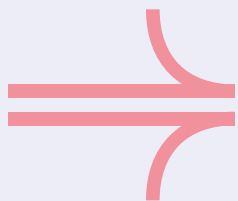




Europe's leading independent rail platform

Annual Report and Accounts 2023





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Visit our investor site for more
information on Trainline:

investors.thetrainline.com

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Highlights

Highlights FY2023

Strategic highlights

Enhancing the customer experience

Digitising commuter experience while positioning Trainline as the market aggregator in Europe.

Building demand

Increased marketing investment to drive up customer demand and grow brand awareness, particularly in Europe.

Increasing customer lifetime value

Deepening customer relationships by scaling digital railcards in UK while growing mobile app usage in Europe.

Growing Trainline Solutions

Took further steps to support our travel partners, leveraging the strength of Platform One, our single global platform.

Financial highlights

Net ticket sales

+72%

Increased to £4.3 billion, from £2.5 billion last year, with International Consumer becoming a €1 billion business.

Revenue

+74%

Recovered to £327 million from £189 million last year primarily given the growth in net ticket sales.

Adjusted EBITDA

+£47m

Increased to £86 million, from £39 million in FY2022.

Operating profit

+£38m

£28 million operating profit versus a £10 million loss in FY2022, primarily reflecting adjusted EBITDA generation.

Basic EPS

+7.0p

Improved to 4.5p, from a 2.5p loss in FY2022.

Adjusted basic EPS

+8.5p

Improved to 7.7p, from a 0.8p loss in FY2022.

→ Find our KPIs on page 32

→ Find our strategic objectives on page 24

Chair's statement

Encouraging more people back to train travel



Trainline has played a leading role in supporting the industry recovery and promoting greener travel.

When I wrote last year I explained how Trainline had played a leading role in the rail industry's recovery from the significant disruption of Covid-19. Since then, the industry has faced new challenges, primarily industrial disputes in the UK and more recently in France.

Despite those temporary headwinds, Jody and his team delivered a record operating performance and made significant progress against Trainline's strategic priorities. This performance reflects a team and organisational culture centred around a core purpose: to promote more environmentally sustainable travel choices. Looking ahead, the business is set for further strong growth as it shifts more people to greener travel.

Financial and strategic performance

The Board was pleased with the Group's financial and strategic performance in FY2023. The Group delivered record net ticket sales of £4.3 billion, up 72% versus the prior year and up 16% versus FY2020 (pre-Covid-19 year). Adjusted EBITDA increased £47 million YoY to £86 million, despite the impact of industrial action outlined above.

The Group made further good progress against its strategic priorities, enhancing the customer experience, building demand, increasing customer lifetime value and growing Trainline Solutions. This included good headway in optimising the commuter ticketing experience in the UK, and positioning Trainline as the aggregator in Europe, particularly on routes where new entrant carrier competition is emerging. You can read more about progress on Trainline's strategy this year and our future priorities on pages 24 and 25.

Chair's statement

Putting rail at the centre of a decarbonised transport network

I believe Trainline has a key role to play in encouraging greater use of rail. Trainline will continue to do that by leading on product innovation and digital marketing. However, we also want to lead the industry agenda on sustainability. This year we launched the I Came by Train initiative, which seeks to increase the public's awareness of the relative benefits of train travel while forming cross-industry collaboration to put rail at the centre of a decarbonised transport network. You can read more about the I Came By Train initiative on page 10.

Bradshaw Address

In the Bradshaw Address in February, the new Secretary of State for Transport, Mark Harper, said Great British Railways (GBR) would be run as an arm's length body to develop the guiding strategy for rail, while placing greater emphasis on the role of the private sector in running the railways. He highlighted new passenger service contracts for rail carriers with commercially driven targets and supporting more direct carrier competition in the form of new open access operators.

Looking ahead

The business is well positioned to drive long-term growth and create value for customers and shareholders. Trainline is set for further strong performance in the year ahead despite ongoing industrial action.

As I look out longer term, I see huge growth headroom for the business and significant structural tailwinds. Tailwinds include: continued recovery in the rail industry with growing awareness of its environmental benefits, a continuing shift to online and mobile ticketing, new carrier competition in European rail, and the return of foreign travel.

I would like to thank the team at Trainline for their continued drive and perseverance over the challenging past few years. They have continued to prioritise the needs of our customers and remained focused on delivering our strategic goals.

Brian McBride
Chair
4 May 2023



As I look out longer term, I see huge growth headroom for the business and significant structural tailwinds”

Brian McBride, Chair

We empower greener travel choices, connecting people and places

We believe in creating more environmentally friendly travel choices – with rail offering a greener alternative to air and car.

We are the leading independent rail platform in Europe. Through our customer-centric, scalable platform, we are committed to driving responsible and sustainable business growth, by:



Empowering:

Making it easy for customers to find the best value tickets across carriers, fares, and journey options - championing a much greener way to travel



Enhancing:

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



Connecting:

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

At a glance

We are Europe's leading independent rail platform

We enable millions of travellers to find and book the best value tickets across carriers, fares, and journey options through our highly rated Trainline mobile app, website, and B2B partner channels.

We work with more than 270 rail and coach companies across >40 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 and data-driven features help our customers to stay one step ahead.

For our carrier and B2B partners, Trainline 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

270+

rail and coach companies

10

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

87%

of UK transactions are through our app

>40

countries travelled in and across by Trainline customers

55m

cumulative app downloads

€1 billion

net ticket sales in our International business



CEO's statement

Building strong momentum

Record operating performance

Following the significant impact of Covid-19 on rail travel, this year industry passenger volumes continued to recover across our core markets.

Trainline delivered a record operating performance as we encouraged people back on to the train and further enhanced their experience when booking and managing travel. However, this was not without some headwinds, including industrial action in the UK and France in FY2023, and some macroeconomic uncertainty, which has continued into FY2024. Despite these effects, Trainline still expects continued strong growth in FY2024, following a positive start to the year: net ticket sales growth YoY in the range of +13% to +22%; revenue growth YoY in the range of +13% to +22%; and adjusted EBITDA as a percentage of net ticket sales in the range of 2.15% to 2.25%.

Looking further ahead, structural tailwinds provide Trainline with significant and long-term growth opportunities. Rail is already a large market and is set to benefit from significant capacity expansion across Europe and a growing awareness of its environmental benefits. Furthermore, the ongoing market transition to digital ticketing offers significant upside opportunity, as does market liberalisation in Europe, with growing carrier competition confirming our position as the leading market aggregator.

Strategic progress

We are making good progress against our strategic priorities as we position ourselves as the market aggregator for European rail while further digitising the rail retailing experience in the UK.

Enhancing the customer experience

In the UK, we continued to prime our mobile app to better serve the commuter market, enabling Trainline to double its share of the commuter market in just two years. We offered an increasingly full suite of ticket types in digital format, rolling out digital season tickets to twelve train operators, and we recently launched Quick Buy to reduce the time to purchase repeat tickets.

In International Consumer, we positioned ourselves as the aggregator for newly liberalised routes, offering customers all the carriers, fares and journey options in one place. In Spain, where liberalisation is happening most quickly, we expanded our supply of new entrants, integrating Iryo while adding new routes for SNCF Ouigo. Our aggregation proposition is helping Trainline grow in Spain, with net ticket sales four times higher than FY2020 (pre-Covid-19 and before the arrival of carrier competition). On the Madrid-Barcelona route, Trainline sales transactions doubled YoY in Q4 CY2022 vs. a 35% increase in overall passenger volume.

In Italy, we further customised our aggregator offering, launching Trenitalia discount codes and shortening the minimum time customers can book ahead of departure on Trenitalia/Italo. Carrier competition is expected to



CEO's statement continued

ramp up with the announced entry of the low-price SNCF Ouigo trains from 2026, giving further opportunity to leverage our aggregation proposition.

Building demand

In FY2023, we increased marketing investment to drive up customer demand and grow brand awareness of our value proposition. In the UK, we increased active customers by 58% Yo3Y. We launched a brand campaign focused on value for money to illustrate how customers who book through Trainline can save money.

In Europe, we continued to refine our digital marketing strategy, launching brand campaigns in aggregated markets to grow overall awareness. In Italy, app downloads were 13% higher than incumbent Trenitalia.

We also increased net ticket sales by 87% for higher-margin foreign travel, particularly customers from the US.

Increasing customer lifetime value

While growing our customers, we also deepened our relationship with them, increasing the frequency with which they transact through Trainline.

In the UK, c.50% of active monthly customers are now transacting 2+ times a month, up from 42% in FY2020, reflecting a step up in commuter and shorter distance tickets sold through Trainline. We continued to scale digital railcards, an important way to bring lower prices to many customers, with 1.8million active digital railcard customers at the end of FY2023.

In Italy, our most mature aggregated European market, we increased the sales mix of shorter-distance, regional journeys, despite those routes having no carrier competition.

Growing Trainline Solutions (TS)

In FY2023, we took further steps to support our travel partners. For Carrier IT Solutions, in the UK we signed contract extensions with Train Operating Companies (TOCs) ScotRail and CrossCountry, and signed up third-party retailer Trainhugger as a new client. In Europe, regional sales for our first Carrier IT Solutions partner NTV Italo went live in July, having signed a multi-year deal earlier in the year.

Within Global Distribution and Business Solutions, we signed up more B2B customers to our Global API, notably including CWT, Agiito, and Havas Voyages (the largest TMC in France).

International Growth Plan

In November 2021, Trainline announced plans to step up our investment in our International Consumer business to accelerate its growth.

In FY2023, the International Consumer business surpassed €1 billion of net ticket sales for the first time, reflecting our progress to date.

Looking forward, we are refining our investment plan to accelerate growth in the rail markets where we have the strongest customer proposition today (see below). In France, where market liberalisation remains nascent, we will continue to invest in UX and performance marketing, but will manage brand investment to coincide with the future arrival of widespread carrier competition.

We will prioritise:

- Domestic travel in European markets with widespread carrier competition, primarily Spain and Italy. Together, these rail markets are worth €6 billion per annum. By positioning Trainline as the marketplace of choice for European rail travel, we are well placed to significantly scale our international business in Italy and Spain over the medium term
- Foreign travel into Europe: represents inbound customers from the US, the UK and the rest of the world, as well as intra-EU cross-border travel. This is a large addressable market, worth €4 billion, and is high margin, and generates double-digit percentage revenues of its respective net ticket sales

Jody Ford
Chief Executive Officer
4 May 2023



Our team continued to deliver this year, innovating and improving the customer experience”

Jody Ford, Chief Executive Officer

Sustainability

Purpose driven sustainability

Travelling by rail creates 86% less CO₂ emissions than air travel and 70% less CO₂ emissions per passenger than travelling by car.

What sustainability means to us

Empower people to make greener travel choices

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, creating 86% less CO₂ emissions than air travel and 70% less CO₂ 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. Our cross-functional sustainability team is dedicated to encouraging modal shift; promoting rail as a more sustainable way to travel; and reducing the impact on the climate from our own operations.

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 CO₂ emissions by 2030, and the UK has a reduction target of at least 78% by 2035 and a legally binding target to reach net zero by 2050.

Cars and planes create 58% of the UK's transport CO₂ emissions, whereas the entire rail network creates less than 1%. 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.

We are already seeing the impact of this transition to rail in the UK, for example, with Lumo carrying one million passengers between Edinburgh and London since its launch, resulting in rail now being the favoured mode of transport between the two cities.



Sustainability continued

The external context continued

Similarly, in Europe, cars and planes create 74% of transport CO₂ emissions, and the entire rail network adds up to less than 1%. The EU Commission has highlighted rail as playing a key role in the EU becoming climate-neutral by 2050. It targets 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.

In the last year, European governments have taken further steps to encourage modal shift from cars and planes to rail to achieve their carbon reduction targets. France introduced a ban on internal short-haul flights, those under two and half hours, which was formally validated by the European Commission in December 2022. KLM is also encouraging passengers to take the train rather than fly on some short-haul flights as the Dutch government cuts the number of flights from Amsterdam Airport Schiphol to cut air pollution.

Product and promotion

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

Trainline has a key role to play in engineering the travel habits of the future and enabling people to choose the most sustainable transportation option.

Trainline supported the launch of I Came By Train, to promote the sustainability of rail and encourage people to take action to reduce their carbon footprint, and followed this with the launch of a white paper on how the rail industry can encourage more people to choose rail.

We have continued to launch green product features and make emissions information more accessible and transparent 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 also introduced digital season tickets alongside our existing digital railcards to reduce non-recyclable ticket waste and also made it possible to book bicycle reservations on trains through our product, further encouraging modal shift.

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 a 1.5°C scenario 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 UNFCCC Race to Zero campaigns.

Since then, we have modelled both our near-term and long-term science-based targets and created a robust reduction strategy which we intend to submit to the SBTi in 2023 which will include a complete annual greenhouse gas inventory of our full value chain.



Case study

I Came By Train

Most people don't realise that transport is the number one contributor to the UK's carbon emissions. But climate change has become a problem so overbearing that many people feel too overwhelmed to change their lifestyle and try to make a difference.

So how do you get a nation to realise that simply switching a plane or car journey to rail is the biggest and easiest way to address the climate crisis and their personal footprint? By switching the narrative from 'flight shaming' to 'train bragging'.

October 2022 saw the launch of I Came By Train, a campaign designed to drive rail as a more sustainable way to travel and create a feeling of pride in choosing rail.

As part of the campaign, Trainline worked with singer-songwriter Craig David to produce Better Days, a song about the importance of nature and taking care of the environment. Supported by billboards, light projections and murals, the campaign highlighted the many reasons why people should be proud to say I Came By Train. We also encouraged action via social media by asking people to simply pledge to switch a journey from plane or car to rail via the I Came By Train website.

In February 2023, we brought together experts from the rail, sustainability and tech sectors for the launch of the I Came By Train white paper, which called for industry stakeholders to build an alliance to help more people choose rail, by promoting its ease, efficiency and sustainability, and thereby creating a mass movement from car and plane to rail.

“

Sustainability can be rail's secret weapon for creating growth”

Jody Ford, Chief Executive Officer

I came by train

I came by train because
melting ice is good for
G&Ts not ice caps.

Train travel is 7x less polluting than planes. Find the facts – icamebytrain.com

I came by train

I came by train because I
don't want to commute in
a canoe

I pledge to swap one journey from car or plane to
train this year – icamebytrain.com



Market overview

A large and recovering market set for long-term growth



European rail market
pre-Covid-19 worth over

€60bn

EU target to increase the
length of the high-speed
rail network by 2050

3x

Investment pledged in
UK Integrated Rail Plan

£96bn

Market overview continued

UK rail market recovery – FY2023

Leisure travel – ahead of pre-pandemic levels despite strikes

Traditionally Trainline's strongest market segment, it has recovered to above pre-pandemic levels despite the impact of strikes in FY2023. It was a strong start to the year, but travel uncertainty has since impacted customers' confidence to book ahead.

Commuter travel – steady recovery

Recovered to ~70% of pre-pandemic levels. Despite the travel disruption, with limited commute activity on strike days, segment recovery has continued through the course of the year. Season tickets have remained relatively flat and is recovered to ~35% of pre-pandemic levels, but overall commute has shown good recovery throughout the year. Trainline continues to focus on features and digital options which make the commuter experience easier for customers.

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

Recovered to ~60% of pre-pandemic levels. This has been the slowest segment to recover, but it has stepped up through the year. Trainline continues to believe in long-term segment recovery as corporates move towards greener travel choices.

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 high-speed rail traffic by 2030 and triple high-speed rail by 2050, with the most significant network expansion planned in Spain, France, Italy and Germany. The EU is targeting a 55% reduction target for CO₂ emissions by 2030.

Domestic competition between high-speed rail carriers in Europe has stepped up meaningfully, with increased competition enhancing choice and value for passengers. Four rail brands are now competing across Spain, two across Italy, and two between Paris and Lyon, the busiest route in France. We are quickly gaining ground as the aggregator of choice on these high-speed routes.



Market overview continued

Trainline operates in a large market that enjoys significant structural tailwinds

Our structural tailwinds:

1



Shift to online and mobile ticketing accelerated

2



Driving modal shift with significant investments in rail

3



Greater supply fragmentation in our core European geographies

1



Shift to online and mobile ticketing

Etickets in the UK increased to 43% of total rail industry sales by FY2023, reflecting a greater prevalence of people buying train tickets through Trainline's 4.9-star app.

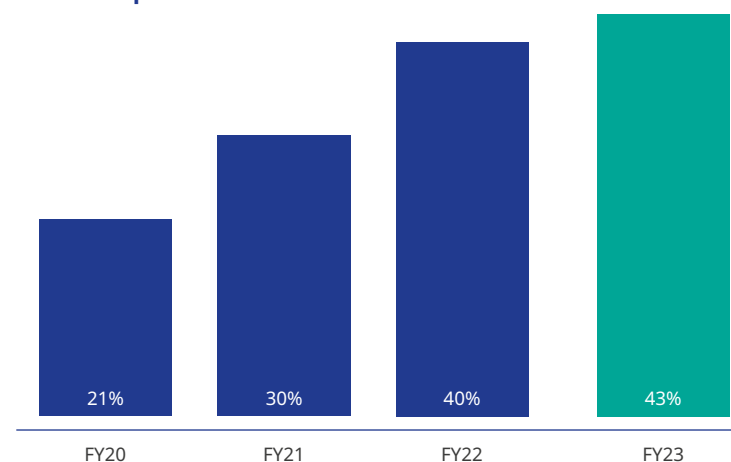
Eticket availability will reach over 90% of journeys once Southeastern completes its roll-out. This means there is significant headroom for ticket penetration to grow further.

We are priming our mobile app to better serve customers, including making railcard renewals easier and developing digital season tickets for commuters.

UK eticket availability will grow from 71% in FY2020 to over 90% this year

>90%

eticket penetration in the UK



Market overview continued



Driving modal shift with significant investments in rail

UK and European 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 70-86% less CO₂ emissions than driving or flying. Rail is also a very efficient way of moving people into city centres and over long distances, reducing road congestion and pollution.

A strategic priority 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 CO₂ emissions of at least 78% by 2035 compared to 1990 levels and plans to invest a record £48 billion by 2024 to “maximise the shift of users to rail”.

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.

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

A 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



Greater supply fragmentation in our core European geographies

Trainline operates in an increasingly complex and fragmented rail market. With ongoing liberalisation and investment in rail and greener modes of transport, we expect competition to increase. Major carriers from France, Italy and Spain are now competing in each other's domestic markets and new cross-border routes are set to open. With multiple suppliers on multiple routes, Trainline can help customers choose the right journey by comparing and displaying all the options clearly in one site.

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. Italy's Trenitalia entered the French market in late 2021, with services between Paris, Lyon and Milan. Trenitalia-backed Iryo launched its first services on the Madrid-Barcelona and Madrid-Valencia routes at the end of 2022.

This trend is set to continue: Iryo is expanding routes in Spain, with services between Madrid and Seville/Málaga from March 2023 and Madrid to Alicante in June 2023. Ouigo is planning to run on the Madrid-Seville/Málaga route by 2024.

Renfe is due to run cross-border services between Barcelona-Lyon and Madrid-Barcelona-Marseille by the summer of 2023.

Le Train and European Sleeper are further examples of new operators planning to launch services, with Le Train launching routes on the Western Corridor in France connecting major cities like Bordeaux, Tours, Nantes, and Rennes. European Sleeper expects to launch its night train service between Brussels-Amsterdam-Berlin in May 2023.

New operators introduce different customer propositions – from low-cost (Ouigo Spain and Avlo) to premium service (Trenitalia France and Iryo). Such competition provides more choice, convenience and quality for customers, as well as more competitive fares.

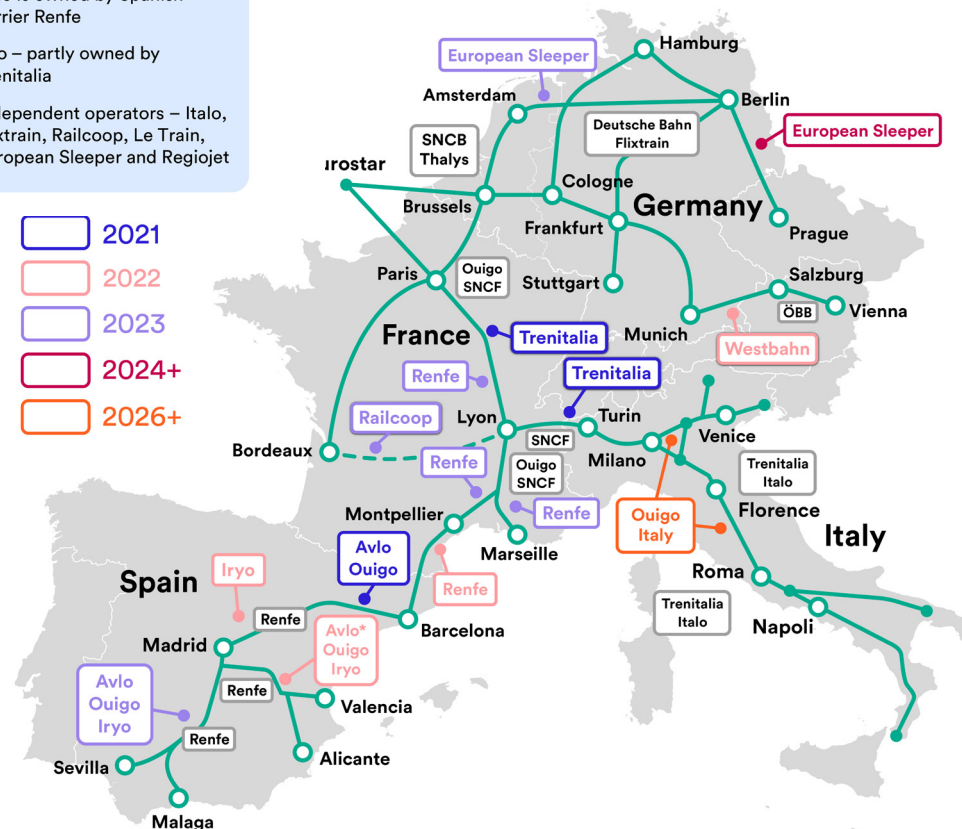
As competition grows, passengers will increasingly need websites and apps that provide transparency across all carrier options. Trainline aggregates different carriers, fares and journeys in one place, making it easy for customers to select the right option for them, together with the ability to book rail tickets in a language and currency of their choice.

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 them to consumers, business travellers and travel resellers.

Selected key rail routes in continental Europe with competition

Who owns whom?

- Ouigo France 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
- Independent operators – Italo, Flixbus, Railcoop, Le Train, European Sleeper and Regiojet



Market overview continued

Regulatory and political environment



2021
European
Year of Rail

By 2030
EU goal: 2x high-speed
rail traffic

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

By 2050
EU goal: 3x
high-speed
rail traffic



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 is one such initiative. It comprises a series of measures aimed at creating a truly integrated European Railway Area and making EU railways more attractive, innovative and competitive. The reform started in 2019 with the opening of the market for domestic passenger transport services by rail and we are already seeing the competitive benefits in markets like Spain and France.

These legislative initiatives are helping to create an environment which is supportive of further competition and market volume growth. This expands opportunities for new rail operators to enter the rail markets in other geographies and for independent retailers who play 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.

In April 2022, the German Federal Cartel Office (FCO) published preliminary findings of its review into Deutsche Bahn (DB). It found that certain practices used by DB constitute an abuse of market power in relation to third-party mobility platforms like Trainline. The FCO's preliminary findings included that DB offered insufficient contractual terms, did not make real-time data available, and contractually imposed advertising bans, together with possible discrimination against mobility platforms with regard to the commission rate paid for ticket sales. It has been reported that DB is seeking to reach a settlement with the FCO.

Unless market conditions are set that allow for independent platforms to operate on a level playing field and with appropriate remuneration, Trainline will remain unable to sufficiently invest to serve the German domestic market and offer passengers its broad set of products and innovations.

In April 2023, the European Commission announced it had launched a formal investigation into the Spanish incumbent carrier Renfe. It is investigating whether Renfe abused its market-dominant position by refusing to provide third-party retail platforms like Trainline its full range of tickets, discounts and features, as well as its real-time data.

Working towards green mobility

The Commission's European Green Deal established a goal of becoming climate-neutral by 2050 and included a commitment to a rethink of EU policies for clean energy in the transport sector.

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. Objectives of the Action Plan include the promotion of more user-friendly ticketing, including allowing passengers to find the best tickets at the most attractive price and better support when faced with disruption. Third-party ticket vendors (e.g. Trainline) have been identified as having a key role to play in the delivery of this plan.

In June 2023, the latest revision of the EU Rail Passenger Rights Regulation (RPRR) will be implemented. Under the RPRR, rail carriers across the EU will be required to share more content and data, including 'real-time data', with independent platforms like Trainline.

A review is underway by the European Commission to make it easier for customers to plan and buy tickets for journeys that combine different modes of transport. The multimodal digital mobility services (MDMS) initiative aims to better integrate public transport and rail services to achieve seamless multimodal passenger transport, delivering the EU Green Deal.

At the start of 2023, the European Commission announced it will support ten pilot projects to establish new rail services or improve existing ones. This will improve cross-border connections across the EU, making them faster, more frequent and more affordable.

Regulatory and political environment continued



GBR

The UK railway is undergoing a period of industry reform which began with the Williams-Shapps Plan for Rail, announced by the Department for Transport in May 2021. It set out the government's proposals for changes to the management of the railways. At the core of the plan was the establishment of GBR to bring greater coherence and coordination to the sector.

Passenger rail services are currently delivered by 32 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 process of restructuring the industry is expected to take several years, requiring legislation to fully complete. Interim franchising arrangements made during the pandemic (Emergency Measures Agreements) transitioned to National Rail Contracts (NRCs) for incumbent operators during 2021-22, with the UK government continuing to assume revenue risk for the industry. Longer term, NRCs will be phased out but no timescale has yet been given. They will be replaced by Passenger Services Contracts (PSCs).

Bradshaw address

The new Secretary of State for Transport, Mark Harper, provided more direction on GBR in his speech at the annual George

Bradshaw Address on 7 February 2023. He stated it would be established as an arm's length body to develop a guiding strategy for rail, to be published by the GBR Transition Team (GBRTT) later in 2023. GBR would act as the 'guiding mind' to coordinate the network, sitting above track and train. He placed far greater emphasis on the role of the private sector in the running of the railways, highlighting new passenger service contracts for rail carriers with commercially driven targets and supporting more direct carrier competition in the form of new open access operators. In retail, he underlined his commitment to a competitive retail market to drive innovation and value for customers.

Creation of GBR as a ticket retailer

The Plan for Rail included proposals to replace many of the sub-scale Train Operating Company websites and apps with a 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, beyond Rail Delivery Group (RDG) taking preliminary steps ahead of a formal exercise to procure a Consolidated Online Retailing Solution (CORS) for the sale of rail tickets, with an expectation that the contract would novate to GBR at some future stage. The estimated contract notice (effectively the official process start date) was 1 April 2022.

However, no formal procurement exercise has yet started at time of writing. In February 2023, Train Operating Company Govia Thameslink Railway Ltd (GTR) launched its own tender process to white label its online retailing channels, reflecting the rail industry's

continuing uncertainty around whether the CORS tender process will happen.

We remain engaged with RDG, GBRTT and DfT and are ready to actively support a procurement process should one go ahead.

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.

In March 2022, Trainline announced it had reached agreement with Rail Delivery Group (RDG) on a memorandum of understanding (MOU) to amend its third-party retail licence. The MOU was an output from RDG's review of rail retailing in the UK. Following last year's announcement, Trainline and other third-party retailers entered into a collaborative phase of engagement with RDG on new contractual licence terms.

In May 2023, we confirmed that this phase of engagement with RDG had now concluded with the implementation of the legally binding minimum set of terms, as disclosed in our previous communications. Trainline estimates a resulting c.0.25% net reduction in commission rate, effective 1 April 2025.

The terms applicable to Trainline will include:

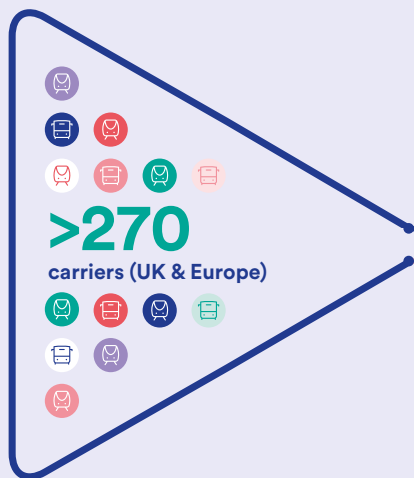
- A 0.5% reduction in the base B2C online sales commission rate, from 5% to 4.5%
- An offsetting removal of central industry costs. Trainline estimates this to be c.0.25%



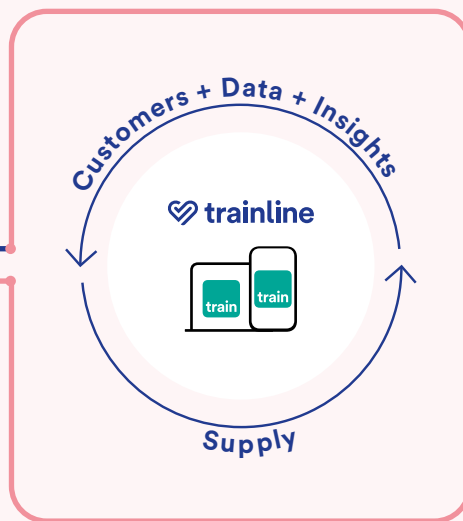
Business Model

Building the world's #1 rail platform

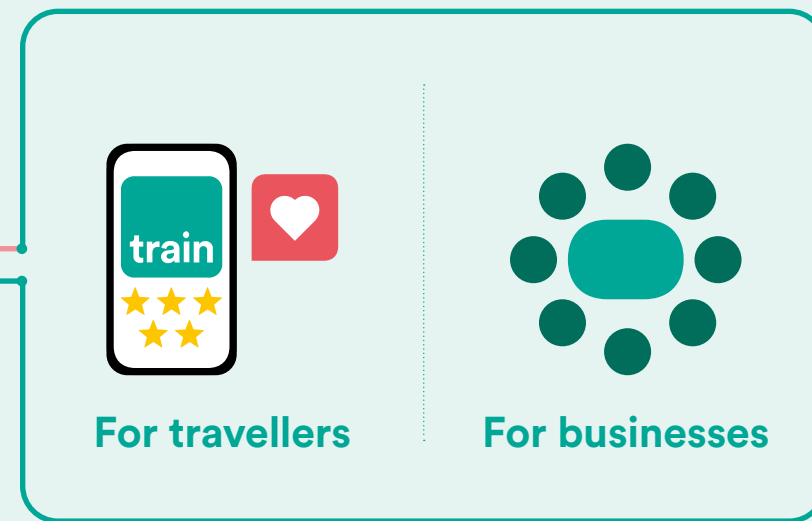
We aggregate data from
>270 carriers across the
UK and Europe on our
platform...



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



To generate our highly rated user
experience and partner solutions



Business Model continued

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 40 countries through our B2C and B2B channels with around 117 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

Highly rated customer experience for travellers globally

- 4.9/5 star rated app
- Search and book train tickets for journeys in over 40 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

For businesses

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

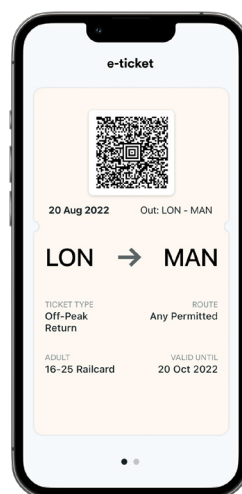
At Trainline, our purpose is to empower greener travel choices, connecting people and places.

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.

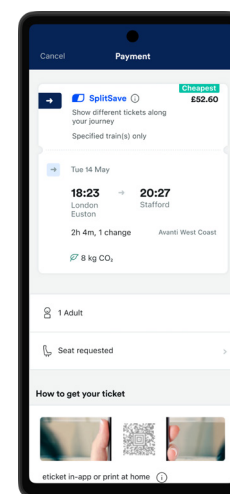
Friction free

Enabling customers to get it right



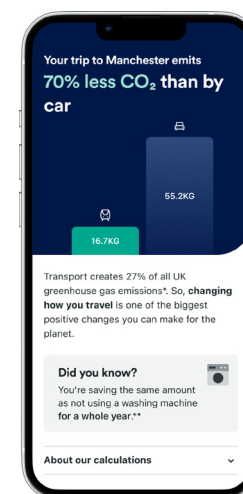
Unrivalled value

Unearthing the greatest, most trusted value for your journey



Greener habits

Motivation and pride to switch from car and air to rail



Key features

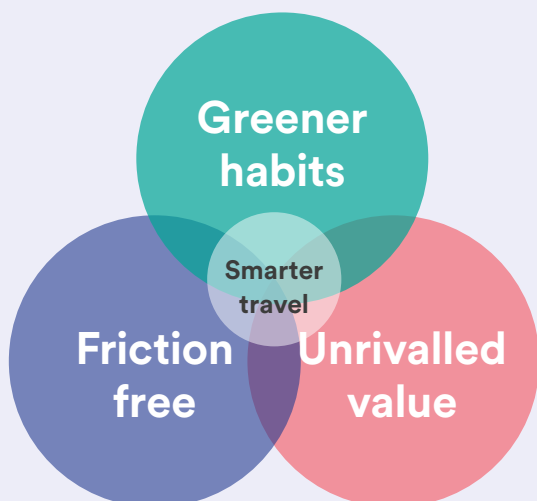
- Simple, intuitive user interface
- Digital ticketing including seasons
- Set multiple commute favourites
- Real-time information
- Self-service change of journey, automated refund capability
- Modern payment options

Key features

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

Key features

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



Business Model continued

Creating value for our partners, business customers and the industry

Our vision is to be the world's number one rail platform. Through Trainline Solutions, we provide retailing capabilities and solutions to travel sellers, businesses, and rail carriers.

Stepping into Europe with Global API

Our new Global API gives us the ability to expand into Europe and work with more leading travel brands and online booking tools.

Carrier competition on the continent is increasing as more rail operators launch new high-speed routes in the markets. It's an opportunity for Trainline to connect business passengers across European cities and offer them a sustainable way to travel.

Coupled with our Agent Tools, the new API allows us to distribute our technology through a single connection, so our partners' customers enjoy a simple and seamless experience.

Consumer style bookings with business extras

Our presence in the business travel market is growing fast. Trainline Business gives millions of employees an effortless way to book their train travel across over 40 countries. Powered by Platform One, they will benefit from a consumer-style booking experience with visibility of their travel spend, cost efficiencies and controls.

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 and retail partners, lowering their cost to serve and simplifying their innovation process.

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
- Certified PCI Level 1 compliant
- ISO 22301 certification and in the process of obtaining ISO 27001
- Dedicated customer service 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 at a lower cost to serve for the industry.

Our technology

At Trainline, we pride ourselves on our proprietary, modern, scalable tech platform created and maintained by our c.500 bright product, data and tech minds.

Reliable, scalable, secure

- >600 microservices, increasing speed of development, flexibility and scalability
- c.500 engineers, data and tech specialists
- 750+ 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
- Partnership with NCSC & NCA
- Internal standards aligned with NIST framework
- Business Continuity Planning (ISO 22301) certified since 2022
- 3DS version 2 implemented
- Payment Services Directive II Secure Customer Authentication fully live
- 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

- >6 TB data processed per day
- Bespoke AI-driven features
- Personalised UX and CRM

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.



750+
releases a week



3.5m
origin-destination
pairs per month



>600
microservices



315
searches per
second



6+TB
data processed
a day

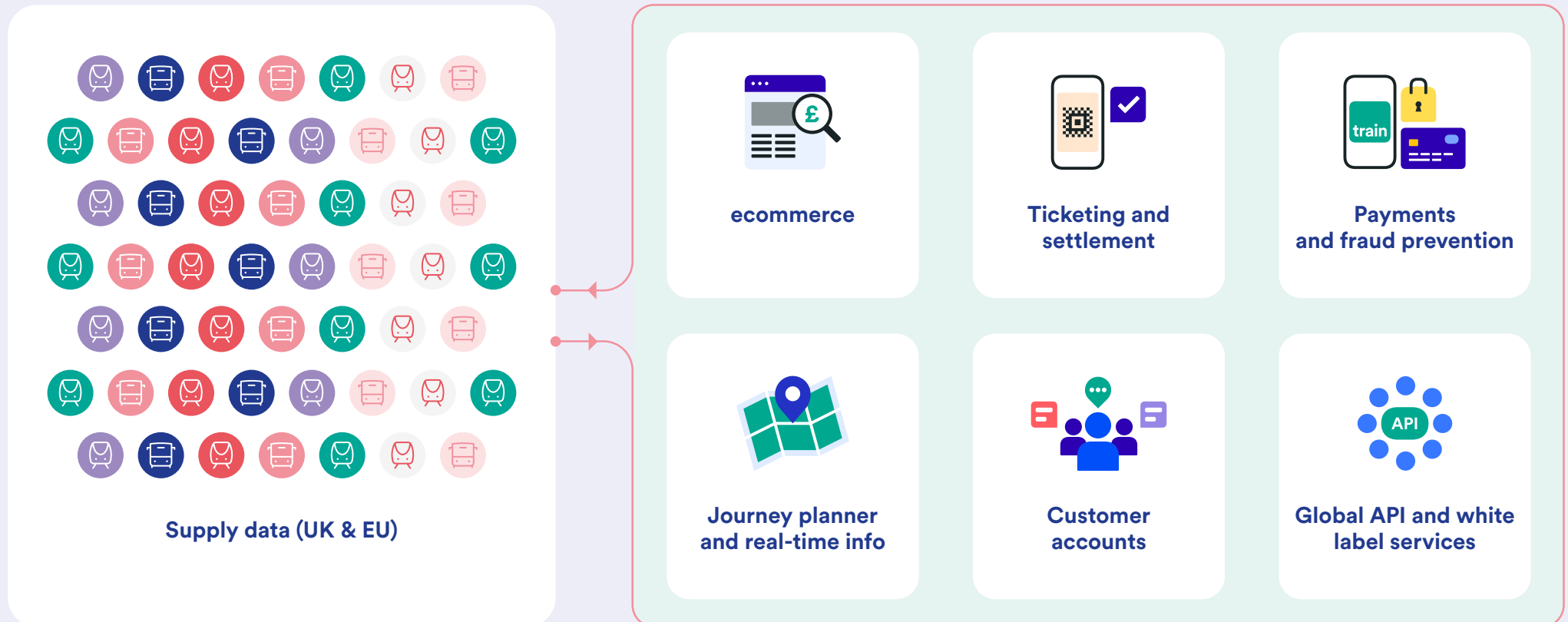


>500
engineers, data
and tech specialists

Our technology continued

Platform One

Our single global tech platform provides a range of tools and services for our B2C and B2B customers.



Strategy

Our strategic growth priorities

Positioning ourselves as the market aggregator for European rail, while in the UK further digitising the rail retailing experience, particularly for commuters.



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.

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

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.



Build demand

Our key focus is to strengthen demand by deploying our marketing playbook to drive customer acquisition, encouraging more customers to choose more environmentally sustainable modes of transport.

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.



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 Solutions

Trainline Solutions ('TS') 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.

Strategy continued

Our strategic growth priorities

Key focus areas

Progress in FY2023



Enhance the customer experience

- 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
- 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
- Continuing to innovate for the returning commuter market in the UK

- 4.9/5 star rated app in UK and Europe (iOS)
- Integrated in Spain new carrier brand Iryo ahead of its launch on the Madrid-Barcelona, Valencia and Seville/Malaga routes, plus added SNCF Ouigo's new Madrid-Valencia route
- Launched innovative new products and features in Europe, including Prix Futés (SplitSave) in France and Trenitalia discount codes in Italy
- Eticket penetration of industry sales increased from 40% to 43% in FY2023. Eticket penetration was 44% in Q4 FY2023
- Digitising commuter ticketing in UK, with digital seasons rolled out across 12 train operators and Quick Buy feature recently launched
- Since launch, c.4 million customer set ups of 'Favourites' feature, which allows them to personalise their journey
- Expanded SplitSave to 80% of journeys, up from 64% at launch in FY2020 through data-led optimisation



Build demand

- Flexible ramping of performance marketing and customer acquisition as market economics allow
- Investment in brand awareness in key European markets
- Attracting foreign travellers to rail and to Trainline

- Scaled our marketing investment in our focus markets, driving up brand awareness and new customer acquisition in Spain and Italy, helping grow net ticket sales in those markets fourfold and threefold respectively
- Increased foreign travel, with net ticket sales up 87% Yo3Y, particularly for US inbound travel. We currently rank first or second on Google search for the five most popular rail journeys in Europe for US customers
- Ran a value-focused brand campaign in UK, driving a 5 percentage point increase in value perception amongst our target audience of under 30-year-olds
- 58% increase in active customers in UK vs. FY2020



Increase customer lifetime value

- 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

- c.50% of UK active monthly customers transacting 2+ times a month (up from 42% in FY2021)
- Strong progress in scaling digital railcards with 1.8 million active railcard users in the UK at the end of FY2023, reflecting the maturity of our proposition there
- Grew regional sales in Italy 4x Yo3Y



Grow Trainline Solutions

- Retaining and growing existing UK customer base
- Expanding Global API and white label services into European markets

- In UK, signed contract extensions with Train Operating Companies ScotRail and CrossCountry, and signed up third-party retailer Trainhugger as a new client
- In Europe, regional sales for our first Carrier IT Solutions partner NTV Italo went live in July
- Signed more B2B customers to our Global API, notably CWT, Agiito and Havas Voyages, with the latter two now live

Case study

Bringing commuters and frequent travellers on board

In the past two years Trainline has doubled its share of the UK commuter segment.

We have primed our mobile app to better serve the commuter market, from hybrid workers to those that commute 5+ days a week. This includes providing an increasingly full product suite, while simplifying and personalising their experience.

Digitalising season tickets

Over £2 billion of season tickets were sold annually in the UK pre-Covid-19. Today it is around £800 million but continues to recover.

Until recently commuters that used season tickets had to put up with an antiquated, paper-based ticketing experience, despite being the most frequent rail users.

However Trainline is changing that by taking eticket barcodes to the next level. We developed the sTicket, a secure eticket, which was then accredited as an official ticketing

standard for high-value barcode tickets by the RDG. In doing so, we have enabled season tickets to be served digitally for the first time.

It includes smart security features such as time limited barcodes and allows for passenger photos to be embedded directly in the digital ticket, removing the need for a separate physical photo card.

We launched our in-app digital flexi tickets in summer 2021, and have since developed all other types of season tickets - weekly, monthly and annual - in our secure digital format. Having received full accreditation, we are currently in the process of rolling this out carrier by carrier and so far have enabled digital seasons on 12 TOCs.

Personalising the commuter experience

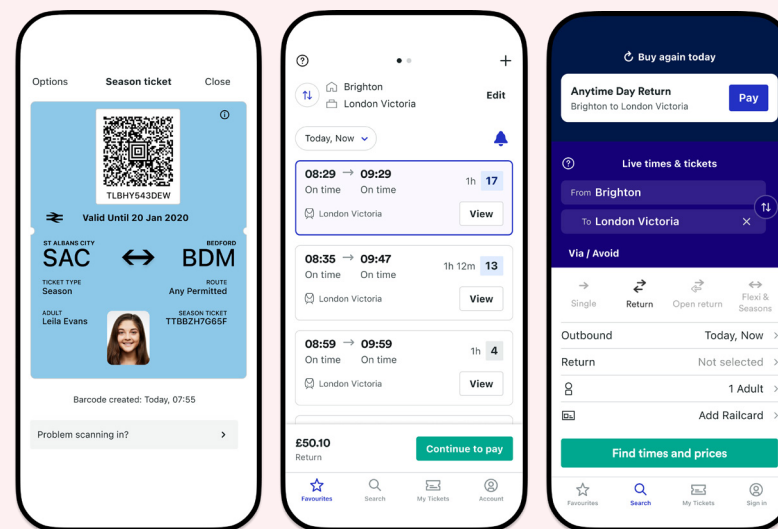
Finding journey options and buying tickets for your favourite routes has never been easier, with our Favourites experience, commuters can save their most frequent journeys, buy a ticket in just a few taps, and track their daily commute in real time.

c.4 million of our UK users have set up a route in Favourites since launch, benefiting from our push notifications about disruption on their favourite route during their typical travel time. For anybody regularly buying flexible tickets on the same day, such as anytime tickets or travel cards, our Quick Buy option allows them to purchase repeat tickets such as singles and returns in just three clicks.

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Case study

Aggregation of high speed rail

Carrier competition in European rail creates opportunity for Trainline to position itself as the market aggregator, with net ticket sales tripling in Italy and increasing fourfold in Spain Yo3Y.

In 2019, the EU's Fourth Railway Package 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. Since then, we have seen competition arising on other European high-speed routes Europe, creating the need for a rail aggregator like Trainline.

At Trainline, customers can compare fares, ticket types and journey options across all the different operators, and then book the combination they want. As such, aggregation provides a clear market use case, prompting customers to use Trainline when booking their tickets.

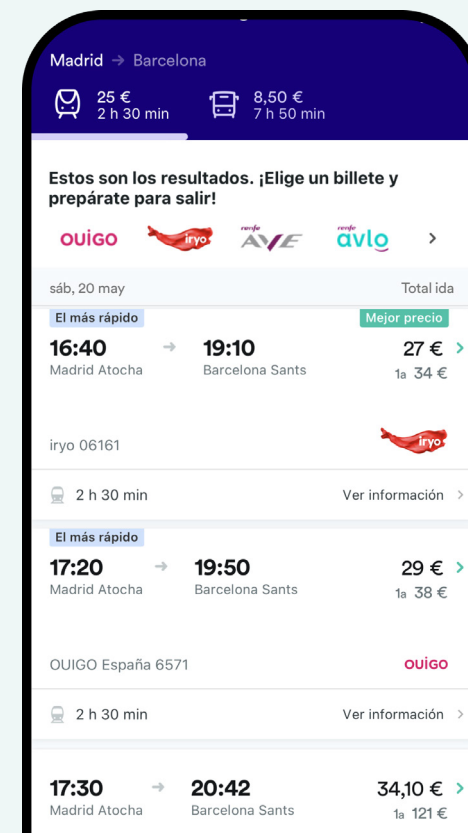
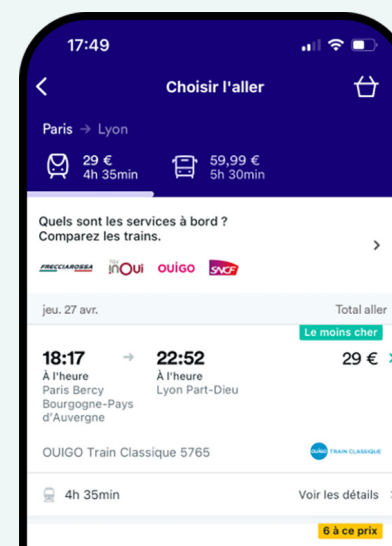
Liberalisation is happening most quickly in Spain, where the number of carrier brands operating high-speed rail services grew from one to four in less than 18 months. Having launched first on the busiest routes of Madrid-Barcelona and Madrid-Valencia, the new entrant carrier brands are launching

more high speed routes across Spain this year. Total routes are set to represent an aggregation opportunity of c.€1.3 billion in Spain alone.

Our aggregation proposition is helping Trainline take share in Spain, particularly on routes that have liberalised. On the Madrid-Barcelona route in Q4 CY2022, while overall passenger volume grew 1.4x YoY, Trainline's sales transactions doubled and were up 9x Yo3Y. At the same time, we are also helping new entrant carriers access customers, making up 20% of Iryo's sales on Madrid-Barcelona during its first quarter of trading (Q4 CY2022).

While growing customers on liberalised routes, we are becoming more relevant for routes with no carrier competition. Italy is the prime example, given its maturity as a liberalised market. While we tripled net ticket sales in three years, this was outpaced by our growth in sales on regional journeys, which quadrupled Yo3Y.

At Trainline, customers compare fares, ticket types and journey options across all the different rail operators.



Case study

Foreign travel

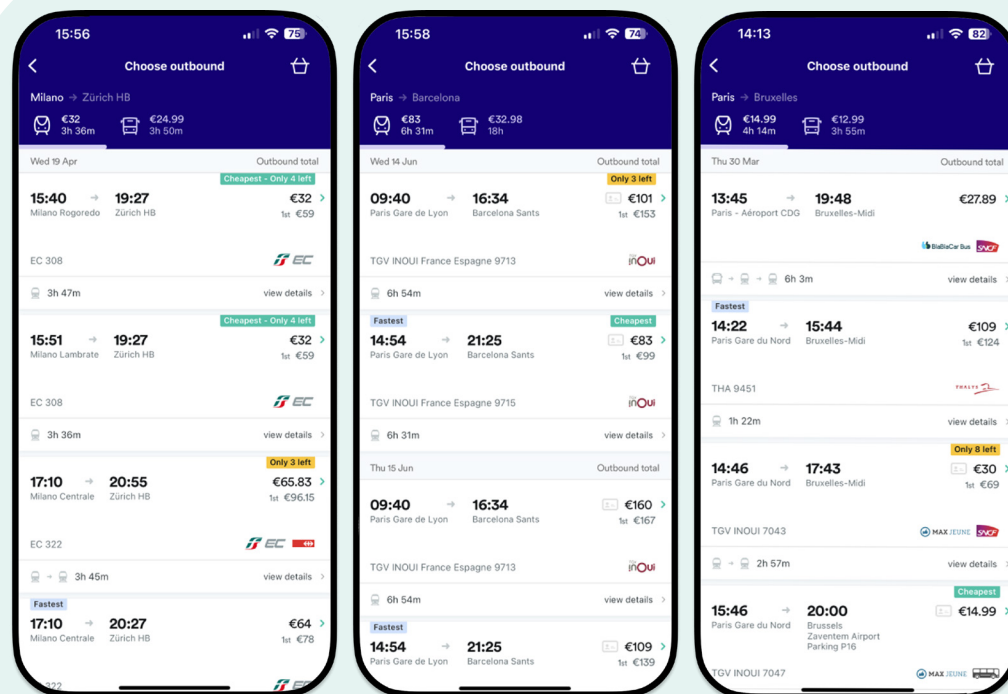
The global inbound and cross-border rail travel market in Europe represents a significant future growth opportunity for Trainline.

Foreign travel represents global customers from the US, UK and the rest of the world, as well as some intra-EU cross-border travel. It is worth over €4 billion, and is high margin, generating a double-digit percentage revenue take-rate (revenue generated as a percentage of net ticket sales). Unsurprisingly, net ticket sales for foreign inbound travel is highly seasonal, with sales peaking over the summer months.

In FY2023, foreign travel net ticket sales increased 87% Yo3Y, with sales to US inbound customers particularly strong. This was driven by Trainline's comprehensive one-stop experience for all travel in Europe, and unlocked through SEO and performance marketing. Trainline ranks first or second on Google search for the most popular rail journeys in Europe for US customers.

Looking into FY2024, we expect another strong year for US inbound customers, with a Trainline survey finding that Europe is the top of the wish list for summer travel for one-third of Americans, with over 75% wishing to travel to two or more countries. We are further ramping up our efforts to entice US customers, launching a PR campaign to find 'Trainline's Chief Conductor', with the winner experiencing rail adventures across Europe, as recommended by David Hasselhoff. In addition, to build trust and help customers feel reassured, we are launching journey guides and information, specifically designed to help US inbound customers travel by train across Europe.

At the same time we are increasing our focus on cross-border travellers who value the consistent experience they get with Trainline across multiple countries and train operators. We make it easy to book the whole journey in one place as opposed to booking individual legs with each national carrier.



Case study

Unlocking value for customers

We use innovation and marketing to help customers unearth the best value tickets for their journeys.

Investing in product market fit, marketing and brand awareness

In the UK, we launched a brand campaign focused on value for money to illustrate how customers who book through Trainline save on average 35% versus the walk-up price at the station, through a combination of all the trains, all the fares and our data-led features such as SplitSave. This is also reflected in improvements in value perception, increasing 5 percentage points in our target under 30 audience.

We are investing in improving this value perception further in FY2024 through our new campaign 'Great journeys start with Trainline'. This is designed to champion our unrivalled value and friction-free propositions, helping customers understanding how they can save money, effortlessly.

Unlocking value and ease

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. We now have over 1.8 million customers with a digital railcard, purchasing more than 3.5 times more journeys than our customers without a railcard.

Our railcard holders don't need to remember their physical card, and they also don't need to worry about it expiring anymore. During 2022, we launched our easy railcard renewal process, reminding our customers when their railcard is about to expire and making it possible to renew the railcard with us in just a few clicks.

Great journeys
start with
 **trainline**



Case study continued

Unlocking value in our markets

We use innovation and marketing to help customers unearth the best value tickets for their journeys.

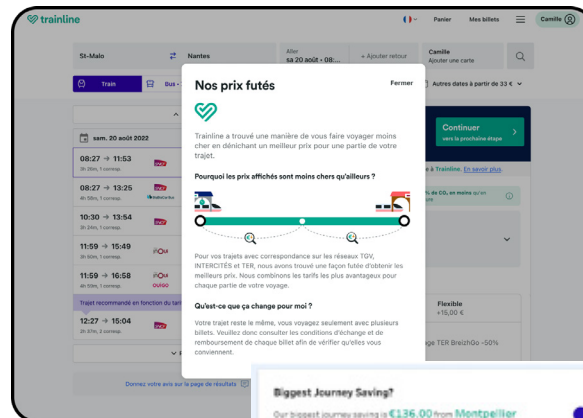
Discount codes in Italy

The equivalent of railcards for Trenitalia trains, this provides customers an easy way to save money on their fares.



Prix Futés (SplitSave) in France

Prix Futés allows customers to stitch together multi-leg journeys more cheaply than on the incumbent's app.

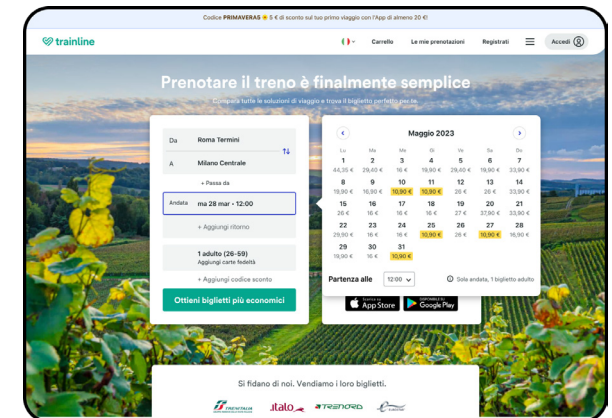


Biggest Journey Saving?
Our biggest journey saving is €136.00 from Montpellier St-Roch to Toulouse Matabiau that had 4 passengers, at a journey SplitSave price of €8.00. This is an 94% saving from it's original price of €144.00.

Biggest Per Passenger Saving?
Our biggest per passenger saving is €106.50 from Grenoble Gare Routière to Paris Gare de Lyon that had 1 passengers, at a SplitSave PP price of €11.70. This is an 90% saving from it's original PP price of €118.20.

Launched price calendars across UK, Spain, Italy and France

Price calendars make it easy for customers across the UK and Europe to find the best price for their journey.



Case study

Global API

We continued to position the Global API platform for growth, giving B2B partners the ability to offer European rail options to their customers through one simple, seamless connection. Below are examples of three of our B2B partners.



CWT is a global business travel and meetings specialist and has been a Trainline Solutions client for over 5 years.

Trainline's innovation and product features and the scale of aggregated content hosted in Platform One makes it easier for CWT to develop new tech once, and then roll out comparatively easily to other markets. Trainline also stitches together cross-border journeys simply and seamlessly. Trainline's ability to offer sublicensing also provides CWT with more efficient access to content, meaning they can avoid complex and lengthy negotiations with the carriers.

In summer 2022, CWT's flagship 'myCWT' app went live on Platform One, as part of a multi-modal expansion of the app which also included offering car hire.

HAVAS VOYAGES

Havas Voyages is the biggest travel network in France, and Trainline's first non-UK traditional TMC partner.

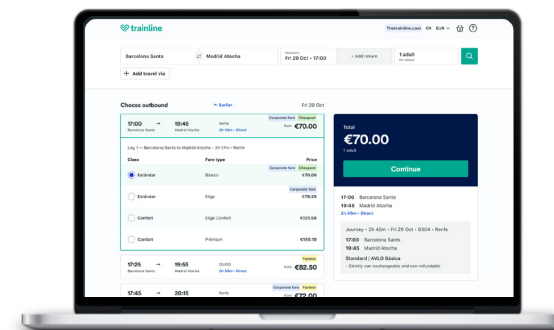
Havas Voyages partnered with Trainline because its technology enables both sales and post-sales to be performed online for SNCF. This means their customers can self-serve post-sales online rather than calling Havas operational teams, which represents massive productivity gains.

Havas Voyages were also interested by Trainline's cross-border rail offering, and our capability to offer multi-carrier journeys, with all segments in one single transaction.

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NAVAN

Navan, a leading corporate travel and expense platform, partnered with Trainline to enhance its customer proposition with the launch of its European rail offer.

Navan has been with Trainline for three years and was the first partner to go live on Trainline's Global API, offering thousands of global customers a seamless rail booking experience that also provides a sustainable travel option – all through one simple connection.

Trainline's Global API enables Navan to provide its 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.



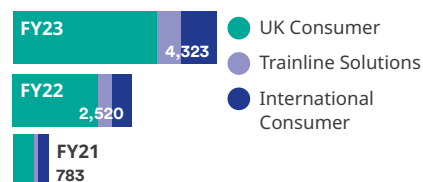
In a buoyant environmental context for rail activity, Havas Voyages needed to simplify and optimise the process of booking, modifying, and cancelling train tickets for the benefit of its business customers through its TravelSolutions booking tool. The partnership with Trainline Partner Solutions (TPS) responds perfectly to this problem and allows access to a wider international offer”

Havas Voyages

Key performance indicators

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

Net ticket sales¹ (£m)



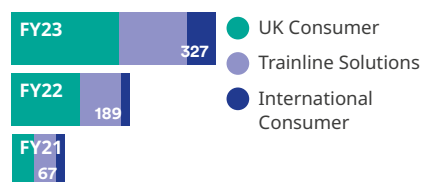
Description

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 was £4,323 million, an increase of 72% vs prior year, with UK Consumer increasing by 55%, International by 125% and TS by 98% vs prior year.

Revenue (£m)



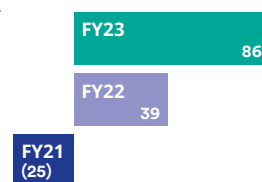
Description

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 was £327 million, an increase of 74% vs prior year, with UK Consumer growing by 58%, International by 228% and TS by 66% vs prior year.

Adjusted EBITDA¹ (£m)



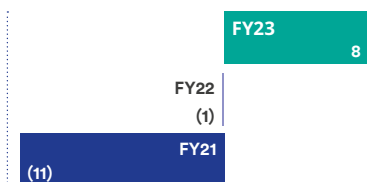
Description

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 £86 million from £39 million last year.

Adjusted basic earnings per share² (p)



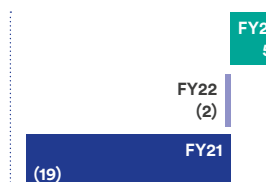
Description

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 7.7 pence, an 8.5 pence increase on the prior year.

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

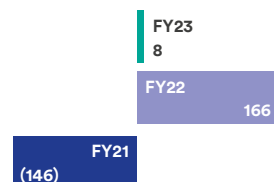
Basic earnings per share was 4.5 pence, an increase of 7.0 pence on the prior year.

¹ See page 138 for the definition of this KPI.

² See page 116 for the definition of this KPI.

Key performance indicators continued

Operating free cash flow¹ (£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 £8 million versus £166 million in the prior year.

Operating (loss)/profit (£m)



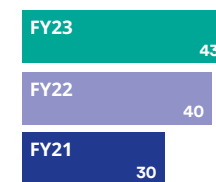
Description

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

Performance

Operating profit improved to £28 million from a £10 million loss last year.

UK industry eticket penetration (%)



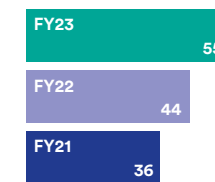
Description

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

Performance

In FY2023, eticket penetration increased to 43% (44% in Q4) from 40% in FY2022.

Cumulative app downloads (m)



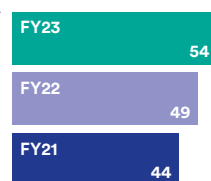
Description

Cumulative number of app downloads.

Performance

Total cumulative downloads of the Trainline app increased to 55 million.

App share of transactions - International (%)



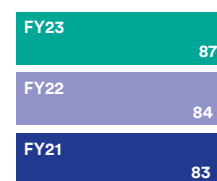
Description

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

Performance

The percentage of transactions that went through the Trainline mobile app increased to 54% from 49% in the prior year.

App share of transactions - UK (%)



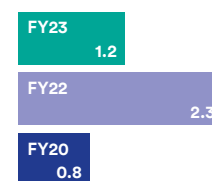
Description

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 to 87% from 84% in the prior year.

Leverage ratio²



Description

Leverage ratio is calculated as net debt divided by adjusted EBITDA.

Performance

Leverage ratio declined to 1.2x in FY2023, from 2.3x in FY2022.

¹ See page 139 for the definition of this KPI.

² FY2021 is not included as it does not represent a suitable and relevant comparative given the unprecedented and isolated impact of Covid-19 on the metric in that financial year.

CFO's financial highlights

Record operating performance

I am delighted to have stepped up into the role of Chief Financial Officer. I have worked at Trainline for several years and remain hugely excited about the growth opportunity. Likewise, I am pleased with the momentum we are building as we report record operating performance.

Group overview

Group net ticket sales grew to £4.3 billion, up 72% year on year (YoY), and 16% higher vs. FY2020 (Yo3Y).

Group revenue grew 74% YoY to £327 million, 25% higher Yo3Y, primarily driven by strong growth in net ticket sales, particularly in the UK Consumer and International Consumer business units which generate a higher rate of revenue as a percentage of net ticket sales than Trainline Solutions (on a pre-transaction fee basis).

Gross profit increased to £252 million, up 75% YoY and up 29% Yo3Y. Adjusted EBITDA increased to £86 million, from £39 million in the prior year.

Net ticket sales

£4.3bn

Revenue

£327m

Adjusted EBITDA

£86m

Basic earnings per share

4.5p

UK Consumer

Net ticket sales for UK Consumer were £2.8 billion, 55% higher YoY and 37% higher Yo3Y. This reflected the continued recovery in passenger volume and a significant step up in industry eticket usage (43% of industry sales in FY2023 vs 21% in FY2020), with our growth particularly strong in shorter distance and commuter travel.

However, the business faced temporary headwinds given ongoing rail strikes in the UK (£5-6 million average gross sales impact per strike day).

UK Consumer revenue of £172 million was up 58% YoY and 24% Yo3Y, driven by growth in net ticket sales. Gross profit increased to £122 million, a 59% increase YoY and a 21% increase Yo3Y.

Adjusted EBITDA contribution grew to £71 million, £34 million higher YoY and £15 million higher Yo3Y. This was despite the impact of rail strikes as well as a step up in marketing investment to £22 million (FY2022: £15 million; FY2020: £18 million) to attract new customers and support the rail industry recovery.



CFO's financial highlights continued

International Consumer

International Consumer net ticket sales of £915 million was up 125% YoY and 95% Yo3Y, driven by strong growth on routes where new carrier competition has emerged and from foreign travel.

Revenue grew 228% YoY and 121% Yo3Y to £45 million. This reflected net ticket sales growth and the step up in foreign travel, which typically generate higher revenue per sales transaction. Gross profit of £30 million was up 353% YoY and 152% Yo3Y.

While driving growth, our investment in the International Consumer business resulted in a negative EBITDA contribution of £(22) million (£(13) million in FY2022; £(15) million in FY2020). Our investment included a £21 million increase in marketing Yo3Y to £43 million, helping drive strong growth in customer acquisition and net ticket sales, and growing the size of our team to accelerate product innovation.

Trainline Solutions

Trainline Solutions net ticket sales grew 98% YoY to £597 million, though was 51% lower than FY2020 as business travel recovers more slowly.

Trainline Solutions revenue of £110 million was up 66% YoY and 8% Yo3Y, driven by recovering net ticket sales and higher internal transaction fees paid from UK Consumer and International Consumer, with both businesses significantly increasing net transactions. Gross profit of £100 million, up 65% YoY and 20% Yo3Y.

Adjusted EBITDA contribution stepped up to £37 million from £14 million in the prior year, primarily driven by the receipt of the internal transaction fee.

Operating profit

The Group reported an operating profit of £28 million versus a £10 million loss in the prior year, primarily reflecting:

- Adjusted EBITDA of £86 million (FY2022:£39 million)

- Depreciation and amortisation charges of £41 million, reflecting our continued investment in product and technology. This was slightly lower than prior year (FY2022: £43 million) given a reduction in amortisation of acquired intangible assets
- Share-based payment charges of £17 million vs £7 million in FY2022, reflecting the strengthening performance and increased size of the business, alongside a new, all-employee share incentive scheme

Profit after tax

Profit after tax was £21 million, versus a £12 million loss after tax in the prior year. Profit after tax reflected operating profit of £28 million, net finance charges of £6 million and a tax charge of £1 million.

	FY2023 £m	FY2022 £m	Change from PY %	FY2020 £m	Change from FY2020 %
Net ticket sales					
UK Consumer	2,811	1,812	55%	2,046	37%
International Consumer	915	407	125%	470	95%
Trainline Solutions	597	302	98%	1,211	(51%)
Total Group	4,323	2,520	72%	3,727	16%
Revenue					
UK Consumer	172	109	58%	139	24%
International Consumer	45	14	228%	20	121%
Trainline Solutions	110	66	66%	102	8%
Total Group	327	189	74%	261	25%
Group profit					
UK Consumer	122	77	59%	100	21%
International Consumer	30	7	353%	12	152%
Trainline Solutions	100	61	65%	84	20%
Total Group	252	144	75%	196	29%
Adjusted EBITDA	86	39	121%	85	1%
Operating (loss)/profit	28	(10)	–	2	–

CFO's financial highlights continued

Earnings per share (EPS)

Adjusted basic earnings per share was 7.7 pence versus a loss per share of 0.8 pence in the prior year. Adjusted basic earnings per share adjusts for exceptional one-off costs in the year (of which there were none), a gain on repurchase of convertible bonds, amortisation of acquired intangibles and share-based payment charges, together with the tax impact of these items. Basic earnings per share was 4.5 pence, versus a -2.5 pence loss in FY2022.

Outlook for FY2024

Following the significant impact of Covid-19 on rail travel, industry passenger volumes made a strong recovery across our core markets. However, this was not without some headwinds, including industrial action in the UK and France in FY2023 and some macroeconomic uncertainty, which has continued into FY2024. Despite these effects, Trainline expects continued strong growth in FY2024, following a positive start to the year:

- Net ticket sales growth in the range of +13 to +22%
- Revenue growth in the range of +13% to +22%
- Adj. EBITDA as a % of net ticket sales in the range of 2.15% to 2.25%

The Group's primary focus for International Consumer is to invest to grow net ticket sales and revenue. However, as the business unit grows, it should benefit from improved operating leverage. International Consumer's

Statement of financial position

	FY2023 £m	FY2022 £m	Change from PY %	FY2020 £m	Change from FY2020 %
Non-current assets	536	525	2%	557	(4%)
Cash and cash equivalents	57	68	(16%)	92	(39%)
Other current assets	60	50	20%	52	15%
Current liabilities	(213)	(233)	(9%)	(169)	26%
Non-current liabilities	(150)	(151)	(1%)	(159)	(6%)
Net assets & total equity	291	259	12%	373	(22%)

operating leverage should become more apparent in FY2024, with its adjusted EBITDA contribution to approach breakeven if excluding the internal transaction fee payable to Trainline Solutions (FY2023: £9 million adj. EBITDA loss excluding transaction fee).

Statement of financial position

Total net assets at the end of FY2023 were £291 million, an increase from £259 million in FY2022.

Net current liabilities decreased to £(95) million from £(114) million in FY2022. The decrease was predominantly due to a reduction in rail creditors, this balance was inflated at the end of FY2022 due to lower payments on account in February 2022 driven by the effects of Covid-19 in the prior year.

Non-current liabilities remained relatively flat at £150 million compared to £151 million in FY2022.

Net debt increased to £100 million at the end of February 2023 (1.2x Adj. EBITDA), from £90 million a year before, primarily driven by the reversal of the favourable working capital position at the end of FY2022, caused by lower payments on account in February 2022 driven by the effects of Covid-19 in the prior year.

Cash flow

Operating free cash flow was £8 million versus £166 million in FY2022. The prior year benefited from significant working capital inflows as the business recovered and returned to standard industry settlement terms. This more than offset the step up in adjusted EBITDA this year. Capital expenditure was £35 million, up from £29 million in the prior year as we increased our investment in the international opportunity.

During the first half the Group refinanced its revolving credit facility. The new £325 million facility was signed in July and can be drawn in cash or bank guarantees and provides the Group with flexible financing to cover its mid-term needs.

Peter Wood

Chief Financial Officer

4 May 2023

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 risks as set out on page 38 to 46 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 rate of net ticket sales growth and the associated revenue growth; the impact of further strikes in the rail sector; 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 whether the covenant requirements would be met in all applicable periods.

Sensitivities applied

The sensitivity scenarios applied were as follows:

Scenario 1

- Market-based sensitivity, based on a reduction of 15% of forecast EBITDA due to decreased sales arising from the impact of a number of factors such as train strikes and decreased consumer spending power

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; Technology operations and security; Competitive landscape; Regulatory and political environment; Supply and partnerships

Scenario 3

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

Link to principal risks: Technology operations and security; 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: Technology operations and security; 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.

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

Our risk management framework

At Trainline, risk management is an integral part of our culture and how we operate. Our Management Team takes an active role in managing risks throughout day-to-day operations, guided by the Board and the risk parameters set out as part of Trainline's strategic objectives.

The Group has a defined Enterprise Risk Management ('ERM') framework as well as a Risk Policy in place that jointly govern our risk management programme. The ERM framework formalises ownership of, and the process for identifying, assessing and responding to risks. Our risk management process and timelines allow for a timely and detailed reporting of the risks facing the Group.

Roles and responsibilities

The Trainline Board of Directors has ultimate responsibility for the risk management programme and internal controls. 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 also sets the tone for risk management, the culture, as well as the context for how decisions are made when evaluating risks. The Board is supported by the Group, through Trainline's Management Team and the Audit and Risk Committee to review, report on and manage risks. During our annual strategy planning process, all key risks facing the business are formally reviewed and assessed by the Board.

Oversight and governance

The oversight and governance of our risk management practices is summarised in the infographic opposite.

The Audit and Risk Committee is responsible for reviewing the effectiveness of Trainline's internal controls and risk management practices and for reporting relevant matters to the Board. The Committee ensures that Trainline's risk registers are comprehensive, timely updated and monitored, and communicated back to 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.

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.

Trainline's Internal Risk Committee ('IRC') serves as a forum for senior risk owners within the business to discuss the Group's risk landscape and mitigating activities. The IRC also identifies and discusses potential emerging risks facing the Group. The IRC reports regularly to the Audit and Risk Committee and the Board.

As our risk management is a continuous process, functional Risk and Control Owners are responsible for proactively raising and helping to assess risks. Risk and Control Owners participate in periodic risk workshops and, where required, may also be responsible for implementing risk mitigation strategies.



Principal risks and uncertainties continued

Risk appetite

Risk appetite measures how much risk exposure the organisation is willing to accept. We have defined risk appetite levels in our ERM framework which helps us make more informed decisions by consistently targeting priority areas across our risk landscape. Our risk appetite sits across a 5-level scale, namely 'Averse', 'Minimalist', 'Cautious', 'Open' and 'Hungry'. The selected level of risk appetite helps define and drive our risk mitigating actions and timelines.

Our risk appetite is outlined in our Risk Policy and is formally approved by the Audit and Risk Committee annually.

Risk assurance

Our risk assurance process is based on the 'Three Lines of Defence' model.

Day-to-day responsibility for risk management lies with functional Risk and Control Owners. The relevant management teams and risk committees provide second line guidance, oversight and challenge within the risk management process. Group Internal Audit delivers risk-based audits in the third line to provide independent assurance.

Our enterprise risks are formally assessed bi-annually as part of dedicated risk workshops held with responsible Risk and Control Owners across the business. These risk and control owners are leaders within functional teams with management and budgetary oversight. The risk workshops provide objective challenge around the completeness of the functional risk registers and help validate if risks are assessed and scored in line with the ERM framework. Risks are mapped to one of the Group's seven Principal

Risks, which allows for the aggregation of the risk scores and enables an initial, quantitative review of the risk landscape. We have a dedicated governance, risk and compliance software tool in place where all risks are logged, scored, assessed and reported on.

The IRC meets on a biannual basis to evaluate the consolidated results from the risk workshops. The IRC is chaired by the Group's CFO and is composed of senior risk owners with direct oversight of the Group's seven Principal Risks. The IRC is tasked to review, calibrate and map out the Group's risk landscape and may also provide additional improvement opportunities around the Group's risk management practices.

Emerging risks

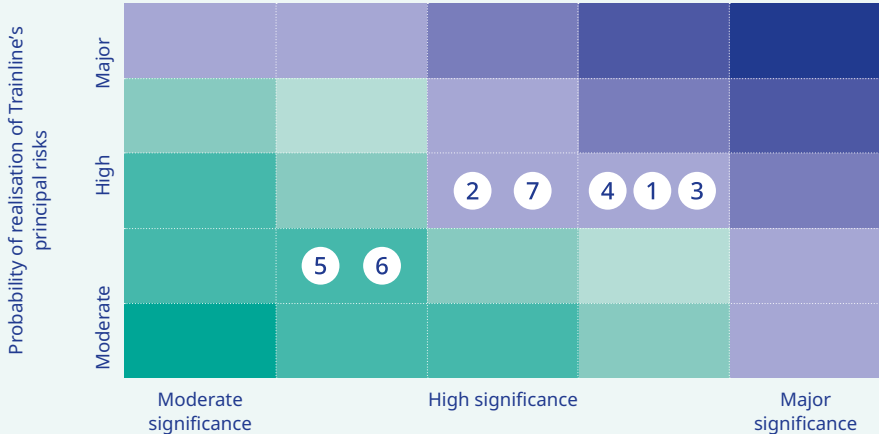
Other than Trainline's Principal Risks, the Board also considers potential emerging risks and their impact on our operations.

The current geopolitical uncertainties may have unforeseen impact on the political and economic climate in our principal markets. We continue to closely monitor emerging risks around legislative changes in the UK rail industry.

As a technology company, we are also faced with potentially more sophisticated cyber threats and continue to improve our security posture and business resilience.

Though we believe the Group is well positioned to take advantage of the increased push for sustainable travel, there are potential longer-term uncertainties around the climate-related legislative agenda. Further information on climate-related risks is available on page 54.

Principal risks heat map



Key

- 1 Regulatory and political environment
- 2 Market shock/economic disruption
- 3 Technology operations and security
- 4 Competitive landscape
- 5 People
- 6 Compliance
- 7 Supply and partnerships

Principal risks and uncertainties continued

1. Regulatory and political environment

Status: The UK operating environment continues to see the opportunities and risks being created by industry reform in the sector. Whilst some uncertainty remains, the new Secretary of State for Transport provided more clarity in his Bradshaw Address in February 2023 on the development of GBR as a central guiding mind. It was made clear that in the government's pursuit of a reform agenda, it expects a material enhancement of the role of the private sector including in the development of a competitive retail market to drive innovation. Trainline is already in the early stages of consultation dialogue with industry stakeholders in relation to these themes. We now have a fully-resourced and dedicated regulatory team in place for the European markets and have been more proactively engaging with relevant European Union (EU) institutions and stakeholders.

Description of risk	How we mitigate the risk	How we monitor the risk	Change
<p>Trainline's operations could be affected by policy and legislative changes enacted by governments and regulators.</p> <p>Our results and performance may be negatively impacted if unfavourable measures are implemented in our key operating markets.</p> <p>Link to strategic growth priorities:</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. As part of our expansion in new European markets, we have been more proactively engaging with key stakeholders at European Union institutions and Member State level. We have added the required regulatory expertise internally in key capitals. For more information on our regulatory landscape, see pages 16 and 17.</p> <p>Our regulatory engagement is coordinated with our overall communication and brand positioning to present a coherent message to our audiences and industry stakeholders, for example developing thought leadership in support of the 'I Came By Train' brand platform, which was strongly welcomed by the UK government. We continue to engage with rail industry stakeholders across UK and EU markets through networking, organising and sponsoring industry events and knowledge-sharing e.g., our proprietary data insights.</p> <p>Through doing this, we ensure that Trainline's external operating environment remains as supportive as possible of our ambitions.</p>	<ul style="list-style-type: none"> Programmatic engagement with key industry partners and government representatives with monitoring of sentiment shifts. Our regulatory team in the EU follows our engagement framework and approach developed in the UK By utilising systematic monitoring processes and in close cooperation with our in-country legal advisers in the EU, we track changes to laws and regulations across key geographies in which we operate We undertake comprehensive risk analysis and modelling, both in-house and through specialist consultancies We monitor public sentiment and trends via polling, focus groups and other methods 	

Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions



Increase



Decrease




Remains the same

Principal risks and uncertainties continued

2. Market shock/economic disruption

Status: As the impact of Covid-19 has reduced across our markets, we have now consolidated the previously separate 'Prolonged Covid-19 risk' under this principal risk. The current geopolitical uncertainties, inflationary pressures and the cost-of-living crisis in our principal markets in the UK and the EU may continue to negatively impact our customers and therefore our financial performance. The preponderance of rail strikes across our major markets, especially the UK, may add additional disruption to our operations and could slow the post-Covid recovery of rail travel.

Description of risk	How we mitigate the risk	How we monitor the risk	Change
<p>Though Trainline is not significantly exposed to inflation and interest spikes directly, adverse economic conditions may impact the spending power of our customers and may therefore affect our financial results.</p> <p>Significant geopolitical events or disruptions in our markets (e.g., rail strikes) could damage our operational results and profitability.</p> <p>Link to strategic growth priorities:</p> <div>    </div>	<p>The Executive Team continues to closely monitor and assess the potential impact of geopolitical trends and macroeconomic pressures on the business. Detailed and timely metrics are in place around customer and corporate travel spend and trends.</p> <p>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. As part of our robust strategic planning and budgeting cycles, we continue to monitor and strengthen our balance sheet to improve resilience.</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"> Monitoring of financial and investment markets Investor engagement Engagement with banking and finance partners Monitoring of our credit rating Analysis of industry, economic and financial drivers Balance sheet reviews and analytics 	

Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions



Increase



Decrease





Remains the same

Principal risks and uncertainties continued

3. Technology operations and security

Status: As an online retailing platform, our operations depend on the uptime, availability and security of our technology infrastructure, systems and key third-party relationships. Significant disruption in service, including potential security breaches, could significantly impact our business, financial results and reputation. The fast-moving nature of security and cyber risks as well as increasing data privacy concerns mean that Trainline will always face a level of vulnerability. We have expanded the scope of this risk from the previous 'Information Security and Cybercrime' principal risk.

Description of risk	How we mitigate the risk	How we monitor the risk	Change
<p>As an online retailing platform, our operations depend on the uptime, availability and security of our technology infrastructure and systems. Significant disruptions to our products and services, including potential security incidents, could significantly impact our financial results and reputation.</p> <p>As we work closely with key third-party technology service providers, a potential failure or outage at these providers may reverberate across our systems infrastructure and product portfolio.</p> <p>Any potential loss or compromise of our critical customer data may also lead to significant financial penalties, and a loss of employee and customer confidence.</p> <p>Link to strategic growth priorities:</p> 	<p>Our Infrastructure and Operations teams have a formal Major Incident Management framework in place, including an 'on-call' rota to provide continuous monitoring coverage over our key systems, infrastructure and mission-critical processes. Our 'Cloud First' strategy helps mitigate this risk.</p> <p>Our Infrastructure and Platform operations jointly with our Security practice continue to regularly review critical third-party technology providers to assess service levels, resilience and security.</p> <p>The Group's cross-functional Security and Privacy Steering Committee regularly reviews and monitors existing and emerging security threats as well as our current mitigation strategies. The committee, including the Data Privacy Officer ('DPO') also discusses privacy matters to confirm that we continue to adhere to data privacy regulations across our markets.</p> <p>All new Trainline employees are required to complete a cyber security and privacy-related training course as part of their onboarding. The Chief Information Security Officer ('CISO'), Security and Privacy teams provide additional periodic and, if required, targeted training to Trainline employees to upskill and ensure good practices are followed.</p> <p>Trainline is certified PCI Level 1 compliant. We have been awarded the ISO 22301 certification and are in the process of obtaining ISO 27001 for the business. These international standards around business resilience and information systems management, respectively, require us to continuously monitor, review and improve the relevant controls and practices.</p> <p>For more information on our technology, see pages 22 and 23.</p>	<ul style="list-style-type: none"> On-call technical teams as part of the Major Incident Management framework Regular, independent review of detection and prevention systems/process operating effectiveness and remedial activity Our dedicated Data Privacy team works across the business to continue to monitor and advise on the use and treatment of personally identifiable information Annual targeted threat assessments Threat and vulnerability monitoring by cross-functional, executive-level committees 	

Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions



Increase



Decrease




Remains the same

Principal risks and uncertainties continued

4. 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. As we expand our footprint in European markets, we continue to localise our branding strategies and product offering and add local marketing and branding expertise. We have successfully launched our 'I Came By Train' brand platform in the UK. We closely monitor our markets and proactively manage our product portfolio.

Description of risk	How we mitigate the risk	How we monitor the risk	Change
<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>As part of our international expansion in Europe, we undertake targeted branding and marketing activities. If these campaigns were to be unsuccessful, our long-term expansion and growth strategy may be at risk.</p> <p>Failure to ensure that our technology and user experience meet the needs of our customers and that Trainline's offering remains ahead of competitor products could have an adverse impact on our results.</p>	<p>Our leadership team, our exceptional team of c.500 engineers, data and technology specialists, strong industry networks and agile way of working help ensure that we remain innovative.</p> <p>We undertake regular customer, market and competitor analyses to identify and assess potential competitive threats and opportunities. We continue to closely monitor entrants in the 'Mobility as a Service' market and, if deemed to be the right strategic fit, may consider potential partnership opportunities.</p> <p>As part of our mission to grow awareness of the sustainability of rail travel compared to car and air, and ultimately to grow the rail industry, we launched the 'I Came By Train' brand platform in the UK. Specific brand awareness campaigns have been launched in France, Italy and Spain. We have also expanded our teams in these markets to provide local know-how and expertise. For more information on the 'I Came By Train' brand platform, please see page 10.</p> <p>We have a robust and well-defined product strategy and roadmap that aims to address evolving customer trends. We have plans to trial and launch industry-leading contactless ticketing capabilities within our mobile application.</p>	<ul style="list-style-type: none"> Monitoring and analysis of competitor behaviour and industry landscape Clearly defined performance indicators to monitor customer statistics and customer lifetime value Robust and data-driven branding and marketing programmes designed to support strategic objectives 	

Link to strategic growth priorities:



Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions



Increase



Decrease





Remains the same

Principal risks and uncertainties continued

5. People

Status: As a fast-growing technology business, attracting and retaining the best talent is a critical element of our strategy. Even with the recent wave of redundancies at large global technology businesses, the technology talent market remains competitive. Our technology hub in Barcelona, Spain with a dedicated team of c.35 engineers and developers is now fully operational.

Description of risk	How we mitigate the risk	How we monitor the risk	Change
<p>Trainline's business depends on hiring and retaining first-class talent in the highly competitive technology industry. Inability to attract and retain critical skills and capabilities could hinder our ability to deliver on our strategic objectives.</p> <p>Link to strategic growth priorities:</p> 	<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 our key markets, in particular our Engineering, Data, Marketing, Industry and Government Relations teams.</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>We have launched an ambitious programme as part of which each Trainliner was awarded Trainline shares. In light of the cost-of-living crisis, we have also provided a one-off payment to all Trainliners, excluding our Executive Leadership team.</p> <p>The implementation of a new, dedicated recruiting, onboarding and talent management system enables us to more proactively manage our engagement with potential candidates and with current Trainliners.</p> <p>For more information on our people and culture, please see page 47.</p>	<ul style="list-style-type: none"> We conduct regular employee engagement surveys ('Have Your Say'), monitor and act on employee feedback Regretted attrition rate monitoring External benchmarking 	

Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions



Increase



Decrease





Remains the same

Principal risks and uncertainties continued

6. Compliance

Status: The Group has maintained its focus on compliance and has continued to recruit, train and deploy legal professionals in our key markets in the UK and the EU. We have continued to proactively provide relevant compliance training and refreshers to Trainliners.

Description of risk	How we mitigate the risk	How we monitor the risk	Change
<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 Group's ability to conduct business operations and its reputation with customers.</p> <p>Link to strategic growth priorities:</p> 	<p>We take a comprehensive and robust approach to compliance. We have dedicated staff and teams in place, who help to track and monitor legal, contractual and regulatory compliance requirements in each market where we operate.</p> <p>We have dedicated learning resources and courses in place for training on compliance topics. Security, privacy and data, as well as corporate hospitality, bribery, gifting and political and charitable donation-related compliance trainings are mandatory. We also ensure that additional training is provided to team members relative to their roles. We run refresher training to reinforce our commitment to compliance.</p> <p>We operate a whistleblowing policy, whereby any Trainline employee can quickly and confidentially raise concerns and feedback through an appropriate, third-party hotline/email. All reported cases are formally investigated and reported on to Trainline's Audit and Risk Committee.</p> <p>Trainline is committed to being a responsible taxpayer acting in a transparent manner. Our detailed tax strategy includes further transparency on our approach to risk management, compliance and governance, as approved by the Board.</p> <p>Under our licence obligations and other regulatory requirements, we are subject to regular or ad hoc third-party compliance reviews. The results of these reviews are formally communicated to the Audit and Risk Committee.</p>	<ul style="list-style-type: none"> Regular assessment of laws and regulations across key geographies in which we operate Monitoring of customer, industry and Board concerns Audit and Risk Committee reviews of compliance processes Formal review and assessment of whistleblowing cases received 	

Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions



Increase



Decrease



Remains the same

Principal risks and uncertainties continued

7. Supply and partnerships

Status: The successful execution of our strategy is reliant upon retaining existing licences and commercial agreements with our rail and coach operating partners, and continuing to add new carriers to our network. Access to secure, reliable and timely data from our carrier partners remains a critical element in our operating model.

Description of risk	How we mitigate the risk	How we monitor the risk	Change
<p>Trainline retails rail and coach tickets across many countries and to customers across the world. We therefore rely on secure, reliable and timely data from our rail and coach carrier partners.</p> <p>A unilateral termination or amendment by a rail or coach carrier of the contractual and licence terms, including a significant reduction in our commissions or the availability of timely carrier data, would have a material impact on our operations and financial results.</p>	<p>We have dedicated senior carrier relationship teams in place in the UK and the EU, who are closely engaged with our rail and coach operating partners across all geographies in which we operate.</p> <p>In cooperation with our Regulatory and Industry Relations teams, we work closely with key governmental, trade and rail industry bodies across our key markets.</p>	<ul style="list-style-type: none">Long-standing relationships with key rail industry stakeholders and with our carrier partnersHighly experienced Supply and Government Relations teams in the UK and EU, responsible for monitoring and responding to the needs of our partners, as well as identifying new supply opportunities	

Link to strategic growth priorities:



Our People and Culture

Our People are at the heart of our business

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

c.950
Employees

60
Nationalities

c.500
Engineers, data and tech specialists

123
Promotions

We have continued growing and developing our team, cementing Trainline as a tech hub in Barcelona and as a leading employer of technology talent in London with an offer acceptance of over 84%. We have also seen the benefit of our continued focus on our People with our employee engagement score increasing to 74% and an attrition rate of 18%.

Diversity and Inclusion

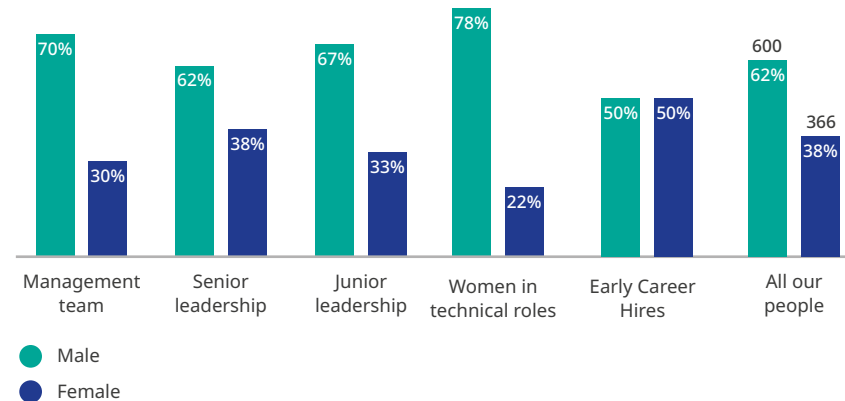
Our approach to diversity, inclusion and belonging focuses on removing barriers, creating connections and being a place where everyone can belong and thrive. We have formed a Diversity and Inclusion Steering Committee with members of our Employee Networks, Management Team and People Team who meet quarterly to discuss progress against our diversity and inclusion KPIs.

Ethnicity

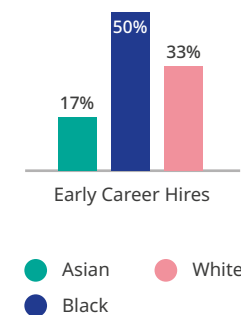
Percentage of Early Career Hires identifying as an ethnic minority is 67%.[Ⓐ] We will continue to encourage our People to voluntarily share their ethnicity with us so that they can all belong and thrive at Trainline. At this time we do not have sufficient data to give a meaningful disclosure on our other groups.

Diversity

Gender



Ethnicity of Early Career Hires^{1,2}



1 Percentage of Early Career Hires identifying as an ethnic minority is 67%.[Ⓐ] This metric was subject to external independent limited assurance procedures by PricewaterhouseCoopers LLP ("PwC"). For the results of that assurance, see PwC's assurance report: <https://www.trainlinegroup.com/FY2023ethnicityassurance> and Trainline's FY2023 Ethnicity Reporting Criteria: <https://www.trainlinegroup.com/FY2023ethnicity>

2 Early career hires are the members of our apprentice programme. Ethnic minority is defined as those who identify as Asian, Black, Mixed or Other. In the current reporting period the population of Early Career Hires is twelve. Six Early Career Hires responded to the ethnicity survey by 18 April 2023 to voluntarily disclose their ethnicity but the other six Early Career Hires did not and are not therefore included in this metric. Ethnicity data is provided by our People on a voluntary basis and is therefore indicative only of those who voluntarily disclosed their ethnicity as defined in the UK Government agreed list of ethnic groups which is available here: <https://www.ethnicity-facts-figures.service.gov.uk/style-guide/ethnic-groups>

Our People and culture



Think Big

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.



Our first ever Trainline Hackathon was one of the highlights of the year with hundreds of our People coming together to explore and build innovative new features and infrastructural improvements to our tech and product. A few of these have since been launched, and more are on the roadmap – I couldn't be prouder of what the team delivered in such a short time"

Milena Nikolic, Chief Technology Officer

First Trainline Hackathon

This year we hosted our first ever Hackathon, with our teams coming together over 48 hours to work on exciting ideas that could have a big impact for our customers and Trainline, for example, our 'Where Next' feature which enables customers to search for a destination door-to-door and includes VoiceOver support to provide accessibility for those with impaired vision.

Learning festival

Another first this year was our learning festival. A series of workshops, panels and networking opportunities available to all our People, focused on equipping individuals with the skills and knowledge they need to take ownership of their careers and achieve their goals.

Tech Summit

Our annual Tech Summit featured presentations from our People and external experts on all things tech, product and data. Through a series of talks, panels and workshops, our teams shared their knowledge and experiences, inspiring each other to grow professionally. This year we also introduced 'unconference' sessions, giving our People the opportunity to climb into the driving seat and steer conversations around the things that matter most to them, covering everything from technology to career development.

Our People and culture



Own it

High performance culture

We have continued to integrate Objectives and Key Results ('OKRs') as our goal setting methodology, helping our People and teams stay connected and aligned to our business objectives. In turn this allows our People to track how they are contributing to our success, increasing job satisfaction and engagement, which is key to the execution of our strategy.

Growing a career

Career opportunities have been a particular focus this year, acting upon feedback from our People in our employee engagement survey. We are launching Career Pathways across Trainline to provide our People with transparency regarding the skills and behaviours needed to progress, identify where they are now and the actions they need to take, empowering them to take ownership of their career.

Supporting our managers

Our New Manager accelerator programme continues to set newly hired or promoted managers up for success through coaching from our experienced Management Team.

This year we also launched LEAD, our new manager capability programme designed to give managers the skills and expertise they need to lead their teams, and partnered with a leading training provider to deliver skills workshops.

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.



Since joining Trainline in early 2018, I've had five roles all within the SEO team, before achieving the Head of SEO promotion in April 2022 where I now lead the SEO team. I see five key components in my journey so far; having multiple mentors, building personal development plans to uncover learning areas at each stage, continually asking for feedback, supportive managers, and a culture of growth. It's a testament to the culture at Trainline that I've been able to progress my career here year after year"

Dave Lewis, Head of SEO

Our People and culture



Do Good

Greener workplaces

Reducing the environmental impact of our offices has been a continued focus for us. Our office suppliers are continuously reviewed and updated in line with our rising sustainability standards, and in FY2023 we've launched initiatives across our offices to reduce water usage, electrical consumption and waste production.

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 180 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.

Communication and engagement

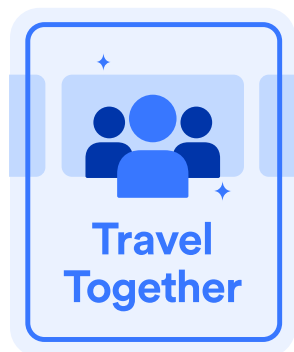
Our sustainability-led purpose continues to be at the forefront of regular communications with our People and inspires our programme of sustainability-focussed events. This included our Do Good Week in November 2022, which was dedicated to bringing our purpose to life and putting our Do Good value into action to benefit our local communities through food bank collections and volunteering events supporting homeless charities, vulnerable mothers and children and more.



Our people are inspired by our purpose-led culture and energised by each other. I couldn't be more proud of our ability to attract world-class talent, retain our existing talent and drive engagement, delivering business growth whilst also doing good for our planet"

Lisa Hillier, Chief People Officer

Our People and culture



Travel Together

TrainFest

For the first time since Covid-19 we brought all our People together from all locations for our TrainFest event in order to celebrate our history, grow connections with each other, the business and our customers; and inspire our teams for the journey ahead.

The event also gave us the opportunity to celebrate our high-performing People through our biannual Trainliner Awards. These awards recognise people who have gone above and beyond, and been true role models of our values.

Cost-of-living support

To help our People with rising living costs, we gave all employees, excluding our Management Team, a £2,000 cost-of-living bonus, had a money saving expert lead a session on making money go further and offered support to those whose mental health has been challenged.

The Management Team did not receive the cost-of-living award and instead Trainline donated the equivalent amount to the Trussell Trust to give food banks some much needed support in helping to provide essential supplies to people in need.

Hiring

Our recruitment team has received training in inclusive candidate sourcing, we utilise diversity and inclusion applicant surveys to help us understand more about the people who apply to roles and we are committed to gender-balanced shortlists for all leadership positions.

Gender equality

Our efforts to improve female representation in tech continue to make progress with female senior leadership representation at Trainline rising 10% during the year.

We take part in events to help us attract more women to apply for roles at Trainline, including Athena Hack and Women of Silicon Roundabout, where our Chief Technology Officer, Milena Nikolic, was a keynote speaker.

Our Women's Leadership Network hosts informal networking lunches with our Gender Equality Network to share their experience of working at Trainline.

Family friendly

Family friendly policies that are both supportive and competitive help us increase diversity and inclusivity and attract and retain talent. This year we enhanced our primary caregiver, fertility and baby loss policies to provide even greater support.

Inclusive foundations

We have developed new Group policies to ensure all our People know what is expected of them in creating an inclusive environment for all, including a transgender inclusion policy with gender neutral bathrooms provided in our London office.

Early careers

We provide early career opportunities to a diverse group of young people from underrepresented communities, this year growing our apprenticeship programme by 33%. Alongside their formal apprenticeship programme in partnership with Multiverse, they take part in an internal development programme and meet quarterly with our Management Team.

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.

TCFD and SASB disclosures

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

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. Trainline is a supporter of TCFD.

Due to the nature of our business, Trainline has inherently lower direct carbon emissions compared to other business sectors with a significant proportion of our greenhouse gas ('GHG') emissions arising from the use of third-party cloud computing services and digital marketing. We have limited ability to influence the emissions created by these third parties but we actively engage with our

largest suppliers to encourage transparent emissions reporting and the transition to renewable energy sources and we welcome the progress being made by our suppliers in achieving their carbon emission reduction targets. Whilst the GHG emissions we have direct control over, from the operation of our office spaces, are not substantial, we have continued to take steps during the year to reduce them and are developing plans to accelerate this reduction.

TCFD Compliance Statement

We have set out below our climate-related financial disclosures that are consistent with all four themes 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 continued to take steps to reduce the environmental impact of our workplaces during the year including:

- switching to more sustainable suppliers and more efficiently organising deliveries;
- transitioning the Paris office to LED lighting; and
- increasing the office infrastructure that is switched off outside of working hours.

Infrastructure

Our extensive use of cloud computing services is more environmentally sustainable, up to five times 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.

TCFD and SASB disclosures continued

Governance

Our governance for climate-related risks and opportunities:

TCFD recommendation	How we apply the recommendation	
Describe the Board's oversight of climate-related risks and opportunities	<p>The Board is ultimately responsible for Trainline's strategy and approach to climate-related risks and opportunities and is particularly focused on the steps we can take to promote the sustainability of rail and the implementation of the sustainability strategy.</p> <p>During the year the Board received updates on the execution of our sustainability strategy, the implementation of sustainability elements into our products, and the progress made to leverage the opportunities arising from the transition to a lower-carbon economy.</p>	
Describe management's role in assessing and managing climate-related risks and opportunities	<p>The CEO is ultimately responsible for delivering Trainline's sustainability strategy and reports to the Board on sustainability matters.</p> <p>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.</p>	<p>The Board also monitored Trainline's climate-related risks, and the continued importance of sustainability to our stakeholders and their particular focuses. Updates on these matters will continue to form part of the Board's annual agenda to enable it to monitor and oversee progress.</p> <p>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.</p> <p>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.</p>

Strategy

Our climate-related risks and opportunities:

TCFD recommendation	How we apply the recommendation	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	<p>Transport is the largest emitting sector of GHG emissions in the UK and the second largest in the EU. 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 pages 8 and 9.</p> <p>The Committee has identified and considered a number of climate-related risks that are relevant to Trainline, in particular:</p> <p>Short-term (0-5 years)</p> <ul style="list-style-type: none">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 (<1% of annual revenue), however, we recognise the need to continually monitor developments in this area to ensure we remain compliant.	
	<ul style="list-style-type: none">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.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.	

TCFD and SASB disclosures continued

Strategy continued

TCFD recommendation

How we apply the recommendation

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term (continued)

Medium-term (5-10 years)

- 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.

Long-term (10+ years)

- 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.

Long-term (10+ years) continued

- Industry policies, particularly relating to the handling of physical tickets for processing refunds, could also be disrupted should an extreme weather event impact postal services or our Edinburgh office. However, we are well placed to mitigate these risks due to the declining use of paper tickets and our investment in simple automated processes that are available to our customers in our app and website.

The above risks were included in the FY2023 risk management process. All were assessed to have no material potential financial impact (<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.

Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

Our purpose is anchored in environmental sustainability and as a result climate-related risks and opportunities potentially impact all areas of our business. During FY2023 this included:

- supporting the launch of I came by train, a campaign designed to encourage modal shift and generate interest in switching one journey per year from plane or car to train;
- continuing to make green product features and content more accessible and transparent on our platform;

- retaining sustainability as one of our Objectives and Key Results; and
- using our brand recognition to champion rail as the future of sustainable travel.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

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.

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.

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 partially mitigated by our investment in simple automated processes that are available to our customers in our app and website.

TCFD and SASB disclosures continued

Risk management

Our risk management process for climate-related risks:

TCFD recommendation	How we apply the recommendation	
Describe the organisation's process for identifying and assessing climate-related risks	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.
Describe the organisation's process for managing climate-related risks	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.	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.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	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.	More detail on our risk management framework is available on page 38.

Metrics and targets

Our climate-related metrics and targets:

TCFD recommendation	How we apply the recommendation	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Our ability to meet our net zero commitment is partly dependent on European governments and 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 and Google's commitment to operate on carbon-free energy by 2030.	Whilst our ability to influence our suppliers is limited, we actively engage with our largest suppliers to encourage transparent emissions reporting in accordance with our supplier code of conduct and welcome the progress they are making towards their carbon emission reduction targets. During FY2023, we have worked with some of our top suppliers to more accurately model our digital marketing emissions, which represent c.20% of our Scope 3 purchased goods and services emissions, and are collaborating with them on our SBTi application.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks	This is Trainline's fourth 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.	During FY2023, we modelled both our near-term and long-term science based targets and created a robust reduction strategy which we intend to submit to the SBTi in 2023. We are in the process of independently assuring our FY2023 Scope 3 greenhouse gas inventory and we intend to publish this on our investor relations site during FY2024.

TCFD and SASB disclosures continued

SECR global GHG emissions and energy use data

	Current reporting year FY2023		Previous reporting year FY2022	
	UK	Global	UK	Global
Emissions from activities which the company owns or controls including combustion of fuel & operation of facilities (Scope 1)/tCO ₂ e	111.27	–	59.12	–
Emissions from the purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location-based)/tCO ₂ e	213.10	2.94	169.40	3.71
Emissions from the purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, market-based)/tCO ₂ e	–	3.49	–	–
Total gross Scope 1 & Scope 2 emissions/tCO ₂ e	324.37	2.94	228.52	3.71
Total energy consumption used to calculate emissions in kWh	1,711,514	71,842	1,118,451	69,334
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above/m ² of office space	0.05	0.002	0.05	0.002
Intensity ratio: tCO ₂ e gross figure based from mandatory fields above/FTE	0.40	0.02	0.35	0.07

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 are in the process of independently assuring our FY2023 Scope 3 greenhouse gas inventory and we intend to publish this on our investor relations site during FY2024.

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. Trainline has 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 2022 and the IEA Emissions Factors 2022.

The sum of all emissions included within this report are for the reporting period 1 March 2022 to 28 Feb 2023.

The Scope 1 and Scope 2 emissions for FY2023 have been independently assured.

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 previous years' reported data or calculated using best available benchmarks for office environmental benchmarks.

Energy efficiency actions: See page 52 for an overview of the actions we have taken during the reporting period 1 March 2022 to 28 February 2023.

TCFD and SASB disclosures continued

Sustainability Accounting Standards Board ('SASB') Disclosures

SASB Index 2023

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 FY2023.

SASB Accounting Metric	SASB code	Trainline Disclosure
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-IM-130a.1	1) Electricity: 1,173,804kWh, Gas: 609,552kWh; 2) 66%; and 3) 62%.
(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) 13,459m3; 2) Trainline does not track where water is withdrawn.
Discussion of the integration of environmental considerations into strategic planning for data centre 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 behavioural 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 information security and privacy, including the Data Protection Officer. In order to prepare for and respond to information security 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.
Entity-defined measure of user activity	TC-IM-000.A	We disclose our Net Ticket Sales on page 1.

TCFD and 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) 568 (1,305 in FY2022). 2) Trainline does not track this metric. 3) Trainline complies with 100% of 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 had no personal data breaches that have met the formal threshold for notification to regulatory bodies in this last 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 DSS security standards. The Company has a Chief Information Security Officer who oversees dedicated teams responsible for information security and privacy, including the Data Protection Officer. For more information see page 42.
Percentage of employees that are foreign nationals	TC-IM-330a.1	7% of all employees (5% in FY2022). 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 87% of respondents noted that they were proud to work at Trainline (FY2022: 83%). Our overall engagement score increased to 74% (65% in FY2022)
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-IM-330a.3	We disclose this on page 47. Trainline has chosen not to disclose racial/ethnic group representation metrics for FY2023 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 behaviour 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.







Stakeholder engagement & section 172 statement

Stakeholder engagement

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

Through timely and proactive engagement with our stakeholders, we aim to provide the best possible experience for our customers, support and promote the industry and generate sustainable value and growth in our business.

The following 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	What is important to them	Engagement	Board engagement
<p>1. Our customers</p> <p>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.</p> <p>Link to strategic growth priorities:</p> <div></div>	<p>Accessing the latest information on their planned journey and understanding its environmental impact.</p> <p>Finding the cheapest, fastest and most convenient tickets for their journeys, saving them money, time and hassle.</p> <p>A secure, reliable and robust product experience.</p> <p>Greater accessibility to more sustainable modes of transport.</p>	<p>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.</p> <p>We also undertake targeted research to better understand specific issues and markets.</p> <p>All this helps Trainline continue to be Europe's leading independent rail platform with a 4.9/5 star app rating.</p>	<p>The Board are active users of Trainline and also receive regular updates on our customers, in particular:</p> <ul style="list-style-type: none">• their needs and key trends as they feel the impact of the rising cost of living and changes in work habits; and• the successes and learnings from new products and features that we launch.

Key



Enhancing the customer experience



Build demand





Increase customer lifetime value



Growing Trainline Partner Solutions

Stakeholder engagement & section 172 statement continued

Our key stakeholders and their significance	What is important to them	Engagement	Board engagement
<p>2. Our carrier partners</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>Link to strategic growth priorities:</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>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 FY2023, we have been especially focused on:</p> <ul style="list-style-type: none"> integrating new entrants to European markets into our product; aligning closely on the impact of strike action and using our expertise to help provide information to rail passengers; and finalising the migration of our white label partners to Platform One. 	<p>The Board receives regular updates on our carrier partners and the recovery of the rail industry. During the year these updates included:</p> <ul style="list-style-type: none"> the actions taken to align with them on supporting rail passengers during strikes; and how Trainline has supported new rail entrants in FY2023 as they launched their services.
<p>3. Government and regulators</p> <p>Government and regulatory policy determine much of the business environment in which Trainline operates.</p> <p>Link to strategic growth priorities:</p> 	<p>The recovery of the rail industry and the implementation of their respective priorities.</p> <p>The reduction in carbon emissions, by increasing modal shift to rail from other less environmentally-friendly travel modes.</p>	<p>Trainline regularly 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"> engaging on GBR industry reform; participating in EU consultations on increasing rail use and encouraging modal shift from cars and planes in Europe; and engaging with EU competition authorities and regulators on the opening-up of rail retail markets. 	<p>The Board receives updates on engagement with governments and regulators, in particular:</p> <ul style="list-style-type: none"> the development of GBR industry reform; and the progress made on providing insights to help solve industry problems.

Key



Enhancing the customer experience



Build demand





Increase customer lifetime value



Growing Trainline Partner Solutions

Stakeholder engagement & section 172 statement continued

Our key stakeholders and their significance	What is important to them	Engagement	Board engagement
<p>4. Our people</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>Link to strategic growth priorities:</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>Work/life balance.</p> <p>The opportunity to share in the success of the business.</p>	<p>We regularly bring together all our people across all our offices 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 recent business performance.</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>The Board receives regular updates on our people and culture, in particular:</p> <ul style="list-style-type: none"> the results of our Group-wide engagement surveys and progress made against our People strategy; and the actions taken during the year to support our People with the rising cost of living. <p>During FY2023, the Board also visited our Paris office and met with the local team to help further develop its understanding of our European business.</p>
<p>5. Our shareholders</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>Link to strategic growth priorities:</p> 	<p>Understanding the strategy and operations of the Group.</p> <p>Financial performance and commercial success.</p> <p>Understanding the exposure to macroeconomic 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>The Investor Relations Team, Executives and Board members have continued to meet regularly with investors via calls, conferences and roadshows.</p> <p>We also hosted a presentation and Q&A on how Trainline's product innovation enhances the customer experience to help investors better understand Trainline's business.</p>	<p>The Board receives regular updates on our shareholders, which typically focus on:</p> <ul style="list-style-type: none"> investor sentiment on Trainline and the industry; and the key areas of focus in meetings. <p>Members of the Board have also engaged directly with investors during the year to discuss matters relevant to their role.</p>

Key



Enhancing the customer experience



Build demand



Increase customer lifetime value



Growing Trainline Partner Solutions

Stakeholder engagement & section 172 statement continued**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 not every decision made will 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 on page 68 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.

Non-financial and sustainability 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
Business model	N/A	Our business model	18 to 21
Non-financial KPIs	N/A	Key performance indicators	33
Principal risks	Trainline risk management process	Principal risks and uncertainties	38
Environmental matters	Environmental policy	Market overview	11
		Sustainability	8 to 9
		Global GHG emissions & data	56
Human rights	Human rights policy	Principal risks and uncertainties	44
		Stakeholder engagement	61
Our people	Trainline staff handbook and accompanying policies and procedures	Principal risks and uncertainties	44
		Our people and culture	47 to 51
		Stakeholder engagement	61
Social matters	N/A	Sustainability	8 to 10
		Our people and culture	47
Anti-corruption and anti-bribery	Anti-bribery and corruption policy	Principal risks and uncertainties	45
		Report of the Audit and Risk Committee	75

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
4 May 2023

Chair's governance statement

On behalf of the Board, I am pleased to provide an overview of our activities during the year.



Execution of our strategy has been the focus for the Board during the year, in particular monitoring that our International growth plan is performing well, that we continue to grow and support our UK business and that Trainline continues to innovate for the benefit of its customers.

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.

Our visit to Trainline's Paris office was a great success which provided the Board with invaluable insight into our local team and the French rail market.

Board leadership

I am delighted that Rakhi and Pete have joined the Board. Pete was the standout candidate for the CFO role, his deep knowledge of the business as a result of his seven years at Trainline in senior finance roles provides strong continuity in how we execute against our strategy and engage with key stakeholders, all of which will be vital in achieving Trainline's ambitious growth plans.

In addition, Rakhi's considerable expertise in customer experience and innovation at high growth tech businesses brings valuable skills and knowledge to the Board and its Committees.

I would like to once again convey mine and the Board's thanks to Shaun McCabe and Kjersti Wiklund for their service to Trainline.

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 and I am pleased we are starting to see the results as we grow female representation.

As Chair, I continue to be focused on ensuring that the Board aligns with the upcoming Listing Rules changes on Board diversity whilst being considerate of the relatively short tenure of our Non-executive Directors since our IPO in 2019. We have taken steps, as we disclosed last year, to address diversity on the Board, and I am pleased our approach to maximising the opportunity to make appointments that allow the Board to reflect the diversity at Trainline and in the wider community is bearing fruit.

Annual General Meeting

We will be holding our AGM on 29 June at 1 Tanfield, Edinburgh EH3 5DA, Trainline's Edinburgh office. This will be the first opportunity for shareholders to meet the Board outside of London and I encourage you to attend and take advantage of this chance to ask questions.

Brian McBride
Chair
4 May 2023

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 purpose 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 composed 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

Governance structure continued

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 delivers 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.

Board of Directors



Brian McBride
Chair

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

Brian is President of the CBI, a Senior Adviser to Scottish Equity Partners and Lead Non-executive Director on the Defence Board of the UK Ministry of Defence. Brian is stepping down as a non-executive Director at ABRDN plc on 10 May 2023.

Skills, knowledge and experience:

1 2 3 4 5 6 7 8

Committees: N



Jody Ford
Executive Director and
Chief Executive Officer

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

Skills, knowledge and experience:

1 2 3 4 5 6 7 8



Pete Wood
Executive Director and
Chief Financial Officer

Skills and experience

Pete joined Trainline in February 2015, becoming CFO in December 2022. Prior to this he served as VP Finance leading financial control, planning and analysis, and had a central role in engagement with industry and regulatory stakeholders. Pete also played a key role in the IPO. Prior to Trainline he spent nine years at eBay both as a finance leader and in various commercial roles. Pete holds a Master's degree in Engineering from the University of Cambridge.

Other appointments

None

Skills, knowledge and experience:

1 2 3 5 6 7 8



Jennifer Duvalier
Senior Independent
Non-executive Director

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.

Skills, knowledge and experience:

1 2 4 5 6 8

Committees: N AR R

Key

- AR Audit and Risk Committee member
- R Remuneration Committee member
- N Nomination Committee member
- Denotes Committee Chair

Skills, knowledge and experience

- 1 High-growth business
- 2 Digital & ecommerce
- 3 Government and regulatory
- 4 People
- 5 Operations
- 6 Technology
- 7 Finance
- 8 Risk management

Attendance during the financial year

Board member	Meetings
Brian McBride	9/9
Jody Ford	9/9
Pete Wood ¹	2/2
Jennifer Duvalier	9/9
Rakhi Goss-Custard ²	6/6
Andy Phillipps	9/9
Duncan Tatton-Brown	9/9
Shaun McCabe ³	4/4
Kjersti Wiklund ⁴	2/2

- 1 Joined the Board on 16 December 2022.
- 2 Joined the Board on 30 June 2022.
- 3 Stood down from the Board on 15 September 2022.
- 4 Stood down from the Board on 30 June 2022.

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

Board of Directors continued



Duncan Tatton-Brown
Independent
Non-executive Director

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 Oxford Nanopore Technologies plc
and Loveholidays.com.

Skills, knowledge and experience:

1 2 5 6 7 8

Committees: N AR R



Rakhi Goss-Custard
Independent
Non-executive Director

Skills and experience

Rakhi has extensive expertise in customer experience and innovation having spent 12 years at Amazon in various senior leadership positions. Prior to joining Amazon Rakhi held roles at TomTom and US management consulting firm Oliver Wyman. Rakhi holds a BA in Marketing and Communications from the University of Pennsylvania.

Other appointments

Non-executive Director at Kingfisher plc,
Rightmove plc and Schroders plc.

Skills, knowledge and experience:

1 2 5 6 8

Committees: N AR R



Andy Phillipps
Independent
Non-executive Director

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 Tiptable.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.

Skills, knowledge and experience:

1 2 5 6 8

Committees: N AR R

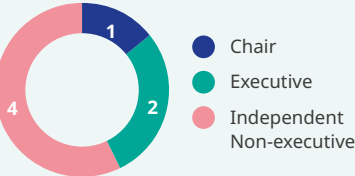
Key

- AR Audit & Risk Committee member
- R Remuneration Committee member
- N Nomination Committee member
- Denotes Committee Chair

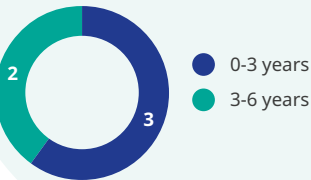
Skills, knowledge and experience

- 1 High-growth business
- 2 Digital & ecommerce
- 3 Government & Regulatory
- 4 People
- 5 Operations
- 6 Technology
- 7 Finance
- 8 Risk Management

Board composition



Length of tenure of Non-executive Directors



Board in action

International growth plan

The Board has closely monitored the investments made in the International business to grasp the opportunity of increasing fragmentation in Europe and the growing opportunities for aggregation. The Board received regular updates and periodic deep dives on performance against the International growth plan and the level of investment being made to deliver the ambitious growth targets. The experience of the Board has been invaluable in providing support and guidance to Trainline as it delivers on its objectives.

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.

Workforce engagement

The workforce engagement programme has continued during FY2023 with the Board visiting Trainline's Paris office to engage with the local team, discuss local challenges and share their expertise with the local leadership team.

Jennifer Duvalier, designated Non-executive Director for Workforce Engagement, has also continued to engage with our People and share the key themes and sentiments with the Board.

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 align 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.

UK rail reform

The Board has continued to focus on the evolving political and regulatory positions on UK rail reform and 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.

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

Strategy and performance	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 throughout the year, in particular during periods of rail strikes
Operational	Product development and marketing strategy
Shareholders and stakeholders	UK regulatory and political changes Investor relations and key stakeholder updates
Reporting and risk management	Annual review of the Group's principal and emerging risks Specific risk areas that are significant to Trainline including information security and privacy Review and approval of annual and half-yearly reporting
Leadership and people	Considered internal and external candidates for the CFO position Culture and workforce engagement The impact of the increasing cost of living on our People and the steps being taken to help them
Governance, corporate responsibility and sustainability	The results of the Board effectiveness review and agreement on the actions identified Disclosures, including the gender pay gap statement and modern slavery statement 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.

The Board received updates from Management on succession planning for the Executive Directors and the Management Team during FY2023.

Skills, knowledge and experience

As set out in their biographies on pages 66 to 67, 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

During FY2023, 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, the Management Team and frequent presenters to the Board with an opportunity to reflect on the operation and effectiveness of the Board and its Committees. Lintstock Ltd has no other connection with Trainline.

The first stage of the review involved Lintstock engaging with the Chair, the Senior Independent Non-executive Director and the 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 FY2022 effectiveness review.

All Board members completed an online survey on the performance of the Board, its Committees and the Chair. The Management Team, regular presenters and third-party service providers who regularly attend Board or Committee meetings were also invited to provide feedback on performance.

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

- clarity of Trainline's strategy, the main challenges to the delivery of Trainline's strategic priorities and the appropriateness of organisational capacity;
- skills and experience of the Directors and the diversity of representation more broadly;
- the visit to the Paris office and the strategy offsite event;
- the monitoring of workforce sentiment, diversity and 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 new CFO, in order to best succeed in their roles.

The reports provided a comparison with the Lintstock Governance Index, which helped 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 evaluation were reviewed and concluded that the Chair, the Board and its Committees continue to operate effectively. Actions were identified and recommended to the Board, which accepted them in full, in particular:

- continuing to provide strategic and constructive challenge whilst utilising the Boards' range of experience and expertise;
- remaining live to strategic and operational risks facing Trainline;
- the benefit of continued deep-dive sessions on key stakeholders; and
- further opportunities to engage with the wider workforce and visit Trainline's offices.

Report of the Nomination Committee

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, Rakhi Goss-Custard, Duncan Tatton-Brown, and myself (Brian McBride) as its Chair.

The Committee's key activities

Key matters discussed by the Committee during FY2023 included:

- the search for candidates for the CFO position and the Remuneration Committee chair role;
- the suitability of Pete Wood and Rakhi Goss-Custard as candidates for appointment to the Board and its Committees;
- talent and succession planning
- 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 FY2024

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 four 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 in the wider community.

Given the progress made during FY2023, 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
- a review of progress against the Group's diversity and inclusion objectives.

Brian McBride

Chair of the Nomination Committee
4 May 2023



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
Rakhi Goss-Custard ¹	1/1
Kjersti Wiklund ²	1/1

¹ Joined the Committee on 30 June 2022.

² Stood down from the Committee on 30 June 2022.

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

Report of the Nomination Committee continued

Key areas of focus for the Committee during FY2023

Board and Committee appointments

Following an extensive market assessment exercise the Committee identified Pete Wood and Rakhi Goss-Custard as the stand-out candidates for the respective positions of CFO and Chair of the Remuneration Committee and recommended their appointment to the Board.

Russell Reynolds Associates were engaged to assist with the selection process for candidates.

Policy on diversity and inclusion

Diversity continues to be one of the pivotal considerations on any appointment to the Board and the Management Team. The Committee is pleased with the progress Trainline has made during FY2023, in particular the increase in female representation in senior management roles and in the wider workforce, but recognises that there is still further progress to be made before we truly reflect the diversity in our communities.

Our diversity strategy has ensured we have female representation in a senior Board position and that the Board also aligns with anticipated ethnic diversity requirements in the Listing Rules.

The Committee supports Trainline's strategy to better understand the diversity of its workforce and those applying for roles. 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.

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 47.

Composition of the Board and its Committees

The Committee is satisfied with the current composition of the Board and its Committees.

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.

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 FY2023 to consider and approve the succession pipeline and welcomed the promotion of Pete Wood from the Management Team to CFO.

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 Andy Phillipps and Jennifer Duvalier, who are completing the three-year term of their current letters of appointment which will be renewed subject to their reappointment at the AGM.

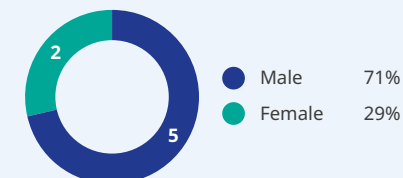
The Committee reviewed the independence of the Non-executive Directors and confirmed to the Board that it considers each of the Chair and the Non-executive Directors to be independent in accordance with the Code.

Board effectiveness evaluation

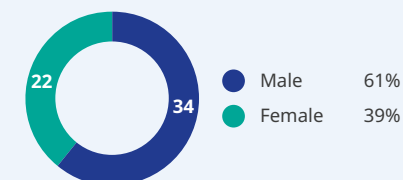
The Committee undertook an externally facilitated Board evaluation during the year. The Chair of the Nomination Committee and the Senior Independent Non-executive Director took an active role to ensure questions took into account the strategy and complexities of the business. Further information on the evaluation is available on page 69.

Diversity (actual headcount as at 28 February 2023)

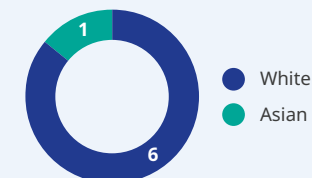
Gender of the Board of Directors



Gender of the Management Team and their direct reports¹



Ethnicity of the Board of Directors



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

Report of the Audit and Risk Committee

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, myself (Duncan Tatton-Brown) as its Chair, Andy Phillipps and Rakhi Goss-Custard. The biography of each member of the Committee is set out on pages 66 to 67.

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 to the Board on the business concluded at Committee meetings, the discharge of its responsibilities and informs the Board of any recommendations made.

The Committee's key activities during FY2023

Key matters undertaken by the Committee during FY2023 included:

- monitoring the effectiveness of the external auditor and the internal audit function;
- reviewing the Group's accounting policies, the use of Alternative Performance Measures, significant financial reporting issues, judgements and estimates;
- considering the going concern and viability statements;
- reviewing the integrity of the Financial Statements of the Group and all formal announcements relating to its financial performance;
- monitoring progress against the Internal Audit plan;
- 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 activities planned for FY2024

Prior to the Committee's FY2024 report it intends to undertake the following activities:

- monitor the continued implementation of digital audit technologies by the external auditor and Management;
- conduct deep dives into specific areas of risk management; and
- monitor the BEIS proposals on corporate reporting, internal controls and audit committees and assess their potential impact on Trainline.

Duncan Tatton-Brown
Chair of the Audit and Risk Committee
4 May 2023



Duncan Tatton-Brown
Chair of the Audit and Risk Committee

Committee Member	Meetings
Duncan Tatton-Brown (Chair)	4/4
Andy Phillipps	4/4
Jennifer Duvalier	4/4
Rakhi Goss-Custard ¹	3/3
Kjersti Wiklund ²	1/1

¹ Joined the Committee on 30 June 2022

² Stood down from the Committee on 30 June 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 the Internal Audit function
- Oversee the Internal Audit function and monitor the effectiveness of its work
- Review whistleblowing, fraud, bribery and other compliance policies and procedures

Report of the Audit and Risk Committee continued

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 FRC's corporate reporting focus areas during the year 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; 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. These 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.

Fair, balanced and understandable

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. The Annual Report is prepared in accordance with robust processes to support this role:

- co-ordination of the production of the Annual Report is overseen by the Company Secretary to ensure that the document is consistent throughout;
- members of management with appropriate experience, knowledge and seniority are assigned responsibility for preparing each section and form part of a core Annual Report team;
- there is an extensive verification process undertaken each year to confirm the factual accuracy of stated facts and the authenticity of belief statements;
- drafts are regularly reviewed by the Annual Report team and members of senior management. Board members receive drafts of the Annual Report for review and input; and
- the Committee receives the draft Annual Report and considers a fair, balanced and understandable review, and also considers assurance provided on disclosures made.

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 area set out in the table below as the key area of judgement and estimation.

Issue considered	How the issue was addressed
Carrying value of International goodwill 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 plan; the appropriateness of discount rates and long-term growth rates applied; and 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

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

To ensure that PwC LLP ('PwC') is effective in its role as external auditor the Committee:

- monitored the effectiveness of the digital audit technologies introduced to the audit process and noted the resulting efficiencies;
- 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 perceived to be of higher risk and requiring additional audit emphasis (including those set out in the Independent Auditor's Report);
- confirmed that the audit fee enabled PwC to conduct an effective audit;
- discussed and assessed PwC's performance as external auditor;
- considered the audit scope and materiality threshold; and
- met privately with PwC, including the lead audit partner, without Management present, to discuss its remit and any issues arising from its work.

The Committee also 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 Committee confirms that the Group complies with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Non-audit work carried out by the external auditor

The Committee has a set policy on 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 of the Committee for any proposed services with an expected fee of more than £50,000. The CFO is authorised to approve non-audit fees up to a cumulative total of £50,000, giving consideration to the independence and objectivity of the external auditor in line with FRC guidance. The policy requires approved non-audit fees be disclosed to the Committee for consideration alongside the ratio of audit to non-audit fees.

The fees paid for non-audit services during the year ended 28 February 2023 were approved by the Committee and amounted to £52,150, which related to audit-related assurance services for the 31 August 2022 half-year review undertaken by the external auditor, subscriptions for business and accounting knowledge and metric reporting services. The ratio of audit to non-audit fees for FY2023 was 10.6. 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 by PwC, 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, which is aligned to Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

External auditor and audit fees

PwC was appointed as external auditor to the Company in FY2021 and there are no current plans to undertake a tendering process for the external auditor in FY2024. The lead audit partner for the external auditor is Jaskamal Sarai.

The Committee was satisfied that the level of audit fees payable in respect of the audit services provided, being £554,980, was appropriate and that the increases in fees related to inflationary increases and an increased external audit scope arising from new regulatory requirements.

Internal Audit

The Head of Risk and Internal Audit was appointed during FY2022 with responsibility for the Group's enterprise risk management framework and the Internal Audit function. The Internal Audit function provides independent assurance of the effectiveness of the Group's internal controls and risk management systems. The Committee reviewed and approved the Internal Audit Charter and the planned internal audits for FY2023.

Following each internal audit, a rated report is produced and shared with key stakeholders and senior management, summarising the Internal Audit function's assessment of the effectiveness of the relevant controls. The Internal Audit function formally tracks the status and resolution of any recommended action items. A summary of the internal audit reports as well as the status of the recommended control improvements are discussed with the Committee.

The Committee held private meetings with the Head of Risk and Internal Audit without Management present to discuss the Internal Audit remit and any issues arising from its work. As a result of these private meetings, the updates received and the reviews undertaken, the Committee considers the Internal Audit function to be operating effectively and that the quality, experience and expertise of the function is appropriate for the business.

The Committee will continue to monitor the effectiveness of the Internal Audit function and undertake an effectiveness review in FY2024.

Report of the Audit and Risk Committee continued

Risk management

The Group's risk tolerance is set by the Board and is the level of risk it is willing to accept to sustainably achieve its strategic objectives. The Group's risk appetite and risk tolerance are documented in the Group's Risk Policy, which is presented to the Committee annually for consultation. The Board discusses and reviews the Group's risk appetite upon reviewing the principal risks and the strategy for the Group. Regular reviews of the risk appetite ensure that the Company's risk exposure remains appropriate in enabling the Group to achieve its strategic objectives.

The Group has a formal Enterprise Risk Management ('ERM') programme that guides its risk management activities. There is a dedicated Internal Risk Committee ('IRC') in place, chaired by the CFO and composed of senior risk owners and stakeholders, who are responsible for reviewing and calibrating the Group's risk landscape and risk mitigating activities. These reviews provide a robust assessment of the Group's principal and emerging risks and take into account the risks that threaten its business model, future performance, solvency and/or liquidity and the Group's strategic objectives.

The Committee, in supporting the Board in its annual assessment of the effectiveness of the enterprise risk management programme and internal control processes, relies on reporting by the IRC, Management, compliance reports and the assurance provided by the external auditor. Further information on the Group's risk management framework and its principal and emerging risks are available on pages 38 to 46.

Critical systems resilience

The Committee receives updates on disaster recovery and business continuity plans, including critical systems and processes. Recovery processes are subject to continuous review with periodic updates provided to the Committee on progress towards improvements.

The Committee welcomed the attainment of ISO 22301 certification for the business continuity plan during the year and will continue to monitor the audit and annual third-party recertification process.

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 during the year. No significant failings or weaknesses were identified in the systems of risk management or internal control during FY2023.

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

Anti-bribery and corruption	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. Corporate criminal offence procedures are in place to help prevent the facilitation of tax evasion.
Receiving corporate hospitality and gifts	Should be refused if they could influence or appear to influence decisions made on behalf of the Group. Our People are required to disclose gifts and hospitality offered or received. Substantial physical gifts are required to be passed on to the Group for donation to charity or disposal.
Offering corporate hospitality and gifts	Must be fully documented, preapproved by the relevant member of the Management Team and recorded in the Gifts and Hospitality Register. Any gifts or hospitality proposed to be offered to government officials, politicians, political parties, regulators or foreign public offices must be pre-approved by the Group's Legal Team.
Facilitation payments	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.
Whistleblowing	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.
Corruption	Fraud, bribery and corruption concerns should be reported in accordance with the Group's Anti-Fraud, Bribery and Anti-corruption Policy. Disciplinary action and other appropriate measures will be taken as necessary. Periodic refreshers are provided to our People to reinforce the importance of this and other relevant policies.

Directors' remuneration report

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for FY2023, my first as Chair of the Remuneration Committee (the 'Committee').

Trainline performed strongly in FY2023, despite strikes in the UK continuing for longer and being more frequent than anticipated.

Key areas of focus for FY2023

Leaving arrangements for the former CFO and remuneration of the new CFO

As Shaun, the former CFO, voluntarily stepped down from Trainline, the Committee carefully applied the Remuneration Policy to his leaving arrangements whilst recognising his significant contribution to Trainline. Shaun's unvested share awards, being his PSP and DSBP awards, lapsed in full and he was not eligible to receive any FY2023 annual bonus. No payments for loss of office were made.

When considering appropriate remuneration structures for Pete Wood, our new CFO, the Committee considered his strong prior experience, his extensive knowledge of Trainline's business and also similar arrangements at other technology businesses. As a result, the Committee agreed that Pete's base salary should be £400,000, in line with that of his predecessor, and that Pete's pension contribution would decrease to 5.5% on appointment to match that of the wider workforce. Pete's maximum annual bonus opportunity in FY2023 was 150% of base salary pro-rated for the period from his appointment as CFO to the end of the financial year.

Pete received an enhanced PSP award in line with the all-employee awards granted in early FY2023, prior to Shaun informing the Board of his departure. The Committee also granted Pete additional PSP awards, first to recognise his willingness to step up as Interim CFO, and then an additional PSP award of 100% of base salary upon his appointment as CFO. In total, Pete's FY2023 PSP awards equate to 550% of his average salary and comprise a core award of 250% of salary and a kicker award of 300% of salary, the same percentage of salary as the former CFO would have received.

Remuneration outcomes for FY2023

Annual bonus financial measure performance was strong, exceeding the top end of the stretch performance range, and the CEO and CFO also performed well against their non-financial targets. As a result of this performance the CEO and CFO achieved 89.4% and 86.6% of their respective FY2023 Annual Bonus total opportunity. The Committee considered the perspective of stakeholders when discussing the outcomes of the FY2023 Annual Bonus and determined that they were a fair reflection of the stakeholder experience over the year and the performance and milestones achieved.

Due to the unprecedented impact of Covid-19 and the additional investments made for the International growth strategy after the award was granted, none of the threshold performance targets for the CEO's FY2021 PSP joining award were achieved and therefore the grant resulted in zero payout. The Committee does not consider this to be a fair reflection of the performance of the business under Jody's leadership, in particular the strategic progress made and broader financial performance over the three-year performance period.

Notwithstanding this, considering investor sentiment, the Committee did not make any adjustments to the outcome for Jody, unlike for other below-Board participants whose PSP awards were converted to restricted shares due to the high levels of uncertainty during the three-year performance period. The Committee does not believe there is a critical flight risk but is mindful of the need to incentivise and reward Jody appropriately for his contribution and will keep its policy and approach under review in order to appropriately balance the need to pay competitively with the views and experience of Trainline's stakeholders.



Rakhi Goss-Custard
Chair of the Remuneration Committee

Committee member	Meetings
Rakhi Goss-Custard (Chair) ¹	2/2
Andy Phillippis	3/3
Duncan Tatton-Brown	3/3
Jennifer Duvalier	3/3
Kjersti Wiklund ²	1/1

1 Joined the Committee on 30 June 2022.

2 Stepped down from the Committee on 30 June 2022.

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
- Review workforce remuneration and related policies

Directors' remuneration report continued

Salary increases for Executive Directors

During FY2023, and as stated in last year's Directors' Remuneration Report, the Committee undertook a review of the CEO's salary in FY2023 and agreed to an increase of 4.9% to £603,438 (FY2022: £575,000). This aligned to the average increase for the wider workforce for FY2023. Jody did not receive the Cost of Living bonus which was paid to the wider workforce during the year, and this was excluded from the average wider workforce salary increase calculation. For reference, the average wider workforce salary increase including the Cost of Living bonus was 7.4%. This increased salary was also not used for the FY2023 PSP award, which was instead granted on Jody's FY2022 salary.

The Committee agreed to review Jody's and Pete's salaries as part of the FY2024 pay review in line with the approach for other employees. As a result of this review it was determined that Jody's salary would increase by 7% to £645,397 in line with the average increase for the wider workforce for FY2024.

In considering the FY2023 and FY2024 increases, the Committee took into account Jody's performance and contribution to the business since joining in 2020, which has been exceptional. The Committee was also mindful of ensuring a competitive remuneration package for Jody, considering both the UK-listed environment and the wider market, and taking into account Jody's highly sought-after digital skillset and the growing size and complexity of the business as it expands into Europe.

For Pete, the Committee was mindful that he had recently taken up the CFO role and that the former CFO's base salary had not been increased since our IPO. Therefore, a 4% increase, below the average increase for the wider workforce, to £416,000 for Pete was considered to be appropriate, taking into account his experience and the positioning of his package against the market.

Overall, the Committee believes the salary increases to be appropriate.

Workforce remuneration and related policies

The Committee is pleased with the actions Management took during the year to help the wider workforce which included: a £2,000 cost of living bonus payment to all (excluding the CEO, CFO and Management Team); Group-wide reviews of salaries and reward to maintain competitiveness; and offering support and guidance to help through this challenging period.

Remuneration arrangements for FY2024

In accordance with the shareholder-approved Remuneration Policy, the Committee intends to grant PSP awards to the CEO and CFO comprising a core award of 250% of salary and an additional kicker award of 100% of salary. The performance measures for the kicker award have been set in such a way that they maintain at least the same level of stretch as the FY2023 PSP targets after taking into account the reduced kicker award for FY2024.

The maximum annual bonus opportunity for the CEO and CFO will continue to be 200% and 150% of base salary respectively with performance measures based upon a scorecard of financial and strategic metrics.

Rakhi Goss-Custard

Chair of the Remuneration Committee
4 May 2023

Remuneration at a glance

This section is a snapshot of the Company's performance over FY2023, the remuneration received by our Executive Directors and the implementation of the Remuneration Policy in FY2024. Full details can be found in the Annual Report on Remuneration on pages 80 to 88.

FY2023 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 FY2023 achievement	Resulting bonus outcome (% of total bonus)
		Threshold	Target	Stretch		
Group Net Sales	25%	£3,301m	£3,889m	£4,184m	£4,323.3m	25%
Group Revenue	25%	£246m	£289m	£311m	£327.1m	25%
Group Adjusted EBITDA ¹	25%	£57m	£68m	£78m	£86.1m	25%
Total	75%					75% out of 75%

¹ See page 138 for the definition of Group Adjusted EBITDA.

	Weighting (% of total bonus)		Resulting bonus outcome (% of total bonus)
Strategic objectives	25%	Jody Ford	14.4% out of 25%
		Pete Wood	11.6% out of 25%

Based on actual outturn as set out above, the CEO and the CFO will receive 89.9% and 86.6% of their maximum bonus, representing 178.7% of salary for the CEO and 129.9% of pro-rated salary for the CFO. The amounts earned above 100% of salary, representing 78.7% of salary for the CEO and 29.9% of pro-rated salary for the CFO, will be deferred in shares under the Deferred Share Bonus Plan.

PSP awards vesting in FY2023

Due to the unprecedented impact of Covid-19 and the additional investments made for the International growth strategy after the award was granted, none of the threshold performance targets for the CEO's FY2021 PSP joining award were achieved and therefore the grant resulted in zero payout.

Implementation of the Remuneration Policy in FY2024

For FY2024, the Executive Directors will be remunerated as summarised in the table below.

Element of pay	Implementation for FY2024
Fixed remuneration	
Base salary	£645,397 for Jody Ford and £416,000 for Pete Wood.
Pension	The CEO's and CFO's pension benefits by way of cash allowance, at c.5.5% of salary, align with the broader workforce.
Benefits	Medical and dental insurance for the Executive Director and their immediate family, and life assurance are made available to the Executive Directors.
Variable pay	
Annual bonus and DSBP	Awards of up to 200% of salary for CEO and 150% of salary for CFO, based on the achievement of Group financial targets (weighted 75% of maximum) and specific and quantifiable strategic objectives (weighted 25%). Awards earned above 100% of salary will be deferred in shares over two years.
PSP	Awards of 350% of salary based on average Revenue growth, cumulative EPS and Relative TSR of which 100% of salary is based on the achievement of stretching performance levels. Performance targets for the kicker award are set in such a way that they maintain at least the same level of stretch as the FY2023 PSP targets after taking into account the reduced kicker award for FY2024 (100% of salary compared to 300% of salary in FY2023).

Remuneration policy overview

This section of the report provides a summary of our Remuneration Policy which was approved by shareholders at the 30 June 2022 AGM. The full Remuneration Policy is available in our FY2022 Annual Report on the results and report section of our investor relations website.

Consistency with the UK Corporate Governance Code

The Committee is satisfied that the principles of the UK Corporate Governance Code relating to the design of remuneration policies and practices have been applied:

Clarity: we ensure pay for performance and our policy is designed to be logical and transparent.

Simplicity: Executive Director remuneration comprises a regular package including fixed pay, and short and long-term variable pay.

Risk: a significant proportion of the Executive Director remuneration package is subject to the achievement of performance targets and delivered in shares over the long-term ensuring the longer-term impact of decisions is reflected. Shareholding requirements mean that Executive Directors are exposed to movements in the share price and therefore help to guard against inappropriate risk-taking. Malus and clawback provisions also apply.

Predictability: variable pay is subject to the achievement of specific and transparent performance targets, with the potential levels of remuneration receivable at threshold, target and maximum clearly disclosed. The Committee has the ability to apply its discretion to ensure variable pay outcomes reflect underlying corporate health.

Proportionality: the Executive Director pay mix is similar to that at comparable companies, with variable pay subject to the achievement of appropriately stretching performance targets. The Committee has the ability to apply its discretion to ensure overall pay outcomes are proportionate to the Group's long-term performance.

Alignment to culture: variable pay captures several categories of performance, including non-financial objectives, helping to ensure pay reflects multiple perspectives on performance, and not just financial outcomes.

Executive Directors' Remuneration Policy table

The summary 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	Policy
Salary	To recruit and retain high-calibre Executive Directors.	Base salaries are determined taking into account a number of factors, including: the individual's role, responsibilities, and performance; salary levels at comparable companies, adjusted to reflect scale; and salary increases for the wider workforce.
Pension	To provide appropriate retirement plans.	The Executive Directors currently participate in the Company's pension scheme, and the Company either makes contributions on their behalf or the Executive Director can receive a cash allowance.
Benefits	To ensure that the overall package is competitive.	Benefits include life assurance and private medical and dental insurance. Other benefits may be provided based on individual circumstances and business requirements.
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 it deems relevant. Any annual bonus earned above a threshold of 100% of salary will be deferred in shares for a period of two years. The maximum bonus opportunity is 200% of salary.
Performance Share Plan ('PSP')	To incentivise and reward the delivery of long-term shareholder value and the achievement of long-term financial targets.	Awards 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. The maximum annual award level is up to 350% of salary for FY2024 and FY2025, comprising a core award of up to 250% of salary and an additional kicker award of 100% of salary linked to stretching performance.
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.

Annual report on remuneration

The following section sets out our Annual Report on Remuneration and outlines decisions made by the Committee in relation to Directors' remuneration in respect of FY2023 and how the Committee intends to apply the Remuneration Policy in FY2024. The Directors' Remuneration Report, other than page 79, will be subject to an advisory shareholder vote at the AGM to be held on 29 June 2023. 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.trainlinegroup.com/investors. 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. Rakhi served on the remuneration committees of other FTSE listed companies for more than twelve months prior to her appointment as Chair of the Committee.

Advisers

Deloitte LLP ('Deloitte') were appointed to replace Ellason LLP ('Ellason') as advisers to the Committee during FY2023. Deloitte also provide internal audit co-source services to the Group. Advisers are appointed by the Committee following a comprehensive tender process of leading remuneration committee advisers. Deloitte, and Ellason until their replacement, attend Committee meetings, report directly to the Committee Chair, and are a signatory and adhere to the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com). The Committee is satisfied that the advice provided by Deloitte, and Ellason until their replacement, is objective and independent and there are no conflicts of interest. Deloitte was paid fees of £22,400 and Ellason was paid £57,745 for their services to the Committee during the year, excluding expenses and VAT, in accordance with their respective letters of engagement. Fees are charged on a time and materials basis.

Consideration of wider employee views and shareholders

In reviewing remuneration outcomes for FY2023, 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 is dedicated to ensuring open dialogue with shareholders in relation to remuneration, as part of which the Chair of the Committee met with our largest shareholders during FY2023. The Committee members actively engage with the wider workforce on a variety of issues, including on pay and its alignment, and carefully consider the wider workforce experience when making decisions around senior executive pay. Updates are provided to the Committee on the Group's reward objectives, relevant external measures such as benchmark data and the sentiment of the wider workforce. The Committee is mindful of the impact of the rising cost of living on Trainline's workforce and customers.

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.

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 the 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. During FY2023, all-employee share awards were granted to motivate and incentivise the wider workforce to achieve Trainline's long-term growth targets.

The Committee is pleased with the actions Management took during the year to help the wider workforce which included: a £2,000 cost of living bonus payment to all (excluding the CEO, CFO and Management Team); Group-wide reviews of salaries and reward to maintain competitiveness; and offering support and guidance to help through this challenging period.

Shareholder voting

The table below sets out the voting outcome for the Directors' Remuneration Report and the Remuneration Policy at the 2022 AGM.

	Votes for		Votes against		Votes withheld
	No. of shares (m)	Percentage	No. of shares (m)	Percentage	No. of shares (m)
Remuneration Report	445.9	99.1%	4.1	0.9%	0.0
Remuneration Policy	354.4	82.1%	77.5	17.9%	18.1

The Committee wishes to thank shareholders for their support in approving the Directors' Remuneration Policy at the 2022 AGM. The Committee spent considerable time reviewing Trainline's remuneration structure, and strongly believes that the new framework will help Trainline to attract and retain talent in what is an extremely competitive sector, and will motivate the Executive Directors to deliver exceptional performance for the benefit of shareholders and other stakeholders.

Annual report on remuneration continued

Implementation of the Remuneration Policy in FY2023

Single figure of total remuneration for Executive Directors (Audited)

The single figure of total remuneration for Executive Directors in FY2023 and FY2022 was:

	Financial year	Salary (000)	Pension (000)	Benefits (000)	Total fixed (000)	Annual bonus (000)	PSP (000)	Total variable (000)	Total remuneration (000)
Jody Ford	FY2023	£601	£33	£3	£637	£1,078	£0 ¹	£1,078	£1,715
	FY2022	£575	£32	£3	£609	£959	£0 ²	£959	£1,568
Pete Wood ³	FY2023	£84	£5	£0	£89	£107	£0 ²	£107	£196
Shaun McCabe ⁴	FY2023	£217	£23	£1	£241	£0	£0 ²	£0	£241
	FY2022	£400	£42	£3	£445	£500	£0 ²	£500	£945

1 Due to the unprecedented impact of Covid-19 and the additional investments made for the International growth strategy after the award was granted, none of the threshold performance targets were achieved and therefore the grant resulted in zero payout.

2 No PSP vesting occurred in the period.

3 Pete Wood joined the Board as CFO on 16 December 2022.

4 Shaun McCabe stood down from the Board as CFO on 15 September 2022.

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

The single figure of total remuneration for Non-executive Directors for FY2023 and FY2022 was:

	Financial year	Fees (000)	Taxable benefits (000)	Total Fees (000)
Andy Phillipps	FY2023	£75	£0	£75
	FY2022	£60	£0	£60
Brian McBride	FY2023	£265	£0	£265
	FY2022	£265	£0	£265
Duncan Tatton-Brown	FY2023	£85	£0	£85
	FY2022	£75	£0	£75
Jennifer Duvalier	FY2023	£85	£0	£85
	FY2022	£70	£0	£70
Kjersti Wiklund ¹	FY2023	£27	£0	£27
	FY2022	£75	£0	£75
Rakhi Goss-Custard ²	FY2023	£57	£0	£57

1 Stood down from the Board on 30 June 2022.

2 Joined the Board on 30 June 2022.

Notes to the tables (Audited)

Base salary

During FY2023, the Committee approved an increase for Jody Ford's salary as CEO to £603,438 (FY2022: £575,000). The Committee noted that Jody had not received a salary increase since becoming CEO and carefully considered comparator benchmark data before approving a salary increase of 4.9% to align with the average increase for the wider workforce during the year. Pete Wood was promoted to the Board as CFO on 16 December 2022 on a salary of £400,000 in line with that of his predecessor.

As disclosed in the FY2022 Directors' Remuneration Report, a Committee Membership fee for Non-executive Directors of £5,000 per Committee was introduced effective 1 March 2022 to recognise the investment in time required by Committee members. This fee is not in addition to the Committee Chair fee.

Pension

During FY2023, Jody Ford and Shaun McCabe received pension benefits by way of cash allowances equal to 5.5% and 10.5% of salary respectively. Since his appointment as CFO Pete Wood's pension contribution was equal to 5.5%. Following Shaun McCabe stepping down from the Board, the pension allowance for the Executive Directors aligns with that for the wider workforce.

Benefits

During FY2023, the Executive Directors received medical and dental insurance benefits for them and their immediate families, and life assurance. Pete Wood did not receive dental insurance benefits.

Discretion

As set out in the Chair of the Committee's statement on page 76, no adjustments were made to the CEO's FY2021 PSP outcome, notwithstanding that the Committee did not think this was a fair reflection of performance. The Committee considered that the Remuneration Policy operated as intended during the year and no discretion was applied in relation to FY2023 remuneration outcomes.

Annual report on remuneration continued

Annual bonus (Audited)

The maximum bonus opportunities for FY2023 were 200% of salary for Jody Ford as CEO and a pro-rated 150% of salary for Pete Wood from his appointment as CFO to the financial year end. Shaun McCabe stood down from the Board in September 2022 and as such was not eligible to receive a bonus for FY2023. 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	Performance targets				Actual FY2023 achievement	Resulting bonus outcome (% of total bonus)
	Weighting (% of total bonus)	Threshold ¹	Target ²	Stretch		
Group Net Sales	25%	£3,301m	£3,889m	£4,184m	£4,323.3m	25%
Group Revenue	25%	£246m	£289m	£311m	£327.1m	25%
Group Adjusted EBITDA ³	25%	£57m	£68m	£78m	£86.1m	25%
Total	75%					75% out of 75%

1 Achievement results in 0% of maximum payout.

2 Achievement results in 50% of maximum payout.

3 See page 138 for the definition of Group Adjusted EBITDA.

Strategic element

CEO

Measure	Weighting (% of total bonus)	Key progress during FY2023	Actual FY2023 achievement	Resulting bonus outcome (% of total bonus)
Enhance customer experience & build demand	12.5%	Increase in International Active Customers and share gain on key aggregated routes in Europe.	Stretch	7.2%
Stakeholder and purpose linked	12.5%	Increase in workforce engagement score, enhanced recognition of Trainline as a sustainable brand and increased target investor hold positions.	Stretch	7.1%
Total	25%			14.4% out of 25%

CFO

Measure	Weighting (% of total bonus)	Key progress during FY2023	Actual FY2023 achievement	Resulting bonus outcome (% of total bonus)
Enhance customer experience & build demand	12.5%	Increase in International Active Customers and share gain on key aggregated routes in Europe.	Stretch	7.2%
Stakeholder and purpose linked	12.5%	Increase in workforce engagement score, enhanced recognition of Trainline as a sustainable brand, reduced leverage and increased target investor hold positions.	Target	4.4%
Total	25%			11.6% out of 25%

Despite the impact of strikes, Trainline performed strongly in FY2023. Financial and strategic performance exceeded targets and was predominantly in the stretch range. The resulting bonus outcomes for FY2023 for the Executive Directors are set out below.

	Annual bonus outcome (% of maximum)	Annual bonus outcome (% of salary)	Annual bonus outcome (£000)
Jody Ford	89.4%	178.7%	£1,078
Pete Wood ¹	86.6%	129.9%	£107

1 Pete Wood joined the Board as CFO on 16 December 2022 and received a pro-rated annual bonus payment for the period from his appointment to the end of the financial year.

2 Shaun McCabe stood down from the Board as CFO on 15 September 2022 and was not eligible to receive a payment under the FY2023 annual bonus.

In line with the FY2022 Remuneration Policy, 100% of salary (pro-rated accordingly for Pete) will be paid in cash, and the balance, being £475,110 (78.7% of salary) for Jody Ford and £24,598 (29.9% of pro-rated salary) for Pete Wood, will be paid in deferred bonus shares under the DSBP.

Deferred share bonus plan ('DSBP') awards to be granted in FY2024

DSBP awards in relation to the FY2023 annual bonus will be granted in FY2024. Half of the DSBP awards will be subject to a one-year deferral period and the remaining half to a two-year deferral period, both of which will be subject to continued service requirements. DSBP awards were granted to the CEO in FY2022 over 133,243 shares.

PSP awards vesting in FY2023 (Audited)

Due to the unprecedented impact of Covid-19 and the additional investments made for the International growth strategy after the award was granted, none of the threshold performance targets for the CEO's FY2021 PSP joining award were achieved and therefore the grant resulted in zero payout. The Committee is cognisant that Jody therefore has not received any shares from Trainline since joining in 2020. For further information on the FY2021 PSP award, see page 72 of the FY2021 Annual Report.

Annual report on remuneration continued

PSP share awards granted in FY2023 (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	30 Jun 2022	1,077,219	£2.94 ¹	£3.16m ²	550% ³	7 May 2025
Pete Wood ⁴	17 Mar 2022	279,839	£1.99 ⁵	£0.56m	550% ⁸	7 May 2025 ⁶
	3 Nov 2022	138,674	£3.25 ⁷	£0.45m		7 May 2025 ⁹
	21 Dec 2022	149,627	£2.67 ¹⁰	£0.40m		7 May 2025

- 1 Calculated using the average of the closing MMQ on the five business days immediately preceding the grant.
- 2 Jody's FY2022 salary was used to calculate the face value and the number of shares granted.
- 3 The award comprises a core award of 250% of salary and a kicker award of 300% of salary.
- 4 Prior to his appointment as CFO, Pete also received a SIP Free Shares award of 1,805 shares, equivalent to £3,600, being the maximum HMRC-approved limit. The share price at grant was £1.99.
- 5 Calculated using the closing MMQ on the business day immediately preceding the grant.
- 6 Awarded prior to his appointment as CFO and not subject to a holding period post-vesting.
- 7 Calculated using the average of the closing MMQ on the eleven business days immediately preceding the grant.
- 8 In total, the FY2023 PSP awards for Pete Wood equate to 550% of his salary over FY2023, considering his roles prior to appointment as CFO. The PSP awards are apportioned such that 45% and 55% of the shares granted are subject to the core and kicker performance targets, respectively, similar to the award for the CEO.
- 9 Awarded prior to his appointment as CFO and subject to a one-year holding period post-vesting.
- 10 Calculated using the average of the closing MMQ on the three business days immediately preceding the grant.

Pete received three PSP awards in FY2023, reflecting his change in role and appointment as CFO. Various share price averages were used to ensure a fair and appropriate reflection of the share price at the time taking into account the volatility in Trainline's share price. Vesting of the awards will be subject to performance over the three-year period 1 March 2022 to 28 February 2025, with any shares vesting in respect of awards granted while an Executive Director subject to a two-year post-vesting holding period. 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. Dividend equivalents will not accrue in respect of the awards over the period from the date of grant to the vesting date. 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 ¹	25%	11.9p	14.9p	18.6p
Average annual Revenue growth	25%	22%	27%	33%
Relative TSR vs. FTSE 250 ²	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 measures and targets are intended to incentivise organic growth. If a materially significant acquisition were to take place, the Committee would review the targets to ensure that performance is measured on a fair and equitable basis and the outturns are reflective of the overall shareholder experience.

DSBP share awards granted in FY2023 (Audited)

The Executive Directors were granted conditional share awards under the DSBP 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	19 May 2022	133,243	£2.88 ³	£0.38m	67%	20 May 2024 ¹
Shaun McCabe ²	19 May 2022	34,784	£2.88 ³	£0.10m	25%	20 May 2024

- 1 Half of the DSBP award vests one year after grant with the remaining half vesting two years after grant.
- 2 Shaun's DSBP award lapsed upon him stepping down from the Board as CFO on 15 September 2022.
- 3 The closing MMQ on the day of grant.

Promotion arrangements for Pete Wood

Pete was appointed CFO on 16 December 2022. All pay and benefits have been set in line with the Remuneration Policy including private medical cover. Pete's CFO salary has been set at a level that the Committee regards as appropriate for the size and scope of the role. Pete is required to build up a shareholding of 200% of base salary and is subject to the Remuneration Policy's post-employment shareholding requirement. There were no buyout arrangements for Pete.

Leaving arrangements for Shaun McCabe (Audited)

As Shaun was a voluntary leaver, he will not receive any severance payment or pay in lieu of notice. As Shaun left before the conclusion of the financial year he is not eligible for any FY2023 annual bonus. In line with the Remuneration Policy and the rules of the respective plans, Shaun's outstanding PSP and DSBP grants lapsed on 15 September 2022. Shaun is required to retain a shareholding equivalent to 200% of salary for a period of two years from 15 September 2022.

Payments for loss of office (Audited)

No payments for loss of office were made during the year under review (FY2022: none).

Payments to past Directors (Audited)

No payments were made to past Directors during the year under review (FY2022: none).

Annual report on remuneration continued

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
FY2023	A	38.0:1	22.8:1	17.4:1
FY2022	A	41.3:1	22.1:1	17.0:1
FY2021	A	14.4:1	8.4:1	6.3:1
FY2020 ¹	A	32.1:1	19.6:1	14.3:1

¹ 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 2023 for 1 March 2022 to 28 February 2023. 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 they and the median pay ratio are consistent with and fairly reflect 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. 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. The ratio for the median employee increased from 22.1:1 in FY2022 to 22.8:1 in FY2023 primarily as a result of the strong financial performance of Trainline in FY2023 resulting in a higher annual bonus outcome for the CEO than FY2022. 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 continued to take steps during FY2023 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
FY2023	A	Total remuneration (000)	£45	£75	£98
		Salary ratio	15.0:1	8.2:1	6.2:1
		Salary (000)	£40	£73	£96
FY2022	A	Total remuneration (000)	£38	£71	£92
		Salary ratio	16.4:1	8.8:1	6.3:1
		Salary (000)	£35	£65	£91
FY2021	A	Total remuneration (000)	£41	£70	£93
		Salary ratio	13.3:1	7.4:1	5.7:1
		Salary (000)	£36	£65	£85
FY2020 ¹	A	Total remuneration (000)	£29	£47	£64
		Salary ratio	16.4:1	9.3:1	7.1:1
		Salary (000)	£24	£42	£56

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

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	FY2023	FY2022
Total employee pay ¹	46%	£105m	£72m
Dividends	n/a	£0	£0
Revenue	74%	£327m	£189m
Group Adjusted EBITDA ²	120%	£86m	£39m

¹ See Note 5 to the Financial Statements.

² See page 138 for the definition of Group Adjusted EBITDA.

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 pro-rated to a 12-month period.

	Salary/fees (FY % change)			Benefits (FY % change)			Annual bonus (FY % change)		
	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021	FY2023	FY2022	FY2021
Executive Directors									
Jody Ford ¹	4.9%	15%	n/a	4%	12%	n/a	13%	100%	n/a
Pete Wood ²	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaun McCabe ³	n/a	6% ⁴	(6)% ⁴	n/a	3%	(3)%	n/a	100%	(100)%
Non-executive Directors									
Andy Phillipps ⁵	25%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Brian McBride	0%	6% ⁴	53% ^{4 6}	n/a	n/a	(100)%	n/a	n/a	n/a
Duncan Tatton-Brown	13%	5% ⁴	(4)% ⁴	n/a	n/a	n/a	n/a	n/a	n/a
Jennifer Duvalier ⁷	21%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rakhi Goss-Custard ⁸	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kjersti Wiklund ⁹	n/a	5% ⁴	(5)% ⁴	n/a	n/a	n/a	n/a	n/a	n/a
Employees	5%	3%	6%	5%	26%	2%	17%	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 Joined the Board as CFO on 16 December 2022.

3 Stood down from the Board as CFO on 15 September 2022.

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

5 Joined the Board on 1 January 2021.

6 Brian McBride's fee as Chair of the Board did not change. 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.

7 Joined the Board on 1 October 2020.

8 Joined the Board on 30 June 2022.

9 Stood down from the Board on 30 June 2022.

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 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 2023.



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

	FY2023	FY2022	FY2021	FY2020 ¹
	Jody Ford	Jody Ford	Clare Gilmartin	Clare Gilmartin
Single figure (000)	£1,715	£1,568	£588	£920
Annual bonus outcome (% of max)	89.4%	83.4%	0%	57.6%
PSP vesting (% of max)	0%	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.

Annual report on remuneration continued

Implementation of the Remuneration Policy in FY2024

Executive Director remuneration in FY2024

A summary of how the Remuneration Policy will be applied to Executive Director remuneration for FY2024 is set out below.

Base salary

The current Executive Director salaries are set out in the table below. The Committee undertook a review of CEO and CFO salary in FY2024 which determined that the CEO would receive a 7% increase in line with the average increase for the wider workforce and the CFO would receive a 4% increase. For further details of the Committee's considerations see page 77.

Executive Director	Salary for FY2024
Jody Ford	£645,397
Pete Wood	£416,000

Pension and benefits

For FY2024, the CEO and the CFO will receive pension benefits by way of cash allowances of 5.5% of salary respectively, in line with the Remuneration Policy.

Annual bonus

The FY2024 annual bonus will be consistent with the Remuneration Policy 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 including a sustainability-linked measure.

The Company considers the measures, targets and weightings to be commercially sensitive but intends to disclose them in the FY2024 Annual Report. The Committee will ensure any payout of the FY2024 annual bonus is consistent with the stakeholder experience over the period, taking into account perspectives of shareholders, employees and customers.

Long-term incentive

In accordance with the Remuneration Policy, the CEO and the CFO will receive awards under the PSP comprising a core award of 250% of salary, and a kicker award, rewarding stretching performance and returns to our shareholders, of 100% of salary. The performance ranges which have been set consider both internal and external reference points, with performance targets for the kicker award set in such a way that they maintain at least the same level of stretch as the FY2023 PSP targets after taking into account the reduced kicker award for FY2024 (100% of salary compared to 300% of salary in FY2023).

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 2023 to 28 February 2026. The performance measures and targets are intended to incentivise organic growth. If a materially significant acquisition were to take place, the Committee would review the targets to ensure that performance is measured on a fair and equitable basis and the outturns are reflective of the overall shareholder experience.

The vesting of the awards 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 ¹	25%	26.6p	33.2p	40.6p
Average annual Revenue growth	25%	9%	11%	14%
Relative TSR vs. FTSE 250 ²	50%	Median	Upper quartile	85th percentile

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

² Excluding investment trusts.

A cap of 2.75 times the value of the FY2023 grant will be applied to the PSP vest-date value with any value over and above the cap to be forfeited. Dividend equivalents will accrue in respect of the awards over the period from the date of grant to the vesting date.

Annual report on remuneration continued

Non-executive Director fees in FY2024

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. No change to fee is planned for FY2024.

	Fee from 1 Mar 2023	Fee at 1 Mar 2022
Basic fee		
Company Chair	£265,000	£265,000
Non-executive Director	£60,000	£60,000
Additional fees		
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 ¹	£5,000	£5,000

¹ This fee is not in addition to the Committee Chair fee.

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 the service contracts are available for inspection at the Company's registered office.

Executive Director	Date of contract
Jody Ford	21 Sep 2020
Pete Wood	16 Dec 2022

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 Jan 2021	AGM 2023 being 29 June 2023
Brian McBride	10 Jun 2019	AGM 2025
Duncan Tatton-Brown	10 Jun 2019	AGM 2025
Jennifer Duvalier	1 Oct 2020	AGM 2023 being 29 June 2023
Rakhi Goss-Custard	30 Jun 2022	AGM 2025

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.

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.

Annual report on remuneration continued

Statement of Directors' shareholding and share interests (Audited)

The table below shows the beneficial interests of Directors on 28 February 2023 (including the beneficial interests of their spouses, civil partners, children and stepchildren) in the ordinary shares of the Company, as well as unvested share awards. There have been no changes to the share interests of the continuing Directors between the year end and the date of this report.

Director	Ordinary shares held at 1 Mar 2022	Ordinary shares held at 28 Feb 2023	Subject to continued employment	Unvested and subject to performance conditions	Shareholding requirement as % of salary	Current shareholding as % of salary ¹	Shareholding requirement met?
Executive Directors							
Jody Ford	105,354	105,354	133,243	1,567,689	200%	45%	No
Pete Wood ²	n/a	20,000	26,877 ³	644,909	200%	13%	No
Shaun McCabe ⁴	2,012,879	2,012,879 ⁵					
Non-executive Directors							
Andy Phillipps	74,237	74,237					
Brian McBride	77,540	93,254					
Duncan Tatton-Brown	63,981	63,981					
Jennifer Duvalier	4,587	4,587					
Rakhi Goss-Custard ⁶	0	0					
Kjersti Wiklund ⁷	2,142	2,142 ⁵					

1 Calculated using the £2.557 per share closing price on 28 February 2023 being the last market day of FY2023.

2 Joined the Board on 16 December 2022.

3 Includes SIP Free Share awards.

4 Stood down from the Board as CFO on 15 September 2022.

5 As at the date they stood down from the Board.

6 Joined the Board on 30 June 2022.

7 Stood down from the Board on 30 June 2022.

Approved by the Board on 4 May 2023.

Rakhi Goss-Custard

Chair of the Remuneration Committee

4 May 2023

Directors' report

The Directors present their report, together with the audited Financial Statements for the year ended 28 February 2023.

The Board has included certain disclosures in the Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (the Act).

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 following the departure of the former CFO the pension contributions of the Executive Directors now align with those of the wider workforce in compliance 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.

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.

Trainline provides equal opportunities to all job applicants and provides full and fair consideration of applications from people with disabilities, having regard to their particular aptitudes and abilities. We assess each candidate based on their individual skills and qualifications, while also considering the accommodations that we can reasonably provide to support their success in the role. For current employees who become disabled, we make every effort to provide the necessary training and support to enable them to continue their employment with us. Our commitment to equal treatment extends to training, career development, and promotion opportunities, which are offered on an equal basis as far as possible to both disabled and non-disabled people.

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.

Events after the balance sheet date

There have been no balance sheet events since the end of FY2023.

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 to 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.

Directors' report continued

Political and charitable donations

The Group did not make any political donations (FY2022: £nil) or incur any political expenditure during the year (FY2021: £nil). During the year, the Company made charitable donations totalling £46,476 in addition to charitable donations via matched funding under the reporting threshold to support the charitable fundraising efforts of our people.

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 has 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 2023	% of total voting rights as at the date of this report
Baillie Gifford	9.94%	9.94%
T. Rowe Price Associates, Inc.	9.56%	4.61%
The Capital Group Companies, Inc.	9.54%	9.54%
FIL Limited	5.44%	5.44%
Invesco Ltd.	5.16%	10.23%
Liontrust Asset Management plc	4.99%	4.99%
Jupiter Fund Management plc	4.96%	4.96%

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 FY2023 (FY2022: 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 £6.6671, representing a premium of 50% above the reference share price of £4.4447, 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 FY2023, the Company repurchased in aggregate £32.1 million of the Bonds which were subsequently cancelled. Following this cancellation, £82.7 million in aggregate principal amount of the Bonds remains 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

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 two covenant tests on 31 August 2023 and 28 February 2024, 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. Further details are set out in Note 1 to the Financial Statements.

Tax transparency

Trainline is committed to being a responsible taxpayer acting in a transparent manner. Our detailed tax strategy, which can be found at investors.thetrainline.com provides further information on our approach to risk management and governance.

Additional disclosures

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

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Likely future developments	2 to 46	Engagement with other stakeholders	59 to 62
Research and development	24 to 25	Long-term incentive schemes	76 to 88
Group employees	47 to 51	Directors’ interests in shares	88
Directors of the Company	66 to 67	Statement of capitalised interest	113
Employee engagement	61 and 68	Sustainability, TCFD, energy and greenhouse gas reporting	52 to 58
Financial instruments and financial risk management	134 to 135		

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
4 May 2023

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 Accounts and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law the Directors have prepared the Group Financial Statements in accordance with UK-adopted International Accounting Standards and the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

The Group has also prepared Financial Statements in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law, 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 profit or loss of the Group and Parent Company for that period. In preparing the Group and Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

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

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time

the financial position of the Group and Parent Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that 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 and Parent Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Annual Report and Accounts confirm that, to the best of their knowledge:

- the Group Financial Statements, which have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group;

- the Parent Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

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

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

Peter Wood
Chief Financial Officer
4 May 2023

Independent auditors' 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 2023 and of the group's profit 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 as applied in accordance with the provisions of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2023 (the "Annual Report"), which comprise: Consolidated and Parent Company balance sheet as at 28 February 2023; 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 our 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.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

Our audit approach

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 two 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 all financial statement line items, including complex and judgemental areas prepared by the head office finance function, to provide sufficient overall Group coverage.
- The balances on which we performed audit procedures accounted for 100% of Group revenue, 80% of Group profit before tax and 99% 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 Consumer Goodwill (group)
- Inappropriate capitalisation of intangibles (group)
- Recoverability of investments in subsidiary undertakings (parent)

Materiality

- Overall group materiality: £2.4m (FY22: £1.7m) based on 0.75% of Total Revenues for FY23.
- Overall parent company materiality: £18.9m (FY22: £19m) based on 1% of total assets.
- Performance materiality: £1.8m (FY22: £1.3m) (group) and £14.2m (FY22: £14.3m) (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.

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.

The key audit matters below are consistent with last year.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

Key audit matter

Recoverability of International Consumer Goodwill (group)

The Group holds a significant amount of international goodwill (£69.4m) 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 the market.

In accordance with IAS 36 - Impairment of assets, management performs an annual impairment assessment to determine whether an impairment of the carrying value of international goodwill is required. In the current year this assessment has been performed which has concluded that no 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 EBITDA;
- The growth rate to extrapolate forecasts beyond the 5 year forecast; and
- The discount rate applied to the future cash flows.

These matters are complex and involve a high degree of estimation which means future performance of the business could vary significantly. Accordingly, our audit devoted significant resources to assessing the validity of the model used by the directors and obtaining evidence to inform our view on the reasonableness of the assumptions and disclosures that the directors have made.

The relevant disclosures have been made in note 9 of the Consolidated financial statements.

How our audit addressed the key audit matter

Management has performed the impairment assessment at a cash generating unit (CGU) level, with the International Consumer businesses being treated as a separate CGU. We have obtained an understanding of the goodwill impairment assessment process and considered the design and implementation of management's controls. We did not note any deficiency in the internal controls assessed, however determined not to rely on these controls as part of our audit response.

In the current period, management has changed their operating segments and CGU's. The only change to the International Consumer CGU has been the reallocation of the international platform solutions assets into the newly created International TPS CGU, which aligns with the treatment of similar assets in the UK. We have evaluated this change as part of our audit procedures and concluded that it does not have a material impact on the asset allocation or the cash flows. As part of this assessment, we have evaluated the carrying value of the international CGU, including the allocation of working capital and corporate assets, and concluded that management's methodology is appropriate, in line with the accounting standards and we have not identified any instance of management bias.

Despite the change in operating segments and CGUs noted above, no change was made since the prior year to the level at which impairment testing has been performed, which continues to be the cash generating unit level. Cash generating units are defined in IAS 36 as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

We critically challenged the assumptions made by management 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.

We evaluated management's future cash flow forecasts by obtaining the model prepared by management and:

- Tested the mathematical accuracy and integrity of the model;
- Agreed the amounts used in the model to the Board approved forecasts;
- Assessed the reliability of cash flow forecasts by comparing past performance to previous forecasts;
- Identified key assumptions and inputs within the model, which mainly comprise of the following:
 - Annual growth in NTS and Revenue: We compared management's assumptions to industry benchmarks including current market share data and implicit forecast market share data based on internally forecast growth projections.
 - Gross margin forecast: We compared this assumption to historical margins and understood the reason for any significant differences.
 - EBITDA forecast: We considered forecast costs that have a significant impact on EBITDA, principally marketing expenses, and compared managements assumptions to historical trends.
 - Long term growth rate: Our expert reviewed the rate used to ensure that it was within our expected range.
 - Discount rates: Our expert reviewed the discount rates to ensure that management's rates were within our expected range.

We did not find any material exceptions when performing the above procedures.

In addition to these specific procedures, we have also performed a stand back assessment to determine whether our conclusions are appropriate. The stand back assessment included the below:

- Evaluated the sensitivity of the outcomes to reasonably possible changes to the key assumptions. This included assessment of whether the Group's disclosures about the sensitivity of the outcomes were reflective of the risks and uncertainties surrounding the valuation of international goodwill.
- Considered events subsequent to the year-end date to identify any factors Trainline had not considered which indicated that an impairment trigger existed at the year-end that would require an updated impairment assessment.

Based on the results of the procedures described above, we concur with the directors assessment that no impairment is required. We have assessed the related disclosures in the consolidated financial statements, including significant estimates and the sensitivities provided and consider them to be materially appropriate.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

Key audit matter

Inappropriate capitalisation of intangibles (group)

The Group has significant capital expenditure on intangibles (FY23: £32.2m, FY22: £25.1m), which gives rise to a significant risk that the costs are inappropriately capitalised. The vast majority of the expenditure in the year was on software development, most 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 for capitalisation. Further, there could be considered an incentive to capitalise costs which do not meet the criteria of IAS 38, by posting fraudulent manual journal entries, in order to improve adjusted EBITDA, being a key performance indicator for the business.

The relevant disclosures have been made in note 9 of the Consolidated financial statements.

How our audit addressed the key audit matter

We have performed the following procedures to gain sufficient appropriate evidence over capitalisation of intangible software additions:

- Considered the design and implementation of management's controls. We did not note any deficiency in the internal controls assessed.
- 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 evidence 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 groups 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.

Based on the results of the procedures described above we did not find any material exceptions.

We have assessed the related disclosures in the Group financial statements and consider them to be appropriate.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

Key audit matter

Recoverability of investments in subsidiary undertakings (parent)

The Parent 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.

The carrying value of Investment is dependent on the overall valuation of the group, based on the forecast discounted cash flows from the subsidiary companies to which the investment relates or the fair value of the group less costs to sell.

As at 28 February 2023, the carrying value of the investment is higher than both the market capitalisation of the group and the total group consolidated assets, and as such, there is a heightened risk in respect of the recoverability of this balance. Management used a value in use model to perform an impairment assessment of this balance. No impairment charge has been recorded against the Parent Company's investment in subsidiary undertaking in the current year.

The relevant disclosures have been made in note 3 of the Parent Company financial statements.

How our audit addressed the key audit matter

We have performed the following procedures to assess the recoverability of the investment in the subsidiary undertaking:

We have obtained an understanding of the impairment assessment process and considered the design and implementation of management's controls. We did not note any deficiency in the internal controls assessed, however determined not to rely on these controls as part of our audit response.

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 investment in subsidiary undertaking to the market capitalisation of the Group as at 28 February 2023 and in the period subsequent to this date.

In order to assess whether an impairment was required we have tested Management's calculation of the value in use of the investment, by performing the following procedures:

Evaluating management's future cash flow forecasts by obtaining the model prepared by management and:

- Testing the mathematical accuracy and integrity of the model;
- 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 the key assumptions applied in the model, which namely comprise of the following:
 - Use of an 8 year forecast, in comparison to the 5 year forecast used in the goodwill impairment model referenced above.
 - Annual growth in NTS and Revenue: We compared management's assumptions to industry benchmarks including current market share data and implicit forecast market share data based on internally forecast growth projections.
 - Gross margin forecast: We compared this assumption to historical margins and understood the reason for any significant differences.
 - EBITDA forecast: We considered forecast costs that have a significant impact on EBITDA, principally marketing expenses, and compared management's assumptions to historical trends.
 - Long term growth rate: Our expert reviewed the rate used to ensure that it was within our expected range.
 - Discount rates: Our expert reviewed the discount rates to ensure that management's rates were within our expected range. The discount rate used fell outside of our expected range, however we were able to conclude, through performing sensitivity analysis, that this did not result in an impairment.

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:

- Considered the market capitalisation of the group when combined with a typical average market premium for FTSE 250 entities. This analysis demonstrated that the market capitalisation plus a premium was above the carrying value of the investment for the majority of the year, a strong indication that no impairment was required.
- Evaluated the sensitivity of the outcomes to reasonably possible changes to the key assumptions.
- Confirming that the cash flow forecasts for the individual cash generating units is in line with the underlying performance that is used in the Group's forecast results.
- Considered events subsequent to the year-end date to identify any factors Trainline had not considered which indicated that an impairment trigger existed at the year-end.

Based on the results of the procedures described above, we concur with the directors assessment that no impairment is required. We have assessed the related disclosures in the consolidated financial statements, including significant estimates and the sensitivities provided and consider them to be materially appropriate.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

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 two 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.

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 100% of Group revenue; 80% of Group profit before tax and 99% 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.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. For example, we challenged management on the impact of any climate related risks when performing our procedures over the group and CGU cash flow forecasts, ultimately concurring with management that this is not a material risk. Our procedures did not identify any material impact of climate risk on the Group's and Company's financial statements.

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
Overall materiality	£2.4m (FY22: £1.7m).	£18.9m (FY22: £19m).
How we determined it	0.75% of Total Revenues for FY23	1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report and Accounts 2023, revenue is one of the financial statement line items of key focus for investors and management. We have used revenue as a benchmark for materiality, which is consistent with the prior year, reflecting inconsistent levels of profitability due to the impacts of the Covid-19 pandemic. We have used Total Revenues in FY23, as opposed to average revenues in the prior year, reflecting the normalisation of revenue post covid-19. By adopting this approach we have applied a level of materiality that is appropriate to the underlying performance of the business.	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.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

Materiality continued

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The materiality allocated to components was £2.1m.

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% (FY22: 75%) of overall materiality, amounting to £1.8m (FY22: £1.3m) for the group financial statements and £14.2m (FY22: £14.3m) 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 £122,680 (group audit) (FY22: £85,000) and £948,000 (parent company audit) (FY22: £949,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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 reconciling 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 appropriately severe but plausible scenarios, particularly in the light of the uncertainty surrounding the UK rail reform and current macroeconomic pressures.
- 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 current borrowings to third party evidence as at 28 February 2023 and considered the Group's available financing and maturity profile.
- Assessing the completeness of the going concern disclosures in the Annual Report and Accounts 2023; and
- Assessing the reliability of the cash flow forecasts by comparing actual performance to forecasts, specifically performing look back testing over the results of FY22 and FY23.

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.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

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 2023 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.

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 and parent company 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.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

Corporate governance statement continued

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 the Companies Act 2006, UK tax legislation as applicable to the group and specific rail industry licence regulations. 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;
- Evaluated the design and implementation of controls over journal entries;
- 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; and
- 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.

Independent auditors' report to the members of Trainline plc

Report on the audit of the financial statements continued

Responsibilities for the financial statements and the audit continued

Auditors' responsibilities for the audit of the financial statements continued

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. This description forms part of our auditors' report.

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. The period of total uninterrupted engagement is two years, covering the years ended 28 February 2022 to 28 February 2023.

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

4 May 2023

Consolidated income statement

For the year ended 28 February 2023

	Notes	2023 £'000	2022 £'000
Continuing operations			
Net ticket sales¹		4,323,298	2,520,272
Revenue	3	327,147	188,513
Cost of sales		(74,923)	(44,626)
Gross profit		252,224	143,887
Administrative expenses		(224,585)	(154,200)
Adjusted EBITDA¹		86,098	39,046
Depreciation and amortisation	9, 10	(41,167)	(42,576)
Share-based payment charges	15	(17,292)	(6,783)
Operating profit/(loss)		27,639	(10,313)
Finance income	6	4,721	3,950
Finance costs	6	(10,270)	(9,179)
Net finance costs	6	(5,549)	(5,229)
Profit/(loss) before tax		22,090	(15,542)
Income tax (expense)/credit	7	(873)	3,637
Profit/(loss) after tax		21,217	(11,905)
Earnings per share (pence)			
Basic earnings/(loss) per ordinary share	8	4.53p	(2.49)p
Diluted earnings/(loss) per ordinary share ²	8	4.48p	(2.49)p

¹ Non-GAAP measure – see alternative performance measures section on page 138.

² As the Group incurred a loss in FY2022 the impact of its potential dilutive ordinary shares have been excluded as they would be anti-dilutive.

The notes on pages 107 to 137 form part of the Financial Statements.

Consolidated statement of comprehensive income

For the year ended 28 February 2023

	Notes	2023 £'000	2022 £'000
Profit/(loss) after tax		21,217	(11,905)
Items that may be reclassified to the income statement:			
Remeasurements of defined benefit liability	17	16	10
Foreign exchange movement		1,873	(1,393)
Other comprehensive income/(loss), net of tax		1,889	(1,383)
Total comprehensive income/(loss)		23,106	(13,288)

The notes on pages 107 to 137 form part of the Financial Statements.

Consolidated balance sheet At 28 February 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Intangible assets	9	66,827	69,794
Goodwill	9	420,710	417,360
Property, plant and equipment	10	21,189	24,877
Deferred tax asset	7	26,950	12,565
		535,676	524,596
Current assets			
Cash and cash equivalents		57,337	68,496
Trade and other receivables	11	60,158	48,314
Current tax receivable	7	-	1,599
		117,495	118,409
Current liabilities			
Trade and other payables	12	(200,202)	(227,729)
Loan and borrowings	13	(4,891)	(4,914)
Current tax payable	7	(7,642)	-
		(212,735)	(232,643)
Net current liabilities		(95,240)	(114,234)
Total assets less current liabilities		440,436	410,362
Non-current liabilities			
Loan and borrowings	13	(149,014)	(149,996)
Provisions	14	(778)	(873)
		(149,792)	(150,869)
Net assets		290,644	259,493

	Notes	2023 £'000	2022 £'000
Equity			
Share capital	16	4,807	4,807
Share premium	16	1,198,703	1,198,703
Foreign exchange reserve	16	3,328	1,455
Other reserves	16	(1,128,978)	(1,136,661)
Retained earnings	16	212,784	191,189
Total equity		290,644	259,493

The notes on pages 107 to 137 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors of Trainline plc (registered number 11961132) on 4 May 2023 and were signed on its behalf by

Jody Ford
Chief Executive Officer
4 May 2023

Peter Wood
Chief Financial Officer
4 May 2023

Consolidated statement of changes in equity

For the year ended 28 February 2023

	Notes	Share capital £'000	Share premium £'000	Other reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 March 2022		4,807	1,198,703	(1,136,661)	1,455	191,189	259,493
Profit after tax		–	–	–	–	21,217	21,217
Other comprehensive income		–	–	–	1,873	16	1,889
Acquisition of treasury shares		–	–	(7,947)	–	–	(7,947)
Share-based payment charges ¹	15	–	–	15,992	–	–	15,992
Transfer between reserves ¹	16	–	–	(362)	–	362	–
Balance as at 28 February 2023		4,807	1,198,703	(1,128,978)	3,328	212,784	290,644

For the year ended 28 February 2022

	Notes	Share capital £'000	Share premium £'000	Other reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 March 2021		4,807	1,198,703	(1,124,992)	2,848	202,139	283,505
Profit after tax		–	–	–	–	(11,905)	(11,905)
Other comprehensive income		–	–	–	(1,393)	10	(1,383)
Acquisition of treasury shares	16	–	–	(16,600)	–	–	(16,600)
Share-based payment charges ¹	15	–	–	5,876	–	–	5,876
Transfer between reserves ¹		–	–	(945)	–	945	–
Balance as at 28 February 2022		4,807	1,198,703	(1,136,661)	1,455	191,189	259,493

¹ Share-based payment charges noted here are net of tax, share issues and N.I. charge. 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 107 to 137 form part of the Financial Statements.

Consolidated statement of cash flow

For the year ended 28 February 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit/(loss) before tax		22,090	(15,542)
Adjustments for:			
Depreciation and amortisation	9, 10	41,167	42,576
Net finance costs ¹	6	5,549	5,229
Share-based payment charges	15	17,292	6,783
		86,098	39,046
Changes in working capital:			
Trade and other receivables		(13,986)	(33,562)
Trade and other payables		(29,097)	189,683
Cash generated from operating activities		43,015	195,167
Taxes (paid)/refunded		(4,135)	4,439
Net cash generated from operating activities		38,880	199,606
Cash flows from investing activities			
Payments for intangible assets		(32,811)	(24,787)
Payments for property, plant and equipment		(2,408)	(4,557)
Net cash flow from investing activities		(35,219)	(29,344)

¹ Including gain on convertible bond buyback as disclosed in Notes 6 and 13 for FY2023 and FY2022.

The notes on pages 107 to 137 form part of the Financial Statements.

	2023 £'000	2022 £'000
Cash flows from financing activities		
Purchase of treasury shares	(7,947)	(16,600)
Proceeds from revolving credit facility	105,000	97,000
Repayment of revolving credit facility and other borrowings	(70,000)	(177,116)
Issue costs and fees	(3,251)	(110)
Buyback of convertible bonds	(28,189)	(31,307)
Payments of lease liabilities	(4,501)	(3,794)
Payment of interest on lease liabilities	(440)	(477)
Interest paid	(6,410)	(5,103)
Interest received	726	-
Net cash flows from financing activities	(15,012)	(137,507)
Net (decrease)/increase in cash and cash equivalents	(11,351)	32,755
Cash and cash equivalents at beginning of the year	68,496	36,575
Effect of exchange rate changes on cash	192	(834)
Closing cash and cash equivalents	57,337	68,496

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 the 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 2023 were approved by the Directors on 4 May 2023.

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.

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.

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 are for the year from 1 March 2022 to 28 February 2023.

(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 Group and Parent Company Financial Statements are prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through the income statement are measured at fair value

d) Functional and presentation currency

The Financial Statements are presented in pound sterling (£GBP), 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 2023 and 28 February 2024, 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 and any key uncertainties and sensitivities.

Positive adjusted EBITDA of £86.1 million was earned in the period (FY2022: £39.0 million adjusted EBITDA) and net debt at 28 February 2023 was £100.4 million (FY2022: £90.3 million) resulting in a reduction in net debt/adjusted EBITDA leverage ratio from 2.31 at 28 February 2022 to 1.17 at 28 February 2023. As at 28 February 2023, the Group was in a net current liability position of £95.2 million driven by the negative working capital cycle whereby ticket sales amounts are received before amounts due are paid by carriers (FY2022: £114.2 million net current liability position). The Group has in place bank guarantees that can be utilised to settle trade creditors balances of £72.2m (FY2022: £51.3m). Bank guarantees are issued by lenders under the Group's revolving credit facility and therefore reduce the Group's remaining available facility. Despite the net current liability position, the Group has access to £192.8 million additional funds under its revolving credit facility (FY2022: £273.7m). As such the Group has sufficient liquidity to easily cover the net current liability position.

Notes to the Group Financial Statements continued

1. Significant accounting policies continued

e) Going concern continued

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 in isolation, without any mitigations, and their potential impact on the Group's forecast. The severe but plausible downside scenarios modelled were: (1) a 15% reduction in forecast Group adjusted EBITDA caused by a circa 8% reduction in UK revenue, or a circa 12% increase in Group marketing and other administrative expenses; and (2) a 1% increase above the forecast SONIA interest rate benchmark.

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, with significant excess liquidity. This includes complying with the net debt to adjusted EBITDA and the interest coverage covenant requirements at the 31 August 2023 and 28 February 2024 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, industry system costs, ancillary services and settlement and fulfilment costs and are recognised as incurred (at the point of sale).

Change in presentation of UK rail industry system costs

The Group has changed its accounting presentation on the allocation of UK rail industry systems costs payable to the Rail Delivery Group which were historically presented within administrative expenses on the basis that these costs reflect the Group's share of total industry system costs. Since these costs are also incurred on the sale of UK rail tickets on a per reservation basis, the Group has changed its accounting presentation to present these amounts in cost of sales to provide more reliable and relevant information about the effects of the costs on the Group's financial performance. This change in accounting presentation was effective as at 1 March 2022 with retrospective application made to prior periods and disclosed in these Group Financial Statements.

In FY2023, £8.4 million in UK rail industry systems costs payable to the Rail Delivery Group have been presented in cost of sales. UK rail industry systems costs payable to the Rail Delivery Group incurred in prior periods have been reallocated from administrative expenses to cost of sales on the face of the consolidated income statement (FY2022: £8.9 million).

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.

Key source of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. Revision to estimates are recognised prospectively.

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 9 – 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 significant estimation uncertainty in estimating the future cash flows and the time period over which they will occur. There is also estimation uncertainty in arriving at an appropriate discount rate to apply to the cashflows as well as an appropriate terminal growth rate. Each of these assumptions have an impact on the overall value of cashflows expected and therefore the headroom between the cashflows and carrying values of the cash generating units. As such, each of these constitute estimates in the assessment of the recoverable amount of goodwill in respect of both the UK consumer and International consumer cash-generating units ('CGUs'). Details of the impact of reasonably possible changes to the future cash flows and timing of these are evaluated in Note 9 to the Financial Statements.

Notes to the Group Financial Statements continued

1. Significant accounting policies continued

h) Use of judgements and estimates continued

Critical accounting judgements

Critical accounting judgements are those that the Group has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Note 9: Capitalisation of internal software development costs

The Group capitalises internal costs directly attributable to the development of intangible assets. We consider this a critical judgement given the application of IAS 38 involves the assessment of several different criteria that can be subjective and/or complex in determining whether the costs meet the threshold for capitalisation. During the year, the Group has capitalised internal development costs amounting to £32.2million (FY2022: £24.9million). While the Group makes judgements in determining the basis for recognition of these internally developed assets, these judgements are formed in the context of robust systems and controls.

i) New standards and interpretations adopted

A number of new standards are effective from 1 March 2022, but they do not have a material effect on the Group's Financial Statements.

The following adopted IFRS have been issued but have not been applied by the Group in these consolidated Financial Statements. Their adoption is not expected to have a material effect on the Financial Statements unless otherwise indicated:

- Onerous Contracts: Cost of Fulfilling a Contract – Amendments to IAS 37 (effective date 1 January 2022);
- Reference to the Conceptual Framework – Amendments to IFRS 3 (effective date 1 January 2022);
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective date 1 January 2022); and
- Annual Improvements to IFRS Standards 2018-2020 (effective date 1 January 2022).

2. Operating segments

Management organises the Group around differences in services and geographical areas. Operating segments have not been aggregated. In accordance with IFRS 8 Operating Segments, management presents its operating segments based on internal information that is provided to the Board, who is the Group's chief operating decision maker ('CODM').

As a result, the Group has changed its presentation of information to the CODM during FY2023 to better reflect the nature of the Group's operations. As of FY2023, the Group reports its technology platform and Trainline Solutions results together within one segment (Trainline Solutions). The Group continues to report results on UK Consumer in the same manner as previously. International Consumer results are reported on a standalone basis, with International Trainline Solutions now being reported within 'Trainline Solutions'.

The Group has determined that it now has three reportable segments: UK Consumer, International Consumer, and Trainline Solutions. FY2023 segmental disclosures have been prepared to reflect this structure, with prior period comparatives restated on this basis.

- UK Consumer – Travel apps and websites for individual travellers for journeys within the UK
- International Consumer – Travel apps and websites for individual travellers for journeys outside the UK; and
- Trainline Solutions¹ – Travel portal platforms for Trainline's own branded business units, in addition to external corporates, travel management companies and white label ecommerce platforms for Train Operating Companies.

No single customer accounted for 10% or more of the Group's sales. In general, the transfer pricing policy implemented by the Group is market-based.

As of FY2023, the CODM reviews discrete information by segment disaggregated to adjusted EBITDA to better assess performance and to assist in resource-allocation decisions. The CODM monitors:

- the three operating segments' results at the level of net ticket sales, revenue, gross profit and adjusted EBITDA (as shown in this disclosure); and
- no results at a profit before/after tax level or in relation to the statement of financial position are reported to the CODM at a lower level than the consolidated Group.

¹ The Group's technology platform, UK Trainline Solutions and International Trainline Solutions are collectively referred to as 'Trainline Solutions'.

Notes to the Group Financial Statements continued

2. Operating segments continued

Segmental analysis for the year ended 28 February 2023:

	UK Consumer £'000	International Consumer £'000	Trainline Solutions £'000	Total Group £'000
Net ticket sales	2,811,299	914,506	597,493	4,323,298
Revenue	172,066	45,387	109,694	327,147
Cost of sales	(50,211)	(15,318)	(9,394)	(74,923)
Gross profit	121,855	30,069	100,300	252,224
Marketing costs	(21,871)	(42,517)	(459)	(64,847)
Other administrative expenses	(28,729)	(9,415)	(63,135)	(101,279)
Adjusted EBITDA	71,255	(21,863)	36,706	86,098
Depreciation and amortisation				(41,167)
Share-based payment charges				(17,292)
Operating profit				27,639
Net finance costs				(5,549)
Profit before tax				22,090
Income tax expense				(873)
Profit after tax				21,217

Segmental analysis for the year ended 28 February 2022¹:

	UK Consumer £'000	International Consumer £'000	Trainline Solutions £'000	Total Group £'000
Net ticket sales	1,811,715	406,575	301,982	2,520,272
Revenue	108,583	13,843	66,087	188,513
Cost of sales	(31,964)	(7,199)	(5,463)	(44,626)
Gross profit	76,619	6,644	60,624	143,887
Marketing costs	(14,949)	(14,697)	(380)	(30,026)
Other administrative expenses	(24,442)	(4,450)	(45,923)	(74,815)
Adjusted EBITDA	37,228	(12,503)	14,321	39,046
Depreciation and amortisation				(42,576)
Share-based payment charges				(6,783)
Operating loss				(10,313)
Net finance costs				(5,229)
Loss before tax				(15,542)
Income tax expense				3,637
Loss after tax				(11,905)

¹ Prior period comparatives have been restated to reflect the change in reportable segments during the year.

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 respect of commission fee sale transactions, as it does not control the services prior to transferring them to its customers. The Group acts as principal in respect of service fees, settlement fees and fulfilment fees, as the Group has full entitlement to the respective amounts. In respect of ancillary fees, the Group acts as principal or agent based on the nature of the fee.

Trainline 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 represents a separate performance obligation. Revenue is recognised over time, as each performance obligation is satisfied, for specific feature builds, and at point in time for bespoke feature builds, maintenance, commission and service fees. For contracts with customers, invoices are raised upon satisfaction of performance obligations, with payment due within 30 days. Internal service fee revenue is generated through internal fees charged on a per transaction basis.

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 is disaggregated by primary geographical market and timing of revenue recognition.

Timing of revenue recognition	2023 £'000	2022 £'000
At point in time	327,147	187,166
Over time	–	1,347
Total revenue	327,147	188,513

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.

	2023 £'000	2022 £'000
UK	259,207	166,746
Rest of the world	67,940	21,767
Total revenue	327,147	188,513

Contract balances

The Group's contract balances consist of trade receivables, contract assets and contract liabilities. Trade receivables are disclosed in Note 11.

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 £10.1 million (FY2022: £4.4 million) which are included in Note 11.

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 £0.5 million (FY2022: £0.2 million, of which £0.2m was recognised in revenue during FY2023) which are included within deferred revenue in Note 12.

Notes to the Group Financial Statements continued

4. Auditors' remuneration

This note details a breakdown of the auditors' remuneration recognised across the Group.

During the year, the Group obtained the following services from its auditors:

	2023 £'000	2022 £'000 ¹
Audit of these Financial Statements	471	351
Audit of Financial Statements of subsidiaries pursuant to legislation	84	80
Audit-related assurance services	52	52
Other non-audit services	-	-
Total auditors remuneration	607	483

¹ In FY2022, all amounts other than £34k paid to KPMG in relation to the statutory audit of Trainline SAS were paid to member firms of PwC, being the Group's auditors for this financial year and the prior financial year. In the current year all amounts were paid to PwC.

5. Employee benefit expenses

Staff costs presented in this note reflect the total wage, tax, pension and share-based payment charge 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

	2023 Number of employees	2022 Number of employees
Sales and marketing	119	95
Operations	147	135
Technology and product	511	348
Management and administration	135	112
Total number of employees¹	912	690

¹ In determining the monthly employee numbers, in respect of leavers and joiners, management has pro-rated employee numbers based on the % of the month that they were employed within the Group.

Employee benefits expense

	2023 £'000	2022 £'000
Wages and salaries	73,449	55,380
Social security contributions	10,749	7,686
Contributions to defined contribution plans	2,993	2,313
Share-based payment expense	17,292	6,783
Total employee benefits	104,483	72,162

Details of Directors' remuneration are disclosed in Note 23 under Transactions with key management personnel of the Group.

Notes to the Group Financial Statements continued

6. 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.

On 26 July 2022, the Group entered into a new £325.0 million revolving credit facility which replaced the Group's previous £350.0 million revolving credit facility due to mature on 26 June 2024 (refer to Note 13 for further disclosure). Transaction costs of £2.7 million incurred in relation to the Group's former £350.0 million facility and not yet amortised upon cancellation of this facility on 26 July 2022 were charged as finance costs in the year.

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 13, with any gains and losses arising recognised in finance income and finance costs.

	2023 £'000	2022 £'000
Bank interest income	730	36
Gain on convertible bond buyback	3,987	3,914
Net foreign exchange gain	4	-
Finance income	4,721	3,950
Interest and fees on bank loans	(8,856)	(5,777)
Net foreign exchange loss	-	(927)
Interest and fees on convertible bonds	(886)	(1,878)
Interest on lease liability	(528)	(594)
Other interest	-	(3)
Finance costs	(10,270)	(9,179)
Net finance costs recognised in the income statement	(5,549)	(5,229)

7. 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 profit/(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.

Notes to the Group Financial Statements continued

7. Taxation continued

Accounting policy continued

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

	2023 £'000	2022 £'000
Current tax charge		
Current year corporation tax	13,843	315
Adjustment in respect of prior years	670	3,444
Total current tax charge	14,513	3,759
Deferred tax credit		
Current year	(9,302)	(1,364)
Adjustment in respect of prior years	(1,709)	(3,948)
Effect of tax rate change on deferred tax	(2,629)	(2,084)
Total deferred tax credit	(13,640)	(7,396)
Tax charge/(credit)	873	(3,637)

UK corporation tax was calculated at 19% (FY2022: 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 charge of £0.9 million (FY2022: credit of £3.6 million) is made up of a current corporation tax charge of £14.5 million (FY2022: credit of £3.8 million) arising in the UK, and a deferred tax credit of £13.6 million (FY2022: £7.4 million).

Included in the deferred tax credit is predominantly the credit arising from a remeasurement of the tax losses at the tax rate of 25%, where the Group has opted not to utilise losses during FY2022 and FY2023 at the prevailing tax rate of 19%, and will carry the losses forward to utilise against profits in a future period (subject to tax at 25%).

The deferred tax credit in FY2023 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.

	2023 £'000	2022 £'000
Profit/(loss) before tax	22,090	(15,542)
Tax on profit/(loss) at standard UK rate of 19% (FY2022: 19%)	4,197	(2,971)
<i>Effect of:</i>		
Expenses not deductible/income not deductible	(251)	1,147
Amounts not recognised ¹	482	1,148
Effect of changes in tax rates	(2,629)	(2,626)
Adjustment in respect of prior years	(1,039)	(504)
Difference in overseas tax rates	-	2
Deferred tax credited to equity	-	85
Losses utilised	-	-
Other	113	82
Total tax charge/(credit)	873	(3,637)
Effective tax rate	4%	23%

¹ 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 consolidated effective tax rate for FY2023 was 4% which is below the UK corporation tax rate of 19% (FY2022: higher). The reduction in the effective tax rate primarily reflects the remeasurement of deferred tax balances for the increase in the UK corporation tax rate to 25%, and a prior period adjustment to recognise the French R&D Tax Credit receivable relating to credits unused after three years which are repayable to Trainline SAS.

Tax (creditor)/debtor per the consolidated balance sheet:

	2023 £'000	2022 £'000
Current tax receivable	-	1,599
Current tax payable	(7,642)	-

Notes to the Group Financial Statements continued

7. Taxation continued

Deferred tax asset/(liability) as at 28 February 2023:

	Acquired intangible assets £'000	Tangible assets and other £'000	Share-based payments £'000	Losses carried forward £'000	Total £'000
At 1 March 2022	(3,655)	(3,378)	1,237	18,361	12,565
Adjustment in respect of prior years	–	(2,190)	–	6,528	4,338
Adjustments posted through equity	–	(34)	779	–	745
Credit/(charge) to consolidated income statement	982	1,628	3,259	3,433	9,302
At 28 February 2023	(2,673)	(3,974)	5,275	28,322	26,950

Deferred tax asset/(liability) 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
At 28 February 2022	(3,655)	(3,378)	1,237	18,361	12,565

Notes to the Group Financial Statements continued

8. 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, adjusted for treasury shares held.

(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'.

	2023 No. shares
Weighted average number of ordinary shares	480,680,508
Weighted average number of treasury shares	(11,834,556)
Weighted average number of ordinary shares	468,845,952
Dilutive impact of share options outstanding	4,216,223
Weighted average number of dilutive shares	473,062,175

	2022 No. shares
Weighted average number of ordinary shares	480,680,508
Weighted average number of treasury shares	(3,096,733)
Weighted average number of ordinary shares¹	477,583,775

¹ As the Group incurred a loss in FY2022, the impact of its potential dilutive ordinary shares has been excluded in the FY2022 calculation as they would be anti-dilutive.

	2023 £'000	2022 £'000
Profit/(loss) after tax	21,217	(11,905)
Earnings attributable to equity holders	21,217	(11,905)
Adjusted earnings¹	36,271	(3,844)

	2023 pence	2022 pence
Profit/(loss) per share		
Basic	4.53p	(2.49)p
Diluted ²	4.48p	(2.49)p
Adjusted profit/(loss) per share		
Basic	7.74p	(0.80)p
Diluted ²	7.67p	(0.80)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, the impact of its potential dilutive ordinary shares was excluded as they would be anti-dilutive.

Notes to the Group Financial Statements continued

9. 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 administrative expenses on 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	Fully amortised

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Group Financial Statements continued

9. Intangible assets and goodwill continued

Intangible assets and goodwill as at 28 February 2023:

	Software development ¹ £'000	Brand valuation ³ £'000	Customer lists £'000	Goodwill £'000	Total £'000
Cost:					
At 1 March 2022	147,410	51,738	92,690	442,555	734,393
Additions	32,174	–	11	–	32,185
Disposals	(18,056)	–	–	–	(18,056)
Exchange differences ²	–	–	–	3,350	3,350
At 28 February 2023	161,528	51,738	92,701	445,905	751,872
Accumulated amortisation and impairment:					
At 1 March 2022	(93,488)	(35,967)	(92,589)	(25,195)	(247,239)
Amortisation	(29,840)	(5,167)	(110)	–	(35,117)
Disposals	18,021	–	–	–	18,021
At 28 February 2023	(105,307)	(41,134)	(92,699)	(25,195)	(264,335)
Carrying amounts:					
At 28 February 2023	56,221	10,604	2	420,710	487,537

1 Total software development includes £11.1m of assets which represent work in progress and which are not yet depreciating (FY2022: £13.9m).

2 Effects of foreign exchange rate changes.

3 At FY2023, the remaining useful economic life was two years for brand valuation assets.

Intangible assets and goodwill as at 28 February 2022:

	Software development ¹ £'000	Brand valuation ³ £'000	Customer lists £'000	Goodwill £'000	Total £'000
Cost:					
At 1 March 2021	132,755	51,738	92,690	444,652	721,835
Additions ¹	25,090	–	–	–	25,090
Disposals	(10,435)	–	–	–	(10,435)
Exchange differences ²	–	–	–	(2,097)	(2,097)
At 28 February 2022	147,410	51,738	92,690	442,555	734,393
Accumulated amortisation and impairment:					
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
At 28 February 2022	(93,488)	(35,967)	(92,589)	(25,195)	(247,239)
Carrying amounts:					
At 28 February 2022	53,922	15,771	101	417,360	487,154

1 Total additions include £24.9 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 assets.

Of the amortisation charge for the year, £5.3 million (FY2022: £7.1 million) related to the amortisation of intangible assets which were recognised on the Group's acquisition of Trainline.com Limited and Trainline SAS, while £29.1 million (FY2022: £29.6 million) related to internally developed and purchased intangible assets recognised at historical cost.

Disposals in the year of £18.1 million (FY2022: £10.4 million) include £18.1m of fully amortised internally developed software assets which were no longer in use.

Notes to the Group Financial Statements continued

9. 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. The Group has carrying value of goodwill totalling £420.7 million (FY2022: £417.3 million) which was initially recognised upon the acquisition of Trainline.com Limited and Trainline SAS (formerly Capitaine Train SAS).

CGUs have been revised in FY2023 due to the revision of operating segments as described in Note 2. This revision has resulted in two new CGUs (International Trainline Partner Solutions and International Consumer) being created. These were formerly part of the International CGU. All goodwill in the International CGU in the prior year has been allocated to the International Consumer CGU in the current year. CGUs are allocated on a more granular level than the operating segments. Impairment reviews were conducted on these revised CGUs as summarised below:

FY2023 CGUs	2023 £'000
UK Consumer	351,271
International Consumer	69,439
UK Trainline Partner Solutions	-
International Trainline Partner Solutions	-
Total goodwill	420,710

FY2022 CGUs	2022 £'000
UK Consumer	351,271
International	66,089
UK Trainline Partner Solutions	-
Total goodwill	417,360

Assumptions

The key value in use assumptions were:

	2023 UK Consumer	2022 UK Consumer	2023 International Consumer	2022 International Consumer
Pre-tax discount rate ¹	10.9%	9.7%	13.2%	12.0%
Terminal growth rate ²	2.5%	2.5%	2.5%	2.5%
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 (FY2022: nil).

As noted above, the key assumptions that form part of the value in use assessment are the pre-tax discount rate, the terminal growth rate, the number of years forecasted before terminal growth rate is applied and the underlying cash forecasts. The pre-tax discount rate was determined 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 reflecting the average beta for the Group and comparator companies which are used in deriving the cost of equity. Further to this, the terminal growth rate was determined based on the past inflation rate and is determined to reflect the long-term growth potential of the Company and industry as a whole.

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 value in use 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 in determining EBITDA for each CGU. Management's expectations and best estimates are determined based on a detailed top-down and bottom-up forecasting process which incorporates consideration of the Group's strategy, expectations in respect of market size and market share while also taking account of risks and uncertainties in the market. The core assumptions in the cash flow forecasts used in the impairment testing were: UK – continues to grow sales, driven by ongoing investment in the Trainline platform, the digitisation of ticketing and supported by modal shift tailwinds; and International – strong continued sales growth at

Notes to the Group Financial Statements continued

9. Intangible assets and goodwill continued

Goodwill impairment testing continued

a higher level than the Group as a whole driven by investment in marketing and continued development in the user experience. 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.

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.

	2023 UK Consumer	2022 UK Consumer	2023 International Consumer	2022 International Consumer
Increase in discount rate	1pt	1pt	1pt	1pt
Reduction in long-term growth rate applied in terminal year	0.5pt	0.5pt	0.5pt	0.5pt
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.

10. 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 has been included in the CGU impairment assessments (see Note 9). There were no additional indicators of specific impairment identified during the year relating to PPE (FY2022: no indicators).

Notes to the Group Financial Statements continued

10. Property, plant and equipment continued

Property, plant and equipment as at 28 February 2023:

	Plant and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
Cost:				
At 1 March 2022	7,379	6,984	27,461	41,824
Additions	2,089	–	522	2,611
Disposals	(1,739)	(149)	(108)	(1,996)
At 28 February 2023	7,729	6,835	27,875	42,439
Accumulated depreciation and impairment:				
At 1 March 2022	(4,810)	(2,515)	(9,622)	(16,947)
Depreciation	(1,301)	(843)	(3,906)	(6,050)
Disposals	1,668	–	79	1,747
At 28 February 2023	(4,443)	(3,358)	(13,449)	(21,250)
Carrying amounts:				
At 28 February 2023	3,286	3,477	14,426	21,189

Property, plant and equipment as at 28 February 2022:

	Plant and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
Cost:				
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)
At 28 February 2022	7,379	6,984	27,461	41,824
Accumulated depreciation and impairment:				
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
At 28 February 2022	(4,810)	(2,515)	(9,622)	(16,947)
Carrying amounts:				
At 28 February 2022	2,569	4,469	17,839	24,877

Notes to the Group Financial Statements continued

11. 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. The contract assets primarily relate to the Group's rights to consideration for services provided but not invoiced at the reporting date. Prepayments consist of payments made prior to year end in respect of transactions in the normal course of business.

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 and other 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.

	2023 £'000	2022 £'000
Trade receivables	38,031	37,580
Other receivables	5,276	1,300
Prepayments	6,692	5,033
Contract assets	10,159	4,401
Total trade and other receivables	60,158	48,314

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.

12. 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.

	2023 £'000	2022 £'000
Trade payables	158,922	190,661
Accruals	36,241	34,043
Other creditors	4,503	2,800
Deferred revenue	536	225
Total trade and other payables	200,202	227,729

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.

13. 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 finance costs.

	2023 £'000	2022 £'000
Non-current liabilities		
Revolving credit facility ¹	57,385	21,800
Convertible bonds ²	81,105	112,663
Other term debt	–	37
Lease liabilities	10,524	15,496
Total non-current liabilities	149,014	149,996
Current liabilities		
Accrued interest on secured bank loans	368	1,425
Lease liabilities	4,523	3,489
Total current liabilities	4,891	4,914

1 Included within the revolving credit facility is the principal amount of £60.0 million (FY2022: £25.0 million) and directly attributable transaction costs of £2.6 million (FY2022: £3.2 million).

2 Included within the convertible bonds is the principal amount of £82.7 million (FY2022: £114.8 million) and directly attributable transaction costs of £1.6 million (FY2022: £2.1 million). During FY2023 the Group bought back and cancelled £32.1 million (face value) (FY2022: £35.2 million) of its own convertible bonds for £28.1 million (FY2022: £31.3 million), resulting in a gain of £4 million (FY2022: £3.9 million) presented on the income statement within finance income.

Notes to the Group Financial Statements continued

13. Loans and borrowings continued

Terms and repayment schedule

Agreement	Interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Revolving credit facility	SONIA + 1.25%-2.5%	2025	60,000	57,385
Convertible bonds	1.00%	2026	82,700	81,105
Lease liabilities	Various ¹	Various	17,122	15,047
Total borrowings			159,822	153,537

¹ The average interest rate of lease liabilities is 3.99%.

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	69,202	3,342	3,342	62,518	–
Convertible bonds	85,077	827	827	83,423	–
Lease liabilities	17,122	4,987	4,815	6,534	786
Total cash flows	171,401	9,156	8,984	152,475	786

Revolving credit facility

On 26 July 2022, the Group entered into a new £325.0 million revolving credit facility with an initial maturity date of 30 November 2025, with the option to extend for a further two, one-year periods to 30 November 2027. This facility replaced the Group's previous £350.0m revolving credit facility which was extinguished on 26 July 2022.

Both facilities in place during the year allow draw downs in cash or non-cash to cover bank guarantees. At 28 February 2023, the cash drawn amount is £60.0 million (FY2022: £25.0 million), the non-cash bank guarantee drawn amount is £72.2 million (FY2022: £51.3 million) and the undrawn amount on the facility is £192.8 million (FY2022: £273.7 million).

Both facilities in place during the year were secured by a fixed and floating charge over certain assets of the Group. Interest payable on the £350.0 million facility was at a margin of 1.00% to 2.00% above SONIA plus credit adjustment spread, and interest payable on the £325.0 million facility was at a margin of 1.25% to 2.50% above SONIA.

The Group was subject to bank covenants, all of which have been met during the year. In relation to the £350.0 million facility extinguished on 26 July 2022: (1) net debt to adjusted EBITDA must be no more than 3.75:1. In relation to the £325.0 million facility entered into on 26 July 2022: (1) net debt to adjusted EBITDA must be no more than 3.00:1; and (2) adjusted EBITDA to net finance charges must be no less than 4.00:1.

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 £6.6671 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 bond was 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. Subsequent to this, bonds are measured at amortised cost.

During FY2023, the Group bought back and cancelled £32.1 million (face value) (FY2022: £35.2 million) of its own convertible bonds for £28.1 million (£31.3 million), resulting in a gain of £4 million (£3.9 million) presented on the income statement within finance income. As at FY2023, the Group had convertible bonds with a principal amount of £82.7 million in issuance (FY2022: £114.8 million).

Notes to the Group Financial Statements continued

14. Provisions

The Group holds provisions in relation to dilapidations.

Accounting policy

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Group provides for the cost of dilapidations in relation to the offices over the minimum term of the leases. It is expected that the cash flows in relation to provisions will occur at the end of the lease terms between 2026 and 2030.

Provisions at 28 February 2023

	2023 £'000	2022 £'000
As at 1 March	873	850
Unwinding of discount	54	49
Utilised	(149)	(26)
As at 28 February	778	873

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

	2023 £'000	2022 £'000
Share-based payment schemes	17,292	6,783
Total income statement impact	17,292	6,783

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 vested on 31 July 2022, with all employees that had not opted out or left the business between 26 June 2019 and 31 July 2022 being entitled to shares in Trainline plc worth £3,600 at grant date.

Further SIP awards were offered to all UK Company staff employed at 16 March 2022 (being the grant date). The awards will vest on 16 March 2025 and all employees that have not opted out or left the business between 16 March 2022 and 16 March 2025 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 vested on 31 July 2022, with all employees that had not opted out or left the business between 26 June 2019 and 31 July 2022 being entitled to shares in Trainline plc worth £3,600 at grant date. Further SIP awards were offered to all non-UK company staff employed at 1 March 2022 (being the grant date). The awards will vest on 28 February 2025 and all employees that have not opted out or left the business between 1 March 2022 and 28 February 2025 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.

Notes to the Group Financial Statements continued

15. Share-based payments continued

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, subject to remaining employees for the three-year vesting period.

Deferred Share Bonus Plan ('DSBP')

The DSBP was offered to the CEO for the purpose of deferring Executive Director annual bonus in accordance with Company's Directors' Remuneration Policy. The awards were granted on 30 June 2022 and will vest 50% on 19 May 2023 and 50% on 20 May 2024 provided participants remain an employee on vesting dates.

Key assumptions used in valuing the share-based payments were as follows:

	Share Incentive Plan	International Share Incentive Plan	Restricted Share Plan	Performance Share Plan	Specific RSU Award	Deferred Shares Bonus Plan	Matching Shares
Exit date	16 March 2025	28 February 2025	3 years after the grant date	3 years after the grant date	26 June 2020 ¹	19 May 2023 ²	3 years after the grant date
Attrition rate over life of award	28%	28%	12%-31%	10%-29%	35%	0%	19%
Weighted average fair value estimated at grant date³	199p	214p	256p	164p	–	288p	164p

1 Exit date for first tranche and then annually for following two years' awards.

2 Exit date for first tranche and the anniversary following for the second tranche.

3 Awards with market-based performance conditions were valued using the Monte Carlo simulation approach. All other awards were valued based on the market value at grant date.

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 £17.3 million (FY2022: £6.8 million), including the relevant employer's social security contributions.

	2023 £'000	2022 £'000
Share Incentive Plan	440	199
International Share Incentive Plan	43	36
Restricted Share Plan	3,945	2,705
Performance Share Plan	12,442	3,732
Specific RSU Award	27	15
Deferred Share Bonus Plan	258	–
Matching Shares	137	96
Total income statement impact	17,292	6,783

Notes to the Group Financial Statements continued

15. Share-based payments continued

	Share Incentive Plan	International Share Incentive Plan	Restricted Share Plan	Performance Share Plan	Specific RSU Award	Deferred Shares Bonus Plan	Matching Shares
At 1 March 2021	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)
At 28 February 2022 and 1 March 2022	255,386	21,425	1,618,532	4,316,861	28,572	–	106,860
Granted	1,149,785	140,790	1,882,582	15,209,755	–	133,243	86,308
Lapsed	(155,943)	(17,011)	(344,587)	(1,287,968)	–	–	(23,344)
Exercised	(234,818)	(18,854)	(1,200,613)	–	(28,572)	–	(851)
At 28 February 2023	1,014,410	126,350	1,955,914	18,238,648	–	133,243	168,973

The weighted average share price at the date share options were exercised was 238p (FY2022: 299p). The weighted average remaining contractual life of the share options was 1 year and 7 months (FY2022: 1 year and 9 months).

Notes to the Group Financial Statements continued

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 2023 and 28 February 2022

	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	Share-based payment reserve £'000	Total other reserves £'000
At 1 March 2021	(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 ¹	–	–	(945)	(945)
At 28 February 2022	(1,122,218)	(21,731)	7,288	(1,136,661)
Addition of treasury shares	–	(7,947)	–	(7,947)
Allocation of treasury shares to fulfil share-based payment	–	2,950	(2,902)	48
Share-based payment charge	–	–	15,165	15,165
Deferred tax on share-based payment	–	–	779	779
Transfer to retained earnings ¹	–	–	(362)	(362)
At 28 February 2023	(1,122,218)	(26,728)	19,968	(1,128,978)

¹ 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.

Notes to the Group Financial Statements continued

16. Capital and reserves continued

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.

Treasury reserve

Treasury shares reflect the value of shares held by the Group's Employee Benefit Trusts ('EBT'). At 28 February 2023, the Group's EBT held 10.9 million shares (FY2022: 8.0 million) which have a historical cost of £26.7 million (FY2022: £21.7 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 comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is 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.

Notes to the Group Financial Statements continued

17. Other employee benefits continued

Accounting policy continued

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 Railpen. The Trustees of Railpen are responsible for governance of the plan and for appointing members to the Railpen Boards. 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 2023, by qualified independent actuaries Willis Towers Watson Ltd. The main financial assumptions applied in the valuations and an analysis of the Schemes' assets are as follows:

(i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2023 % pa	2022 % pa
Discount rate	5.10	2.65
Price inflation (RPI measure)	3.20	3.50
Increases to deferred pensions (CPI measure)	2.80	3.10
Pension increase (CPI measure)	2.80	3.10
Salary increase	n/a	n/a

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevity underlying the values of the defined benefit obligation at the reporting date were as follows:

	2023 years	2022 years
Longevity at age 65 for current pensioners		
Males	19.5	19.8
Females	22.4	22.7
Longevity at age 65 for current members aged 45		
Males	20.8	21.2
Females	23.9	24.2

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.

Notes to the Group Financial Statements continued

17. Other employee benefits continued

Defined benefit pension plan continued

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.

Liability	2023 £'000	2022 £'000
Deferred members	(2,533)	(3,706)
Pensioner members (including dependents)	(674)	(1,088)
Total	(3,207)	(4,794)

Assets	2023 £'000	2022 £'000
Value of assets at end of year	4,458	5,232
Funded status at end of year	1,251	438
Adjustment for the members' share of surplus	(500)	(175)
Effect of asset ceiling	(751)	(263)
Net defined benefit at end of year	-	-

	2023 £'000	2022 £'000
Employer's share of administration cost	16	11
Total employer's share of service cost	16	11
Employer's share of net interest on net defined benefit	-	(1)
Employer's share of pension expense	16	10

(ii) Other comprehensive income (OCI)

	2023 £'000	2022 £'000
Loss/(gain) due to the liability expense	417	(77)
(Gain)/loss due to the liability assumption changes	(2,039)	25
Adjustment for the members' share	331	136
Return on plan assets greater/(less) than discount rate	794	(287)
Change in effect of the asset ceiling	481	193
Total gain recognised in OCI	(16)	(10)

(b) Movements in net defined benefit asset/liability

The following table shows the reconciliation from the opening balances to the closing balances for the net defined benefit liability/asset and its components.

	2023 £'000	2022 £'000
Defined benefit obligation		
Opening balance	4,794	4,832
Interest cost	126	105
Defined benefit obligation	4,920	4,937

	2023 £'000	2022 £'000
Actuarial (gain)/loss arising from:		
Financial assumptions	(1,981)	30
Experience adjustment	417	(77)
Demographic adjustment	(58)	(5)
	(1,622)	(52)

	2023 £'000	2022 £'000
Other		
Benefits paid	(91)	(91)
Closing balance	3,207	4,794

Notes to the Group Financial Statements continued

17. Other employee benefits continued

Defined benefit pension plan continued

Reconciliation of value of assets:

	2023 £'000	2022 £'000
Opening value of scheme assets	5,232	4,946
Interest income on assets	137	108
Return on plan assets (greater)/less than discount rate	(794)	287
Employer and employee contributions	–	–
Actual benefit payments	(91)	(91)
Administration costs	(26)	(18)
Closing value of scheme assets	4,458	5,232

(c) Plan assets

Plan assets comprise:

	2023 £'000	2022 £'000
Growth assets ¹	1,419	3,017
Government bonds	2,199	1,295
Non-government bonds	832	919
Other assets	8	1
	4,458	5,232

¹ 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.

(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 gives 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 shown below:

Approximate change in defined benefit obligation

	2023 £'000	2022 £'000
Discount rate		
0.25% decrease	129	251
0.25% increase	(122)	(234)
Price inflation (CPI measure)		
0.25% decrease	(122)	(226)
0.25% increase	128	234
Life expectancy		
Decrease by 1 year	99	186
Increase by 1 year	(99)	(186)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(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.

Notes to the Group Financial Statements continued

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 and borrowings (current and non-current) £'000	Lease liabilities £'000	Total £'000
Balance at 1 March 2022	135,925	18,985	154,910
Changes from cash flows			
Interest paid	(6,410)	(440)	(6,850)
Issue costs and fees	(3,251)	-	(3,251)
Buyback of convertible bonds	(28,189)	-	(28,189)
Proceeds from revolving credit facility	105,000	-	105,000
Repayment of revolving credit facility and other borrowings	(70,000)	-	(70,000)
Repayment of lease liability	-	(4,501)	(4,501)
Total changes from financing cash flows	(2,850)	(4,941)	(7,791)
Changes in fair value	-	-	-
Other changes			
Capitalised borrowing cost releases	4,307	-	4,307
Net interest expense	5,463	473	5,936
Gain on convertible bond buyback	(3,987)	-	(3,987)
Addition of lease liability	-	522	522
Remeasurement of lease liabilities	-	8	8
Balance at 28 February 2023	138,858	15,047	153,905

	Loans and borrowings (current and non-current) £'000	Lease liabilities £'000	Total £'000
Balance at 1 March 2021	248,841	21,695	270,536
Changes from cash flows			
Interest paid	(5,103)	(477)	(5,580)
Issue costs relating to loans and borrowings	(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)
Total changes from financing cash flows	(116,636)	(4,271)	(120,907)
Changes in fair value	-	-	-
Other changes			
Capitalised borrowing cost releases	1,912	-	1,912
Net interest expense	5,722	594	6,316
Gain on convertible bond buyback	(3,914)	-	(3,914)
Remeasurement of lease liabilities	-	967	967
Balance at 28 February 2022	135,925	18,985	154,910

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	2023 £'000	2022 £'000
Cash and cash equivalents	1	57,337	68,496
Trade and other receivables	2	43,307	38,880
Total financial assets		100,644	107,376
Trade and other payables	2	(163,425)	(193,461)
Loans and borrowings	2	(138,490)	(134,500)
Lease liabilities	2	(15,047)	(18,985)
Total financial liabilities		(316,962)	(346,946)

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 assets.

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.

Notes to the Group Financial Statements continued

19. Financial instruments continued

Accounting definitions continued

(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

Market risk is the risk of losses in positions arising from movements in market variables. The Group was 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 13) 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 decreased FY2023 profit after tax by £0.5 million (FY2022: increase by £0.9 million), and a decrease in the interest rate of 100 basis points would have increased FY2023 profit after tax by £0.5 million (FY2022: decrease of £0.9 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. Default is defined as when a financial asset is 90 days past due, this being the rebuttal presumption in IFRS 9. 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 revolving credit facility, details of which are included in Note 13.

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. Exposures to customers are regularly reviewed and management will make a decision on remedial action to be taken. The expected credit loss was immaterial as at 28 February 2023 (2022: immaterial). Indicators that there is no reasonable expectation of recovery can include customers who have gone into administration.

(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.

In addition, a revolving credit facility under which the Group was able to draw down cash of up to £350.0 million was in place up to until 26 July 2022, the same date at which the Group entered into a new revolving credit facility under which the Group is able to draw down cash of up to £325.0 million. Of the £325.0 million facility in place at 28 February 2023, £46.7 million (FY2022: £34.9 million) was utilised by a guarantee provided to the Rail Settlement Plan Limited. A further £25.5 million (FY2022: £15.9 million) was utilised by guarantees provided to European Train Operating Companies and £nil million (FY2022: £0.5 million) for other guarantees. The remaining headroom on the revolving credit facility at 28 February 2023 was £192.8 million (FY2022: £273.7 million), this is available to draw in cash or bank guarantees.

Notes to the Group Financial Statements continued

19. Financial instruments continued

Accounting definitions continued

The Group was subject to bank covenants, all of which have been met during the year. In relation to the £350.0 million facility extinguished on 26 July 2022: (1) net debt to adjusted EBITDA must be no more than 3.75:1. In relation to the £325.0 million facility entered into on 26 July 2022: (1) net debt to adjusted EBITDA must be no more than 3.00:1; and (2) adjusted EBITDA to net finance charges must be no less than 4.00:1.

Capital management

The Group defines capital as equity, borrowings (Note 13) 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 revolving credit facility 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 based on the length of the leases. 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 office buildings that are held within property, plant and equipment. Information about leases for which the Group is a lessee is presented below.

a) Right-of-use assets

Details of right-of-use assets are disclosed in Note 10.

b) Lease liabilities in the statement of financial position

	2023 £'000	2022 £'000
Current liabilities	4,523	3,489
Non-current liabilities	10,524	15,496
	15,047	18,985

The maturity analysis of lease liabilities is disclosed in Note 13.

c) Amounts charged in the income statement

	2023 £'000	2022 £'000
Depreciation expense of right-of-use assets	3,906	3,765
Interest expense in lease liabilities	528	594
	4,434	4,359

d) Cash outflow

	2023 £'000	2022 £'000
Total cash outflow for leases	4,940	4,271

Notes to the Group Financial Statements continued

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 FY2023 or FY2022.

French government grants

There were no grants received from the French government in FY2023.

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. 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 as at 28 February 2023:

Name of company	Country of incorporation	Ownership	Registered address	Nature of business
Victoria Investments Finco Limited	United Kingdom	100%	a	Holding
Victoria Investments Intermediate Holdco Limited	United Kingdom	100%	a	Holding
Trainline International Limited	United Kingdom	100%	a	Holding
Trainline France SAS	France	100%	b	Holding
Trainline SAS	France	100%	b	Trading
Trainline.com Limited	United Kingdom	100%	a	Trading
Qjump Limited	United Kingdom	100%	a	Trading
Trainline Italia S.R.L.	Italy	100%	c	Holding
Trainline España, S.L.	Spain	100%	d	Holding
Trainline Deutschland TLD GmbH	Germany	100%	e	Holding
Railguard Limited	United Kingdom	100%	a	Trading
Trainline Holdco Limited	United Kingdom	100%	a	Holding
Victoria Investments S.C.A ¹	Luxembourg	100%	f	Liquidated
Victoria Manager S.a.r.l ¹	Luxembourg	100%	f	Liquidated

¹ Denoted subsidiaries went into liquidation on 28 February 2022.

Registered address key:

a 120 Holborn, London, EC1N 2TD, United Kingdom

b 20 rue Saint Georges, 75009, Paris, France

c Corso Vercelli, 40 20145 Milan, Italy

d Carrer d'Avila 112, 08018, Barcelona, Spain

e Reinhardtstraße 31, 10117, Berlin, Germany

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 financial statements 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

Trainline International Limited registered no. 06881309

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 £2,185,741 (FY2022: £2,499,799); post-employment benefits £60,462 (FY2022: £73,625); and ongoing share-based payment schemes £2,414,357 (FY2022: £889,234). No other long-term benefits or termination benefits were paid (FY2022: £nil). The highest paid Director received: short-term employee benefits £1,207,038 (FY2022: £1,152,611); post-employment benefits £33,054 (FY2022: £31,625); and ongoing share-based payment schemes £1,713,900 (FY2022: £586,982). There was one Director to whom retirement benefits were accruing under defined contribution schemes (FY2022: 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 76 to 88.

At 28 February 2023, key management personnel held 361,413 shares in Trainline plc (FY2022: 2,340,720 shares).

24. Capital commitments

This note details any capital commitments in contracts that the Group has entered which have not been recognised as liabilities on the balance sheet.

The Group's capital commitments at 28 February 2023 are £nil (FY2022: £nil).

25. Post balance sheet events

There have been no material post balance sheet events between 28 February 2023 and the date of the approval of these Financial Statements.

Alternative performance measures

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.

Net ticket sales^{1,2}

Net ticket sales represent the gross value of ticket sales to customers, less the value of refunds issued, during the accounting period via B2C or Trainline Solutions channels. The Group acts as an agent or technology provider in these transactions. Net ticket sales do not represent the Group's revenue.

Management believes net ticket sales are a meaningful measure of the Group's operating performance and size of operations as this reflects the value of transactions powered by 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.

1 A minor revision to the wording of the alternative performance measure definition for net ticket sales has been made in the current year. The minor change in wording is to ensure the definition reflects Trainline's business model.

2 Net ticket sales is not subject to audit as it is a non-statutory measure.

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 or share-based payment charges 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 believes 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/(loss) to adjusted EBITDA is as follows:

	Notes	2023 £'000	2022 £'000
Operating profit/(loss)		27,639	(10,313)
Adjusting items:			
Depreciation and amortisation	9, 10	41,167	42,576
Share-based payment charges	15	17,292	6,783
Adjusted EBITDA		86,098	39,046

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 profit/(loss) after tax with share-based payment charged in administrative expenses, 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 believes 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 profit/(loss) after tax to adjusted earnings is as follows:

	Notes	2023 £'000	2022 £'000
Profit/(loss) after tax		21,217	(11,905)
Earnings attributable to equity holders		21,217	(11,905)
Adjusting items:			
Gain on convertible bond buyback	6	(3,987)	(3,914)
Amortisation of acquired intangibles ¹	9	5,277	7,083
Share-based payment charges	15	17,292	6,783
Tax impact of the above adjustments		(3,528)	(1,891)
Adjusted earnings		36,271	(3,844)

1 This consists of the amortisation of brand valuation of £5.2 million (FY2022: £5.2 million), customer valuation of £0.1 million (FY2022: £1.9 million) and software development of £nil (FY2022: £nil).

Alternative performance measures continued

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	2023 £'000	2022 £'000
Loan and borrowings ¹	13	(157,747)	(158,821)
Cash and cash equivalents		57,337	68,496
Net debt		(100,410)	(90,325)

¹ This amount is the aggregate amount of loans and borrowings as disclosed in Note 13 amounting to £153.5 million (FY2022: £153.5 million) and the capitalised finance charges amounting to £4.2 million (FY2022: £5.3 million).

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:

	2023 £'000	2022 £'000
Cash generated from operating activities	43,015	195,167
Purchase of property, plant and equipment and intangible assets	(35,219)	(29,344)
Operating free cash flow	7,796	165,823

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.

	2023 £'000	2022 £'000
Cash and cash equivalents	57,337	68,496
Undrawn balance on the revolving credit facility	192,826	273,676
Liquidity headroom	250,163	342,172

Parent Company balance sheet At 28 February 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Investments	3	1,892,409	1,892,409
Deferred tax asset	4	6,693	1,570
		1,899,102	1,893,979
Current assets			
Cash and cash equivalents		816	2,016
Trade and other receivables		1,424	1,251
Amounts owing from subsidiaries	5	18,841	10,804
		21,081	14,071
Current liabilities			
Trade and other payables		(3,629)	(2,126)
Amounts owing to subsidiaries	5	(111,965)	(103,375)
Loan and borrowings	6	(362)	(1,414)
		(115,956)	(106,915)
Net current (liabilities)		(94,875)	(92,844)
Total assets less current liabilities		1,804,227	1,801,135
Non-current liabilities			
Loan and borrowings	6	(138,489)	(134,463)
		(138,489)	(134,463)
Net assets		1,665,738	1,666,672
Equity			
Called up share capital	7	4,807	4,807
Share premium account	7	1,198,703	1,198,703
Retained earnings	7	442,260	455,874
Share-based payment reserve	7	19,968	7,288
Total equity		1,665,738	1,666,672

The notes on pages 142 to 144 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors of Trainline plc (registered number 11961132) on 4 May 2023 and were signed on behalf of the Board.

In accordance with Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement and statement of comprehensive income. The Company's loss for the year was £14.0 million (FY2022: loss of £3.2 million).

Jody Ford
Chief Executive Officer
4 May 2023

Peter Wood
Chief Financial Officer
4 May 2023

Parent Company statement of changes in equity

For the year ended 28 February 2023:

	Share capital £'000	Share premium £'000	Preference shares £'000	Retained earnings £'000	Share-based payment reserve £'000	Total equity £'000
At 1 March 2022	4,807	1,198,703	-	455,874	7,288	1,666,672
Loss after tax	-	-	-	(13,976)	-	(13,976)
Share-based payments	-	-	-	-	13,042	13,042
Transfer between reserves ¹	-	-	-	362	(362)	-
Balance at 28 February 2023	4,807	1,198,703	-	442,260	19,968	1,665,738

For the year ended 28 February 2022:

	Share capital £'000	Share premium £'000	Preference shares £'000	Retained earnings £'000	Share-based payment reserve £'000	Total equity £'000
At 1 March 2021	4,807	1,198,703	-	458,126	4,978	1,666,614
Loss after tax	-	-	-	(3,197)	-	(3,197)
Share-based payments	-	-	-	-	3,255	3,255
Transfer between reserves ¹	-	-	-	945	(945)	-
Balance at 28 February 2022	4,807	1,198,703	-	455,874	7,288	1,666,672

¹ 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 142 to 144 form part of the Financial Statements.

Notes to the Parent Company Financial Statements

1. Basis of preparation

The Financial Statements are presented in pound sterling (£GBP), 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 IFRS'), 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 107 to 108. 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. As at 28 February 2023, the Company was in a net current liability position of £94.9 million (FY2022: £92.8 million net current liability position). The Group has in place bank guarantees that can be utilised to settle trade creditors balances. Bank guarantees are issued by lenders under the Group's revolving credit facility (which the Company has access to) and therefore reduce the Group's remaining available facility. Despite the net current liability position, the Group and in turn the Company has access to £192.8 million additional funds under its revolving credit facility (FY2022: £273.7m). As such the Company has sufficient liquidity to easily cover the net current liability position.

Accordingly the Board is 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 auditors 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. Employee benefit expenses

Staff costs presented in this note reflect the total wage, tax, pension and share-based payment charge relating to employees of the Company. These costs are allocated between administrative expenses and cost of sales. 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

	2023 Number of employees	2022 Number of employees
Management and administration	10	9
Total number of employees	10	9

¹ In determining the monthly employee numbers, in respect of leavers and joiners, management has pro-rated employee numbers based on the % of the month that they were employed within the Group.

Employee benefits expense

	2023 £'000	2022 £'000
Wages and salaries	5,866	4,140
Social security contributions	867	545
Contributions to defined contribution plans	127	129
Share-based payment expense	1,136	497
Total employee benefits	7,996	5,311

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 76 to 88.

Notes to the Parent Company Financial Statements continued

3. Investments

Investments in subsidiaries are stated at cost less any provision for impairment. The investment relates to the Company's investment in Trainline Holdco Limited.

	2023 £'000	2022 £'000
Opening balance	1,892,409	1,888,364
Capital contribution	–	4,045
Closing balance	1,892,409	1,892,409

During FY2022, the Company made a capital contribution not remunerated by shares to Victoria Manager S.a.r.l.

Assessment of carrying value of investments in subsidiaries

The Company's investment in subsidiaries has been subject to an impairment test, as the share price is lower at year end than the date of IPO and therefore is considered an indicator of impairment. As such, the carrying value of the asset has been compared to its recoverable value, which is its value in use. The value in use has been determined by a discounted cash flow methodology using the most recent forecasts prepared by management of the Trainline Group.

The value in use model has key assumptions in relation to the discount rate, terminal growth rate, the number of years forecast before the terminal growth rate is applied, and the underlying cash forecasts. The recoverable amount exceeded the carrying value; accordingly no impairment charge has been recognised in the year (FY2022: £nil). Sensitivity analysis on the key assumptions in the value in use calculation has been undertaken; none of these sensitivities result in an impairment.

4. 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 by way of Group relief. This is supported by the latest Group profit and cash flow forecasts approved by the Board, which show improved trading performance.

5. Amounts owing from and to subsidiaries

Amounts owing from and to subsidiaries comprises intercompany loans with companies within the Group. Amounts owing from and to Group companies are unsecured, have no fixed date of repayment and are repayable on demand. IFRS 9 expected credit losses have been assessed as immaterial in relation to these balances.

6. Loan and borrowings

Loans and borrowings relate to the revolving credit facility and the convertible bonds. Please refer to Note 13 of the Consolidated Financial Statements for details.

7. 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 related interest held by Victoria Investments S.C.A; and the acquisition and extinguishment of the liability relating to Tracker shares held by Victoria Investments 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.

Notes to the Parent Company Financial Statements continued

7. Capital and reserves continued

Share capital continued

Shareholding at 28 February 2023 and 28 February 2022

	Number	£'000
Ordinary shares – £0.01	480,680,508	4,807
	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 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 Company makes that is not distributed as dividends. No dividends have been paid during the current or prior financial year.

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.



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