified; and the mitigants in place, their suitability and appropriate actions where required. The Committee utilises the expertise of its members and external service providers to determine the materiality of identified climate-related risks.</p> <p>If an identified climate-related risk is deemed to have a high probability and/or significance, the Committee will consider appropriate actions that can be taken to introduce optimal controls and/or mitigants. The Committee will then report to the Management Team in line with the wider risk management framework.</p>
<b>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management</b>	<p>A member of the Committee is also a member of the Internal Risk Committee to ensure the Internal Risk Committee has relevant expertise on climate-related matters. During FY2022 the risk management framework was updated to help identify risks that included a climate-related factor so that the Committee could include them in their discussions.</p> <p>More detail on our risk management framework is available on page 38.</p>

## Metrics and targets

Our climate-related metrics and targets:

TCFD Recommendation	How we apply the recommendation
<b>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</b>	Our ability to meet our net-zero commitment is partly dependent on our suppliers meeting their own net-zero commitments, in particular Amazon Web Services' ('AWS') commitment to power their operations with 100% renewable energy by 2025. Whilst our ability to influence AWS is limited we have discussed our expectations of them in accordance with our supplier code of conduct and will continue to monitor their progress towards their net-zero commitment.
<b>Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks</b>	This is Trainline's third year of Streamlined Energy and Carbon Reporting ('SECR') reporting. In alignment with SECR reporting requirements, emissions have been reported on a 'like-for-like' basis with the previous year's data for comparative purposes.

## Global GHG emissions and energy use data

	Current reporting year FY2022		Previous reporting year FY2021	
	UK	Global	UK	Global
Emissions from activities which the Company owns or controls including combustion of fuel & operation of facilities (Scope 1)/tCO <sub>2</sub> e	59.12	26.41	69.85	41.81
Emissions from purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, location-based)/tCO <sub>2</sub> e	169.40	3.71	148.34	2.89
Total gross Scope 1 & Scope 2 emissions/tCO <sub>2</sub> e	228.52	30.12	218.20	44.71
Total energy consumption used to calculate above emissions: /kWh	1,118,451	212,596	1,016,200	280,879
Intensity ratio: tCO <sub>2</sub> e gross figure based from mandatory fields above/m <sup>2</sup> of office space	0.05	0.01	0.05	0.02
Intensity ratio: tCO <sub>2</sub> e gross figure based from mandatory fields above/FTE	0.35	0.56	0.33	0.89
Emissions from purchased goods and services (Scope 3)/tCO <sub>2</sub> e	1.15	0.18	2.78	0.46
Emissions from employee business travel by rail (Scope 3)/tCO <sub>2</sub> e	10.12	0.47	-	-
Emissions from employee business travel by air (Scope 3)/tCO <sub>2</sub> e	9.46	77.03	-	-
Emissions from employee business travel by passenger vehicle (Scope 3)/tCO <sub>2</sub> e	1.27	0.19	0.62	-
Emissions from disposal of waste generated in operations (Scope 3)/tCO <sub>2</sub> e	0.68	0.02	0.31	0.02
Emissions from energy use in data centres (Scope 3)/tCO <sub>2</sub> e	36.21	4.49	18.69	5.54
Estimate of emissions associated with our workforce working from home due to the Covid-19 pandemic (Scope 3, Cat.7)/tCO <sub>2</sub> e	360.71	37.45	369.23	44.25

## Task Force on Climate-related Financial Disclosures ('TCFD') continued

Scope: The data detailed in the table represents emissions and energy use for which Trainline is responsible, including energy use in offices: Gas (Scope 1); and Electricity (Scope 2). We have also included emissions associated with business operations are also accounted for, including: purchased goods and services, water (Scope 3, Category 1); waste sent for recycling and recovery (Scope 3, Category 5); business travel for passenger vehicles, rail and air (Scope 3, Category 6) and; workforce working from home due to Covid-19 restrictions (Scope 3, Category 7); and energy use in data centres (Scope 3, Category 8).

Methodology: As a large, quoted company, Trainline is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2021 and the IEA Emissions Factors 2021. The sum of all emissions included within this report are for the reporting period 1 March 2021 to 28 February 2022. Calculation: Emission calculations for energy use in offices (Scope 1 and 2) are based on conversion of energy used (kWh) to emissions (tCO<sub>2</sub>e). Emissions from water consumption (Scope 3, Category 1) were calculated based on total water consumed (m3) with water supply and treatment emissions factors applied. Emissions for waste (recycling and recovery) were calculated based on total mass of waste produced (tonnes) with recycling and recovery emissions factors applied accordingly.

Emissions for business travel (passenger vehicles, rail and air) were calculated based on distances derived from departure and arrival

locations (km), distances were then converted to emissions (tCO<sub>2</sub>e) using appropriate travel conversion factors. Emissions for workforce working from home were calculated using the EcoAct Homeworking and Commuting Tool v3, where emissions are based upon full-time employees ('FTE') and percentage of FTE working from home to derive total emissions. Emissions for energy use in data centres have been calculated by a third party, AWS. These are based on estimates for Trainline energy consumption with an ROI grid emission factor applied. AWS procures renewable energy for use in data centres, therefore although power and computer usage has increased, emissions from data centre use have not. Omissions and Estimates: estimations were made where no data was provided. Where gaps were observed in annual single data sets, estimates were based upon actual data and extrapolations made. Where no annual data was provided estimations were used either based upon the previous year's reported data or calculated using best available benchmarks for office environmental benchmarks.

Energy efficiency actions: For reporting period 1 March 2021 to the 28 February 2022, we have not employed any additional energy efficiency actions from the previous reporting year.

### TCFD Compliance Statement

We have set out above our climate-related financial disclosures that are consistent with all four recommendations and eleven recommended disclosures from Section C of the Annex entitled "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", published in October 2021 by the TCFD.

### Reducing our carbon footprint

#### Office

We have taken steps to reduce the environmental impact of our workplaces during the year and have conducted reviews of all suppliers and products we use across our offices to ensure we choose more sustainable options. For example, we have transitioned to reusable glass milk bottles – plastic free catering and recycled toiletry products, as well as increased waste separation to improve recycling.

#### Infrastructure

Our extensive use of cloud computing services is more environmentally sustainable, up to 88% more energy efficient according to Amazon Web Services, than utilising equivalent on-premises data centres. We intend to continue migrating to cloud computing services when opportunities arise to do so.

#### People

We have educated our People in how to reduce their environmental impact by welcoming inspirational guest speakers to discuss sustainability, provided guidance and knowledge via our learning and development platform and given them opportunities for direct action to benefit the environment in our local communities. We also introduced our sustainable travel policy which asks our teams to travel by the most environmentally sustainable mode of transport.

# Sustainability Accounting Standards Board ('SASB') Disclosures

## SASB Index 2022

Trainline is committed to transparent reporting to provide our stakeholders with a comprehensive overview of the Environmental, Social and Governance ('ESG') metrics that are material to our business. As such we have aligned the below disclosures to the SASB Internet and Media Services standards for the Group, covering our activities during FY2022.

SASB Accounting Metric	SASB code	Trainline Disclosure
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-IM-130a.1	1) 1,331,047kWh. 2) and 3) Trainline uses an energy broker that determines our energy supplier based on market rates. Trainline therefore does not track the percentage grid electricity or renewable energy used by our office suppliers.
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-IM-130a.2	1) 3,154m <sup>3</sup> ; 2) Trainline does not track where water is withdrawn.
Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-IM-130a.3	Environmental considerations are incorporated into our procurement process. Trainline has prioritised providers that have long-term commitments to use 100% renewable energy and which are able to leverage economies of scale to significantly reduce carbon emissions compared to typical business infrastructure.
Description of policies and practices relating to behavioral advertising and user privacy	TC-IM-220a.1	Trainline recognises the importance of information security and privacy for Trainline's business. The Company has a Chief Information Security Officer who oversees dedicated teams responsible for cybersecurity and privacy, including the Data Protection Officer. In order to prepare for and respond to cybersecurity and privacy issues, Trainline maintains a programme that is designed to protect and preserve the confidentiality, integrity and availability of all information owned by, or in the care of, Trainline. Trainline does not have policies relating to behavioural advertising.
Number of users whose information is used for secondary purposes	TC-IM-220a.2	Where personal data is processed, Trainline protects it along its lifecycle by ensuring appropriate policies and processes are in place. We provide transparency to customers and staff via published privacy and cookies notices. We use privacy impact assessments in order to assess any level of risk involved in new or novel processing activities. As soon as personal data is no longer required for provision of services offered or for legal or regulatory requirements that we are subject to, we make sure it's either deleted or anonymised. Trainline does not sell user data to third parties.
Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-IM-220a.3	Trainline does not disclose this.



## Sustainability Accounting Standards Board (‘SASB’) Disclosures continued

SASB Accounting Metric	SASB code	Trainline Disclosure
(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	TC-IM-220a.4	1) 1,305. 2) Trainline does not track this metric. 3) 100%. Trainline complies with such requests from law enforcement and discloses the requested information. Each disclosure is considered in accordance with internal process and disclosures are only made where there is a lawful basis to do so and it is considered proportionate in relation to the rights and freedoms of the affected user, for example for the prevention of suspected fraud.
List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-IM-220a.5	Trainline does not operate in countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring.
Number of government requests to remove content, percentage compliance with requests	TC-IM-220a.6	There have been no government requests for Trainline to remove content.
(1) Number of data breaches, (2) percentage involving personally identifiable information (‘PII’), (3) number of users affected	TC-IM-230a.1	Trainline was not required to report any data breaches to regulators over the past year.
Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-IM-230a.2	Trainline maintains a suite of information security and privacy related policies, standards, procedures, and guidelines, specifically leveraging accepted industry frameworks such as the PCI security standards. For more information see page 22.
Percentage of employees that are foreign nationals	TC-IM-330a.1	5% of all employees. Trainline works closely with external legal counsel to ensure sponsorship requirements are met for all visa-holding employees working within the jurisdictions where Trainline operates.
Employee engagement as a percentage	TC-IM-330a.2	Trainline conducted an all-employee engagement questionnaire in which 83% of respondents noted that they were proud to work at Trainline. Our overall engagement score increased to 65% (59% in FY2021).
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-IM-330a.3	Female representation: (1) management <sup>1</sup> 36%; (2) technical 23%; and (3) all other employees 52%. Trainline has chosen not to disclose racial/ethnic group representation metrics for FY2022 due to legal restrictions on the ability to gather a reliable dataset of such information.
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-IM-520a.1	Trainline has not been subject to legal proceedings associated with anti-competitive behaviours and as a result has not suffered any losses nor has it had to take any actions (such as changes in operations, management etc).
(1) Data processing capacity, (2) percentage outsourced	TC-IM-000.B	Omitted as privileged and confidential.
(1) Amount of data storage, (2) percentage outsourced	TC-IM-000.C	Omitted as privileged and confidential.

1. As defined in UK Corporate Governance Code 2018, Provision 23

## Stakeholder engagement

### At Trainline, engaging with our stakeholders is integral to how we achieve our vision and strategy.

Through appropriate, timely and proactive engagement with our stakeholders, we aim to look after our team, provide the best possible experience for our customers, generate sustainable value and continue to grow our business.

The following table summarises: our key stakeholders; what's important to them; how we have engaged with them directly and through relevant organisations; and highlights of the results of that engagement during the financial year.

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of our engagement
<b>1 Our customers</b> Customer experience is at the heart of Trainline's business. Understanding our customers' travel needs is key to us delivering and continually improving our best-in-class product experience.	Accessing the latest information on their planned journey and understanding its environmental impact. Finding the cheapest, fastest and most convenient tickets for their journeys, saving them money, time and hassle.  A secure, reliable and robust product experience. Greater accessibility to more sustainable modes of transport.	We spend as much time as possible engaging with and learning from our customers. Our quarterly customer barometer programme and our customer experience programme help us understand how well we're serving our customers across their purchase and travel experience and where they want us to improve.  We also undertake targeted research to better understand specific issues; for example, during FY2022 we investigated awareness of and preferences for using more sustainable travel methods.  During FY2022 we also accelerated our engagement in Europe.	Launch of Delay Repay notifications in the UK.  Providing and maintaining a best-in-class customer experience.  Trainline continues to be Europe's leading independent rail platform, with a 4.9/5 star app rating.

## Stakeholder engagement continued

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of our engagement
<p><b>2 Our carrier partners</b></p> <p>In order to provide our customers with the best possible rail and coach journey experience, it's paramount we establish and maintain strong relationships with our carrier partners. Trainline also provides white label services to a number of carriers.</p>	<p>The opportunity to increase their reach, ticket sales and the number of customers and corporate travellers using their services in their home market or when expanding into new liberalised foreign markets.</p> <p>Lower cost to serve customers by transitioning to digital.</p> <p>Support by helping customers find the right information for their planned journeys and travel safely.</p> <p>Access to Trainline's operational excellence and innovation, through our white label service.</p>	<p>Trainline has carrier partners in the UK, across Europe and in other parts of the world.</p> <p>We have a dedicated, multi-national team of rail and coach travel specialists responsible for establishing and growing relationships with our carrier partners.</p> <p>Beyond this team, we work with carrier partners at every level of the organisation to drive collaboration, deliver marketing campaigns and improve processes to enhance customer experience.</p> <p>During the year we have been especially focused on:</p> <ul style="list-style-type: none"> <li>• integrating new entrants to European markets into our product</li> <li>• migrating our white label partners to Platform One</li> <li>• aligning closely to adapt frequently and rapidly as Covid-19 restrictions were introduced</li> <li>• supporting recovery through digital marketing activities when restrictions were lifted</li> </ul>	<p>Introduction of new ticketing solutions, for example Flexi Seasons in the UK.</p> <p>Partnered with all the new European high-speed rail entrants in FY2022 as they launched their services.</p> <p>Supporting promotions to encourage a return to travel when restrictions were lifted.</p> <p>Improved processes to support fraud prevention measures in the UK and allow for targeted revenue protection on routes.</p> <p>Using our expertise to help the industry provide better real-time disruption information to UK rail passengers.</p> <p>Providing new points of sale for European carriers through our Travel Agency/Travel Management partners via our Global API.</p>

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of our engagement
<p><b>3 Government and regulators</b></p> <p>Government and regulatory policy determine much of the business environment in which Trainline operates.</p>	<p>The recovery of the rail industry as we emerge from Covid-19.</p> <p>A reduction in carbon emissions, by increasing modal shift to rail from other less environmentally-friendly travel modes.</p> <p>In the UK, implementing the industry reforms contained in the Williams-Shapps Plan for Rail.</p> <p>In Europe, implementing the liberalisation of rail travel, including the introduction of a variety of private sector train operators.</p>	<p>Trainline regularly attends forum discussions, engages in consultations and meets with key policymakers, government representatives and industry bodies across the UK and wider Europe.</p> <p>During the year, our focus has been on:</p> <ul style="list-style-type: none"> <li>• engaging on GBR industry reform</li> <li>• participating in EU consultations on increasing rail use and encouraging modal shift from cars and planes in Europe</li> </ul>	<p>In the UK, a commitment to the ongoing involvement of independent retailers in the future UK rail industry as laid out in the Williams-Shapps Plan for Rail.</p> <p>In Europe, the EU Action Plan for Rail provided positives for independent retailers in facilitating the conclusion of commercial agreements between carriers and third-party ticket sellers, including level playing field and access to data provisions.</p>
<p><b>4 Our people</b></p> <p>Ensuring that we attract, nurture and retain our people and focus them on achieving our strategy is key to Trainline's success.</p> <p>Trainline's Board is keenly aware that the interests of our people should be considered when making decisions that may impact them and the wider business.</p>	<p>The ability to develop and progress at a business that has an environmentally sustainable purpose.</p> <p>An opportunity to contribute, take ownership and deliver to a clear and shared strategy.</p> <p>Working with a diverse and gender-balanced team.</p> <p>The opportunity to give back through charitable and social causes.</p> <p>Work/life balance.</p> <p>The opportunity to share in the success of the business.</p>	<p>The use of OKRs as a goal-setting tool to provide transparency, focus and alignment.</p> <p>Every six months we undertake a Group-wide engagement survey so we can evaluate how our whole team are doing and measure our progress against our key engagement indicators.</p> <p>Every month all our people across all our offices get together at our All Hands sessions so our Management Team can bring everyone up to speed on our latest projects, the progress towards our strategy and our business performance.</p>	<p>Over 70% of our people contributed to our annual engagement survey and our overall engagement score increased to 65% (59% in FY2021).</p> <p>Maintained high levels of employee satisfaction, with 83% of our people saying they 'are proud to work at Trainline'.</p> <p>Implemented Flexi-First ways of working and enhanced support for working from abroad following engagement survey feedback.</p> <p>Increased promotion of our sustainability strategy and provided updates at All Hands sessions.</p> <p>All our people have access to share schemes and over 95% hold an interest in shares of the Company.</p>

## Stakeholder engagement continued

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of our engagement
<p><b>5 Our shareholders</b></p> <p>The Board is accountable to shareholders.</p> <p>Trainline aims to ensure that a good dialogue with shareholders, investors and analysts is maintained, and that their issues and concerns are understood and considered by the Board, the Management Team and our people.</p>	<p>Understanding the strategy and operations of the Group.</p> <p>Financial performance and commercial success.</p> <p>Understanding the exposure to macro-economic and political risk.</p> <p>Opportunity for dialogue with management on key matters, e.g. performance and executive remuneration.</p> <p>Sustainability and the environmental and ethical impact of the Group.</p> <p>The governance structures that are in place and changes to them.</p>	<p>Despite Covid-19 restrictions the Investor Relations Team, Executives and Chair of the Board have continued to meet regularly with investors via calls, conferences and roadshows.</p> <p>The Company has also held a face-to-face investor and analyst presentation for the Group's half-year results announcement.</p>	<p>Met with 341 existing shareholders and prospective investors during FY2022.</p> <p>Over 91% of our issued share capital was voted at our AGM with the majority of resolutions receiving over 99% support.</p> <p>Continued to develop our sustainability disclosures to give shareholders insight into our sustainability programme at its initiation.</p> <p>Engaged with our largest shareholders, representing 78% of our issued share capital, on our proposed remuneration policy refresh.</p>

### Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

In doing this s.172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decision in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

The Board understands that how we behave matters not only to our people but also to the many stakeholders who have an interest in our business. We believe that productive business relationships with our suppliers, customers and other key stakeholders are key to the success of the Group and that the interests of relevant parties should be considered when making decisions that may impact them. Though engagement is carried out by those most relevant to the stakeholder or issue in question, the Board receives updates on the engagement that has been undertaken, the reoccurring questions, concerns raised and the feedback provided by the Group's key stakeholders.

When making decisions the Board takes the course of action that it considers best leads to the success of the Company over the long term, and when doing so also considers the interests of the stakeholders that we interact with. The Board acknowledges that every decision made will not necessarily result in a positive outcome for all of our stakeholders but by considering the Group's purpose and values together with its strategic priorities the Board aims to make sure its decision is consistent and predictable.

We set out opposite and on page 71 some examples of how the Directors have had regard to the matters set out in section 172(1)(a) to (f) when discharging their section 172 duty and the effect of that on certain of the decisions taken by them. By considering these matters the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duty under section 172.



## International growth acceleration

The Board considered the International growth acceleration plan proposed by the Executive Directors, in particular the forecasted implications on budget, expected additional investment and the wider market context. The Board recognised that whilst the additional investment required for the International growth plan might impact adjusted EBITDA in the short term the acceleration in new rail entrants in Europe and the resulting fragmentation of supply provided a window of opportunity to grow the International business.

## Annual strategy review

The Board carries out a review of the Company's strategy on an annual basis. This includes approving the business plan for the following year and considering future years. In the most recent strategic review the Board received presentations from our Management Team which included potential market, product and investment opportunities.

In making its decision to approve the business plan and future strategy of the Company, the Board considered the feedback received from engagement exercises with our stakeholders. As a result of that consideration, the business plan and future strategy were focused to ensure that they aligned with the issues and factors that are most relevant to our key stakeholders where these did not impact the long-term success of the Company or the enhancement of its reputation.

## Non-financial information statement

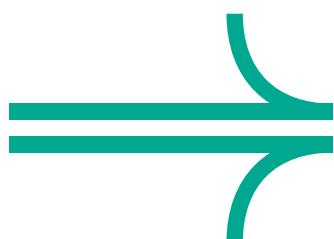
The following table sets out where non-financial information can be found within this Annual Report, further to the Financial Reporting Directive requirements contained in sections 414CA and 414CB of the Companies Act 2006. Where possible, it also states where additional information can be found that supports these requirements.

Reporting requirement	Relevant Trainline policies and procedures	Where to read more in this report	Page
<b>Business model</b>	N/A	Our business model	18
<b>Non-financial KPIs</b>	N/A	Key performance indicators	33
<b>Principal risks</b>	Trainline risk management process	Principal risks and uncertainties	38
<b>Environmental matters</b>	Environmental policy	Market overview	10
		Sustainability	08
		Global GHG emissions & data	57
<b>Human rights</b>	Human rights policy	Principal risks and uncertainties	38
		Our people and culture	48
		Stakeholder engagement	61
<b>Our people</b>	Trainline staff handbook and accompanying policies and procedures	Principal risks and uncertainties	38
		Our people and culture	48
		Stakeholder engagement	61
<b>Social matters</b>	N/A	CEO's statement	06
		Our people and culture	48
<b>Anti-corruption and anti-bribery</b>	Anti-bribery and corruption policy	Principal risks and uncertainties	38
		Report of the Audit and Risk Committee	78

The Strategic Report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved by the Board and signed on its behalf.

On behalf of the Board

**Martin McIntyre**  
Company Secretary  
5 May 2022



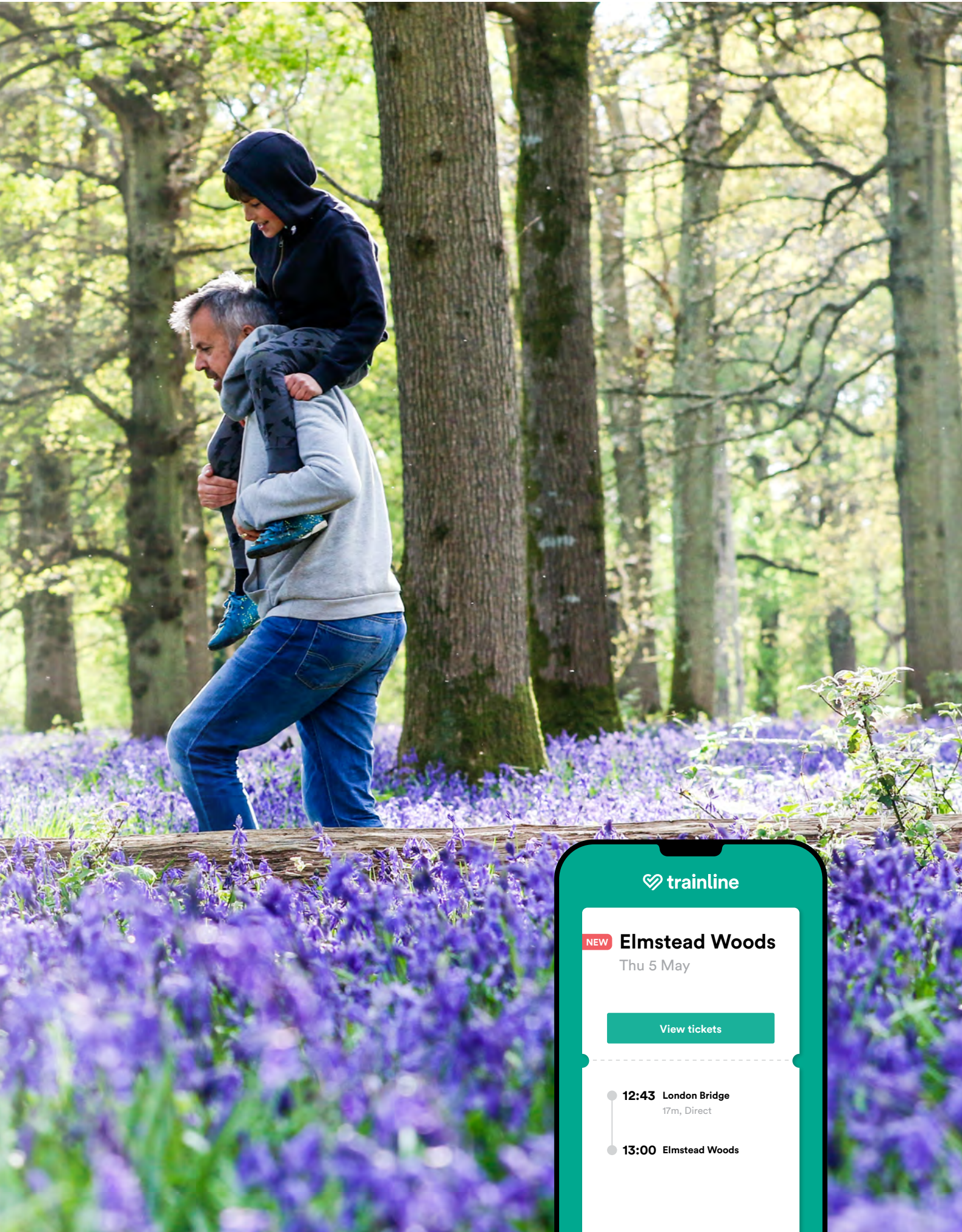
# Governance


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NEW

Elmstead Woods

Thu 5 May

View tickets

12:43

London Bridge

17m, Direct

13:00

Elmstead Woods



## Chair's governance statement



**Uniquely suited to a post-Covid-19 world where the transition to a net zero economy is a priority for many.**

**Brian McBride**  
Chair

**On behalf of the Board, I am pleased to provide an overview of the Board activities during the year, Trainline's corporate governance and reports from the Board's Committees.**

### Company purpose

Trainline's distinct purpose, empowering people to make greener travel choices, connecting people and places, is uniquely suited to a post-Covid-19 world where the transition to a net zero economy is a priority for many.

As the Board is responsible for promoting the alignment of culture with purpose, values and strategy we have taken a keen interest in Trainline's increasing focus on sustainability and the development and ongoing execution of the International growth acceleration plan which began during the year. You can read more on the International growth acceleration plan on page 6 and what sustainability means to Trainline on page 8.

### Board leadership

The Board believes that culture plays a fundamental role in the delivery of Trainline's purpose and the successful execution of its strategy. The Board is ultimately responsible for ensuring that its activities reflect the culture we wish to instil in our people and therefore sets a clear emphasis on setting the tone from the top and leading by example.

With the lifting of Covid-19 measures the Board has been able to spend more time meeting in person which has given us the opportunity to once again be present in our London office and engage with the workforce in person. The Board intends to hold meetings in Trainline's other significant offices, Edinburgh and Paris, in the year ahead to provide the Board with opportunities to engage with and be seen by the whole business.

More information on how the Board has monitored culture and engaged with the workforce is available on page 74.

### Diversity and inclusion

The Board and the Nomination Committee recognise the importance and benefits of diversity and inclusion and wholeheartedly support all the work Trainline undertakes to create a diverse workforce. The Group is involved in a number of initiatives to encourage and promote diversity in technology and leadership positions which you can read more about on page 51. In particular we hope that the appointment of Milena Nikolic as our CTO, one of the few female CTOs at a FTSE 250 company, will inspire more women to consider careers and leadership roles in the technology sector.

As Chair, I am keenly aware that we are not currently aligned with the Hampton-Alexander recommendations for female representation on the Board due in part to the relatively short tenure of our Non-executive Directors, all of whom have been appointed for less than three years following our IPO in 2019. We have taken steps to address this, which we have detailed on page 76. I am focused on ensuring that we align, in due course, with the upcoming Listing Rule changes on Board diversity which build upon the Hampton-Alexander and the Parker recommendations.

### Board effectiveness

A Board effectiveness review, externally facilitated by Lintstock Ltd, was undertaken during the year which concluded that the Chair, the Board and its Committees operate effectively. A holistic and tailored approach was taken to ensure the review included the specific complexities and challenges of the business, the views of members of senior management and third-party service providers who regularly attend Board meetings and the outcomes and actions from the internally facilitated review undertaken in FY2021.

The positive outcomes of the review were well received and plans were agreed for the few areas where improvements were identified. Details of the review process, outcomes and resulting plans are set out on page 75.

### Stakeholder engagement

Trainline has undertaken significant key stakeholder engagement during the year, in particular in relation to the implementation plans for GBR, the recent UK rail ticketing retail review and with carriers entering newly liberalised rail markets in Europe.

The Board has discussed the regular key stakeholder updates it receives to ensure we truly understand the views of our key stakeholders and so we can consider their interests when making decisions that are critical to the long-term success of the Group. You can read more on the highlights of our stakeholder engagement on page 61.

### Accountability and risk

Trainline has a robust framework for managing strategic and operational risks in accordance with the Group's risk appetite. As part of its annual risk review the Board ensured that the impact of Covid-19 and the uncertainty resulting from the UK rail ticketing retail review and GBR implementation were appropriately considered when reviewing the Group's principal and emerging risks.

Our Internal Audit function has developed significantly during the year following the appointment of our Head of Risk and Internal Audit. The Audit and Risk Committee has been particularly focused on supporting the successful implementation of this function and on the enhancements made to our risk management framework.

### New external auditor

PricewaterhouseCoopers LLP ('PwC') was formally appointed as external auditor to Trainline following our 2021 AGM. The Audit and Risk Committee has closely monitored the work of PwC and its relationship with Trainline to promote a smooth transition process and ensure that PwC has a sufficient understanding of the business and systems to provide suitable challenge to Senior Management and the Board.

Further information on the assessments the Audit and Risk Committee has made when considering the effectiveness of the external audit process and the work of the external auditor is available on page 80.

### Remuneration policy

The Remuneration Committee has spent considerable time developing the refreshed remuneration policy being proposed to shareholders at our upcoming AGM. The proposed changes will encompass all employees to encourage retention and includes stretching targets to incentivise and drive exceptional performance, reflecting the Group's ambitious long-term growth targets. Kjersti Wiklund, Chair of the Remuneration Committee, has consulted extensively with our largest shareholders on the proposed changes and I would like to pass on my thanks for their pragmatic and constructive feedback.

I encourage you to read Kjersti's commentary on page 82 and the proposed remuneration policy on pages 86 to 92 and hope that we can count on your support when you consider how to vote at the AGM.

### Annual General Meeting

Following the lifting of Covid-19 restrictions we will be holding our upcoming AGM at 10am on 30 June in person at Trainline's offices at 120 Holborn, London. This will be the first opportunity for shareholders to meet the Board in person since our IPO and I encourage you to attend and take advantage of this chance to ask questions of the Board. Alternatively, shareholders may submit questions to the Board via email to [investor@trainline.com](mailto:investor@trainline.com) before the AGM takes place. We will maintain a list of responses to frequently asked questions in relation to our AGM on our website at <https://investors.thetrainline.com/AGM>.

I also wish to strongly encourage shareholders to submit a proxy vote in advance of the AGM and appoint the chair of the AGM as your proxy with directions as to how to cast your vote on the resolutions proposed. In doing so your vote will be cast should you be unable to attend the AGM in person.

**Brian McBride**  
Chair  
5 May 2022



## Governance structure

**The Board operates with the assistance of three permanent Board Committees and delegates authority on specific matters to other committees where it considers it appropriate to do so.**

### Board of Directors

Collectively responsible for establishing Trainline's purpose, values and strategy to enable the long-term success of the Group for the benefit of our shareholders and stakeholders. Responsible for ensuring that Trainline achieves its purpose and that the purposes is embedded at all levels of the business.

Assesses and monitors the Group's culture, promoting its alignment with the purpose, values and strategy, and ensuring that the Group operates within a framework of effective controls and risk management.

### Audit and Risk Committee

Provides oversight of the integrity of the Group's financial statements and reports to the Board on the Annual Report and Financial Statements and other disclosures.

Oversees the external auditor and monitors their independence.

Monitors and reviews the internal control and risk management system. Reviews whistleblowing, fraud, bribery and other compliance policies and procedures.

### Remuneration Committee

Develops the Group's policy on Board remuneration and monitors its ongoing appropriateness. Oversees workforce policies and takes colleague remuneration into account when setting the policy for Directors' remuneration.

Determines the levels of remuneration for Executive Directors, the Chair and the Company's senior management.

### Nomination Committee

Reviews the composition of the Board and its Committees, including the effectiveness of its members.

Leads the process for Board appointments, plans for the orderly succession of Board and senior management positions and oversees the development of a diverse pipeline.

### Trainline's Management Team

Led by our CEO, Trainline's Management Team is comprised of the Group's senior executives who are responsible for developing, informing and monitoring the strategy as set by the Board. The executives oversee the day-to-day operations of Trainline and come together to review, assess and agree on actions to be taken to achieve the objectives of the Group. The Management Team meets regularly to discuss the operational and financial performance of the Group.

A number of sub-committees, chaired by members of the Management Team, provide expertise and oversight on significant matters for the Group. These sub-committees include the Sustainability Steering Committee, Internal Risk Committee and Disclosure Committee.

To see more information about Trainline's Management Team, visit: [investors.thetrainline.com](https://investors.thetrainline.com)

## The role of the Board

The Board is the driving force of Trainline's strategy, culture and governance, ensuring that our high standards are consistent across the business. It is accountable to Trainline's shareholders and seeks to represent the interests of other stakeholders when setting our long-term focus, strategy, culture and policies, ensuring that the Group has the right resources, overseeing risk and corporate governance, and monitoring progress towards meeting our strategic objectives, sustainability goals and annual plans.

Our Directors are collectively responsible for the success of Trainline. The Non-executive Directors exercise independent, objective judgement in respect of Board decisions, and scrutinise and challenge management. They also have various responsibilities concerning the integrity of financial information, internal controls and risk management.

The Board conducts an annual review of the Group's overall strategy. The CEO, CFO and the Management Team take the lead in developing our strategy, which is then reviewed, constructively challenged and approved by the Board.

As part of the business of each Board meeting, the CEO typically submits a Company update, giving details of progress against goals and the macro-environment in which Trainline operates. The Board also receives accounting and other management information about Trainline's resources, and presentations on legal, governance and regulatory developments.

To ensure that the Board has good visibility of the key operations of the business, members of the Management Team attend Board meetings regularly to update the Board on their specific areas of expertise and the execution of the Group's strategy.

The Board works to ensure that the Company generates and maintains value over the long term. By embodying and promoting Trainline's culture, the Board works to monitor and assess Trainline's objectives in developing world-class technology and maintaining Trainline's robust and scalable business model with due regard to Trainline's customers, people, carrier partners and other key stakeholders.

## Division of responsibilities

The role of the Chair, the Chief Executive Officer and the Senior Independent Non-executive Director.

There is a clear division between executive and non-executive responsibilities to ensure accountability and appropriate oversight. The roles of Chair and Chief Executive Officer are separately held and their responsibilities are well defined in writing and in practice.

## Chair

- leads the Board and is responsible for its overall effectiveness in directing the Group;
- shapes the culture in the boardroom, in particular by promoting openness and debate;
- sets a Board agenda primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, ensuring that issues relevant to these areas are reserved for Board decision; and
- demonstrates objective judgement.

## Chief Executive Officer

- develops the Group's proposed strategy, plans, commercial and other objectives for the Board to consider and then deliver the Board's decisions;
- manages the Group on a day-to-day basis within the authority delegated by the Board;
- keeps the Chair and the Board informed of potentially complex, contentious or sensitive issues affecting the Group; and
- manages the Group's risk profile in line with the assessment made by the Board.

## Senior Independent Non-executive Director

- acts as a sounding board for the Chair;
- understands the views of the workforce and communicates them to the Board;
- is available to shareholders if they have concerns which have not been resolved through the normal channels of communication with the Company or for which such contact is inappropriate; and
- at least annually, leads a meeting of the Non-executive Directors, without the Chair present, to appraise the performance of the Chair, taking into account the views of the Executive Directors.

## Our Board of Directors



**Brian McBride**  
Chair



**Jody Ford**  
Executive Director and  
Chief Executive Officer



**Shaun McCabe**  
Executive Director and  
Chief Financial Officer



**Jennifer Duvalier**  
Senior Independent  
Non-executive Director

### Committees:

#### Skills and experience:

Brian has a strong track record in leading businesses having held many senior positions throughout his career including Chair of ASOS from 2012 to 2018 and Chief Executive Officer of Amazon.co.uk from 2006 to 2011. He has also held Non-executive Director positions at AO World plc, Computacenter PLC, SThree PLC and Celtic FC PLC. He was previously on the Board of the BBC and was a member of the Advisory Board of Huawei UK.

#### Other appointments:

Non-executive Director at Airdn plc and Kinnevik AB. Brian is also a Senior Adviser to Scottish Equity Partners and Lead Non-executive Director on the Defence Board of the UK Ministry of Defence.

### Committees:

#### Skills and experience:

Prior to Trainline, Jody held the position of CEO at Photobox Group, Europe's leading personalisation business, encompassing the Moonpig and Photobox brands. Prior to Photobox Group, he spent ten years at eBay, latterly in California, leading the Growth function globally. Jody holds an MBA from INSEAD and a BA in Economics and Politics from Exeter University.

#### Other appointments:

None

### Committees:

#### Skills and experience:

Shaun joined the Group and became Chief Financial Officer in September 2016. Prior to this, Shaun held the position of International Director for ASOS, and previously as Chief Financial Officer for Amazon Europe. Shaun is a Chartered Accountant (ICAEW) and holds a bachelor's degree in Finance and Economics from the University of Essex.

#### Other appointments:

Non-executive Director for AO, an online retailer operation in the UK and Germany, and Non-executive Director and Chair of the Audit Committee of boohoo, an online fashion retailer with operations worldwide.

### Committees:

#### Skills and experience:

Jennifer was Executive Vice President, People, for ARM Holdings plc with responsibility for all People and Internal Communications globally from 2013 to 2017. Prior to ARM, Jennifer was Group People and Culture Director at UBM plc from 2007 to 2013 and Group HR Director at Emap plc from 2003 to 2007. Jennifer holds an MA (Hons) from the University of Oxford in English and French.

#### Other appointments:

Non-executive Director and Chair of the Remuneration Committee of Mitie plc and Remuneration Committee Chair of NCC Group plc. Jennifer is also a Non-executive Director and Chair of the Remuneration Committee of Guardian Media Group plc and a Non-executive Director and Chair of the Sustainability, People and Diversity Committee of The Cranemere Group Ltd.



**Duncan Tatton-Brown**  
Independent  
Non-executive Director

Committees:

#### Skills and experience:

Duncan was Chief Financial Officer of Ocado plc from September 2012 to November 2020. Prior to joining Ocado, Duncan held the Chief Financial Officer's role at Fitness First plc, and prior to that, Duncan was Group Finance Director of Kingfisher plc. He has also been Finance Director of B&Q plc and Chief Financial Officer of Virgin Entertainment Group and held various senior finance positions at Burton Group Plc. Until July 2018, Duncan was a Non-executive Director and Senior Independent Director of Zoopla Property Group PLC. Prior to this, he was a Non-executive Director and Audit Committee Chair of Rentokil Initial plc. Duncan holds a Master's degree in Engineering from King's College, Cambridge. He is also a member of the Chartered Institute of Management Accountants.

#### Other appointments:

Non-executive Director of Cazoo Group Ltd, Chair of Loveholidays.com and Senior Adviser to Ocado Group and Non-executive Director of certain Ocado Group subsidiaries.



**Kjersti Wiklund**  
Independent  
Non-executive Director

Committees:

#### Skills and experience:

Kjersti has held senior roles, including Director, Group Technology Operations of Vodafone, and Chief Operating Officer of VimpelCom Russia, Deputy Chief Executive Officer and Chief Technology Officer of Kyivstar in Ukraine, Executive Vice President and Chief Technology Officer of Digi Telecommunications in Malaysia, and Executive Vice President and Chief Information Officer at Telenor in Norway. Kjersti was also a Non-executive Director of Laird PLC in the United Kingdom, Cxense ASA in Norway, Fast Search & Transfer ASA in Norway and Telescience Inc in the United States. She holds a Master of Business Management from BI Norwegian Business School and an MSc in Electronical Engineering from Chalmers University of Technology, Sweden.

#### Other appointments:

Non-executive Director of Babcock International Group plc, Spectris plc, Zegona Communications plc and Nordea Bank Abp.



**Andy Phillipps**  
Independent  
Non-executive Director

Committees:

#### Skills and experience:

Andy brings a wealth of experience in e-commerce and significant knowledge of technology and marketplaces from his previous role as CEO of Priceline International and Chair of Toptable.com, both now part of Booking.com. Andy is currently an adviser for iQ Capital, a deep technology venture capital firm, and was previously a Non-executive Director of Albion Development VCT PLC, an investor in higher growth businesses with a strong focus on technology companies. Most recently Andy was a Fellow at Stanford University's Distinguished Career Institute.

#### Other appointments:

Member of the investment Committee of iQ Capital, Non-executive Director of Thought Machine, Cambridge Angels and Prodigy Finance, Fellow at the Judge Business School at Cambridge University and regular lecturer at the London Business School and INSEAD (France).

#### Key

- Audit & Risk Committee member
- Remuneration Committee member
- Nomination Committee member
- Denotes Committee Chair

#### Attendance during the financial year

Board Member	Meetings
Brian McBride	10/10
Jody Ford	10/10
Shaun McCabe	10/10
Jennifer Duvalier	10/10
Andy Phillipps	9/10 <sup>1</sup>
Duncan Tatton-Brown	10/10
Kjersti Wiklund	10/10

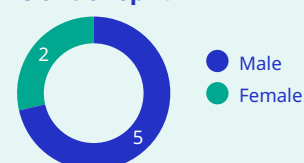
1. Andy Phillipps was unable to attend one meeting due to illness.

Ad hoc meetings were also convened to deal with specific matters arising.

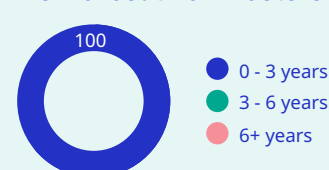
#### Board composition



#### Gender split



#### Length of tenure of Non-executive Directors



## Board in action

### Workforce engagement

The workforce engagement programme has intensified during FY2022 with the lifting of Covid-19 restrictions.

Jennifer Duvalier, designated Non-executive Director for Workforce Engagement, has visited Trainline's Edinburgh office in person to meet with leaders and spend time engaging with the customer service team. Jennifer also took part in virtual focus groups during the year with our teams in Edinburgh, Paris and London and provided support for our cultural workshops and People Led Groups. Key themes identified were then shared with the Board by Jennifer following her engagement sessions.

In addition, Kjersti Wiklund, Remuneration Committee Chair, has engaged with the People and Technology teams to understand the wider workforce's sentiment on remuneration and support Trainline in addressing the challenges identified.

To further help understand the views and concerns of our People, the Board receives detailed engagement updates which include metric tracking against targets, an overview of comments made in the biannual

employee questionnaires and the actions being taken to address areas of improvement. The Board has valued the candid and constructive tone of these updates.

The Board uses these and other sources of insight to assess and monitor whether the culture and behaviours the Group strives for aligns with reality. Accordingly, the Board is satisfied that the Group's culture is a positive one and is conducive to the successful execution of Trainline's purpose and strategy.

### International growth acceleration plan

With domestic competition between rail carriers in Europe increasing meaningfully, Management proposed the international growth acceleration plan to significantly scale Trainline's business in Europe over the medium term. The Board discussed in detail the investment case, impact on budget and the level of investment required to deliver the ambitious targets before approving the plan.

### UK rail reform

The Board considers the evolving UK rail market to be a key strategic priority for the Group and has closely monitored the Williams-Shapps Plan for Rail, the rail retail ticketing review and the implementation plans for GBR.

The Board has received regular updates from members of the Management Team and has utilised the knowledge and experience of the Non-executive Directors to provide support and guidance on stakeholder engagement and planning.

### Covid-19 recovery

Throughout the year the Board has continued to closely monitor the impact of Covid-19 on the Group, our People and our stakeholders.

The Board received regular updates on the recovery of the rail industry and the steps Trainline has taken to encourage travel as Covid-19 restrictions were relaxed. Various Covid-19 scenarios were taken into account when considering and approving the annual budget, risk review and strategy.

### The principal matters considered by the Board during the year were:

<b>Strategy and performance</b>	The detailed review of the Group's strategy and budget, updates on initiatives, discussions of short and long-term priorities and setting medium-term plans Trainline's performance and recovery throughout the year, in particular Covid-19 recovery
<b>Operational</b>	Product development and marketing strategy
<b>Shareholders and stakeholders</b>	UK rail reform Investor relations and key stakeholder updates
<b>Reporting and risk management</b>	Annual review of the Group's principal and emerging risks, including the impact of Covid-19 and the uncertainty arising from UK rail reform Specific risk areas that are significant to Trainline including information security and privacy Review and approval of annual and half-yearly reporting
<b>Leadership and people</b>	Considered and received updates on the hiring of new Vice Presidents to drive the Board's strategy Culture and workforce engagement The impact of remote working on our People, the implementation of new hybrid ways of working and the feedback received
<b>Governance, corporate responsibility and sustainability</b>	The results of the Board effectiveness review and agreement on the development opportunities identified Disclosures, including the gender pay gap statement, modern slavery statement and Group tax strategy Trainline's sustainability strategy and net-zero commitments



## Composition, succession and evaluation

### Board composition and succession

Appointments to the Board are made solely on merit with the objective of ensuring that the Board contains an appropriate balance of skills and knowledge of the Group and its business, and length of service. Appointments are made based upon the recommendations made by the Nomination Committee with due consideration given to diversity. In compliance with the Governance Code, at least half of the Board, excluding the Chair, is composed of Independent Non-executive Directors ('INEDs').

The Board received updates from Management on succession planning for the Executive Directors and the Management Team during FY2022.

### Skills, knowledge and experience

As set out in the table below, each Director provides a range of skills, knowledge and experience that is relevant to the success of the Group and enables strong independent judgement and constructive challenge.

### Board and Committee effectiveness evaluation

In 2021, Trainline engaged Lintstock Ltd to facilitate a review of Board performance. The review was undertaken to comply with the UK Governance Code and provide the Board, its Committees and Directors with an opportunity to reflect on their operation and effectiveness.

A number of external review service providers were approached, with shortlisted candidates being subject

to an interview. The Chair and Senior Independent Non-executive Director discussed the merits of each provider before agreeing the appointment with the Board. Lintstock Ltd has not undertaken a review on behalf of the Company before, and has no other connection with Trainline.

The first stage of the review involved Lintstock engaging with the Chair, the Senior INED and Company Secretary to set the context for the evaluation, and to tailor survey content to the specific complexities and challenges of Trainline's business. The scoping of the exercise also took into account the outcomes of the most recent internally facilitated review.

All Board members completed an online survey on the performance of the Board, its Committees and the Chair. Members of senior management and third-party service providers who regularly attend Board meetings were also invited to provide feedback on the performance of the Board.

As well as addressing core aspects of Board and Committee performance, the exercise had a particular focus on the following areas:

- potential implications of the Williams-Shapp Review, and the organisation's preparations for any changes that may impact the business;
- clarity of Trainline's strategy, and the main challenges to the delivery of Trainline's strategic priorities;
- skills and experience of the Directors, the geographical representation amongst members, and the diversity of representation more broadly;

- monitoring of colleague sentiment, diversity & inclusion and culture throughout the business;
- views and perspectives of key external stakeholders including shareholders, carrier partners, customers, Government and regulators; and
- top priorities for both the CEO and the CFO, in order to best succeed in their roles.

All feedback in Lintstock's reports was presented in anonymous form, to promote an open exchange of views. The reports also provided a comparison with the Lintstock Governance Index, which helps to place the performance of the Trainline Board into context. Participants were also invited to privately discuss any matters with the Chair and/or the Senior Independent Non-executive Director.

The results of the Review were positive overall. The Board considered opportunities for further development including additional reporting on the regulatory environment in Europe, and to reflect on the amount of time devoted to people and strategy topics at meetings.

The results of the evaluation were reviewed by the Nomination Committee and individual meetings were held with Board members to discuss the results and proposed actions. The outcome and proposed actions were recommended to the Board and accepted in full. In addition the Non-executive Directors, led by the Senior Independent Non-executive Director, met privately to appraise the performance of the Chair.

### Skills, knowledge and experience of the Board

	High-growth business	Digital & ecommerce	Government & regulatory	People	Operations	Technology	Finance	Risk management
Andy Phillipps	●	●			●	●		●
Brian McBride	●	●	●	●	●	●	●	●
Duncan Tatton-Brown	●	●			●	●	●	●
Jennifer Duvalier	●	●		●	●	●		●
Jody Ford	●	●	●	●	●	●	●	●
Kjersti Wiklund	●	●	●	●	●	●		●
Shaun McCabe	●	●	●		●	●	●	●

## Report of the Nomination Committee



**Brian McBride**  
Chair of the Nomination Committee

Committee Member	Meetings
Brian McBride (Chair)	2/2
Jennifer Duvalier	2/2
Andy Phillipps	2/2
Duncan Tatton-Brown	2/2
Kjersti Wiklund	2/2

### Our responsibilities

- Monitor the composition of the Board and its Committees, including the effectiveness of its members
- Lead the process for Board appointments
- Plan for the orderly succession of Board and Management Team positions and oversee the development of a diverse pipeline of talent

I am pleased to present Trainline's Report of the Nomination Committee which provides a summary of the Committee's role and activities.

### Membership

The Committee comprises five Independent Non-executive Directors: Andy Phillipps, Jennifer Duvalier, Kjersti Wiklund, Duncan Tatton-Brown, and myself (Brian McBride) as its Chair.

### The Committee's key activities

Key matters discussed by the Committee during FY2022 included a review of:

- Trainline's diversity and inclusion programme;
- the effectiveness of the Board, its Committees and individual Directors; and
- the structure, size and composition of the Board, including the skills, knowledge, independence, experience and diversity of its members.

### The Committee's key activities planned for FY2023

The Committee recognises the importance and benefits of the Board having an appropriate balance of skills, experience, independence and knowledge to enable the Directors to discharge their respective duties and responsibilities effectively.

Due in part to the relatively short tenure of our Non-executive Directors, all of whom have been appointed for less than three years following our IPO in 2019, the Committee recognises that the Board does not currently align with the upcoming Listing Rule changes on Board diversity.

In order to address this the Committee will continue to ensure that candidates from ethnically, racially and gender diverse backgrounds are always included in shortlists for Board positions with the intention of maximising the opportunity to make appointments that allow the Board to reflect the diversity at Trainline and the wider community.

The Committee is confident that by ensuring the candidates included on shortlists for Board appointments are genuinely diverse the Board will align with the upcoming Listing Rule changes in due course.

Prior to the Committee's next report it intends to undertake the following key activities:

- the implementation of the recommendations arising from the externally facilitated Board evaluation;
- continuing to monitor succession planning and the development of a diverse pipeline of talent; and
- an update on the Group's strategy on diversity and inclusion and progress against objectives.

**Brian McBride**  
Chair of the Nomination Committee  
5 May 2022

## Key areas of focus for the Nomination Committee during FY2022

### Board effectiveness evaluation

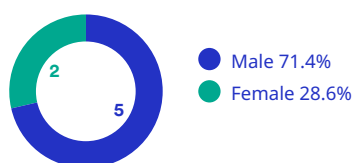
After a careful selection process involving several providers and in line with the Financial Reporting Council's Guidance on Board Effectiveness, the Nomination Committee invited Lintstock Ltd to externally facilitate the FY2022 Board evaluation. Brian McBride as Chair of the Nomination Committee and Jennifer Duvalier as Senior INED took an active role in working with Lintstock to ensure questions took into account the strategy and complexities of the business. Further information on the evaluation is available on page 75.

### Policy on diversity and inclusion

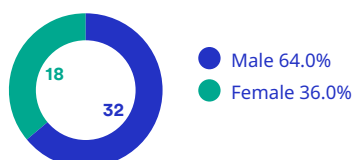
The Committee welcomed the appointment of Milena Nikolic as CTO, one of the few female CTOs at a FTSE company and notes that with Jennifer Duvalier as our Senior INED and workforce engagement NED we have female representation in a senior Board position.

### Gender balance (actual headcount as at 28 February 2022)

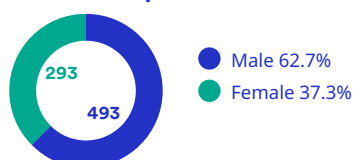
#### Board of Directors



#### Management Team and their direct reports<sup>1</sup>



#### All our People



<sup>1</sup> As defined in the UK Corporate Governance Code 2018, Provision 23.

One of the pivotal considerations on any appointment to the Board and the Management Team is diversity. The Committee takes an active role in setting and meeting diversity objectives and strategies for the Group as a whole. The Board's policy is to continue to seek and encourage diversity within long and shortlists, including with regard to gender, as part of the overall selection process for Director roles. The Committee believes we have a diverse Management Team which is able to effectively serve the Group's interests.

The Committee reviewed the Group's diversity and inclusion policies during FY2023, how they link to the Group's objectives and strategy, how they are being implemented, and progress towards achieving diversity and inclusion objectives.

Trainline is committed to having a diverse and inclusive workplace and the Committee supports this goal and the recommendations set out in the Hampton-Alexander Review and the Parker Report wholeheartedly. The Committee recognises that technology is a male-dominated sector and that despite progress being made the Group must continue to strive to achieve its diversity and inclusivity goals. Further information on Trainline's diversity and inclusivity initiatives is available on page 51.

### Composition of the Board and its Committees

The Committee is satisfied with the current composition of the Board and its Committees though it will continue to monitor and refresh their composition where appropriate.

The Committee also considers the Directors to possess the skills, knowledge, independence and experience necessary to effectively fulfil their duties but recognises that the Board does not currently align with the upcoming Listing Rule changes on board diversity which build upon the Hampton-Alexander and the Parker recommendations.

### Director reappointment

In accordance with the provisions of the Governance Code, all Directors will retire at the forthcoming AGM of the Company and the Board has recommended their reappointment. In reaching its decision to recommend reappointment, the Board acted on the advice of the Committee.

The Committee is satisfied that all the Directors devote sufficient time to their duties and demonstrate great enthusiasm and commitment to their roles. The Committee applied particular scrutiny to the performance of Brian McBride, Duncan Tatton-Brown and Kjersti Wiklund who are completing the three-year term of their current letters of appointment which will be renewed subject to their reappointment at the AGM.

The Committee reviewed the independence of the Non-executive Directors and confirmed to the Board that it considers each of the Chair and the Non-executive Directors to be independent in accordance with the Code.

### Succession planning

The Committee recognises the importance of developing and maintaining a diverse talent pipeline to provide succession options for the Management Team. The Committee held a private session during FY2022 to consider and approve the succession pipeline and welcomed the promotion of James Hanratty and the appointment of Milena Nikolic, Mike Hyde and Martin Sheehan to the Management Team.

During FY2023 the Committee will continue to monitor succession planning arrangements for the Board and the Management Team and assess whether the succession planning arrangements and the Board appointment process continue to support the development of a diverse pipeline of candidates.

## Report of the Audit and Risk Committee



**Duncan Tatton-Brown**  
Chair of the Audit and Risk Committee

Committee Member	Meetings
Duncan Tatton-Brown (Chair)	4/4
Andy Phillipps <sup>1</sup>	n/a
Jennifer Duvalier	4/4
Kjersti Wiklund	4/4
1. Joined the Committee 1 March 2022.	

### Our responsibilities

- Monitor the integrity of the Company's Financial Statements and report to the Board on the Annual Report and Financial Statements and other disclosures
- Oversee the external auditor and monitor their independence
- Monitor and review the internal control and risk management system and internal audit function
- Review whistleblowing, fraud, bribery and other compliance policies and procedures

I am pleased to present Trainline's Report of the Audit and Risk Committee which provides a summary of the Committee's role and activities.

### Membership

The Committee comprises four Independent Non-executive Directors: Jennifer Duvalier, Kjersti Wiklund, myself (Duncan Tatton-Brown) as its Chair, and with effect from 1 March 2022, Andy Phillipps.

The biography of each member of the Committee is set out on page 72. The Board is satisfied that the Committee as a whole has the competence relevant to the sector in which the Group operates and that I have recent and relevant financial knowledge and the experience to be the Chair of the Committee.

### Role and work of the Audit & Risk Committee

Meetings are held to coincide with key events, in particular the reporting and audit cycle for the Group. The Chair of the Committee reports at the next subsequent Board meeting on the business concluded at the previous Committee, the discharge of its responsibilities and informs the Board of any recommendations made by the Committee.

### The Committee's key activities during FY2022

Key matters undertaken by the Committee during FY2022 included:

- the transition of the Group's external audit from KPMG LLP ('KPMG LLP') to PricewaterhouseCoopers LLP ('PwC LLP');
- the development of the internal audit function and approving the role and mandate of the Internal Audit function and the Head of Risk and Internal Audit;

- considering the going concern and viability statements;
- reviewing the Group's accounting policies, the use of Alternative Performance Measures, significant financial reporting issues, judgements and estimates;
- considering the FRC review of the FY2021 Annual Report;
- the integrity of the Financial Statements of the Group and all formal announcements relating to its financial performance;
- considering whether this Annual Report, taken as a whole, is fair, balanced and understandable, provides shareholders with the information necessary to assess the Company's position, performance, business model and strategy, and the completeness of the included disclosures; and
- monitoring the adequacy and effectiveness of the Group's internal control systems.

### The Committee's key activities planned for FY2023

Prior to the Committee's next report for FY2023 it intends to undertake the following key activities:

- monitor the effectiveness of the external auditor;
- oversee the continued development of the internal audit function; and
- review the risk management and internal control systems.

**Duncan Tatton-Brown**  
Chair of the Audit and Risk Committee  
5 May 2022

## Key areas of focus for the Audit & Risk Committee during FY2022

### External audit transition

The Committee conducted a competitive tender for the provision of external audit services during FY2021. The Board accepted the Committee's recommendation to appoint PwC LLP as external auditors and a resolution for the appointment of PwC LLP was put to shareholders which was approved at the 2021 Annual General Meeting by 99.5% of voted shares. KPMG LLP did not raise any areas of concern when confirming its resignation as auditor following the completion of the audit of the Group's FY2021 Financial Statements.

During the FY2021 audit, PwC LLP joined Committee meetings as part of the transition process. The Chief Financial Officer and Committee Chair have met with the PwC LLP lead audit partner, Jaskamal Sarai, on a regular basis to discuss the transition. The Committee places great importance on ensuring that the external audit is effective and of a high standard and has therefore received regular updates and met privately with the PwC LLP lead audit partner to discuss the transition.

### Internal Audit

A Head of Risk and Internal Audit was appointed toward the end of FY2022 with responsibility for the Group's enterprise risk management framework and the implementation of the Internal Audit function of the Group. Deloitte LLP was appointed as the internal audit co-source partner to provide assistance and relevant subject matter expertise as and when needed.

Utilising a risk-based audit programme, the internal audit function conducts detailed risk assessments with key stakeholders of the Group's internal controls and processes to provide an independent and objective view of the effectiveness of the Group's internal control environment. The audit plan, which covers key business processes, is approved annually by the Committee.

The Committee has received updates from the Head of Risk and Internal Audit during FY2022, including private meetings. The Committee will continue to monitor the implementation of the Internal Audit function and will undertake an effectiveness review for FY2023.

### Going concern and viability assessments

The Committee reviewed and advised the Board on the Group's going concern and viability statements included in this Annual Report and the calculations and reports prepared by Management in support of such statements. The external auditor discussed the statements with the Committee and reviewed the conclusions reached by Management regarding going concern and viability.

### Accounting judgements and key sources of estimation uncertainty

The Committee assessed whether suitable accounting policies had been adopted and the reasonableness of the judgements and estimates that had been made by Management. The Committee, alongside Management and the external auditor, identified the areas set out in the table below as the key areas of judgement and estimation.

### Internal controls review

The Board monitors the key elements of the Group's internal control and risk management framework supported by the Committee. The Committee advised the Board on its review of the effectiveness of the systems and processes including financial, operational and compliance controls.

Issue considered	How the issue was addressed
<b>Going concern</b>  The going concern disclosure is an area of judgement. Given the impact of Covid-19 the level of uncertainty around this judgement is considered higher in the current environment.	The Committee considered the work performed by Management in assessing the Group's ability to continue as a going concern, particularly around its consideration of the potential future impact of Covid-19.  The Committee reviewed management's base case and downside scenarios which all showed the Group has sufficient cash and liquidity headroom to continue for a period of at least 12 months after the approval of these financial statements. This led the Committee to conclude there is no material uncertainty around the Group's ability to continue as a going concern and as such the disclosures in this area are considered appropriate.
<b>Carrying value of International goodwill</b>  The carrying value of International goodwill depends on the future cash flow forecast supporting the carrying value. There is inherent uncertainty in forecasting future cash flows and as such this area of estimate is a focus for the Committee.	The Committee reviewed and discussed Management's conclusions around the carrying value of goodwill, including: the methodology applied; the achievability of the business plans and how the potential future impact of Covid-19 had been reflected in the plans; considering the appropriateness of discount rates and long-term growth rates applied; and considering the outcome of sensitivity analysis.  The Committee agreed with Management's conclusion that the carrying value of goodwill is supported by the expected future cash flows of the International business.



## Report of the Audit and Risk Committee continued

### FRC review

The Financial Reporting Council ('FRC') undertook a review of Trainline's FY2021 Annual Report as part of their regular review programme for public and large private companies. In the case of FTSE 250 companies, annual reports are reviewed on a rotational basis.

The FRC review was based solely on the FY2021 Annual Report and was conducted by the staff of the FRC who have an understanding of the relevant legal and accounting framework but do not benefit from detailed knowledge of Trainline's business or an understanding of the underlying transactions entered into.

The review of the FY2021 Annual Report did not raise any questions or queries, and no substantive response was required. The FRC provided suggestions around the clarity and content of certain disclosures which, after considering their materiality and relevance, were incorporated into this Annual Report.

### Financial Statements and reporting

The Committee monitored the financial reporting process for the Group, which included receiving reports from, and discussing these with, the external auditor. The Committee also considered the areas of corporate reporting focus for the FRC and their relevance to the Group's reporting.

As part of the year end reporting process the Committee reviewed this Annual Report, a management report on: accounting estimates and judgements; Alternative Performance Measures; and Fair, Balanced and Understandable, the external auditor's report on internal controls, accounting and reporting matters, and management representation letters concerning accounting and reporting matters.

Monitoring the integrity of the Company's financial statements, the financial reporting process and reviewing the significant accounting issues are key roles of the Committee. Measures are in place to provide reasonable assurance regarding the reliability of financial reporting. The measures include: a comprehensive system of planning, budgeting, monitoring and reporting; clearly defined policies for capital expenditure including reviews by senior management; and frequent monitoring of cash flows against forecasts. The measures provide reasonable, though not absolute, assurance against material misstatement or loss.

The Committee plays an important role in advising the Board when it considers whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

### Assessing the effectiveness of the external audit process and the external auditor

The Committee recognises that the transition of the external audit to PwC LLP creates a risk to the effectiveness and standard of the external audit. To ensure that PwC LLP is effective in its role as external auditor the Committee:

- invited PwC LLP to join Committee meetings during the FY2021 audit as part of the transition process;
- reviewed and approved the annual audit plan to ensure it was consistent with the scope of the audit engagement. In reviewing the audit plan, the Committee discussed the areas identified by the external auditor as most likely to give rise to a material financial reporting error or those that are perceived to be of higher risk and requiring additional audit emphasis

(including those set out in the Independent Auditor's Report);

- considered the audit scope and materiality threshold; and
- met privately with PwC LLP without Company Management present, to discuss its remit and issues arising from its work.

During FY2022 the Committee noted that the external auditor had introduced a new and enhanced, data driven testing method over revenue, as opposed to the traditional sample testing method, using data techniques, automation and software integration. The Committee supports Management's objective of increasing the use of technology and automation in the external audit process.

The Committee considered the safeguards in place to protect the external auditor's independence. PwC provided a letter of independence to the Committee reporting that it had considered its independence in relation to the audit and confirmed that it complies with UK regulatory and professional requirements and that its objectivity is not compromised. The Committee took this into account when considering the external auditor's independence and concluded that PwC remained independent and objective in relation to the audit. The Group confirms that it has complied with the CMA Order 2014 (Article 7.1).

### Non-audit work carried out by the external auditor

The Committee has set a policy around the provision of non-audit services by the external auditor. This policy is designed to comply with the FRC guidance on the provision of non-audit services and helps maintain the independence and integrity of the Group's external auditor. The policy sets out specific considerations around the provision of non-audit services and requires approval by part or all the Committee for any proposed services with an expected fee of more than £50,000.

The fees paid for non-audit services during the year ended 28 February 2022 amounted to £52,000, all of which relate to audit-related assurance services for the 31 August 2021 half-year review undertaken by the external auditor. Further details of these amounts can be found in Note 4 of the Financial Statements.

Only certain types of work, as defined by the FRC, are explicitly permitted to be provided to the Group which does not include specific tax advisory services and internal audit services. A detailed list of non-permitted services is included in the Committee's non-audit services policy.

### Audit fees

The Committee was satisfied that the level of audit fees payable in respect of the audit services provided, being £351,000 of which £43,000 related to the audit transition fee, were appropriate and that an effective audit and transition could be conducted for such a fee.

### Risk

The Group's risk tolerance is set by the Board and is the level of risk it is willing to accept to sustainably achieve our strategic objectives.

The Board is supported by the Internal Risk Committee ('IRC'), composed of senior stakeholders, that meets biannually to review and calibrate the Group's risk landscape. An enterprise risk management framework provides a comprehensive risk management methodology for the conduct of reviews and which is summarised in the Group Risk Policy.

These reviews provide a robust assessment of the Group's principal and emerging risks, which takes into account the risks that threaten our business model, future performance, solvency or liquidity and the Group's strategic objectives.

Further information on the Group's principal and emerging risks are available on pages 38 to 47.

### Risk management review

The Committee received updates from the Head of Risk and Internal Audit, in particular on the Company's risk register and whistleblowing system and policies, prior to the Board determining the Company's overall risk appetite, tolerance and strategy.

The Committee, in supporting the Board in its annual assessment of the effectiveness of the enterprise risk management and internal control

processes, relies on reporting by the IRC, management, compliance reports and the assurance provided by the external auditor.

The Committee noted that during FY2022 the example risks included in tables 1 and 2 of the Task Force for Climate-related Financial Disclosures ('TCFD') Final Recommendations Report were considered and relevant climate-related transition and physical risks were formally integrated into the Group's enterprise risk management framework.

The Board discussed and reviewed the Group's risk appetite when reviewing the principal risks and the strategy for the Group. Regular reviews of the risk appetite ensures that the Company's risk exposure remains appropriate and acceptable in enabling the Group to achieve its strategic objectives. The Committee considers the Group's risk appetite and principal risks when considering the effectiveness of the risk management system.

Further information on the Group's risk management framework is available on page 38.

## Overview of our anti-bribery, corruption and whistleblowing policies and procedures:

<b>Anti-bribery</b>	Trainline adopts a zero-tolerance approach to bribery and corruption. Any of our people found to have breached the Group's policies will face disciplinary action which could include dismissal for gross misconduct. These policies are passed on to our supply chain, where appropriate, as part of our procurement and contracting procedures.
<b>Receiving corporate hospitality and gifts</b>	Should be refused if they could influence or appear to influence decisions made on behalf of the Group. Colleagues are required to update the Group Gift Register. Substantial physical gifts should be passed onto the Group for donation to charity or disposal.
<b>Offering corporate hospitality and gifts</b>	Must be fully documented, approved by the relevant member of the Management Team and recorded in the Group Gift Register. Any hospitality above a set value must also be approved by the Business Review and Approvals Group.
<b>Facilitation payments</b>	Are strictly prohibited, no matter the value, even where such payments are perceived as a common part of local business practice or law. This prohibition also applies to those who work on behalf of the Group.
<b>Whistleblowing</b>	If anyone has a concern they wish to raise they can contact an independent reporting line for anonymous reporting of concerns. Promotional activities are undertaken to promote awareness of the whistleblowing policy. The Committee and the Board receive reports throughout the year on whistleblowing arrangements and activities.
<b>Corruption</b>	All our people are made aware of the Group's Anti-Fraud and Corruption Strategy when they join. Concerns should be reported in accordance with the Group's Whistleblowing Policy. Disciplinary action and other appropriate measures will be taken as necessary.

## Directors' remuneration report



**Kjersti Wiklund**  
Chair of the Remuneration Committee

Committee Member	Meetings
Kjersti Wiklund (Chair)	4/4
Andy Phillipps	4/4
Duncan Tatton-Brown	4/4
Jennifer Duvalier	4/4

Ad hoc meetings were also convened to deal with specific matters arising.

### Our responsibilities

- Develop the Group's policy on executive remuneration and monitor its ongoing appropriateness
- Determine the levels of remuneration for Executive Directors, the Chair and the Management Team
- Review employee remuneration and administer the Group's share schemes

### Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for FY2022 and our proposed Remuneration Policy which shareholders will be invited to vote upon at our upcoming AGM.

### Key areas of focus for the Remuneration Committee during FY2022

#### Proposed Remuneration Policy

Over the last 12 months the Committee has spent considerable time reviewing how Trainline's remuneration structure, approved at the 2020 AGM, can reinforce Trainline's ambitious long-term growth targets and address how certain external developments outside of the Company's control, Covid-19's unprecedented impact, the Williams-Shapps Plan for Rail, and the RDG Retail Review, have made the roles of the Executive Directors far more challenging.

The external developments have weighed heavily on Trainline's share price and have also had a considerable impact on existing incentive schemes, as evidenced by the nil vesting of the FY2020 PSP grant and the expected nil vesting of the FY2021 PSP grant. Given the PSP schemes have a three-year cliff vesting, this would result in no long-term incentives being paid out to participants for a period of at least five years following Trainline's IPO in 2019. This would likely result in remuneration outcomes which benchmark far below peers and would leave the CEO with no effective long-term compensation scheme and very little shareholding, other than his own personal share purchases.

The Committee strongly believes that a refresh of the remuneration structure is required to reflect the external developments, ensure that Trainline can attract and retain talent in what is an extremely competitive sector, and fully motivate the Executive Directors to deliver exceptional performance for shareholders. We concluded that the fundamental structure of the remuneration package is appropriate, but that some changes are required to the PSP structure which require us to propose a new Remuneration Policy at the 2022 AGM.

We consulted extensively with our largest shareholders, representing 78% of our shares, on the proposed policy and we would like to thank them for their time and pragmatic discussions. These discussions helped us refine our original proposals to those disclosed in this report, and gave the Committee confidence that our investors have strong faith in the executive team.

I urge you to read the proposed Remuneration Policy on pages 86 to 92 in full, but an overview of the revised structure follows:

The PSP will comprise a core award and kicker award, with vesting continuing to be based on a three-year performance period, followed by a two-year post-vest holding period. The PSP core award will be increased from 200% to 250% of salary; the PSP kicker award will provide an exceptional award opportunity but only for delivering exceptional financial returns and value for our shareholders, and be set at 300% of salary in FY2023, reducing to 100% in FY2024 and FY2025.

The FY2023 PSP performance measures will be based on a Company scorecard of financial and strategic metrics being cumulative EPS, average Revenue growth, and relative TSR. The performance level required for full vesting of the core award will be at a level which is consistent with the performance required for full vesting under a typical FTSE long-term incentive; the performance level required for any vesting of the kicker award will be extremely demanding as, for each measure, it will be set at the full vesting level required for the core award and will be in excess of that typically required at other FTSE companies; the full vesting level for the kicker award will be higher still, set at levels which we believe will translate into considerable value creation for shareholders. The performance targets for each respective measure are set out on page 99.

The Committee discussed with investors during the consultation the possibility of using an ESG metric in the PSP, but concluded that the most appropriate approach, at least for FY2023, is to include ESG measures in the annual bonus only, and introduce science-based targets in the PSP in FY2024 at the earliest, once a robust basis for their measurement has been determined.

The Committee recognises that the Trainline share price is, at the time of writing, low relative to historical levels, and therefore considered the various approaches to ensuring the PSP structure avoids rewarding windfall gains and excessive outcomes, taking into account recent guidance from major investors in this area. Consequently, the revised PSP also provides protection against the rewarding of performance which is not attributable to the management team, through the application of a vest-date value cap which will be applied to the PSP awards to be granted under the new Policy. Specifically, any value at vest which is in excess of 2.75 times the value of the FY2023 grant will be forfeited.

The changes being proposed for the Executive Directors reflect that which the Company has already adopted for employees throughout the organisation, for whom we have increased PSP award levels, and we expect the vast majority of the value of the PSP will be delivered to the population outside the Executive Directors. In addition all other employees received SIP Free Share and RSU awards with principles and performance requirements aligned with the proposed Executive Director PSP awards. This reflects the key principle that value at Trainline requires all staff to be appropriately motivated and incentivised, not just the highest echelons.

Given the value cap, and the toughness of the performance targets required for full vesting of the PSP kicker award, our advisers have estimated that the increase in the value of the remuneration package, taking into account the likely probability of achieving these performance levels, is c.15% for the Executive Directors.

No other changes are being proposed to the Policy.

The Committee has spent considerable time over the past year considering various remuneration structures and consulting with major shareholders in order to develop the proposed remuneration policy. We strongly believe that the new remuneration policy will strongly incentivise management and help resolve hiring and retention challenges facing Trainline whilst also creating significant value for shareholders.

The Committee recognises that the proposed PSP changes represent a considerable increase in the award opportunity available under the PSP, and is conscious of the sensitivity of increases in award opportunity in the current environment. However, we believe the proposed Remuneration Policy is in the best interests of shareholders as the performance levels required for full vesting will be set at exceptionally high levels, and we have sought to mitigate the potential for excessive outcomes through the inclusion of the vest-value cap. We respectfully ask for your support for the proposed remuneration policy and the revised PSP rules at the 2022 AGM.



## Directors' remuneration report continued

### Remuneration outcomes for FY2022

The total annual bonus opportunity was based 75% on core financial targets (25% each for Group net sales, Group revenue and Group adjusted EBITDA) and 25% for key strategic and personal targets for the Executive Directors with a gate requirement that Group adjusted EBITDA must at least break even for pay-out of any bonus.

Despite the continued impact of Covid-19, in particular the reintroduction of work from home guidance and travel restrictions in key markets as a result of the Omicron variant, Trainline performed very well in FY2022. Financial performance exceeded target and was towards the top end of the stretch performance range with adjusted EBITDA exceeding the stretch target. The CEO and CFO also performed strongly against their non-financial targets, in particular on their respective employee engagement and net debt measures. As a result of this strong performance the CEO and CFO both achieved 83.4% of their FY2022 Annual Bonus total opportunity.

Due to the unprecedented impact of Covid-19 over the past two years none of the threshold performance targets for the FY2020 PSP granted to the CFO were achieved and therefore the grant resulted in zero payout.

The Committee considered the perspective of stakeholders when discussing the outcomes of the FY2022 Annual Bonus and FY2020 PSP and determined that they were a fair reflection of the stakeholder experience over the relevant performance periods and that no discretion should be exercised. In particular the Committee noted that Trainline did not receive any government Covid-19 support in the form of furlough or other schemes during FY2022 and has repaid all UK government Covid-19 support received in prior years.

### Wider workforce

Trainline faces intense competition to attract and retain the best talent. As a Committee, we engaged with Trainline's People and Technology teams to understand the wider workforce's sentiment on remuneration and support the business in addressing the hiring and retention challenges identified.

Following this engagement, the Committee considered the remuneration arrangements for employees and supported management in implementing changes to encourage the achievement of Trainline's strategy, in particular the issuance of share awards to all employees for the period FY2023-2025 with principles aligned with the proposed Executive Director PSP.

The Committee considers carefully the wider employee experience when making decisions around senior executive pay. The Committee received an update on the Group's reward objectives and wider workforce remuneration during FY2022 which provided an overview of employee sentiment on remuneration that has been collated through surveys, feedback and any matters raised through the workforce engagement mechanism.

**Kjersti Wiklund**  
Chair of the Remuneration Committee  
5 May 2022

## Remuneration at a glance

This section is a snapshot of the Company's performance over FY2022 and the remuneration received by our Executive Directors. Full details can be found in the Annual Report on Remuneration on pages 93 to 101.

### FY2022 remuneration outcomes

#### Annual bonus

The annual bonus was based on a mix of financial (weighted 75% of the total) and strategic (weighted 25%) performance measures. The performance targets and actual performance are set out below:

Measures	Weighting (% of total bonus)	Performance targets			Actual FY2022 achievement	Resulting bonus outcome (% of total bonus)
		Threshold	Target	Stretch		
Group Net Sales	25%	£1,956.0m	£2,445.0m	£2,689.5m	£2,520.3m	16.3%
Group Revenue	25%	£137.7m	£172.1m	£189.3m	£188.5m	24.4%
Group Adjusted EBITDA <sup>1</sup>	25%	£11.0m	£21.9m	£26.3m	£39.0m	25.0%
<b>Total</b>	<b>75%</b>					<b>65.8% out of 75%</b>

<sup>1</sup> See page 162 for the definition of Group Adjusted EBITDA.

	Weighting (% of total bonus)		Resulting bonus outcome (% of total bonus)
Strategic objectives	25%	Jody Ford	17.6% out of 25%
		Shaun McCabe	17.6% out of 25%

Based on actual outturn as set out above, the CEO and the CFO will receive 83.4% of their maximum bonus, representing 166.7% and 125.0% of salary respectively. The amounts earned above 100% of salary, representing 66.7% of salary for the CEO and 25.0% of salary for the CFO will be deferred in shares under the Deferred Share Bonus Plan.

#### PSP awards vesting in FY2022

Due to the unprecedented impact of Covid-19 the threshold performance targets for the CFO's FY2020 PSP grant were not achieved which resulted in zero payout.

### Implementation of the Remuneration Policy in FY2023

For FY2023 and subject to approval of the proposed remuneration policy, the Executive Directors will be remunerated as summarised in the table below.

Element of pay	Implementation for FY2023
<b>Fixed remuneration</b>	
<b>Base salary</b>	Currently £575,000 for Jody Ford and £400,000 for Shaun McCabe. The Committee intends to undertake a review of CEO and CFO salary in FY2023 and will disclose the result of this review in the FY2023 Annual Report.
<b>Pension</b>	The CEO's pension contributions, at c.5.5% of salary, align with the broader workforce. The CFO's pension contributions will be 10.5% of salary during FY2023 but will reduce to c.5.5% by the end of FY2023 which will be aligned with the broader workforce.
<b>Benefits</b>	As per FY2022.
<b>Variable pay</b>	
<b>Annual bonus and DSBP</b>	Awards of up to 200% of salary for CEO and 150% of salary for CFO, based on the achievement of Group financial targets and specific and quantifiable strategic (weighted 75% of maximum) and personal objectives (weighted 25%). Awards earned above 100% of salary will be deferred in shares for two years.
<b>PSP</b>	Awards of 550% of salary for the CEO and CFO based on cumulative EPS, average Revenue growth and Relative TSR comprising core awards of 250% of salary and additional exceptional awards of 300% of salary based on the achievement of exceptional performance levels.

## Remuneration policy

**This section of the report sets out the proposed 2022 Remuneration Policy which will be put before shareholders for approval at the 2022 AGM. The Committee intends that the 2022 Remuneration Policy will come into effect from that date (30 June 2022) for a period of up to three years.**

The basic elements of the 2022 Remuneration Policy align with the existing Remuneration Policy but provide for greater stretch opportunity in the long-term incentive to fully motivate the Executive Directors to deliver exceptional performance in achieving the Group's ambitious growth targets. The 2022 Policy includes two changes from that approved by shareholders at the 2020 AGM:

- the PSP award opportunity has increased from 250% to up to 550% of salary, comprising a core award of up to 250% of salary and a kicker award of 300% of salary in FY2023 reducing to 100% of salary in FY2024 and FY2025; and
- a cap of 2.75 times the value of the FY2023 grant will be applied to the PSP vest-date values in FY2025, FY2026 and FY2027 to ensure that maximum remuneration opportunities reward exceptional performance but are not excessive or as a result of windfall gains. Any vesting of share value over and above the cap would be forfeited.

The Committee consulted extensively with our largest shareholders, representing 78% of our shares, on the proposed policy and we would like to thank them for their time and pragmatic discussions. These discussions helped us refine our original proposals to those disclosed in this report, and gave the Committee confidence that our investors have strong faith in the executive team.

The Committee recognises that the proposed PSP changes represent a considerable increase in the award opportunity available under the PSP, and is conscious of the sensitivity of increases in award opportunity in the current environment. However, we believe the proposed Remuneration Policy is in the best interests of shareholders as the performance levels required for full vesting will be set at exceptionally high levels, and we have sought to mitigate the potential for excessive outcomes through the inclusion of the vest-value cap.

### Executive Directors' Remuneration Policy table

The table below sets out the individual elements of Executive Directors' remuneration, how each element operates, and the maximum opportunity and any applicable performance measures.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Salary	To recruit and retain high-calibre Executive Directors.	Salaries are typically reviewed annually, on 1 April, though the Committee reserves the right to make salary increases from any other time where considered appropriate.  Base salaries are determined taking into account a number of factors, including: <ul style="list-style-type: none"> <li>• the individual's role, responsibilities, and performance;</li> <li>• salary levels at comparable companies, adjusted to reflect scale; and</li> <li>• salary increases for the wider workforce.</li> </ul>	Whilst there is no maximum salary, increases will normally be in line with the average increase for the wider workforce.  The Committee retains the discretion to make increases above this level in certain circumstances, for example following an increase in responsibility or scope, or where an individual is appointed on a below-market salary.	Not applicable.
Pension	To provide appropriate retirement plans.	The Executive Directors currently participate in the Company's pension scheme, and the Company makes contributions on their behalf.  The Committee retains the discretion to provide a cash allowance in lieu of pension contribution during the term of the Policy.	The Company's maximum contributions/cash allowance for the CEO is aligned with that of the workforce at 5.5% of salary, and 10.5% of salary for the CFO but which will reduce such that alignment with the broader workforce is achieved by the end of FY2023.  For new appointments to the Board, the Committee will set a pension contribution rate which is in line with the contributions available to the wider workforce at that time.	Not applicable.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits	To ensure that the overall package is competitive.	Executive Directors receive private medical and dental insurance for the individual and their immediate family, and life assurance.  Other benefits may be provided at the discretion of the Committee based on individual circumstances and business requirements, such as relocation allowances.	The value of benefits is based on the cost to the Company and is not pre-determined.  The Committee retains the discretion to approve a higher than typical cost in exceptional circumstances (e.g. relocation) or in circumstances driven by factors outside the Company's control (e.g. material increases in insurance premium).	Not applicable.
Annual Bonus & Deferred Share Bonus Plan ('DSBP')	To incentivise and reward the achievement of annual financial and non-financial targets, in line with the Company's strategic priorities.  To directly align the interests of Executive Directors and shareholders and support retention through long-term deferral in shares.	Performance objectives are reviewed at the beginning of each year to ensure that the bonus opportunity, performance measures, targets and weightings are appropriate.  The level of pay-out is determined by the Committee after the year-end, based on performance against targets and any additional factors they deem relevant.  Any annual bonus earned above a threshold of 100% of salary will be deferred in shares for a period of two years.  Dividends may accrue over the deferral period in respect of DSBP awards that vest.	The maximum bonus opportunity is 200% of salary. The CEO and the CFO currently have opportunities of 200% and 150% of salary, respectively.  For threshold and target performance, the bonus earned is 0% and up to 50% of maximum, respectively.	The bonus is determined based on annual performance against financial and strategic metrics, and personal objectives.  Performance measures and weightings will be determined at the start of the year to align with the Company's short-term financial and strategic priorities. No more than 25% of the bonus opportunity will be based on personal objectives.  Details of the measures applicable for the year under review are provided in the Annual Report on Remuneration.
Performance Share Plan ('PSP')	To incentivise and reward the delivery of long-term shareholder value and the achievement of long-term financial targets.	Awards of nil-cost options, market value options or conditional shares are made annually, with vesting dependent on the achievement of performance conditions. Performance conditions are reviewed prior to grant to ensure that the award level, performance measures, targets and weightings are appropriate.  Awards normally vest based on performance measured over a minimum of three years.  The level of vesting is determined by the Committee after the performance period, based on the degree to which the performance conditions have been met. In adjudicating the final vesting outcome, the Committee will also consider the underlying performance of the business, as well as the value created for shareholders.  A two-year holding period will apply to vested PSP awards during which vested shares may not be sold save to cover tax liabilities.  Dividends may accrue over the vesting period in respect of awards that vest.	The maximum annual award level is up to 550% of salary for FY2023, comprising a core award of up to 250% of salary and an additional 'kicker' award in FY2023 of 300% of salary linked to exceptional performance.  The core award will be maintained at 250% of salary over the three-year period of the Remuneration Policy but the additional exceptional kicker award opportunity will reduce to 100% of salary in FY2024 and FY2025.  For threshold performance, up to 20% of the core award vests.  A cap of 2.75 times the value of the FY2023 grant will apply to the vest-date values for each of the PSP grants made in FY2023, FY2024 and FY2025. Any vesting of share value over and above the cap would be forfeited.	Performance conditions and weightings will be determined prior to grant each year to align with the Company's longer-term strategy.  Details of the measures applicable for the year under review are provided in the Annual Report on Remuneration.
Share Incentive Plan ('SIP')	To encourage employee share ownership and further support shareholder alignment.	The Company operates an HMRC-approved plan that provides all employees with a tax-efficient way of purchasing Partnership Shares and allows the grant of Free and/or Matching Shares.  Executive Directors are entitled to participate in the SIP on the same terms as other employees.	In line with the award limits set by HMRC (or any lower limit as determined by the Committee).	Not applicable.



## Remuneration policy continued

### Notes to the Policy table:

#### Executive Director shareholding guidelines

Shareholding guidelines are in place whereby Executive Directors are encouraged to build and maintain over time a shareholding in the Company with a value of equivalent to at least 200% of their base salary commencing on the date of their appointment to the Board.

Executive Directors are subject to a post-employment shareholding guideline. Executive Directors will normally be expected to maintain a holding of Trainline shares at a level equal to the lower of the in-post shareholding guideline and the individual's actual shareholding for a period of two years from the date the individual ceases to be a Director. The specific application of this shareholding guideline will be at the Committee's discretion. The post-employment guideline will be policed through the holding of vested PSP awards granted after the 2020 AGM and through the monitoring of shareholdings by the Company.

#### Payments from previously agreed remuneration arrangements

The Committee reserves the right to make any remuneration payments where the terms of the payment were agreed (i) prior to the Company's Listing, or (ii) before the Policy came into effect, or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. This does not apply to pension contributions for new appointments to the Board. Details of any such payments will be set out in the Annual Report on Remuneration as they arise.

#### Discretion

The Committee may make minor amendments to the Policy (e.g. for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

There are a number of specific areas in which the Committee may exercise discretion, including:

- To vary the annual bonus and PSP performance measures and weightings each year to reflect strategic priorities;
- To adjust the formulaic annual bonus and PSP outcomes positively or negatively based on a holistic assessment, to ensure the final outcome is a fair and true reflection of underlying business performance and stakeholder experience;
- To adjust the performance conditions for in-flight PSP awards in exceptional circumstances, provided the new conditions are no tougher or easier than the original conditions;
- To adjust in-flight PSP awards in the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the Committee's opinion, affect the current or future value of awards; and
- To settle awards in cash (for example, on a termination).

The exercise of any discretion will be fully disclosed in the relevant Annual Report on Remuneration.

#### Malus and clawback

Awards under the annual bonus (including deferred awards under the DSBP) and PSP are subject to malus and clawback provisions. Provisions apply for a period of two years from date of payment in respect of the cash bonus, and for a period of five years from date of grant in respect of awards under the DSBP and the PSP.

Clawback refers to the recovery of paid or vested amounts, and may be applied in certain circumstances including the following:

- Material misstatement of the Company's financial statements;
- Conduct by the individual resulting in significant reputational damage to the Company;
- Fraud, negligence or gross misconduct by the individual.

Malus refers to the reduction, including to nil, of unvested or unpaid awards. The Committee is able to apply malus to awards in the circumstances set out above.

## Selection of performance measures

The annual bonus is currently based on a combination of financial and strategic measures, and personal objectives which are selected annually to reflect the Group's strategy. The intention is for the PSP over the policy period to be based on EPS, revenue and relative TSR metrics, all of which are either key internal metrics for the Company or represent a key indicator of value for our shareholders. A sustainability related metric will also be included when the Committee determines it is appropriate to do so. Weightings for measures will focus on: financial performance; the successful execution of Trainline's strategy; and creating value for shareholders. The Executive Directors do not currently participate in the SIP but if an Executive Director were to choose to do so the Committee would ensure the Executive Director has the same performance measures required of an employee participant.

The mix of annual and long-term measures is discussed in further detail in the Annual Report on Remuneration. Targets are set taking into account a number of factors including internal and external forecasts, and market practice.

The Committee keeps the performance measures, weightings and targets of both the annual bonus and the PSP under review and reserves the right to adjust these if they are no longer considered to be appropriate.

## Remuneration arrangements throughout the Group

Remuneration arrangements throughout the Group are based on the same high-level remuneration principles as for the Executive Directors. Annual salary reviews take into account personal performance, Group performance, local pay and market conditions, and salary levels for similar roles in comparable companies.

For FY2023 all staff received SIP Free Share awards plus a kicker RSU or PSP award, depending upon their seniority, with principles and performance requirements aligned with the proposed Executive Director PSP grants. Mid-level staff are also eligible to participate in annual bonus schemes; opportunities and performance measures vary by organisational level, and an individual's role. Senior executives are eligible for annual PSP awards on similar terms to Executive Directors, although award opportunities are lower and vary by organisational level; other staff are eligible to participate in a restricted stock plan. All UK employees are eligible to participate in the Share Incentive Plan on identical terms and we also offer similar all-employee share plans to overseas colleagues.

## Non-executive Directors' Remuneration Policy

The table below sets out details of the Company's Policy on Non-executive Directors' remuneration.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Fees	To recruit and retain high-calibre Non-executive Directors.	<p>Non-executive Directors are paid a base fee for membership of the Board, with additional fees being paid for membership of Committees and the role of Chair of a Board Committee, to take into account the additional responsibilities and workload required.</p> <p>The Company has the discretion to pay an additional fee to a Non-executive Director, should the Company require significant additional time commitment in exceptional or unforeseen circumstances. Any such fees will be time-limited in nature.</p> <p>Fees are determined based on the responsibility and time commitment required, and with reference to appropriate market comparisons.</p> <p>Fees are normally paid in cash.</p>	The maximum annual aggregate fee for all Non-executive Directors is currently £1.5 million. Any proposed revision to this limit would be subject to shareholder approval, as required under the Company's Articles of Association.	Not applicable.
Other payments	To have the flexibility to provide additional fees/benefits, if required.	<p>Non-executive Directors do not currently receive any benefits. However, benefits may be provided in the future if, in the view of the Company, this is considered appropriate.</p> <p>Travel and other reasonable expenses (including fees incurred in obtaining professional advice in the furtherance of their duties) incurred in the course of performing their duties are reimbursed.</p>	Not applicable.	Not applicable.

## Remuneration policy continued

### Remuneration Policy for new hires and internal promotions

The remuneration package for a new Executive Director will be set broadly in line with the prevailing approved Remuneration Policy at the time of the appointment. The Committee will ensure that the package is sufficient to attract the appropriate individual, having regard to the calibre, skills and experience required, whilst being cognisant of not paying more than is appropriate.

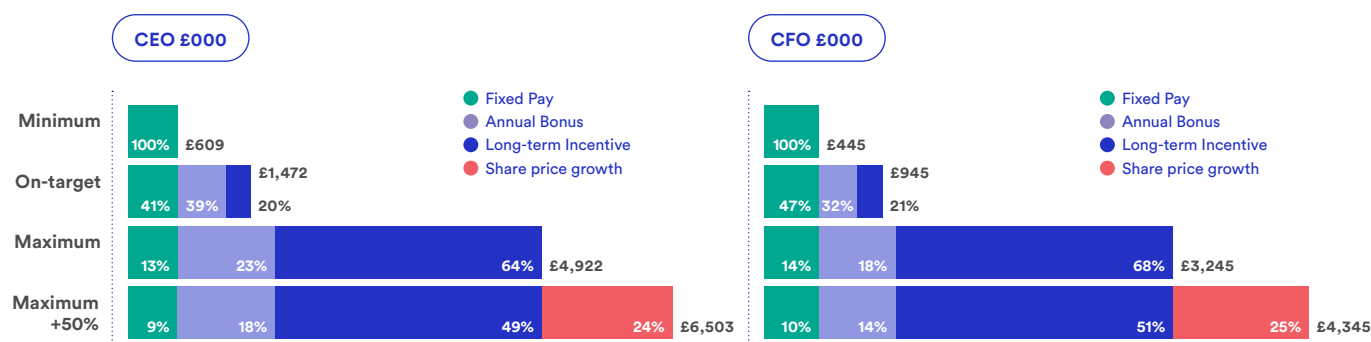
The annual bonus and PSP award opportunities will be limited to those detailed in the Remuneration Policy table on pages 86 to 87. In addition, the Remuneration Committee may offer additional cash and/or share-based awards when it considers these to be in the best interests of the Company and its shareholders, to take account of remuneration forfeited when leaving the former employer. Any such buyout awards would reflect, as far as practicable, the nature, time horizons and performance conditions attaching to that remuneration. The Committee will seek to use the current remuneration structure in making awards, but in some cases it may be required to use the flexibility afforded by Listing Rule 9.4.2R, if appropriate. Shareholders will be informed of any such awards or payments at the time of appointment. Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable assistance with relocation in line with local market norms for a period of up to two years.

### Remuneration opportunities in different performance scenarios

The charts below illustrate the potential future value and composition of the Executive Directors' remuneration opportunities in four performance scenarios: minimum, on-target (i.e. in line with the Company's expectations), maximum, and maximum plus 50% share price appreciation, a scenario where 50% share price appreciation is included. The potential remuneration opportunities are based on the proposed 2022 Policy, applied to the Executive Directors' salaries as at 1 March 2022. The charts below exclude the effect of any Company share price appreciation except in the 'Maximum+50%' scenario.

Assumptions:

Performance scenario	Includes
Minimum	Salary, pension and benefits (fixed remuneration) No bonus payout No vesting under the PSP
On-target	Fixed remuneration 50% of maximum annual bonus payout (i.e. 100% and 75% of salary for the CEO and the CFO, respectively) 20% vesting of the core award under the PSP (i.e. 50% of salary for the CEO and the CFO)
Maximum	Fixed remuneration 100% of maximum annual bonus payout (i.e. 200% and 150% of salary for the CEO and the CFO, respectively) 100% vesting of the FY2023 PSP award (i.e. 550% of salary for the CEO and the CFO)
Maximum +50%	Fixed remuneration 100% of maximum annual bonus payout 100% vesting of the FY2023 PSP award, plus 50% share price appreciation



## Executive Directors' service contracts and termination remuneration policy

The Executive Directors have service contracts with an indefinite term, which are terminable by either the Company or the Executive Director on 12 months' notice. The service contracts make provision, at the Board's discretion, for early termination involving payment of salary, benefits and pension contributions in lieu of notice. Payment in lieu of notice can be paid either as a lump sum or in equal monthly instalments over the notice period and will normally be subject to mitigation.

Effective dates of Executive Director service contracts are set out in the table below and are available for inspection at the Company's registered office.

Executive Director	Date of contract
Jody Ford	21 September 2020
Shaun McCabe	12 June 2019

The table below summarises how the awards under incentive plans are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion. When considering the use of discretion, the Committee reviews all potential incentive outcomes to ensure that any application of discretion is fair to both shareholders and participants.

Plan	Scenario	Timing and calculation of payment/vesting
Annual bonus	All leavers (except the circumstances set out below)	No bonus is paid.
	Death; injury, disability or ill-health; the sale of the participant's employing company or business, or in other circumstances at the discretion of the Remuneration Committee	The Committee may determine that an Executive Director is eligible to receive a bonus for the year. The Committee will determine the level of bonus taking into account performance.
	Change of control	The Committee will assess the most appropriate treatment for the outstanding bonus period according to the circumstances.
DSBP	All leavers (except the circumstances set out below)	Awards lapse.
	Death; injury, disability or ill-health; the sale of the participant's employing company or business, or in other circumstances at the discretion of the Remuneration Committee	Awards will vest on the original vesting date, or, if the Committee so determines, as soon as practicable after the date of cessation.
	Change of control	Awards vest immediately, and will be pro-rated for time, unless the Committee determines otherwise. Alternatively, participants may choose, or at the discretion of the Committee may be required, to accept an exchange for new equivalent awards in the acquirer.
PSP	All leavers (except the circumstances set out below)	Awards lapse.
	Death; injury, disability or ill-health; the sale of the participant's employing company or business, or in other circumstances at the discretion of the Remuneration Committee	Awards will vest on the original vesting date, or, if the Committee so determines, as soon as practicable after the date of cessation. The extent to which awards vest will be determined by the Committee, taking into account the extent to which the performance conditions have been satisfied. Awards will be pro-rated for time based on the proportion of the performance period elapsed, unless the Committee determines otherwise.
	Change of control	Awards vest immediately, subject to the Committee's assessment of performance. Awards will be pro-rated for time based on the proportion of the performance period elapsed, unless the Committee determines otherwise. Alternatively, participants may choose, or at the discretion of the Committee may be required, to accept an exchange for new equivalent awards in the acquirer.

In respect of vested PSP awards that are still subject to a holding period, awards will normally be released at the end of the holding period, however the Committee has discretion to determine otherwise, taking into account the circumstances at the time.



## Remuneration policy continued

### Non-executive Director letters of appointment

The Non-executive Directors have letters of appointment, the terms of which recognise that their appointments are subject to the Company's Articles of Association and their services are at the discretion of the shareholders. The appointment letters for the Non-executive Directors provide that no compensation is payable on termination, other than any accrued fees and expenses. The table below shows the appointment and expiry dates for the Non-executive Directors.

Non-executive Director	Effective date of appointment	Expiry of appointment
Andy Phillipps	1 January 2021	AGM 2023
Brian McBride	10 June 2019	AGM 2022
Duncan Tatton-Brown	10 June 2019	AGM 2022
Jennifer Duvalier	1 October 2020	AGM 2023
Kjersti Wiklund	10 June 2019	AGM 2022

### Consideration of wider employee views and shareholders

In reviewing remuneration outcomes for FY2022, the Committee has taken into account the internal context, including the remuneration arrangements that apply for other employee groups, recent developments in the UK governance landscape for executive remuneration, and the views of our shareholders.

The Committee Chair and the designated Non-executive Director for Workforce Engagement provide insight on the wider workforce for the Committee to consider via their direct engagement with employees on remuneration sentiment. The remuneration structures and reward opportunities for the wider workforce were used when determining the appropriateness of the proposed Remuneration Policy.

The Committee is dedicated to ensuring open dialogue with shareholders in relation to remuneration. The Committee Chair consulted with major shareholders during FY2022 on the proposed 2022 Remuneration Policy (and its implementation in FY2023). The Committee took on board the comments received, and commits to further engagement in advance of any significant changes. Further information on the consultation process is set out on page 82.

### Summary of decision-making process

The Committee has spent considerable time reviewing how Trainline's remuneration structure, approved at the 2020 AGM, can reinforce Trainline's ambitious long-term growth targets and address how certain external developments outside of the Company's control, Covid-19's unprecedented impact; the Williams-Shapps Plan for Rail; and the RDG Retail Review, have made the roles of the Executive Directors far more challenging.

The external developments have weighed heavily on Trainline's share price and have also had a considerable impact on existing incentive schemes, as evidenced by the nil vesting of the FY2020 PSP grant and the expected nil vesting of the FY2021 PSP grant. Given the PSP schemes have a three-year cliff vesting, this would result in no long-term incentives being paid out to participants for a period of at least five years following Trainline's IPO in 2019. This would likely result in remuneration outcomes which benchmark far below peers and would leave the CEO with no effective long-term compensation scheme and very little shareholding, other than his own personal share purchases.

The Committee strongly believes that a refresh of the remuneration structure is required to reflect the external developments, ensure that Trainline can attract and retain talent in what is an extremely competitive sector, and fully motivate the Executive Directors to deliver exceptional performance for shareholders.

We consulted extensively with our largest shareholders, representing 78% of our shares, on this proposed policy. These discussions helped us refine our original proposals to those in this proposed policy, and gave the Committee confidence that our investors have strong faith in the executive team.

The Committee ensured that no individual was involved in discussions on their own remuneration arrangements to manage any potential conflicts of interests.

## Annual report on remuneration

The following section sets out our Annual Report on Remuneration, outlines decisions made by the Committee in relation to Directors' remuneration in respect of FY2022 and how the Committee intends to apply the proposed Remuneration Policy in FY2023 should it be approved by shareholders at the AGM. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the AGM to be held on 30 June 2022. Where information has been audited, this has been stated. All other information in this report is unaudited.

### Role and responsibilities of the Remuneration Committee

Detailed responsibilities are set out in the Committee's terms of reference, which may be found at: [www.investors.thetrainline.com](http://www.investors.thetrainline.com).

The Committee currently consists of four independent Non-executive Directors. The Committee invites other individuals such as the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief People Officer and external consultants to attend its meetings when appropriate. No Director takes any part in any decision affecting his or her own remuneration.

### Advisers

Ellason has continued to advise the Committee during FY2022. Ellason was appointed by the Committee in FY2021 as a result of the lead adviser to the Committee moving to Ellason. Ellason attends Committee meetings, reports directly to the Committee Chair, and is a signatory and adheres to the Code of Conduct for Remuneration Consultants (which can be found at [www.remunerationconsultantsgroup.com](http://www.remunerationconsultantsgroup.com)). The Committee is satisfied that the advice provided by Ellason is objective and independent. Ellason was paid fees of £81,920 for its services to the Committee during the year, excluding expenses and VAT, in accordance with its letter of engagement. Fees are charged on a time and materials basis.

### Shareholder voting

The table below sets out the voting outcome for the remuneration report at the 2021 AGM and the remuneration policy at the 2020 AGM.

	Votes For		Votes Against		Votes Withheld
	Number of shares (m)	Percentage	Number of shares (m)	Percentage	Number of shares (m)
Remuneration report	428.8	97.7	10.3	2.3	0.0
Remuneration policy (2020 AGM)	428.7	99.9	0.6	0.2	3.6

## Implementation of the Remuneration Policy in FY2022

### Single figure of total remuneration for Executive Directors (Audited)

The following table sets out the single figure of total remuneration for Executive Directors in FY2022 and FY2021.

	Financial year	Salary (000)	Pension (000)	Benefits (000)	Total fixed (000)	Annual bonus (000)	PSP (000)	Total variable (000)	Total remuneration (000)
Jody Ford <sup>2</sup>	FY2022	£575	£32	£3	£609	£959	£0 <sup>1</sup>	£959	£1,568
	FY2021	£227	£11	£1	£239	£0	£0 <sup>1</sup>	£0	£239
Shaun McCabe	FY2022	£400	£42	£3	£445	£500	£0 <sup>3</sup>	£500	£945
	FY2021	£377	£41	£3	£421	£0	£0 <sup>1</sup>	£0	£421

1 No PSP vesting occurred in the period.

2 Jody Ford joined the Board as COO on 21 September 2020 and became CEO on 1 March 2021.

3 Due to the unprecedented impact of Covid-19 the threshold performance targets for the CFO's FY2020 PSP grant were not achieved which resulted in zero payout.

In recognition of the uncertainty generated by Covid-19, Shaun McCabe volunteered to take a salary reduction of 20%, which was effective from 20 April 2020 to 1 August 2020 and deferred payment of his FY2020 annual bonus until October 2020.

## Annual report on remuneration continued

### Single figure of total remuneration for Non-executive Directors (Audited)

The single figure of total remuneration for Non-executive Directors for FY2022 and FY2021 (audited) was:

	Financial year	Fees (000)	Taxable benefits (000)	Total Fees (000)
Andy Phillipps <sup>1</sup>	FY2022	£60	£0	£60
	FY2021	£10	£0	£10
Brian McBride	FY2022	£265	£0	£265
	FY2021	£250	£0	£250
Duncan Tatton-Brown	FY2022	£75	£0	£75
	FY2021	£72	£0	£72
Jennifer Duvalier <sup>2</sup>	FY2022	£70	£0	£70
	FY2021	£29	£0	£29
Kjersti Wiklund	FY2022	£75	£0	£75
	FY2021	£72	£0	£72

<sup>1</sup> Joined the Board on 1 January 2021.

<sup>2</sup> Joined the Board on 1 October 2020.

In recognition of the uncertainty generated by Covid-19, from 20 April 2020 to 1 August 2020, the Chair and the Non-executive Directors volunteered a 20% reduction to their base fees.

### Notes to the tables (Audited)

#### Base salary

During FY2022 the annual salaries of the Executive Directors were £575,000 (FY2021: £500,000 for his previous role as COO) for Jody Ford as CEO and £400,000 (FY2021: £400,000) for Shaun McCabe as CFO.

#### Pension

During FY2022, Jody Ford and Shaun McCabe received pension benefits by way of cash allowances equal to 5.5% and 10.5% of salary respectively.

#### Discretion

No discretion was applied by the Committee to FY2022 remuneration outcomes.

### Annual bonus (Audited)

The maximum bonus opportunities for FY2022 were 200% of salary for Jody Ford as CEO and 150% of salary for Shaun McCabe as CFO. The annual bonus is based on the achievement of Group financial targets weighted 75% and a set of specific and quantifiable strategic objectives weighted 25%. Performance targets and actual outturn are set out below.

#### Financial element

Measure	Weighting (% of total bonus)	Performance targets			Actual FY2022 achievement	Resulting bonus outcome (% of total bonus)
		Threshold <sup>1</sup>	Target <sup>2</sup>	Stretch		
Group Net Sales	25%	£1,956.0m	£2,445.0m	£2,689.5m	£2,520.3m	16.3%
Group Revenue	25%	£137.7m	£172.1m	£189.3m	£188.5m	24.4%
Group Adjusted EBITDA <sup>3</sup>	25%	£11.0m	£21.9m	£26.3m	£39.0m	25.0%
<b>Total</b>	<b>75%</b>					<b>65.8% out of 75%</b>

<sup>1</sup> Achievement results in 0% of maximum payout.

<sup>2</sup> Achievement results in 50% of maximum payout.

<sup>3</sup> See page 162 for the definition of Group Adjusted EBITDA.

## Strategic element

## CEO - Jody Ford

Measure	Weighting (% of total bonus)	Key progress during FY2022	Actual FY2022 achievement	Resulting bonus outcome (% of total bonus)
Enhance customer experience & build demand	10%	Strong Covid-19 recovery and an enhanced focus on the Commuter segment resulted in strong active customer numbers and increased segment share.	Stretch	7.6%
Grow Trainline Partner Solutions	5%	TPS recovery stepped up in H2 with sales, though continued to be hampered by slower recovery than other segments. Key strategic customer wins were made during the year.	Target	1.8%
Employee Engagement	5%	Staff engagement increased during the period, with new initiatives to ensure the best tech talent is attracted to the Trainline business and brand.	Stretch	5.0%
Investor Engagement	5%	Increase in alignment of the investor group with Trainline's sustainability credentials and delivered increased hold positions from key target investors.	Stretch	3.1%
<b>Total</b>	<b>25%</b>			<b>17.6% out of 25%</b>

## CFO - Shaun McCabe

Measure	Weighting (% of total bonus)	Key progress during FY2022	Actual FY2022 achievement	Resulting bonus outcome (% of total bonus)
Enhance customer experience & build demand	10%	Strong Covid-19 recovery and an enhanced focus on the Commuter segment resulted in strong active customer numbers and increased segment share.	Stretch	7.6%
Grow Trainline Partner Solutions	5%	TPS recovery stepped up in H2 with sales, though continued to be hampered by slower recovery than other segments. Key strategic customer wins were made during the year.	Target	1.8%
Net Debt	5%	A significant step down in net debt in the period was achieved as the Company returned to positive cash flow; excess funds were utilised to repay bank debt and convertible bonds.	Stretch	5.0%
Investor Engagement	5%	Increase in alignment of the investor group with Trainline's sustainability credentials and delivered increased hold positions from key target investors.	Stretch	3.1%
<b>Total</b>	<b>25%</b>			<b>17.6% out of 25%</b>

Despite the continued impact of Covid-19, in particular the reintroduction of work from home guidance and travel restrictions in key markets as a result of the Omicron variant, Trainline performed well in FY2022. Financial and strategic performance exceeded targets and was towards the top end of the stretch performance range with adjusted EBITDA exceeding the stretch target. The resulting bonus outcomes for FY2022 for the Executive Directors are set out below.

	Annual bonus outcome (% of maximum)	Annual bonus outcome (% of salary)	Annual bonus outcome (000)
Jody Ford	83.4%	166.7%	£959
Shaun McCabe	83.4%	125.0%	£500

In line with the FY2020 Remuneration Policy 100% of salary will be paid in cash, and the balance, being £383,609 for the CEO and £100,144 for the CFO, will be paid in deferred bonus shares under the DSBP.

## PSP awards vesting in FY2022

Due to the unprecedented impact of Covid-19 the threshold performance targets for the CFO's FY2020 PSP grant were not achieved which resulted in zero payout. For further information on the FY2020 PSP award see page 71 of the FY2020 Annual Report.



# Annual report on remuneration continued

## PSP awards granted in FY2022 (Audited)

The Executive Directors were granted conditional share awards under the PSP as set out in the table below:

	Date of grant	Number of shares granted	Share price at grant	Face value	Award as % of salary	Vesting date
Jody Ford	1 June 2021	490,470	£2.93	£1.44m	250%	2 May 2024
Shaun McCabe	1 June 2021	341,196	£2.93	£1.00m	250%	2 May 2024

The vest period for these awards is three years from grant followed by a two-year post-vest holding period. The awards were made using the average of the share prices for the seven dealing days immediately preceding 1 June 2021, the date the shares were awarded. Dividend equivalents will not accrue in respect of the awards over the period from the date of grant to the vesting date.

Vesting of the FY2022 award is based 25% on EPS, 25% on Revenue and 50% on Relative TSR, with performance measured over the period 1 March 2021 to 29 February 2024. The targets set for each measure are set out below and are based around a Threshold-Max-Exceptional range which would earn vesting of 16%, 80% and 100% respectively of the award, equivalent to in aggregate 40%, 200% and 250% of salary. The Exceptional level of performance is judged by the Committee to be extremely stretching.

Measure	Weighting	Performance targets		
		Threshold (16% vesting)	Max (80% vesting)	Exceptional (100% vesting)
EPS in FY2024 <sup>1</sup>	25%	6.0p	7.5p	9.4p
Revenue in FY2024	25%	£318m	£397m	£496m
Relative TSR vs. FTSE 250 <sup>2</sup>	50%	Median	Upper quartile	Upper decile

1 The EPS measure is Basic EPS with the impact of share-based payments excluded.

2 Excluding investment trusts.

The Committee will ensure that any vesting of the FY2022 PSP cycle is consistent with the stakeholder experience over this uncertain period, taking into account perspectives of shareholders, employees and customers, as well as other factors such as the mitigation of any windfall gains.

## Deferred share bonus plan ('DSBP') awards to be granted in FY2023

DSBP awards in relation to the FY2022 annual bonus will be granted in FY2023. Half of the DSBP awards will be subject to a one-year deferral period and the remaining half a two-year deferral period, both of which will be subject to continued service requirements. No DSBP awards were granted in FY2022.

## Payments for loss of office (Audited)

No payments for loss of office were made during the year under review.

## Payments to past Directors (Audited)

No payments were made to past Directors during the year under review.

## Relative importance of spend on pay

The table below shows the change in total employee pay alongside Revenue and Group Adjusted EBITDA as these are two key measures of Group performance. No dividends or share buybacks have occurred since Listing.

	% change	FY2022	FY2021
Total gross employee pay <sup>1</sup>	20%	£72m	£60m
Revenue	181%	£189m	£67m
Group Adjusted EBITDA <sup>2</sup>	257%	£39m	£(25)m

1 See Note 5 of the financial statements.

2 See page 162 for the definition of Group Adjusted EBITDA.

## Total pay ratio

The table below discloses the ratio between the CEO's total remuneration and that of the 25th, 50th and 75th percentile UK-based employee.

Financial year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
FY2022	A	41.3:1	22.1:1	17.0:1
FY2021	A	14.4:1	8.4:1	6.3:1
FY2020 <sup>1</sup>	A	32.1:1	19.6:1	14.3:1

<sup>1</sup> The figures for FY2020 are for the 10 months from Admission to the end of the financial year.

The 25th, 50th and 75th percentile employees were determined using calculation methodology A which involved calculating the actual full-time equivalent remuneration for all UK employees employed on 28 February 2022 for 1 March 2021 to 28 February 2022. From this analysis, three employees were then identified as representing the 25th, 50th and 75th percentile of the UK employee population. Trainline chose this method as it is the preferred approach of the government and that of shareholders, and the Company had the systems in place to undertake this method.

The Committee has considered the pay data for the three employees identified and believes that it fairly reflects pay, reward and progression for these percentiles amongst our UK workforce taken as a whole. The three individuals identified were full-time employees during the year. None received an exceptional incentive award which would otherwise inflate their pay figures. Assumptions were made regarding taxable benefits for employees given some data was unavailable, however the methodology used was consistent with the methodology used to calculate the single figure of the CEO.

The total pay ratio is based on comparing the CEO's pay to that of Trainline's UK-based workforce, the largest proportion of whom work in our Technology teams developing and maintaining our platform. Last year, the CEO pay ratio was based on comparing the former CEO's pay to that of Trainline's UK-based workforce, and during FY2021 no bonus was payable. The ratio for the median employee reduced from 19.6:1 in FY2020 to 8.4:1 in FY2021 primarily as a result of no annual bonus payout being made for FY2021 (compared to a 58% achievement in FY2020) which has a more significant impact on the CEO's pay outcomes given the greater weighting on variable pay for our more senior executives. For FY2022 a bonus is payable and this has had a significant impact on the total pay ratio resulting in the year-on-year increase in the ratio for the median employee to 22.1:1. The Committee expects that the ratios will continue to be largely driven by the CEO's incentive pay outcomes, which will likely lead to greater variability in pay than that observed for employees at lower levels who, consistent with market practices, have a greater proportion of their pay linked to fixed components. The Committee takes into account these ratios when making decisions around the Executive Director pay packages. Trainline takes seriously the need to ensure competitive pay packages across the organisation and has taken steps during FY2022 to strengthen the competitiveness of pay for the wider workforce.

The table below provides additional information relating to the CEO's salary and total remuneration and that of the 25th, 50th and 75th percentile UK-based employee.

Year	Method		25th percentile	50th percentile	75th percentile	CEO
FY2022	A	Total remuneration (£000)	£38	£71	£92	£1,568
		Salary ratio	16.4:1	8.8:1	6.3:1	
		Salary (£000)	£35	£65	£91	£575
FY2021	A	Total remuneration (£000)	£41	£70	£93	£588
		Salary ratio	13.3:1	7.4:1	5.7:1	
		Salary (£000)	£36	£65	£85	£480
FY2020 <sup>1</sup>	A	Total remuneration (£000)	£29	£47	£64	£920
		Salary ratio	16.4:1	9.3:1	7.1:1	
		Salary (£000)	£24	£42	£56	£392

<sup>1</sup> The figures for FY2020 are for the 10 months from Admission to the end of the financial year.

## Annual report on remuneration continued

### Percentage change in Directors' and employees' remuneration

The table below shows the percentage change in individual Directors' salary, benefits and annual bonus compared to the average percentage change for all employees of the Group for the same elements of remuneration. To provide a more accurate percentage change the remuneration data for FY2020 to FY2021, which represents the 10-month reporting period following our Listing, has been prorated to a 12-month period.

	Salary/fees (FY % change)		Benefits (FY % change)		Annual bonus (FY % change)	
	2021 to 2022	2020 to 2021	2021 to 2022	2020 to 2021	2021 to 2022	2020 to 2021
<b>Executive Directors</b>						
Jody Ford <sup>1</sup>	15%	n/a	12%	n/a	100%	n/a
Shaun McCabe	6%	(6)% <sup>2</sup>	3%	(3)%	100%	(100)%
<b>Non-executive Directors</b>						
Andy Phillipps <sup>3</sup>	0%	n/a	n/a	n/a	n/a	n/a
Brian McBride	6% <sup>2</sup>	53% <sup>2 4</sup>	n/a	(100)%	n/a	n/a
Duncan Tatton-Brown	5% <sup>2</sup>	(4)% <sup>2</sup>	n/a	n/a	n/a	n/a
Jennifer Duvalier <sup>5</sup>	0%	n/a	n/a	n/a	n/a	n/a
Kjersti Wiklund	5% <sup>2</sup>	(5)% <sup>2</sup>	n/a	n/a	n/a	n/a
<b>Employees</b>	3%	6%	26%	2%	100%	(100)%

1 Joined the Board as COO on 21 September 2020 with a salary of £500,000 and became CEO on 1 March 2021 with a salary of £575,000.

2 In recognition of the uncertainty generated by Covid-19 the Director voluntarily reduced their salary/fee from April 2020 to August 2020.

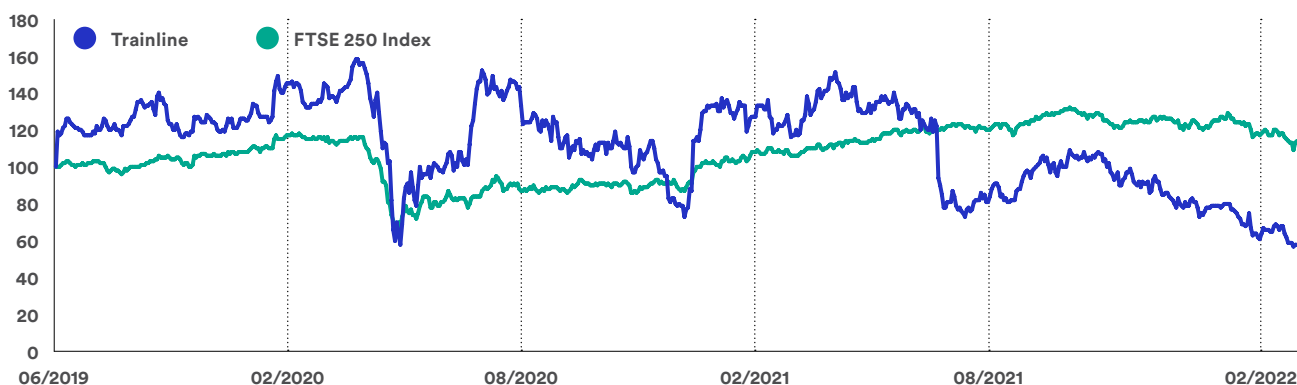
3 Joined the Board on 1 January 2021.

4 Brian McBride's fee as Chair of the Board has not changed. The percentage change represents his revised fee following his change in role from Deputy Chair and Senior Independent Non-executive Director to Chair of the Board on 4 November 2020.

5 Joined the Board on 1 October 2020.

### Historical TSR performance and remuneration outcomes for the CEO

The graph below compares the Company's TSR against the FTSE 250 Index excluding investment trusts, of which the Company is now a constituent. Performance, as required by legislation, is measured by TSR over the period from commencement of conditional dealing (21 June 2019) to 28 February 2022.



The table below illustrates CEO single figure of total remuneration over the same period.

	FY2020 <sup>1</sup>	FY2021	FY2022
	Clare Gilmartin	Clare Gilmartin	Jody Ford
Single figure (£000)	920	588	1,568
Annual bonus outcome (% of max)	57.6%	0%	83.4%
PSP vesting (% of max)	n/a	n/a	n/a

1 The figures for FY2020 are for the 10 months from Admission to the end of the financial year.

## Implementation of the Remuneration Policy in FY2023

### Executive Director remuneration in FY2023

A summary of how the proposed Remuneration Policy will be applied to Executive Director remuneration for FY2023 is set out below.

#### Long-term incentive - FY2023 PSP grant under the proposed new Remuneration Policy

Subject to the approval by shareholders of the new Remuneration Policy at the 2022 AGM, the intention is for the CEO and the CFO to receive awards under the PSP comprising a 'core' award of 250% of salary, and a 'kicker' award, rewarding only truly exceptional performance, of 300% of salary. Vesting of both awards will be based on several measures as summarised in the table below, with performance measured over the three-year period 1 March 2022 to 28 February 2025. The performance measures and targets are intended to incentivise organic growth; if a materially significant acquisition were to take place, the Committee would consider applying discretion to adjust the calculation methodology of the measures in a way that excludes the impact of that acquisition.

The vesting of the award will be based on the following targets:

Measure	Weighting	Performance targets for core award		Performance targets for kicker award
		Threshold (20% vesting of core award)	Core award max (100% vesting of core award)	Kicker award max (100% vesting of kicker award)
Cumulative EPS <sup>1</sup>	25%	11.9p	14.9p	18.6p
Average annual Revenue growth	25%	22%	27%	33%
Relative TSR vs. FTSE 250 <sup>2</sup>	50%	Median	Upper quartile	95th percentile

1 The EPS measure is cumulative Basic EPS with the impact of share-based payments excluded.

2 Excluding investment trusts.

The performance ranges of the kicker award have been set to ensure vesting will occur only once the core award has vested in full in each respective measure e.g. for the cumulative EPS measure the kicker award will begin to vest at 14.9p and fully vests at 18.6p. Full vesting will require a significant increase in our financial performance, as well as delivering exceptional returns to our shareholders. A cap of 2.75 times the value of the grant will be applied to the PSP vest-date value with any value over and above the cap to be forfeited.

#### Base salary

The current Executive Director salaries for FY2023 are set out in the table below. The Committee intends to undertake a review of CEO and CFO salary in FY2023 and will disclose the result of this review in the FY2023 Annual Report. The wider workforce received on average a 5.3% pay rise for FY2023.

Executive Director	FY2022	FY2023
Jody Ford	£575,000	£575,000
Shaun McCabe	£400,000	£400,000

#### Pension and benefits

For FY2023, the CEO and the CFO will receive pension benefits by way of cash allowances of 5.5% and 10.5% of salary respectively, in line with the Remuneration Policy. The CFO's pension benefit will reduce to 5.5% of salary by the end of FY2023 to be consistent with that offered to the broader workforce.

## Annual report on remuneration continued

### Annual bonus

The FY2023 annual bonus will be consistent with that detailed in the Remuneration Policy being proposed to shareholders for approval at the 2022 AGM, with maximum opportunities of 200% and 150% of salary for the CEO and the CFO, respectively, and with measures based on a range of financial and strategic metrics, and personal objectives. The Company considers the targets to be commercially sensitive but intends to disclose them in the FY2023 Annual Report. The Committee will ensure any payout of the FY2023 annual bonus is consistent with the stakeholder experience over the period, taking into account perspectives of shareholders, employees and customers.

### Non-executive Director fees in FY2023

Non-executive Director fees are determined by the Board within the limit approved by shareholders in the Articles of Association, with the exception of the Chair of the Board, whose remuneration is determined by the Committee. Effective 1 March 2022 a Committee Membership fee of £5,000 per committee has been introduced to recognise the investment in time required by committee members. This fee is not in addition to the Committee Chair fee.

	Fee at 1 March 2021	Fee from 1 Mar 2022
<b>Basic fee</b>		
Company Chair	£265,000	£265,000
Non-executive Director	£60,000	£60,000
<b>Additional fees</b>		
Senior Independent Director	£10,000	£10,000
Audit and Risk Committee Chair	£15,000	£15,000
Remuneration Committee Chair	£15,000	£15,000
Committee Membership	N/A	£5,000

### External appointments

We recognise the opportunities and benefits to both the Company and to the Executive Directors of them serving as Non-executive Directors of other companies. The Executive Directors are permitted to hold one significant external appointment and are entitled to retain the fees earned from such appointments. All Directors are required to seek approval from the Board prior to accepting external appointments.



## Outstanding share awards (Audited)

Details of outstanding share awards in the Company's share schemes granted to the Directors as at 28 February 2022, are set out in the table below.

Director	Award type	Date of grant	Number of shares granted	Share price of grant	Face value	Award as % of salary	Vesting date
Jody Ford	PSP	16 Nov 2020	566,358	£3.53	£2.0m	400% <sup>1</sup>	22 May 2023
	PSP	1 Jun 2021	490,470	£2.93	£1.4m	250%	1 Jun 2024
Shaun McCabe	PSP	22 May 2020	264,476	£3.78	£1.0m	250%	22 May 2023
	PSP	1 June 2021	341,196	£2.93	£1.0m	250%	1 Jun 2024
Brian McBride	RSU	26 Jun 2019	28,572	£3.50	£0.1m	38%	26 Jun 2022 <sup>2</sup>

1 In line with the Policy and the rules of the PSP, Jody Ford's initial PSP grant on joining the Company was for 400% of salary, of which 350% of salary is for core performance with up to an additional 50% of salary structured as a kicker based on exceptional EPS and relative TSR performance.

2 Vesting subject to Brian McBride's continued appointment to the Board in equal tranches over the three years following Admission and required to hold the vested shares so long as he remains a Director of the Company.

## Statement of Directors' shareholding and share interests (Audited)

The table below shows the beneficial interests of Directors on 28 February 2022 (including the beneficial interests of their spouses, civil partners, children and stepchildren) in the Ordinary Shares of the Company, as well as unvested awards.

Director	Ordinary Shares held at 1 March 2021	Ordinary Shares held at 28 Feb 2022	Subject to deferral/holding period	Unvested and subject to performance conditions	Shareholding requirement as % of salary	Current Shareholding as % of salary <sup>1</sup>	Shareholding requirement met?
<b>Executive Directors</b>							
Jody Ford	69,287	105,354	0	1,056,828	200%	37%	No
Shaun McCabe	2,012,879	2,012,879	0	605,672	200%	1,025%	Yes
<b>Non-executive Directors</b>							
Andy Phillipps	74,237	74,237					
Brian McBride	57,142	77,540	28,572				
Duncan Tatton-Brown	28,571	63,981					
Jennifer Duvalier	0	4,587					
Kjersti Wiklund	2,142	2,142					

1 Calculated using the £2.036 per share closing price on 28 February 2022 being the last market day of FY2022.

Approved by the Board on 5 May 2022.

**Kjersti Wiklund**

Chair of the Remuneration Committee

5 May 2022

## Directors' report

**The Directors present their report, together with the audited Financial Statements for the year ended 28 February 2022.**

### Compliance with the UK Corporate Governance Code 2018

This Annual Report has been prepared with reference to the UK Corporate Governance Code 2018 published by the UK Financial Reporting Council ('FRC') in July 2018 (the 'Governance Code'). During the year the Company applied the principles and complied with the relevant provisions set out in the Governance Code. The Directors note that the pension contribution for the CFO is due to align with the workforce by the end of FY2023 in order to comply with Provision 38. Details demonstrating how the principles and relevant provisions of the Governance Code have been applied can be found below in the Directors' Report and throughout the Corporate Governance Report, each of the Board Committee reports and the Strategic Report. The Corporate Governance Report, each of the Board Committee reports and the Strategic Report for their Corporate Governance disclosures all form part of the Directors' Report. The Financial Reporting Council ('FRC') is responsible for the publication and periodic review of the Governance Code, which can be found on the FRC website [www.frc.org.uk](http://www.frc.org.uk).

### Diversity and inclusion

Our Diversity and Inclusion policies support managers and employees in creating a diverse and inclusive culture where everyone is welcome. Our policies demonstrate our commitment to providing equal opportunities to all employees, irrespective of age, disability, gender, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation.

### Disclosure of information to auditors

The Directors who held office at the date of approval of this Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Insurance and indemnities

The Company maintained Directors' and Officers' Liability Insurance cover throughout the period. The Directors are also able to obtain independent legal advice at the expense of the Company, as necessary, in their capacity as Directors. The Company has entered into a deed of indemnity in favour of each Board member. These deeds of indemnity are still in force and provide that the Company shall indemnify the Directors to the fullest extent permitted by law and the Articles, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries. This is in line with current market practice and helps us attract and retain high-quality, skilled Directors.

### Subsidiaries, branches and principal activities

The Company is the holding company for a group of subsidiaries ('the Group') whose principal activities are described in this Annual Report. The Group's subsidiaries and their locations are set out in Note 22 in the Financial Statements. In accordance with the Companies Act 2006, the Board confirms that there were no branches of the Company or its subsidiaries during the financial year.

### Articles of Association and powers of the Directors

The Company's Articles of Association contain the rules relating to the powers of the Company's Directors and their appointment and replacement. The Company's Articles of Association may only be amended by special resolution at a general meeting of the shareholders. Subject to the Company's Articles of Association, the Companies Act and any directions given by special resolution, the business of the Company will be managed by the Board which may exercise all the powers of the Company, whether relating to the management of the business of the Company or not.

## Share capital

Details of the Company's share capital including changes during the period are given in Note 16 to the Financial Statements. There are no restrictions on voting rights or the transfer of shares in the Company and the Company is not aware of agreements between holders of securities that result in such restrictions. No shareholder holds securities carrying special rights with regards to control of the Company. The Company had been notified under Rule 5 of the FCA's Disclosure Guidance and Transparency Rules of the following interests in voting rights in its shares. The latest information on major shareholders is available via the Regulatory Information Service or on the Company's Investor Relations website.

	% of total voting rights as at 28 Feb 2022	% of total voting rights as at the date of this report
T. Rowe Price Group	15.66%	15.21%
Baillie Gifford & Co Ltd (SC)	11.94%	10.82%
Capital Group Companies Inc	9.54%	9.54%
FIL Limited	5.92%	5.92%
Liontrust Investment Partners LLP (UK)	5.31%	5.31%
Jupiter Asset Management Limited (UK)	5.09%	5.09%

The Company was authorised by shareholders to purchase its own shares in the market up to a maximum of approximately 10% of its issued share capital. No shares were purchased under that authority during FY2022 (FY2021: £nil). The Company is seeking to renew the authority at the forthcoming AGM, within the limits set out in the notice of that meeting and in line with the recommendations of the Pre-emption Group. Shares held by the Company's Employee Benefit Trust (the 'Trust') rank pari passu with the shares in issue and have no special rights. Voting rights and rights of acceptance of any offer relating to the shares held in the Trust rests with the trustees, who may take account of any recommendation from the Company. Voting rights are not exercisable by the colleagues on whose behalf the shares are held in trust.

## Significant agreements

### Convertible Bonds due 2026 listed on the unregulated open market of the Frankfurt Stock Exchange ('Freiverkehr')

The Company issued £150 million of senior unsecured Convertible Bonds due 2026 (the 'Bonds') on 7 January 2021. The net proceeds of the Bonds are used to provide liquidity and flexibility to invest in possible future growth opportunities. The Bonds were issued at par and carry a coupon of 1.0% per annum payable semi-annually in arrears in equal instalments on 14 January and 14 July in each year, with the first interest payment date being 14 July 2021. The Bonds will be convertible into ordinary shares of the Issuer (the 'Ordinary Shares'). The initial conversion price shall be £6.6670, representing a premium of 50% above the reference share price of £4.444698, being the volume weighted average price (the 'VWAP') of an Ordinary Share on the London Stock Exchange on 7 January 2021. The conversion price will be subject to adjustment in certain circumstances in line with market practice. Unless previously redeemed, or purchased and cancelled, the Bonds will be convertible at the option of the bondholders on any day during the conversion period. The Company has the option to redeem all, but not some only, of the Bonds on or after 4 February 2024, at par plus accrued interest, if the parity value (as described in the Terms and Conditions relating to the Bonds) on each of at least 20 dealing days in a period of 30 consecutive dealing days exceeds £130,000 (130%). The Company also has the option to redeem all outstanding Bonds, at par plus accrued interest, at any time if 85% or more of the principal amount of the Bonds shall have been previously converted or repurchased and cancelled.

During FY2022 the Company announced that it had repurchased in aggregate £35.2 million of the bonds which were subsequently cancelled. The Company announced the repurchase of an additional £13.7 million of the bonds on 10 March 2022 which were subsequently cancelled. Following this cancellation £101.1 million in aggregate principal amount of the Bonds remain outstanding.

Following a change of control of the Company, the holder of each of the Bonds will have the right to require the Company to redeem that Bond at its principal amount, together with the accrued and unpaid interest or the bondholders may exercise their conversion right using the formula as described in the Terms and Conditions relating to the Bonds.

## Directors' report continued

### Events after the balance sheet date

There have been no balance sheet events since the end of FY2022.

### Going concern

The UK Corporate Governance Code 2018 requires the Board to assess and report on the prospects of the Group and whether the business is a going concern. In considering this requirement, the Directors have taken into account the Group's forecast cash flows, liquidity, borrowing facilities and related covenant requirements including the next covenant test on 31 August 2022, and the expected operational activities of the Group. Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to remain in operation until at least 12 months after the approval of these Financial Statements. The Board has therefore continued to adopt the going concern basis in preparing the consolidated Financial Statements.

### Political and charitable donations

The Group did not make any political donations (FY2021: £nil) or incur any political expenditure during the year (FY2020: £nil). During the year the Company made charitable donations totalling £53k in addition to charitable donations via matched funding under the reporting threshold to support the charitable fundraising efforts of our people.

### Additional disclosures

Other information which is incorporated by reference into this report can be located as follows:

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The Directors' Report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved by the Board and signed on its behalf by:

**Martin McIntyre**  
Company Secretary  
5 May 2022

## Statement of Directors' responsibilities

### Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the Parent Company Financial Statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework. In addition the Group Financial Statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('IFRSs as adopted by the EU').

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;

- for the Group Financial Statements, state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('IFRSs as adopted by the EU');
- for the Parent Company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

### Responsibility statement of the Directors in respect of the Annual Financial Report

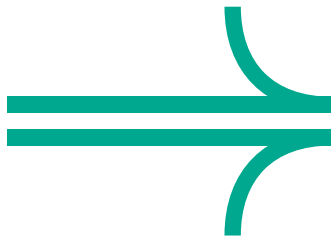
We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

**Shaun McCabe**  
Chief Financial Officer  
5 May 2022






# Financial Statements

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# Independent auditor's report to the members of Trainline plc

## Report on the audit of the financial statements

### Opinion

In our opinion:

- Trainline plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2022 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2021/22 (the "Annual Report"), which comprise: Consolidated and Parent Company balance sheet as at 28 February 2022; Consolidated income statement, Consolidated statement of other comprehensive income, Consolidated and Parent Company statement of changes in equity, Consolidated statement of cash flow for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of this report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in the Report of the Audit and Risk Committee, we have provided no non-audit services to the parent company or its controlled undertakings in the period under audit.

### Our audit approach

#### Context

Trainline is an independent rail and coach travel platform, predominantly operating in the UK, but also with a growing presence in Europe. The Group focuses on the sale of train tickets in the UK and Europe, as well as providing retailing capabilities for carriers, businesses and travel sellers. The Group's consolidated financial statements are primarily an aggregation of two legal entities; Trainline.com Limited, the UK trading entity, and Trainline SAS, the European trading entity. As Trainline.com Limited makes up approximately 90% of the group's revenue, our audit work focused on this entity.

Our audit was underpinned by 2022 being our first year as external auditors of the Group. As part of our audit transition, we performed specific procedures over opening balances by shadowing the prior year audit undertaken by the predecessor auditor, which consisted of being present at Audit and Risk Committee meetings when the results of the work of the previous auditor were presented and the significant judgements discussed, reviewing the predecessor auditor's working papers and risk assessment, and re-evaluating their conclusions in respect of key sources of estimation uncertainty in the opening balance sheet at 1 March 2021. We performed process walkthroughs to understand and evaluate the key financial processes and controls across the Group. Following this work, we performed early audit procedures in advance of the year-end. The objective of this audit work was: – to perform initial testing in relation to the design and operating effectiveness of the controls we planned to place reliance on; – to ensure that we had a clear plan as to what work needed to be done when and where at year-end; – to perform initial substantive testing, including



the use of digital audit testing; and – to enable early consideration of the key sources of estimation uncertainty before the year-end. The audit transition, half year review and pre year-end audit work were important in determining our FY22 Group audit scope, areas of focus and detailed testing approach. As we undertook each phase of this first year audit, we regularly reconsidered our risk assessment to reflect audit findings, including our assessment of the Group's control environment and the impact on our planned audit approach. In terms of risk assessment: the Covid pandemic introduced volatility into the environment faced by Trainline during both FY21 and FY22 and as a consequence there have been significant changes to the levels of revenue and profitability; we therefore identified Recoverability of international Goodwill (group) and Company's investment in subsidiary undertakings (parent) as key audit matters. We also included a key audit matter on the Inappropriate capitalisation of intangibles (group) due to the magnitude of costs capitalised and the potential for fraud and error in determining whether internal employee costs meet the requirements of IAS 38 'Intangible Assets'.

As part of our audit we also made enquiries of management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. Management considers that the impact of climate change does not give rise to a material financial statement impact in the current year and we used our knowledge of the Group and the industry to evaluate management's assessment. We particularly considered the impact on future cash flow forecasts used both in going concern and impairment assessments, including the potential for disruption caused to the rail industry by unusual weather events as set out in the Task Force on Climate-Related Financial Disclosures, and the potential increase in demand as a result of people looking for a greener way to travel.

## Overview

### Audit scope

- We identified one trading entity within the Group which, in our view, required a full scope audit based on its contribution of revenue to the group. In addition, we determined that specific audit procedures were required at a further three legal entities to address specific risk characteristics and provide sufficient overall Group coverage of all material consolidated financial statement line items
- All work was undertaken by the Group team who also performed procedures over several different financial statement line items, including complex and judgemental areas prepared by the head office finance function, to provide sufficient overall Group coverage. In addition, the consolidation and financial statement disclosures were also audited by the Group team.
- The balances on which we performed audit procedures accounted for 92% of Group revenue, 85% of Group loss before tax and 98% of Group total assets. Our audit scope provided sufficient appropriate audit evidence as a basis of our opinion on the Group financial statements as a whole.

### Key audit matters

- Recoverability of international Goodwill (group)
- Inappropriate capitalisation of intangibles (group)
- Company's investment in subsidiary undertakings (parent)

### Materiality

- Overall group materiality: £1,700,000 based on 1% of average revenue for the last 3 years being FY20, FY21 and FY22.
- Overall parent company materiality: £19,000,000 based on 1% of total assets.
- Performance materiality: £1,275,000 (group) and £14,250,000 (parent company).

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

## Independent auditor's report continued to the members of Trainline plc

### Key audit matter

#### Recoverability of international Goodwill (group)

The Group holds a significant amount of international goodwill (£66.1m) on the balance sheet. This goodwill primarily arose from the acquisition of Capitaine Train SAS (now Trainline SAS), with a small contribution from the acquisition of Trainline.com. The carrying value of international goodwill is dependent on the overall valuation of the international business, based on forecast discounted cash flows to determine a value in use. This business is in a growth phase incurring losses as it establishes itself in these markets. In the prior period the assessment concluded that the carrying value was greater than the discounted present values of the future cash flows and accordingly an impairment of £25m was recorded in the prior year.

In accordance with the IAS 36 'Impairment of assets' the Group performs an annual impairment assessment to determine whether an impairment of the carrying value of international goodwill is required. An impairment had been recognised in the previous year. In the current year this assessment has been performed which has concluded that no further impairment is required.

The impairment assessment includes the following estimates:

- The 3 year Board approved forecast cash flows extrapolated for a further 2 years including the estimated growth rates for Net Ticket Sales ('NTS'), Revenue and Cost of Sales (CoS);
- The growth rate to extrapolate forecasts beyond the 5 year forecast; and
- The discount rate applied to future cash flows.

These matters are complex and involve a high degree of estimation and judgement which means future performance of the business could vary significantly. Accordingly, our audit devoted significant resources to assessing the validity of the models used by the directors and obtaining evidence to inform our view on the reasonableness of the assumptions and disclosures that the directors have made.

Please refer to note 10 of the consolidated financial statements.

### How our audit addressed the key audit matter

Management has performed the impairment assessment at a CGU level, with the International businesses being treated as separate CGU. No change was made to the level at which impairment testing was performed compared to the prior periods. We consider management's assessment to be appropriate and have not identified any instance of management bias.

We critically challenged the assumptions made by the directors and sought to obtain evidence which contradicts or corroborates these. We have applied professional scepticism throughout and considered whether there is evidence of management bias applied to the assumptions. We have performed the following procedures over the value in use model which supports the impairment assessment.

- Evaluating management's future cash flow forecasts by obtaining the model prepared by management and:
  - Testing the mathematical accuracy and integrity of the models;
  - Agreeing the amounts used in the model to the Board approved forecasts;
  - Assessing the reliability of cash flow forecasts by comparing past performance to previous forecasts;
  - Identifying assumptions and inputs within the model, which mainly comprise of the following:
    - Month on month growth in NTS, Revenue and CoS: We compared management's assumptions to industry benchmarks including market trends and market share, as well as pre Covid level performance.
    - Gross margin forecast: We compared this assumption to historical margins and understood the reason for any material differences.
    - Long term growth rate: We compared the rate used to long term inflation projections for the countries in which the international business CGU operates. In addition, our specialists reviewed the rate used to ensure that it was within our expected range.
    - Discount rates: comparing key inputs, where relevant, to externally derived data or data for comparable listed organisations. We used our specialists to calculate a range of possible values for the discount rate used by management which included comparing key inputs used in management's calculation to externally derived data or data for comparable listed organisations. As a result of this testing, management increased the discount rate used in the calculations.

We did not find any material exceptions in these tests other than where highlighted above. In addition, to these specific procedures, we also performed a stand back assessment to determine whether the conclusion of our findings were appropriate, this involved:

- Evaluating the sensitivity of the outcomes to reasonably possible changes to the key assumptions and assessing whether the Group's disclosures about the sensitivity of the outcomes were reflective of the risks and uncertainties surrounding the valuation of international goodwill.
- Considering whether any factors Trainline had not considered indicated that an impairment trigger existed at the year end that would require an updated impairment assessment and concluded that there were none.

Based on the results of the procedures described above, we consider that the carrying amount of the international goodwill is materially accurate. We have assessed the related disclosures in the consolidated financial statements, including significant estimates and the sensitivities provided and consider them to be appropriate.



## Key audit matter

## How our audit addressed the key audit matter

**Inappropriate capitalisation of intangibles (group)**

The Group has significant capital expenditure on intangibles (FY22: £25.1m, FY21: £24.1m), which gives rise to the risk of both fraud and error that the costs are inappropriately capitalised. All of the expenditure in the year was on software development, the majority of which comprise internal spend on employees through payroll and payroll related costs.

The risk arises due to the magnitude of costs capitalised and the judgement required in determining whether internal employee costs meet the requirements of IAS 38. Further, there could be considered an incentive to capitalise costs which do not meet the criteria of IAS 38, in order to improve adjusted EBITDA, being a key performance indicator for the business.

After capitalisation, if there are indications that the carrying value of the intangible software assets will no longer be recoverable then an impairment assessment would be performed. As intangibles do not have a clear market price to assist with their valuation, and the ongoing judgement involved as to whether previously capitalised costs continue to meet the requirements of IAS 38 such as whether a project remains technically feasible, we have considered there to be a risk that the balance in relation to the intangibles could be subject to potential impairment.

Please also refer to note 10 of the consolidated financial statements.

We have performed the following procedures to gain sufficient and appropriate evidence over capitalisation of intangible software additions:

- Understood, evaluated and tested the controls in place to ensure that only those costs that meet the criteria of IAS 38 are capitalised.
- Performed testing over additions through to underlying support to ensure that the amount capitalised accurately reflects a cost incurred by the business and meets the capitalisation criteria of IAS 38. This included discussions with the Company's developers to understand the nature of the assets being capitalised.
- Understood the expected transaction flow for capitalised additions and performed journals testing for transactions that do not follow this expected flow.

In addition, we obtained management's assessment to determine whether any previously capitalised assets should be tested for impairment. We have also considered external data including regulatory changes, technological advancements, behavioural changes and Covid-19 to consider if there are any external indicators of impairment.

Based on the results of the procedures described above we did not find any material exceptions in these tests, and therefore we consider that the carrying amount of the intangibles to be materially accurate. We have assessed the related disclosures in the Group financial statements and consider them to be appropriate.

## Independent auditor's report continued to the members of Trainline plc

Key audit matter	How our audit addressed the key audit matter
<p><b>Company's investment in subsidiary undertakings (parent)</b></p> <p>The Company holds a significant investment in its subsidiary undertaking (£1,892m). In accordance with FRS 101, this asset is subject to impairment testing when a triggering event or change in circumstances indicates that the carrying value may not be recoverable.</p> <p>The carrying value of Investments is dependent on the overall valuation of the company to which the investment relates and is therefore dependent on the higher of the value of fair value less costs to sell or, based on forecast discounted cash flows, the value in use. As a result of the significant fall in the share price in the last 12 months, the market capitalisation of the group no longer exceeds the carrying value of the investment, we determined there to be a heightened risk in respect of the impairment assessment of this balance. Management used a value in use model to perform an impairment assessment of this balance.</p> <p>No impairment charge has been recorded against the Company's investment in subsidiary undertakings in the current year.</p> <p>Our audit focused on the risk that the carrying value of the investment in subsidiaries could be overstated.</p> <p>Please also refer to note 2 of the Parent Company financial statements.</p>	<p>We have performed the following procedures to test the impairment assessment:</p> <p>We evaluated management's assessment of whether any indication of impairment existed, and confirmed that there was an impairment indicator by comparing the carrying value of the investments in subsidiary undertakings to the market capitalisation of the Group as at 28 February 2022 and in the period subsequent to the year end.</p> <p>In order to assess whether an impairment was required we have tested Management's calculation of the Value in use of the investments. Evaluating management's future cash flow forecasts by obtaining the model prepared by management and:</p> <ul style="list-style-type: none"> <li>• Testing the mathematical accuracy and integrity of the models;</li> <li>• Agreeing the amounts used in the model to the Board approved forecasts;</li> <li>• Assessing the reliability of cash flow forecasts by comparing past performance to previous forecasts;</li> <li>• Identifying the key assumptions applied in the model, which namely comprise of the following <ul style="list-style-type: none"> <li>• Month on month growth in NTS, Revenue and CoS: We compared management's assumptions to industry benchmarks including market trends and market share, as well as pre Covid level performance.</li> <li>• Gross margin forecast: We compared this assumption to historical margins and understood the reason for any material differences.</li> <li>• Long term growth rate: Our specialists reviewed the rate used to ensure that it was within our expected range.</li> <li>• Discount rates: comparing key inputs, where relevant, to externally derived data or data for comparable listed organisations. Our specialists reviewed the discount rates to ensure that management's estimates were within our expected range.</li> </ul> </li> </ul> <p>We did not find any material exceptions in these tests. In addition, to these specific procedures, we also performed a stand back assessment to determine whether the conclusion of our findings were appropriate, this involved:</p> <ul style="list-style-type: none"> <li>• Confirming that the forecast performance of these entities is in line with the underlying performance that is used in the Group's forecast results.</li> <li>• Our other audit procedures performed on the value in use model which supports the impairment assessment are described in the 'Recoverability of International Goodwill' key audit matter above.</li> </ul> <p>Based on the results of the procedures described above, we consider that the carrying amount of the investment in subsidiaries is materially accurate. We have assessed the related disclosures in the consolidated financial statements, including significant estimates and the sensitivities provided and consider them to be appropriate.</p>

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The Group's accounting process is structured around a Group finance function located across London and Edinburgh, who maintain accounting records and controls for the majority of the group, and a local finance function at the Group's reporting unit in France.

In establishing the overall Group audit strategy and plan, we determined whether for each legal entity within the group we required an audit of its complete financial information ('full scope audit'), or whether specific audit procedures to address a certain risk characteristic or financial statement line item would be sufficient. The main trading entity of the Group, Trainline.com Limited, is the only entity that is considered to be individually financially significant and therefore the only reporting unit where a full scope audit was required. In addition, we determined that specific audit procedures over certain account balances were required in a further three legal entities to address specific risk characteristics and provide sufficient overall Group coverage. In addition to procedures performed on specific reporting entities, work was performed over the consolidation, including consolidation entries relating to equity and goodwill, and over financial statement disclosures. All of the audit procedures are performed by the Group audit engagement team with no use of component auditors.

Specifically we used data audit testing, where possible, to obtain more audit evidence than would have been obtained from sample based substantive testing. We are able to use these techniques as part of our audit of commission fee income from UK rail ticket sales and to select journal entries for testing.

The Group team also performed audit procedures over the Company's financial position and results.

In aggregate, our audit procedures covered 92% of Group revenue; 85% of Group loss before tax and 98% of Group total assets. In addition, the Group audit team performed analytical review procedures over the remaining, untested, legal entities within the Group. This included an analysis of year-on-year movements, at a level of disaggregation to enable a focus on higher risk balances and unusual movements. Those not subject to analytical review procedures were individually, and in aggregate, immaterial. This gave us the evidence we needed for our opinion on the financial statements as a whole.

## Independent auditor's report continued to the members of Trainline plc

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - parent company
<b>Overall materiality</b>	£1,700,000.	£19,000,000.
<b>How we determined it</b>	1% of average revenue for FY20, FY21 and FY22	1% of total assets
<b>Rationale for benchmark applied</b>	Based on the benchmarks used in the annual report, revenue is one of the financial statement line item of key focus for investors and management. Further, the primary measure of performance of the business through the Covid-19 pandemic has been revenue, and therefore we considered revenue to be the appropriate basis for materiality. As a result of the volatility in business performance due to the pandemic in both FY21 and FY22, we have used a 3 year average benchmark versus a single year benchmark as the nature of the Group's business has not changed.	We believe that total assets is the primary measure used by the shareholders in assessing the performance and position of the entity and reflects the Company's principal activity as a holding Company.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £1.6m and £1.4m.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £1,275,000 for the group financial statements and £14,250,000 for the parent company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £0.09m (group audit) and £0.1m (parent company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Our Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining from management their assessment which supports the Board's conclusions with respect to going concern basis of preparation of the financial statements;
- Testing the mathematical integrity of the cash flow forecasts and the models and reconciled these to the Board approved budgets;
- Identifying the key assumptions applied in the base case scenario, which comprises growth in Net ticket sales and the associated Revenue and Cost of sales growth. We evaluated these key assumptions by: – Comparing management's assumptions to external factors including market trends, Trainline's market share and pre-Covid-19 levels of performance. – Comparing gross margin forecasts to historical margins.

- Identifying and assessing management's alternate downside scenarios, and considering whether these were reasonable and appropriate scenarios, particularly in the light of uncertainty surrounding Covid-19 and possibility of new variant infections globally, impacting customers ability and confidence to resume travelling.
- Considering the availability of additional mitigating actions, in particular assessing the reasonableness of potential mitigating actions based on historical execution and feasibility.
- Examining the debt agreements in place to understand the terms and conditions of these borrowings, including associated covenants, so as to ensure these were appropriately considered in management's going concern assessment
- Confirming all the borrowings to third party evidence as at 28 February 2022 and considered the Group's available financing and maturity profile.
- Assessing the completeness of the going concern disclosures; and
- Assessing the reliability of cashflow forecasts by comparing actual performance to forecasts, specifically performing look back testing over the forecast results of FY22.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 28 February 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.



## Independent auditor's report continued to the members of Trainline plc

### Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

### Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and parent company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the parent company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and parent company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the parent company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to legal and governance requirements of Trainline operating as a publicly listed company, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of the financial statements to overstate revenue through the posting of inappropriate journal entries, or EBITDA through manipulating expense classification or inappropriately capitalising costs to intangibles. Audit procedures performed by the engagement team included:

- Identifying and testing of journal entries based on our risk assessment criteria, in particular any journals with unusual account combinations which inflate revenue or EBITDA;
- Evaluation of controls designed to prevent and detect irregularities;
- Reviewing board minutes throughout the financial year and post year end to identify any unusual items such as suspicious activity, non-compliance, breaches of laws or potential litigation;
- Review of financial statements disclosures for compliance with Companies Act 2006;
- Assessing compliance with the tax legislation through our audit work over the payroll, VAT and corporation tax;
- Performing enquiries of the Directors, management and legal counsel and inspection of regulatory and legal correspondence; and
- Incorporating unpredictability into our audit plan;
- Performing testing over the intangible asset additions in the period to ensure that there is no evidence of inappropriately capitalised costs; and
- Challenging assumptions made by management in determining significant accounting estimates and judgements. This has included testing significant accounting estimates and judgements to supporting documentation, considering alternative information where available.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Independent auditor's report continued to the members of Trainline plc

### Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 8 September 2021 to audit the financial statements for the year ended 28 February 2022 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

### Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

#### Jaskamal Sarai (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Reading

5 May 2022

# Consolidated income statement

## For the year ended 28 February 2022

	Notes	2022 £'000	2021 £'000
<b>Continuing operations</b>			
<b>Net ticket sales<sup>1</sup></b>		<b>2,520,272</b>	783,084
<b>Revenue</b>	3	<b>188,513</b>	67,084
Cost of sales		<b>(35,717)</b>	(18,408)
<b>Gross profit</b>		<b>152,796</b>	48,676
Administrative expenses		<b>(163,109)</b>	(148,380)
<b>Adjusted EBITDA<sup>1</sup></b>		<b>39,046</b>	(24,904)
Depreciation and amortisation	10,11	<b>(42,576)</b>	(41,199)
Share-based payment charges	15	<b>(6,783)</b>	(7,093)
Exceptional items	6	<b>–</b>	(26,508)
<b>Operating loss</b>		<b>(10,313)</b>	(99,704)
Finance income	7	<b>3,950</b>	578
Finance costs	7	<b>(9,179)</b>	(7,636)
<b>Net finance costs</b>	7	<b>(5,229)</b>	(7,058)
<b>Loss before tax</b>		<b>(15,542)</b>	(106,762)
Income tax credit	8	<b>3,637</b>	15,458
<b>Loss after tax</b>		<b>(11,905)</b>	(91,304)
<b>Earnings per share (pence)</b>			
Basic and Diluted <sup>2</sup>	9	<b>(2.49)p</b>	(19.10)p

1 Non-GAAP measure – see alternative performance measures section on page 162.

2 As the Group has incurred a loss in FY2022 and FY2021 the impact of its potential dilutive ordinary shares have been excluded as they would be anti-dilutive.

The notes on pages 124 to 156 form part of the Financial Statements.

## Consolidated statement of other comprehensive income

For the year ended 28 February 2022

	Notes	2022 £'000	2021 £'000
<b>Loss after tax</b>		<b>(11,905)</b>	(91,304)
<b>Items that may be reclassified to the income statement:</b>			
Remeasurements of defined benefit liability	17	10	27
Foreign exchange movement		(1,393)	876
<b>Other comprehensive (loss)/income, net of tax</b>		<b>(1,383)</b>	903
<b>Total comprehensive loss</b>		<b>(13,288)</b>	(90,401)

The notes on pages 124 to 156 form part of the Financial Statements.



## Consolidated balance sheet

### At 28 February 2022

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Intangible assets	10	69,794	81,379
Goodwill	10	417,360	419,457
Property, plant and equipment	11	24,877	25,871
Deferred tax asset	8	12,565	5,083
		<b>524,596</b>	531,790
<b>Current assets</b>			
Cash and cash equivalents		68,496	36,575
Trade and other receivables	12	48,314	16,994
Current tax receivable	8	1,599	7,522
		<b>118,409</b>	61,091
<b>Current liabilities</b>			
Trade and other payables	13	(227,729)	(37,990)
Loan and borrowings	14	(4,914)	(4,167)
		<b>(232,643)</b>	(42,157)
<b>Net current assets/(liabilities)</b>		<b>(114,234)</b>	18,934
<b>Total assets less current liabilities</b>		<b>410,362</b>	550,724
<b>Non-current liabilities</b>			
Loan and borrowings	14	(149,996)	(266,369)
Provisions		(873)	(850)
		<b>(150,869)</b>	(267,219)
<b>Net assets</b>		<b>259,493</b>	283,505
<b>Equity</b>			
Share capital	16	4,807	4,807
Share premium	16	1,198,703	1,198,703
Foreign exchange reserve	16	1,455	2,848
Other reserves	16	(1,136,661)	(1,124,992)
Retained earnings		191,189	202,139
<b>Total equity</b>		<b>259,493</b>	283,505

The notes on pages 124 to 156 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors of Trainline plc (registered number 11961132) on 5 May 2022 and were signed on its behalf by

**Jody Ford**  
Chief Executive Officer  
5 May 2022

**Shaun McCabe**  
Chief Financial Officer  
5 May 2022

## Consolidated statement of changes in equity

### For the year ended 28 February 2022

Notes	Share capital £'000	Share premium £'000	Preference shares £'000	Other reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance as at 1 March 2021</b>	<b>4,807</b>	<b>1,198,703</b>	<b>-</b>	<b>(1,124,992)</b>	<b>2,848</b>	<b>202,139</b>	<b>283,505</b>
Loss after tax	-	-	-	-	-	(11,905)	(11,905)
Other comprehensive income	-	-	-	-	(1,393)	10	(1,383)
Acquisition of Treasury Shares	-	-	-	(16,600)	-	-	(16,600)
Share-based payments	15	-	-	5,876	-	-	5,876
Transfer between reserves	-	-	-	(945)	-	945	-
<b>Balance as at 28 February 2022</b>	<b>4,807</b>	<b>1,198,703</b>	<b>-</b>	<b>1,136,661</b>	<b>1,455</b>	<b>191,189</b>	<b>259,493</b>

### For the year ended 28 February 2021

Notes	Share capital £'000	Share premium £'000	Preference shares £'000	Other reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance as at 1 March 2020</b>	<b>4,807</b>	<b>1,198,703</b>	<b>50</b>	<b>(1,125,755)</b>	<b>1,972</b>	<b>293,136</b>	<b>372,913</b>
Loss after tax	-	-	-	-	-	(91,304)	(91,304)
Other comprehensive income	-	-	-	-	876	27	903
Preference share redemption	-	-	(50)	-	-	-	(50)
Acquisition of Treasury Shares	-	-	-	(4,123)	-	-	(4,123)
Share-based payments	15	-	-	5,166	-	-	5,166
Transfer between reserves	-	-	-	(280)	-	280	-
<b>Balance as at 28 February 2021</b>	<b>4,807</b>	<b>1,198,703</b>	<b>-</b>	<b>(1,124,992)</b>	<b>2,848</b>	<b>202,139</b>	<b>283,505</b>

The notes on pages 124 to 156 form part of the Financial Statements.

# Consolidated statement of cash flow

## For the year ended 28 February 2022

	Notes	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
<b>Loss before tax</b>		<b>(15,542)</b>	(106,762)
<b>Adjustment for non-cash items:</b>			
Depreciation and amortisation	10,11	<b>42,576</b>	41,199
Goodwill impairment	10	<b>-</b>	25,195
Net finance costs <sup>1</sup>	7	<b>5,229</b>	7,058
Share-based payment charges	15	<b>6,783</b>	7,093
		<b>39,046</b>	(26,217)
<b>Changes in working capital</b>			
Trade and other receivables		<b>(33,562)</b>	33,021
Trade and other payables		<b>189,683</b>	(128,058)
<b>Cash generated from operating activities</b>		<b>195,167</b>	(121,254)
Taxes refunded/(paid)		<b>4,439</b>	159
<b>Net cash generated from operating activities</b>		<b>199,606</b>	(121,095)
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		<b>(24,787)</b>	(25,096)
Purchase of property, plant and equipment		<b>(4,557)</b>	(1,239)
<b>Net cash flow from investing activities</b>		<b>(29,344)</b>	(26,335)
<b>Cash flows from financing activities</b>			
Purchase of treasury shares		<b>(16,600)</b>	(4,123)
Proceeds from Revolving Credit Facility		<b>97,000</b>	95,000
Repayment of Revolving Credit Facility and other borrowings		<b>(177,116)</b>	(137,184)
Proceeds from issuance of convertible bonds		<b>-</b>	150,000
Issue costs and fees		<b>(110)</b>	(2,690)
Buyback of convertible bonds		<b>(31,307)</b>	-
Payments of lease liabilities		<b>(3,794)</b>	(2,676)
Payment of interest on lease liabilities		<b>(477)</b>	(536)
Interest paid		<b>(5,103)</b>	(4,940)
<b>Net cash flows from financing activities</b>		<b>(137,507)</b>	92,851
<b>Net decrease in cash and cash equivalents</b>		<b>32,755</b>	(54,579)
Cash and cash equivalents at beginning of the year		<b>36,575</b>	92,120
Effect of foreign exchange on cash		<b>(834)</b>	(966)
<b>Closing cash and cash equivalents</b>		<b>68,496</b>	36,575

<sup>1</sup> Including gain on convertible bond buyback as disclosed in Notes 7 and 14.

The notes on pages 124 to 156 form part of the Financial Statements.

# Notes to the Group Financial Statements

## 1. Significant accounting policies

### a) General information

Trainline plc (the 'Company') and subsidiaries controlled by the Company (together, the 'Group') are Europe's leading independent rail and coach travel platform selling rail and coach tickets worldwide. The Company is publicly listed on the London Stock Exchange ('LSE') and is incorporated and domiciled in the United Kingdom. The Company's registered address is 120 Holborn, London EC1N 2TD.

The Group Financial Statements for the year ended 28 February 2022 were approved by the Directors on 5 May 2022.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Trainline plc transitioned to UK-adopted International Accounting Standards in its Group Financial Statements on 1 March 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The Group Financial Statements of Trainline plc have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

### b) Basis of consolidation

The Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group').

The Financial Statements presented herein is for the year from 1 March 2021 to 28 February 2022.

#### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases. Control is achieved when the Group: (i) has power over the investee; (ii) is exposed, or has rights to variable returns from its involvement with the investee; and (iii) has the ability to use its power to affect the returns.

#### (ii) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

### c) Basis of measurement

The Financial Statements are prepared on the historical cost basis except for the following:

- Non-current assets are stated at the lower of the carrying value and the recoverable amount
- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through the income statement are measured at fair value

The accounting policies set out in the sections below have, unless otherwise stated, been applied consistently to all periods presented within the Financial Statements and have been applied consistently by all subsidiaries.

### d) Functional and presentation currency

The Financial Statements are presented in sterling, which is the functional currency of the Parent Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### e) Going concern

The Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due over at least the next 12 months from the date of the approval of these Financial Statements (the 'going concern assessment period') including consideration of the covenants associated with the Group's Revolving Credit Facility at the next covenant test dates on 31 August 2022 and 28 February 2023, being the two relevant dates in this period.

The UK Corporate Governance Code requires the Board to assess and report on the prospects of the Group and whether the business is a going concern. The Directors have undertaken a rigorous assessment of going concern and liquidity, taking into account financial forecasts, key uncertainties and sensitivities, including the prolonged impact of Covid-19 on the future performance of the Group, borrowing facilities and covenant requirements.

Following strong recovery as Covid-19 travel restrictions were lifted, there have been material improvements in Trainline's net ticket sales and profitability during FY2022. Performance has improved as restrictions lifted and public confidence in travel returned towards pre-pandemic demand levels.

Although profitability continued to be impacted by Covid-19 in FY2022, the Group has returned to positive adjusted EBITDA, reduced its net debt, and generated positive cash flows. Positive adjusted EBITDA of £39 million was earned in the period (FY2021: £25 million EBITDA loss) and net debt at 28 February 2022 was £90 million (FY2021: £241 million). For the duration of FY2022 the Group had in place a covenant waiver with a minimum liquidity requirement which was obtained during FY2021. The covenant waiver period ended on 28 February 2022, and the Group is no longer subject to the £75 million minimum liquidity requirement for the duration of the going concern assessment period. The Group is next subject to its net debt to adjusted EBITDA covenant test on 31 August 2022.

As at 28 February 2022 the Group was in a net current liability position of £114 million driven by the negative working capital cycle (FY2021: £19 million net current asset position). Despite the net current liability position, the Group has access to £274 million additional funds under its revolving credit facility. As such the Group has sufficient liquidity to easily cover the net current liability position.

The Directors performed a detailed going concern review using Board approved forecasts (the 'base case') as well as considering two severe but plausible downside scenarios, without any mitigations, and their potential impact on the Group's forecast, specifically considering varying degrees of prolonged impact from Covid-19. Two severe but plausible downside scenarios were modelled: (1) permanent reduction in the size of the rail market, primarily manifesting as a 25-30% reduction in the size of the UK rail segment versus FY2020; and (2) ongoing winter restrictions in December 2022 and January 2023, based on actual performance from December 2021 and January 2022 which were impacted by the UK Government's 'Plan B' restrictions (including asking people to work from home if they were able to) and similar restrictions across Europe.

In the base case and both severe but plausible downside scenarios the Group is able to continue in operation and meet its liabilities as they fall due. This includes complying with the net debt to adjusted EBITDA covenant requirement at the 31 August 2022 and 28 February 2023 test dates.

Following the assessment described above, the Directors are confident that the Group has adequate resources to continue to meet its liabilities as they fall due and to remain in operation for the going concern assessment period. The Board has therefore continued to adopt the going concern basis in preparing the Consolidated Financial Statements.

## **f) Cost of sales**

Cost of sales include costs in relation to the provision of rail tickets, ancillary services, settlement and fulfilment costs and are recognised as incurred (at the point of sale).

## **g) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates applicable on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences arising on translation are generally recognised in the income statement. Non-monetary items that are measured based on historical cost in foreign currency are not retranslated.

For the purpose of presenting the Consolidated Financial Statements, the assets and liabilities of entities with a functional currency other than sterling are expressed in sterling using exchange rates prevailing at the reporting period date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised directly in other comprehensive income.

## **h) Use of judgements and estimates**

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.



# Notes to the Group Financial Statements continued

## 1. Significant accounting policies (continued)

The following estimate is deemed significant as it has been identified by Management as one which could result in a material adjustment in the next financial year:

- **Note 10 – Goodwill impairment test: key assumptions underlying recoverable amounts**

The Group tests goodwill for impairment annually by comparing the carrying amount against the recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and value in use. There is judgement in estimating the future cash flows, the time period over which they will occur, and in arriving at an appropriate discount rate to apply to the cash flows as well as an appropriate terminal growth rate. As part of the impairment review for the year ended 28 February 2022, the prolonged impacts of Covid-19 have been taken into account in the forecasting. Each of these assumptions have an impact on the overall value of cash flows expected and therefore the headroom between the cash flows and carrying values of the cash-generating units.

### i) New standards and interpretations adopted

A number of new standards are effective from 1 March 2021, but they do not have a material effect on the Group's Financial Statements.

The following adopted IFRSs have been issued but have not been applied by the Group in these consolidated Financial Statements. Their adoption is not expected to have material effect on the Financial Statements unless otherwise indicated:

- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract (effective date to be confirmed);
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed);
- Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use (effective date to be confirmed); and
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).

In April 2021 the IFRS Interpretations Committee finalised their agenda decision regarding configuration and customisation costs in Cloud Computing Arrangements (Software as a Service, 'SaaS') under IAS 38. The Group has assessed costs incurred associated with the implementation of SaaS noting that all material costs incurred in the past have been expensed on the basis that they were determined to be related to services provided during the relevant period. As such, the agenda decision has no material effect on the Group's Financial Statements.

## 2. Operating segments

In accordance with IFRS 8 Operating Segments the Group determines and presents its operating segments based on internal information that is provided to the Board, who is the Group's chief operating decision maker ('CODM').

The Group has three operating and reportable segments which are considered:

- UK Consumer<sup>1</sup> – Travel apps and websites for individual travellers for journeys within the UK;
- UK Trainline Partner Solutions ('TPS')<sup>1</sup> – Branded travel portal platforms for corporates and travel management companies and white label ecommerce platforms for Train Operating Companies within the UK; and
- International – Travel apps and websites for individual travellers for journeys outside the UK.

<sup>1</sup> UK Consumer and UK Trainline Partner Solutions are collectively referred to as the UK.

The Group's global operating model means that investments in platform technology and central overheads are leveraged across the business, and are reported to the CODM at the Group level, rather than being allocated to segments. No single customer accounted for 10% or more of the Group's sales.

The CODM monitors:

- The three operating segments, results at the level of net ticket sales, revenue and gross margin;
- Results split by UK and International at the level of net ticket sales, revenue, gross margin, and contribution (as shown in this disclosure); and
- No results at a loss before/after tax or in relation to the statement of financial position are reported to the CODM at a lower level than the consolidated Group.

## Segmental analysis for the year ended 28 February 2022:

	UK Consumer £'000	UK Trainline Partner Solutions £'000	Total UK £'000	International £'000	Total Group £'000
<b>Net ticket sales</b>	1,811,715	290,082	2,101,797	418,475	2,520,272
<b>Revenue</b>	152,538	15,245	167,783	20,730	188,513
Cost of sales	(23,909)	(4,453)	(28,362)	(7,355)	(35,717)
<b>Gross profit</b>	128,629	10,792	139,421	13,375	152,796
Direct administrative expenses			(41,112)	(22,030)	(63,142)
<b>Contribution</b>			98,309	(8,655)	89,654
Central administrative expenses					(50,608)
<b>Adjusted EBITDA</b>					39,046
Depreciation and amortisation					(42,576)
Share-based payment charges					(6,783)
Exceptional items					-
<b>Operating loss</b>					(10,313)
Net finance costs					(5,229)
<b>Loss before tax</b>					(15,542)
Tax					3,637
<b>Loss after tax</b>					(11,905)

## Segmental analysis for the year ended 28 February 2021:

	UK Consumer £'000	UK Trainline Partner Solutions £'000	Total UK £'000	International £'000	Total Group £'000
<b>Net ticket sales</b>	472,808	75,476	548,284	234,800	783,084
<b>Revenue</b>	43,798	12,087	55,885	11,199	67,084
Cost of sales	(9,885)	(3,843)	(13,728)	(4,680)	(18,408)
<b>Gross profit</b>	33,913	8,244	42,157	6,519	48,676
Direct administrative expenses			(21,540)	(10,986)	(32,526)
<b>Contribution</b>			20,617	(4,467)	16,150
Central administrative expenses					(41,054)
<b>Adjusted EBITDA</b>					(24,904)
Depreciation and amortisation					(41,199)
Share-based payment charges					(7,093)
Exceptional items					(26,508)
<b>Operating loss</b>					(99,704)
Net finance costs					(7,058)
<b>Loss before tax</b>					(106,762)
Tax					15,458
<b>Loss after tax</b>					(91,304)

## Notes to the Group Financial Statements continued

### 3. Revenue

#### Accounting policy

##### Consumer

Commission revenue is earned from carriers on net ticket sales and service charges billed to customers. Each sale or refund transaction represents a separate performance obligation, and the related revenue is recognised at the time of the sale or refund. The Group acts as an agent in these transactions, as it does not control the services prior to transferring them to its customers.

##### Trainline Partner Solutions

Revenue earned from branded travel portal platforms is recognised in three key elements represented by bespoke feature builds, monthly maintenance, and commission and service fees earned per transaction processed. Each of these elements represent a separate performance obligation. Revenue is recognised over time for bespoke feature builds and at point in time for maintenance and commission and service fees earned per transaction processed.

The Group's operations and main revenue streams are those described in these Financial Statements. The Group's revenue is derived from contracts with customers and are disaggregated by primary geographical market and timing of revenue recognition.

	2022 £'000	2021 £'000
Timing of revenue recognition		
At point in time	187,166	64,516
Over time	1,347	2,568
<b>Total revenue</b>	<b>188,513</b>	<b>67,084</b>

#### Geographic information

In presenting the below information based on geography, revenue is based on the geographical location of the customers. This differs from Note 2 which discloses revenue based on the geographical location of the journey undertaken.

	2022 £'000	2021 £'000
UK	166,746	54,643
Rest of the world	21,767	12,441
<b>Total revenue</b>	<b>188,513</b>	<b>67,084</b>

#### Contract balances

The Group's contract balances consist of trade receivables, contract assets and contract liabilities. Trade receivables are disclosed in Note 12.

The contract assets primarily relate to the Group's rights to consideration for services provided but not invoiced at the reporting date. The contract assets are transferred to receivables when invoiced. The Group's contract assets amounted to £2.8 million (FY2021: £1.9 million) which are included in Note 12.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised when the services are deemed to be provided. The contract liabilities amounted to £0.2 million (FY2021: £0.2 million) which are included within deferred revenue in Note 13.

#### 4. Auditor remuneration

This note details a breakdown of the auditor remuneration recognised across the Group.

During the year, the Group obtained the following services from its auditor<sup>1</sup>:

	2022 £'000	2021 £'000
Audit of these Financial Statements	351	285
Audit of Financial Statements of subsidiaries pursuant to legislation	80	73
Audit-related assurance services	52	40
Other non-audit services	–	10
<b>Total auditor remuneration</b>	<b>483</b>	<b>408</b>

<sup>1</sup> In FY2022, all amounts other than £34k paid to KPMG in relation to the statutory audit of Trainline SAS (FY2021: £39k in relation to the statutory audit of Trainline France SAS and Trainline SAS) were paid to member firms of PwC, being the Group's auditor for this financial year. In FY2021, all amounts were paid to KPMG, being the Group's predecessor auditor.

#### 5. Employee benefit expenses

Staff costs presented in this note reflect the total wage, tax, pension and share-based payment cost relating to employees of the Group. These costs are allocated between administrative expenses, cost of sales or capitalised where appropriate as part of software development intangible assets. The allocation between these areas is dependent on the area of business the employee works in and the activities they have undertaken.

##### Average number of full-time equivalent employees

	2022 Number of employees	2021 Number of employees
Sales and marketing	95	103
Operations	135	126
Technology and product	348	319
Management and administration	112	111
<b>Total number of employees</b>	<b>690</b>	<b>659</b>

##### Employee benefits expense

	2022 £'000	2021 £'000
Wages and salaries	55,380	45,215
Social security contributions	7,686	5,889
Contributions to defined contribution plans	2,313	1,849
Share-based payment expense	6,783	7,093
<b>Total employee benefits</b>	<b>72,162</b>	<b>60,046</b>

Details of Directors' remuneration are disclosed in Note 23 under Transactions with key management personnel of the Group.

#### 6. Exceptional items

Exceptional items are operating costs or credits that, by virtue of their nature and incidence, have been disclosed separately in order to improve a reader's understanding of the Financial Statements. Exceptional items are one-off in nature or are not considered to be part of the Group's underlying trade. There were no exceptional items in FY2022.

##### Restructuring costs

Restructuring costs incurred as part of a strategic/management reorganisation.

##### Goodwill impairment

This is the impairment charge on the goodwill on the International CGU. Refer to Note 10 for disclosure.

## Notes to the Group Financial Statements continued

### 6. Exceptional items continued

	2022 £'000	2021 £'000
Restructuring costs	-	1,313
Goodwill impairment charge	-	25,195
<b>Net exceptional costs</b>	<b>-</b>	<b>26,508</b>

### 7. Finance income and finance costs

Net finance costs comprise bank interest income and interest expense on borrowings and lease liabilities, as well as foreign exchange gains/losses and gains/losses on the repurchase of convertible bonds.

#### Accounting policy

Interest income and expense is recognised as it accrues in the income statement, using the effective interest method. Foreign exchange gains and losses are recognised in the income statement in accordance with the policy for foreign currency transactions set out in Note 1g. Convertible bonds bought back and cancelled are derecognised from non-current liabilities as set out in Note 14, with any gains and losses arising recognised in finance income and finance costs.

	2022 £'000	2021 £'000
Bank interest income	36	22
Gain on convertible bond buyback	3,914	-
Foreign exchange gain	-	556
<b>Finance income</b>	<b>3,950</b>	<b>578</b>
Interest and fees on bank loans	(5,777)	(6,729)
Foreign exchange loss	(927)	-
Loss on interest rate swap	-	(6)
Interest and fees on convertible bonds	(1,878)	(189)
Interest on lease liability	(594)	(694)
Other interest	(3)	(18)
<b>Finance costs</b>	<b>(9,179)</b>	<b>(7,636)</b>
<b>Net finance costs recognised in the income statement</b>	<b>(5,229)</b>	<b>(7,058)</b>

### 8. Taxation

This note analyses the tax income for this financial year, which includes both current and deferred tax. It also details tax accounting policies and presents a reconciliation between loss before tax in the income statement multiplied by the rate of corporation tax and the tax credit for the year.

The deferred tax section provides information on expected future tax charges and sets out the assets and liabilities held across the Group.

#### Accounting policy

Income tax expense/credit comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

#### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:



- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, to the extent that the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used before their expiry. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Amounts will be recognised first to the extent that taxable temporary differences exist and it is considered probable that they will reverse and give rise to future taxable profits against which losses or other assets may be utilised before their expiry. Assets will then be recognised to the extent that forecasts or other evidence support the availability of future profits against which assets may be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

### Amounts recognised in the income statement

	2022 £'000	2021 £'000
<b>Current tax charge/(credit)</b>		
Current year corporation tax	315	(3,205)
Adjustment in respect of prior years	3,444	(2,608)
<b>Total current tax charge/(credit)</b>	<b>3,759</b>	<b>(5,813)</b>
<b>Deferred tax (credit)/charge</b>		
Current year	(1,364)	(11,777)
Adjustment in respect of prior years	(3,948)	1,511
Effect of change in tax rates	(2,084)	621
<b>Total deferred tax credit</b>	<b>(7,396)</b>	<b>(9,645)</b>
<b>Tax credit</b>	<b>(3,637)</b>	<b>(15,458)</b>

Corporation tax was calculated at 19% (FY2021: 19%) of the taxable profit for the year. Taxation for territories outside of the UK was calculated at the rates prevailing in the respective jurisdictions. The total tax credit of £3.6 million (FY2021: credit of £15.5 million) is made up of a current corporation tax charge of £3.8 million (FY2021: credit of £5.8 million) arising in the UK, and a deferred tax credit of £7.4 million (FY2021: £9.6 million).

A current tax prior period adjustment has been recognised to adjust the Group's tax receivable, as the Group's Financial Statements in FY2021 included an expected tax repayment for a loss carry back claim to taxable profits in FY2020 which was not claimed on submission of the UK tax returns, instead carrying these losses forward to utilise against expected future profits. A corresponding deferred tax prior period adjustment has also been recognised in respect of those losses which were not carried back.

The Group has continued to recognise a deferred tax asset on unutilised losses carried forward. This is on the basis that it is probable that future taxable profit will be available against which the unutilised tax losses and credits can be set against. This is supported by the Group's latest profit and cash flow forecasts approved by the Board, which show improved trading performance following market recovery from the impact of Covid-19. The deferred tax credit in FY2022 also includes the unwind of deferred tax liabilities arising on acquired intangibles and deferred tax on equity-settled share-based payment charges issued during the period, where tax relief is obtained in the year the shares vest. The release of these deferred tax assets and liabilities are accounting adjustments and do not impact the corporation tax payable or receivable by the Group.

The Group has remeasured its deferred tax asset to take into account the future change in the rate of UK corporation tax from 19% to 25%, as substantively enacted in May 2021. This has given rise to a one-off deferred tax credit in FY2022.

# Notes to the Group Financial Statements continued

## 8. Taxation continued

### Amounts recognised in the income statement continued

	2022 £'000	2021 £'000
Loss before tax	(15,542)	(106,762)
Tax on loss at standard UK rate of 19% (FY2021: 19%)	(2,971)	(20,285)
Effect of:		
Expenses not deductible/income not deductible	1,147	4,849
Amounts not recognised <sup>1</sup>	1,148	924
Effect of changes in tax rates	(2,626)	621
Adjustment in respect of prior years	(504)	(1,097)
Difference in overseas tax rates	2	19
Deferred tax credited to equity	85	–
Losses utilised	–	(489)
Other	82	–
<b>Total tax credit</b>	<b>(3,637)</b>	<b>(15,458)</b>
<b>Effective tax rate</b>	<b>23%</b>	<b>14%</b>

<sup>1</sup> Primarily relates to unrecognised losses which are either not expected to be recoverable or utilised in the short term and therefore not recognised as deferred tax assets.

The effective tax rate is higher than the UK corporation tax rate of 19% (FY2021: lower) which primarily reflects the remeasurement of deferred tax balances for the increase in the UK corporation tax rate to 25%.

### Tax debtor per the consolidated balance sheet:

	2022 £'000	2021 £'000
<b>Current tax receivable<sup>1</sup></b>	<b>1,599</b>	<b>7,522</b>

<sup>1</sup> Reflects the current tax charge/credit for the year, less any corporation tax payments on account made during the year, less the Research and Development expenditure credit ('RDEC'). The FY2022 current tax receivable balance reflects a £1.6 million RDEC. No corporation tax was payable by the Group in FY2022. (FY2021: Current tax receivable of £7.5 million made up of £2.0 million RDEC plus £5.5 million of current tax credit.)

### Deferred tax asset as at 28 February 2022:

	Acquired intangible assets £'000	Tangible assets and other £'000	Share-based payments £'000	Losses carried forward £'000	Total £'000
At 1 March 2021	(4,365)	(1,560)	1,227	9,781	5,083
Effect of increased tax rate on opening balance	(636)	(441)	174	2,987	2,084
Adjustment in respect of prior years	–	(1,600)	–	5,548	3,948
Adjustments posted through equity	–	(9)	94	–	85
Credit/(charge) to consolidated income statement	1,346	232	(258)	45	1,365
<b>At 28 February 2022</b>	<b>(3,655)</b>	<b>(3,378)</b>	<b>1,237</b>	<b>18,361</b>	<b>12,565</b>

### Deferred tax asset/(liability) as at 28 February 2021:

	Acquired intangible assets £'000	Tangible assets and other £'000	Share-based payments £'000	Losses carried forward £'000	Total £'000
At 1 March 2020	(5,298)	(508)	1,461	–	(4,345)
Adjustments posted through equity	–	37	(254)	–	(217)
Credit/(charge) to consolidated income statement	933	(1,089)	20	9,781	9,645
<b>At 28 February 2021</b>	<b>(4,365)</b>	<b>(1,560)</b>	<b>1,227</b>	<b>9,781</b>	<b>5,083</b>

## 9. Earnings per share

This note sets out the accounting policy that applies to the calculation of earnings per share, and how the Group has calculated the shares to be included in basic and diluted earnings per share ('EPS') calculations.

### Accounting policy

The Group calculates earnings per share in accordance with the requirements of IAS 33 Earnings Per Share.

Four types of earnings per share are reported:

#### (i) Basic earnings per share

Earnings attributable to ordinary equity holders of the Group for the period, divided by the weighted average number of ordinary shares outstanding during the period.

#### (ii) Diluted earnings per share

Earnings attributable to ordinary equity holders of the Group, divided by the weighted average number of shares outstanding used in the basic earnings per share calculation adjusted for the effects of all dilutive 'potential ordinary shares'.

#### (iii) Adjusted basic earnings per share

Earnings attributable to ordinary equity holders of the Group for the period, adjusted to remove the impact of exceptional items, gain on purchase of convertible bonds, share-based payment charges, amortisation of acquired intangibles and the tax impact of these items; divided by the weighted average number of ordinary shares outstanding during the period.

#### (iv) Adjusted diluted earnings per share

Earnings attributable to ordinary equity holders of the Group for the period, adjusted to remove the impact of exceptional items, gain on repurchase of convertible bonds, share-based payment charges, amortisation of intangibles and the tax impact of these items; divided by the weighted average number of shares outstanding used in the basic earnings per share calculation adjusted for the effects of all dilutive 'potential ordinary shares'.

	2022 No. shares	2021 No. shares
<b>Weighted average number of ordinary shares:</b>		
Weighted average number of ordinary shares	480,680,508	480,680,508
Weighted average number of treasury shares	(3,096,733)	(2,678,111)
<b>Weighted average number of ordinary shares<sup>1</sup></b>	<b>477,583,775</b>	<b>478,002,397</b>

1 As the Group has incurred a loss in FY2022 and FY2021, the impact of its potential dilutive ordinary shares has been excluded as they would be anti-dilutive.

	2022 £'000	2021 £'000
Loss after tax	(11,905)	(91,304)
<b>Earnings attributable to equity holders</b>	<b>(11,905)</b>	<b>(91,304)</b>
<b>Adjusted earnings<sup>1</sup></b>	<b>(3,844)</b>	<b>(51,678)</b>

	2022 pence	2021 pence
<b>Loss per share</b>		
Basic	(2.49)p	(19.10)p
Diluted <sup>2</sup>	(2.49)p	(19.10)p
<b>Adjusted loss per share</b>		
Basic	(0.80)p	(10.81)p
Diluted <sup>2</sup>	(0.80)p	(10.81)p

1 Refer to the alternative performance measures section for the calculation of adjusted earnings.

2 As the Group has incurred a loss in FY2022 and FY2021, the impact of its potential dilutive ordinary shares has been excluded as they would be anti-dilutive.

## Notes to the Group Financial Statements continued

### 10. Intangible assets and goodwill

The consolidated balance sheet contains a significant goodwill carrying value which arose when the Group acquired subsidiaries and paid a higher amount than the fair value of the acquired net assets. Goodwill is not amortised but is subject to an annual impairment review. Impairment reviews of goodwill make use of estimates (see Note 1h).

Other intangible assets predominantly arise on acquisition of subsidiaries or are internally developed. These intangible assets are amortised and tested for impairment when an indicator of impairment exists.

#### Accounting policy

##### (i) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired business are assigned to those units.

##### (ii) Software development costs

Expenditure on research activities is recognised in the income statement as incurred.

External and internal development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the income statement as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Internal development expenditure is managed by the development team and the amount capitalised is monitored through time charged to projects.

##### (iii) Brand and customer lists

Brand and customer lists that are acquired by the Group have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

##### (iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

##### (v) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the income statement. Goodwill is not amortised.

The estimated useful lives are as follows:

Software development	3–5 years
Brand valuation	10 years
Customer lists	5–7 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Intangible assets and goodwill as at 28 February 2022:

	Software development £'000	Brand valuation <sup>3</sup> £'000	Customer lists <sup>3</sup> £'000	Goodwill £'000	Total £'000
<b>Cost:</b>					
At 1 March 2021	132,755	51,738	92,690	444,652	721,835
Additions <sup>1</sup>	25,090	-	-	-	25,090
Disposals	(10,435)	-	-	-	(10,435)
FX <sup>2</sup>	-	-	-	(2,097)	(2,097)
<b>At 28 February 2022</b>	<b>147,410</b>	<b>51,738</b>	<b>92,690</b>	<b>442,555</b>	<b>734,393</b>
<b>Accumulated amortisation and impairment:</b>					
At 1 March 2021	(74,328)	(30,800)	(90,676)	(25,195)	(220,999)
Amortisation	(29,595)	(5,167)	(1,913)	-	(36,675)
Disposals	10,435	-	-	-	10,435
<b>At 28 February 2022</b>	<b>(93,488)</b>	<b>(35,967)</b>	<b>(92,589)</b>	<b>(25,195)</b>	<b>(247,239)</b>
<b>Carrying amounts:</b>					
<b>At 28 February 2022</b>	<b>53,922</b>	<b>15,771</b>	<b>101</b>	<b>417,360</b>	<b>487,154</b>

1 Total additions include £24.2 million of internally developed intangible assets.

2 Effects of foreign exchange rate changes.

3 At FY2022, the remaining useful economic life was three years for brand valuation and five years for customer lists.

## Intangible assets and goodwill as at 28 February 2021:

	Software development £'000	Brand valuation <sup>3</sup> £'000	Customer lists <sup>3</sup> £'000	Goodwill £'000	Total £'000
<b>Cost:</b>					
At 1 March 2020	108,621	51,738	92,690	443,357	696,406
Additions <sup>1</sup>	24,134	-	-	-	24,134
FX <sup>2</sup>	-	-	-	1,295	1,295
<b>At 28 February 2021</b>	<b>132,755</b>	<b>51,738</b>	<b>92,690</b>	<b>444,652</b>	<b>721,835</b>
<b>Accumulated amortisation and impairment:</b>					
At 1 March 2020	(46,181)	(25,633)	(87,680)	-	(159,494)
Amortisation	(28,147)	(5,167)	(2,996)	-	(36,310)
Impairment charge	-	-	-	(25,195)	(25,195)
<b>At 28 February 2021</b>	<b>(74,328)</b>	<b>(30,800)</b>	<b>(90,676)</b>	<b>(25,195)</b>	<b>(220,999)</b>
<b>Carrying amounts:</b>					
<b>At 28 February 2021</b>	<b>58,427</b>	<b>20,938</b>	<b>2,014</b>	<b>419,457</b>	<b>500,836</b>

1 Total additions of £24.1 million all relate to internally developed intangible assets.

2 Effects of foreign exchange rate changes.

3 At FY2021, the remaining useful economic life was four years for brand valuation and six years for customer lists.

Of the amortisation charge for the year £7.1 million (FY2021: £8.2 million) related to the amortisation of intangible assets which were recognised on the Group's acquisition of Trainline.com Limited and Trainline SAS, while £29.6 million (FY2021: £28.1 million) related to internally developed and purchased intangible assets recognised at historical cost.

Disposals in the year of £10.4 million (FY2021: £nil) fully amortised internally developed software assets and £2.8 million of fully amortised software development assets.



## Notes to the Group Financial Statements continued

### 10. Intangible assets and goodwill continued

#### Goodwill impairment testing

The Group tests goodwill annually for impairment by reviewing the carrying amount against the recoverable amount of the investment. The recoverable amount is the higher of fair value less costs of disposal and value in use. However, in line with IAS 36 Impairment of Assets, fair value less costs of disposal is only determined where value in use would result in impairment.

Goodwill acquired in a business combination is allocated on acquisition to the cash-generating units ('CGUs') that are expected to benefit from that business combination. Management monitors goodwill no lower than the geographical operating segments, hence, CGUs are the same as the geographical operating segments.

The Group has gross goodwill balances totalling £442.6 million (FY2021: £444.7 million) which comprise:

- i. £336.4 million (FY2021: £336.4 million) from the FY2016 acquisition of Trainline.com
- ii. £106.2 million (FY2021: £108.3 million) from the FY2017 acquisition of Trainline SAS (formerly Capitaine Train SAS)

The majority of goodwill arising from the acquisition of Trainline.com was attributed to the UK Consumer CGU with a small proportion allocated to the International CGU. The goodwill related to the Capitaine Train SAS acquisition was mostly attributed to the International CGU, with the remainder allocated to the UK Consumer CGU. The carrying amount of goodwill has been allocated as follows:

CGU	2022 £'000	2021 £'000
UK Consumer	351,271	351,271
UK Trainline Partner Solutions	-	-
International	66,089	68,186
<b>Total goodwill</b>	<b>417,360</b>	<b>419,457</b>

For all CGUs the recoverable amount was determined by measuring their value in use ('VIU').

#### Assumptions

The key value in use assumptions were:

	2022 UK Consumer	2021 UK Consumer	2022 International	2021 International
Pre-tax discount rate <sup>1</sup>	9.7%	11.6%	12.0%	18.6%
Terminal growth rate <sup>2</sup>	2.5%	1.5%	2.5%	1.0%
Number of years forecasted before terminal growth rate applied	5	5	5	5

1 The pre-tax discount rate is based upon the weighted average cost of capital reflecting specific principal risks and uncertainties. The discount rate takes into account the risk-free rate of return, the market risk premium and beta factor.

2 The terminal growth rate reflects the expected growth into perpetuity of the business, taking into account the current market and sector risks.

There has been no impairment charge for any CGU during the year (FY2021: UK Consumer CGU £nil, International CGU £25.2 million).

The Group prepares cash flow forecasts using five-year projections which are extrapolated from the Board approved three-year plan. The forecasts have been used in the VIU calculation along with risk-adjusted discount rates. Cash flows beyond the five-year period are extrapolated using a terminal growth rate. The forecasts reflect management's expectations and best estimates for each CGU. Where costs or assets in the forecast are not reported to the CODM at a CGU level, as disclosed in Note 2, a reasonable and consistent allocation basis is applied for the purposes of impairment testing.

Forecasts used for the purposes of the impairment review as at 28 February 2022 remain impacted by the long-term effects of Covid-19. Trading assumptions are based on estimates of market size, estimates of market share and long-term economic forecasts.

As the International CGU is currently loss-making, the cash flows are more sensitive to a change in assumptions in the initial five-year forecast period than the UK Consumer CGU. To reflect the higher level of uncertainty in the International forecasts, a premium is applied to the discount rate.

## Sensitivity analysis

The Group has conducted sensitivity analysis for reasonably possible changes to key assumptions on each CGU's value in use. This included either increasing the discount rates, reducing the terminal growth rate, or reducing the anticipated future cash flows through changes to revenue or costs in each of the years through to the terminal year. The sensitivity assumptions applied to the value in use calculations are set out in the table below.

	2022 UK Consumer	2021 UK Consumer	2022 International	2021 International
Increase in discount rate	1pt	1pt	1pt	1pt
Reduction in long-term growth rate applied in terminal year	0.5pts	0.5pts	0.5pts	0.5pts
Decrease in Adjusted EBITDA forecast in each year	15%	15%	20%	20%

None of the individual reasonably possible scenarios listed above resulted in an impairment charge to any of the CGUs.

## 11. Property, plant and equipment

This note details the physical assets used by the Group in running its business.

### Accounting policy

Items of property, plant and equipment ('PPE') are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the income statement. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the income statement. The estimated useful lives of property, plant and equipment are as follows:

Plant and equipment	3–7 years
Leasehold improvements	3–10 years/remaining lease length if shorter
Right-of-use assets	Lease length

The Group tests the carrying value of assets including right-of-use ('ROU') assets for impairment if there is an indicator of impairment. PPE is included in the carrying value of the Group's CGUs and have been included in the CGU impairment assessments (see Note 10). There were no additional indicators of specific impairment identified during the year relating to PPE (FY2021: no indicators).

### Property, plant and equipment as at 28 February 2022:

	Plant and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
<b>Cost:</b>				
At 1 March 2021	9,671	4,448	26,861	40,980
Additions	1,771	2,536	600	4,907
Disposals	(4,063)	–	–	(4,063)
<b>At 28 February 2022</b>	<b>7,379</b>	<b>6,984</b>	<b>27,461</b>	<b>41,824</b>
<b>Accumulated depreciation and impairment:</b>				
At 1 March 2021	(7,362)	(1,890)	(5,857)	(15,109)
Depreciation	(1,511)	(625)	(3,765)	(5,901)
Disposals	4,063	–	–	4,063
<b>At 28 February 2022</b>	<b>(4,810)</b>	<b>(2,515)</b>	<b>(9,622)</b>	<b>(16,947)</b>
<b>Carrying amounts:</b>				
<b>At 28 February 2022</b>	<b>2,569</b>	<b>4,469</b>	<b>17,839</b>	<b>24,877</b>

# Notes to the Group Financial Statements continued

## 11. Property, plant and equipment continued

### Property, plant and equipment as at 28 February 2021:

	Plant and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
<b>Cost:</b>				
At 1 March 2020	8,278	4,448	17,692	30,418
Additions	1,411	–	4,948	6,359
Disposals	(18)	–	–	(18)
Lease extensions <sup>1</sup>	–	–	4,221	4,221
<b>At 28 February 2021</b>	<b>9,671</b>	<b>4,448</b>	<b>26,861</b>	<b>40,980</b>
<b>Accumulated depreciation and impairment:</b>				
At 1 March 2020	(6,075)	(1,445)	(2,714)	(10,234)
Depreciation	(1,301)	(445)	(3,143)	(4,889)
Disposals	14	–	–	14
<b>At 28 February 2021</b>	<b>(7,362)</b>	<b>(1,890)</b>	<b>(5,857)</b>	<b>(15,109)</b>
<b>Carrying amounts:</b>				
<b>At 28 February 2021</b>	<b>2,309</b>	<b>2,558</b>	<b>21,004</b>	<b>25,871</b>

1 Relates to lease extensions which do not constitute a new lease addition pursuant to IFRS 16.

## 12. Trade and other receivables

Trade and other receivables include amounts due from credit card companies for consumer ticket sales and amounts due from business customers and Train Operating Companies on account.

Receivables are held with the objective to collect the contractual cash flows and are therefore recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the expected loss on trade receivables is established at inception. This is modified when there is a change in the credit risk. The amount of the expected loss is considered immaterial for the Group.

	2022 £'000	2021 £'000
Trade receivables	37,580	9,043
Other receivables	2,915	590
Prepayments	5,033	5,434
Contract assets	2,786	1,927
<b>Total trade and other receivables</b>	<b>48,314</b>	<b>16,994</b>

There is no material difference between the carrying value and fair value of trade and other receivables. See Note 19 for more detail on the trade and other receivables accounting policy.

## 13. Trade and other payables

Trade and other payables include liabilities for ticket sale monies to be passed on to carriers, as well as accounts payable and accruals for general business expenditure and deferred revenue.

	2022 £'000	2021 £'000
Trade payables	190,661	21,908
Accruals	34,043	15,133
Other creditors	2,800	615
Deferred revenue	225	334
<b>Total trade and other payables</b>	<b>227,729</b>	<b>37,990</b>

There is no material difference between the carrying value and fair value of trade and other payables presented. See Note 19 for more detail on the trade and other payables accounting policy.

## 14. Loans and borrowings

This note details a breakdown of the various loans and borrowings of the Group. It also provides the terms and repayment dates of each of these.

### Accounting policy

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. At the date borrowings are repaid any attributable transaction costs are released as an exceptional finance cost.

	2022 £'000	2021 £'000
<b>Non-current liabilities</b>		
Revolving Credit Facility <sup>1</sup>	21,800	100,417
Convertible bonds <sup>2</sup>	112,663	147,378
Other term debt	37	216
Lease liabilities	15,496	18,358
<b>Total non-current liabilities</b>	<b>149,996</b>	<b>266,369</b>
<b>Current liabilities</b>		
Accrued interest	1,425	831
Lease liabilities	3,489	3,336
<b>Total current liabilities</b>	<b>4,914</b>	<b>4,167</b>

1. Included within the Revolving Credit Facility is the principal amount of £25.0 million (FY2021: £104.9 million) and directly attributable transaction costs of £3.2 million (FY2021: £4.5 million).

2. Included within the convertible bonds is the principal amount of £114.8 million (FY2021: £150.0 million) and directly attributable transaction costs of £2.1 million (FY2021: £2.6 million). During FY2022 the Group bought back and cancelled £35.2 million (face value) of its own convertible bonds for £31.3 million, resulting in a gain of £3.9 million presented on the income statement within finance income.

### Terms and repayment schedule

Agreement	Interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Revolving Credit Facility	LIBOR/SONIA <sup>1</sup> + 1-2%	2024	25,000	21,800
Convertible bonds	1.00%	2026	114,800	112,663
Lease liabilities	Various <sup>2</sup>	Various	20,281	18,985
Other term debt	0.0%	2022	37	37
<b>Total borrowings</b>			<b>160,118</b>	<b>153,485</b>

1 The interest rate applicable to the Revolving Credit Facility was LIBOR plus 2% until 31 December 2021. Following the cessation of LIBOR, the interest rate applicable to the Revolving Credit Facility was SONIA plus credit adjustment spread plus 1-2% from 1 January 2022.

2 The average interest rate of lease liabilities is 4.0%.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated future interest payments, so will not necessarily reconcile to amounts disclosed on the statement of financial position.

	Total contractual cash flows £'000	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Revolving Credit Facility	26,456	510	625	25,321	–
Convertible bonds	119,213	1,148	1,148	116,917	–
Lease liabilities	20,281	3,940	9,323	6,081	937
Other term debt	37	37	–	–	–
<b>Total cash flows</b>	<b>165,987</b>	<b>5,635</b>	<b>11,096</b>	<b>148,319</b>	<b>937</b>

## Notes to the Group Financial Statements continued

### 14. Loans and borrowings continued

#### Revolving Credit Facility

The Revolving Credit Facility became effective on 26 June 2019. The total facility amount is £350.0 million. The facility allows draw downs in cash or non-cash to cover bank guarantees. At 28 February 2022 the cash drawn amount is £25.0 million (FY2021: £104.9 million), the non-cash bank guarantee drawn amount is £51.3 million (FY2021: £21.9 million) and the undrawn amount on the facility is £273.7 million (FY2021: £223.2 million).

The Group's Revolving Credit Facility is secured by a fixed and floating charge over certain assets of the Group. Interest is payable on a margin of 1.0% to 2.0% above LIBOR until 31 December 2021, and on a margin of 1.0% to 2.0% above SONIA plus credit adjustment spread from 1 January 2022.

The Group is subject to certain bank covenants under this facility, however, those financial covenants were waived by the Group's loan syndicate until and including February 2022, to support the business through the Covid-19 pandemic and the related impact on trading. The Group was in compliance with bank covenants on 28 February 2022, albeit with the covenant waiver remaining in place on this date. As part of the waiver, the Group was required to maintain a minimum liquidity headroom of £50 million on a monthly basis from April 2020 to December 2020. This requirement was increased to £75 million on a monthly basis subsequent to the issuance of the convertible bonds in January 2021 and until February 2022. The Group was in compliance with the liquidity requirement throughout all applicable periods.

#### Convertible bonds

On 7 January 2021, Trainline plc announced the launch of an offering of £150.0 million of senior secured convertible bonds due in 2026. Settlement and delivery of convertible bonds took place on 14 January 2021.

The total bond offering of £150.0 million covers a five-year term beginning on 14 January 2021 with a 1% per annum coupon payable semi-annually in arrears in equal instalments. The initial conversion price was set at £6.6670 representing a premium of 50% above share price on 7 January 2021 (£4.4447).

The bonds were accounted for as a liability of £150.0 million upon issuance. Directly allocable fees were offset against the liability and will be unwound over the lifetime of the instrument. The bonds were accounted for as a liability as certain terms within the terms and conditions attached to the bonds meant Trainline plc has an unavoidable obligation to settle in cash.

During FY2022, the Group bought back and cancelled £35.2 million (face value) of its own convertible bonds for £31.3 million, resulting in a gain of £3.9 million presented on the income statement within finance income. As at FY2022, the Group had convertible bonds with a principal amount of £114.8 million in issuance (FY2021: £150.0 million).

### 15. Share-based payments

During the year the Group has operated a number of equity-settled share-based payment schemes.

#### Accounting policy

Equity-settled share-based payment schemes are initially measured at fair value at the grant date and recognised as a charge in the income statement over the vesting period based on the Group's estimate of the share that will eventually vest and adjusted for the effect of non-market vesting conditions. A corresponding increase in reserves is also recognised in equity.

#### Share-based payment charges recognised within administrative costs

	2022 £'000	2021 £'000
Share-based payment schemes	6,783	7,093
<b>Total income statement impact</b>	<b>6,783</b>	<b>7,093</b>



The Group operates the following equity-settled share-based payment schemes with a £nil exercise price:

### Share Incentive Plan

The Share Incentive Plan ('SIP') was offered to all UK Company staff employed at both 26 June 2019 and 31 July 2019, being the IPO date and grant date respectively. The awards will vest on 31 July 2022 and all employees that have not opted out or left the business between 26 June 2019 and 31 July 2022 will be entitled to shares in Trainline plc worth £3,600 at grant date.

### International Share Incentive Plan

The International Share Incentive Plan ('International SIP') was offered to all non-UK Company staff employed at both 26 June 2019 and 31 July 2019, being the IPO date and grant date respectively. The awards will vest on 31 July 2022 and all employees that have not opted out or left the business between 26 June 2019 and 31 July 2022 will be entitled to shares in Trainline plc worth £3,600 at grant date.

### Restricted Share Plan

The Restricted Share Plan ('RSP') awards Restricted Share Units ('RSUs') to certain members of the executive team and senior management. The majority of awards vest evenly in three tranches over a three-year period. All participants that have not left the business on the vesting date will be entitled to RSUs which each represent the right to receive one ordinary share in Trainline plc.

### Performance Share Plan

The Performance Share Plan ('PSP') award is offered to certain members of the Board and executive team. Awards vest three years after the grant date and are subject to the Group meeting specified performance conditions. Only participants that have not left the business at the vesting date will be entitled to PSPs which each represent the right to receive one ordinary share in Trainline plc.

### Specific RSU Award

In addition to the above schemes and as detailed in the prospectus, one member of the Board received a grant of RSUs with a grant date value of £300,000 (calculated by reference to the offer price) vesting subject to continued appointment to the Board in equal tranches over the three years following Admission.

### Matching Shares

From 20 April 2020, all Company employees were entitled to one free matching share for every one partnership share they purchase under the Share Incentive Plan ('SIP'), subject to remaining employees for the three-year vesting period.

The Group operated two additional equity-settled share-based payment schemes with a £nil exercise price in FY2021:

### 1,000 RSU IPO Award

The 1,000 Restricted Share Unit ('RSU') IPO award was offered to all Company staff employed on both 26 June 2019 and 31 July 2019, being the IPO date and grant date respectively. The awards vested on 31 July 2020, all employees that had not opted out or left the business between 26 June 2019 and 31 July 2020 were entitled to 1,000 RSUs which each represented the right to receive one ordinary share in Trainline plc.

### 12-month RSU IPO Award

The 12-month RSU IPO award was offered to certain members of the executive team and senior management. The awards vested on 26 June 2020, all participants that had not left the business at this date were entitled to RSUs which each represented the right to receive one ordinary share in Trainline plc.

## Notes to the Group Financial Statements continued

Key assumptions used in valuing the share-based payments were as follows:

### 15. Share-based payments continued

	1,000 RSU IPO award <sup>1</sup>	Share Incentive Plan	International Share Incentive plan	12-month RSU IPO award	Annual RSU award	Annual PSP award	Specific RSU award	Matching Shares
Exit date	31 July 2020	31 July 2022	31 July 2022	26 June 2020	3 years after grant date	3 years after grant date	26 June 2020 <sup>2</sup>	3 years after grant date
Attrition rate	17%	36%	36%	23%	26% - 35%	20% - 30%	30%	41%
Weighted average fair value	428p	420p	420p	350p	367p	396p	350p	366p

1 Scheme fully vested in FY2021. Key assumptions reflect the final assumptions used in FY2021.

2 Exit date for first tranche and then annually for following two years' awards.

### Carrying value and fair value of share-based payment liabilities

The carrying value and fair value of the Group's equity-settled share-based payment arrangements were determined using option pricing models.

The expense recognised in the year for share-based payments is £6.8 million (FY2021: £7.1 million), including the relevant employer's social security contributions.

	2022 £'000	2021 £'000
1,000 RSU IPO Award	-	1,115
Share Incentive Plan	199	486
International Share Incentive Plan	36	54
12-month RSU IPO Award	-	2,120
Restricted Share Plan	2,705	2,294
Performance Share Plan	3,732	890
Specific RSU Award	15	109
Matching Shares	96	25
<b>Total income statement impact</b>	<b>6,783</b>	<b>7,093</b>

The movements in share awards are summarised as follows:

Outstanding	1,000 RSU IPO Award number	Share Incentive Plan number	International Share Incentive Plan number	12-month RSU IPO Award number	Restricted Share Plan number	Performance Share Plan number	Specific RSU Award number	Matching Shares
<b>At 1 March 2020</b>	525,000	407,932	43,707	1,500,755	422,493	1,541,925	85,714	-
Granted	-	-	-	-	574,898	2,543,091	-	52,191
Lapsed	(36,000)	(84,843)	(5,139)	(28,823)	(154,411)	(1,487,819)	-	(4,136)
Exercised	(489,000)	-	-	(1,471,932)	(84,527)	-	-	(1,080)
<b>At 28 February 2021 and 1 March 2021</b>	-	323,089	38,568	-	758,453	2,597,197	85,714	46,975
Granted	-	-	-	-	1,933,629	3,533,470	-	74,093
Lapsed	-	(67,703)	(14,195)	-	(208,002)	(1,813,806)	-	(11,317)
Exercised	-	-	(2,948)	-	(865,548)	-	(57,142)	(2,891)
<b>At 28 February 2022</b>	-	255,386	21,425	-	1,618,532	4,316,861	28,572	106,860

The weighted average share price at the date share options were exercised was 299p (FY2021: 355p).

## 16. Capital and reserves

### Share capital

Share capital represents the number of shares in issue at their nominal value.

Ordinary shares in the Group are issued, allotted and fully paid up. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### Shareholding at 28 February 2022 and 28 February 2021

	Number	£'000
Ordinary shares – £0.01	480,680,508	4,807

### Share premium

Share premium represents the amount over the nominal value which was received by the Group upon the sale of the ordinary shares. Upon the date of listing the nominal value of shares was £1.00 but the initial offering price was £3.50.

Share premium is stated net of any direct costs relating to the issue of shares.

### Retained earnings

Retained earnings represents the profit the Group makes that is not distributed as dividends. No dividends have been paid in any year.

### Foreign exchange

The foreign exchange reserve represents the net difference on the translation of the statement of financial position and income statements of foreign operations from functional currency into reporting currency over the period such operations have been owned by the Group.

### Other reserves

	Merger reserve £'000	Treasury reserve £'000	SBP <sup>1</sup> reserve £'000	Total other reserves £'000
<b>At 1 March 2020</b>	(1,122,218)	(10,897)	7,360	(1,125,755)
Addition of treasury shares	–	(4,123)	–	(4,123)
Share-based payment charge	–	–	5,420	5,420
Allocation of treasury shares to fulfil share-based payment	–	7,268	(7,268)	–
Deferred tax on share-based payment	–	–	(254)	(254)
Transfer to retained earnings <sup>1</sup>	–	–	(280)	(280)
<b>At 28 February 2021</b>	(1,122,218)	(7,752)	4,978	(1,124,992)
Addition of treasury shares	–	(16,600)	–	(16,600)
Share-based payment charge	–	–	5,984	5,984
Allocation of treasury shares to fulfil share-based payment	–	2,621	(2,823)	(202)
Deferred tax on share-based payment	–	–	94	94
Transfer to retained earnings <sup>1</sup>	–	–	(945)	(945)
<b>At 28 February 2022</b>	(1,122,218)	(21,731)	7,288	(1,136,661)

<sup>1</sup> Transfer to retained earnings relates to the difference between the share price at grant date of the exercised shares and the actual cost of the treasury shares purchased to fulfil the share-based payment.

### Merger reserve

Prior to the initial public offering ('IPO') the ordinary shares of the pre-IPO top company, Victoria Investments S.C.A., were acquired by Trainline plc. As the ultimate shareholders and their relating rights did not change as part of this transaction, this was treated as a common control transaction under IFRS. The balance of the merger reserve represents the difference between the nominal value of the reserves from the Victoria Investments S.C.A. Group and the value of reserves in Trainline plc prior to the restructure.

## Notes to the Group Financial Statements continued

### 16. Capital and reserves continued

#### Treasury reserve

Treasury shares reflect the value of shares held by the Group's Employee Benefit Trusts ('EBT'). At 28 February 2022 the Group's EBT held 8.0 million shares (FY2021: 2.1 million) which have a historical cost of £21.7 million (FY2021: £7.8 million).

#### Share-based payment reserve

The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the profit and loss account.

### 17. Other employee benefits

This note explains the accounting policies governing the Group's pension schemes and details the calculations and actuarial assumptions related to these.

The majority of the Group's employees are members of a defined contribution pension scheme. Additionally, the Group operates one defined benefit pension plan which is closed to new entrants.

For defined contribution schemes, the Group pays contributions into separate funds on behalf of the employee and has no further obligations to employees. The risks associated with this type of plan are assumed by the member. Contributions paid by the Group in respect of the current year are included within Note 5.

The defined benefit scheme is a pension arrangement under which participating members receive a pension benefit at retirement determined by the scheme rules, salary and length of pensionable service. The income statement charge for the defined benefit scheme is the current/past service cost and the net interest cost which is the change in the net defined benefit liability that arises from the passage of time. The Group underwrites both financial and demographic risks associated with this type of plan.

#### Accounting policy

##### (i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contribution is recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (iii) Defined benefit plans

The Group participates in a defined benefit scheme which is closed to new members. The assets of the scheme are held separately from those of the Group. Pension scheme assets are measured using market values.

The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed every period end by a qualified actuary using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The scheme is subject to an asset ceiling, meaning when the scheme is remeasured and shows a net asset position an 'asset ceiling' is applied equal to this amount, meaning the Group recognises no asset on its statement of financial position. This is because the Group does not have an irrevocable right to the surplus of the scheme. If the scheme is in a net deficit the Group would recognise the liability.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### (iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

### Defined benefit pension plan

#### (a) The Scheme

Qjump Limited, a subsidiary of the Group, operates a defined benefit pension scheme which is closed to new entrants. The Qjump Shared Cost Section of the Railways Pension Scheme ('the Scheme') is a funded scheme and provides benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the Company and are managed by RPMI. As the Scheme is currently in an asset position no contributions are expected from the Group in the coming year, apart from to cover the Scheme administration costs.

#### Triennial valuation

The most recent published actuarial valuation was carried out by the Scheme Actuary as at 31 December 2019.

#### IAS 19 Employee Benefits valuation

The IAS 19 valuations of the defined benefit pension scheme have been updated at each period end, the latest being 28 February 2022 by qualified independent actuaries Willis Towers Watson Ltd. The main financial assumptions applied in the valuations and an analysis of Schemes' assets are as follows:

#### (i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2022 % pa	2021 % pa
Discount rate	2.65	2.20
Price inflation (RPI measure)	3.50	3.05
Increases to deferred pensions (CPI measure)	3.10	2.60
Pension increase (CPI measure)	3.10	2.60
Salary increase	n/a	n/a

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevity underpinning the values of the defined benefit obligation at the reporting date were as follows:

	2022 years	2021 years
<b>Longevity at age 65 for current pensioners</b>		
Males	19.8	19.9
Females	22.7	22.7
<b>Longevity at age 65 for current members aged 45</b>		
Males	21.2	21.3
Females	24.2	24.3



## Notes to the Group Financial Statements continued

### 17. Other employee benefits continued

Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice.

Given the net position is not significant, changes in assumptions are not likely to impact the valuation significantly.

When defined benefit funds have an IAS 19 surplus, they are recorded at the lower of that surplus and the future economic benefits available in the form of a cash refund or a reduction in future contributions. Any adjustment to the surplus is recorded in other comprehensive income.

	2022 £'000	2021 £'000
<b>Liability</b>		
Deferred members	(3,706)	(3,688)
Pensioner members (including dependents)	(1,088)	(1,144)
<b>Total</b>	<b>(4,794)</b>	<b>(4,832)</b>
Value of assets at end of year	5,232	4,946
<b>Funded status at end of year</b>	<b>438</b>	<b>114</b>
Adjustment for the member's share of surplus	(175)	(46)
Effect of asset ceiling	(263)	(68)
<b>Net defined benefit at end of year</b>	<b>-</b>	<b>-</b>
	2022 £'000	2021 £'000
Employer's share of administration cost	11	27
Total employer's share of service cost	11	27
Employer's share of net interest on net defined benefit	(1)	-
<b>Employer's share of pension expense</b>	<b>10</b>	<b>27</b>

### (ii) Other comprehensive income ('OCI')

	2022 £'000	2021 £'000
(Gain)/loss due to the liability expense	(77)	105
Loss due to the liability assumption changes	25	61
Adjustment for the members' share	136	43
Return on plan assets greater than discount rate	(287)	(269)
Change in effect of the asset ceiling	193	33
<b>Total gain recognised in OCI</b>	<b>(10)</b>	<b>(27)</b>

**(b) Movements in net defined benefit asset/liability**

The following table shows the reconciliation from the opening balances to the closing balances for net defined benefit liability/asset and its components.

	2022 £'000	2021 £'000
<b>Defined benefit obligation</b>		
Opening balance	4,832	4,633
Interest cost	105	85
<b>Defined benefit obligation</b>	<b>4,937</b>	<b>4,718</b>
Actuarial gain arising from:		
Financial assumptions	30	121
Experience adjustment	(77)	105
Demographic adjustment	(5)	(60)
	(52)	166
<b>Other</b>		
Benefits paid	(91)	(52)
<b>Closing balance</b>	<b>4,794</b>	<b>4,832</b>

Reconciliation of value of assets:

	2022 £'000	2021 £'000
Opening value of Scheme assets	4,946	4,689
Interest income on assets	108	86
Return on plan assets greater than discount rate	287	269
Employer and employee contributions	–	–
Actual benefit payments	(91)	(52)
Administration costs	(18)	(46)
<b>Closing value of Scheme assets</b>	<b>5,232</b>	<b>4,946</b>

**(c) Plan assets**

Plan assets comprise:

	2022 £'000	2021 £'000
Growth assets <sup>1</sup>	3,017	3,117
Government bonds	1,295	1,240
Non-government bonds	919	578
Other assets	1	11
<b>Total plan assets</b>	<b>5,232</b>	<b>4,946</b>

<sup>1</sup> Includes funds with a growth focus, predominantly comprising global equity securities and infrastructure assets.

All equity securities and government bonds have quoted prices in active markets.

## Notes to the Group Financial Statements continued

### 17. Other employee benefits continued

#### (d) Risk exposure

Through its defined benefit pension plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- **Asset volatility:** There is a risk that a fall in asset values is not matched by a corresponding reduction in the value placed on the Scheme's defined benefit obligation. The Scheme holds a proportion of growth assets, which are expected to outperform corporate and government bond yields in the long term, but give exposure to volatility and risk in the short term.
- **Change in bond yields:** A decrease in corporate bond yields will increase the value placed on the Scheme's defined benefit obligation, although this will be partially offset by an increase in the value of the Scheme's corporate bond holdings.
- **Inflation risk:** The majority of the Scheme's defined benefit obligation is linked to inflation, where higher inflation will lead to a higher value being placed on the defined benefit obligation. Some of the Scheme's assets are either unaffected by inflation or loosely correlated with inflation (e.g. growth assets), meaning that an increase in inflation will generally increase the deficit.
- **Life expectancy:** An increase in life expectancy will lead to an increased value being placed on the Scheme's defined benefit obligation. Future mortality rates cannot be predicted with certainty.

#### (e) Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 28 February is as shown below:

	Approximate change in defined benefit obligation	
	2022 £'000	2021 £'000
<b>Discount rate</b>		
0.25% decrease	251	270
0.25% increase	(234)	(251)
<b>Price inflation (CPI measure)</b>		
0.25% decrease	(226)	(246)
0.25% increase	234	264
<b>Life expectancy</b>		
Decrease by 1 year	186	185
Increase by 1 year	(186)	(185)

#### (f) Funding arrangements

Under the UK's scheme-specific funding regime, contributions are payable in line with the Schedule of Contributions from the most recent formal actuarial valuation. There are no contributions expected for next year.

## 18. Changes in liabilities arising from financing activities

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes.

	Loans & borrowings (current & non-current) £'000	Lease liabilities £'000	Total £'000
<b>Balance at 1 March 2021</b>	<b>248,841</b>	<b>21,695</b>	<b>270,536</b>
<b>Changes from cash flows</b>			
Interest paid	(5,103)	(477)	(5,580)
Issue costs and fees	(110)	-	(110)
Buyback of convertible bonds	(31,307)	-	(31,307)
Proceeds from Revolving Credit Facility	97,000	-	97,000
Repayment of Revolving Credit Facility and other borrowings	(177,116)	-	(177,116)
Repayment of lease liability	-	(3,794)	(3,794)
<b>Total changes from financing cash flows</b>	<b>(116,636)</b>	<b>(4,271)</b>	<b>(120,907)</b>
Changes in fair value	-	-	-
<b>Other changes</b>			
Capitalised borrowing cost releases	1,911	-	1,911
Net interest expense	5,722	594	6,316
Gain on convertible bond buyback	(3,914)	-	(3,914)
Remeasurement of lease liabilities	-	967	967
<b>Balance at 28 February 2022</b>	<b>135,924</b>	<b>18,985</b>	<b>154,909</b>

	Loans & borrowings (current & non-current) £'000	Lease liabilities £'000	Total £'000
<b>Balance at 1 March 2020</b>	<b>141,754</b>	<b>15,346</b>	<b>157,100</b>
<b>Changes from cash flows</b>			
Interest paid	(4,940)	(536)	(5,476)
Issue costs relating to loans and borrowings	(2,690)	-	(2,690)
Proceeds from issuance of convertible bonds	150,000	-	150,000
Proceeds from Revolving Credit Facility	95,000	-	95,000
Repayment of Revolving Credit Facility and other borrowings	(137,184)	-	(137,184)
Repayment of lease liability	-	(2,676)	(2,676)
<b>Total changes from financing cash flows</b>	<b>100,186</b>	<b>(3,212)</b>	<b>96,974</b>
Changes in fair value	-	-	-
<b>Other changes</b>			
Capitalised borrowing cost releases	1,428	-	1,428
Interest expense	5,473	694	6,167
Additional lease liabilities	-	4,631	4,631
Remeasurement of lease liabilities	-	4,261	4,261
Foreign exchange revaluation	-	(25)	(25)
<b>Balance at 28 February 2021</b>	<b>248,841</b>	<b>21,695</b>	<b>270,536</b>

## Notes to the Group Financial Statements continued

### 19. Financial instruments

Financial instruments comprise financial assets and financial liabilities. The fair values and carrying amounts are set out in the table below.

#### Accounting policy

Categorisation within the hierarchy, measured or disclosed at fair value, has been determined based on the lowest level of input that is significant to the fair value measurement as follows:

- Level 1 – valued using quoted prices in active markets for identical assets or liabilities
- Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data

	Measurement level	2022 £'000	2021 £'000
Cash and cash equivalents	1	68,496	36,575
Trade and other receivables	2	40,495	9,633
<b>Total financial assets</b>		<b>108,991</b>	<b>46,208</b>
Trade and other payables	2	(193,461)	(22,523)
Loans and borrowings	2	(134,500)	(248,011)
Lease liabilities	2	(18,985)	(21,695)
<b>Total financial liabilities</b>		<b>(346,946)</b>	<b>(292,228)</b>

There have been no transfers between levels in any of the years. Other non-current liabilities are valued using market established valuation techniques.

#### Accounting definitions

##### Financial assets

The Group classifies its non-derivative financial assets into the following categories: cash and cash equivalents and trade and other receivables. The classification depends on the purpose for which the assets are held. The classification is first performed at initial recognition and then re-evaluated at every reporting date for financial assets other than those held at fair value through the income statement.

##### (i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

The carrying value of cash in the statement of financial position is valued at amortised cost.

##### (ii) Trade and other receivables

Trade and other receivables are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other receivables are presented in current assets in the statement of financial position, except for those with maturities greater than one year after the reporting date.

Trade and other receivables, classified as financial assets, exclude prepayments and contract income.

##### Financial liabilities

The Group classifies its financial liabilities into the following categories: trade and other payables, loans and borrowings, other non-current liabilities and lease liabilities.

##### (i) Trade and other payables

Trade payables and accruals, which include amounts owed to carriers in respect of ticket sale monies that the Group has collected on their behalf and amounts due to other suppliers for general business expenditure, are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Trade and other payables are classified as financial liabilities, excluding deferred revenue and accruals.



## (ii) Loans and borrowings

The financial liabilities recognised in this category include secured loan facilities, convertible bonds and preference shares held by the Group and are presented in borrowings in both current and non-current liabilities in the statement of financial position.

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

## (iii) Lease liabilities

The Group recognises lease liabilities for leases within the scope of IFRS 16 Leases.

## Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management framework seeks to minimise potential adverse effects on the Group's financial performance.

### (i) Risk management framework

The Group's Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### (ii) Market risk

The Group is exposed to movements in LIBOR (up to 31 December 2021) and SONIA (from 1 January 2022) on its variable rate Revolving Credit Facility (see Note 14) and the Group has transactional foreign currency exposures, which arise from sales and purchases by the relevant segment in currencies other than the Group's functional currency. Based on sensitivity analysis performed, an increase in the interest rate of 100 basis points would have increased FY2022 loss after tax by £0.9 million (FY2021: increase by £2.2 million), and a decrease in the interest rate of 100 basis points would have decreased FY2022 loss after tax by £0.9 million (FY2021: decrease of £2.2 million).

### (iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Trade receivables are assessed for risk of default by customers on a periodic basis and terms of trade are adjusted accordingly. Trade receivables are insured on risk and cost grounds.

Under the terms of the Group's retail licences, carriers require certain security arrangements with the Group in order to mitigate its credit risk under the payment and settlement procedures outlined in the licences. The Group satisfies these security arrangements through letters of credit from the Group's lenders. The letters of credit are provided under the Group's £350 million Revolving Credit Facility, details of which are included in Note 14.

Debt is reviewed on a weekly basis and any customers who fall overdue are chased immediately; if payment is not received, the account is put on hold until previous debts are cleared.

### (iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a daily cash forecast in order to ensure that it has sufficient liquidity to cover all expected cash flows including scheduled repayment of debt.

## Notes to the Group Financial Statements continued

### 19. Financial instruments continued

In addition, a Revolving Credit Facility under which the Group is able to draw down cash of up to £350 million is in place. Of the £350 million, £34.9 million (FY2021: £8.2 million) was utilised by a guarantee provided to the Rail Settlement Plan Limited. A further £15.9 million (FY2021: £13.2 million) was utilised by guarantees provided to European Train Operating Companies and £0.5 million (FY2021: £0.5 million) for other guarantees. The remaining headroom on the Revolving Credit Facility at 28 February 2022 was £273.7 million (FY2021: £223.2 million). This is available to draw in cash or bank guarantees.

Under the Revolving Credit Facility, the Group's covenant requires the ratio of consolidated net debt to consolidated Adjusted EBITDA to be no more than 3.75x. This covenant ratio is tested on a semi-annual basis. As disclosed in Note 14, this financial covenant was waived by the Group's loan syndicate until and including February 2022. The Group was in compliance with the bank covenant on 28 February 2022, despite the covenant waiver remaining in place on this date. As part of the waiver, the Group was required to maintain a minimum liquidity headroom of £50 million on a monthly basis from April 2020 to December 2020. This requirement was increased to £75 million on a monthly basis subsequent to the issuance of the convertible bonds in January 2021 and until February 2022. The Group was in compliance with the liquidity requirement throughout all applicable periods.

### Capital management

The Group defines capital as equity, borrowings (Note 14) and cash and cash equivalents. The Group's policy is to maintain a strong capital base that ensures financial stability and provides a solid foundation for ongoing development of business operations and maintains investor and creditor confidence. The Group's objectives when managing capital are to ensure the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Group currently has sufficient capital for its needs.

The Group has requirements under the Revolving Credit Facility of how drawn amounts can be used. This RCF agreement states drawings should be used for financing or refinancing for general corporate purposes and working capital requirements, including capital expenditure and acquisitions.

## 20. Leases

### Accounting policy

At inception of a contract, the Group assesses whether or not a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When a lease is recognised in a contract the Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate based on the rate of interest that the Group paid on borrowings at the date of lease inception.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. If there is an extension on the lease term that is not considered a new lease, the lease liability is remeasured using revised payments and a revised discount rate at the date of the modification. A corresponding adjustment is made to the right-of-use asset.

The Group presents right-of-use assets in property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position.

The Group leases assets including land and buildings that are held within property, plant and equipment. Information about leases for which the Group is a lessee is presented below.

## Notes to the Group Financial Statements continued

### 20. Leases continued

#### (a) Right-of-use assets

Details of right-of-use assets are disclosed in Note 11.

#### (b) Lease liabilities in the statement of financial position

	2022 £'000	2021 £'000
Current liabilities	3,489	3,337
Non-current liabilities	15,496	18,358
	<b>18,985</b>	21,695

The maturity analysis of lease liabilities is disclosed in Note 14.

#### (c) Amounts charged in the income statement

	2022 £'000	2021 £'000
Depreciation expense of right-of-use assets	3,765	3,143
Interest expense in lease liabilities	594	694
	<b>4,359</b>	3,837

#### (d) Cash outflow

	2022 £'000	2021 £'000
Total cash outflow for leases	<b>4,271</b>	3,212

### 21. Government grants

#### Accounting policy

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants that compensate the Group for expenses incurred are recognised in the profit or loss in the periods in which the expenses are recognised and are presented as a deduction from the related expense.

#### UK government grants

There were no grants received from the UK government in FY2022.

During FY2021, the Group participated in the UK government's Coronavirus Job Retention Scheme ('CJRS'). The Group received a grant aggregating to £0.5 million. There were no unfulfilled conditions or contingencies attached to the grant. The Group voluntarily repaid all amounts claimed under the CJRS in February 2021.

#### French government grants

During FY2022 the Group participated in a scheme introduced by the French government to support certain eligible businesses amidst the Covid-19 pandemic and received grants aggregating to £0.3 million (FY2021: £1.3 million). There are no unfulfilled conditions or contingencies attached to any of the grants.

## 22. List of subsidiaries

The Group holds/held, directly or indirectly, share capital in the following companies:

Name of company	Country of incorporation	Ownership	Registered address	Nature of business
Victoria Intermediate Topco Limited <sup>1,2</sup>	Jersey	100%	b	In liquidation
Victoria Investments Finco Limited	United Kingdom	100%	a	Holding
Victoria Investments Intermediate Holdco Limited	United Kingdom	100%	a	Holding
Victoria Investments PIKCo Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Victoria Investments Midco Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Victoria Investments Bidco Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Victoria Investments Newco Limited <sup>1,2</sup>	Jersey	100%	b	In liquidation
Trainline Investments Holdings Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Trainline International Limited	United Kingdom	100%	a	Holding
Trainline France SAS	France	100%	c	Holding
Trainline SAS	France	100%	c	Trading
Trainline Group Investments Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Trainline Junior Mezz Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Trainline Holdings Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Trainline.com Limited	United Kingdom	100%	a	Trading
Qjump Limited	United Kingdom	100%	a	Trading
Trainline Rail Enquiry Services Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Trainline Short Breaks Limited <sup>2</sup>	United Kingdom	100%	a	In liquidation
Trainline Italia S.R.L.	Italy	100%	d	Holding
Trainline España, S.L.	Spain	100%	e	Holding
Railguard Limited	United Kingdom	100%	a	Trading
Trainline Holdco Limited	United Kingdom	100%	a	Holding
Victoria Investments S.C.A. <sup>3</sup>	Luxembourg	100%	f	In liquidation
Victoria Manager S.a.r.l. <sup>3</sup>	Luxembourg	100%	f	In liquidation

1 Victoria Investments Newco Limited and Victoria Intermediate Topco Limited are incorporated in Jersey but tax domiciled in the UK.

2 Denoted subsidiaries went into liquidation on 26 February 2021.

3 Denoted subsidiaries went into liquidation on 28 February 2022.

### Registered address key:

- a 120 Holborn, London, EC1N 2TD
- b 47 Esplanade, St Helier, Jersey, JE1 0BD
- c 20 rue Saint Georges, 75009 Paris
- d Corso Vercelli, 40 20145 Milan, Italy
- e Carrer d'Avila 112, 08018, Barcelona, Spain
- f 2, rue Edward Steichen, L-2540 Luxembourg

The following subsidiaries are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as the Company has guaranteed the subsidiary companies under Section 479C of the Act:

Victoria Investments Finco Limited registered no. 09394939

Qjump Limited registered no. 04124436

Railguard Limited registered no. 09621101

Trainline Holdco Limited registered no. 12098773

Victoria Investments Intermediate Holdco Limited registered no. 09451259



## Notes to the Group Financial Statements continued

### 23. Related parties

During the year, the Group entered into transactions in the ordinary course of business with related parties.

#### Transactions with key management personnel of the Group

Key management personnel are defined as the Board of Directors, including Non-executive Directors.

During the period key management personnel have received the following compensation: short-term employee benefits £2,499,799 (FY2021: £1,545,336); post-employment benefits £73,625 (FY2021: £136,795); and ongoing share-based payment schemes £889,234 (FY2021: £419,856). No other long-term benefits or termination benefits were paid (FY2021: £nil). The highest paid Director received: short-term employee benefits £1,152,611 (FY2021: £380,090); post-employment benefits £31,625 (FY2021: £40,647); and ongoing share-based payment schemes £586,982 (FY2021: £202,676). There were two Directors to whom retirement benefits are accruing under defined contribution schemes (FY2021: two).

Information on the emoluments of the Directors who served during the year, together with information regarding the beneficial interest of the Directors in the ordinary shares of the Company is included in the Directors' Remuneration Report on pages 82 to 84.

At 28 February 2022 key management personnel held 2,340,720 shares in Trainline plc (FY2021: 9,947,734 shares).

### 24. Capital commitments

This note details any capital commitments in contracts that the Group has entered into which have not been recognised as liabilities on the balance sheet.

The Group's capital commitments at 28 February 2022 are £nil (FY2021: £2.4 million).

### 25. Post balance sheet events

There have been no material post balance sheet events between 28 February 2022 and the date of the approval of these Financial Statements.

## Parent Company balance sheet

### At 28 February 2022

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Investments	2	1,892,409	1,888,364
Deferred tax asset	3	1,570	981
		<b>1,893,979</b>	1,889,345
<b>Current assets</b>			
Cash and cash equivalents		2,016	1,972
Trade and other receivables		1,251	1,053
Amounts owing from subsidiaries	4	10,804	37,769
		<b>14,071</b>	40,794
<b>Current liabilities</b>			
Trade and other payables		(2,126)	(836)
Amounts owing to subsidiaries	4	(103,375)	(14,063)
Loan and borrowings	5	(1,414)	(831)
		<b>(106,915)</b>	(15,730)
<b>Net current assets</b>		<b>(92,844)</b>	25,064
<b>Total assets less current liabilities</b>		<b>1,801,135</b>	1,914,409
<b>Non-current liabilities</b>			
Loan and borrowings	5	(134,463)	(247,795)
		<b>(134,463)</b>	(247,795)
<b>Net assets</b>		<b>1,666,672</b>	1,666,614
<b>Equity</b>			
Called up share capital	6	4,807	4,807
Share premium account	6	1,198,703	1,198,703
Retained earnings	6	455,874	458,126
Share-based payment reserve	6	7,288	4,978
<b>Total equity</b>		<b>1,666,672</b>	1,666,614

The notes on pages 159 to 161 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors of Trainline plc (registered number 11961132) on 5 May 2022 and were signed on its behalf by:

**Jody Ford**  
Chief Executive Officer  
5 May 2022

**Shaun McCabe**  
Chief Financial Officer  
5 May 2022

## Parent Company statement of changes in equity

### For the year ended 28 February 2022

	Share capital £'000	Share premium £'000	Preference shares £'000	Retained earnings £'000	SBP reserve £'000	Total equity £'000
<b>At 1 March 2021</b>	<b>4,807</b>	<b>1,198,703</b>	<b>-</b>	<b>458,126</b>	<b>4,978</b>	<b>1,666,614</b>
Loss after tax	-	-	-	(3,197)	-	(3,197)
Share-based payments	-	-	-	-	3,255	3,255
Transfer between reserves <sup>1</sup>	-	-	-	945	(945)	-
<b>Balance as at 28 February 2022</b>	<b>4,807</b>	<b>1,198,703</b>	<b>-</b>	<b>455,874</b>	<b>7,288</b>	<b>1,666,672</b>

<sup>1</sup> Transfer between reserves relates to the difference between the share price at grant date of the exercised shares and the actual cost of the treasury shares purchased to fulfil the share-based payment.

### For the year ended 28 February 2021

	Share capital £'000	Share premium £'000	Preference shares £'000	Retained earnings £'000	SBP reserve £'000	Total equity £'000
<b>At 1 March 2020</b>	<b>4,807</b>	<b>1,198,703</b>	<b>50</b>	<b>462,684</b>	<b>-</b>	<b>1,666,244</b>
Preference share redemption	-	-	(50)	-	-	(50)
Loss after tax	-	-	-	(4,838)	-	(4,838)
Share-based payments	-	-	-	-	5,258	5,258
Transfer between reserves <sup>1</sup>	-	-	-	280	(280)	-
<b>Balance at 28 February 2021</b>	<b>4,807</b>	<b>1,198,703</b>	<b>-</b>	<b>458,126</b>	<b>4,978</b>	<b>1,666,614</b>

<sup>1</sup> Transfer between reserves relates to the difference between the share price at grant date of the exercised shares and the actual cost of the treasury shares purchased to fulfil the share-based payment.

The notes on pages 159 to 161 form part of the Financial Statements.

# Notes to the Parent Company Financial Statements

## 1. Basis of preparation

The Financial Statements are presented in pounds sterling, rounded to the nearest thousand, unless otherwise stated. These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

These Financial Statements have been prepared on a going concern basis. Further details are given in the Going Concern Statement on pages 124 to 125. After due consideration the Directors consider that the Company has adequate resources to meet its liabilities as they fall due and remain in operation for the going concern assessment period. Accordingly the Board are satisfied that it is appropriate to adopt the going concern basis of accounting in preparing these Parent Company Financial Statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of fixed and intangible assets and certain related party transactions. Where required, equivalent disclosures are given in the Consolidated Financial Statements.

As permitted by section 408(4) of the Companies Act 2006, a separate income statement and statement of comprehensive income for the Company has not been included in these Financial Statements. The principal accounting policies adopted are described below. They have all been applied consistently to all years presented.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's Financial Statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the Consolidated Financial Statements.

## 2. Investment in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment. The investment relates to the Company's investment in Trainline Holdco Limited.

	2022 £'000	2021 £'000
Opening balance	1,888,364	1,759,306
Capital contribution	4,045	129,058
<b>Closing balance</b>	<b>1,892,409</b>	1,888,364

During FY2022, the Company made a capital contribution not remunerated by shares to Victoria Manager S.a.r.l.

During FY2021, the Company made an additional capital contribution to Trainline Holdco Limited in exchange for new shares issued to the Company.

# Notes to the Parent Company Financial Statements continued

## Assessment of carrying value of investments in subsidiaries

The carrying value of investments in subsidiaries have been tested for impairment in accordance with IAS 36 Impairment of Assets. The carrying value is compared to the asset's recoverable amount and has been assessed by reference to value in use. The value in use has been calculated upon a discounted cash flow methodology using the most recent forecasts prepared by management of the Trainline Group.

The Group prepares cash flow forecasts using eight-year projections which are extrapolated from the Board approved three-year plan. The forecasts have been used in the VIU calculation along with risk-adjusted discount rates. Cash flows beyond the eight-year period are extrapolated using a terminal growth rate.

The key assumptions for the value in use calculation are the discount rate and terminal growth rate. The discount rate is based on the weighted average cost of capital reflecting specific principal risks and uncertainties, taking into account the risk-free rate of return, the market risk premium and beta factor. The rate used to discount the cash flows is 9.7% pre-tax (FY2021: 11.6% pre-tax). The terminal growth rate of 2.5% (FY2021: 1.5%) reflects the expected growth into perpetuity of the business, taking into account the current market and sector risks. As a result of this analysis, the Directors have determined that no impairment charge is required.

## 3. Deferred tax asset

The Company has continued to recognise a deferred tax asset on unutilised losses carried forward. This is on the basis that it is probable that future taxable profit will be available against which the unutilised tax losses and credits can be set against. This is supported by the latest profit and cash flow forecasts approved by the Board, which show improved trading performance following market recovery from the impact of Covid-19.

## 4. Amounts owing from and to subsidiaries

Amounts owing from and to subsidiaries is comprised of intercompany loans with companies within the Group. IFRS 9 expected credit losses have been assessed as immaterial in relation to these balances.

## 5. Loans and borrowings

Loans and borrowings relate to the Revolving Credit Facility and the convertible bonds. Please refer to Note 14 of the Consolidated Financial Statements for details.

## 6. Capital and reserves

### Share capital

Share capital represents the number of shares in issue at their nominal value.

Ordinary shares in the Company are issued, allotted and fully paid up. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On incorporation on 24 April 2019, the Company issued 50,000 preference shares for a total consideration of £50,000, with 1 ordinary share to be issued. The preference shares were redeemed in full on 20 August 2020.

On 26 June 2019, the Company allotted 449,095,131 ordinary shares as part of a share for share exchange in consideration for: the transfer of the entire issued share capital of Victoria Investments S.C.A to the Company; the acquisition of the Convertible Preferred Equity Certificates ('CPECs') and relating interest held by Victoria Investments S.C.A; and the acquisition and extinguishment of the liability relating to Tracker shares held by Victoria Investment S.C.A. The nominal value of these shares was £1.00 and the consideration per share was £3.50.



On 26 June 2019, the Company issued 31,526,093 ordinary shares in its primary listing. The nominal value of these shares was £1.00 and the consideration per share was £3.50. Share premium is stated net of directly attributable fees of £3.0 million.

On 26 June 2019, the Company issued an additional 59,284 ordinary shares. The nominal value of these shares was £1.00 and the consideration per share was £3.50.

Following a reduction in capital the nominal value of ordinary shares was reduced from £1.00 to £0.01 each. The reduction of capital had no effect on the net asset position of the Company.

### Shareholding at 28 February 2022 and 28 February 2021

	Number	£'000
Ordinary shares – £0.01	480,680,508	4,807

### Share premium

Share premium represents the amount over the nominal value which was received by the Company upon the sale of the ordinary shares. Upon the date of listing the nominal value of shares were £1.00 but the initial offering price was £3.50.

Share premium is stated net of any direct costs relating to the issue of shares.

### Retained earnings

Retained earnings represents the profit the Company makes that is not distributed as dividends.

### Share-based payment reserve

The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the profit and loss account.

The Company allocates the share-based payment charges to the entities in which the employees' employment contracts sit through the amounts owing from/to subsidiaries.

When assessing and discussing financial performance, certain alternative performance measures ('APMs') of historical or future financial performance, financial position or cash flows are used which are not defined or specified under IFRS. APMs are used to improve the comparability of information between reporting periods and operating segments.

APMs should be considered in addition to, not as a substitute for, or as superior to, measures reported in accordance with IFRS.

APMs are not uniformly defined by all companies. Accordingly, the APMs used may not be comparable with similarly titled measures and disclosures made by other companies. These measures are used on a supplemental basis as they are considered to be indicators of the underlying performance and success of the Group.

## Alternative performance measures

### Net ticket sales

Net ticket sales represent the gross value of ticket sales to customers, less the value of refunds issued, during the accounting period. The Group acts as an agent in these transactions. Net ticket sales do not represent the Group's revenue.

Management believe net ticket sales are a meaningful measure of the Group's operating performance and size of operations as this reflects the value of transactions processed on the Group's platform. The rate of growth in net ticket sales may differ to the rate of growth in revenue due to the mix of commission rates and service fees.

### Adjusted EBITDA

The Group believes that adjusted EBITDA is a meaningful measure of the Group's operating performance and debt servicing ability without regard to amortisation and depreciation methods which can differ significantly.

Adjusted EBITDA is calculated as profit/(loss) after tax before net financing income/(expense), tax, depreciation and amortisation, exceptional items and share-based payment charges.

Exceptional items are excluded as management believe their nature could distort trends in the Group's underlying earnings. This is because they are often one-off in nature or not related to underlying trade. Share-based payment charges are also excluded as they can fluctuate significantly year on year.

A reconciliation of operating profit to adjusted EBITDA is as follows:

	Notes	2022 £'000	2021 £'000
<b>Operating loss</b>		<b>(10,313)</b>	(99,704)
<b>Adjusting items:</b>			
Depreciation and amortisation	10,11	<b>42,576</b>	41,199
Share-based payment charges	15	<b>6,783</b>	7,093
Exceptional items	6	<b>-</b>	26,508
<b>Adjusted EBITDA</b>		<b>39,046</b>	(24,904)

### Adjusted earnings

Adjusted earnings are a measure used by the Group to monitor the underlying performance of the business, excluding certain non-cash and exceptional costs.

Adjusted earnings is calculated as loss after tax with share-based payment charged in administrative expenses and finance costs, exceptional costs, gain on repurchase of convertible bonds and amortisation of acquired intangibles added back, together with the tax impact of these adjustments also added back.

Exceptional items are excluded as management believe their nature could distort trends in the Group's underlying earnings. This is because they are often one-off in nature or not related to underlying trade. Share-based payment charges are also excluded as they can fluctuate significantly year on year and are a non-cash charge to the business. Amortisation of acquired intangibles is a non-cash accounting adjustment relating to previous acquisitions and is not linked to the ongoing trade of the Group.

A reconciliation from the loss after tax to adjusted earnings is as follows:

	Notes	2022 £'000	2021 £'000
Loss after tax		(11,905)	(91,304)
<b>Earnings attributable to equity holders</b>		<b>(11,905)</b>	<b>(91,304)</b>
<b>Adjusting items:</b>			
Exceptional items	6	-	26,508
Gain on convertible bond buyback	7	(3,914)	-
Amortisation of acquired intangibles <sup>1</sup>	10	7,083	8,563
Share-based payment charges	15	6,783	7,093
Tax impact of the above adjustments		(1,891)	(2,538)
<b>Adjusted earnings</b>		<b>(3,844)</b>	<b>(51,678)</b>

<sup>1</sup> This consists of the amortisation of brand valuation of £5.2 million (FY2021: £5.2 million), customer valuation of £1.9 million (FY2021: £3.0 million) and software development of £nil (FY2021: £0.4 million).

## Net debt

Net debt is a measure used by the Group to measure the overall debt position after taking into account cash held by the Group.

The calculation of net debt is as follows:

	Notes	2022 £'000	2021 £'000
Loan and borrowings <sup>1</sup>	14	(158,821)	(277,681)
Cash and cash equivalents		68,496	36,575
<b>Net debt</b>		<b>(90,325)</b>	<b>(241,106)</b>

<sup>1</sup> This amount is the aggregate amount of loans and borrowings as disclosed in Note 14 amounting to £153.5 million (FY2021: £270.5 million) and the capitalised finance charges amounting to £5.3 million (FY2021: £7.1 million).

## Alternative performance measures continued

### Operating free cash flow

The Group uses operating free cash flow as a supplementary measure of liquidity.

The Group defines operating free cash flow as cash generated from operating activities adding back cash exceptional items, and deducting cash flow in relation to purchase of property, plant and equipment and intangible assets, excluding those acquired through business combinations or trade and asset purchases.

The calculation of operating free cash flow is as follows:

	2022 £'000	2021 £'000
Cash generated from/(used in) operating activities	195,167	(121,254)
Cash exceptional items	-	1,313
Purchase of property, plant and equipment and intangible assets	(29,344)	(26,335)
<b>Operating free cash flow</b>	<b>165,823</b>	<b>(146,276)</b>

### Liquidity

The Group uses liquidity as a measure of available funds. Liquidity headroom is cash and cash equivalents plus the undrawn, unencumbered balance on the Revolving Credit Facility.

	2022 £'000	2021 £'000
Cash and cash equivalents	68,496	36,575
Undrawn balance on the Revolving Credit Facility	273,676	223,152
<b>Liquidity headroom</b>	<b>342,172</b>	<b>259,727</b>



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