

ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission applies to the attached document and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached prospectus (the "Prospectus") relating to Trainline plc (the "Company") dated 21 June 2019 accessed from this page or otherwise received as a result of such access and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached Prospectus is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached Prospectus to any other person. The Prospectus has been prepared solely in connection with the proposed offer to certain institutional and professional investors (the "Offer") of ordinary shares (the "Shares") of the Company. The Prospectus has been published in connection with the admission of the Shares to the premium listing segment of the Official List of the UK Financial Conduct Authority (the "FCA") and to trading on London Stock Exchange plc's main market for listed securities (together, "Admission"). The Prospectus has been approved by the FCA as a prospectus prepared in accordance with the Prospectus Rules made under section 73A of the FSMA. The Prospectus has been published and is available from the Company's registered office and on the Company's website at www.trainline.com. Pricing information and other related disclosures are expected to be published on this website. Prospective investors are advised to access such information prior to making an investment decision.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITHIN THE UNITED STATES TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT ("RULE 144A") OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB AS DEFINED IN, OR IN RELIANCE ON, RULE 144A, OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

CANADIAN INVESTORS ARE ADVISED THAT THIS EMAIL AND THE DOCUMENT ATTACHED HERETO MAY ONLY BE TRANSMITTED IN THOSE JURISDICTIONS IN CANADA AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. THE DOCUMENT ATTACHED HERETO IS NOT AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN ADVERTISEMENT OR A PUBLIC OFFERING IN CANADA. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THE DOCUMENT ATTACHED HERETO OR THE MERITS OF THE SECURITIES DESCRIBED THEREIN AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE DISTRIBUTION OF THE SECURITIES CONTAINED IN THE DOCUMENT ATTACHED HERETO IS BEING MADE ON A PRIVATE PLACEMENT BASIS ONLY AND IS EXEMPT FROM THE REQUIREMENT THAT THE COMPANY PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN SECURITIES REGULATORY AUTHORITIES.

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This electronic transmission and the attached Prospectus and the Offer when made are only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) ("Qualified Investors"). In addition, in the United Kingdom, this electronic transmission and the attached Prospectus is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and Qualified Investors falling within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This electronic transmission and the attached Prospectus must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which the attached Prospectus relates is available only to (i) in the United Kingdom, relevant persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons.

Confirmation of Your Representation: This electronic transmission and the attached Prospectus is delivered to you on the basis that you are deemed to have represented to the Company and J.P. Morgan Securities plc and Morgan Stanley & Co. International plc (collectively, the "Joint Sponsors"), KKR Capital Markets Limited (along with the Joint Sponsors, the "Joint Global Co-ordinators"), Barclays Bank PLC, acting through its Investment Bank and Numis Securities Limited (collectively, the "Underwriters") that (i) you are (a) a QIB acquiring such securities for its own account or for the account of another QIB or (b) acquiring such securities in "offshore transactions", as defined in, and in reliance on, Regulation S under the US Securities Act; (ii) if you are in the UK, you are a relevant person, and/or a relevant person who is

acting on behalf of, relevant persons in the United Kingdom and/or Qualified Investors to the extent you are acting on behalf of persons or entities in the UK or the EEA; (iii) if you are in any member state of the European Economic Area other than the UK, you are a Qualified Investor and/or a Qualified Investor acting on behalf of, Qualified Investors or relevant persons, to the extent you are acting on behalf of persons or entities in the EEA or the UK; and (iv) you are an institutional investor that is eligible to receive the attached Prospectus and you consent to delivery by electronic transmission.

For Canadian investors resident in the Provinces of British Columbia, Alberta, Ontario and Quebec (the "Relevant Provinces"), you acknowledge and agree that (a) the securities described in the attached document are only being distributed to investors resident in the Relevant Provinces, (b) you are (i) an "accredited investor" as such term is defined in National Instrument 45-106 - Prospectus and Registration Exemptions or subsection 73.3(1) of the Securities Act (Ontario) and are receiving this email from a registered Canadian dealer, or (ii) an "accredited investor" who is also a "permitted client", as such term is defined in National Instrument 31-101 - Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103"), and are receiving this email from a dealer relying on the "international dealer" exemption afforded by NI 31-103 ; and (c) where required by law, you are participating in the offering as principal for your own account and not as agent.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached document, electronically or otherwise, to any other person. The attached document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Underwriters nor any of their respective affiliates, directors, officers, employees, representatives or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. A hard copy of the document will be made available to you only upon request.

By accessing the linked document, you consent to receiving it in electronic form. None of the Underwriters nor any of their respective affiliates, directors, officers, employees, representatives or agents accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Shares. The Underwriters and each of their respective affiliates, directors, officers, employees, representatives and agents each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates, directors, officers, employees, representatives or agents as to the accuracy, completeness or sufficiency of the information set out in the attached document.

The Underwriters are acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of the attached Prospectus) as their client in relation to the Offer and the Underwriters will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached Prospectus.

Restriction: Nothing in this electronic transmission constitutes, and this electronic transmission may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



**The first global platform
in rail and coach**

trainline



This document comprises a prospectus (the “Prospectus”) for the purposes of Article 3 of European Union Directive 2003/71/EC, as amended (the “Prospectus Directive”) relating to Trainline plc (the “Company”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the “FCA”) made under section 73A of the Financial Services and Markets Act 2000 (the “FSMA”). This Prospectus will be made available to the public in accordance with the Prospectus Rules.

Application will be made to the FCA for all of the ordinary shares of the Company (the “Shares”) issued and to be issued in connection with the Offer to be admitted to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc (the “London Stock Exchange”) for all of the Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (the “Main Market”) (together, “Admission”). Conditional dealings in the Shares are expected to commence on the London Stock Exchange on 21 June 2019. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence, on 26 June 2019. **All dealings before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange. The New Shares issued by the Company will rank pari passu in all respects with the Existing Shares.**

The directors of the Company, whose names appear on page 84 of this Prospectus (the “Directors”), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors should read this Prospectus in its entirety and, in particular, prospective investors are advised to examine all the risks that are relevant in connection with an investment in the Shares. See Part 1 (*Risk Factors*) for a discussion of certain risks and other factors that should be considered prior to any investment in the Shares.



Trainline plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 11961132)

Offer of 271,655,470 Shares at an Offer Price of 350 pence per Share and admission to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange

Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors

J.P. Morgan

Morgan Stanley

Joint Global Co-ordinator and Joint Bookrunner

KKR

Joint Bookrunners

Barclays

Numis

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

| Issued and fully paid | |
|------------------------------|----------------------|
| Number | Nominal Value |
| 480,621,224 | £1.00 |

[THIS PAGE INTENTIONALLY LEFT BLANK]

Reliance on this Prospectus

In making any investment decision, each investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and associated risks. Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Selling Shareholders or any of the Underwriters (as defined below).

Without prejudice to any legal or regulatory obligations of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription or purchase of Shares made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company and the Group since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

None of the Company, the Selling Shareholders or any of the Underwriters, or any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser.

The contents of this Prospectus are not to be construed as investment, legal, financial, business or tax advice. Each prospective investor should consult their own investment, legal, financial, business or tax adviser for investment, legal, business, financial or tax advice.

Advisers

Each of J.P. Morgan Securities plc (which conducts its UK investment banking activities under the name J.P. Morgan Cazenove) (“J.P. Morgan”), Morgan Stanley & Co. International plc (“Morgan Stanley”) and Barclays Bank PLC, acting through its Investment Bank (“Barclays”) who are authorised by the Prudential Regulation Authority (“PRA”) and regulated by the FCA and the PRA in the United Kingdom, and KKR Capital Markets Limited and Numis Securities Limited (“Numis”), who are authorised and regulated by the FCA (KKR Capital Markets Limited, together with J.P. Morgan, Morgan Stanley, Barclays and Numis, the “Underwriters”) is acting exclusively for the Company and no one else in connection with the Offer. None of the Underwriters will regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offer and the Underwriters will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for the giving of advice in relation to the Offer or any transaction, matter, or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters by FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Underwriters nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this Prospectus including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Offer. Each of the Underwriters and each of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this Prospectus or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this Prospectus, and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future.

In connection with the Offer, the Underwriters and any of their respective affiliates acting as an investor for its or their own account(s) may subscribe for or purchase Shares as a principal position and, in that capacity, may retain, subscribe for, purchase, sell, offer to sell, contract to sell, transfer, dispose or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed, sold or otherwise dealt with should be read as including any issue or offer to, or subscription or purchase or dealing by, the Underwriters or any one of them and any of their affiliates acting as an investor for its or their own account(s). In addition, certain of the Underwriters and any of their respective affiliates may in the ordinary course of their business activities enter into financing arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold, sell, offer to

sell, contract to sell, transfer or otherwise dispose of Shares. The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in the Company, the Selling Shareholders and their respective affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments.

In addition, certain of the Underwriters or their affiliates are, or may in the future be, lenders, and in some cases agents or managers for the lenders, under certain of the Group's credit facilities and other credit arrangements, the Selling Shareholders or their respective affiliates. In their capacity as lenders, such lenders may, in the future, seek a reduction of a loan commitment to the Company, the Selling Shareholders or their respective affiliates, or impose incremental pricing or collateral requirements with respect to such facilities or credit arrangements, in the ordinary course of business. In addition, certain of the Underwriters or their affiliates that have a lending relationship with the Company and/or the Selling Shareholders may routinely hedge their credit exposure to the Company and/or the Selling Shareholders consistent with their customary risk management policies. A typical hedging strategy would include these Underwriters or their affiliates hedging such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Shares and/or the Selling Shareholders' securities.

Each of the Underwriters and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and/or the Selling Shareholders for which they would have received customary fees. Each of the Underwriters and their respective affiliates may provide such services to the Company and/or the Selling Shareholders and any of their respective affiliates in the future.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Notice to overseas shareholders

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or with any securities regulatory authority of any state of the United States. The Shares offered by this Prospectus may not be offered, sold, pledged or otherwise transferred in the United States, except to persons reasonably believed to be qualified institutional buyers ("QIBs"), as defined in, and in reliance on, the exemption from the registration requirements of the US Securities Act provided in Rule 144A under the US Securities Act ("Rule 144A") or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A. Outside the United States, the Offer is being made in offshore transactions as defined in Regulation S under the US Securities Act. No actions have been taken to allow a public offering of the Shares under the applicable securities laws of any jurisdiction, including Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction, including Australia, Canada or Japan. This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen in Australia, Canada or Japan. The Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus and the offer and sale of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders or the Underwriters to

permit a public offering of the Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction, other than in the United Kingdom, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Available information

For so long as any of the Shares are in issue and are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the “US Exchange Act”), nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act.

Information to Distributors

Solely for the purposes of the product governance requirements contained within (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”), (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that such Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, “distributors” (for purposes of the MiFID II Product Governance Requirements) should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer of new Shares in the Company. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

CONTENTS

| PART | PAGE |
|--|-------------|
| Summary | 1 |
| PART 1 Risk Factors | 16 |
| PART 2 Presentation of Financial and Other Information | 33 |
| PART 3 Directors, Secretary, Registered and Head Office and Advisers | 42 |
| PART 4 Expected Timetable of Principal Events and Offer Statistics | 44 |
| PART 5 Industry Overview | 45 |
| PART 6 Regulatory and Licensing Framework | 54 |
| PART 7 Business Description | 63 |
| PART 8 Directors, Senior Managers and Corporate Governance | 84 |
| PART 9 Selected Financial Information | 90 |
| PART 10 Operating and Financial Review | 93 |
| PART 11 Capitalisation and Indebtedness | 113 |
| PART 12 Historical Financial Information | 114 |
| PART 13 Unaudited Pro Forma Financial Information | 159 |
| PART 14 Details of the Offer | 163 |
| PART 15 Additional Information | 173 |
| PART 16 Definitions and Glossary | 215 |
| PART 17 Schedule of Changes | 221 |

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

| | |
|--|--|
| SECTION A – INTRODUCTION AND WARNINGS | |
| A.1 | Warning This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and applied its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities. |
| A.2 | Consent for Intermediaries Not applicable. No consent has been given by the Company or any person responsible for drawing up this Prospectus to the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries. |
| SECTION B – ISSUER | |
| B.1 | Legal and commercial name Trainline plc (the “Company”). |
| B.2 | Domicile and legal form The Company is a public limited company with registered number 11961132, incorporated on 24 April 2019 as Austin 2019 Limited, a private company limited by shares in the United Kingdom, and re-registered as a public company limited by shares and renamed Trainline plc on 4 June 2019, with its registered office situated in England and Wales. The Company operates under the UK Companies Act 2006 (the “UK Companies Act”). |
| B.3 | Current operations and principal activities Trainline is the leading independent rail and coach travel platform based on monthly active users, selling rail and coach tickets to travellers worldwide via its highly rated website and mobile app. The Directors believe there is a global movement towards more environmentally sustainable travel, with a growing awareness of the environmental impact of CO2 emissions, reflected in the EU Commission’s objective to reduce transport emissions by 50% by 2050 and increased investment by many governments in public transport, particularly rail, which generates less than 1/8 th the CO2 of air travel and approximately 1/3 rd the CO2 emissions of road travel. Trainline’s ambition is to bring together the world’s rail, coach and other travel services into one simple mobile experience so travellers can easily find the best prices for their journey and access smart, real time travel information on the go. By making rail and coach travel easier, Trainline’s aim is to encourage people all over the world to make more environmentally sustainable travel choices. Today, Trainline is a one-stop-shop for rail and coach travel, bringing together routes, fares and journey times from 220 rail and coach carriers, covering approximately 80% of European rail by |

overall ticket sales of carriers and approximately 50% of European coach by overall ticket sales of carriers, allowing travellers to compare and book millions of routes across 45 countries, principally in Europe but also in Asia. Trainline customers have access to payment in 10 currencies, including pounds sterling, US dollars and Japanese Yen, and to 14 languages, including English, French, Spanish and Mandarin Chinese. This means millions of travellers can benefit from booking journeys in their own language and seeing prices and paying in their own currency, saving money, time and hassle.

The Group is able to use its scale, and the volume of information generated through its platform to collect and analyse a vast amount of data to facilitate product innovation and personalisation that benefits its customers. Trainline's unique artificial intelligence ("AI") driven mobile app offers customers a number of booking and support features, such as Price Prediction, which is available for customers travelling in the United Kingdom and tells them when the price for their journey is most likely to increase, helping them save money on their bookings. By providing a complete set of travel options and AI-driven journey information in one mobile app, Trainline aims to make it easy for travellers to find the best prices and most direct routes for their journey and aims to provide carriers access to more customers at a lower cost to serve.

As well as an easy, consistent and friction-free travel booking experience, Trainline aims to offer travellers a smart travel companion for every stage of their journey. Via the Trainline mobile app, customers can, where available, access live departure boards, live train trackers, and personalised journey delay and disruption information as they travel. For example, the mobile app feature Busybot uses crowd sourced data to help travellers find a seat on busy commuter trains in the United Kingdom.

The global long-distance rail and coach markets are estimated by OC&C to be worth more than €225 billion per year based on 2017 market-size data – and increasing as governments continue to invest, particularly in high speed rail, as liberalisation of rail and coach unfolds across continental Europe, and customer usage of rail and coach increases in tandem with growing environmental awareness. During 2017, only approximately 39% of rail purchases in the Top 5 European Markets were made online, according to OC&C, and in 2018 only 1 in 7 tickets sold in the United Kingdom were eTickets, according to OC&C. However, with customers making approximately 21 rail journeys per capita in 2017 in the United Kingdom, according to OC&C, and significant headroom for further growth in online penetration, in part due to governments committing to eTicket availability, the Directors believe there is a significant runway for eTicketing and that Trainline's focus on unique, AI-driven travel information, travel recommendations and machine learning capabilities will keep the Group at the centre of this shift.

Trainline has invested in the introduction and take-up of eTickets in rail and coach and in 2019, eTickets made up 61% of all journeys booked through Trainline's platform. The Directors believe this is to the benefit of Trainline's customers, with Trainline's internal customer research showing that, once travellers use eTicketing, the majority do not revert to buying paper tickets; 94% of Trainline's mobile ticket customers say that they will continue to use this ticket option.

The Directors believe that Trainline is encouraging the shift away from road and short haul air travel to more environmentally sustainable modes of transport with its continued focus on making rail and coach travel easier and more accessible by offering customers a broad choice of travel options and helping them stay in control of their travel experience with personalised travel information, including delay and disruption notifications.

Trainline currently operates through three business segments:

- *UK Consumer*: Trainline sells rail tickets on behalf of all UK rail carriers and coach tickets on behalf of National Express, the largest UK coach carrier. Customers include people living in the United Kingdom (domestic customers) as well as those visiting the United Kingdom (inbound customers). These UK Consumer customers can also benefit from individually targeted, high quality recommendations for hotel bookings and insurance. Trainline partners with carefully selected businesses and brands wishing to advertise on its mobile app and website. In the year ended 28 February 2019, UK Consumer represented £136.7 million (65.3%) of Group revenue, had more than 60 million visits per month and had net ticket sales of £1,647.6 million.
- *International*: Trainline's International business sells rail and coach tickets to people all over the world on behalf of all the major European rail and coach carriers, offers rail passes in Japan to inbound visitors through its partnership with JTB and is in advanced discussions with US

operators to secure direct distribution agreements for the sale of rail and coach tickets in the United States. In the year ended 28 February 2019, International represented £14.5 million (6.9%) of Group revenue, had approximately 20 million visits per month and had net ticket sales of £348.5 million.

- *Trainline for Business:* Trainline's T4B business is currently a UK-focussed business which provides and supports rail booking solutions for small and medium enterprises ("SMEs") and large corporate entities, including public sector partners. The Group also provides services to travel management companies ("TMCs") who in turn support businesses, primarily in the United Kingdom. Additionally, T4B builds, supports and manages "white label" online and mobile sales platforms for many of the United Kingdom's biggest rail carriers, leveraging its proprietary technology to provide rail carriers with a best-in-class product and a cost-to-serve advantage compared to developing their own ticket sales solutions. In the year ended 28 February 2019, UK T4B represented £58.4 million (27.9%) of the Group's revenue and, as of 28 February 2019, T4B had 10 white label solutions customers, 90 TMC customers, 125 corporate customers and approximately 30,000 SME customers.

Trainline's products and services are underpinned by its Single Global Platform, allowing customers to book travel seamlessly through one consistent 4.7-star rated mobile app, on one website and via one application programming interface ("API") in the currency and language of their choosing, wherever they are in the world. The Single Global Platform currently supports the UK Consumer and the majority of the International business (with the remainder being migrated over the next few months). The T4B business shares a significant proportion of the Single Global Platform services (payments, fulfilment, search) but the T4B front end functionality will, at least in the near term, continue to be supported as a different platform. The investment in the Single Global Platform enables a significant increase in the velocity at which Trainline can launch new products and features, delivering more than 300 releases a week (compared to 9 total releases in 2014) through small, agile, mission-based teams with a focus on continuously improving the customer experience and leading to nearly 80% of the Group's sales in the year ended 28 February 2019 coming from repeat customers.

Trainline had approximately 23 million cumulative app downloads as of 28 February 2019, based on Company data and an average of approximately 29 million monthly active users from September to November 2018, based on Adobe Analytics and Google Analytics, representing approximately 3 times as many monthly active users as the next largest independent platform, based on data from AppAnnie and Similar Web. This translated into revenue of £209.5 million, net ticket sales of £3.2 billion, representing a 19% growth compared to the year ended 28 February 2018, operating profit of £10.5 million, Adjusted EBITDA of £52.6 million and Adjusted EBITDA margin of 25.1% for the year ended 28 February 2019. The Trainline team is made up of more than 600 people, including more than 300 tech engineers, representing more than 42 nationalities, with offices based in London, Paris and Edinburgh.

B.4a *Significant recent trends affecting the Group and the industry in which it operates*

The Group operates in a highly fragmented global rail and long distance coach market, estimated by OC&C to be worth more than €225 billion, based on 2017 data, with more than 800 rail and coach carriers across Europe, 55 million fare possibilities, approximately 27,000 rail and coach stations across Europe and no standardisation across the industry. The Directors believe that improved connectivity and ease of rail and coach ticket purchasing, coupled with a growing public awareness of the positive environmental impact of choosing rail or coach over short haul air and car has dramatically changed and will continue to change how people travel and are driving a modal shift away from air travel and towards rail and coach, in particular for shorter journeys.

Market Drivers in United Kingdom

According to the UK Department for Transport ("DfT"), rail travel was the fastest growing mode of transport in the United Kingdom between 2007 and 2017, as measured by passenger kilometres, and was supported by significant investment in infrastructure and an improved passenger offering. The Directors believe that growth in the market for rail travel in the United Kingdom is driven by a combination of factors which are expected to increase consumer demand for rail tickets as well as the supply of such tickets. Network Rail expects passenger numbers to increase by around 40% by 2040. The Directors believe that this growth is expected to be a result of broad socio-economic trends in the

United Kingdom, including expected increases in population and GDP per capita, improved employment figures and a modal shift to rail travel.

Network Rail and DfT intend to extend the already extensive reach of the rail network in United Kingdom, through a number of significant investment programs, including a £47 billion expenditure programme by the UK Government relating to investment and refurbishment projects from 2019 to 2024.

Market Drivers in Europe

The European Union has invested and will continue to invest to develop a highly efficient and clean mobility transport mode such as rail, with over €33 billion in grants allocated to rail investments under the current EU financial framework (2014-2020). The Directors believe these investments will be instrumental to the growth of the European rail market. A substantial amount of planned investment is currently scheduled to enhance and improve the European rail infrastructure, helping to drive the increase in passenger kilometre capacity in the future.

There has been a series of European Commission directives aimed at encouraging competition across Europe's railways and facilitating the free movement of goods and people through the development of efficient transport systems that operate effectively across borders. These directives, which followed the successful opening up of the road haulage industry in the 1990s, began with the First Railway Package of 2001 and continued through the Fourth Railway Package, which mandates competition in every EU rail market by 2023. Following the most recent directives, the European Rail market underwent a substantial trend in liberalisation and fragmentation of the network, which has created an environment supportive of market volume growth and creating an environment for the independent retailers.

Shift to Digital

There has been a significant shift to online sales of rail tickets from offline sales, due to what the Directors believe is an increasing customer preference for the convenience of online purchases at the expense of in station purchases, cost savings for advance purchase tickets and a general increase of internet spending. Mobile retailing is driving increased rail bookings for travel in the United Kingdom and, the Directors believe it has transformed and will continue to drive the online rail retailing sector due to its convenience, enabling customers to make "on the go" purchases through their mobile devices, and its potential to improve the customer experience.

Attractive Long Distance Coach Market

According to OC&C estimates, the global long distance coach market was worth between €45 billion and €68 billion, based on 2017 data, with the majority of global spend in developing markets, where rail infrastructure tends to be less developed and coaches provide convenient and accessible means of transportation. According to OC&C, the largest market for long distance coach in 2017 was the Asia-Pacific region, with a market size of between €24 billion and €34 billion.

European long distance coach market is fragmented, despite having experienced some consolidation in recent years following liberalisation, which created new possibilities for operators to start serving certain routes that were before protected to avoid competition with train or high speed trains. In particular, Regulation (EC) 1073/2009 provided a set of common rules for access to the international market for coach and bus services, intending to clarify and simplify rules, to improve enforcement, and to avoid unnecessary administrative burden. The Directors believe that the addition of new operators, offering a convenient alternative to travelling both nationally and cross-border in Europe on modern fleets, has prompted an increase in the number of customers utilising the coach network.

Positive environmental impact of rail and coach

Aside from improved travel convenience, Railteam, an alliance of European high-speed rail providers, highlights that high-speed rail has a lower environmental impact than alternative modes of transport, with up to 90% lower CO₂ emissions than comparable transport modes, and even traditional rail was estimated in a 2014 European Environmental Agency Study to have less than 1/8th the CO₂ emissions of air and approximately 1/3rd the CO₂ emissions of road transport. In the EU, as of 2017, rail accounted for just 1.7% of total energy consumption in transport, despite carrying 17.4% of inland freight and 7.6% of passengers in Europe, according to the Community of European Railway and

Infrastructure Companies. The Directors believe that the combination of mounting public awareness about the environmental impact of CO2 emissions and the increased convenience of rail and coach travel across Europe, alongside the low environmental impact of these journeys and the EU Commission's objective to reduce transport emissions by 50% by 2050, are driving a modal shift towards rail and coach. In particular, for journeys under four hours, rail and coach consistently offer an attractive, efficient and greener alternative. And when time spent travelling to and at airports, plus the ease of direct city-centre connections that rail and coach offers, is taken into account, train and coach travel can also compete favourably with air travel in terms of end-to-end journey time.

B.5 *Group description*

The Company was incorporated in anticipation of the Offer and Admission. Upon the Reorganisation becoming effective on the date of Admission, the Company will become the holding company of the Group.

B.6 *Major shareholders*

As at the date of this Prospectus, the principal shareholder of the Company is KKR Victoria Aggregator L.P., acting by its general partner, KKR Victoria Aggregator GP Limited ("KKR Victoria Aggregator" or the "Principal Shareholder" and, together with its affiliates, "KKR"), which beneficially holds 100% of the Company's issued ordinary share capital. Immediately prior to Admission and assuming that the Reorganisation steps to be completed prior to Admission have been completed in full, KKR Victoria Aggregator will beneficially hold 79.2% of the Company's issued ordinary share capital.

Insofar as is known to the Directors, the following are the interests (within the meaning of Part 22 of the UK Companies Act) which represent, or will represent, directly or indirectly, 3% or more of the issued ordinary share capital of the Company at the times indicated:

| Shareholders | Immediately prior to Admission ⁽¹⁾ | | Number of Shares to be sold in the Offer | | Immediately following Admission ⁽²⁾ | |
|--|---|---|--|---|--|---|
| | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital |
| KKR Victoria Aggregator | 355,810,498 | 79.2% | 195,794,409 | 43.6% | 160,016,089 | 33.3% |
| EBT ⁽³⁾ | 19,399,301 | 4.3% | 9,096,680 | 2.0% | 10,302,621 | 2.1% |
| Funds and accounts under management by Baillie Gifford ⁽⁴⁾ | — | — | — | — | 57,142,857 | 11.9% |
| Funds and accounts under management by direct and indirect investment management subsidiaries of BlackRock, Inc. | — | — | — | — | 17,500,000 | 3.6% |
| Merian Global Investors (UK) Limited | — | — | — | — | 14,500,000 | 3.0% |
| T-Rowe Price International Ltd. ⁽⁵⁾ | — | — | — | — | 14,500,000 | 3.0% |
| Capital World Investors | — | — | — | — | 14,500,000 | 3.0% |

Notes:

- (1) The interests in Shares immediately prior to Admission have been stated on the basis that the Reorganisation steps to be completed prior to Admission have been completed in full.
- (2) Assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, it is expected that the Principal Shareholder will beneficially hold 119,267,768 Shares, representing 24.8% of the Company's issued ordinary share capital.
- (3) The Trainline Group Employee Benefit Trust, the trustee of which is Equity Trust (Jersey) Limited. The EBT holds Shares for the benefit of members of management and employees of Trainline.
- (4) Baillie Gifford is an asset manager which includes Baillie Gifford & Co and its wholly-owned subsidiaries.
- (5) Shares may be acquired in part through various subsidiary entities.

Save as noted above, insofar as is known to the Directors, there is no other person interested in 3% or more of the issued ordinary share capital of the Company or any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

On 21 June 2019, the Company and the Principal Shareholder entered into a relationship agreement (the "Relationship Agreement") which will, conditional upon Admission, regulate the ongoing relationship between the Company and the Principal Shareholder.

The principal purpose of the Relationship Agreement is to ensure that the Company can carry on as an independent business as its main activity. The Relationship Agreement contains, among others, undertakings from the Principal Shareholder, on behalf of itself and its associates, that: (i) transactions and arrangements with it (and/or any of its associates) will be conducted at arm's length and on normal commercial terms; (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules (the "Independence Provisions").

Pursuant to the Relationship Agreement, the Principal Shareholder will be able to appoint two directors to the Board for so long as its shareholding (together with that of any of its associates) in the Company is equal to or exceeds 20% and will be able to appoint one director to the Board for so long as its shareholding (together with that of any of its associates) in the Company is equal to or exceeds 10% but is less than 20% of the voting rights in the Company. The Principal Shareholder will consult in advance with, and take into account the reasonable representations of, the Company's nomination committee regarding the identity of any director proposed to be nominated. In addition, for so long as the Principal Shareholder's shareholding (together with that of any of its associates) in the Company is equal to or exceeds 10%, the Principal Shareholder is entitled to nominate a representative director to be a member of the nomination committee and a representative director as an observer to each of the audit and risk and remuneration committees.

The Principal Shareholder will have certain information rights for the purposes of its accounting or other regulatory requirements. The Principal Shareholder has also undertaken to hold information it receives on the Group in confidence and in accordance with applicable law. The Relationship Agreement confirms that the Principal Shareholder and its associates are not restricted from competing with the Group.

The Relationship Agreement also provides for the Company to provide, subject to certain limitations and exceptions, certain reasonable cooperation and assistance to the Principal Shareholder in the event of a sale of the Shares by the Principal Shareholder at any time following the Offer. The Relationship Agreement provides for the Principal Shareholder to ensure that any such secondary sales in the Company are conducted in an orderly manner.

The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on an independent business as its main activity. Following Admission, the Articles allow the election of independent directors to be conducted in accordance with any requirements of the Listing Rules.

In all other circumstances, the Company's major shareholders have and will have the same voting rights attached to the Shares as all other Shareholders.

B.7 *Historical financial information*

The tables below set out the Group's summary financial information for the periods indicated, as reported in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The audited consolidated financial information for the Group as of and for each of the three years ended 28 February 2017, 2018 and 2019 has been extracted without material adjustment from Part 12 (*Historical Financial Information*).

Consolidated income statement

| | Year ended 28 February | | |
|--------------------------------------|-------------------------------|------------------------------|-----------------|
| | 2017⁽¹⁾ | 2018⁽¹⁾⁽²⁾ | 2019 |
| | <i>(restated)</i> | <i>(restated)</i> | |
| | <i>(£000)</i> | | |
| Revenue | 152,772 | 177,993 | 209,504 |
| Cost of sales | (41,162) | (48,146) | (54,059) |
| Gross profit | 111,610 | 129,847 | 155,445 |
| Administrative expenses | (122,849) | (137,398) | (144,932) |
| Adjusted EBITDA* | 30,686 | 30,633 | 52,628 |
| Depreciation and amortisation | (34,977) | (34,137) | (38,942) |
| Share based payment charges | (168) | (1,846) | (3,309) |
| Exceptional items | (6,780) | (2,201) | 136 |
| Operating profit/(loss) | (11,239) | (7,551) | 10,513 |
| Finance income | 228 | 161 | 1,100 |
| Finance costs | (20,188) | (22,034) | (25,275) |
| Net finance costs | (19,960) | (21,873) | (24,175) |
| Loss before tax | (31,199) | (29,424) | (13,662) |
| Income tax credit / (expense) | 962 | 5,222 | (8) |
| Loss after tax | (30,237) | (24,202) | (13,670) |

Consolidated statement of financial position

| | As at 28 February | | |
|--|--|--|------------------|
| | 2017 ⁽¹⁾ <i>(restated)</i> | 2018 ⁽¹⁾⁽²⁾ <i>(restated)</i> <i>(£000)</i> | 2019 |
| Non-current assets | | | |
| Intangible assets | 125,256 | 119,663 | 114,770 |
| Goodwill | 443,271 | 443,271 | 443,271 |
| Property, plant and equipment | 5,180 | 6,044 | 5,462 |
| Derivative assets | — | 1,539 | 460 |
| | 573,707 | 570,517 | 563,963 |
| Current Assets | | | |
| Cash and cash equivalents | 73,979 | 69,678 | 94,477 |
| Trade and other receivables | 35,874 | 37,505 | 47,196 |
| Current tax receivables | 2,651 | — | — |
| Inventories | 32 | 44 | 25 |
| | 112,536 | 107,227 | 141,698 |
| Current Liabilities | | | |
| Trade and other payables | (117,650) | (129,412) | (161,684) |
| Current tax payable | — | (178) | (1,093) |
| Loans and borrowings | (80) | (200) | (2,815) |
| | (117,730) | (129,790) | (165,592) |
| Net current liabilities | (5,194) | (22,563) | (23,894) |
| Total assets less current liabilities | 568,513 | 547,954 | 540,069 |
| Non-current liabilities | | | |
| Loans and borrowings | (251,360) | (258,845) | (266,438) |
| Other non-current liabilities | (17,061) | (18,641) | (19,561) |
| Share based payment liabilities | (5,021) | (6,882) | (8,033) |
| Provisions | (1,303) | (1,493) | (1,566) |
| Deferred tax liability | (20,489) | (12,870) | (7,882) |
| | (295,234) | (298,731) | (303,480) |
| Net assets | 273,279 | 249,223 | 236,589 |
| Equity | | | |
| Share capital | 155 | 155 | 155 |
| Share premium | 26,283 | 26,283 | 26,283 |
| Convertible preferred equity certificates | 310,735 | 310,735 | 310,735 |
| Foreign exchange reserve | 1,644 | 1,680 | 2,186 |
| Other reserves | (2,772) | (2,486) | (2,894) |
| Retained earnings | (62,766) | (87,144) | (99,876) |
| Total equity | 273,279 | 249,223 | 236,589 |

Condensed consolidated statement of cash flow

| | Year ended 28 February | | |
|--|--|--|---------------|
| | 2017 ⁽¹⁾ <i>(restated)</i> | 2018 ⁽¹⁾⁽²⁾ <i>(restated)</i> <i>(£000)</i> | 2019 |
| Net cash from operating activities | 38,629 | 37,158 | 72,175 |
| Net cash flow used in investing activities | (66,643) | (28,494) | (32,562) |
| Net cash flows (used in) / generated by financing activities | 65,778 | (12,441) | (14,313) |
| Net increase/(decrease) in cash and cash equivalents | 37,764 | (3,777) | 25,300 |
| Cash and cash equivalents at beginning of the year | 36,345 | 73,979 | 69,678 |
| Effect of foreign exchange on cash | (130) | (524) | (501) |
| Closing cash and cash equivalents | 73,979 | 69,678 | 94,477 |

* Non-IFRS financial measure.

- (1) The comparative financial information for each of the years ended 28 February 2017 and 2018 has been restated for the consolidation of the EBT and to reflect share-based payment arrangements and classification.
- (2) The comparative financial information for the year ended 28 February 2018 has been restated for the removal of a deferred tax amount.

Certain significant changes to the Group's financial condition and results of operations occurred during the years ended 28 February 2017, 2018 and 2019. These changes are set out below.

The Group's revenue increased by £25.2 million, or 16.5%, to £178.0 million in the year ended 28 February 2018 from £152.8 million in the year ended 28 February 2017 and increased by £31.5 million, or 17.7%, to £209.5 million in the year ended 28 February 2019 from £178.0 million in the year ended 28 February 2018. These increases were primarily due to increased volumes of tickets sold, partially offset by declining average transaction values arising as a result of increased sales of on-the-day and mobile tickets.

The Group's Adjusted EBITDA was broadly stable in the years ended 28 February 2017 and 2018, with a decrease of £0.1 million, or 0.2%, to £30.6 million in the year ended 28 February 2018 from £30.7 million in the year ended 28 February 2017. In the year ended 28 February 2019, the Group's Adjusted EBITDA increased by £22.0 million, or 71.8%, to £52.6 million, compared to £30.6 million in the year ended 28 February 2018, which was primarily due to volume growth and operating leverage, as revenue and gross profit continued to grow at a faster rate than operating expenses as the business began to realise the benefits of scale.

The Group's operating loss was £7.6 million for the year ended 28 February 2018, compared to £11.2 million for the year ended 28 February 2017. In the year ended 28 February 2019, the Group's operating profit was £10.5 million, compared to an operating loss of £7.6 million for the year ended 28 February 2018.

Save as set out above, there has been no significant change in the financial condition and results of operations of the Group during or after the period covered by the historical financial information of the Group set out in this Prospectus.

B.8 *Pro forma financial information*

The unaudited consolidated pro forma statement of net assets as at 28 February 2019 set out below has been prepared to illustrate the effect of the Offer on the net assets of the Group as if the Offer had occurred on 28 February 2019.

The information, which has been produced for illustrative purposes only by its nature addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position. The unaudited pro forma statement of net assets is compiled on the basis set out in the notes below and in accordance with the accounting policies of the Group for the year ending 28 February 2019. The unaudited pro forma financial information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

Unaudited consolidated pro forma statement of net assets as at 28 February 2019

| | Consolidated net assets of the Group at 28 February 2019 | Adjustment for net proceeds of the Offer | Adjustment for refinancing | Adjustment for pre-IPO restructuring | Pro forma net assets of the Group |
|--|--|---|----------------------------------|--|---|
| | Note 1 £'000 | Note 2 £'000 | Note 3 £'000 | Note 4 £'000 | Note 5 £'000 |
| Non-current assets | | | | | |
| Intangible assets | 114,770 | — | — | — | 114,770 |
| Goodwill | 443,271 | — | — | — | 443,271 |
| Property, plant and equipment | 5,462 | — | — | — | 5,462 |
| Derivative assets | 460 | — | — | — | 460 |
| | 563,963 | — | — | — | 563,963 |
| Current assets | | | | | |
| Cash and cash equivalents | 94,477 | 93,059 | (77,118) | (3,000) | 107,418 |
| Trade and other receivables | 47,196 | — | — | — | 47,196 |
| Inventories | 25 | — | — | — | 25 |
| | 141,698 | 93,059 | (77,118) | (3,000) | 154,639 |
| Current liabilities | | | | | |
| Trade and other payables | (161,684) | — | — | — | (161,684) |
| Current tax payable | (1,093) | — | — | — | (1,093) |
| Loans and borrowings | (2,815) | — | 2,815 | — | — |
| | (165,592) | — | 2,815 | — | (162,777) |
| Net current liabilities | (23,894) | 93,059 | (74,303) | (3,000) | (8,138) |
| Total assets less current liabilities | 540,069 | 93,059 | (74,303) | (3,000) | 555,825 |
| Non-current liabilities | | | | | |
| Loans and borrowings | (266,438) | — | 65,225 | — | (201,213) |
| Other non-current liabilities | (19,561) | — | — | 19,561 | — |
| Share based payment liabilities | (8,033) | — | — | 8,033 | — |
| Provisions | (1,566) | — | — | — | (1,566) |
| Deferred tax liability | (7,882) | — | — | — | (7,882) |
| | (303,480) | — | 65,225 | 27,594 | (210,661) |
| Net assets | 236,589 | 93,059 | (9,078) | 24,594 | 345,164 |

Notes:

- The consolidated net assets of the Group as at 28 February 2019 have been extracted without material adjustment from the audited historical financial information of the Group for the year ended 28 February 2019.
- The adjustment represents the effect of the receipt by the Company of the gross proceeds of the Offer of £110.3 million less estimated costs of £17.2 million.
- This adjustment represents the use of proceeds of the Offer to repay bank indebtedness, and associated bank exit fees plus the write off of unamortised arrangement fees amounting to £9.1 million in aggregate.
- This adjustment reflects the re-designation of share based payment liabilities and of put option liabilities into ordinary shares, and a payment of £3.0 million on certain convertible preferred equity certificates.
- No adjustment has been made to reflect the trading results of the Group since 28 February 2019 or any other change in its financial position since that date. The Directors believe that, had the Offer completed at the beginning of the last financial period, the earnings of the Group would have been affected. Assuming that a portion of the net offer proceeds was applied to reduce the borrowings of the Group, the impact would have been to reduce finance costs associated with loans with a corresponding increase in earnings.
- The unaudited pro forma financial information has not been prepared in accordance with the requirements of Regulation SX of the US Securities Act.

B.9 *Profit forecast*

Not applicable. There is no profit forecast or estimate included in this Prospectus.

B.10 *Qualifications in the audit report on the historical financial information*

Not applicable. There are no qualifications to the accountant's report on the historical financial information.

B.11 *Insufficient working capital*

Not applicable. In the opinion of the Company, taking into account the net proceeds receivable by the Company from the subscription for New Shares in the Offer, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

SECTION C – SECURITIES

C.1 *Type and class of securities*

Pursuant to the Offer, the Company intends to issue 31,526,093 new ordinary shares (the “New Shares”), raising proceeds of approximately £93.1 million, net of underwriting commissions and other estimated fees and expenses of approximately £17.2 million. The New Shares will represent approximately 6.6% of the expected issued ordinary share capital of the Company immediately following Admission.

Approximately 240,129,377 existing ordinary shares in the Company (the “Existing Shares”) are expected to be sold by the Selling Shareholders. In addition, a further 40,748,321 existing ordinary shares in the Company (the “Over-allotment Shares”) are being made available by the Principal Shareholder pursuant to the Over-allotment Option. The Selling Shareholders comprise the Principal Shareholder and individual and corporate existing selling shareholders (the “Minority Selling Shareholders”)

When admitted to trading, the Shares will be registered with ISIN number GB00BKDTK925 and SEDOL number BKDTK92 and trade under the symbol “TRN”.

C.2 *Currency*

The currency of the issue is United Kingdom pounds sterling.

C.3 *Issued Share Capital*

As at the date of this Prospectus, the issued share capital of the Company is £50,001, comprising one ordinary share (a “Share”) of £1.00 and 50,000 redeemable shares of £1.00 each (the “Redeemable Shares”) (all of which were fully paid or credited as fully paid). Immediately following completion of the Offer, the issued share capital of the Company is expected to be £480,621,224, comprising 480,621,224 Shares of £1.00 each and 50,000 Redeemable Shares (all of which will be fully paid or credited as fully paid).

C.4 *Rights attaching to the Shares*

The rights attaching to the Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

On a show of hands every holder of Shares in the capital of the Company (each, a “Shareholder”) who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per Share.

Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.

C.5 *Restrictions on transfer*

There are no restrictions on the free transferability of the Shares.

C.6 *Admission*

Application will be made to the FCA for all of the Shares, issued and to be issued, to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities.

C.7 *Dividend policy*

The Company currently intends to retain any future earnings to finance the operation and expansion of its business. The Company will review its dividend policy on an ongoing basis but does not expect to declare or pay any dividends for the foreseeable future.

SECTION D – RISKS

D.1 *Key information on the key risks specific to the Company and its industry*

The Group's current and future business prospects in the United Kingdom substantially depend on the Third Party Retailing Licence awarded to it by the Rail Delivery Group ("RDG"). The termination of the Third Party Retailing Licence, in the event of an unremedied material breach by the Group, could preclude the Group from carrying out its primary operations and the Third Party Retailing Licence may be subject to material variation by RDG, where such changes are mandated by a governmental agency or regulatory authority, in a manner which could have a material adverse effect on the Group's results of operations, financial condition and business prospects. The International business relies on the Group's licences with rail and coach carriers outside the United Kingdom. A number of the Group's licences with such carriers give the relevant carrier the ability to unilaterally vary the terms of the licence, including commission, and/or terminate, the licence agreements in certain circumstances. Such variations could result in increased compliance costs for the Group, and termination of the licences could limit the Group's competitiveness in the relevant jurisdiction or preclude it from retailing products on behalf of the relevant carrier(s), which could have a material adverse effect on the International business and on the Group's growth strategy.

The Group depends on the use of sophisticated information technology and systems to support its technology platforms. If the Group is unable to maintain and/or upgrade its technology platforms in a timely and effective manner, or if the Group's disaster recovery infrastructure is not sufficiently robust to support natural or man-made system disruptions, its current and future business prospects could be materially adversely affected. In addition, the ongoing maintenance of the Single Global Platform and remaining migration of the Group's products onto the Single Global Platform involve certain risks and operational challenges, including difficulties in timely completing the data and product migration, challenges using or applying upgrades, cost overruns, reliance on technologies and products provided by third parties and the potential to lose customers if the migration negatively impacts their user experience, among other risks.

Substantial or ongoing security breaches, whether instigated internally or externally on the Group's systems or other Internet-based systems, could significantly harm the Group's business and reputation. Despite the Group's investments in protections against security breaches, it is possible that computer circumvention capabilities, new discoveries or advances in technology or other developments, including the Group's own acts or omissions, could result in a party (whether internal, external, an affiliate or unrelated third-party) compromising or circumventing the Group's security systems and stealing customer transaction/personal data or the Group's proprietary information or causing significant interruptions to the Group's operations. A publicised breach of security could inhibit consumers' willingness to provide private information or effect commercial transactions on the Internet and, therefore, demand for the Group's services, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection or other consumer protection laws or regulations may harm its reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers, result in litigation or other actions being brought against the Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

The Group operates in a competitive environment and is subject to risks relating to competition that may materially adversely affect its future performance and business prospects. Trainline has no control over the prices of the rail and coach tickets that it sells via the Trainline platform and has limited control over the commissions that it receives for these sales. The Group's success therefore depends on its ability to attract new and repeat customers at reasonable acquisition costs based on a superior user experience, including providing unique journey options, together with the ease of use, quality, accessibility and reliability of its app and website. Competitive pressure or a material change in the characteristics of the online and mobile rail and/or coach ticket sales sector may result in reduced sales for the Group or reduced booking and other fees charged by the Group, which could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

The Group's growth strategy, in particular its strategy of international expansion, is ongoing. A failure to effectively implement its growth strategy, including at the cost levels or over the time period currently planned, could impact the Group's ability to invest in and grow its current business as intended and could have a material adverse effect on its results of operations, financial condition and business prospects.

The Group relies on the performance of a highly skilled team, and its ability to attract and retain executives and other qualified employees is crucial to the Group's results of operations and future growth. The specialised skills the Group requires are difficult and time-consuming to acquire and, as a result, such skills are in short supply and may be more expensive to employ, especially in a highly concentrated tech hub such as London. The loss of key personnel, or significant increases in employee-related costs, could have a material adverse effect on the Group's business, financial condition or results of operations.

A significant reduction in the levels of commissions the Group receives from rail and coach carriers, could have a material adverse effect on the Group's growth strategy, results of operations, financial condition and business prospects. In addition, if the Group is unable to charge some or all of the fees that it charges to the customers of its UK Consumer and International businesses, or if such fees are subject to reduction or mandated caps, the Group may not be able to generate profit at current levels.

The Group makes significant and ongoing investment in technology and people to combat fraud, however the Group's ability to detect and combat increasingly sophisticated fraudulent schemes may be negatively impacted by the adoption of new payment methods, the emergence of new technology platforms, including mobile, and the Group's expansion into new markets where the risk of fraud may be more prevalent. If the Group is unable to effectively combat the use of fraudulent credit or debit cards through its technology platform, the Group's results of operations and financial condition could be materially adversely affected.

The Group may not be able to keep up with technological changes or to address the challenges presented by consumer or market trends, and its new products and technologies may not achieve broad acceptance by rail carriers or other industry participants. If the Group fails to develop or evolve its product offering in line with evolving technology, industry standards, product offerings and consumer demands, or if the Group's investments in new products and technologies do not achieve broad acceptance in the industry, the Group may experience reduced sales volumes or revenue, which could have a material adverse effect on its results of operations, financial condition and business prospects.

D.3 Key information on the key risks specific to the Shares

The Principal Shareholder will retain significant interests in, and will continue to exert substantial influence over, the Group following the Offer and their interests may differ from or conflict with those of other Shareholders. In addition, the Principal Shareholder has retained the right to enter into margin loan facilities that could encompass the entire shareholding of the Principal Shareholder and an enforcement of such a security by margin loan lenders could have a significant impact on the Company's ordinary shareholding structure.

There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained, which may adversely affect the liquidity or trading price of the Shares. If a market for the Shares develops, the Shares could be subject to market price volatility and the market price of the Shares may decline in response to developments that are unrelated to the Company's operating performance, or as a result of sales of substantial amounts of Shares, for example, following expiry of the lock-up period, or the issuance of additional Shares in the future, and Shareholders could earn a negative or no return on their investment in the Company.

Shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings which could result in dilution of such Shareholders' interests in the Company.

SECTION E – OFFER

E.1 Net proceeds and costs of the Offer

Pursuant to the Offer, the Company intends to issue 31,526,093 New Shares, raising net proceeds of approximately £93.1 million, net of underwriting commissions and other estimated Offer-related fees and expenses of approximately £17.2 million, which the Company intends to pay out of the proceeds of the Offer.

Through the sale of Existing Shares pursuant to the Offer, the Company expects the Selling Shareholders to raise proceeds of up to approximately £811.0 million, in aggregate, net of underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders in connection with the Offer of approximately £29.4 million.

E.2a *Reasons for the Offer and use of proceeds*

The Company intends to use the net proceeds from the issue of the New Shares to reduce its existing indebtedness, which will provide the Group with greater working capital flexibility.

The Directors believe that the Offer and Admission will:

- further support the Group's growth plans by increasing the Group's public profile and brand awareness;
- provide a base of long term shareholders; and
- provide a potential liquidity opportunity for existing Shareholders

The sale of Existing Shares will provide the Selling Shareholders with an opportunity for a partial realisation of their shareholding in the Company.

E.3 *Terms and conditions of the Offer*

The Offer is being made by way of an offer by the Company and the Selling Shareholders: (i) to certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and in accordance with locally applicable laws and regulations, and (ii) in the United States, only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

The Shares allocated under the Offer have been fully underwritten, subject to certain conditions, by the Underwriters in accordance with the terms of the Underwriting Agreement. Allocations under the Offer will be determined by the Principal Shareholder and the Company in consultation with the Joint Global Co-ordinators. All Shares issued or sold pursuant to the Offer will be issued or sold, payable in full, at the Offer Price.

It is expected that Admission will take place and unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. on 26 June 2019. Prior to Admission, it is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange on 21 June 2019. The earliest date for settlement of such dealings will be 26 June 2019. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature, including Admission becoming effective by no later than 8.00 a.m. on 26 June 2019 and on the Underwriting Agreement not having been terminated prior to Admission.

On 11 June 2019, the Company and Baillie Gifford (the "Cornerstone Investor"), as agent for funds and accounts under its management (the "Underlying Cornerstone Investors"), entered into a cornerstone investment agreement (the "Cornerstone Investment Agreement") pursuant to which: (i) the Cornerstone Investor irrevocably agreed to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer at the Offer Price, up to a maximum aggregate amount of £200,000,000, and (ii) the Company agreed to cause such Shares to be delivered or allotted and issued to the Underlying Cornerstone Investors at the Offer Price. The obligation of the Cornerstone Investor under the Cornerstone Investment Agreement to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer is conditional upon Admission and certain other conditions being satisfied, and will terminate automatically if such conditions have not been fulfilled or, in certain circumstances, waived by the Cornerstone Investor (as agent for the Underlying Cornerstone Investors), on or before 30 September 2019 (or such other date as the Company and the Cornerstone Investor (as agent for the Underlying Cornerstone Investors) may agree). Assuming that the conditions of the Cornerstone Investment Agreement are satisfied or waived, immediately following the Offer and Admission, it is expected that the Underlying Cornerstone Investors will beneficially hold, in aggregate, approximately 11.9% of the Company's issued ordinary share capital.

None of the Shares comprising the Offer may be offered for subscription, sale or purchase or be subscribed, sold or delivered, and this Prospectus and any other offering material in relation to the Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction, or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration, other than the UK.

E.4 *Material interests*

There are no interests, including conflicting interests, that are material to the Offer, other than those disclosed in B.6 above.

E.5 Selling Shareholders, Principal Shareholder and lock-up

The following table sets out the interests of each of the Selling Shareholders (all of which, unless otherwise stated, are beneficial or are interests of a person connected with the Selling Shareholder), prior to the Offer and the number of Shares such Selling Shareholder is selling in the Offer.

| Shareholders | Immediately prior to Admission ⁽¹⁾ | | Number of Shares to be sold in the Offer | | Immediately following Admission ⁽²⁾ | |
|--|---|---|--|---|--|---|
| | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital |
| KKR Victoria Aggregator ⁽³⁾ . . . | 355,810,498 | 79.2% | 195,794,409 | 43.6% | 160,016,089 | 33.3% |
| EBT ⁽⁴⁾ | 15,379,488 | 3.4% | 7,689,746 | 1.7% | 7,689,742 | 1.6% |
| Index Ventures ⁽⁵⁾ | 7,826,516 | 1.7% | 4,306,752 | 1.0% | 3,519,764 | 0.7% |
| Ares ⁽⁶⁾ | 7,489,740 | 1.7% | 4,121,432 | 0.9% | 3,368,308 | 0.7% |
| Alven Capital ⁽⁷⁾ | 7,218,130 | 1.6% | 3,971,972 | 0.9% | 3,246,158 | 0.7% |
| Kima Ventures ⁽⁸⁾ | 276,990 | 0.1% | 152,421 | 0.0% | 124,569 | 0.0% |
| LGV L.P. ⁽⁹⁾ | 890,513 | 0.2% | 222,628 | 0.0% | 667,885 | 0.1% |
| Douglas S. McCallum ⁽¹⁰⁾ | 5,360,018 | 1.2% | 1,876,006 | 0.4% | 3,484,012 | 0.7% |
| Clare Gilmartin ⁽¹⁰⁾ | 13,097,533 | 2.9% | 4,584,136 | 1.0% | 8,513,397 | 1.8% |
| Shaun McCabe ⁽¹⁰⁾⁽¹¹⁾ | 4,019,813 | 0.9% | 1,406,934 | 0.3% | 2,612,879 | 0.5% |
| Other Selling Shareholders ⁽¹²⁾ | 31,029,066 | 6.9% | 16,002,941 | 3.6% | 15,026,125 | 3.1% |
| Total | 448,398,305 | 99.8% | 240,129,377 | 53.5% | 208,268,928 | 43.3% |

- (1) The interests in Shares as at the date of this Prospectus have been stated on the basis that the Reorganisation steps to be completed prior to Admission have been completed in full.
- (2) Assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Principal Shareholder will sell a further 40,748,321 Shares, representing 15% of Shares in the Offer.
- (3) The business address of KKR Victoria Aggregator is c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, Suite 4200, New York, NY 10019, United States.
- (4) The EBT holds Shares for the benefit of members of management and employees. The EBT trustee's business address is at IFC 1, Level 1, Esplanade, St Helier, Jersey, JE2 3BX. For the purposes of this table, the interests held by the EBT exclude those it holds for the benefit of Shaun McCabe, which are disclosed separately in this table.
- (5) The Index Ventures group advises various investment funds, including those which hold interests in the Company, namely: Index Ventures VI (Jersey), L.P.; Index Ventures VI Parallel Entrepreneur Fund (Jersey), L.P.; and Yucca (Jersey) S.L.P. Index Ventures's address is at 5th Floor, 44 Esplanade, St Helier, Jersey JE1 3FG.
- (6) The Ares funds which hold interests in the Company are: (i) Ares Capital Europe III Investments S.à r.l, (ii) Ares CSF Holdings S.à r.l, (iii) Ares ECSF II South S.à r.l, (iv) Ares CCF Holdings S.à r.l, (v) Ares Credit Strategies Feeder III UK LP, (vi) Ares Credit Strategies Fund III, L.P.; (vii) Ares UK Credit Strategies, L.P., (viii) Ares European Credit Strategies Fund II (B), (ix) Ares Customized Credit Fund, L.P., and (x) Ace III Acquisition, L.P. The address for the Ares funds listed in (i) – (v), inclusive, is 10 New Burlington Street, 6th Floor, London W1S 3BE; the address for the Ares fund listed in (vi) is 2000 Avenue of the Stars, 12th Floor, Los Angeles, CA, United States of America, 90067; the address for the Ares fund listed in (vii) is 5th Floor, St Andrews Street, London EC4A 3AE; and the address for the Ares funds listed in (viii) – (x), inclusive, is Maples Corporate Services Limited, PO Box 309, Ugland House, George Town, KY1-1104, Cayman Islands.
- (7) The Alven Capital fund which holds shares in the Company is FPCI Alven Capital IV a French *fonds professionnel de capital investissement* represented by its managing company (*société de gestion*) Alven Capital Partners, a French *société anonyme* having its registered office located at 124, rue Réaumur, 75002 Paris, France.
- (8) Kima Ventures's address is at 16 Rue de la Ville-l'Évêque, 75008 Paris, France.
- (9) LGV L.P.'s address is at Suite 1, 1st Floor, The Energy Centre, Admiral Park, St Peters Port, Guernsey GY12BB.
- (10) For the purposes of the Offer, the business address of each of Douglas S. McCallum, Clare Gilmartin, Shaun McCabe and the other Selling Shareholders is 120 Holborn, London EC1N 2TD.
- (11) Amounts shown in the table above indicating Shaun McCabe's interests immediately prior to Admission and the number of Shares sold in the Offer reflect the economic equivalent of beneficial interests over Shares held by the EBT for Shaun's benefit. Amounts shown in the table above indicating Shaun McCabe's interests immediately following Admission reflect Shares which will be held directly by Shaun.
- (12) The other Selling Shareholders comprise individual investors and current and former employees of the Group (other than the Directors). There are more than 50 other Selling Shareholders.

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Joint Sponsors, issue, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement and related arrangements, the Principal Shareholder and the Directors have agreed that, subject to certain exceptions, during the period of 180 days in respect of the Principal Shareholder and 365 days in respect of the Directors, in each case from the date of Admission, they will not, without the prior written consent of the Joint Sponsors, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. There are exceptions during the lock-up period for (i) any security interests granted to margin loan lenders in respect of any margin loan facilities made available to the Principal Shareholder, and (ii) any transfers of Shares to margin loan lenders, their nominees or affiliates or a third party pursuant to enforcement of any security entered into in accordance with (i), provided, in each case, that such transferee(s) agrees to be bound by the same lock-up undertaking. Such margin loans could encompass the entire shareholding of the Principal Shareholder.

Pursuant to the Deeds of Election, the individual and corporate existing minority shareholders (the “Minority Shareholders”) whether or not they have elected to make available for sale in the Offer any Shares, have agreed that, subject to certain exceptions, during a period of 365 days in respect of certain Minority Shareholders who are members of Trainline senior management (the “Management Shareholders”) and 180 days in respect of all other Minority Shareholders, in each case from the date of Admission, they will not, without the prior written consent of the Joint Sponsors, offer sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The Management Shareholders subject to a 365-day lock-up period (other than those Management Shareholders who have signed the Underwriting Agreement) are expected to hold, in aggregate, 1.6% of the Company’s issued ordinary share capital immediately following Admission, and all other Minority Shareholders subject to a 180-day lock-up period are expected to hold, in aggregate, 5.5% of the Company’s issued ordinary share capital immediately following Admission.

E.6 *Dilution*

Pursuant to the Offer, existing Shareholders will experience a 6.6% dilution as a result of the issue of 31,526,093 New Shares (that is, its, his or her proportionate interest in the Company will decrease by 6.6%).

E.7 *Expenses charged to the investor*

Not applicable. No expenses will be charged by the Company or the Selling Shareholders to any investor who subscribes for or purchases Shares pursuant to the Offer.

PART 1

Risk Factors

Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider the risk factors associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations and/or financial condition and, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. An investment in the Shares involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

Risks relating to the Group's business and industry

The Group's current and future business prospects in the United Kingdom substantially depend on the Third Party Retailing Licence awarded to it by the Rail Delivery Group ("RDG"). The termination of the Third Party Retailing Licence could preclude the Group from carrying out its primary operations or otherwise could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

The Group operates on behalf of UK rail carriers under the Third Party Retailing Licence awarded to it by RDG. The Group also operates a number of separate agreements with UK rail carriers, travel management companies ("TMCs") and corporates in relation to its Trainline for Business ("T4B") business in the United Kingdom, under which sales are also made pursuant to the terms of the Third Party Retailing Licence. As such, the Group's UK Consumer and UK T4B businesses, which together comprise the substantial majority of the Group's net ticket sales, are substantially dependent on maintaining the Third Party Retailing Licence.

The Third Party Retailing Licence has been renewed or extended several times since it was awarded in April 2005, most recently in September 2018. The term of the Third Party Retailing Licence is now on a seven-year rolling basis and will thus, in accordance with the Group's interpretation, continue in force for at least seven years, absent the occurrence of any termination event. In the event that the Group materially breaches the terms of the Third Party Retailing Licence (such as settlement of its obligations to Train Operating Companies ("TOCs") in respect of the payments it receives from customers for tickets) and the Group fails to remedy or is unable to remedy such a material breach within ten business days of receiving notice of such breach or the Group commits prohibited actions (such as fraud or insolvency-related events) as set out in the Third Party Retailing Licence, RDG may terminate or suspend the Third Party Retailing Licence. In addition, under the terms of the Third Party Retailing Licence, the Group has certain security and bonding obligations with respect to amounts owed by the Group to RDG. Whilst the Group historically has been in compliance with these security and bonding obligations, any failure of the Group to meet these obligations would constitute a termination event under the Third Party Retailing Licence and could give the Rail Settlement Plan Limited, a division of RDG, ("RSP") the right to seize assets in the Group's dedicated collections account and/or make a demand on the Group's revolving credit facility. In addition, in the event that the Group is allowed to continue operating under the Third Party Retailing Licence despite a breach of the payment and settlement obligations, RDG may impose further, more onerous, security or performance requirements which may be costly to meet.

Whilst the Group has in place what it considers to be robust controls and procedures to maintain compliance with its obligations under the Third Party Retailing Licence and whilst the Group has historically maintained such compliance, if these controls were to fail or if the Group were unable to meet its obligations under the payment and settlement procedures of the Third Party Retailing Licence and this failure was not remedied, RDG may be entitled to terminate the Third Party Retailing Licence. If the Third Party Retailing Licence were suspended or terminated, the Group may seek to enter into a delegated licence directly with one of the rail carriers as it had prior to 2005 (before the Group was licensed independently by the Association of Train Operating Companies (“ATOC”)) (the predecessor entity to RDG)), however, there can be no guarantee that the Group would be able to obtain such a delegated licence in a timely fashion or at all. The suspension or termination of the Third Party Retailing Licence could therefore have a material adverse effect on the Group’s results of operations, financial condition and business prospects.

The Third Party Retailing Licence may be subject to material variation by the RDG in a manner which could have a material adverse effect on the Group’s results of operations, financial condition and business prospects.

Under the terms of the Third Party Retailing Licence, RDG and RSP have unilateral variation rights in certain circumstances, including where such changes are mandated by a governmental agency or regulatory authority (including the UK Department for Transport (“DfT”) and the UK Office of Rail Regulation (“ORR”)) (a “Level 1 Mandatory Variation”). A Level 1 Mandatory Variation could result in changes to the term, the required security and bonding arrangements or other aspects of the Third Party Retailing Licence. Whilst there has been no such variation during the period that Trainline has been independently licensed by RDG (since 2005), a Level 1 Mandatory Variation could result in increased compliance costs for the Group, require a material change to the Group’s business or business model or could otherwise ultimately result in the suspension or termination of the Third Party Retailing Licence if the Group fails to comply with the variations in a satisfactory manner, which could preclude the Group from selling tickets on behalf of UK rail carriers or otherwise could have a material adverse effect on the Group’s results of operations, financial condition and business prospects.

The International business relies on the Group’s licences with rail and coach carriers outside the United Kingdom.

The Group’s provision of passenger rail and coach service information and the sale of rail and coach products provided by rail and coach carriers outside the United Kingdom (including Eurostar) are governed by bilateral licences with the relevant rail and coach carriers. A number of the Group’s licences with such rail and coach carriers give the relevant carrier the ability to unilaterally vary the terms of the licence, including commission, and/or terminate the licence agreements for convenience, in certain circumstances, after providing the Group with notice. There can be no guarantee that the terms of these licences will not become less favourable to the Group over time, in particular during any renewal processes, although relevant competition laws may limit the scope of carriers’ abilities to amend or otherwise treat the Group unfairly. Such variations, to the extent any challenge under relevant competition laws is unsuccessful, could result in increased compliance costs for the Group in relation to the relevant carrier(s), and termination of the Group’s licences could limit the Group’s competitiveness in the relevant jurisdiction or preclude it from retailing products on behalf of the relevant carrier(s), which could have a material adverse effect on the International business and on the Group’s growth strategy.

As with the Third Party Retailing Licence, certain of the Group’s arrangements with rail and coach carriers outside the United Kingdom require the Group to comply with security and bonding arrangements, the terms of which may be varied unilaterally by the relevant carrier under certain circumstances. Although the amounts of these international security and bonding arrangements have not been significant historically, the amounts of the required bonds typically increase if ticket sales increase and therefore may become more significant as the Group’s international business grows in line with the Group’s strategy. Whilst the Group historically has been in compliance with such arrangements, any failure of the Group to meet its payment obligations under these bilateral licences or a breach by the Group of its obligations under its financing arrangements could result in a demand on the Group’s revolving credit facility or the imposition of more onerous security or performance requirements, which could have a material adverse effect on the Group’s results of operations.

If the Group is unable to maintain and/or upgrade its technology platforms in a timely and effective manner, or if the Group's disaster recovery infrastructure is not sufficiently robust to support natural or man-made system disruptions, its current and future business prospects could be materially adversely affected.

The Group depends on the use of sophisticated information technology and systems to support its technology platforms. The Group has recently made significant investment in developing a new platform (the "Single Global Platform") which currently supports the UK Consumer and the majority of the International business (with the remainder being migrated over the next few months). The T4B business shares a significant proportion of the Single Global Platform services (payments, fulfilment, search) but the T4B front end functionality will, at least in the near term, continue to be supported as a different platform. The Single Global Platform enables and supports the Group's online and mobile channels, reservation management, journey planning, fares engine, customer service, internal and external communications, payment processing, fraud detection and other administrative and reporting processes. Most of these technologies and systems are developed and maintained in-house by the Group, although some are developed and maintained by third parties. As the Group's operations grow in size, scope and complexity, the Group seeks to improve and upgrade its technology systems and infrastructure to handle an increasing number of customers, enhanced products, features and functionalities and more complex transactions, and maintain the reliability and integrity of the Group's technology systems and infrastructure. Whilst much of the business has already been successfully migrated to the Single Global Platform, the ongoing maintenance of the Single Global Platform and remaining migration of the Group's products onto the Single Global Platform involve certain risks and operational challenges, including difficulties in timely completion and customer impact of the data and product migration, challenges using or applying upgrades, cost overruns and reliance on technologies and products provided by third parties, among other risks. In addition, the Group may be unable to realise planned operational efficiencies anticipated from the Single Global Platform.

The Group relies on Amazon Web Services ("AWS"), which hosts the Group's platforms. As a result, the Group is vulnerable to service interruptions at AWS, which could impact the ability of customers to access the platform at any time, without interruption or degradation of performance. In addition, AWS may terminate the agreement by providing 180 days prior written notice and may, in some cases, terminate the agreement immediately for cause upon notice. In the event that the Group's AWS service agreements are terminated, or there is a lapse of service, interruption of Internet service provider connectivity or damage to such facilities, the Group could experience interruptions in access to its platform as well as delays and additional expense in arranging new facilities and services. The Group may also incur significant costs for using an alternative cloud infrastructure provider or taking other actions in preparation for, or in reaction to, events that damage the AWS services used by the Group.

Any failure by the Group or its third-party service providers to maintain and improve the relevant technology systems and infrastructure may result in system interruptions. Like many technology-based businesses, the Group and its third-party service suppliers have experienced in the past, and may experience in the future, system interruptions. Any interruptions, outages or delays in systems used by the Group, including as a result of fire, flood, power loss, telecommunications failure, physical or electronic break-ins, earthquakes, acts of war or terrorism or other events or disruptions, could impair the Group's ability to process user traffic and transactions which, in turn, could materially adversely affect the quality of the Group's services, its reputation and its ability to generate revenue.

The Group's existing security measures may not prevent a security breach or hack.

Substantial or ongoing security breaches, whether instigated internally or externally on the Group's systems or other Internet-based systems, could significantly harm the Group's business and reputation. Like most technology companies, the Group experiences attempted phishing, malware and denial-of-service attacks in the ordinary course of its operations. Whilst the Group has not to date experienced any security breach, the Group incurs, and expects to continue to incur, substantial expense to protect itself against security breaches and their consequences.

Despite the Group's investments in protections against security breaches, it is possible that computer circumvention capabilities, new discoveries or advances in technology or other developments, including the Group's own acts or omissions, could result in a party (whether internal, external, an affiliate or unrelated third-party) compromising or circumventing the Group's security systems and stealing customer transaction/personal data or the Group's proprietary information or causing significant interruptions to the Group's operations. Although the Group has taken measures to protect all critical elements of its facilities, assets and data, including by using AWS to host its Single Global Platform, the Group cannot guarantee that such measures will be

successful and if the Group were to experience frequent or persistent interruptions in its systems, whether due to system failures, human input errors, computer viruses, physical or electronic break-ins or denial-of-service attacks, such events could significantly curtail its ability to conduct its businesses and generate revenue, and its reputation and brand could be harmed. Failure to continue to improve the Group's standards or a substantial interruption to any of the Group's businesses, or in the systems of third parties upon which the Group relies, could expose the Group to a risk of loss or litigation and possible liability and could significantly harm its business. The Group's insurance may not be adequate to reimburse it for losses caused by security breaches.

Breaches could also damage the Group's reputation and cause customers and potential customers to lose confidence in its security, which would have a negative effect on the Group's reputation, the value of its brands and the demand for its products. Moreover, public perception concerning general security and privacy on the Internet could adversely affect customers' willingness to use the Group's websites and mobile app. A publicised breach of security could inhibit consumers' willingness to provide private information or effect commercial transactions on the Internet and, therefore, demand for the Group's services, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Data privacy compliance breaches or failure to protect confidential information could harm the Group's reputation and expose the Group to litigation or other legal or regulatory actions.

The Group is subject to a number of laws relating to privacy and data protection, including, in particular, the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), the United Kingdom's Data Protection Act 2018 and the EU Privacy and Electronic Communications Regulations. Such laws govern the Group's ability to collect, use and transfer personal data, including relating to its consumer customers, rail and coach partners and business partners, as well as any such data relating to its employees and others. In processing transactions through the Group's technology platforms, the Group receives and stores a large volume of personal data, including credit card information. The Group also relies on third-party service providers to collect and process certain personal data and to maintain its databases. Therefore, the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws. See also "*The Group's existing security measures may not prevent a security breach or hack*" in this Part 1 (*Risk Factors*).

While the Group strives to comply with all applicable laws and regulations relating to privacy and data protection, such laws are subject to frequent evolution and, following the United Kingdom's exit from the European Union (commonly referred to as "Brexit"), it is expected that the data collected and processed by the Group will be subject to regulation by a different regulator in the United Kingdom to the EU. It is possible that applicable privacy and data protection laws and regulations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or the Group's practices. That concern is particularly relevant for the GDPR, given that it only recently came into force and that different Member State regulators may differ as to its interpretation and their approach to enforcement, and for the Privacy and Electronic Communications Regulations ("PECR"), which are currently under review.

In addition, the Group is currently compliant and accredited with Level 1 standards under the Payment Card Industry Data Security Standards. However, significant security breaches or operating failures that cause the disclosure of, or failure to adequately protect, payment card details may impact the Group's ability to comply with the Level 1 standards and may lead to the loss of the Group's Level 1 accreditation and/or increased processing costs for credit card transactions.

Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection or other consumer protection laws or regulations may harm its reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers, result in litigation or other actions being brought against the Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

The Group operates in a competitive environment and is subject to risks relating to competition that may materially adversely affect its future performance and business prospects.

Trainline has no control over the prices of the rail and coach tickets that it sells via the Trainline platform and has limited control over the commissions that it receives for these sales. The Group's success therefore depends on its ability to attract new and repeat customers at reasonable acquisition costs based on a superior user experience,

including providing unique journey options, together with the ease of use, quality, accessibility and reliability of its app and website.

The UK Consumer business currently competes against other companies that sell rail and coach tickets for travel in the United Kingdom, including other third-party rail ticket providers (via online and mobile sales platforms and contact centres), rail and coach carriers (via online and mobile sales platforms and contact centres as well as the ticket offices and machines which sell tickets at the rail stations) and Transport for London (“TfL”) (via TfL’s online sales platform as well as the ticket offices and machines which sell tickets, including tap and go, at rail and Tube stations largely for Greater London journeys). In addition, a majority of UK rail and coach carriers sell tickets without booking fees and may also offer promotional or other discounts. In addition, although National Rail Enquiries (“NRE”), a journey planning and information service owned and operated by the UK rail carriers, does not sell rail travel products, in the event that NRE determines it would be beneficial to obtain consent from the DfT to change its mandate and begin selling rail tickets directly, and such change in mandate was granted by the DfT, NRE may be able to develop effective retailing capabilities and capture a material share of the market more quickly than other online and mobile rail ticket providers, due in part to the strength of the National Rail brand, which could impact the Group’s sales volumes and revenue.

Competition within the International business is more fragmented than it is within the UK Consumer business; however, the competitive dynamics are similar: Trainline competes primarily against a small number of third-party retailers, as well as against incumbent and new European rail and coach carriers (who typically sell tickets to customers without booking fees). These European carriers often benefit from significant brand recognition as they have historically been the largest option for travellers within their country of operation. In addition, certain of the European rail carriers place restrictions on Trainline’s retailing or marketing abilities (such as restrictions upon Trainline’s ability to bid for certain pay-per-click keywords) and/or provide the Group with lower levels of commission than those available in the United Kingdom. Such arrangements may make it difficult for the Group to compete at all or compete profitably within certain jurisdictions.

Within the UK T4B business, the TMC business competes against a small number of competitors for TMC customers and the Corporate business also competes against TMCs with respect to the provision of its services to Corporate customers. The competitive pressures in this market have historically related to the prices and services offered to consumers, and such competitive pressures may increase if there is an increase in the number of market participants. In the event that a competitor of the Group lowers the fees that it charges, improves or augments services provided through its platform or otherwise improves its product offering, the Group may lose market share or be unable to grow its market share in line with expectations. In addition, the Group could be forced to lower its fees for corporate and TMC activities in order to maintain sales volumes, which could adversely affect its ability to generate profit.

Similarly, within the train operating company “white label” solutions business within UK T4B, Trainline competes against a relatively small number of competitors. The pricing structures within this business are competitive, and white label solutions clients are experiencing increasing levels of demand from their consumers and typically have high service and maintenance expectations. In the event that a competitor is able to bid more competitively and provide higher levels of dedicated customer service resources, the Group may fail to maintain its existing white label solutions relationships or win new clients, which could have a material adverse effect on the UK T4B business. In addition, at the time of re-franchising, Trainline is often required to re-tender for the white label solutions contract or partner with a company or companies tendering for the franchise contract, which puts Trainline at risk of losing the contract if the company or companies with whom it partners are unsuccessful.

The Group may also face competitive challenges from entry into the market by new competitors, including new companies with a focus on selling rail and/or coach products in the Group’s primary businesses or competitors with a diverse product offering, a well-known brand, significantly greater resources or other competitive advantages, such as Google, Amazon, Apple or Facebook. Given the direct access to potential customers that such companies have through their platforms and, potentially, the strength of their brand, the launch of a similar product by such companies focused on the Group’s primary businesses could reduce the Group’s overall market share, sales volumes and revenue. Competitive pressure or a material change in the characteristics of the online and mobile rail and/or coach ticket sales sector may result in reduced sales for the Group or reduced booking and other fees charged by the Group, which could have a material adverse effect on the Group’s results of operations, financial condition and business prospects.

The Group's growth strategy, in particular its international expansion strategy, involves additional risks, including the risk that the growth strategy may not be successful.

For the year ended 28 February 2019, the Group generated: £136.7 million (65.2%) of its revenue from its UK Consumer business, £58.4 million (27.9%) of its revenue from its UK T4B business and £14.5 million (6.9%) of its revenue from its International business, compared to £114.4 million (64.3%), £54.4 million (30.6%) and £9.2 million (5.2%) in the year ended 28 February 2018, respectively. The Group's strategy of international expansion is ongoing, most recently with the rollout of its multi-currency platform across the Group's product offerings, as well as with the commencement of journey planning and sale of certain rail passes for rail travel in Japan and with the intention to expand coverage to North American rail carriers. The Group's international strategy involves significant risks and uncertainties, which primarily relate to:

- the regulatory framework governing rail service and travel in each jurisdiction, such as recent changes introduced across the EU by the Fourth Railway Package, in France by reform of the country's state rail operator SNCF and the introduction of the Law on Mobility and in Germany by the restructuring of Deutsche Bahn;
- the bilateral licensing environment requiring providers to negotiate arrangements with individual rail carriers able to dictate commission levels and impose marketing restrictions and unilateral termination rights;
- the competition, customer habits and preferences and other market characteristics in the countries of the Group's target customers and in the countries where the Group sells or plans to sell travel products impacting on the success of international marketing efforts, as well as ability to retain customers and charge booking and other fees; and
- consumer protection laws and regulations and the Group's ability to enhance consumer awareness of its brand in relation to these new markets and its ability to acquire customers at an affordable cost.

As a result of these or associated risks, the Group may be unable to execute its international expansion strategy in the time frame that is currently anticipated, or at all, and, if implemented, the Group's international operations may not generate an adequate return on investment or any return.

In addition, the Group's UK growth strategy involves expanding the availability of ticket types, such as season tickets, as well as expanding its ancillary product offerings. If the Group were to lose its variation to the Third Party Retailing Licence allowing it to sell season tickets (the "Season Ticket Trial Licence") and its bilateral agreement with West Coast Trains providing for a delegated season ticket licence (the "Retailing Agent's Agreement"), it would no longer be able to sell season tickets for UK rail travel, which may impact the Group's competitiveness in the United Kingdom and have an adverse effect on the Group's growth strategy. Similarly, the Group's competitiveness and growth strategy in the United Kingdom may be adversely impacted if the Group fails to provide customers with a sufficient variety of ancillary product offerings and customers do not engage with the ancillary offerings as expected.

The implementation of the Group's growth strategy may cost more than expected and will require significant management focus. A failure to effectively implement the Group's growth strategy, including at the cost levels or in the time period currently planned, could impact the Group's competitiveness, its ability to invest in and grow its current business as intended and could have a material adverse effect on its results of operations, financial condition and business prospects.

The Group relies on the performance of a highly skilled team, and its ability to attract and retain executives and other qualified employees is crucial to the Group's results of operations and future growth.

The Group depends substantially on the continued services and performance of its key executives, senior management, subject matter experts and skilled personnel, particularly its technology and systems, online and mobile digital marketing, product development, and finance employees. Any of these individuals may, upon giving the required notice, choose to terminate their employment with the Group at any time. The Group cannot ensure that it will be able to retain the services of any member of its senior management or key employees, the loss of whom could have a material adverse effect on the Group's business, or find adequate replacements in a reasonable amount of time, at similar compensation levels, or at all.

Competition remains intense for well-qualified employees in certain aspects of the Group's business, including top management; software engineers, testers and developers; online and mobile digital marketing; product

development and business analysts, as well as other business and technology professionals. The specialised skills the Group requires are difficult and time-consuming to acquire and, as a result, such skills are in short supply and may be more expensive to employ, especially in a highly concentrated tech hub such as London. A lengthy period of time is also required to hire and train replacement personnel and it takes time for newly recruited specialists to learn the Group's systems and business and become productive.

An inability to hire, train and retain a sufficient number of qualified employees could materially hinder the Group's business by, for example, delaying its ability to bring new products and services to market or impairing the success of its operations. Even if the Group is able to maintain its employee base, the resources needed to attract and retain such employees, as well as to update their skills as the technological demands of the Group's industry change, could become increasingly costly.

The effects of Brexit are uncertain, but may result in a reduction in freedom of movement between the United Kingdom and Europe. This could force key personnel who are EU nationals to leave the Group, as well as impair the Group's ability to hire new personnel from the EU.

The loss of key personnel, or significant increases in employee-related costs, could have a material adverse effect on the Group's business, financial condition or results of operations.

A significant decrease in the commissions received by the Group could have a material adverse effect on the Group's growth strategy and profitability

The Group's revenue is composed substantially of the commissions it receives from rail carriers, which are typically based on industry standard rates for third-party retailers that are largely outside of the Group's control. In particular, the Group generates a substantial proportion of its revenue from operations through commissions payable on sales of UK rail ticket sales pursuant to its Third Party Retailing Licence, which are the same as those the rail carriers pay to each other for sales of other rail carrier tickets. Although the commission structure under the Third Party Retailing Licence is fixed under its terms until RDG serves three years' notice, commencing from the beginning of the financial year after serving notice, which currently means until April 2023 at the earliest, RDG may require the Group to accept lower commission rates from April 2023 onwards and there can be no assurance that rates will not be decreased in the future. In addition, the International Sales Licence is currently on a one-year rolling term and there can be no guarantee that the commission levels will not be varied should a one-year notice be served. Similarly, there can be no guarantee that the commission levels specified in the Season Ticket Trial Licence will not be varied as part of the renewal process at the end of 2019. The commission levels specified in the Group's bilateral agreements with rail carriers outside the United Kingdom are subject to variation in accordance with their respective terms.

A significant reduction in the levels of commissions the Group receives from rail and coach carriers, either as a result of RDG significantly decreasing the rates of commission payable under the Third Party Retailing Licence from April 2023 at the earliest on its own or in combination with a reduction of commission levels under the International Sales Licence or as a result of a general trend in the international rail and/or coach industries toward decreasing commission rates, could have a material adverse effect on the Group's growth strategy, results of operations, financial condition and business prospects.

If the Group is unable to charge some or all of the fees that it charges to the customers of its UK Consumer and International businesses, or if such fees are subject to reduction or mandated caps, the Group may not be able to generate profit at current levels.

In addition to the commissions that the Group receives in relation to its sales of rail tickets, it also charges, in some circumstances, the customers of its UK Consumer and International businesses fees, including, for example, booking fees and fees for voluntary refunds. These fees have historically constituted a critical part of the Group's profitability. The Group's ability to charge such fees in the future may be adversely affected by competitive pressures, changes in consumer and/or rail passenger protection regulations in the jurisdictions in which the Group operates, or where Trainline may charge differential rates across different geographies. For example, the Group previously charged credit card processing fees to cover costs imposed by credit card issuers. However, in January 2018, the EU Payment Services Directive II prohibited such surcharges (while credit card issuers were still free to charge merchant fees). Any reduction in fees currently charged by the Group to the customers of its UK Consumer and/or International businesses, the introduction of mandated fee caps or the elimination of certain types or methods of charging fees could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may in the future suffer from Internet-related fraud, including credit or debit card fraud.

The Group may be liable for accepting fraudulent credit or debit cards and could be subject to other payment disputes with its customers for such sales. For sales through the UK Consumer and International businesses, the Group would be liable to the rail carriers (via RSP in the United Kingdom) for the entire cost of the ticket and the Group's revenue from such sales could also be subject to automatic charge-backs related to fraudulent transactions from credit or debit card processing companies or demands from the relevant banks. For sales through the contracted Corporate and TMC businesses that involve fraudulent credit or debit cards, the Group remains liable for the entire cost of the ticket but generally passes the cost on to the relevant client. For sales made through the Group's technology platform generated for the white label solutions business that involve fraudulent credit or debit cards, the position around liability varies from contract to contract but, in some cases, the Group remains liable for the entire cost of the ticket. Therefore, sales made through the Group's technology platform which involve or may involve fraudulent credit card or debit card transactions may result in decreased revenue for the Group and increased costs and could therefore materially adversely affect the Group's margins, business, financial condition and results of operations.

The Group makes significant and ongoing investment in technology and people to combat fraud, however the Group's ability to detect and combat increasingly sophisticated fraudulent schemes may be negatively impacted by the adoption of new payment methods, the emergence of new technology platforms, including mobile, and the Group's expansion into new markets where the risk of fraud may be more prevalent. If the Group is unable to effectively combat the use of fraudulent credit or debit cards through its technology platform, the Group's results of operations and financial condition could be materially adversely affected. In addition, because the Group offers its fraud protection technology as a service to Corporate and TOC clients, the Group's reputation and brand may suffer if it is unable to or is perceived as unable to effectively combat fraud.

The Group may not be able to keep up with technological changes or to address the challenges presented by consumer or market trends, and its new products and technologies may not achieve broad acceptance by rail carriers or other industry participants.

Each of the Group's businesses operates in markets where technology, industry and regulatory standards, product offerings and consumer demand are evolving. The Group may not be able to remain competitive if it is unable to keep up with these changes by continuously innovating its technology and product offerings.

The Directors believe that sales of travel products online and through mobile devices, either via mobile apps or the Group's websites through mobile browsers, will continue to grow, and the Group has sought to address this demand through the development of its mobile app and through the optimisation of its website for access by mobile devices. An average of approximately 74% of the Group's transactions within the UK Consumer and International business were made from mobile devices from September 2018 to November 2018, compared with approximately 9% in the year ended 28 February 2014. The Group's future success will depend on its ongoing ability to adapt to changing technologies, including mobile device and other technologies which the Group or the market has not yet encountered, to adapt its products to evolving industry standards and to improve the performance, features and reliability of its service in response to competitive service offerings and the evolving demands of the marketplace.

Further, global rail and coach networks are complex and involve a large number of industry participants, including approximately 800 rail and coach carriers across Europe. As the Group adapts its sales channels, infrastructure and product offering to evolving technologies and consumer demand, it may invest in products or technologies that require other industry participants to accept, use or invest in similar technologies. If other participants do not have, or fail to or choose not to develop, the required complementary products and services, the Group may not be able to offer the products and technologies to its customers, which could result in the Group failing to achieve an adequate, or any, return on its investment. For example, the Group continues to invest in mobile technology, including mobile ticketing, whereby users can download tickets directly to their mobile devices. While many rail carriers, particularly in Europe, have adapted to mobile technology, certain rail carriers, including in new geographic markets into which the Group may expand, may be less willing to agree to accept such mobile tickets or may be slow in developing or acquiring ticket readers or other technology that are capable of confirming the validity of the ticket. If any of these circumstances occur, the Group would be unable to offer mobile ticketing to customers travelling with such rail carriers, which could result in lower revenues than the Group expected to generate from its investment in the new product and technology.

If the Group fails to develop or evolve its product offering in line with evolving technology, industry standards, product offerings and consumer demands, or if the Group's investments in new products and technologies do not

achieve broad acceptance in the industry, the Group may experience reduced sales volumes or revenue, which could have a material adverse effect on its results of operations, financial condition and business prospects.

The Group relies on rail and coach carriers for raw timetable and fare data.

All providers of rail and coach service information and rail and coach products for rail and coach travel, including the Group, rely upon fare, timetable and other industry information provided by or on behalf of the relevant rail and coach carriers. In the United Kingdom, the raw data supporting the Group's journey planning services is provided by RDG / NRE on behalf of the rail carriers, while in the EU raw data is provided by each carrier. For coach, Trainline is reliant on raw data feeds directly from the coach carriers or the coach integrators.

In circumstances where raw data provided by the rail and coach carriers is inaccurate, unavailable or difficult to extract, or if the coach integrators were to lose the ability to integrate underlying coach carriers, the Group's ability to provide its products and services to customers in the manner and of the quality expected by customers may deteriorate. If such circumstances were widespread or prolonged, this could result in lower sales volumes and decreased revenue, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operation.

The Group relies on third parties for a number of services which are key to the Group's operations, services and systems and the failure of such third parties to deliver the services could have a material adverse effect on the Group's business, results of operations and financial condition.

Certain of the Group's services, including in particular its proprietary journey planning services, are offered through the Group's Single Global Platform but are dependent upon or provided by third parties that also provide their services to other industry participants in the jurisdictions in which the Group operates. For example, the software used by the Group that facilitates the raw timetable data exchange between some rail carriers and Trainline is provided by HaCon and the Group's platforms are hosted by AWS.

Any inability by these third parties to meet the Group's requirements or standards could damage the Group's reputation or make it difficult or more costly for the Group to operate certain aspects of its business. In addition, if such third-party service providers were to cease operations, temporarily or permanently, or face financial distress or other business disruption, the Group could suffer increased costs and delays in its ability to provide similar services until an equivalent service provider is found or the Group develops replacement technology or operations. If the Group fails to replace any such defaulting service provider, this could result in its inability to provide the services in the manner and of the quality expected by its customers, which could result in lower sales volumes, decreased revenue and could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

There is no guarantee that the Group will be able to successfully manage potential future growth.

The Group has been growing rapidly and must continue to implement a sustainable growth strategy in order to continue to achieve strong results. To successfully implement its growth strategy, Trainline must successfully manage business opportunities, revenue streams, product and service quality in operations and increase capacity and Internet traffic as required by existing and prospective customers.

The Group's growth strategy includes the expansion of its product and service offerings, including its ancillary services such as travel insurance and hotel bookings, its multi-currency capabilities and its selective advertising partnerships, which currently represent a small portion of the Trainline business. Such expansion may in the future expose the Group to additional risks and competitive and operational complexities, which may place additional requirements on the Group's systems, controls, procedures and management, including the need to identify, recruit and integrate additional employees with relevant expertise and expand the scope of the Group's current technology systems. The Directors believe Trainline's innovation and collaboration-driven culture is an important element of its success and there is a risk that the Group may have difficulties maintaining that culture or adapting it sufficiently to meet the needs of future and evolving operations, in particular as the Group grows internationally.

Rapid and significant growth may, therefore, place strain on the Group's administrative, operational, cultural and technological infrastructure. In order to manage operating activities and growth, the Group will need to continuously test and improve operational and management controls, controls over technology, reporting and information disclosure, and financial internal controls. If the Group is unable to effectively manage its growth, or is unsuccessful in adapting to changes and increased requirements resulting from expansion, this could have a material adverse effect on the Group's business, financial condition and results of operations.

A significant or prolonged disruption to passenger rail and/or coach services or systems in the jurisdictions in which the Group operates could reduce demand for the Group's products.

The Group's business is dependent on operationally safe and adequately performing rail and coach service systems in the jurisdictions in which it operates. Disruption to passenger rail or coach service, whether caused by natural or man-made disasters or other events, including industrial action and strikes, severe weather, derailments, actual or threatened acts of terrorism or reported outbreaks of epidemics or pandemics could reduce customer demand for rail and/or coach travel and, as a result, the Group's products. For example, delays caused by the failed rollout of timetable changes nationwide in 2018 suppressed rail travel generally in the United Kingdom and had an adverse effect on the Group's results of operations. In addition, the United Kingdom has experienced significant flooding in recent years, which caused some disruption to local and national rail services. If the scope of such flooding or other weather phenomena were sufficiently broad to cause significant ongoing disruptions in the rail network in the United Kingdom, it could have a material adverse effect on the Group's financial condition and results of operations.

Such disruptions and safety concerns arising from similar events in the future are outside of the Group's control and could result in a significant decrease in the use of the rail services for travel which, depending on its scope and duration, could have a material adverse impact on the Group's business, financial condition and results of operations.

A significant decrease in rail or coach travel usage due to extended economic uncertainty or a change in traveller perceptions of the reliability of rail and coach services and/or evolving preferences for other means of travel could reduce demand for the Group's products.

Online and mobile sales of tickets for rail and coach travel are directly related to the overall level of rail and coach travel activity, which is, in turn, largely dependent on discretionary spending levels. As a substantial portion of rail and coach travel expenditure, for both leisure travellers and corporate travellers, is often discretionary, such expenditure can be impacted by economic downturns. For example, although overall expenditures on rail tickets for travel increased during the economic downturn that began in 2008, the recession resulted in decreased corporate travel, due to smaller corporate travel budgets, and decreased commuter travel, due to increased unemployment. Although the net impact to the Group of that recession was limited, further significant and prolonged periods of economic and financial weakness and uncertainty may result in lower total spending on discretionary travel, which could reduce the Group's ticket sales volumes and have a material adverse impact on the Group's results of operations, financial condition and business prospects.

The effects of Brexit are currently uncertain and will depend on any agreements the United Kingdom makes to retain access to EU markets. Brexit may lead to legal uncertainty and potentially divergent national laws and regulations and could also adversely affect economic or market conditions in the United Kingdom, Europe or globally. These changes could negatively impact the broader economic environment on which online and mobile sales of tickets for rail and coach travel depend. Brexit may also lead to a reduction in freedom of movement between EU markets and the United Kingdom, potentially leading to fewer Europeans visiting the United Kingdom and vice versa and a corresponding decline in online and mobile ticket sales.

In addition, the Group's ongoing success depends on rail and coach services remaining a popular and broadly utilised means of travel. Changes in consumer patterns leading to an increased preference for alternative means of transportation, such as air or car travel, could result in significantly lower sales volumes or lower ticket prices, or both. Changes in consumer preferences could be driven by increased concerns about the quality and reliability of the rail services, including rolling stock and track quality, as well as ease of use and pricing compared to other means of travel. For example, if low-cost air travel services were to increase or fuel prices drop significantly making car travel much cheaper and take a material share from the rail travel market, the Group may see a material decrease in the volume of rail ticket sales.

Any such decreases in demand are outside of the Group's control and, depending on their scope and duration, together with any other issues affecting customer preferences, could have a material adverse impact on the Group's business, financial condition and results of operations.

Structural changes in rail and coach travel could reduce the Group's attractiveness to customers

The potential number of customers for the Group could reduce materially if there is a structural change in rail and coach travel bookings such as, for example an increase in "pay as you go" travel, whereby customers are able

to travel throughout the entire rail and/or coach network of a given region on a prepaid or “pay as you go” basis, without purchasing a ticket through the Group. Such an increase could be driven by consumer preference and/or driven by regulatory initiatives. The DfT has, for example, recently announced a consultation on proposals to extend the “pay as you go” rail travel area in the United Kingdom. Whilst any such development would likely be limited to metropolitan and surrounding suburban areas, and the Group may still have a role in a “pay as you go” model, implementation outcome is currently unclear and there is a risk that such a shift may result in customers choosing to purchase tickets directly through rail carriers, at the station barrier gate, or through another of the Group’s competitors or which may not require the pre-retailing of tickets at all. As a result, increased coverage or use of “pay as you go” systems may lead to lower sales volumes and decreased revenue for the Group. Similarly, the Group may also experience increased competitive pressure from and/or lose market share as a result of the emergence of “mobility as a service”, in which multiple types of both public and private transportation services are integrated into one platform which customers can access using a single account and payment method.

The Group may lose one or more material UK T4B customers, including material Corporate or government clients of TMC customers or be subject to significant changes to the terms of these agreements.

The UK T4B businesses contribute a significant proportion of the Group’s annual revenue and each of the UK T4B businesses, other than its SME business, has a relatively small number of customers, certain of which contribute a material portion of that business’s revenue. For example, the 20 largest customers within UK T4B represented 71.3% of the UK T4B net ticket sales in the year ended 28 February 2019.

In addition, certain of the Group’s TMC clients have historically served, and may in the future serve, corporate clients whose activities contribute a material proportion of UK T4B’s revenue. Such clients may choose to contract with a TMC that is not a client of the UK T4B business. For example, certain government entities contract with TMCs and, prior to the expiration of the service contract, may commence a tender process through which they solicit competing bids from TMCs. If the client does not choose a TMC that is itself a client of the UK T4B business, UK T4B’s business, financial condition and results of operations may be materially adversely affected.

In the event that the Group loses a material customer or a number of customers which together contribute a material proportion of UK T4B revenue, the Group may be unable to acquire other customers of a similar size. In addition, the inability of the Group to negotiate new contracts on substantially similar terms with such customers as such contracts come up for renewal from time to time could result in increased costs or decreased revenue for the UK T4B business. The loss of any key customers or the loss of a relatively small number of UK T4B customers, for any reason, or significant changes to these agreements could therefore have a material adverse effect on the UK T4B business, financial condition and results of operations.

The Group may be subject to significant fines, or prohibitions on certain activities, if it is found not to be in compliance with laws, rules and regulations relating to its e-commerce operations.

Nearly all of the Group’s revenue is generated from its e-commerce operations from transactions which take place through the Group’s technology platforms. The growth and development of e-commerce and the online and mobile travel industry, along with negative publicity and allegations of unfair business practices, particularly in relation to the transparency of fees charged to customers, have prompted calls for more stringent consumer protection laws and more aggressive enforcement efforts by regulatory authorities in the United Kingdom and the European Union. As a result, regulators have imposed additional burdens on online and mobile businesses generally, such as requirements of greater transparency as to pricing and terms and conditions and the prohibition on charging credit card settlement fees to customers. Additional or more restrictive requirements may result in increased compliance costs for the Group, reduced revenue and/or reduced sales. More generally, failure to comply with these and similar laws and regulations may subject the Group to allegations of unfair business practices, fines or otherwise harm Trainline’s reputation. The Group is also subject to the risks that Member States will enforce GDPR in such a way, and/or PECR will be updated and implemented in such a way, as to reduce the quantity and type of marketing Trainline is able to engage in and/or so as to encourage more people to opt out of marketing communications on which the Group’s marketing strategy relies. In addition, although there is a general trend towards increased consumer protection, specific laws and rules may vary between the United Kingdom and the European Union and internationally, making compliance more complex and expensive. Any such developments could have a material adverse effect on the Group’s business, financial condition and results of operations.

Changes to government policies or regulations, including those that affect the rail network or train travel in the United Kingdom, could have a material adverse impact on the Group's results of operations, financial condition and business prospects.

Given the strategic importance of the rail network to travellers in the United Kingdom, the UK Government and its regulators have historically been active in the regulation of the rail network and undertake frequent reviews of the network and the market. The government has recently commissioned the Williams Rail Review (the "Rail Review"), which is currently underway and due to be published in Autumn 2019. Its aim is to establish the most appropriate organisational and commercial frameworks for the rail network, with its recommendations laying the foundation for reform commencing in 2020. Similarly, RDG is conducting a Fares Review, which may yield recommendations with respect to fares reform in the near-term, including the potential implementation of capped fares in the United Kingdom. In addition, while the current UK Government is opposed to the renationalisation of railway in the United Kingdom, the opposition Labour party currently supports renationalisation as franchises expire and may effect this plan if they win the next general election. The impact on the rail industry, UK rail carriers, third-party rail ticket providers and other participants of the implementation of any changes to the UK rail industry recommended by the Rail Review, the Fares Review or other consultation or market study, and/or any changes to government policies as a result of a general election or other change in government, is difficult to quantify, but could have a material adverse effect on the Group's licencing arrangements and operations in the United Kingdom.

The Fourth Railway Package was introduced in the EU in 2016 and requires significant changes to be made to the EU railway market, including the mandatory uncoupling of rail infrastructure managers from train operators, mandatory tendering for public service contracts, and the streamlining of licensing and approvals processes for railways companies. These reforms are designed to improve the competitiveness of the European railway market. While such reforms present opportunities for independent retailers given the likely increased competition amongst carriers, the outcomes of the implementation of the Fourth Railway Package into each Member State (such as the Law on Mobility in France) may be unpredictable in terms of their interpretation and outcomes for retailers and may also result in the legislative landscape across the European Union becoming more piecemeal. There is also the potential for disruption of European railway networks when implementing such wide-ranging changes, which might cause a temporary reduction in train travel and a corresponding fall in the Group's revenues. For example, temporary disruption, and a corresponding fall in revenues, was caused by the reform of the French state-owned rail operator SNCF that began in July 2018 as a result of widespread strikes by railway workers.

In addition, updates to the EU Rail Passenger Rights Regulations may provide passengers with protection for journeys in which different legs of the journey are taken on different rail carriers, or via rail and coach, and may require the Group to take on more liability where such journeys were booked through Trainline's platform.

These and other changes to government policies and regulations could have a material adverse impact on the Group's results of operations, financial condition and business prospects.

Changes in tax law or the interpretation of tax law, or the enactment of new unfavourable tax laws, rules or regulations, could increase the Group's effective tax rate.

Changes in tax laws or the interpretation of those laws, including changes which restrict the utilisation or timing of utilisation of tax losses to offset future taxable profits (such as those recently introduced in the United Kingdom), could adversely affect the Group's effective tax rate and reduce the value of any tax assets recorded on its balance sheet, which in turn could reduce the Group's net cash flow and result in higher tax payments in future periods than is currently anticipated.

The Group's growth strategy involves international expansion, and the source of profits across different jurisdictions may therefore change over time towards jurisdictions with higher or lower tax rates, or with more or less favourable tax regimes for calculating the tax base. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, whether a permanent establishment exists in a particular jurisdiction, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. The Group's planned international expansion could therefore increase the complexity of the tax laws and regulations with which the Group must comply and could result in a higher effective tax rate.

In addition, many of the underlying laws, rules or regulations imposing taxes and other obligations were established before the growth of the Internet and e-commerce. Tax authorities globally are currently reviewing

the appropriate treatment of companies engaged in e-commerce and considering changes to existing tax or other laws that could regulate transmissions and/or levy sales, income, consumption, use or other taxes relating to the Group's activities, and/or impose obligations on us to collect such taxes. For example, although the European Commission largely abandoned its March 2018 proposal for taxing digital business activities in the EU, France implemented a digital tax on large technology firms with retroactive effect from 1 January 2019 and the UK Government has indicated it may implement a similar digital tax beginning in 2020. Although Trainline would likely not currently be of sufficient size to be within scope of these digital tax laws, it may in the future reach sufficient size, or the application of the laws could be expanded so as to cover businesses of Trainline's size.

The Directors cannot predict the effect of current attempts to impose taxes on commerce over the Internet. If such tax or other laws, rules or regulations were amended, or if new unfavourable laws, rules or regulations were enacted, the results could increase the Group's tax payments or other obligations, prospectively or retrospectively, subject the Group to interest and penalties or result in increased costs to update or expand the Group's technical or administrative infrastructure. As a result, these changes may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's business could be materially adversely affected by changes in search engine algorithms and search engine relationships.

In the year ended 28 February 2019, the Group estimates that approximately 20% of new customers in its UK Consumer business and 50% of new customers in its International business were won through the purchase of travel-related keywords on Internet search engines as well as pay-per-click and display advertising on Internet media properties. An increase in the price of securing travel-related keywords and preferred placement on the search page or the price of pay-per-click and display advertising could materially increase the Group's advertising and marketing expenses, which could have a material adverse effect on the results of operations, financial condition and business prospects.

The Group also generates a significant proportion of its transactions through the UK Consumer and International businesses' online and mobile sales channels from "free traffic" resulting from customers clicking a non-paid results link in a Google or another search engine. If search engine providers such as Google change the search algorithms that determine the Group's position on "free searches" in a manner that is disadvantageous to the Group, whether to support their own travel-related services or otherwise, the Group's ability to generate traffic to its online and mobile sales channels would be harmed. In addition, if the Group fails to maintain its current strong click-through and conversion rate performance and its search rankings fall as a consequence thereof, free traffic to the Group's online and mobile sales channels could fall. Declines in the level of traffic to the Group's websites could have a material adverse effect on its results of operations, financial condition and business prospects.

The Group is exposed to fluctuations in currency exchange rates.

The Group processes transactions in multiple currencies and conducts a portion of its business outside of the United Kingdom. Because the Group reports its results in pounds sterling, it faces exposure to movements in currency exchange rates as the financial results of the Group's International business are translated from local currency (principally Euros) into pounds sterling. Throughout 2017 and 2018, pound sterling weakened year-over-year relative to substantially all currencies in which the Group transacts, most notably the Euro. As a result of these currency exchange rate changes, in 2017 and 2018 the Group's foreign-currency-denominated revenue, gross profit and operating expenses were higher as expressed in pounds sterling. If pounds sterling were to again strengthen, the Group's foreign-currency-denominated revenue, gross profit and operating expenses when expressed in pounds sterling would decrease.

Additionally, volatility in foreign exchange rates and its impact on consumer behaviour, which may differ across regions, make it more difficult to forecast industry and consumer trends and the timing and degree of their impact on the Group's markets and business, which in turn could adversely affect the Group's ability to effectively manage its business and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may in the future become involved in legal proceedings, the outcomes of which could materially adversely affect its business, financial condition and results of operations.

The Group may in the future become involved in various legal proceedings that involve claims or sanctions for substantial amounts of money or for other relief or that might necessitate changes to the Group's business or

operations. Such legal proceedings may also include disputes with certain authorities relating to regulatory matters or may include the Group taking legal proceedings against others. The defence of any of these actions may be both time-consuming and expensive. The Group may not prevail in any such legal proceedings and if such disputes were to result in an unfavourable outcome, it could result in reputational damage and have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to protect its intellectual property effectively from copying and use by others, including current or potential competitors, and the Group may face claims by third parties that the Group infringes their intellectual property rights.

The Group's success depends, in part, upon its technology and other intellectual property, including its brand name. The Group protects its logo, brand name and the domain names of its websites by relying on registered domain names and trademarks and copyrights. The Group's operations also rely on its technology platforms, the majority of which the Group believes is protected by copyright laws.

However, not all of the Group's intellectual property can be protected by registration or copyright. If another party were to copy or otherwise obtain the Group's intellectual property and the Group was unable to prevent its unauthorised use, or if another party were to develop similar technology independently, the Group's competitiveness could be reduced. In addition, the Group's international expansion strategy relies in part on the Group being able to use and protect its brand name and domain names, and effective trademark and copyright protection may not be available in every jurisdiction in which the Group's products are made available and policing unauthorised use of the Group's proprietary information across jurisdictions is difficult and expensive.

The Group cannot be sure that the steps it has taken will in all instances preserve the Group's ability to enforce its intellectual property rights or prevent unauthorised disclosure or misappropriation of its proprietary information. Unauthorised use and misuse of the Group's intellectual property or disclosure of its proprietary information could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, the Group may need to go to court or other tribunals to enforce its intellectual property rights or to determine the validity and scope of the proprietary rights of others, and the legal remedies available to the Group may not adequately compensate it for the damages caused by unauthorised use.

The Group has in the past faced and may in the future face claims that it has infringed the patents, copyrights, trademarks or other intellectual property rights of others. In addition, to the extent that the Group's employees, contractors or other third parties with whom it does business use intellectual property owned by others in their work for the Group, disputes may arise as to the intellectual property rights in such work. The Group endeavours to defend its intellectual property rights diligently, but intellectual property litigation is expensive and time-consuming and may divert managerial attention and resources from the Group's business objectives. Successful infringement claims against the Group could result in significant monetary liability. Such claims could also delay or prohibit the use of existing, or the release of new, products, services or processes, and the development of new intellectual property. The Group could be required to obtain licences to use the intellectual property that is the subject of the infringement claims, which may be expensive to obtain, and resolution of these matters may not be available on acceptable terms within a reasonable time frame or at all. Intellectual property claims against the Group could have a material adverse effect on its business, financial condition and results of operations, and such claims may result in a loss of intellectual property protections that relate to certain parts of the Group's business.

The Group may not be successful in implementing any strategic transactions such as mergers, acquisitions and joint ventures, and integrating any acquired businesses.

The Group has acquired or invested in businesses in the past and may consider acquiring or investing in other businesses as and if opportunities arise. The process of integrating an acquired company, business or technology may create unforeseen operating difficulties, expenditures and risks, such as:

- the expected and unexpected costs and management time and focus incurred in pursuing acquisitions, including identifying and performing due diligence on potential acquisition targets that may or may not be successful;
- difficulties and expenses in assimilating the operations, products, technology, privacy protection systems, information systems or personnel of the acquired company;
- costs associated with litigation or other claims arising in connection with the acquired company;

- failure to generate adequate returns on the Group's acquisitions and investments, or returns in excess of alternative uses of capital; and
- entrance into markets in which the Group has no direct prior experience.

The Directors expect to continue to evaluate potential strategic or other acquisitions and transactions as part of the Group's strategy. There can be no assurance that the Group will be able to identify, attract and successfully execute suitable acquisition opportunities and partnerships. Any transactions that the Group enters into and the inability to integrate any transactions could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the Offer and the Shares

There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.

Prior to Admission, there has been no public trading market for the Shares. Although the Company has applied to the FCA for admission to the premium listing segment of the Official List and has applied to the London Stock Exchange for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Shares will develop or, if developed, could be sustained following the closing of the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.

Shares in the Company may be subject to market price volatility and the market price of the Shares in the Company may decline disproportionately in response to developments that are unrelated to the Company's operating performance.

The Offer Price is not indicative of the market price of the Shares following Admission. The market price of the Shares may be volatile and subject to wide fluctuations. The market price of the Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in these Risk Factors, as well as period to period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation about the Group in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements. Any or all of these factors could result in material fluctuations in the price of Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

The Principal Shareholder will retain significant interests in, and will continue to exert substantial influence over the Group following the Offer and their interests may differ from or conflict with those of other Shareholders.

Immediately following Admission, the Principal Shareholder will continue to own beneficially approximately 33.3% of the issued ordinary share capital of the Company, assuming no exercise of the Over-allotment Option, and approximately 24.8% if the Over-allotment Option is exercised in full. As a result, the Principal Shareholder will possess sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the election of directors, approval of significant corporate transactions and delay, deferral or prevention of a change of control. The interests of the Principal Shareholder may not always be aligned with those of other holders of Shares.

The Principal Shareholder has retained the right to enter into margin loan facilities that could encompass the entire shareholdings of the Principal Shareholder. Should the Principal Shareholder enter into a margin loan facility, the security granted by the Principal Shareholder in favour of the relevant margin loan lenders could represent a significant majority of the Shares that the Principal Shareholder will hold following Admission. An enforcement of such a security by margin loan lenders could have a significant impact on the Company's ordinary shareholding structure. The enforcement of such a security, in whole or in part, by margin loan lenders will reduce the Principal Shareholder's shareholding in the Company and may result in it ceasing to be a significant shareholder.

In certain circumstances, the enforcement of a security granted in connection with a margin loan facility in respect of Shares which carry 30% or more of the voting rights of the Company may trigger an obligation on the

relevant margin loan lenders to make a mandatory offer for the Shares they do not otherwise own. However, the Takeover Panel will not normally require such an offer from a lender enforcing security if sufficient interests in Shares are disposed of within a limited period to persons unconnected with the lender, so that the percentage of shares carrying voting rights in which the lender, together with any persons acting in concert with it, is interested is reduced to the percentage held by those persons prior to the triggering acquisition being made. Any such disposal, or the perception that such disposal may occur, may depress the market price of the Shares and could impair the Group's ability to raise capital through the issue of new Shares.

Shareholders in the United States and other jurisdictions outside of the United Kingdom may not be able to participate in future equity offerings.

The Articles provide for pre-emption rights to be granted to Shareholders in the Company, unless such rights are disapplied by a shareholder resolution. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in future offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the Shares and any other securities that are offered and sold are registered under The US Securities Act, or the Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of The US Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other Shareholders to exercise their pre-emption rights or, if available, that the Company will utilise any such exemption.

Not all rights available to shareholders under US law will be available to holders of the Shares.

Rights afforded to shareholders under English law differ in certain respects from the rights of shareholders in typical US companies. The rights of holders of the Shares are governed by English law and the Articles. In particular, English law currently limits significantly the circumstances under which the shareholders of English companies may bring derivative actions. Under English law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances. In addition, English law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a US company.

The market price of the Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-up period, or the perception that these sales could occur.

Following Admission, the Principal Shareholder will own beneficially, approximately 33.3% of the Company's issued ordinary share capital, assuming no exercise of the Over-allotment Option, and approximately 24.8% if the Over-allotment Option is exercised in full. The Company, the Principal Shareholder, the Directors and the Minority Shareholders are subject to restrictions on the issue, sale and/or transfer, as applicable, of their respective holdings in the Company's issued share capital. The issue or sale of a substantial number of Shares by the Company, the Principal Shareholder, the Directors or the Minority Shareholders in the public market after the lock up restrictions in the Underwriting Agreement and Deeds of Election, as applicable, expire (or are waived by the Joint Sponsors), or the perception that these sales may occur, may depress the market price of the Shares and could impair the Company's ability to raise capital through the sale of additional equity securities. In addition, certain of the Shares could be granted as security by the Principal Shareholder in connection with margin loan facilities, the enforcement of which would reduce the Principal Shareholder's shareholding, may have a significant impact on the Company's shareholding structure and corporate governance, may depress the market price of the Shares and could impair the Group's ability to raise capital through the issue of further Shares.

The Company's ability to pay dividends in the future depends, among other things, on the Group's financial performance and capital requirements.

There can be no guarantee that the Group's historic performance will be repeated in the future, particularly given the competitive nature of the industry in which it operates, and its sales, profit and cash flow may significantly underperform market expectations. If the Group's cash flow underperforms market expectations, then its capacity to pay a dividend will suffer. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions on the payment of dividends in the Group's financing arrangements, the Group's financial position, the Company's distributable

reserves, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

The issuance of additional Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings.

The Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Shares may suffer dilution in their percentage ownership or the market price of the Shares may be adversely affected.

Overseas shareholders may be subject to exchange rate risk.

The Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms.

The Company is a holding company with no business operations of its own and depends on its subsidiaries for cash, including in order to pay dividends.

The Company is a group holding company with no independent operations and is dependent on earnings and distributions of funds from its operating subsidiaries for cash, including in order to pay dividends to Shareholders.

As a matter of English law, the Company can pay dividends only to the extent that it has sufficient distributable reserves available, which depends upon the Company receiving cash from its operating subsidiaries in a manner which creates distributable reserves. The Company's ability to pay dividends to Shareholders therefore depends on its future Group profitability, the ability to distribute or dividend profits from its operating subsidiaries up the Group structure to the Company, general economic conditions and other factors the Directors deem significant. The Group's distributable reserves can be affected by reductions in profitability as well as by impairment of assets.

PART 2

Presentation of Financial and Other Information

General

Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offer, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders or any of the Underwriters. No representation or warranty, express or implied, is made by any of the Underwriters, any of their respective affiliates or any selling agent as to the accuracy, completeness or verification of the information set forth in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by any of the Underwriters, any of their respective affiliates or any selling agent as to the past, present or future. The Underwriters assume no responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this document or any such statement. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to FSMA, neither the delivery of this Prospectus nor any subscription or sale of Shares pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Company will update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective investors of the Offer occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. This Prospectus and any supplement will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules. If a supplement to this Prospectus is published prior to Admission, investors shall have the right to withdraw their applications for Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice and related aspects of a purchase of the Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholders, any of the Underwriters or any of their affiliates or representatives that any recipient of this Prospectus should subscribe for or purchase the Shares. Prior to making any decision as to whether to subscribe for or purchase the Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus carefully and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company and the terms of this Prospectus, including the merits and risks involved.

Investors who subscribe for or purchase Shares in the Offer will be deemed to have acknowledged that: (i) they have not relied on any of the Underwriters or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Group or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholders or any of the Underwriters.

None of the Company, the Directors, the Selling Shareholders, any of the Underwriters or any of their affiliates or representatives is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment by such offeree, subscriber or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

In connection with the Offer, each of the Underwriters and any of their respective affiliates may take up a portion of the Shares in the Offer as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, dealing or placing by, the Underwriters and any of their affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Over-allotment and stabilisation

In connection with the Offer, Morgan Stanley & Co. International plc, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilisation transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 40,748,321 Shares, being 15% of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilising period, it is expected that the Principal Shareholder will grant the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares at the Offer Price, which represents up to an additional 40,748,321 Shares, being 15% of the total number of Shares comprised in the Offer (the “Over-allotment Shares”). The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offer and will form a single class for all purposes with the other Shares.

Presentation of financial information

The Group’s consolidated historical financial information included in Part 12 (*Historical Financial Information*) of this Prospectus has been prepared in accordance with the requirements of the Prospectus Directive and the Listing Rules and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The basis of preparation and significant accounting policies are set out within Note 1 of the Group’s consolidated historical financial information in Part 12 (*Historical Financial Information*). The Group’s financial information has been prepared in accordance with IFRS for the years ended 28 February 2017, 2018 and 2019.

Financial information

The Company was recently incorporated and as at the date of this Prospectus has no historical operations of its own. Therefore, this Prospectus does not present any standalone, unconsolidated financial information for the Company.

Trainline’s financial year runs from 1 March to the last day in February and the financial information presented in this Prospectus covers the years from 1 March 2016 to 28 February 2017, from 1 March 2017 to 28 February 2018 and 1 March 2018 to 28 February 2019. The financial information for the Group included in Section B of

Part 12 (*Historical Financial Information*) is covered by the accountant's report included in Section A of Part 12 (*Historical Financial Information*), which was prepared in accordance with Standards for Investment Reporting issued by the Auditing Practices Board.

None of the financial information used in this Prospectus has been audited in accordance with auditing standards generally accepted in the United States of America ("US GAAS") or auditing standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). There could be differences between the auditing standards issued by the Auditing Practices Board in the United Kingdom and those required by US GAAS or the auditing standards of the PCAOB. Potential investors should consult their own professional advisers to gain an understanding of the financial information in Part 12 (*Historical Financial Information*) and the implications of differences between the auditing standards noted herein.

Prior Period Restatements

During the preparation of the Financial Information, the financial results for the year ended 28 February 2017 and 28 February 2018 have been restated. The restatements comprise:

- *Consolidation of the Group's Employee Benefit Trust ("EBT")*: The Group has an Employee Benefit Trust, that has not previously been consolidated. The financial information for each of the years ended 28 February 2017 and 2018 has been restated to include the consolidation of the EBT.
- *Share Based Payments and share related balances*: The Group has a number of share based payment arrangements, as disclosed in Note 21 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*), which were not accounted for in prior years. The financial information for each of the years ended 28 February 2017 and 2018 has been restated to reflect accounting for these arrangements. Other non-current liabilities for phantom securities were included in loans and borrowings in previous years at grant date fair value. These have been reclassified in the financial information for each of the years ended 28 February 2017 and 2018 and revalued to fair value at each year end.

The financial information for the year ended 28 February 2018 has been restated for the following adjustment:

- *Deferred Tax*: In the year ended 28 February 2018, the Group made an error in its consolidation of deferred tax credits and balances in overseas jurisdictions. The deferred tax credit and liability have therefore been restated in the financial information for the year ended 28 February 2018.

For additional details on the prior period restatements, see Note 27 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*). In addition, the Group has made certain presentational changes to better align these items to the relevant IFRS financial statement captions. See Note 1K of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*).

Pro forma financial information

In this Prospectus, any reference to "pro forma" financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in Part 13 (*Unaudited Pro Forma Financial Information*). The unaudited pro forma financial information has been prepared to illustrate the effect of the Offer as if it had taken place on 28 February 2019.

Due to its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results. It may not, therefore, give a true picture of the Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma financial information has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Directive. The unaudited pro forma financial information has not been prepared in accordance with the requirements of Regulation SX of the US Securities Act.

Non-IFRS financial information

This Prospectus contains certain financial measures that are not defined or recognised under IFRS, including Adjusted EBITDA, Contribution, Adjusted EBITDA Margin, operating free cash flow, normalised operating free cash flow and normalised operating free cash flow conversion. The Directors consider these metrics to be the non-IFRS financial measures used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies in relation to the Group. The Directors believe that these non-IFRS

performance financial measures, in addition to IFRS measures, provide an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business of the Group. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or loss or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Group does not regard these non-IFRS financial measures as a substitute for, or superior to, the equivalent measures that are calculated in accordance with IFRS. The non-IFRS financial measures presented in this Prospectus may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS.

Adjusted EBITDA

The Group defines Adjusted EBITDA as profit or loss after tax before net financing income/(expense) and tax, depreciation and amortisation, exceptional items and share based payment charges and includes it as a memorandum account on the face of its income statement. The Directors view Adjusted EBITDA as a meaningful measure of the Group's operating performance and debt servicing ability without regard to amortisation and depreciation methods which can differ significantly. Exceptional items are excluded as the Directors believe their nature could distort trends in the Group's underlying earnings. This is because they are often one-off in nature or not related to underlying trade. Share based payment charges are also excluded as they can fluctuate significantly from year to year. The Directors believe that Adjusted EBITDA is therefore helpful for understanding the performance of the business of the Group.

The following table provides a reconciliation from profit or loss for the year to Adjusted EBITDA for the years indicated:

| | Year ended 28 February | | |
|-------------------------------|--|--|---------------|
| | 2017 ⁽¹⁾ <i>(restated)</i> | 2018 ⁽¹⁾⁽²⁾ <i>(restated)</i> <i>(£'000s)</i> | 2019 |
| Loss after tax | (30,237) | (24,202) | (13,670) |
| Income tax credit | (962) | (5,222) | 8 |
| Net finance costs | 19,960 | 21,873 | 24,175 |
| Exceptional items | 6,780 | 2,201 | (136) |
| Share based payment charges | 168 | 1,846 | 3,309 |
| Depreciation and amortisation | 34,977 | 34,137 | 38,942 |
| Adjusted EBITDA | 30,686 | 30,633 | 52,628 |

(1) The financial information for each of the years ended 28 February 2017 and 2018 has been restated for the consolidation of the EBT and to reflect share-based payment arrangements and classification. For additional details on the prior period restatements, see Note 27 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*).

(2) The financial information for the year ended 28 February 2018 has been restated for the removal of a deferred tax amount. For additional details on the prior period restatements, see Note 27 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*).

Adjusted EBITDA Margin

The Group defines Adjusted EBITDA Margin as the ratio of Adjusted EBITDA to revenue, expressed as a percentage. The Directors view Adjusted EBITDA Margin as a useful measure because it assists in evaluating the Group's operating performance. The following table provides the information used to calculate Adjusted EBITDA Margin for the years indicated:

| | Year ended 28 February | | |
|-------------------------------|---------------------------|--|--------------|
| | 2017 <i>(restated)</i> | 2018 <i>(restated)</i> <i>(£'000s)</i> | 2019 |
| Adjusted EBITDA | 30,686 | 30,633 | 52,628 |
| Revenue | 152,772 | 177,993 | 209,504 |
| Adjusted EBITDA Margin | 20.1% | 17.2% | 25.1% |

Contribution

The Group defines Contribution as revenue less cost of sales and directly allocable administrative expenses for the total UK business, the International business and the total Group. The Directors view Contribution as a meaningful measure of the operating performance of the Group's geographies

The following table shows the reconciliation of Group Contribution to operating profit for the years indicated:

| | Year ended 28 February | | |
|--|------------------------|-----------------|-----------------|
| | 2017 | 2018 | 2019 |
| | (restated) | (restated) | |
| | | (£'000s) | |
| Revenue | 152,772 | 177,993 | 209,504 |
| Cost of sales | (41,162) | (48,146) | (54,059) |
| Gross profit | 111,610 | 129,847 | 155,445 |
| Directly allocable administrative expenses | (48,577) | (60,933) | (61,562) |
| Group Contribution | 63,032 | 68,914 | 93,883 |
| Central administrative expenses | (32,347) | (38,281) | (41,255) |
| Depreciation & amortisation | (34,977) | (34,137) | (38,942) |
| Share based payment charges | (168) | (1,846) | (3,309) |
| Exceptional items | (6,780) | (2,201) | 136 |
| Operating (loss)/profit | (11,239) | (7,551) | 10,513 |
| UK Contribution | 74,173 | 87,220 | 111,896 |
| International Contribution | (11,140) | (18,306) | (18,013) |
| Group Contribution | 63,032 | 68,914 | 93,883 |

The following table shows UK Contribution for the years indicated:

| | Year ended 28 February | | |
|--|------------------------|---------------|----------------|
| | 2017 | 2018 | 2019 |
| | (restated) | (restated) | |
| | | (£'000s) | |
| Revenue | 147,889 | 168,796 | 195,026 |
| Cost of sales | (39,519) | (45,086) | (47,452) |
| Gross profit | 108,370 | 123,710 | 147,574 |
| Directly allocable administrative expenses | (34,197) | (36,490) | (35,678) |
| Total UK Contribution | 74,173 | 87,220 | 111,896 |

The following table shows International Contribution for the years indicated:

| | Year ended 28 February | | |
|--|------------------------|-----------------|-----------------|
| | 2017 | 2018 | 2019 |
| | (restated) | (restated) | |
| | | (£'000s) | |
| Revenue | 4,883 | 9,197 | 14,478 |
| Cost of sales | (1,642) | (3,060) | (6,607) |
| Gross profit | 3,240 | 6,137 | 7,871 |
| Directly allocable administrative expenses | (14,380) | (24,443) | (25,884) |
| Total International Contribution | (11,140) | (18,306) | (18,013) |

Operating free cash flow

The Group defines operating free cash flow as cash generated from operating activities adding back exceptional items, excluding non-cash impairments, and deducting purchase of property, plant and equipment and intangible assets. The Directors use operating free cash flow as a supplementary measure of liquidity.

The following table shows the reconciliation of operating free cash flow to cash generated from operating activities for the years indicated:

| | Year ended 28 February | | |
|---|-------------------------------|--------------------------------------|----------------------|
| | 2017 | 2018 | 2019 |
| | <i>(restated)</i> | <i>(restated)</i> <i>(£'000s)</i> | |
| Cash generated from operating activities | 38,629 | 37,164 | 75,161 |
| Add back Exceptional Items | 6,780 | 2,201 | (136) |
| Non-cash impairments | (905) | — | — |
| Purchase of property, plant and equipment and intangible assets | (17,274) | (28,494) | (32,562) |
| Operating free cash flow | <u>27,230</u> | <u>10,871</u> | <u>42,463</u> |

Normalised operating free cash flow and Normalised operating free cash flow conversion

The Group defines normalised operating free cash flow as operating free cash flow adding back capital expenditures related to the Single Global Platform. The Group defines normalised operating free cash flow conversion as normalised operating free cash flow as a percentage of Adjusted EBITDA. The Directors use normalised operating free cash flow and normalised operating free cash flow conversion as supplemental measures of liquidity.

The following table provides a reconciliation of normalised operating free cash flow to cash generated from operating activities and the information used to calculate normalised operating free cash flow conversion for the periods indicated:

| | Year ended 28 February | | |
|---|-------------------------------|--------------------------------------|----------------------|
| | 2017 | 2018 | 2019 |
| | <i>(restated)</i> | <i>(restated)</i> <i>(£'000s)</i> | |
| Cash generated from operating activities | 38,629 | 37,164 | 75,161 |
| Add back Exceptional Items | 6,780 | 2,201 | (136) |
| Non-cash impairments | (905) | — | — |
| Purchase of property, plant and equipment and intangible assets | (17,274) | (28,494) | (32,562) |
| Add back capital expenditure related to Single Global Platform | 2,800 | 14,100 | 18,284 |
| Normalised operating free cash flow | <u>30,030</u> | <u>24,971</u> | <u>60,747</u> |
| Adjusted EBITDA | <u>30,686</u> | <u>30,633</u> | <u>52,628</u> |
| Normalised % operating free cash flow conversion | <u>98%</u> | <u>82%</u> | <u>115%</u> |

Operational data

In addition to the non-IFRS financial measures described above, the Group presents certain operational data in this Prospectus. Such data as presented in this Prospectus may not be comparable to similarly titled data presented by other companies in the Group’s industries and, while the method of calculation may differ across the Group’s industries, the Directors believe that such data is important to understanding the Group’s performance from period to period and that such data facilitates comparison with the Group’s peers. This operational data is not intended to be a substitute for any IFRS measures of performance. The operational data is based on the Group’s estimates and is not part of the Group’s financial statements and has not been audited or otherwise reviewed by outside auditors, consultants or experts.

Set out below is a description of the key operational data presented in this Prospectus.

Net transactions

Net transactions represent the aggregate number of customer payment events in a given period less the number of transactions refunded.

Net ticket sales

Net ticket sales represent the gross value of ticket sales to customers, less the value of refunds issued, during the relevant accounting period. Net ticket sales does not represent the Group's revenue. 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 booking fees and other service charges billed directly to the customer, on a per transaction basis. As such, the Group's revenue and results of operations for any particular period largely depend on net ticket sales during that period, which, in turn, are driven primarily by net transactions and average transaction value.

Average transaction value

Average transaction value represents net ticket sales divided by net transactions. Average transaction value is primarily driven by the mix of the types of ticket purchased, methods of purchase and distance travelled, as well as carrier pricing trends.

Revenue as a percentage of net ticket sales

Revenue as a percentage of net ticket sales represents the Group's commissions received from rail carriers and coach operators, booking and other fees, and ancillary services (including the Group's multi-currency platform, selective advertising, insurance and others, including hotels).

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "sterling", "pounds sterling", "GBP", "£", or "pence" are to the lawful currency of the United Kingdom. All references to the "euro" or "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references to "US dollars" or "\$" are to the lawful currency of the United States.

The average exchange rates of US dollars and euros are shown relative to pounds sterling below. The rates below may differ from the actual rates used in the preparation of the financial statements and other financial information that appears elsewhere in this Prospectus. The inclusion of these exchange rates is for illustrative purposes only and does not mean that the sterling amounts actually represent such US dollar or euro amounts or that such sterling amounts could have been converted into US dollars or euro at any particular rate, if at all.

Average rate against pounds sterling

| <u>Year</u> | <u>US dollars per £1.00</u> | | | |
|-----------------------------------|-----------------------------|----------------|-------------|------------|
| | <u>Period End</u> | <u>Average</u> | <u>High</u> | <u>Low</u> |
| 2014 | 1.5581 | 1.6474 | 1.7165 | 1.5515 |
| 2015 | 1.4734 | 1.5283 | 1.5872 | 1.4654 |
| 2016 | 1.2345 | 1.3554 | 1.4810 | 1.2158 |
| 2017 | 1.3524 | 1.2886 | 1.3582 | 1.2068 |
| 2018 | 1.2746 | 1.3351 | 1.4325 | 1.2516 |
| 2019 (through 19 June 2019) | 1.2642 | 1.2951 | 1.3339 | 1.2534 |

| <u>Year</u> | <u>Euros per £1.00</u> | | | |
|-----------------------------------|------------------------|----------------|-------------|------------|
| | <u>Period End</u> | <u>Average</u> | <u>High</u> | <u>Low</u> |
| 2014 | 1.2874 | 1.2409 | 1.2874 | 1.1912 |
| 2015 | 1.3559 | 1.3775 | 1.4399 | 1.2726 |
| 2016 | 1.1705 | 1.2243 | 1.3645 | 1.0983 |
| 2017 | 1.1250 | 1.1416 | 1.1968 | 1.0758 |
| 2018 | 1.2874 | 1.2409 | 1.2874 | 1.1912 |
| 2019 (through 19 June 2019) | 1.1264 | 1.1468 | 1.1745 | 1.1078 |

Source: Bloomberg

Roundings

Certain data in this Prospectus, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Market, economic and industry data

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Directors' estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Prospectus from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including publications and data compiled by OC&C Strategy Consultants ("OC&C"), ORR, Eurostat, the European Commission, Network Rail, DfT, SimilarWeb, AppAnnie, Adobe Analytics and Google Analytics, Railteam and the rail carriers and coach operators.

The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Prospectus, the source of such information has been identified. While the Directors believe the third-party information included herein to be reliable, neither the Company nor the Underwriters have independently verified such third-party information.

Service of process and enforcement of civil liabilities

The Company is a public limited company incorporated under English law. Many of the Directors are citizens of the United Kingdom (or other non-US jurisdictions), and all of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws.

No incorporation of website information

The contents of the Company's websites do not form part of this Prospectus.

Definitions and glossary

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other items, are defined and explained in Part 16 (*Definitions and Glossary*).

Information not contained in this Prospectus

No person has been authorised to give any information or make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this Prospectus nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this Prospectus or that the information in this Prospectus is correct as of any time subsequent to the date hereof.

Information regarding forward-looking statements

This Prospectus includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Group and the industry in which it operates. In particular, the statements under the headings "Summary", "Risk Factors", "Business Description" and "Operating and Financial Review" regarding the Company's strategy, targets and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

Such forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. The Company, the Directors, the Selling Shareholders and the Underwriters expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, or the Disclosure Guidance and Transparency Rules of the FCA or the Market Abuse Regulation.

PART 3

Directors, Secretary, Registered and Head Office and Advisers

| | |
|---|--|
| Directors | Douglas S. McCallum (<i>Non-Executive Chair</i>) |
| | Clare Gilmartin (<i>Chief Executive Officer</i>) |
| | Shaun McCabe (<i>Chief Finance Officer</i>) |
| | Brian McBride (<i>Deputy Chair, Senior Independent Non-Executive Director</i>) |
| | Duncan Tatton-Brown (<i>Independent Non-Executive Director</i>) |
| | Kjersti Wiklund (<i>Independent Non-Executive Director</i>) |
| | Philipp Freise (<i>Non-Executive Director</i>) |
| | Franziska Kayser (<i>Non-Executive Director</i>) |
| Company Secretary | Neil Murrin |
| Registered and head office of the Company | 120 Holborn London United Kingdom EC1N 2TD |
| Joint Sponsors | J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 4AD |
| | Morgan Stanley & Co. International plc 20 Bank Street Canary Wharf London E14 4AD |
| Joint Global Co-ordinators and Joint Bookrunners | J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 4AD |
| | KKR Capital Markets Limited Stirling Square, 7 Carlton Gardens London, SW1Y 5AD |
| | Morgan Stanley & Co. International plc 20 Bank Street Canary Wharf London E14 4AD |
| Joint Bookrunners | Barclays Bank PLC 5, The North Colonnade Canary Wharf London E14 4BB |

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

English and US legal advisers to the

Company Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

**English and US legal advisers to the
Joint Global Co-ordinators, Joint
Sponsors and Underwriters**

Linklaters LLP
One Silk Street
London EC2Y 8HQ

Auditors and Reporting

Accountants KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Registrars and Receiving Agent

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex, BN99 6DA
United Kingdom

PART 4

Expected Timetable of Principal Events and Offer Statistics

Expected timetable of principal events

| <u>Event</u> | <u>Time and Date</u> |
|--|---------------------------|
| Prospectus published / announcement of Offer Price and allocation | 21 June 2019 |
| Commencement of conditional dealings in Shares on the London Stock Exchange | 8.00 a.m. on 21 June 2019 |
| Admission and commencement of unconditional dealings in Shares on the London Stock Exchange | 8.00 a.m. on 26 June 2019 |
| CREST accounts credited in respect of Shares in uncertificated form | 8.00 a.m. on 26 June 2019 |
| Despatch of definitive share certificates (where applicable) for Shares in certificated form | from 26 June 2019 |

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.

All times are London times. Each of the times and dates in the above timetable is subject to change without further notice.

Offer statistics⁽¹⁾

| | |
|---|----------------|
| Offer Price (per Share) | 350 pence |
| Number of Shares in the Offer ⁽²⁾ | 271,655,470 |
| – New Shares | 31,526,093 |
| – Existing Shares | 240,129,377 |
| Number of Shares allocated to the Underlying Cornerstone Investors ⁽³⁾ | 57,142,857 |
| Percentage of the issued ordinary share capital being offered in the Offer ⁽⁴⁾ | 56.5% |
| Number of Existing Shares subject to the Over-allotment Option | 40,748,321 |
| Number of Shares in issue following the Offer | 480,621,224 |
| Market capitalisation of the Company at the Offer Price ⁽⁵⁾ | £1,682 million |
| Estimated net proceeds of the Offer receivable by the Company ⁽⁶⁾ | £ 93.1 million |
| Estimated net proceeds of the Offer receivable by the Selling Shareholders ⁽⁷⁾ | £811.0 million |

Notes:

- (1) Assumes all of the Reorganisation steps set out in paragraph 3.1 of Part 15 (*Additional Information*) are completed in full.
- (2) Excluding any Over-allotment Shares that may be sold pursuant to the Over-allotment Option.
- (3) Pursuant to the Cornerstone Investment Agreement, the Cornerstone Investor (as agent for the Underlying Cornerstone Investors) has agreed to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer at the Offer Price, up to a maximum aggregate amount of £200,000,000. The obligation of the Cornerstone Investor under the Cornerstone Investment Agreement to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer is subject to certain conditions. For more information, see “*Material Contracts – Cornerstone Investment Agreement*” in Part 15 (*Additional Information*).
- (4) Based on the Company’s issued ordinary share capital immediately following Admission and excluding any Over-allotment Shares that may be sold pursuant to the Over-allotment Option.
- (5) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.
- (6) The estimated net proceeds receivable by the Company are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT) payable by the Company, which are currently expected to be approximately £17.2 million. The Company will not receive any of the net proceeds from the sale of the Existing Shares in the Offer by the Selling Shareholders or the sale of Shares pursuant to the Over-allotment Option.
- (7) The estimated net proceeds receivable by the Selling Shareholders assume that the Offer Price are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT) payable by the Selling Shareholders, which are currently expected to be approximately £29.4 million.

PART 5

Industry Overview

The following information relating to the Group's industry has been provided for background purposes only. The information has been extracted from a variety of sources released by public and private organisations. The information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors should read this Part 5 in conjunction with the more detailed information contained in this Prospectus including Part 1 (Risk Factors) and Part 10 (Operating and Financial Review).

The Group operates in a highly fragmented global rail and long distance coach market, estimated by OC&C to be worth more than €225 billion, based on 2017 data, with more than 800 rail and coach carriers across Europe, 55 million fare possibilities, approximately 27,000 rail and coach stations across Europe and no standardisation across the industry. There has been significant investment in the high-speed rail network across Europe in recent years and in overall capacity. The Directors believe that improved connectivity and ease of rail and coach ticket purchasing, coupled with a growing public awareness of the positive environmental impact of choosing rail or coach over short haul air and car has dramatically changed and will continue to change how people travel and are driving a modal shift away from air travel and towards rail and coach, in particular for shorter journeys.

Rail Market Overview

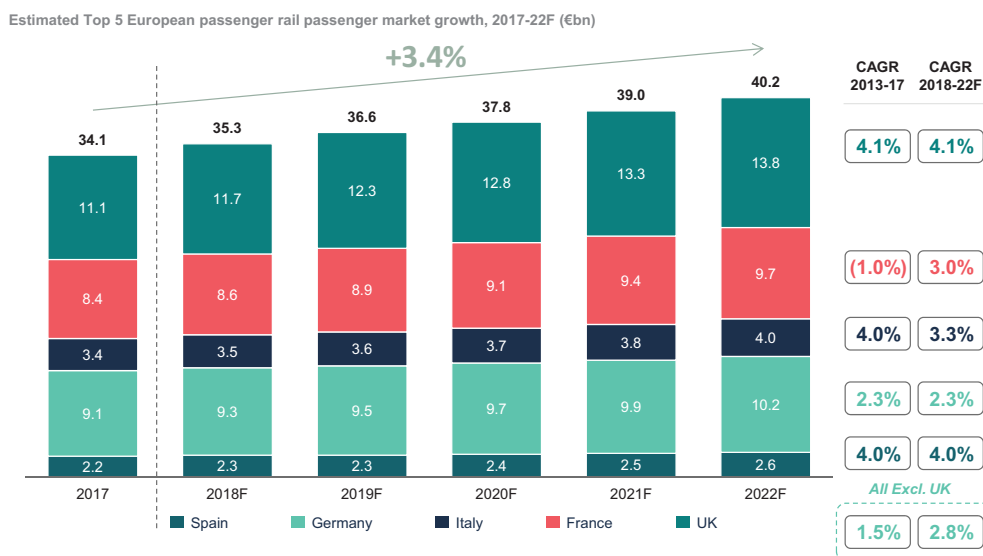
According to OC&C, the global rail passenger market is worth approximately €165 billion, based on 2017 data, of which Europe accounts for approximately €62.5 billion. The United Kingdom, Germany, Spain, Italy and France are the five largest European markets ("Top 5 European Markets") accounting for approximately €34.1 billion, with the United Kingdom accounting for approximately €11.1 billion of that.

Overview of Rail Market in Europe

The European rail market is highly fragmented, with approximately 400 carriers across Europe, according to Company estimates, and is predicted to become even more so due to ongoing liberalisation in European countries. According to Eurostat, the European rail network carried 10 times as many passengers in 2017 than did European airlines.

Underlying market growth in European Rail

Spend on rail travel in the Top 5 European Markets currently comprises a significant share of travel spend – Germany: 21%, United Kingdom: 28%, France: 23%, Spain 19% and Italy: 36% – and is growing both in volume and value terms. As illustrated below, OC&C expects rail market growth in the Top 5 European Markets to accelerate by a CAGR of 3.4% between 2017 and 2022:



Source: OC&C analysis

Overview of Rail Market in the United Kingdom

For many rail journeys in the United Kingdom, there are a large number of routes, fares and ticketing options, and customers may travel with multiple rail carriers on a single journey or have a choice of rail carriers for their journey. According to Eurostat, the rail network in the United Kingdom was operated through approximately 3,000 train stations in 2017.

Market Drivers in United Kingdom

According to the DfT, rail travel was the fastest growing mode of transport in the United Kingdom between 2007 and 2017, as measured by passenger kilometres, and was supported by significant investment in infrastructure and an improved passenger offering. The following table sets out the total number of kilometres travelled by passengers on the rail network in the United Kingdom and rail travel's share of total passenger kilometres in the United Kingdom for the periods indicated:

| | 12 months ended 31 March | | | | | | | | | | |
|-----------------------------|--------------------------|------|------|------|------|------|------|------|------|------|------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Passenger km (bn) | 58.5 | 60.5 | 61.1 | 53.7 | 68.0 | 69.8 | 72.1 | 75.4 | 77.6 | 79.7 | 80.2 |
| % total km | 7.4 | 7.7 | 7.8 | 8.4 | 8.8 | 9.0 | 9.3 | 9.6 | 9.8 | 10.0 | 9.9 |

Source: DfT – Transport Statistics Great Britain 2018

Network Rail expects passenger numbers in the United Kingdom to increase by approximately 40% by 2040. The Directors believe that this expected growth will be in part a result of broad socioeconomic trends in the United Kingdom, including expected increases in population and GDP per capita, improved employment figures and a modal shift to rail travel primarily driven by:

- *Increased costs and decreased convenience of non-rail travel.* According to the DfT, the annual number of passenger kilometres attributable to cars, vans and taxis in the United Kingdom decreased by 0.5% in 2017 compared to 2007, against an increase of 37.1% in rail passenger kilometres in 2017 compared to 2007 and an increase of 2.0% in overall passenger kilometres. The Directors believe that this is the result of: increasing costs for automobile travel, including fuel costs, parking and congestion charges; worsening congestion on roads making journey times longer; and environmental concerns and lifestyle choices, particularly among younger travellers.
- *Investment in Rail infrastructure.* Rail infrastructure in the United Kingdom is continuing to receive significant investment in order to increase the speed, comfort and convenience of rail travel. Historically, these investments have included a variety of track and station improvements, including modernising train stations, electrifying railways and improving safety at level crossings.
- *Service and reliability improvements.* According to Network Rail, after reducing delay minutes by 20% over the past 10 years, they have committed to reduce the number of delayed trains by 15% between 2019 and 2024. The Directors believe that this indicates that the reliability and punctuality of rail travel will continue to be a focus for Network Rail over the next five years.
- *Rail capacity increases.* Increased demand for rail travel has resulted in a drive for increased passenger capacity. Approximately 22,500 trains run every day in the United Kingdom with a further 6,400 new train services to be launched by 2021, according to Network Rail.
- *Improved consumer experience.* Solving the key pain points for customers has helped drive increased rail usage, especially those related to opaque and complex pricing, the hassle of buying tickets and making changes, insufficient real time travel info and limited help with delays/disruptions.
- *High frequency.* The rail market in the United Kingdom is characterised by a high frequency of annual travel. According to OC&C, rail transactions per capita in the United Kingdom were approximately 21 in 2017, approximately 10 times higher than for air.

Significant Investment in the United Kingdom

Network Rail and DfT intend to extend the already extensive reach of the rail network in United Kingdom, through a number of significant investment programmes amounting to approximately US\$183 billion through 2033, according to OC&C. This includes a £47 billion expenditure programme relating to investment and refurbishment projects from 2019 to 2024, including releasing 7,000 new carriages on the railway network and upgrading and enhancing digital signalling in the overall network to cope with the forecasted increased demand

for the coming years. The other major projects are: the Transpennine Route Upgrade project to improve journey times between Manchester and Leeds; the High Speed 2 (HS2) project for new high speed trains running from London – Birmingham – Leeds/Manchester budgeted for £55.7 billion and the East West Rail Phase 2 (western section) re-establishing rail link between Oxford and Cambridge. Other investment programs include the Northern Powerhouse rail, a package of upgrades and network changes to improve frequencies and journey times between major cities in the North, and Crossrail 2, to deliver increased capacity and reduced rail journey times between south west and north east London.

Market Drivers in Europe

The European Union has invested and will continue to invest in rail, with more than €33 billion in grants allocated to rail investments under the current EU financial framework (2014-2020). The Directors believe these investments have been and will continue to be instrumental to the growth of the European rail market. A substantial amount of planned investment is currently scheduled to enhance and improve the European rail infrastructure, helping to drive an anticipated future increase in passenger kilometre capacity. For example, according to OC&C, in the Top 5 European Markets (including the United Kingdom), approximately US\$402 billion (approximately €353 billion) is included in current or planned rail infrastructure projects until 2033. Excluding the United Kingdom, France has the highest amount of current and upcoming rail investments until 2033, with US\$96 billion (€84 billion) currently planned, followed by Spain and Italy with amounts of current and upcoming rail investments of €43 billion and €41 billion, respectively.

Major European rail infrastructure projects include the development of the rail axis from the North Sea to the Mediterranean (the Lyon/Geneva – Basel – Duisberg – Rotterdam/Antwerp rail axis); the Stuttgart 21 railway upgrade project in Germany; upgrades to the LGV East European line connecting metropolises in France, Luxembourg and Germany; and the development of a high-speed railway axis in Southwest Europe.

According to OC&C, more than US\$23 billion has been invested in the development of the European high speed rail network since 2000, most recently funding the Turin-Lyon route to link French and Italian networks and historical investments in the high speed rail market, as a result of which Spain has the longest high-speed rail network in operation in Europe as of September 2018 and the third largest in the world, closely followed by France and Germany, which ranked fourth and fifth in the world respectively, according to OC&C. European high speed rail grew from approximately 3,000 km in 2000 to approximately 8,000 km in 2015 and is expected to grow to approximately 21,000 km by 2030, according to OC&C.

The Directors believe these investments had an impact on the volume of passengers. For example, following the recent upgrade of the TGV high-speed rail network in France, there was a passenger volume increase of approximately 3% for the 2017 calendar year compared to 2016, according to OC&C. Based on UIC, the Directors expect the European high-speed rail infrastructure to increase by a factor of more than 3 times by 2030, compared to 2011.

Liberalisation of the European Rail Market

There has been a series of European Commission directives aimed at encouraging competition across Europe's railways and facilitating the free movement of goods and people through the development of efficient transport systems that operate effectively across borders. These directives, which followed the successful opening up of the road haulage industry in the 1990s, began with the First Railway Package of 2001 and continued through the Fourth Railway Package of 2016, which mandates competition in every EU market by 2023. These reforms have sought to:

- unbundle infrastructure management from the operation of services, open access to railway lines across the EU to international freight and passenger services and eliminate discrimination in favour of national operators;
- open the rail freight and passenger market in the EU by encouraging interoperability through the creation of technical standards and requiring each state to have a railway safety authority;
- open cross-border passenger services in the EU through the Third Party Railway Package by introducing "cabotage" from 2010, giving the train operator the right to pick up or set down passengers at any station on an international route, which opened up cross-border and then domestic routes, and represented an important milestone in increasing competition within EU rail passenger services; and

- adopt common EU standards for rolling stock, further liberalise domestic passenger services, open up all passenger services to competition by 2019 and ensure proper separation between the ownership of infrastructure and the operation of passenger or freight trains, through the Fourth Railway package.

Following the most recent directives, the European rail market underwent a substantial trend in liberalisation and fragmentation of the network, which has created an environment supportive of market volume growth and creating an environment for the independent retailers such that many of the approximately 400 European rail carriers are new entrants within the last 15 years.

Examples of liberalisation in Europe include: France, where, as of January 2019, the French government formally began opening up the main French domestic passenger railway lines, with 2 of the major routes currently operated by SNCF (Nantes – Bordeaux and Lyon – Nantes) put out to public tender; Italy, where after the 2012 initial market opening to competition with the entrance of NTV, Italo trains has gained market share from the Italian national provider Trenitalia and operates now across 25 stations; Germany, where approximately 30% of the annual volume of rail kilometres was put out to public tender, with a variety of private companies operating long distance rail and high speed connection in Germany such as Locomore and Flixbus; in addition to liberalisation measures in Austria, Sweden and Spain.

Shift to Digital

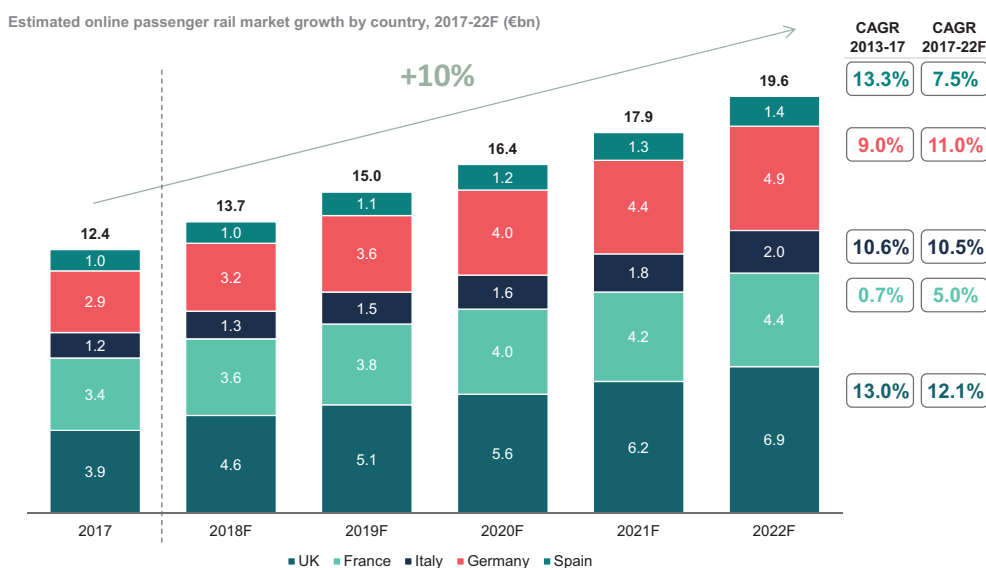
Growth of Digital Market in Europe

Rail tickets for travel in Europe are sold through online and offline sales channels. Online sales channels primarily include (i) branded independent third-party rail ticket providers, such as Trainline, (ii) the carriers directly and (iii) services used by TMCs, SMEs and larger corporates, such as those provided by the Trainline T4B business. These online channels include desktop and mobile websites and mobile apps, as well as telephone sales, which are generally effected by the relevant contact centre employees through an online channel.

The primary offline sales channels are located in rail stations and include staffed sales windows and self-service ticket vending machines. Offline sales channels also include tickets sold on-train and through other organisations, such as TfL in the United Kingdom.

There has been a significant shift in sales of rail tickets from offline to online, due to government initiatives and to what the Directors believe is an increasing customer preference for the convenience of online purchases at the expense of in-station purchases, combined with cost savings for advance purchase tickets.

The chart below illustrates the estimates by OC&C of projected growth of the online passenger rail market of the Top 5 European Markets.



Source: OC&C analysis

Structural Shift to Digital Distribution across all forms of travel

According to OC&C, online penetration in the Top 5 European Markets for rail, air and car hire has increased since 2013 as part of a more general shift to digital (including online and mobile) distribution across all forms of travel, with the migration from offline proceeding very rapidly. Rail in the Top 5 European Markets has been the fastest growing travel segment compared to the air and car hire travel segments, reaching approximately 39% online penetration of bookings in 2017. This level is still lower than other travel segments in Europe, with online penetration in car hire and in traditional air estimated by OC&C to be 50%, based on 2017 gross bookings in the Top 5 European Markets and online penetration in air for low cost carriers estimated by OC&C to be 86%, based on all European bookings in 2017, suggesting significant further headroom for increasing digital penetration in rail. Meanwhile, in the Asia-Pacific region, online penetration in rail was estimated by OC&C to be 29% based on 2017 gross bookings, compared to 24% online penetration in car hire and 44% online penetration in traditional air.

The table below sets out the estimates by OC&C of the value of the online and offline shares of the rail passenger market in the United Kingdom for the periods indicated:

| | Financial Year | | | | | | | | | | | |
|--------------------|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------|-------|
| | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018E ⁽¹⁾ | |
| | (£bn) | % | (£bn) | % | (£bn) | (%) | (£bn) | % | (£bn) | % | (£bn) | % |
| Online | 2.1 | 25.3 | 2.3 | 26.1 | 2.6 | 28.3 | 2.9 | 30.9 | 3.5 | 36.1 | 4.0 | 38.8 |
| Offline | 6.1 | 74.5 | 6.5 | 73.9 | 6.7 | 72.8 | 6.5 | 69.1 | 6.3 | 64.9 | 6.3 | 61.2 |
| Market value | 8.3 | 100.0 | 8.8 | 100.0 | 9.2 | 100.0 | 9.4 | 100.0 | 9.7 | 100.0 | 10.3 | 100.0 |

Source: OC&C

(1) 2018 figures are estimates at the time of the study conducted by OC&C

The table below sets out the estimates by OC&C of rail tickets sold in the United Kingdom through the online and offline channels across all UK rail segments in 2018:

| | UK Rail Segment (2018E) | | | | | | | | | |
|-----------------------------|-------------------------|----|--------|----|----------|----|---------------|----|----------------|----|
| | Int'l | | Season | | Commuter | | Long Distance | | Short Distance | |
| | (£bn) | % | (£bn) | % | (£bn) | % | (£bn) | % | (£bn) | % |
| Online booking value | 0.3 | 62 | 0.2 | 10 | 0.8 | 50 | 1.6 | 54 | 1.1 | 36 |
| Offline booking value | 0.2 | 38 | 1.9 | 90 | 0.9 | 50 | 1.4 | 46 | 1.9 | 64 |

Source: OC&C. 2018 figures are estimates at the time of the study conducted by OC&C

The table below sets out the estimates by OC&C of the value of the online and offline rail passenger market in the Top 5 European markets for the periods indicated:

| | Financial Year | | | | | | | | | |
|--------------------|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
| | (£bn) | % | (£bn) | % | (£bn) | % | (£bn) | % | (£bn) | % |
| Online | 10.1 | 32.5 | 10.7 | 33.5 | 11.3 | 35.0 | 12.0 | 37.0 | 13.6 | 39.9 |
| Offline | 21.0 | 67.5 | 21.2 | 66.5 | 21.0 | 64.0 | 20.4 | 63.0 | 20.5 | 60.1 |
| Market value | 31.1 | 100.0 | 31.9 | 100.0 | 32.3 | 100.0 | 32.4 | 100.0 | 34.1 | 100.0 |

Source: OC&C

The Directors believe that the shift in overall travel towards digital is due to a number of factors, including the broader growth in e-commerce as consumers shift towards online purchases, the headroom in all journey segments, the convenience of booking online compared to traditional booking methods and the relatively modest eTicket penetration which has only recently been enabled.

Growth in Mobile Retailing and electronic fulfilment in the United Kingdom

Mobile retailing is driving increased rail bookings for travel in the United Kingdom and, the Directors believe it has transformed and will continue to drive the online rail retailing sector due to its convenience, enabling customers to make “on the go” purchases through their mobile devices, and its potential to improve the customer experience.

According to OC&C, during the year 2018, approximately 64% of UK rail passenger journeys were enabled for electronic fulfilment methods (via mobile tickets or print-your-own) on ticket purchases, with the latest additions to the network being the routes served from Southwestern Railway, which became fully enabled for electronic fulfilment in February 2019.

Despite the relatively high level of availability of electronically fulfilled tickets (“eTickets”) in the United Kingdom, the actual penetration of journeys booked using eTickets in 2018 was only 14%, according to OC&C. The Directors see potential for this penetration to further increase in the coming years also due to the growing popularity of mobile tickets, which are eTickets optimised for mobile use. Mobile tickets offer greater convenience to customers who can avoid printing their ticket and directly board the train with only their mobile phone.

Electronic fulfilment methods could also enable cost savings to carriers and branded independent third-party ticket providers, such as Trainline, by reducing the reliance on staffing and infrastructure, including in-station staffed windows and self-service vending machines, which are currently used to fulfil ticket purchases. In addition to these cost savings, the Directors believe eTicket adoption improves transaction frequencies, based on Trainline’s app transactions per month being 4 times higher than mobile web transactions and 3 times higher than desktop web transactions in the year ended 28 February 2019, which combined with the cost-savings, resulted in a 2.3 times higher one year return on eTicket users compared to non-eTicket users. Further, eTicket adoption improves customer retention (i.e., customers who transact between 10 and 12 months after their first transaction) and frequency, with eTicket customers having a one year retention rate of more than 4.6 times non eTicket users and a 4.4 times better one year frequency.

Attractive Long Distance Coach Market

Long distance coaches provide a convenient option for customers as they are typically cheaper than rail for long distance journeys and therefore serve different customer bases than rail (e.g. students and more cost-conscious travellers). Long distance coaches also typically serve more locations compared to rail, such as remote or hard to reach rural areas, and therefore widen the geographic reach of services. These factors can improve conversion when options for rail and coach are provided side-by-side.

Coach operators may provide both coach and bus services, with many coach brands representing a marketing alliance or partnership, managed by one operator and operated by several companies or by subcontractors.

Many coach companies are domestic subsidiaries of foreign-owned groups, and the ultimate ownership of individual coach operators may depend on mergers and acquisitions activity among a more limited number of parent companies, including national rail operators such as Deutsche Bahn AG, ÖBB and SNCF, and major transport groups such as Arriva, National Express, Stagecoach and Transdev.

According to OC&C estimates, the global long distance coach market was worth between €45 billion and €68 billion, based on 2017 data, with the majority of global spend in developing markets, where rail infrastructure tends to be less developed and coaches provide convenient and accessible means of transportation. According to OC&C, the largest market for long distance coach in 2017 was the Asia-Pacific region, with a market size of between €24 billion and €34 billion.

| | Long Distance Coach Market Size (€bn, 2017) |
|-------------------------------------|--|
| Europe | 5-11 |
| North America | 2-3 |
| Latin and Central America | 8-13 |
| Middle East & Africa | 6-8 |
| Asia & Australasia | <u>24-34</u> |
| Total | <u><u>45-68</u></u> |

Source: OC&C

Long Distance Coach in the United Kingdom

The United Kingdom has a sizable long distance coach market of approximately €430 million, according to OC&C estimates based on 2017 data, with a relatively high volume of passengers of more than 44 million passengers in 2017 and a relatively high ratio of 0.7 long distance journeys per capita in 2017, compared to the rest of the Top 5 European Markets

European Long Distance Coach

The Top 5 European Markets account for approximately €1.4 billion of the €5-€11 billion European long distance coach market including the United Kingdom, with Germany contributing the most among the five countries with a market of approximately €620 million in 2017, according to OC&C.

France, Italy, Germany and Spain typically display lower volume of passenger journeys than the United Kingdom, reflecting the different stage in each market's liberalisation journey, with Germany becoming liberalised in 2013, Italy in 2014 (following a gradual process that started in 2007) and France in 2015.

Attractive market dynamics

Based on current market estimates from OC&C, the European long distance coach market is fragmented, despite having experienced some consolidation in recent years following liberalisation, which created new possibilities for operators to start serving certain routes that were before protected to avoid competition with train or high speed trains. In particular, Regulation (EC) 1073/2009 provided a set of common rules for access to the international market for coach and bus services, intending to clarify and simplify rules, to improve enforcement, and to avoid unnecessary administrative burden.

The Directors believe that the addition of new operators, offering a convenient alternative to travelling both nationally and cross-border in Europe on modern fleets, has prompted an increase in the number of customers utilising the coach network.

Positive environmental impact of rail and coach

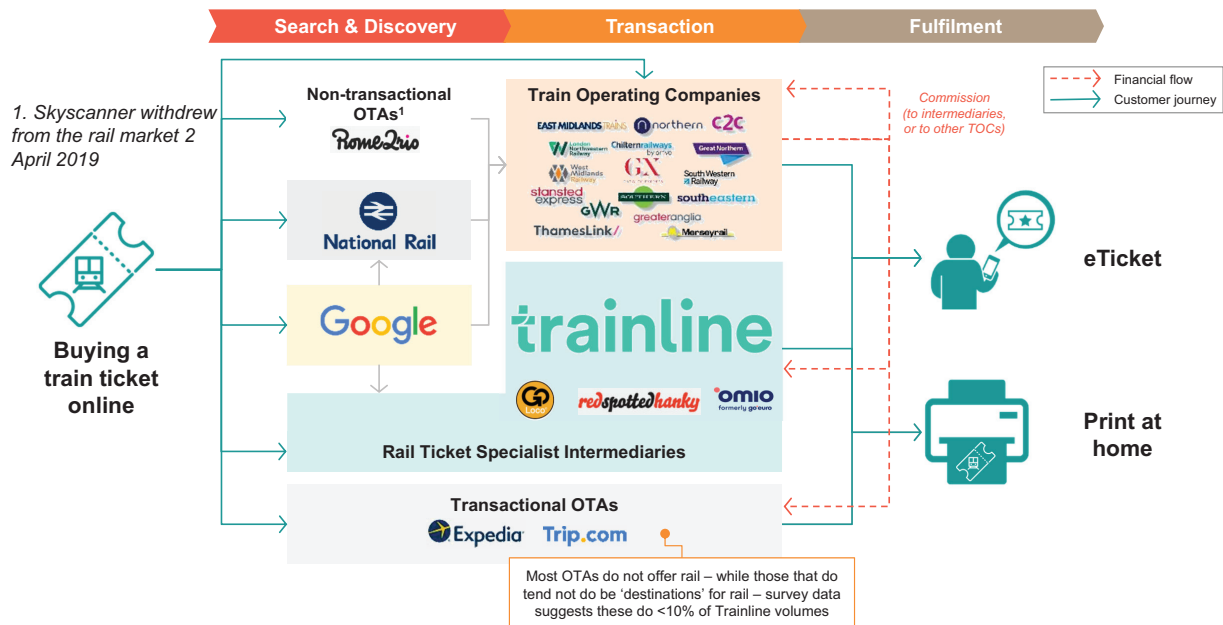
Aside from improved travel convenience, Railteam, an alliance of European high-speed rail providers, highlights that high-speed rail has a lower environmental impact than alternative modes of transport, with up to 90% lower CO2 emissions than comparable transport modes, and even traditional rail was estimated in a 2014 European Environmental Agency Study to have less than 1/8th the CO2 emissions of air and approximately 1/3rd the CO2 emissions of road transport. In the EU, as of 2017, rail accounted for just 1.7% of total energy consumption in transport, despite carrying 17.4% of inland freight and 7.6% of passengers in Europe, according to the Community of European Railway and Infrastructure Companies.

The Directors believe that the combination of mounting public awareness about the environmental impact of CO2 emissions and the increased convenience of rail and coach travel across Europe, alongside the low environmental impact of these journeys and the EU Commission's objective to reduce transport emissions by 50% by 2050, are driving a modal shift towards rail and coach. In particular, for journeys under four hours, rail and coach consistently offer an attractive, efficient and greener alternative. And when time spent travelling to and at airports, plus the ease of direct city-centre connections that rail and coach offers is taken into account, train and coach travel can also compete favourably with air travel in terms of end-to-end journey time.

Competitive Landscape

Supplier landscape in the United Kingdom

Competing rail specialist intermediaries and rail carriers are Trainline's main competitors for rail transactions for in the United Kingdom. The graphic below illustrates the ecosystem in the United Kingdom for ticket and financial flows.



The majority of new entrants are digital-focused, increasing the pressure on the incumbents to improve their digital offering.

Overall Digital Rail Tickets in the United Kingdom

Based on OC&C analysis, the Group's platforms (excluding Trainline-enabled third-party rail carriers who use the Trainline platform and services) processed approximately 53% of the total digital consumer passenger rail ticket sales in the United Kingdom in 2018, representing an increase of 11 percentage points from 2013.

Consumer Market Competitive Landscape in the United Kingdom

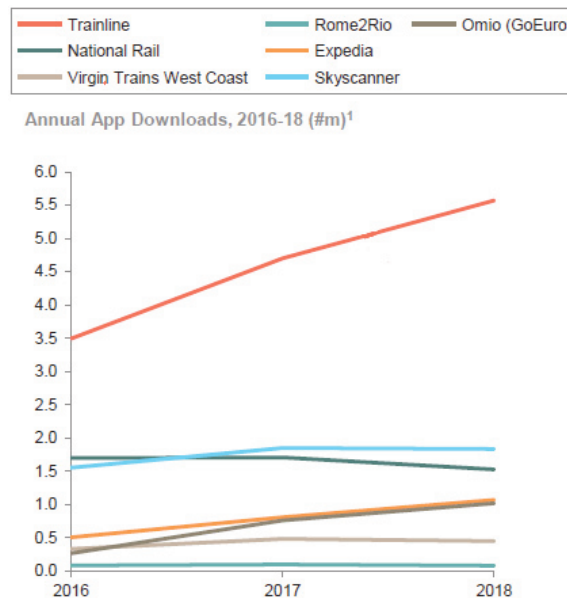
According to OC&C, approximately £4.0 billion worth of online rail tickets were sold to the overall consumer rail market in the United Kingdom during calendar year 2018, an increase from the £2.1 billion sold in the consumer rail market in calendar year 2013, representing a CAGR of 14% in the period 2013-2018 with a recent re-acceleration from calendar year 2015.

Trainline's UK Consumer and UK T4B businesses had the leading and increasing share of total consumer digital sales of rail tickets (by value) in the United Kingdom, growing from 41.5% in calendar year 2013 to 52.7% in calendar year 2018, thanks to sales growing faster than the overall market at a CAGR of 19% for the period between the calendar year 2013 and 2018.

Leadership in United Kingdom Rail Market

In terms of online traffic, the Group has a clear market leading position with more than 7 times more monthly average website visits compared to the closest rail specialist competitor, according to OC&C. When comparing to online travel agencies ("OTAs") and non-transactional companies, Trainline still had a higher number of monthly website visits between November 2017 and November 2018, according to OC&C.

When considering the annual mobile app downloads from the Android and Apple app stores from 2016 to 2018, the Group displays a significantly larger volume of downloads compared to competitors, as shown in the graph below.



Source: OC&C analysis

Markets and Competition in European Rail

Sales of domestic rail tickets in Europe are typically run by local, predominantly state-owned train operators, with a significant share of sales represented by in-station retailing and the remainder represented by online sales or through a variety of travel agents and TMCs facilitating distribution. As the local European markets become more liberalised, third-party online rail ticket providers like Trainline are experiencing increasing relevance.

The Directors believe that there are limited options for consumers seeking to plan and book inbound rail journeys online in Europe, including small privately funded online third-party retailers who typically do not provide access to the full range of fares across Europe and/or have booking capabilities designed predominantly for domestic consumers. The primary options for foreign and cross-border travellers seeking to book rail tickets in Europe include:

- European train operator websites and mobile apps. However, the booking process may be complex, especially for an international traveller and language and foreign currency payment options are often unavailable.
- Voyages SNCF has a presence in a number of international markets through its websites which are based on the raileurope.com brand and oui.sncf. In July 2017, SNCF invested in Loco2, an independent European third-party ticket provider, with the aim of accelerating international growth in the UK and European markets.
- Other private smaller scale third-party ticket providers.
- Offline contact centres, operated by a number of small, privately funded players, who provide booking and support for international consumers seeking to book European rail journeys. These players are dependent on access to a number of different booking systems and the Directors believe such contact centres generally do not have access to the full fares or availability for all European rail operators or the ability to reach a large number of international consumers.

PART 6

Regulatory and Licensing Framework

Trainline's operations are part of complex regulatory and licensing frameworks in the United Kingdom and internationally. Set out below is an overview of the regulatory and licensing framework in the United Kingdom and Trainline's key international markets.

United Kingdom rail

The passenger rail industry in the United Kingdom is operated by 31 rail carriers and operators (known as "Train Operating Companies" or "TOCs") comprised of (i) those franchised by the DfT or Transport Scotland, (ii) Open Access Operators ("OAOs"), which operate without a franchise or concession agreement after applying to the ORR and to Network Rail for the necessary track access rights and (iii) those directly awarded contracts to operate rail services including Heathrow Express, London Overground and Merseyrail.

Regulatory Framework

The break-up of British Rail in 1993, the introduction of competition both on the rails and via franchising and the subsequent division of its responsibilities between a variety of industry participants required the establishment of a new regulatory framework to oversee the activities of and relationships between the various stakeholders (as amended over time):

- *DfT and Transport Scotland:* The DfT and Transport Scotland have responsibility for rail policy and strategy for the rail networks in England and Wales and Scotland, respectively. The DfT and Transport Scotland are also responsible for awarding rail franchises to the rail carriers and determining overall funding for their respective networks.
- *Network Rail:* Network Rail owns and has operational responsibility for the majority of track and associated railway infrastructure in the United Kingdom, including some stations. Any profits generated by Network Rail, including those that arise as a result of access charges paid by rail carriers for use of the rail infrastructure, are reinvested in the rail network.
- *ORR:* The passenger rail industry in the United Kingdom is principally regulated by the ORR. The ORR enforces compliance with licences granted to rail carriers and Network Rail, regulates access to tracks, stations and depots and supervises the access relationship between Network Rail, the rail carriers and others (including freight operating companies). As economic regulator, the ORR also reviews, typically every five years, the access charges that Network Rail levies against rail carriers for the operation, maintenance and improvement of the rail network. The ORR is also the industry safety regulator.
- *RDG:* RDG is the trade body representing the interests of UK rail carriers. RDG awards licences to third parties (such as the Group) and travel agencies to sell rail tickets on behalf of UK rail carriers.
- *RSP:* RSP is a division of RDG responsible for accreditation of ticket issuing systems, settlement of ticket revenues to the UK rail carriers and maintaining fares and other industry data.
- *Rail carriers:* Rail carriers in the United Kingdom are awarded franchises by the DfT and Transport Scotland and are licensed by the ORR to operate passenger railway services in the United Kingdom.
- *OAOs:* OAOs provide passenger services on a commercial basis with no subsidy or franchise rights. OAOs are required to arrange and pay for capacity for their services from National Rail and have their plans approved by the ORR. The current OAOs are Grand Central Railway and Hull Trains.

Williams Rail Review

The UK government has recently commissioned the Williams Rail Review ("Rail Review"), which is currently underway and due to be published in Autumn 2019. Its aim is to establish the most appropriate organisational and commercial frameworks for the UK rail network, with its recommendations laying the foundation for reform commencing in 2020.

According to the DfT, the government's vision is for the United Kingdom to have a world-class railway system, working as part of the wider transport network and delivering new opportunities across the nation. The Rail Review has been established to recommend the most appropriate organisational and commercial frameworks to deliver the government's vision.

The Rail Review is led by independent chair Keith Williams, the former chairman and chief executive of British Airways.

Its stated aims are to support the delivery of:

- commercial models for the provision of rail services prioritising the interests of passengers and taxpayers;
- rail industry structures that promote clear accountability and effective joint-working for both passengers and the freight sector;
- a system that is financially sustainable and able to address long-term cost pressures;
- a railway that is able to offer good value fares for passengers, while keeping costs down for taxpayers;
- improved industrial relations, to reduce disruption and improve reliability for passengers; and
- a rail sector with the agility to respond to future challenges and opportunities.

Trainline has engaged with the Rail Review consultation and senior members of the Trainline team have held senior-level meetings direct with the Rail Review team.

The Directors are supportive of the Rail Review and believe that it will be beneficial for rail travellers, which would increase trust and reliability of rail and in turn the Group's business. In addition, the Directors believe that Trainline is well-placed to help drive many of the stated aims of the Rail Review, including:

- *Prioritising the interests of passengers and taxpayers* – by focussing on the customer experience, including developing its season tickets and railcards offerings, the Directors believe Trainline is helping passengers find the best value products for their journey in the most user-friendly way;
- *Good value fares for passengers* – another focus of the Rail Review is removing the anomalies in the fares structure and simplifying the ticket purchasing experience for passengers. This aligns with Trainline's core value proposition. In addition, the Directors believe that there is support for improving access to 'delay repay' compensation entitlement and the introduction of season tickets on mobile (all products which Trainline is well placed to provide);
- *Agility to respond to future challenges and opportunities* –
 - the Directors believe Trainline is well-placed to *drive* further retail innovation, as it has previously through driving eTickets and app-based retail and real-time travel information. The Directors believe that Trainline's continued innovation (the Group makes more than 300 improvements a week to its app and websites) and its planned future customer focussed products, such as digital seasons and automatic 'delay repay' compensation will further continue this innovation and drive increased frequency of booking and increased journeys overall, which is a win-win for passengers and the rail industry. Keith Williams' background at British Airways included overseeing the shift of British Airways' ticketing from offline to online and the Directors therefore believe him to be pro-technology and very consumer centric.
 - currently, the industry decision process for the introduction of innovation into the rail industry is relatively slow compared to the pace of technological change, especially in ticketing (for example eTicketing took 4 years, with Trainline leading the programme to drive the change). The Directors believe a simplified framework for decision making, with input from the expert innovators, would push innovation faster into the industry; and
- *Financial sustainability* – Trainline aims to provide carriers with access to more customers at a lower cost to serve than traditional forms of retailing, such as station window. Accordingly, the Directors believe that there are significant cost savings for the rail industry in a continuing shift to online retailing, a view the Directors believe is shared by the Rail Review team.

Therefore, the Directors believe that Trainline's leading innovation in rail and coach and focus on consumer-facing products ensuring value for money and friction free booking would place it well in achieving the aims of the Rail Review.

Trainline's RDG Licences

The RDG Licences, which comprise the primary Third Party Retailing Licence, the Season Ticket Licence (a variation to the Third Party Retailing Licence) and the International Sales Licence, operate within a rail industry-

wide Ticketing and Settlement Agreement, which sets out the common arrangements between the UK rail carriers, including the framework for the sale of tickets and other rail products by third parties and provision of train service information, and which authorises RDG to grant retail licences. The Ticketing and Settlement Agreement forms part of the wider franchise arrangements agreed between a UK rail carrier and the DfT and includes a requirement for all providers of tickets, including UK rail carriers, to sell all tickets for all UK rail carriers on an impartial basis.

Under the Third Party Retailing Licence, RDG and RSP have granted the Group the authority to sell rail products on behalf of all UK rail carriers (other than Eurostar, with whom the Group has a bilateral licensing agreement) and to provide information relating to passenger rail services operated by each UK rail carrier. Season tickets and certain other products are covered by the Season Ticket Licence (which is a variation to the Third Party Retailing Licence) and a separate Retailing Agent’s Agreement (further details of which are set out below).

Pursuant to the RDG Licences, the Group is appointed as agent for the UK rail carriers (other than Eurostar) on a non-exclusive basis to: (i) provide train service information to purchasers or prospective purchasers of rail products through a variety of channels including the Group’s websites, contact centres and mobile apps; and (ii) sell rail products (excluding certain restricted products) through each channel, in each case in accordance with the relevant RDG standards. UK timetable and fare data Trainline receives is derived from its RDG Licences and is subject to certain charges as part of the current licence fees.

The Group was first licensed by the Association of Train Operating Companies (“ATOC”) (the predecessor entity to RDG) on 4 May 2005 and its licence has been renewed on several occasions since then, most recently in September 2018.

Commission

The RDG Licences entitle third-party rail ticket providers, such as the Group, to a commission on each rail product sold pursuant to the RDG Licences, with the specific level of commission varying based on the method of purchase, type of product, category of customer and territory of sale. The fare of each rail product is set by each rail carrier (subject to certain regulatory restrictions), from which the commission is calculated and is permitted to be set off by the Group from the amounts it returns to the relevant carrier for the rail product sold. Notice of any changes to the level of commission for public contact centres, internet and mobile must be provided by RDG at least three years before coming into effect, with such notice taking effect from the beginning of the financial year after serving notice.

The table below summarises the current rates of commissions under the RDG Licences:

| <u>Sales Channel</u> | <u>Rate of Commission</u> |
|---|---------------------------|
| Internet sites and SME’s to a certain size | 5% |
| Corporate channels (e.g. SMEs over a certain size, direct corporate and TMCs) | 3% |
| Season tickets (sold under the Season Ticket Licence) | 2% ⁽¹⁾ |
| International sales (sold under the International Sales Licence) ⁽²⁾ | 8% |
| Public contact centres | 9% |

(1) Other than TfL travelcards, which earn a commission of 1.5%

(2) International sales attract a 5% commission under the Third Party Retailing Licence

The commission levels for public contact centres, internet and mobile have been broadly consistent for over ten years and commission levels for corporate sales have been consistent since April 2011. In both cases, these rates will remain fixed at current levels until at least April 2023. In addition, commission levels for international sales have been consistent since 2014. In 2015, new commission levels (as set out above) were introduced for season tickets with the commencement of the Season Ticket Licence. Commissions are accounted for through the settlement procedure described below.

Under the Third Party Retailing Licence, the Group also pays an annual licence fee to RDG and RSP in respect of its share of the central industry costs incurred by RDG and RSP in performing their obligations under the RDG Licence (this also includes costs in relation to carrying out an annual sales audit and monitoring the Group’s sale of rail products and provision of information relating to passenger rail services).

Duration

The Group was first licensed by ATOC on 4 May 2005 and the Third Party Retailing Licence has been renewed or extended several times since then, most recently in September 2018. The term of the Third Party Retailing Licence is now on a seven-year rolling basis and will thus, in accordance with the Group's interpretation, continue in force for at least seven years, absent the occurrence of any termination event (as outlined below).

The Third Party Retailing Licence can be terminated in various circumstances, including by the Group for convenience on one year's notice or by RDG with immediate effect, but only in the event of certain specified breaches, including the Group's continual failure to comply with RDG retailing standards, failure to maintain the bonding arrangements, non-payment of amounts due to RSP or RDG on two consecutive payment dates, bringing a rail carrier into disrepute, material breaches of the licences by the Group (which remain unremedied for ten business days following notice by RDG), fraud or insolvency-related events or upon the change of control of the Group (initial public offerings are, however, expressly excluded from this termination right).

RDG International Sales Licence (for UK Rail Travel by non-UK Customers)

Overview

The Group is one of nine third-party businesses currently holding an active International Sales Licence. Although the Third Party Retailing Licence entitles the Group to sell rail tickets outside of the United Kingdom, the Group is separately authorised, under its International Sales Licence with RDG, to sell all rail products for travel in the United Kingdom and provide train service information to all customers located outside the United Kingdom for travel in the United Kingdom, as non-exclusive agent for the UK rail carriers, in return for a greater level of commission than under the Third Party Retailing Licence (see "Commission" below for further detail). The rail products can only be sold through approved methods of retailing at retail sites, telephone sales centres, Internet sites (including via mobile devices), sub-licensees (including TMCs and Corporates) or rail carrier-branded online and mobile sales platforms.

Commission

Whilst the Third Party Retailing Licence does not preclude sales to non-UK customers, the International Sales Licence provides a higher set commission on non-UK sales for travel in the United Kingdom. The International Sales Licence operates on a similar basis to the Third Party Retailing Licence (and expressly incorporates certain provisions of the Third Party Retailing Licence) and provides for a current rate of commission of 8% to be payable to the Group for sales made to customers located outside the United Kingdom.

Duration

The current term of the International Sales Licence is on a one-year rolling basis. The International Sales Licence can be terminated in various circumstances, including by the Group for convenience on three months' notice or by RDG with immediate effect for certain matters including material breach of the agreement by the Group (which remains unremedied for ten business days following notice by RDG), failure to pay amounts due to RSP on two consecutive payment dates or upon the change of control of the Group (initial public offerings are, however, expressly excluded from this termination right).

Retailing Agent's Agreement and Season Ticket Licence

Under the initial terms of the Third Party Retailing Licence, Trainline was not authorised to sell season tickets and certain other specified products, but Trainline initially entered into an retailing agent's agreement dated 3 June 2005 with West Coast Trains Limited ("West Coast Trains") (the "Retailing Agent's Agreement") which provided Trainline with the ability to sell season tickets and certain other restricted products. Subsequently, Trainline has entered into a Season Ticket Licence (as part of a Third Party Retailer trial) by way of a variation to the Third Party Retailing Licence, which provides Trainline with the ability to sell season tickets under its own licence, rather than relying solely upon the delegated Retailing Agent's Agreement.

Retailing Agent's Agreement

Pursuant to the Retailing Agent's Agreement, the Group acts as agent for West Coast Trains for the sale of season tickets and certain other products on behalf of all rail carriers in the United Kingdom, not just those offered by West Coast Trains. Season tickets can only be sold using prescribed methods of retailing, which include both Internet sales and contact centres.

All commission payments arising in relation to sales of rail products pursuant to the Retailing Agent's Agreement are retained by the Group with the remaining balance of the fare passed through to RSP in accordance with the payment procedures under the Third Party Retailing Licence. The industry standard commission earned by the Group, via its arrangement with West Coast Trains, is currently 2% of the value of each season ticket sale for sales via its contact centre only. Under the terms of the Retailing Agent's Agreement, the Group does not currently earn any commission on online and mobile sales of season tickets.

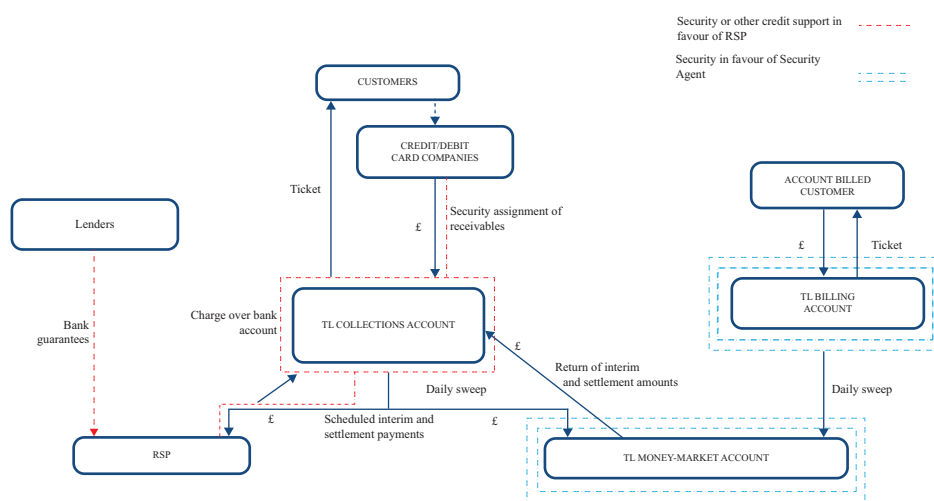
The Retailing Agent's Agreement can be terminated in various circumstances, including by the Group for convenience on six months' notice or by West Coast Trains with immediate effect for certain matters including material breach of the agreement by the Group (which remains unremedied for 15 business days following notice by West Coast Trains) or insolvency-related events affecting the Group. The term of the Retailing Agent's Agreement runs until the expiration of West Coast Trains' franchise agreement with DfT, which is due to expire in March 2020 at the latest (though may be earlier in accordance with the DfT's franchising plan).

Season Ticket Licence

Under the Season Ticket Licence, Trainline is appointed by RDG and RSP as agent for the sale of season tickets on a trial basis, with the trial period for an initial term of one year commencing on or within two months of 3 May 2015, which was subsequently extended by letter notification such that the trial period will continue until 31 December 2019. The Season Ticket Licence provides for a 2% commission on all season tickets sold under it, including online and mobile sales. Trainline expects that this trial will become a permanent license to sell season tickets. Expiry or termination of the Season Ticket License would not affect the ongoing operation of the Third Party Retailing Licence.

Settlement Procedure under the RDG Licences

The following diagram sets out the Group's bonding and settlement procedure as required by the RDG Licences and related security:



Payment Process

Payments from customers for all sales of rail products made through UK Consumer and each of the UK T4B businesses, (apart from Eurostar ticket sales, which are processed in accordance with the bilateral licensing agreement with Eurostar, and the TMC ticket sales, which are processed via the Tarif Scheme) are processed through the Group's technology platforms and received by the Group in a collection account net of any refunds made to customers from time to time. All amounts in the collection accounts are then transferred into the Group's money-market account each business day such that the balance of the collection accounts will be zero at close of banking hours each business day.

As discussed below, the Group is required to make interim and final settlement payments to RSP at certain intervals. The amounts necessary for the Group to make the interim payments and final settlement payments are transferred back from the money-market account to the collection accounts and are paid by the Group to RSP by way of direct debit to RSP's own bank account(s). Refunds which have not been set-off by the credit and/or debit card companies, "ticket on departure" and barcode fulfilment charges and other industry charges are also primarily paid by the Group out of the relevant collection account(s).

Settlement Procedure

Under the terms of the Third Party Retailing Licence, the Group must make a series of interim and final payments to RSP in respect of each four-week settlement period for the rail products sold under the RDG Licences. The Group makes such interim payments to RSP either 3 or 4 times a week. Interim payments are calculated by reference to a formula contained within the Third Party Retailing Licence, which takes into account a growth factor based on annual increase in sales of rail products, and are principally based upon the historic settlement amount for the same settlement period during the previous year.

The Group provides RSP with detailed information about the rail products it has sold and any refunds which it has made via an overnight feed into the rail industry accounting system. This information is then used by RSP to calculate the final settlement payment due from the Group to RSP in respect of such settlement period and payable by the Group on the third week in the following settlement period. The amount of the final settlement payment is the aggregate amount of the total of each ticket issued during the settlement period after adding the RSP element of the licence fee due in the relevant settlement period and after deducting: (i) all refunds made during the relevant settlement period; (ii) the Group's commission; (iii) ticket on departure and barcode fulfilment charges and (iv) interim payments made during the relevant settlement period.

Security Obligations

Under the RDG Licences, the Group is required to maintain a bond, guarantee, interim payments, another form of security or a combination thereof (as approved by RDG and/or RSP) for the purposes of securing the payment of all monies which the Group may become liable to pay to RSP or RDG under the RDG Licences.

The Group currently satisfies this security requirement by way of letters of credit issued by Barclays Bank PLC ("Barclays"), HSBC Bank PLC, Commerzbank AG and/or Credit Agricole to RSP pursuant to a £130 million revolving credit facility made available under the Group's Existing Senior Facilities Agreement (please see Part 15 (*Additional Information*) for further details of this facility). In addition, the Group is required to ensure that all payments in respect of credit card, debit card or charge card sales of rail products made under the RDG Licences are made into a designated account with Barclays (being the collections account). The value of the security required is calculated by reference to a formula contained within the Third Party Retailing Licence which takes into account historical settlement amounts, as well as expected growth in rail product sales. The value of the security is then recalculated at the start of each settlement period and additional "top-up" letters of credit are issued to RSP at that time if required.

The Group has also granted security in favour of RSP over the collections account and all sums payable to the Group in respect of agreements pursuant to which the Group receives payments from credit card, debit card or charge card sales of rail products under the RDG Licences.

Tarif Scheme

Pursuant to the terms of the Third Party Retailing Licence, sales by and for TMCs through the Group's technology platforms are included for the purposes of calculating the level of the Group's bonding arrangements in respect of monies received from rail ticket sales. RDG and RSP have, however, established a Travel Agent's Reserve Insurance Fund scheme (the "Tarif Scheme") which allows TMCs with whom the Group contracts to access and participate in a credit insurance arrangement, instead of relying on the Group's bonding arrangements.

Under the Tarif Scheme, the TMCs account directly to RSP for rail products retailed by them, with the effect being that liability for such sums is transferred from the Group to the TMCs, which reduces the level and cost of the bonding requirements. For the year ended 28 February 2019, most of the TMC sales via the Group were under the Tarif scheme, which has therefore proportionately reduced the Group's level and cost of the bonding requirements. The Group separately invoices the relevant TMC for the fees payable to the Group under the contract between the relevant TMC and the Group.

International rail

As of the date of this document, the Group's operations outside the United Kingdom are largely concentrated in the European Union. The discussion below therefore focusses on the European market.

The European rail market is highly fragmented, with approximately 400 rail carriers operating in Europe. However, the three largest European rail carriers, SNCF, Deutsche Bahn and Trenitalia represent more than a third of the European rail market.

Regulatory Framework

There has been a series of European Commission directives aimed at encouraging competition across Europe's railways and facilitating the movement of goods and people through the development of efficient transport systems that operate across borders. These directives followed the successful opening of the road haulage industry in the 1990s and began with the First Railway Package of 2001 and continued through the Fourth Railway Package of 2016. The European Commission's efforts have concentrated on opening the rail transport market to competition, improving the interoperability and safety of national rail networks and developing rail transport infrastructure.

The Fourth Railway package is comprised of two pillars: (1) the technical pillar, which is designed to increase the competitiveness of the railway sector by reducing the costs and administrative burden for railway undertakings wishing to operate across Europe and (2) the market pillar, which will complete the process of liberalisation started with the First Railway Package by establishing the general right for railway undertakings established in one Member State to operate all types of passenger services across the European Union, laying down rules mandating more impartiality in the governance of railway infrastructure and introducing the principle of mandatory tendering for public service contracts in rail.

The key stakeholders in the European rail market include: (i) the European Union Agency for Railways (the "ERA"); (ii) the national rail and transportation authorities of the Member States and (iii) the rail carriers. Each Member State must also implement the Fourth Railway Package by transposing the directives into national law, and there is scope for divergence in how each Member State implements the Fourth Railway package, depending in part upon the current state of rail industry liberalisation in the relevant Member State. For example, France's national railway services operator, SNCF, currently enjoys a monopoly over national and regional passenger services, although this is due to be phased out, with the introduction of open access competition on core routes from 2020 and competitive tendering of regional operating contracts from 2023. In Italy, although Trenitalia is still the largest rail carrier in the country and is indirectly state-owned, the opening up of the Italian rail industry in 2012 allowed for the introduction of NTV Italo and Thello, which have gained market share, driving up quality and choice and driven down rail ticket prices increasing overall yield to the rail industry in Italy. Trainline offers rail inventory on behalf of each of these carriers to its customers.

Licences

In connection with sales made in its International business, the Group predominately has entered into bilateral licencing agreements with rail carriers, which enable the Group to sell tickets on behalf of the relevant rail carriers to customers around the world. In some instances, the Group has entered into affiliate agreements with rail carriers which allow the Group to provide journey planning services for customers and, where direct retailing is not possible, refer customers to the relevant rail carrier affiliate's website for completion of the purchase. Timetable and fare data Trainline receives is derived from its various licences with carriers. Whilst some of these licences include real time data, reforms have been agreed at the EU level and approved by the relevant EU institutions in January 2019 as part of the PSI Directive. These reforms aim to increase the supply of data, including information held by public undertakings in the transport sector, to support the economy and to ensure that data is used for the benefit of all stakeholders in the transportation industry. Trainline expects that charges related to these reforms should be at no more than the marginal cost for supplying this data.

The Group's bilateral licensing arrangements with rail carriers outside the United Kingdom typically have an indefinite duration subject to a right to terminate for convenience subject to a notice period which varies between 3 months and 6 months. The Group's arrangements with the larger rail carriers often provide the rail carrier with a right to unilaterally vary the terms of the arrangements.

Settlement and security

The Group is generally required to provide security for any payments received on behalf of the international rail carriers, the level of which is as agreed bilaterally between the Group and the relevant rail carrier. As of 28 February 2019, Trainline was required to post bonds in favour of SNCF, Trenitalia, NTV, Deutsche Bahn and Renfe, all of which are currently satisfied by bank guarantees issued by the Group's lender under its revolving credit facility.

United Kingdom and International Coach

As at the date of this document, all of the Group's coach activities are long-distance journeys and airport transfers and, where outside the United Kingdom, are largely concentrated in the European Union. The discussion below therefore focusses on the UK and European markets.

The long-distance coach market sees three main models: A model where a country is led by one player (such as Flixbus in Germany); one where a market sees 2-3 large players (like France with Ouibus, Flixbus and Isilines); and one where a market has 1 or 2 large players and a multitude of small operators (e.g., Spain or Eastern Europe).

Regulatory Framework

The main coach-related EU regulation encouraging competition and liberalisation is Regulation (EC) 1073/2009 on common rules for access to the international market for coach services, which together with Regulation (EC) 1071/2009 (on access to the occupation of road transport-operator), regulate the conditions for accessing the profession and the market in the field of transport of passengers by road.

Regulation (EC) 1073/2009 applies to undertakings intending to operate on the international road passenger transport market and on national markets other than the market of their Member State of establishment. It has been under review since the end of 2017. The new proposal forms part of the Second Mobility package and the European Commission's "Europe on the move" initiative and, for example, seeks to modify the authorisation procedure for international carriage of passengers and for national regular service. The new proposal was adopted by the European Parliament's Committee on Transport and Tourism on 22 January 2019 and will need to go through the EU legislative process prior to becoming enforceable.

The other main regulation in the European Union relates to passenger rights.

However, outside of these regulations, most of the coach industry, including regarding competition within a domestic market, remains regulated at national level.

At the national level, Germany led the liberalisation of coach travel in January 2013, which re-generated the long-distance coach sector and led France to do the same in August 2015. Other countries in Eastern Europe have also liberalised their domestic coach sectors but some key markets, such as Spain, remain restrictive and franchise-based.

The main stakeholders in the coach market are (i) the International Road Transport Union (the "IRU"), which is the global industry association for road transport; (ii) national associations/stakeholders; (iii) coach operators; (iv) coach content (i.e., fare and timetable information) aggregators.

Licences

In connection with UK and international coach ticket sales, the Group generally has entered into:

- (i) bilateral distribution agreements with coach operators (such as National Express). These arrangements allow the Group to sell tickets on behalf of the relevant coach operators and is the preferred option for the major operators in Europe;
- (ii) bilateral distribution agreements with aggregators such as Busbud and Distribusion. Each aggregator individually represents and gives Trainline technical access to a number of coach operators' content and a right to distribute such content on behalf of the coach operators. For example, as of 28 February 2019, Trainline has 40 bus operators "live" through Busbud; and
- (iii) bilateral 'affiliate agreements' (such as Flixbus) which allow the Group to provide journey planning services to customers and refer such customers to the relevant operator's site for completion for the purchase, where direct retailing by the Group is not possible (technically or strategically).

These bilateral arrangements with coach operators and aggregators typically have a duration of 3 years. A number of these arrangements provide the aggregators or coach operators with the right to terminate the arrangements after a notice period that may vary between 3 and 6 months. However, they do not tend to give the relevant coach operator or aggregator the right to unilaterally vary the terms of the arrangement except where the content is provided by a third party, in which case the relevant coach operator or aggregator is entitled to unilaterally remove the content if they lose access/distribution right to it.

The majority of the Group's coach ticket sales are generated through its direct distribution agreements with Flixbus and National Express.

As the Group is completing key activities on its re-platforming project, the Group is temporarily using an affiliate arrangement (with transactions taking place on Trainline's partners' sites) for the aggregators Busbud and Distribusion.

Settlement and security

The Group is not generally required to provide security for any payments received on behalf of the coach operators.

PART 7

Business Description

Investors should read this Part 7 (Business Description) in conjunction with the more detailed information contained in this Prospectus including the financial and other information appearing in Part 10 (Operating and Financial Review). Where stated, financial information in this section has been extracted from Part 12 (Historical Financial Information).

OVERVIEW

Trainline is the leading independent rail and coach travel platform based on monthly active users, selling rail and coach tickets to travellers worldwide via its highly rated website and mobile app. The Directors believe there is a global movement towards more environmentally sustainable travel, with a growing awareness of the environmental impact of CO₂ emissions, reflected in the EU Commission's objective to reduce transport emissions by 50% by 2050 and increased investment by many governments in public transport, particularly rail, which generates less than 1/8th the CO₂ of air travel and approximately 1/3rd the CO₂ emissions of road travel. Trainline's ambition is to bring together the world's rail, coach and other travel services into one simple mobile experience so travellers can easily find the best prices for their journey and access smart, real time travel information on the go. By making rail and coach travel easier, Trainline's aim is to encourage people all over the world to make more environmentally sustainable travel choices.

Today, Trainline is a one-stop-shop for rail and coach travel, bringing together routes, fares and journey times from 220 rail and coach carriers, covering approximately 80% of European rail by overall ticket sales of carriers and approximately 50% of European coach by overall ticket sales of carriers, allowing travellers to compare and book millions of routes across 45 countries, principally in Europe but also in Asia. Trainline customers have access to payment in 10 currencies, including pounds sterling, US dollars and Japanese Yen, and to 14 languages, including English, French, Spanish and Mandarin Chinese. This means millions of travellers can benefit from booking journeys in their own language and seeing prices and paying in their own currency, saving money, time and hassle.

The Group is able to use its scale, and the volume of information generated through its platform to collect and analyse a vast amount of data to facilitate product innovation and personalisation that benefits its customers. Trainline's unique artificial intelligence ("AI") driven mobile app offers customers a number of booking and support features, such as Price Prediction, which is available for customers travelling in the United Kingdom and tells them when the price for their journey is most likely to increase, helping them save money on their bookings. By providing a complete set of travel options and AI-driven journey information in one mobile app, Trainline aims to make it easy for travellers to find the best prices and most direct routes for their journey and aims to provide carriers access to more customers at a lower cost to serve.

As well as an easy, consistent and friction-free travel booking experience, Trainline aims to offer travellers a smart travel companion for every stage of their journey. Via the Trainline mobile app, customers can, where available, access live departure boards, live train trackers, and personalised journey delay and disruption information as they travel. For example, the mobile app feature Busybot uses crowd sourced data to help travellers find a seat on busy commuter trains in the United Kingdom.

The global long-distance rail and coach markets are estimated by OC&C to be worth more than €225 billion per year based on 2017 market-size data – and increasing as governments continue to invest, particularly in high speed rail, as liberalisation of rail and coach unfolds across continental Europe, and customer usage of rail and coach increases in tandem with growing environmental awareness. During 2017, only approximately 39% of rail purchases in the Top 5 European Markets were made online, according to OC&C, and in 2018 only 1 in 7 tickets sold in the United Kingdom were eTickets, according to OC&C. However, with customers making approximately 21 rail journeys per capita in 2017 in the United Kingdom, according to OC&C, and significant headroom for further growth in online penetration, in part due to governments committing to eTicket availability, the Directors believe there is a significant runway for eTicketing and that Trainline's focus on unique, AI-driven travel information, travel recommendations and machine learning capabilities will keep the Group at the centre of this shift.

Trainline has invested in the introduction and take-up of eTickets in rail and coach and in 2019, eTickets made up 61% of all journeys booked through Trainline's platform. The Directors believe this is to the benefit of

Trainline's customers, with Trainline's internal customer research showing that, once travellers use eTicketing, the majority do not revert to buying paper tickets; 94% of Trainline's mobile ticket customers say that they will continue to use this ticket option.

The Directors believe that Trainline is encouraging the shift away from road and short haul air travel to more environmentally sustainable modes of transport with its continued focus on making rail and coach travel easier and more accessible by offering customers a broad choice of travel options and helping them stay in control of their travel experience with personalised travel information, including delay and disruption notifications.

Trainline currently operates through three business segments:

- *UK Consumer:* Trainline sells rail tickets on behalf of all UK rail carriers and coach tickets on behalf of National Express, the largest UK coach carrier. Customers include people living in the United Kingdom (domestic customers) as well as those visiting the United Kingdom (inbound customers). These UK Consumer customers can also benefit from individually targeted, high quality recommendations for hotel bookings and insurance. Trainline partners with carefully selected businesses and brands wishing to advertise on its mobile app and website. In the year ended 28 February 2019, UK Consumer represented £136.7 million (65.3%) of Group revenue, had more than 60 million visits per month and had net ticket sales of £1,647.6 million.
- *International:* Trainline's International business sells rail and coach tickets to people all over the world on behalf of all the major European rail and coach carriers, offers rail passes in Japan to inbound visitors through its partnership with JTB and is in advanced discussions with US operators to secure direct distribution agreements for the sale of rail and coach tickets in the United States. In the year ended 28 February 2019, International represented £14.5 million (6.9%) of Group revenue, had approximately 20 million visits per month and had net ticket sales of £348.5 million.
- *Trainline for Business:* Trainline's T4B business is currently a UK-focussed business which provides and supports rail booking solutions for small and medium enterprises ("SMEs") and large corporate entities, including public sector partners. The Group also provides services to travel management companies ("TMCs") who in turn support businesses, primarily in the United Kingdom. Additionally, T4B builds, supports and manages "white label" online and mobile sales platforms for many of the United Kingdom's biggest rail carriers, leveraging its proprietary technology to provide rail carriers with a best-in-class product and a cost-to-serve advantage compared to developing their own ticket sales solutions. In the year ended 28 February 2019, UK T4B represented £58.4 million (27.9%) of the Group's revenue and, as of 28 February 2019, T4B had 10 white label solutions customers, 90 TMC customers, 125 corporate customers and approximately 30,000 SME customers.

Trainline's products and services are underpinned by its Single Global Platform, allowing customers to book travel seamlessly through one consistent 4.7-star rated mobile app, on one website and via one application programming interface ("API") in the currency and language of their choosing, wherever they are in the world. The Single Global Platform currently supports the UK Consumer and the majority of the International business (with the remainder being migrated over the next few months). The T4B business shares a significant proportion of the Single Global Platform services (payments, fulfilment, search) but the T4B front end functionality will, at least in the near term, continue to be supported as a different platform. The investment in the Single Global Platform enables a significant increase in the velocity at which Trainline can launch new products and features, delivering more than 300 releases a week (compared to 9 total releases in 2014) through small, agile, mission-based teams with a focus on continuously improving the customer experience and leading to nearly 80% of the Group's sales in the year ended 28 February 2019 coming from repeat customers.

Trainline had approximately 23 million cumulative app downloads as of 28 February 2019, based on Company data and an average of approximately 29 million monthly active users from September to November 2018, based on Adobe Analytics and Google Analytics, representing approximately 3 times as many monthly active users as the next largest independent platform, based on data from AppAnnie and Similar Web. This translated into revenue of £209.5 million, net ticket sales of £3.2 billion, representing a 19% growth compared to the year ended 28 February 2018, operating profit of £10.5 million, Adjusted EBITDA of £52.6 million and Adjusted EBITDA margin of 25.1% for the year ended 28 February 2019. The Trainline team is made up of more than 600 people, including more than 300 tech engineers, representing more than 42 nationalities, with offices based in London, Paris and Edinburgh.

HISTORY OF THE GROUP

Trainline was created in 1997 as a wholly-owned ticket retailing division of Virgin Rail Group, selling tickets through a call centre and, beginning in 1999, through an online platform. In 2002, Trainline began providing technological solutions to other rail carriers in addition to continuing to manage and support Virgin Rail Group's website. In 2006, Trainline was sold by the Virgin Group to Exponent, allowing Trainline to become independent of any particular rail carrier.

The Group was awarded its first independent licence from ATOC on 4 May 2005 and has renewed or extended its licence on several occasions since then, most recently in September 2018, and the licence is now on a seven-year rolling term and will thus, in accordance with the Group's interpretation, continue in force for at least seven years. This licence allows the Group to sell rail products and provide passenger rail service information for all rail journeys on behalf of, and independently of, all rail carriers in the United Kingdom.

In October 2009, following a relaunch of its technology platform, Trainline launched its first mobile app for iPhones and in 2010, Trainline launched mobile app for Android, beginning a new phase of development mobile-friendly product features.

Massive Operational Transformation

Following the appointment of Clare Gilmartin as CEO in June 2014, the Group embarked on a growth plan involving accelerating growth in the United Kingdom, international expansion and a focus on mobile-friendly technology and product offerings. The Group was acquired by KKR Victoria Aggregator in January 2015 following which, the Group acquired Capitaine Train S.A.S. ("Captain Train"), a Paris-based online ticket provider, in 2016, which gave the Group access to the technology underpinning Captain Train's itinerary calculation system and access to the European market. In 2016, the Group also expanded into the coach market.

By 2017, the Group had localised mobile apps in the United Kingdom, France, Germany, Italy and Spain and 11 new websites, including functionality in 14 total languages and multi-currency functionality in 10 currencies. The Group also launched features including PriceBot, allowing customers to find the cheapest ticket available on their selected UK route with the tap of an icon, and Price Prediction, a tool designed to help customers identify the best time to book UK rail tickets.

In 2018, the Group introduced the United Kingdom's most advanced rail voice AI feature with Google Assistant, expanded into Asia with its JTB partnership and accelerated its coach partnership offering, bringing the total number of coach operators covered to 94 by 28 February 2019.

In 2014, Trainline was a UK rail ticket retailer with a majority of customers from the United Kingdom and 29 rail carrier partners. Its website and mobile apps, which were built on a monolithic architecture, attracted approximately 18 million visits per month, only approximately 9% of consumer transactions were on mobile and only 7% of journeys were booked via eTickets. As a result of its ambitious growth plan, by 2019 Trainline had transformed into a global rail and coach platform operating across 45 countries and covering 220 rail and coach carriers, with approximately 40% of its monthly active users located outside the United Kingdom. Its website and mobile apps, underpinned by a micro-service Single Global Platform, attracted approximately 80 million visits per month (based on average visits from September to November 2018) and supported approximately 74% of transactions on mobile devices and 61% of journeys booked via eTicket.

The Group has recently made significant investment in developing the Single Global Platform, which currently supports the UK Consumer and the majority of the International businesses, and it is in advanced discussions with US operators to secure direct distribution agreements for the sale of US rail and coach tickets to US and international customers.

COMPETITIVE STRENGTHS

The Directors believe that the Group's competitive strengths are as follows:

Leading platform in large and growing market with positive tailwinds

Largest independent platform globally

Trainline benefits from a differentiated leadership position as an independent platform. In terms of monthly active users, the Group estimates it is significantly larger than the next largest independent platform by a factor

of 3 times, based on data available from SimilarWeb and AppAnnie for monthly active users from September to November 2018. Trainline's monthly active users are also growing at a faster rate than other third-party retailers and carriers, with Trainline achieving a 40% year-on-year growth in average monthly active users in September to November 2018 compared to the same period in 2017, whereas in the same period four of the Group's competitors experienced 15%, 6%, 5% and 4% growth, respectively, and two experienced a decline of 1% and 6%, respectively (based on data from Similar Web and App Annie). Trainline also has a leading travel app, based on UK Apple iOS store rankings of travel apps as of 20 May 2019.

Clear leadership position in UK

Trainline holds a clear leadership position in the online ticket sector in the United Kingdom, with approximately 53% of the total digital consumer passenger rail ticket sales in the United Kingdom in 2018, representing approximately 27% of overall ticket sales, according to OC&C. Trainline has improved its digital rail market position by 11 percentage points since 2013, with the Group processing approximately 42% of the total digital consumer passenger rail ticket sales in 2013, 43% in 2014, 44% in 2015, 47% in 2016, 51% in 2017 and 53% in 2018, based on Trainline's ticket sales as a proportion of the total digital consumer passenger rail ticket sales estimated by OC&C.

In addition, Trainline's UK T4B holds a strong market segment position, with 59% of total 2017/2018 UK branded rail carrier sales going through Trainline's platform, the top 6 TMCs in the United Kingdom by 2017/2018 ticket sales served by Trainline and approximately 30,000 SME customers as of 28 February 2019.

Given commission rates, which carriers pay to independent third-party online rail ticket providers on net ticket sales, are typically set by the carriers and are typically applied consistently across third-party providers, the Directors believe it would be difficult for a new entrant to succeed through under-cutting Trainline on commissions, providing barriers to success for competitors.

Large, growing market with positive tailwinds

Trainline operates in a large and growing rail and long-distance coach market worth more than €225 billion globally, according to OC&C estimates based on 2017 data, with Europe representing approximately €70 billion. This market features multiple growth drivers, including significant capacity expansion, with over US\$400 billion of planned rail infrastructure projects in Europe to 2033, including US\$183 billion in the United Kingdom, according to OC&C, underpinned by the aim of tripling the length of existing high-speed rail network in the European Union by 2030, and growing environmental awareness favouring increased rail and coach journeys in preference to air travel.

Trainline is committed to increasing access to greener mobility, and the Directors believe that the Trainline brand is associated with helping travellers find more environmentally friendly travel options and that Trainline is well positioned to encourage this shift towards more environmentally sustainable modes of travel. According to recent YouGov research carried out by Trainline in 2018, people in the United Kingdom who bought most of their train tickets from Trainline over the past year were almost 30% more likely to have increased their train travel than those who did not use Trainline. Furthermore, people in the United Kingdom who bought their last train ticket from Trainline were 20% more likely to have switched from using the car and 25% more likely to say that Trainline's website or app had a major influence on their decision to travel by train than those buying from other websites.

Fragmented carrier landscape

Trainline operates in a highly fragmented and complex market, with approximately 800 rail and coach carriers in Europe, approximately 27,000 rail stations in Europe and no harmonised standards across rail or coach (i.e., no common API and no standard definition of stations/stops, travel class categorisations, discount/loyalty cards, ticket types or peak vs off-peak classifications), compared with approximately 100 European airlines, 400 airports in Europe and global distribution systems ("GDS") underpinning the air market. Following the implementation of the Fourth Railway Package, the Directors expect that European markets will continue to liberalise, leading to even more competition in Europe, with the further expansion of independent rail carriers. The Directors believe this will be beneficial to Trainline, as it will provide consumers with more fare and route options and increase the value of third-party intermediaries, like Trainline, which has the ability to consolidate multi-carrier and multi-route options across the network.

High frequency vertical

Rail travel represents a high frequency vertical, with customers in the UK market making approximately 21 rail ticket purchases per capita in 2017, versus 2 per year for air travel, according to OC&C. The Directors believe that this provides Trainline with a competitive advantage compared to third-party intermediaries operating in other travel verticals, as it maintains high levels of engagement and activity with customers, driving revenue with the same cohort, increasing the lifetime value of customers. The Directors believe this enables Trainline to build relationships with travellers as their go-to app for rail and coach travel, including journey search and booking, checking live departure and arrival times, searching for information about disruption, and more.

Low online mobile and eTicket penetration today

The Directors believe there is significant growth headroom from continued increases in eTicket roll-out. According to OC&C, online penetration in the Top 5 European Markets for rail, air and car hire has increased since 2013 as part of a more general shift to digital distribution across all forms of travel, with the migration from offline proceeding very rapidly. Rail in the Top 5 European Markets has been the fastest growing travel segment compared to the air and car hire travel segments, reaching approximately 39% online penetration of bookings in 2017. This level is still lower than other travel segments in Europe, with online penetration in car hire and in traditional air estimated by OC&C to be 50%, based on 2017 gross bookings in the Top 5 European Markets, and online penetration in air for low cost carriers estimated by OC&C to be 86%, based on all European bookings in 2017. Meanwhile, in the Asia-Pacific region, online penetration in rail was estimated by the Company to be 29% based on 2017 gross bookings, compared to 24% online penetration in car hire and 44% online penetration in traditional air.

Despite the relatively low levels of online penetration, there has been, and it is expected that there will continue to be, a significant shift to online sales of rail tickets, which the Directors believe is due to a customer preference for the convenience of online purchases, the potential cost savings for advance purchase tickets and the general increase of WiFi and broadband spending across the wider European economy. OC&C expects the digital passenger rail market to grow by approximately 10% annually between 2017 and 2022, driven by eTicket availability and the shift to mobile. In addition to cost savings, the Directors believe eTicket adoption improves transaction frequencies, based on Trainline's app transactions per month being 4 times higher than mobile web transactions and 3 times higher than desktop web transactions in the year ended 28 February 2019, which combined with the cost-savings, resulted in a 2.3 times higher one year return on eTicket users compared to non-eTicket users. Further, eTicket adoption improves customer retention (i.e. customers who transact between 10 and 12 months after their first transaction) and frequency, with eTicket customers having a one year retention rate of more than 4.6 times non eTicket users and a 4.4 times better one year frequency.

The Directors believe that the underlying structural growth of the rail market, the shift of sales to online providers and the relative under-penetration of online sales in the rail market more broadly present the Group with an opportunity to capture a larger share of this growing market.

Strong value proposition for customers and business partners, driving high repeat and long tenure

The Group's ambition is to bring together the world's rail, coach and other travel services into one simple, mobile experience so travellers can easily find the best prices for their journey and access smart, real-time travel information on the go. By making rail and coach travel easier, Trainline's mission is to encourage people all over the world to make more environmentally sustainable travel choices.

Customers poorly served today

The rail and coach markets are complex, with a large number of routes, fares and ticketing options available for many journeys. Trainline believes that consumers are poorly served today by traditional rail and coach travel booking due to opaque and complex pricing, the hassle of purchasing tickets and making changes, a lack of sufficient real-time travel information and limited assistance with delays and disruptions.

Strong value proposition for customers

The Directors believe that most customers are focused on reaching their destination within the shortest time at the best fare for their needs and are often unaware of which rail or coach carriers operate their chosen route. Such complexity allows Trainline to solve for customer pain points and provide a compelling proposition to customers

by establishing all available routes and fares, and presenting the options to customers in a simple singular and user-friendly format with an easy and speedy booking process supporting a wide range of payment options. In addition, Trainline enables customers to avoid the time-consuming exercise of queuing to purchase tickets, or make changes to an existing ticket at a station, whilst also providing real-time travel information for all carriers in the United Kingdom and SNCF in France and Trenitalia in Italy.

Trainline serves customers end-to-end across geographies and rail and coach carriers. Customers of Trainline are able to plan their journey and book rail and coach tickets through a simple process and can save money by finding the cheapest available fare that fits their requirements. This focus on serving customers resulted in Trainline scoring highly in an OC&C survey of customers in the Top 5 European Markets on solving key pain points, including access to cheapest prices, ease of accessing tickets, ease of booking process, trust, speed of booking, ability to compare prices, ability to complete last minute bookings and availability of a range of payment options.

Trainline offers customers, both in the United Kingdom and internationally, one mobile app for all rail and coach carriers, with features available in the United Kingdom such as 'Best Fare Finder' and 'Ticket Alert' focused on helping rail customers at each point of their journey, enabling customers to seamlessly search, book, and get eTickets on mobile. The Trainline mobile app had a rating of 4.7 stars on the UK Apple iOS store as at 20 May 2019 and the Trainline mobile app receives more user engagement than other similar apps, with substantially more engagement compared to the Airbnb app and more engagement than the Uber app during weekdays in February 2019. Its deep connections and broad supply ensure that Trainline is able to provide great flexibility, more route options and better prices for customers. In addition to purchasing or amending tickets with Trainline's simple self-service functionality, customers have the ability to receive partial or full refunds via the mobile app and have the optionality to pay for cross-border journeys in local currency, whilst Trainline's smart travel companion feature provides real time updates for journeys. The Directors believe that the increasing adoption of the self-service features also helps drive down Trainline's costs, with customer service contacts per thousands of customers down 78% from July 2008 to June 2019 and an increase of 12% from November to December 2018 in the percentage of journeys changed via self-service rather than by contacting customer service.

The Directors believe that these features and tools helped to deliver visit growth in its UK Consumer and International businesses at a CAGR of 34% from 2014 to the year ended 28 February 2019, 1.9 times growth in UK Consumer transactions per customer from approximately 2.7 in 2015 to approximately 5.0 in the year ended 28 February 2019, growth in UK Consumer mobile transactions per month at a CAGR of 94% from 2014 to the year ended 28 February 2019, a 5 percentage point increase in the percentage UK Consumer sales derived from repeat customers, from approximately 81% in 2014 to approximately 86% in the year ended 28 February 2019 and a 3 times improvement in the conversion rate for visits to sales via the Group's mobile app from 2016 through the year ended 28 February 2019. The Directors believe these conversion rates were also driven by improvements such as the ability for guest purchases of eTickets and the introduction of Apply Pay capabilities in 2016, the launch of all day price visibility and the iPad app in 2017, the rollout of urgency messaging in the United Kingdom in 2018 and the unified search functionality and full coach flow in 2019.

Strong value proposition for T4B partners

The Directors believe Trainline represents a compelling proposition to businesses through access to its world-class technology platforms.

For Trainline's carrier partners and white label solutions clients, Trainline offers a 'one-stop-shop' solution, including bespoke development, desktop product, mobile product, API and customer service. The Directors believe Trainline represents a lower cost-to-serve channel compared to alternative channels, such as the ticketing window. In addition, the rail industry is characterised by high demand on certain peak routes and times, but low demand with significant unused capacity on other routes and times. The Directors believe that rail carriers, which supply the inventory of tickets and seats for the rail industry, welcome the service that independent rail ticket providers, like the Group, providing rail with the ability to seek additional passengers, better utilise their capacity, and consequently drive margin expansion.

Trainline's B2B partners benefit from a deep feature set which leverages the functionality of Trainline's consumer product offerings while also providing a comprehensive toolset and account management dashboard and, in 2019, Trainline intends to expand this further with its new global API containing the largest selection of EU rail and coach available from third-party intermediaries.

The Directors believe that Trainline's strong value proposition for UK T4B partners is demonstrated by its long tenure, high retention rates for existing customers and high win rates of new customers within UK T4B for the year ended 28 February 2019, with an average white label solutions client tenure of 7 years, retention rates of 99% and 96% for TMC and corporate clients, respectively, and win rates (defined as contracts signed as a percentage of client pitches) of 80% and 70% for TMC and corporate clients, respectively.

Deep rooted supply relationships with proven marketing approach

Trainline covers 220 rail and coach carriers and believes that its deep relationships with carriers have broader benefits in supporting the Trainline business by enabling the Group to integrate supply, negotiate commercial terms, and promote the Trainline brand, which enjoys 87% brand awareness based on a February 2019 customer survey conducted by Trainline, and drive technology, with Trainline to be the first retailer of in-app digital season tickets. At the same time, however, there remains significant room for further growth, as demonstrated by the markets for season tickets and railcards in the United Kingdom and new carriers in Europe and the rest of the world.

The Group's marketing playbook, through the use of free sources and efficient targeting of high value customers, has demonstrated the ability of the Group to scale customer acquisition (a 1.5-fold increase in new customers in the United Kingdom since the year ended 28 February 2016 and a 5-fold increase in new customers in the International business) while reducing cost per acquisition (as measured by marketing spend divided by new customers).

Proprietary tech platform with unique data capabilities

Integrated global platform

Trainline has developed a modern, agile, single global technology platform to support its business. The Group has recently made significant investment in developing the Single Global Platform which currently supports the UK Consumer and the majority of the International businesses.

The Directors believe the Single Global Platform offers real benefits for Trainline's millions of customers around the world: the Single Global Platform allows Trainline to integrate deeply with its rail and coach carriers, whilst providing a simple, customer-centric user interface via the mobile app and website that insulates consumers against the underlying industry complexity. Despite the number of rail and coach carriers across geographies and networks, the Trainline platform provides customers with the ability to optimise for time and price, book other products and services relevant to a trip, and choose how to pay, all in one mobile app or on one website.

Approximately 2-3 terabytes are processed via Trainline's platform every day, more than 154 billion prices and tickets are shown in searches on Trainline's platform every year and Trainline tracks approximately 1 billion train movements per year. The Group is able to take advantage of its scale and the volume of information generated through its platform to collect and analyse a vast amount of data to facilitate product innovation and personalisation. These additional features ensure that the platform is constantly evolving and improving to ensure the platform remains engaging for customers, driving increased conversion as well as retention. Further information gained through direct engagement with customers helps to inform the development process for the product, technology platforms and the business and innovate for the benefit of the customer. The data also allows Trainline to achieve marketing efficiencies as it allows the Group to determine highest value customers and where to achieve best return on marketing investment in acquiring new customers.

The T4B business shares a significant proportion of the Single Global Platform services (payments, fulfilment, search), but the T4B front end functionality will, at least in the near term, continue to be supported as a different platform. The Directors believe that the existing technology platform will be able to support the Group's growth plans without significantly higher capital expenditure in the near future.

Reliable, scalable and secure

The Single Global Platform is capable of operating at scale across all modes and products. Trainline operates on a 100% cloud-based system, fully resilient across three data centres hosted by AWS. The infrastructure is highly scalable both 'up' and 'down', with the ability to scale to 10 times current average traffic levels and offers best-in-class tooling for managing reliability and performance, with 99.9% availability across all channels for the last three years. The Directors believe the Group operates on best-in-class architecture, comprising more than

500 micro-services and more than 300 production releases each week and achieving a 0.09% fraud rate in the year ended 28 February 2019, with a 92% EU card accept rate (compared to 86% in 2016) and 66% lower fraud losses compared to 2016. The platform led Werner Vogels, Amazon Chief Technology Officer to say that “there is no cooler story than that of Trainline” at the AWS re:Invent Keynote in 2017. In addition, Trainline’s technology platforms have been compliant with Level I PCI DSS since 2012.

Trainline’s technology approach and strategy focus are designed to drive a frictionless user-experience, whilst ensuring the integrity and security of the data used. The Group employs more than 300 tech engineers, operates on 100% cloud-based platform and processes approximately 2-3 terabytes of data per day. As a result, Trainline’s technology supports significant increased scale at minimal incremental platform cost.

Unique combination of scale, accelerating growth and expanding margins

Accelerating growth and strong profitability

The Group has seen strong and accelerating growth since the year ended 28 February 2016, outpacing growth in the Top 5 European Markets: Revenue has grown at a 15.4% CAGR for the period from the year ended 28 February 2015 to the year ended 28 February 2019, driven by a net ticket sales CAGR of 18.7% for the same period.

Highly scalable model with significant capital expenditure already undertaken

The Group’s UK operations represent an established business whilst continuing to demonstrate a strong growth profile with improving margins given the scalable business model. Following entry into the European markets, the Group has invested significantly to develop a platform for growth. This period of significant investment has been completed and positions the business for greater functionality, therefore the Directors believe the International business will trend towards a similar financial profile of the UK Consumer business as the existing cohorts mature and scale is built in the International business.

Established UK Consumer and UK T4B business, with fast-growing and developing International business

For the Group’s UK Consumer business for the period from 1 March 2015 to 28 February 2019:

- Revenue increased from £80 million in the period ended 28 February 2016 to £137 million in the year ended 28 February 2019.
- Net ticket sales increased from £896 million in the period ended 28 February 2016 to £1,648 million in the year ended 28 February 2019.

For the Group’s International business for the period from 1 March 2015 to 28 February 2019:

- Revenue increased from a negligible amount in the period ended 28 February 2016 (£5 million in the period ended 28 February 2017 following the Captain Train acquisition) to £14 million in the year ended 28 February 2019.
- Net ticket sales increased from a negligible amount in the period ended 28 February 2016 (£105 million in the period ended 28 February 2017, following the Captain Train acquisition) to £349 million in the year ended 28 February 2019.

For the Group’s UK T4B business for period from 1 March 2015 to 28 February 2019:

- Revenue increased from £46 million in the period ended 28 February 2016 to £58 million in the year ended 28 February 2019.
- Net ticket sales increased from £947 million in the period ended 28 February 2016 to £1,198 million in the year ended 28 February 2019.

This record of net ticket sales and revenue growth has delivered strong profitability in the form of UK gross profit growth from £90.8 million in the period ended 28 February 2016 to £147.6 million in the year ended 28 February 2019 and UK Contribution growth from £57.2 million in the period ended 28 February 2016 to £111.9 million in the year ended 28 February 2019, representing a CAGR of 17.6% and 25.1% respectively.

High cash conversion with attractive working capital dynamics

The Group’s working capital dynamics (a negative working capital cycle generated by its customers making payment for tickets prior to the Group settling accounts) enable strong cash conversion, with net cash generated

from operating activities increasing from £38.6 million in the year ended 28 February 2017 to £72.2 million in the year ended 28 February 2019, reflecting the growth in Adjusted EBITDA as well as the positive contribution the Group's negative working capital cycle made to changes in working capital. The Group had normalised operating free cash flow conversion rate of 98%, 82% and 115% for the years ended 28 February 2017, 2018 and 2019, respectively, and operating free cash flow of £27 million, £11 million and £42 million for these periods.

Multiple drivers of long-term growth

The Directors believe that the Group benefits from powerful network effects, providing the Group with multiple drivers of long-term growth, with Trainline's scale and self-reinforcing business model creating a virtuous circle that will continue to enhance its competitive position. These drivers include market tailwinds such as investment in high-speed rail, increasing fragmentation in the market, the shift to online booking and growing public awareness of the environmental impact of CO2 emissions and the commitment by governments to reduce transport emissions encouraging a modal shift towards more environmental modes of travel.

The Directors believe the strength of the 4.7 star Trainline app and the Single Global Platform have contributed to earning approximately 80% of sales from repeat customers and generating 80% of new customers in the UK, and 50% of new customers in the International business, from free traffic. This provides even greater sources of data, enabling the app to be continually refined, improved and personalised, to provide an enhanced experience for customers.

The depth, richness and high utility of Trainline's data, derived from its scale and network effects, and supported by the Single Global Platform, enable continual refinement and enhancement of its customer experience, creating a compelling logic for existing and new rail and coach carriers to continue signing up to the Group given the accessible and loyal customer base.

Highly experienced and proven management team

Experienced management team, who have driven massive operational transformation

The Group has a highly skilled management team and board with more than 100 combined years of relevant experience and 50 combined years within the Group. The management team has successfully overseen a massive transformation of the Trainline business since 2014. In 2014, the Directors appointed Clare Gilmartin as Chief Executive Officer of the Group who has established Trainline as the leading global platform in rail and coach, overseen strong investment in the operating platform of the business and driven the international expansion via the acquisition and successful integration of Captain Train in April 2016. In addition to Clare's appointment, Shaun McCabe, Mark Holt, Daniel Beutler, Peter Wade and Jon Moore have also joined the business and, together with existing members of management like William Hopkins, have been integral in transforming Trainline from a UK-focussed business into the first global platform in rail and bus.

Strong, innovation-led culture, driving high employee satisfaction

The Group has clearly defined values – (i) Wow Customers, (ii) Blaze new trails, (iii) One team and (iv) Focus on Impact – and has cultivated a culture of innovation and empowerment among employees. With a strong ethos focused on the customer (Wow Customers) and innovation (Blaze new trails), the Group drives more than 300 customer experiences a week with a 300-strong tech engineering team, product team and data science team. Trainline hosts customers often in "user experience sessions" and customer research events, having built out internal research and development capabilities. The workforce is globally diverse, with representation from 42 nationalities and a strong gender mix relative to its size and industry, with the strong culture inherent throughout the Group evident with very high levels of employee satisfaction, with 73% of employees saying they "love working at Trainline" and less than 5% regretted attrition in the year ended 28 February 2019.

The Directors believe that the current composition of the senior management team combines deep operational knowledge of the UK and International rail industry with digital expertise which will help deliver the Group's next phase of growth and strengthen its leadership position.

STRATEGY OF THE GROUP

The overall strategy of the Group is to continue to take advantage of the structural growth drivers in the industry and expand the Group's offering within the UK and internationally to capture the significant growth potential

across all segments within rail and coach. The Group will seek to monetise the opportunity from increasing electronic ticketing and providing solutions to complex ticketing through an enhanced user experience for domestic and global inbound travellers. The Directors believe Trainline's international growth will be underpinned by expansion of the supply base and the continued roll-out of the marketing strategy that has proved successful in the United Kingdom. In addition, the Group will look to expand its revenue as a percentage of net ticket sales through increased uptake of ancillary services and additional monetisation services. The Group is making progress in expanding its international strategy beyond Europe through building inventory and forming relationships with carriers in Japan and North America.

Capitalise on structural growth in the global rail and coach market

The Group's strategy is designed to position the Group to benefit from both the underlying structural growth drivers in the €165 billion global rail and the €45-€68 billion coach market. OC&C expects the rail market for the Top 5 European Markets to grow by a CAGR of more than 3% between 2017 and 2022, supported by governments investing in rail network and high speed rail expansions and an increasing number of carriers due to liberalisation and growing environmental awareness favouring increased rail and coach journeys in preference to air travel. In addition, there is significant online and eTicket headroom in the digital rail markets, with the Top 5 European Markets expected by OC&C to grow by approximately 10% per annum between 2017 and 2022.

Continuous innovation of Trainline's platform and enhancement of the user experience to drive growth

The Directors believe that the Group's investment in its Single Global Platform has created a powerful, flexible e-commerce platform with unique, proprietary cross-carrier search and transactional capabilities that can operate at scale and have driven a UK mobile app conversion uplift of 3 times since the year ended 28 February 2016. Trainline's strategy is focussed on continuing this innovation, delivering more than 300 releases per week, and growth priorities including, for example, low-price search algorithms and views covering millions of train and coach times pages, 40,000 station pages and thousands of destination pages; journey-specific reliability ratings, advanced and accurate seat mapping, expanded currency and language selection, auto-refunds for delays, congestion and delay prediction and advanced search views and filtering. The Directors believe that this continuous enhancement of user experience will lead to higher conversion rates, better return on investment and a better repeat customer rate.

Expand supply base in the UK and internationally

The Group currently covers approximately 80% of the supply of rail in the European Union, 60% of coach and approximately 22% of global supply, based on the aggregate market share of carriers with whom Trainline has existing contracts, according to OC&C. The Directors believe there is significant headroom for growth, both with existing and new customers across the United Kingdom and European Union rail and coach carrier markets.

In the United Kingdom, where Trainline covers all rail carriers and the largest coach carrier, Trainline's strategy is to expand supply of options available to customers, such as through the provision of season tickets and railcards, which represent a £2.1 billion and £150 million market opportunity, respectively. Trainline's international strategy is focussed on new contract wins with carriers in Europe and expanding beyond Europe, such as through its recent wins in Japan and advanced discussions in North America.

The Directors believe Trainline's market leading platform, strong customer service and best-in-class development capabilities combined with the Group's relationships and operating history will continue to attract carriers as suppliers, allowing the Group to deliver on its expansion strategy.

Roll-out of marketing playbook globally

Trainline has developed a marketing playbook that has driven continued customer growth at declining cost per new customer in the United Kingdom. Today, 80% of new customers in the United Kingdom come from free marketing sources. In the past two years, this playbook has started to be rolled out in major international markets, including France and Italy, where customer growth and cost per new customer have shown a similar trajectory. For the year ended 28 February 2019, 50% of new customers in International were from free marketing sources. The Directors believe that the marketing strategy that has enabled Trainline to successfully build brand awareness and scale in the United Kingdom can continue to be replicated internationally at a decreasing cost per new customer by focusing on both paid and free marketing. The Directors believe that the increasing fragmentation of the European rail market and ongoing innovation and user experience improvements will

further accelerate the effectiveness of customer acquisition, retention, and frequency, and increase the yield on marketing spend. The Directors believe ancillary service offering improvements will also help to fund future customer growth.

Expansion of revenue as a percentage of net ticket sales

The Group's strategy is to expand its revenue as a percentage of net ticket sales through the addition and expansion of new revenue streams. For example, the development and recent roll-out of ancillary revenue streams in the United Kingdom, including advertising, insurance, multi-currency fees, and hotels has demonstrated the potential for increasing both the revenue as a percentage of net ticket sales and the size of the Group's total addressable market in both the United Kingdom and in International, where many new revenue streams are only recently or yet to be launched. Comparison with online travel and air benchmarks shows that today Trainline has a seven-fold lower share of ancillary revenues as a percentage of total segment revenues in International and a three-fold lower share in the United Kingdom, providing significant opportunities for future growth.

Growth of T4B

The Directors believe significant headroom remains in the markets comprising the T4B business, including internationally. For example, OC&C estimates, based on 2017 market data, that the market for online corporate, SMEs and TMCs is approximately €5-7 billion. The Group's UK T4B growth strategy includes increasing its share of wallet from existing clients, who had a 95% retention rate in the year ended 28 February 2019, for example by cross-selling compliance services, new features and bespoke development services for white label solutions clients; and driving new account wins by leveraging its global API and one-stop-shop rail and coach offering. The Group also intends to grow international T4B.

BUSINESS DESCRIPTION

As described in more detail in Part 6 (*Regulatory and Licensing Framework*), Trainline has in place retailing arrangements with 220 rail and coach carriers which enable it to provide journey planning information and sell rail and coach products and service to customers and business clients through its mobile app, websites (desktop and mobile) and contact centres. Trainline typically earns a commission from the relevant rail or coach carrier on each ticket sale. In addition, Trainline offers its customers and business clients ancillary products and services through the same platform, providing customers and clients with an even more integrated travel tool and Trainline with additional revenue streams.

The Trainline Experience

Trainline offers customers a one-stop-shop for rail and coach travel whether through its website or its mobile app, which was rated 4.7 out of 5 stars on the UK Apple iOS store as at 20 May 2019. Trainline facilitates the entire journey planning and booking process as customers search for available tickets for travel across the rail and coach networks in the United Kingdom and Europe, book and pay for their selected tickets, receive their tickets via a number of fulfilment methods, access real-time train arrival and departure information (where available), and access any required post-sale support.

On any particular journey there can be a wide range of tickets available with different prices, routes and restrictions. Increasingly, rail and coach routes are serviced by more than one rail or coach carrier franchise and some journeys may require the provision of travel services from more than one carrier or method of travel, with many travellers unaware of which carrier operates the route on which they are travelling or where they can take advantage of coach offerings. Trainline's Single Global Platform simplifies the searching, route planning and booking processes by consolidating data from the rail carriers and coach operators with whom it has retailing arrangements and presenting customers with tailored travel options in a single mobile app or website.

Customers may also complete their journey planning and booking processes through the Group's contact centres, which are located in the United Kingdom, France India and Bulgaria. The UK and French contact centres are operated in-house, while the Indian and Bulgarian operations are outsourced to Sitel but managed in-house.

Trainline's consumer product strategy is underpinned by four key pillars: (i) search: all options, best price, (ii) simple self-service, (iii) smart travel companion, and (iv) smart ancillary and recommendations:

- (i) *Search: all options, best price:* Trainline brings together the 220 rail and coach carriers with whom it has retailing arrangements to deliver increasing journey and pricing options. At its most basic level,

this means Trainline's customers have the ability to view in one place the timing and pricing options of a broad range of carriers. This also enables Trainline to present customers with even more options by combining journeys from different carriers into one cross-border or intra-territory, multi-network route, which may be cheaper or provide the customer with more appealing departure and arrival times. In addition, with coach fully integrated, Trainline is able to combine rail and coach to deliver even more route and pricing optionality.

Trainline also delivers rail card integration in the United Kingdom and with SNCF so customers can select different ticket types for their journeys, and Trainline's new seasons platform for customers travelling in the United Kingdom provides commuters with a quick and convenient alternative to queuing in the station for their season tickets. Trainline's Price Prediction tool can further save customers travelling in the United Kingdom time and money, by providing them with accurate and timely information about when a ticket is likely to go up in price and by how much.

- (ii) *Simple self-service:* Trainline believes that travel should be easy, consistent and friction-free. In line with this belief, Trainline's platform is built to auto-apply discounts on booking where a customer is paying with a railcard or other eligible discount authority and enables customers to transact in their home currency, with 10 transacted currencies, and using their payment method of choice, with 14 payment types supported. Following each purchase, within UK Consumer, Trainline also provides full post-transaction flexibility, available within the app or online, for every ticket type, including: flexible fulfilment options, change of journey and full and partial refunds. Trainline also provides customer service in 8 languages online or via its contact centres.
- (iii) *Smart travel companion:* Using real-time data and user-generated content, Trainline provides customers with an on-the-day travel companion through its mobile app. As of the date of this document, real-time data tools are available within UK Consumer and for customers travelling with SNCF in France and Trenitalia in Italy. Customers are able to track their train in real time and view all stops en route, with informed delay predictions. In addition, the app's smart departure feature auto saves searches for instant user access, providing customers with the prices and times for their previously searched journeys, location-aware search suggestions and a simple purchase flow for quick bookings. In addition, Trainline's BusyBot is a crowdsourced tool which takes advantage of Trainline's significant customer base to help provide customers travelling in the United Kingdom with even more information about whether and where seats may be available. In addition, urgency messaging provides bespoke search-level disruption information in the United Kingdom, where up to 30% of journeys are disrupted and 80 million journeys are flagged with disruption alerts per month.
- (iv) *Smart ancillary and recommendations:* In addition to travel tickets, Trainline's aim is to offer customers a number of ancillary options for their journey during the booking process. These currently include the Group's multi-currency platform, which allows customers to transact in 10 currencies, which the Directors believe enables customers to pay less in foreign exchange fees whilst providing the Group with an additional revenue stream, cancellation protection and travel insurance for customers travelling in the United Kingdom, and recommendations such as hotels and activities and selective third-party advertisements. Trainline's platform is built to continue expanding its ancillary offerings.

Trainline's UK T4B product strategy is to provide its UK T4B partners with best-in-class digital infrastructure, with seamless integration with customers' back-office and up-to-date connectivity solutions. For Corporates, TMCs and SMEs, Trainline aims to provide the largest European carrier coverage in one API; country-specific deep functionality, including subscription cards, seat reservations and multiple-carrier journeys, all underpinned by a comprehensive business-to-business ("B2B") suite, including API, agent tools and self-booking tools. For rail carriers, Trainline's white label solution aims to help them increase capacity utilisation and margin expansion, thus enabling them to achieve a higher operating profit through their partnership with Trainline, by providing them with access to a new and global customer base at a cost-to-serve which the Directors estimate is cheaper than alternative channels, such as the ticketing window.

UK Consumer

Trainline's UK Consumer business allows customers anywhere in the world to purchase rail tickets offered by 31 UK rail carriers and to purchase coach tickets offered by National Express, the largest coach carrier in the United Kingdom. Trainline is the leading third-party provider of tickets for rail and coach travel in the United Kingdom based on monthly active users, with approximately 3 times as many monthly active users as its closest competitor and 28% share of total consumer online and mobile rail sales, based on Trainline's net ticket sales in the year ended 28 February 2019. Trainline has seen a 29% growth in new customers acquired per year from the year ended 28 February 2018 to the year ended 28 February 2019.

For the years ended 28 February 2017, 2018 and 2019, UK Consumer accounted for 63.9%, 64.3% and 65.2%, respectively, of the Group's total revenue and 49.3%, 49.9% and 51.6%, respectively, of the Group's total net ticket sales.

Supply and sales channels

Trainline covers all 31 rail carriers in the United Kingdom under its RDG Licences (with the exception of Eurostar, with whom Trainline has a bilateral licence arrangement) and covers National Express, the largest coach operator in the United Kingdom. Trainline is also able to provide customers with the ability to use their railcards and other discounts (such as Groupsave) on the Trainline mobile app and, since 2018, the ability to purchase weekly, monthly or annual season passes through the app.

UK Consumer sells tickets, including eTickets, to customers through its desktop and mobile website, its mobile app and through its contact centres. Website sales have historically represented longer journey tickets purchased in advance, whereas mobile app purchases tend to be same-day, shorter distance journeys.

Revenue – commissions and fees

Commissions

When Trainline sells rail tickets to customers through the UK Consumer business, it earns industry standard commissions on each ticket based on the method of purchase, type of ticket, category of customer and territory of sale. In addition to ticket sales, Trainline is able to acquire additional commission opportunities by selling adjacent products such as railcards. The table below summarises the current rates of commissions:

| <u>Sales Channel</u> | <u>Rate of Commission</u> |
|---|---------------------------|
| Internet sites | 5% |
| Season tickets (sold under the Season Ticket Licence) | 2% ⁽¹⁾ |
| International sales (sold under the International Sales Licence) ⁽²⁾ | 8% |
| Public contact centres | 9% |

(1) Other than TfL travelcards, which earn a commission of 1.5%

(2) International sales attract a 5% commission under the Third Party Retailing Licence

The Directors believe there is commission upside from connecting new supply. For example, coach typically earns higher commissions than rail and adjacent products such as railcards offer additional commission opportunity at potentially higher average transaction values.

Fees

The Group also charges booking and other customer fees when a ticket is purchased. The fee level is determined primarily by which sales channel the customer uses to book the ticket and the value of the ticket.

If a booking is made through the Group's desktop or mobile website or mobile app prior to the date of purchase, different tiered booking fee structures apply whereby the booking fee that is charged varies depending on the price of the booking. The Group does not currently charge booking fees for purchases made via the mobile app on the day of travel.

In addition, the Group charges service fees for refunds, as is standard in the industry, fees on the use of its multi-currency platform (for transactions in a currency other than the currency of the original ticket sale) and earns fees through advertising partnerships and its other ancillary services.

Fulfilment

Delivery via first class post, next day special delivery and international delivery attract different fixed fees although collection via a self-service ticket machine at the station or delivery of mobile barcode and print-your-own barcode eTickets are free of charge. Where there are no self-service ticket machines at the station of departure, delivery via first class post is free of charge.

International

Trainline's International business allows customers anywhere in the world to purchase rail tickets offered by more than 95 rail carriers outside the United Kingdom and to purchase coach tickets offered by 94 international coach operators. Trainline has a leading travel app internationally and has achieved a 40% year-on-year growth in average monthly active users in September to November 2018 compared to the same period in 2017, whereas in the same period four of the Group's competitors experienced 15%, 6%, 5% and 4% growth, respectively, and two experienced a decline of 1% and 6%, respectively, based on data from AppAnnie and Similar Web.

For the years ended 28 February 2017, 2018 and 2019, International accounted for 3.2%, 5.2%, and 6.9%, respectively, of the Group's total revenue and 4.6%, 8.1% and 10.9%, respectively, of the Group's total net ticket sales.

Supply and Sales channels

Trainline covers more than 95 rail carriers outside the United Kingdom, an increase of 4.6 times between the years ended 28 February 2017 and 28 February 2019, the significant majority of which are European rail carriers. Trainline also covers 94 coach operators outside the United Kingdom. In total, Trainline retails on behalf of more than 80% of EU rail and approximately 50% of the EU coach market. Trainline has increased its international coach sales by 3 times from the first quarter of the year ended 28 February 2018 and the fourth quarter of the year ended 28 February 2019. Trainline has also recently added the ability to offer TGVmax on app (and has approximately 16% of the TGVmax market share), SNCF's unlimited monthly long-distance travel option for young travellers and is incorporating real-time data throughout its European rail offering, similar to that which it already offers in its UK Consumer business.

As with UK Consumer, the International business sells tickets to customers through the Group's desktop and mobile website, its mobile app and its contact centres. Trainline offers customers the ability to use its platform in 14 different languages, pay using more than 14 payment types and transact in 10 currencies via its multi-currency platform.

Trainline's International business also undertakes some corporate sales in France and Italy and has partnered with Westbahn as a white label customer.

Revenue – commissions and fees

Commissions

When Trainline sells rail tickets to customers through the International business, it earns commissions under the bilateral licences it has from rail carriers based on factors including the type of ticket, category of customer and territory of sale. The blended rate of commission for International is currently approximately 4.2% across all international markets and Trainline sees commission upside from inbound traffic, coach sales and new market entrants. In addition, many international carriers offer volume bonuses on top of base commissions, which the Group expects to continue to benefit from as its international operations grow.

Fees

Within the International business, the Group has not historically charged booking or other fees, although it has begun testing booking fees in select markets since the end of the year 28 February 2019 and may charge additional service fees in the future. In addition, the Group has recently rolled out its multi-currency platform internationally and intends to expand its international ancillary offerings to include selective advertising, insurance and hotels.

T4B

Trainline T4B comprises its Corporate, SME, TMC and white label solutions businesses, each of which is based primarily in the United Kingdom, with additional Corporate business in France and Italy and a white label solution for an Austrian rail carrier. For the years ended 28 February 2017, 2018 and 2019, UK T4B accounted for 32.9%, 30.6%, and 27.9%, respectively, of the Group's total revenue and 46.1%, 41.9% and 37.5%, respectively, of the Group's total net ticket sales.

Trainline plans to grow T4B by increasing its share of existing accounts through retention of and upsell to key clients, acquiring new accounts (recent account wins include Capita, CBRE and Deloitte) and offering a new global API for its TMC and white label solution businesses (current international customers include Travel Planet, La Ministère de l'Économie des Finances et de l'Industrie in France and McKinsey & Company).

White label solutions

A number of rail carriers outsource the provision of their online and mobile rail booking services to Trainline, which builds, supports and manages bespoke rail carrier-branded online and mobile sales platforms and also provides associated services, including back office, retailing and contact centre services for the rail carrier. Trainline currently has agreements in place with 10 rail carriers to provide some or all of these services, including Virgin Trains, East Midlands Trains, CrossCountry, Greater Anglia, ScotRail, Northern Rail, LNER, West Midlands Railway and Transport for Wales in the United Kingdom and Westbahn in Austria. Trainline covers 59% of total UK rail carriers' online sales, based on 2017/2018 ticket sales, the Group's average white label solutions relationship has a tenure of 7 years and most of the white label solutions contracts are on fixed terms that cannot be terminated early, the largest of which is Virgin Trains (through West Coast Trains).

Trainline offers rail carriers a unique one-stop solution through various bespoke product offerings:

- *Booking engine technology.* The Group provides its booking engine application for rail carriers' websites and mobile apps. In addition, Trainline builds, hosts and manages rail-carrier-branded websites and mobile apps, which are operated through the Group's technology platform and can be built to bespoke specifications or provided off-the-shelf.
- *Bespoke features.* The Group develops certain bespoke services for rail carrier websites, both enhancing the look of the websites and providing a variety of specified features for integration into the carrier's website.
- *Customer support.* The Group provides the same type and quality of customer support to its rail carrier customers as it does through the UK Consumer and International businesses, included a branded telephone number that is routed to the Group's call contact centres in the United Kingdom or India.
- *Post-sale support.* Trainline manages post-sale support and refund solutions for carriers' customers who book through the carrier's website.
- *Payment and fraud protection & cyber security.* The Group provides similar payment protection and fraud detection services to those used by the Group's other businesses. White label solutions customers are also able to benefit from the Group's data security expertise.

The Group typically charges fees in respect of each transaction, which may comprise booking and fulfilment fees, as agreed bilaterally with the rail carrier under a services agreement. Under its RDG Licences, the Group earns an industry-standard commission of 5% of the ticket fare for bookings made through rail carriers, which the Group typically passes on to the relevant rail carrier net of the Group's transaction-related fees.

The Group's white label solutions contracts with Virgin Trains and Cross Country are each nearing the end of their term. Typically, at the end of a contract term or when there is a re-franchising, Trainline must re-tender for the white label contract.

TMC

A number of large companies choose to outsource the management of their travel booking requirements to TMCs. In turn, Trainline provides rail and coach ticket booking and information solutions to certain TMCs for onward provision to their corporate clients through a number of methods. For sales made through TMCs, Trainline typically charges booking and fulfilment fees, as agreed bilaterally with the TMC under a multi-year services agreement which, in some cases, includes an exclusivity clause.

In addition to the same self-booking tools offered to Corporate clients, the Group offers TMC clients access to its agent system and API, which enables TMCs to integrate the Group's online and mobile booking and rail information tools into their own systems, allowing the TMCs' systems to bring rail into a single interface with, hotel, air and other travel offerings. In addition, the Group provides dedicated TMC-branded rail websites to TMCs' corporate clients to enable the purchase of rail tickets directly. The Group also offers call contact centre tools for direct use by TMC customer support teams.

The Group currently provides these solutions to 90 TMCs, including 6 of the 10 largest TMCs in the United Kingdom by net ticket sales. Trainline's retention rate within TMCs was approximately 99% from the year ended 28 February 2017 to the year ended 28 February 2019, as measured by the number of clients at the end of the year who were clients at the beginning of the financial year. Trainline has grown its TMC customers by a CAGR of 3% from the year ended 28 February 2017 to the year ended 28 February 2019, with an 80% win rate on new contracts.

Corporate

For larger businesses, Trainline provides a fully managed solution for booking rail and coach travel. In addition to the services and functionality available as part of the SME offering, Trainline provides a specialist account manager to work closely with the client to help understand, control and manage their rail and coach spend on the platform, and identify compliance with their internal travel policy and cost savings.

In addition, Trainline offers bespoke management information to Corporate clients, including reports analysing rail travel by the clients' industry peers. Where appropriate, Trainline can also facilitate discussions with relevant rail carriers to negotiate dedicated rail fares on key routes on behalf of its corporate clients. In addition to the normal delivery methods for tickets, including mobile ticket coverage, the Group offers to install and maintain either desktop ticket printers or wall- or floor-mounted self-service ticket machines for use in the clients' own offices.

Corporate client access to the Group's technology platform is usually provided through a dedicated Corporate website with self-booking tools for use by the corporate client's employees. Where access is through the client's corporate intranet site, the Group offers secure single sign-on facilities. In addition, the Group offers account facilities that allow employees to purchase products through the online and mobile booking tool, with monthly invoices provided to the Corporate client.

Under the RDG Licences, Corporate ticket sales currently attract a 3% commission. In addition, Trainline typically charges the client booking and fulfilment fees, as agreed bilaterally under a services agreement with the relevant client.

As of 28 February 2019, T4B had 125 Corporate clients and a retention rate of approximately 96% from the year ended 28 February 2018 to the year ended 28 February 2019, as measured by the number of clients at the end of the year who were clients at the beginning of the financial year. Trainline has experienced a CAGR of 17% in the number of Corporate clients with a 70% win rate on new contracts. Trainline's contracts with corporate clients are typically multi-year agreements and Trainline is typically required to tender for renewal at the expiry of each contract period. For most of its Corporate clients, Trainline is the exclusive provider of rail and coach related travel services.

SME

Trainline provides access to its platform to over approximately 30,000 SMEs in the United Kingdom, with more than 12,000 new SME clients since the year ended 28 February 2017, representing a CAGR of 33% over the period. Trainline provides SME clients with a similar online and mobile booking tool to that offered through the UK Consumer and International businesses' online and mobile sales channels. This allows employees to plan and book their rail travel and have their tickets delivered via e-fulfilment methods, self-service ticket machines at railway stations or the post.

In addition, Trainline provides SME clients with a number of additional features allowing them to monitor and control their company's spending on rail travel. These features include the ability to apply a travel policy (for example, no First Class travel unless a journey is over three hours long), set up and manage bespoke management information questions, download management information reports on rail travel undertaken and pay on statement account through a registered credit card facility.

SME accounts are self-administered and require no account management by the Group. Under the RDG Licences, ticket sales from SME accounts paying upfront currently attract a 5% commission. However, if such SME accounts reach a certain threshold (£50,000 of sales) in a financial year, the commission reduces to 3% from the beginning of the following financial year for all future years, even if the SME subsequently falls below the threshold. Ticket sales from SME accounts paying on account currently attract a 3% commission.

MARKETING PLAYBOOK AND MONETISATION

Marketing Playbook

Trainline has invested in world-class branding and marketing capability, with a particular focus on building a leading household brand name in the United Kingdom and accelerating international customer acquisition to drive demand growth that benefits both Trainline's business and supply partners. The Trainline app and website are now used by approximately 29 million monthly active users, based on average monthly active users in September – November 2018 and attract more than 80 million visits per month based on October 2018 data.

The Directors believe Trainline has developed a highly scalable, marketing playbook that allows Trainline to enter new geographic markets and drive customer acquisition at scale whilst maintaining a low cost per new customer acquired ("CPA"). Central to this playbook is Trainline's extensive and proprietary data, including, for example, detailed customer segmentation, which allows Trainline to identify and target high value customers and potential customers, price and profitability across all relevant rail and coach carriers and the cost and importance of key marketing touch points throughout the customer's search and booking journey. Equally important is Trainline's consistent marketing messaging framework, with claims that have been tested amongst thousands of travellers around the world, including potential high value customers, to ensure Trainline is leveraging its most persuasive and relevant messaging in its marketing campaigns, such as its "Fly around Europe" inbound campaign which reached more than 2,000,000 views on YouTube.

The Directors believe Trainline's marketing is cost-efficient and highly targeted at every step of the customer journey. Trainline uses its proprietary data and digital technology to target and re-target relevant audiences with what the Directors believe are persuasive marketing messages when they demonstrate intent to travel, for example serving them digital or mobile advertising if they have read a relevant travel article, searched for train travel or engaged with a relevant social media page online. Trainline's "digital first" brand marketing approach is complemented by its geo-targeted outdoor and digital strategy which is focused on metropolises with a high density of highly frequent rail and coach travellers. This marketing approach has resulted in an increase in the number of transactions per monthly average user in the United Kingdom by 20% from the year ended 28 February 2018 to the year ended 28 February 2019.

Trainline has invested in a world class Search Engine Optimisation ("SEO") capabilities in all major relevant languages with the aim of making the Trainline brand and platform more visible and easier for customers to find in organic search rankings around the world on search engines such as Google for relevant high volume and high intent rail and coach travel search terms. As a result, Trainline occupies the top or one of the top search results for many of the most commonly used organic search terms for online train and coach ticket bookings in the United Kingdom and the Directors believe this has contributed to the decline in Trainline's CPA over the periods under review. This approach includes a data driven view of the highest volume key words, with Trainline appearing in search results for more than one million key words globally, and use of A/B testing to improve landing page conversion. Trainline ranked in the top three of 97 of the top 100 key words in searches in the United Kingdom, resulting in a 39% increase in visits per month from the year ended 28 February 2016 to the year ended 28 February 2019. Additionally, Trainline has seen growth in the proportion of new customers acquired from free channels with 75%, 75% and 80% of new customers in the United Kingdom coming from free channels in the years ended 28 February 2017, 2018 and 2019.

Trainline also uses pay-per click ("PPC") advertising across multiple languages and geographies to acquire new customers, with a data driven approach to key word coverage and bidding strategies, allowing Trainline to maximise the return on its PPC spend. Trainline uses real-time revenue feeds to optimise bidding on PPC advertising, audience segmentation to identify the highest potential customer lifetime value and ad copy and landing page testing, resulting in a 10% increase in sales in the United Kingdom from new customers as a result of PPC advertising from the year ended 28 February 2018 to the year ended 28 February 2019.

Trainline's acquisition strategies are complemented by sophisticated CRM strategies, designed to drive engagement and increased frequency of purchase. These include retargeting customers who have reached checkout without completing their booking and highlighting relevant journeys, features and offers based on previous booking or search history via personalised emails and mobile alerts to the existing customer base.

Central to Trainline's marketing playbook is its app marketing and messaging designed to persuade existing web customers and potential new customers to download the Group's mobile app; Trainline knows that its app customers are more engaged and make significantly more purchases per year than its web customers once they have installed the Trainline mobile app and made their first app transaction, with app customers transacting

4 times more frequently than mobile web customers and 3 times more frequently than desktop web customers, based on Company data from the year ended 28 February 2019. Trainline uses key word optimisation and paid advertising to drive app downloads, as well as messaging across its advertising, website and post transaction communication to drive customer conversion from website to app usage.

Monetisation

Trainline currently has four primary monetisation levers: commissions (described above); fees related to bookings, refunds and multi-currency services; revenues associated with advertising; and fees for other ancillaries, such as insurance. These monetisation levers combined comprise the Group's revenue as a percentage of net ticket sales, which was 8% in UK Consumer and 4% in International in the year ended 28 February 2019.

Booking fees are charged to customers as a percent or as a fixed amount of a ticket price and range from £0-£1.50 per ticket in the United Kingdom.

The multi-currency platform was launched in the first quarter of the year ended 28 February 2019 and enables customers to pay for tickets in their domestic currency (10 in total) for a percentage of the pre-fee ticket price. Since its launch, the Group has seen 3 times quarter-on-quarter revenue growth in EU multi-currency platform fees.

The Group's advertising programme is designed around relevance to customers by focusing ads on lowest intent users, i.e., those who are searching primarily for information purposes. In the United Kingdom, the Group has seen 2 times quarter-on-quarter advertising growth since launching its programmatic advertising in the United Kingdom in summer 2018.

Other ancillary services include the availability of travel insurance in the United Kingdom, which is provided through the Company's wholly-owned subsidiary, Trainline.com Limited, which operates as an appointed representative of an FCA-authorised third party. The Directors believe that the availability of insurance improves the customer experience and drives overall revenue as a percentage of net ticket sales and is currently testing opportunities for EU insurance. The Group has seen UK revenue from other ancillaries grow by 2 times from the first quarter to the fourth quarter of the year ended 28 February 2019.

Within the United Kingdom, the Group has charged booking fees and service fees and has earned revenue from direct advertising partnerships for many years. Since the first quarter of the year ended 28 February 2019, the Group has also earned fees from its multi-currency platform and has earned revenue from programmatic advertising and a re-booted insurance offering. Trainline is currently testing a hotel recommendation feature and has additional ancillary opportunities in the pipeline. Internationally, the ancillary roll-out is in its earlier stages. The Group commenced charging booking fees on inbound traffic for two carriers in the fourth quarter of the year ended 28 February 2019 and has earned fees from its multi-currency platform since the third quarter of the year ended 28 February 2019. The Group intends to launch advertising partnerships and insurance and hotels recommendations internationally and may in the future charge service fees.

TECHNOLOGY

Since 2014, Trainline has undergone a massive tech transformation, making Trainline 2,000 times more agile, as measured by the number of production releases in the year ended 28 February 2019 (more than 300 per week) compared to the year ended 28 February 2014 (approximately 9 releases per year), resulting in the development from the ground up of what the Directors believe is the world's most comprehensive digital rail and coach platform. Trainline believes that its emphasis on technology, combined with its deep inventory connections, gives it a competitive advantage because the lack of standardisation in rail and coach has presented an opportunity for Trainline to develop its own cross-carrier abstraction layer, which complements the Single Global Platform's customer-centric ecommerce layer and solves for the complexity in the industry while providing the Group with a massive data set to drive acquisition, engagement and repeat customers.

The Single Global Platform is capable of operating at scale across all modes and products, with approximately 2-3 terabytes processed via Trainline's platform every day, more than 154 billion prices and tickets shown in searches every year and approximately 1 billion train movements tracked per year. Trainline operates on a 100% cloud-based system, fully resilient across three data centres hosted by AWS. The infrastructure is highly scalable both 'up' and 'down', with the ability to scale to 10 times current average traffic levels. With its Single Global Platform, Trainline has developed and continues to develop a modern, customer-centric technology that enables

it to deliver scalable, innovative and automated solutions to customers and to rail and coach carriers. It uses modern, modular technologies that provide enhanced performance and flexibility, and its horizontally-scalable architecture, comprising more than 500 micro-services in continuous delivery, helps maintain a stable performance level in terms of response time, regardless of the number of users accessing the platform. Its technology approach and strategy focus on both customers and carriers, and its sophisticated web and mobile interfaces and data analytics platforms were designed to optimise user experience. The Single Global Platform is efficient, reliable and secure, with 99.9% availability across all channels for the last three years and a 0.09% fraud rate in the year ended 28 February 2019, with a 92% EU card accept rate (compared to 86% in 2016) and 66% lower fraud losses compared to 2016.

As of the date of this document, the Single Global Platform supports the UK Consumer and the majority of the International business (with the remainder being migrated over the next few months). The T4B business shares a significant proportion of the Single Global Platform services (payments, fulfilment, search) but the T4B front end functionality will, at least in the near term, continue to be supported as a different platform.

Trainline also employs modern ways of working – for example, using agile methodologies in its software development approach, ensuring collaboration between self-organising cross-functional squads, adaptive planning, early delivery and continuous improvement, which allow it to respond to change quickly and easily. Trainline has an exceptional team of software and data engineers, led by Mark Holt, possessing a deep understanding of the travel business and customer needs, dedicated to delivering innovation and advancement of Trainline’s technology. The technology team department (including contractors) accounted for approximately half of Trainline’s wider team (including contractors) by headcount as at 28 February 2019, reflecting the Group’s investment in technology. Trainline’s technology team is mainly based in London.

DATA SECURITY

Trainline seeks to use customer data responsibly and has established clear guidelines in connection with data collection, storage and processing. Data is stored securely in line with the legal frameworks of the relevant jurisdiction, with appropriate controls and regular audits. Trainline is transparent about its use of data in its privacy policy and other notifications that it provides to customers as necessary. Trainline has established processes in place for ensuring that any collection of new data, or the use of data for a new purpose, is done lawfully and in line with customers’ expectations. There are also processes in place that enable Trainline’s customers to exercise their rights under applicable privacy laws.

Information and data security is managed by Trainline’s dedicated security and privacy team, which is under the authority of Trainline’s Chief Technology Officer and is overseen by the Audit and Risk Committee as appropriate. Trainline has been continuously accredited as Level I PCI DSS compliant since 2013 and gained Cyber Essentials certification in 2018.

In so far as the Directors are aware, Trainline has not experienced any material operational or information security issues resulting from failures of, or breaches in, its cybersecurity systems.

INTELLECTUAL PROPERTY

Trainline’s core trademarks comprise the Trainline brand name and the Trainline logo. Trainline has registered or applied for trademarks relating to countries that are strategically important to the business, whether current or anticipated. The registration and administration of the Group’s trade mark portfolio is managed by Trainline’s legal team, in conjunction with its marketing team, with the assistance of external agencies.

Trainline also holds a portfolio of domain names (most notably, www.trainline.com) that is managed by the Group’s technology team, in conjunction with its brand, strategy and legal teams. Trainline has not registered any patents or designs to date.

Trainline also takes measures to ensure the integrity of its unregistrable intellectual property is maintained, such as by entering into confidentiality agreements to protect confidential know-how and trade secrets, protecting database rights and defending copyright material against third-party infringement.

On occasion, Trainline engages third parties to develop processes, techniques, technology or other intellectual property on its behalf. As a matter of general practice, contracts with such third parties (and Trainline’s standard employment contracts) provide for the assignment of relevant intellectual property to Trainline or the right to use

such intellectual property in its business. Trainline’s employees and direct contractors are generally contractually required to both transfer relevant intellectual property to Trainline (in addition to statutory protections for Trainline where available) and maintain confidentiality.

PEOPLE AND CULTURE

The Directors believe that building a team that is representative of Trainline’s broad base of customers is key to Trainline’s success, as is fostering a unique, innovation-driven culture that attracts top talent across all aspects of the business.

As at 28 February 2019, the Group had a team of more than 600 full-time employees, representing over 42 different nationalities, with offices based in London, Paris and Edinburgh. The following table details the average numbers of the Group’s employees (including directors and contractors) by function during the periods indicated:

| | Year ended 28 February | | |
|---|------------------------|------------|------------|
| | 2017 | 2018 | 2019 |
| Sales and marketing | 78 | 87 | 115 |
| Operations | 106 | 117 | 118 |
| Technology and product | 218 | 383 | 459 |
| Management and administration | 87 | 118 | 130 |
| Total | 489 | 705 | 822 |

The following table details the average numbers of the Group’s employees (including directors and contractors) by location during the periods indicated:

| | Year ended 28 February | | |
|------------------------|------------------------|------------|------------|
| | 2017 | 2018 | 2019 |
| Edinburgh | 118 | 130 | 141 |
| London | 315 | 448 | 510 |
| Paris | 56 | 80 | 81 |
| Other | — | 47 | 90 |
| Total | 489 | 705 | 822 |

Trainline is subject to an industry collective bargaining agreement (as required by law) in France and the employees of Trainline SAS, the Group’s wholly-owned subsidiary in France, are represented by a Unique Delegation of Personnel (“DUP”), comprised of staff representatives elected every four years. The last DUP elections were held in January 2017. Trainline is also subject to a national collective bargaining agreement in Italy in respect of the employee of Trainline Italia S.r.l., the Group’s wholly-owned subsidiary in Italy. None of the Group’s other employees is covered by a collective bargaining agreement or represented by a labour organisation.

To date, the Group has not experienced a labour-related work stoppage.

Trainline operates a defined contribution pension plan in the United Kingdom, membership of which is open to all UK employees. Trainline also participates in a fully funded defined benefit pension scheme which was closed to new members on 31 March 2003 and is closed to future accrual of benefits. Based on its last formal triennial valuation as at 31 December 2016, the defined benefit pension scheme had total assets of £4.6 million for the year ended 28 February 2019 and the scheme was in surplus. Employees in France are included within a state scheme; hence no pension scheme is operated in France. Trainline has one employee in Italy, who is included within the state pension scheme and receives an employee-matched pension contribution.

Certain senior employees of the Group are entitled to participate in a discretionary bonus scheme. Bonuses under the scheme are based upon a percentage of the relevant employee’s salary and are payable on the achievement of certain personal and company performance targets. These bonus schemes are subject to approval by the Board. See paragraph 8.5 (Directors’ and Senior Managers’ Remuneration) and paragraph 12 (Pensions) of Part 15 (*Additional Information*).

ENVIRONMENT

The Directors believe there is a global movement towards more environmentally sustainable travel, with growing awareness of the environmental impact of CO2 emissions. The EU Commission is focussed on reducing transport emissions by 50% by 2050 and many governments are increasing investment in public transport, particularly rail, which generates less than 1/8th the CO2 of air travel and approximately 1/3rd compared with road travel.

Trainline's aim is to make rail and coach travel as simple, seamless and affordable as possible, thereby encouraging people all over the world to make more environmentally sustainable travel choices and driving a modal shift towards rail and coach.

Trainline is committed to increasing access to greener mobility and is already making headway – according to recent YouGov research carried out by Trainline in 2018, people in the United Kingdom who bought most of their train tickets from Trainline over the past year were almost 30% more likely to have increased their train travel than those who did not use Trainline. Furthermore, people in the United Kingdom who bought their last train ticket from Trainline were 20% more likely to have switched from using the car and 25% more likely to say that Trainline's website or app had a major influence on their decision to travel by train than those buying from other websites.

In addition, the Directors believe that Trainline is in compliance in all material respects with all applicable environmental and health and safety laws and regulations.

INSURANCE

Trainline maintains insurance policies covering a range of risks including those related to physical damage to, and loss of, equipment and property, injury to employees, cyber and business interruption as well as coverage against claims and general liabilities that may arise through the course of normal business operations. Trainline engages an insurance broker to advise on the necessary types and levels of coverage and periodically reviews its coverage with its broker. Trainline renews most of its insurance policies annually. It also maintains various other insurance policies to cover a number of other risks related to its business, such as director and officer cover and employment practices.

PART 8

Directors, Senior Managers and Corporate Governance

Directors

The following table lists the names, positions and ages of the Directors.

| <u>Name</u> | <u>Age</u> | <u>Position</u> |
|-------------------------------|------------|--|
| Douglas S. McCallum | 53 | Non-Executive Chair |
| Clare Gilmartin | 43 | Chief Executive Officer |
| Shaun McCabe | 50 | Chief Finance Officer |
| Brian McBride | 63 | Deputy Chair, Senior Independent Non-Executive Director |
| Duncan Tatton-Brown | 54 | Independent Non-Executive Director |
| Kjersti Wiklund | 56 | Independent Non-Executive Director |
| Philipp Freise | 45 | Non-Executive Director |
| Franziska Kayser | 31 | Non-Executive Director |

Douglas S. McCallum (Non-Executive Chair)

Douglas joined the Group as Chair in April 2013. Prior to this, Douglas served as Managing Director of eBay UK and as Senior Vice President eBay Europe and as the founder and Managing Director of the online division of Capital Radio. Douglas is currently Chair of Photobox, and has served on the boards of Ocado Group plc and the Cabinet Office's Digital Advisory Board. Douglas holds an Oxford undergraduate degree and an MBA from Harvard Business School.

Clare Gilmartin (Chief Executive Officer)

Clare has been CEO of Trainline since 2014, leading the business through a period of rapid growth and expansion. Prior to Trainline, Clare was Vice President, Greater Europe for eBay. Clare is an advisor to Future Frontiers, an award-winning social enterprise that provides career guidance to pupils from low income backgrounds, and through Trainline is a supporter of Code First Girls. She holds a Bachelor of Commerce (Int) degree from University College of Dublin and is their Business Alumni of the year 2019.

Shaun McCabe (Chief Finance Officer)

Shaun joined the Group and became Chief Finance Officer in September 2016. Prior to this, Shaun held the position of International Director for ASOS, and previously as Chief Financial Officer for Amazon Europe. Shaun is currently a non-executive director for AO World plc, an online-only retailer operation in the UK, Germany and the Netherlands. Shaun is a Chartered Accountant (ICAEW) and holds a bachelor's degree in Finance and Economics from the University of Essex.

Brian McBride (Deputy Chair, Senior Independent Non-Executive Director)

Brian is Senior Non-Executive Director at AO World plc, Non-Executive Director at WiggleCRC, the Bridgepoint owned global online cycling retailer, and has recently agreed to join the board of Kinnevik, the long established Swedish public company which invests in digital businesses like Zalando, Tele2 and Babylon. Brian is a Senior Adviser to Lazard's Global Financial Advisory business and Senior Adviser with Scottish Equity Partners. He is a member of the UK Government's Digital Advisory Board, which steers the digital delivery of Government services to citizens.

Brian was Chairman of ASOS from 2012 to 2018, stepping down at the annual general meeting in November having seen it grow from £450 million annual sales to £2,250 million. He was chief executive officer of Amazon.co.uk from 2006 to 2011, having led it through its high growth period. He began his career with Xerox and subsequently worked in senior roles at IBM, Dell Computers and as Managing Director of T-Mobile (UK). He has been a Non-Executive Director of Celtic Football Club PLC, SThree PLC, and Computacenter plc and has served as a Non-Executive Director on the Board of the BBC and the Advisory Board of Huawei UK.

Duncan Tatton-Brown (Independent Non-Executive Director)

Duncan has been the Chief Financial Officer of Ocado Group plc since 2012. 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, 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 Chairman 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.

Kjersti Wiklund (Independent Non-Executive Director)

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

Philipp Freise (Non-Executive Director)

Philipp was appointed as a non-executive director in December 2016. Philipp is the Head of the Technology, Media and Telecommunications Industry Team for Kohlberg Kravis Roberts & Co. L.P.’s Private Equity platform in Europe. He is Vice Chairman of the Supervisory Board and a member of the Audit Committee of GfK SE. Philipp was a scholar of the German National Scholarship foundation (Studienstiftung des Deutschen Volkes) and graduated top of his class at WHU Koblenz, EDHEC Lille and University of Texas at Austin, McCombs School of Business.

Franziska Kayser (Non-Executive Director)

Franziska was appointed as a non-executive director in September 2015. Franziska is a Director at Kohlberg Kravis Roberts & Co. L.P. and a member of the Technology, Media and Telecommunications team in Europe. She is currently a non-executive director of the Supervisory Board and a member of the audit committee of GfK. Franziska holds a First Class Honours B.A. from McGill University.

Senior Managers

The Group’s Senior Managers are as follows:

| <u>Name</u> | <u>Age</u> | <u>Position</u> |
|---------------------------|------------|-------------------------|
| Clare Gilmartin | 43 | Chief Executive Officer |
| Shaun McCabe | 50 | Chief Finance Officer |

Clare Gilmartin (Chief Executive Officer)

See “– Directors,” above, for Clare’s biography.

Shaun McCabe (Chief Finance Officer)

See “– Directors,” above, for Shaun’s biography.

Corporate governance

UK Corporate Governance Code

The Board is committed to the highest standards of corporate governance. Save as disclosed below, as of the date of this Prospectus and on and following Admission, the Board will comply with the UK Corporate Governance Code (the “Governance Code”) published in July 2018 by the Financial Reporting Council and the Company intends to comply in full with the Governance Code in due course. As envisaged by the Governance Code, the Board has established an audit and risk committee, a nomination committee and a remuneration committee and has also established a separate market disclosure committee. If the need should arise, the Board may set up additional committees as appropriate.

The Governance Code recommends that, on appointment, the chair of a company with a premium listing on the Official List should meet the independence criteria set out in the Governance Code. The Non-Executive Chair,

Douglas S. McCallum, was employed by Trainline as Chair since April 2013. Notwithstanding that the Board does not consider Douglas to meet the independence criteria set out in the Governance Code by virtue of his having been an employee of the business, the Board believes that, in order to ensure maximum continuity in Trainline's transition from a privately owned to publicly listed business, Douglas should remain as Non-Executive Chair of the Group. The Board believes that this continuity, together with Douglas's knowledge of the Trainline business and experience in online retailing, is in the best interests of Trainline and the Shareholders as a whole.

However, the Board is also making strong efforts to achieve good governance as set out in the Governance Code and has appointed Brian McBride as Deputy Chair and Senior Independent Non-Executive Director, and the Board anticipates that Brian will succeed Douglas as Chair within 12 months of Admission.

The Governance Code recommends that, in the case of a FTSE 350 company, at least half the board of directors, excluding the chair, should comprise non-executive directors determined by the board to be independent in character and judgment and free from relationships or circumstances which may affect, or could appear to affect, the director's judgment. From Admission, the Company will not comply with this aspect of the Governance Code because only three of the seven Directors (excluding, for these purposes, the Non-Executive Chair) are regarded by the Company as independent for the purposes of the Governance Code.

Pursuant to the Relationship Agreement, the Principal Shareholder will be able to appoint two directors to the Board for so long as its shareholding (together with that of any of its associates) in the Company is equal to or exceeds 20% and will be able to appoint one director to the Board for so long as its shareholding (together with that of any of its associates) in the Company is equal to or exceeds 10% but is less than 20% of the voting rights in the Company. The Principal Shareholder will consult in advance with, and take into account the reasonable representations of, the Company's nomination committee regarding the identity of any director proposed to be nominated. In addition, for so long as the Principal Shareholder's shareholding (together with that of any of its associates) in the Company is equal to or exceeds 10%, the Principal Shareholder is entitled to nominate a representative director to be a member of the nomination committee and a representative director as an observer to each of the audit and risk and remuneration committees. The Principal Shareholder's first appointed representative directors are Philipp Freise and Franziska Kayser.

The Governance Code recommends that the board of directors of a company with a premium listing on the Official List should appoint one of the non-executive directors to be the senior independent director to provide a sounding board for the chair and to serve as an intermediary for the other directors when necessary. The senior independent director should be available to shareholders if they have concerns which contact through the normal channels of chair or executive directors has failed to resolve or for which such contact is inappropriate. Brian McBride has been appointed as Senior Independent Non-Executive Director with effect from Admission.

The Governance Code further recommends that directors should be subject to annual re-election. The Company intends to comply with this recommendation.

Audit and risk committee

The audit and risk committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The audit and risk committee will meet as often as it deems necessary but at least three times a financial year.

The audit and risk committee is chaired by Duncan Tatton-Brown and its other members are Brian McBride and Kjersti Wiklund. In addition, for so long as the Principal Shareholder's shareholding (together with that of any of its associates) is equal to or exceeds 10%, it is entitled to appoint a representative director as an observer to the audit and risk committee. The Governance Code recommends that all members of the audit and risk committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Board considers that Duncan Tatton-Brown has recent and relevant financial experience and that the Company complies with the requirements of the Governance Code in respect of the audit and risk committee.

Nomination committee

The nomination committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for the Company's directors, including the Chair and the Chief Executive Officer and other senior executives. The nomination committee will meet as often as it deems necessary but at least two times a financial year.

The nomination committee is chaired by Douglas S. McCallum and its other members are Brian McBride, Duncan Tatton-Brown, Kjersti Wiklund and Philipp Freise. For so long as the Principal Shareholder's shareholding is equal to or exceeds 10%, it is entitled to nominate a representative director to be a member of the nomination committee. The Governance Code recommends that a majority of the nomination committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that three of the five members of the nomination committee are independent for the purposes of the Governance Code and therefore the Company complies with the requirements of the Governance Code in this respect.

Remuneration committee

The remuneration committee develops the Group's policy on executive remuneration, determines the levels of remuneration for Executive Directors, the Chair, the Company Secretary and other members of the Company's senior management and prepares an annual remuneration report for approval by the Shareholders at the annual general meeting. The committee is also responsible for motivating, retaining and incentivising Trainline's people and for attracting world-class talent to the Group. The remuneration committee will meet as often as it deems necessary but at least two times each financial year.

The remuneration committee is chaired by Kjersti Wiklund and its other members are Brian McBride and Duncan Tatton-Brown. In addition, for so long as the Principal Shareholder's shareholding (together with that of any of its associates) is equal to or exceeds 10%, it is entitled to appoint a representative director as an observer to the remuneration committee. The Governance Code recommends that all members of the remuneration committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Group complies with the requirements of the Governance Code in this respect.

Market disclosure committee

The Board has established a market disclosure committee in order to ensure timely and accurate disclosure of all information that is required to be so disclosed to the market to meet the legal and regulatory obligations and requirements arising from the listing of the Company's securities on the London Stock Exchange, including the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

The market disclosure committee will meet at such times as shall be necessary or appropriate, as determined by the chair of the market disclosure committee or, in his or her absence, by any other member of the market disclosure committee. The market disclosure committee must have at least three members, at least one of which must be an Executive Director. Members of the market disclosure committee are appointed by the Board.

Share dealing code

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares which is based on the requirements of the Market Abuse Regulation. The code adopted will apply to the Directors and other relevant employees of the Group.

Relationship Agreement with the Principal Shareholder

Immediately following the Offer and Admission, assuming no exercise of the Over-allotment Option, the Company expects that the Principal Shareholder will exercise or control, on their own or together with any person with whom they are acting in concert, more than 30% of the votes to be cast on all or substantially all matters at general meetings of the Company. On 21 June 2019, the Company and the Principal Shareholder entered into a relationship agreement (the "Relationship Agreement") which will, conditional upon Admission, regulate the ongoing relationship between the Company and the Principal Shareholder.

The principal purpose of the Relationship Agreement is to ensure that the Company can carry on as an independent business as its main activity. The Relationship Agreement contains, among others, undertakings from the Principal Shareholder, on behalf of itself and its associates, that: (i) transactions and arrangements with it (and/or any of its associates) will be conducted at arm's length and on normal commercial terms; (ii) neither it

nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules (the “Independence Provisions”).

Pursuant to the Relationship Agreement, the Principal Shareholder will be able to appoint two directors to the Board for so long as its shareholding (together with that of any of its associates) in the Company is equal to or exceeds 20% and will be able to appoint one director to the Board for so long as its shareholding (together with that of any of its associates) in the Company is equal to or exceeds 10% but is less than 20% of the voting rights in the Company. The Principal Shareholder will consult in advance with, and take into account the reasonable representations of, the Company’s nomination committee regarding the identity of any director proposed to be nominated. In addition, for so long as the Principal Shareholder’s shareholding (together with that of any of its associates) in the Company is equal to or exceeds 10%, the Principal Shareholder is entitled to nominate a representative director to be a member of the nomination committee and a representative director as an observer to each of the audit and risk and remuneration committees. The Principal Shareholder’s first appointed representative directors are Philipp Freise and Franziska Kayser.

The Principal Shareholder will have certain information rights for the purposes of its accounting or other regulatory requirements. The Principal Shareholder has also undertaken to hold information it receives on the Group in confidence and in accordance with applicable law. The Relationship Agreement confirms that the Principal Shareholder and its associates are not restricted from competing with the Group.

The Relationship Agreement also provides for the Company to provide, subject to certain limitations and exceptions, certain reasonable cooperation and assistance to the Principal Shareholder in the event of a sale of the Shares by the Principal Shareholder at any time following the Offer. The Relationship Agreement provides for the Principal Shareholder to ensure that any such secondary sales in the Company are conducted in an orderly manner.

The Relationship Agreement will continue for so long as (a) the Shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange’s main market for listed securities, and (b) the Principal Shareholder and its associates are entitled to exercise or to control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company. The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on its business independently of the Principal Shareholder.

Following Admission, for so long as there is a controlling shareholder (as defined in the Listing Rules), the Articles allow for the election or re-election of any Independent Director to be approved by separate resolutions of (i) the Company’s shareholders, and (ii) the Company’s shareholders excluding any controlling shareholder. If either of the resolutions is defeated, the Company may propose a further resolution to elect or re-elect the proposed Independent Director, which (a) may be voted on within a period commencing 90 days and ending 120 days from the original vote, and (b) may be passed by a vote of the shareholders of the Company voting as a single class. Furthermore, in the event that the Company wishes the FCA to cancel the listing of the Shares on the premium listing segment of the Official List or transfer the Shares to the standard listing segment of the Official List, the Company must obtain at a general meeting the prior approval of (y) a majority of not less than 75% of the votes attaching to the shares voted on the resolution, and (z) a majority of the votes attaching to the shares voted on the resolution excluding any shares voted by a controlling shareholder. In all other circumstances, controlling shareholders have and will have the same voting rights attached to the Shares as all other shareholders.

Conflicts of interest

Save as set out below, there are no potential conflicts of interest between any duties owed by the Directors or Senior Managers to the Company and their private interests or other duties.

Brian McBride is a non-executive director of Kinnevik AB, which holds a minority stake in Omio (formerly, GoEuro). Omio is a competitor of the Company, and it is possible that during Mr McBride’s directorship with the Company, he will receive information in respect of the Company that is relevant to Omio, and vice versa. The Board has considered (i) the nature and extent of Kinnevik’s holding in Omio relative to Kinnevik’s other holdings, (ii) Mr McBride’s written agreement with Kinnevik that he would not receive any information regarding Omio and that he would recuse himself from any Kinnevik discussions regarding Omio, and (iii) the

absence of cross directorships between the Kinnevik and Omio boards. After careful consideration, the Board has concluded that it is appropriate to authorise the potential conflict of interest that may arise from Mr McBride's continuing directorship with Kinnevik, on the condition that he does not receive any information on Omio from Kinnevik, that he will recuse himself from any Kinnevik discussions regarding Omio, and that he will keep all information in respect of the Company in the strictest confidence.

Philipp Freise and Franziska Kayser were appointed by and represent the Principal Shareholder. Amongst other things, the Principal Shareholder or its associates may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Group, or with which the Group conducts business. Each of the Directors has a statutory duty under the UK Companies Act 2006 (the "UK Companies Act") to avoid conflicts of interest with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles, and as permitted by the UK Companies Act, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions as the Board deem appropriate (including in respect of the receipt of information or restrictions on participation at certain Board meetings), in accordance with the Articles.

PART 9

Selected Financial Information

The tables below set out the Group's selected financial information for the periods indicated, as reported in accordance with IFRS. The audited consolidated financial information for the Group as of and for each of the three years ended 28 February 2017, 2018 and 2019 has been extracted without material adjustment from Section B of Part 12 (*Historical Financial Information*).

Consolidated income statement

| | Year ended 28 February | | |
|--------------------------------------|------------------------|------------------------------------|-----------------|
| | 2017 ⁽¹⁾ | 2018 ⁽¹⁾⁽²⁾ | 2019 |
| | <i>(restated)</i> | <i>(restated)</i> <i>(£000)</i> | |
| Revenue | 152,772 | 177,993 | 209,504 |
| Cost of sales | (41,162) | (48,146) | (54,059) |
| Gross profit | 111,610 | 129,847 | 155,445 |
| Administrative expenses | (122,849) | (137,398) | (144,932) |
| Adjusted EBITDA* | 30,686 | 30,633 | 52,628 |
| Depreciation and amortisation | (34,977) | (34,137) | (38,942) |
| Share based payment charges | (168) | (1,846) | (3,309) |
| Exceptional items | (6,780) | (2,201) | 136 |
| Operating profit/(loss) | (11,239) | (7,551) | 10,513 |
| Finance income | 228 | 161 | 1,100 |
| Finance costs | (20,188) | (22,034) | (25,275) |
| Net finance costs | (19,960) | (21,873) | (24,175) |
| Loss before tax | (31,199) | (29,424) | (13,662) |
| Income tax credit / (expense) | 962 | 5,222 | (8) |
| Loss after tax | (30,237) | (24,202) | (13,670) |

Consolidated statement of financial position

| | As at 28 February | | |
|--|--|--|------------------|
| | 2017 ⁽¹⁾ <i>(restated)</i> | 2018 ⁽¹⁾⁽²⁾ <i>(restated)</i> <i>(£000)</i> | 2019 |
| Non-current assets | | | |
| Intangible assets | 125,256 | 119,663 | 114,770 |
| Goodwill | 443,271 | 443,271 | 443,271 |
| Property, plant and equipment | 5,180 | 6,044 | 5,462 |
| Derivative assets | — | 1,539 | 460 |
| | 573,707 | 570,517 | 563,963 |
| Current Assets | | | |
| Cash and cash equivalents | 73,979 | 69,678 | 94,477 |
| Trade and other receivables | 35,874 | 37,505 | 47,196 |
| Current tax receivables | 2,651 | — | — |
| Inventories | 32 | 44 | 25 |
| | 112,536 | 107,227 | 141,698 |
| Current Liabilities | | | |
| Trade and other payables | (117,650) | (129,412) | (161,684) |
| Current tax payable | — | (178) | (1,093) |
| Loans and borrowings | (80) | (200) | (2,815) |
| | (117,730) | (129,790) | (165,592) |
| Net current liabilities | (5,194) | (22,563) | (23,894) |
| Total assets less current liabilities | 568,513 | 547,954 | 540,069 |
| Non-current liabilities | | | |
| Loans and borrowings | (251,360) | (258,845) | (266,438) |
| Other non-current liabilities | (17,061) | (18,641) | (19,561) |
| Share based payment liabilities | (5,021) | (6,882) | (8,033) |
| Provisions | (1,303) | (1,493) | (1,566) |
| Deferred tax liability | (20,489) | (12,870) | (7,882) |
| | (295,234) | (298,731) | (303,480) |
| Net assets | 273,279 | 249,223 | 236,589 |
| Equity | | | |
| Share capital | 155 | 155 | 155 |
| Share premium | 26,283 | 26,283 | 26,283 |
| Convertible preferred equity certificates | 310,735 | 310,735 | 310,735 |
| Foreign exchange reserve | 1,644 | 1,680 | 2,186 |
| Other reserves | (2,772) | (2,486) | (2,894) |
| Retained earnings | (62,766) | (87,144) | (99,876) |
| Total equity | 273,279 | 249,223 | 236,589 |

Condensed consolidated statement of cash flow

| | Year ended 28 February | | |
|--|------------------------|------------------------|---------------|
| | 2017 ⁽¹⁾ | 2018 ⁽¹⁾⁽²⁾ | 2019 |
| | (restated) | (restated) | |
| | | (£000) | |
| Net cash from operating activities | 38,629 | 37,158 | 72,175 |
| Net cash flow used in investing activities | (66,643) | (28,494) | (32,562) |
| Net cash flows (used in) / generated by financing activities | 65,778 | (12,441) | (14,313) |
| Net increase/(decrease) in cash and cash equivalents | 37,764 | (3,777) | 25,300 |
| Cash and cash equivalents at beginning of the year | 36,345 | 73,979 | 69,678 |
| Effect of foreign exchange on cash | (130) | (524) | (501) |
| Closing cash and cash equivalents | 73,979 | 69,678 | 94,477 |

* Non-IFRS financial measure. For a reconciliation of Adjusted EBITDA to Loss before tax, see Part 2 (*Presentation of Financial and Other Information*) – “Non-IFRS financial information”

- (1) The comparative financial information for each of the years ended 28 February 2017 and 2018 has been restated for the consolidation of the EBT and to reflect share-based payment arrangements and classification. For additional details on the prior period restatements, see Note 27 of the Group’s consolidated historical financial information in Part 12 (*Historical Financial Information*).
- (2) The comparative financial information for the year ended 28 February 2018 has been restated for the removal of a deferred tax amount. For additional details on the prior period restatements, see Note 27 of the Group’s consolidated historical financial information in Part 12 (*Historical Financial Information*).

PART 10

Operating and Financial Review

This Part 10 should be read in conjunction with Part 2 (Presentation of Financial and Other Information), Part 5 (Industry Overview), Part 7 (Business Description) and Part 12 (Historical Financial Information). Prospective investors should read the entire document and not just rely on the summary set out below. The financial information considered in this Part 10 is extracted from the financial information set out in Part 12 (Historical Financial Information).

The following discussion of the Company's results of operations and financial condition contains forward-looking statements. The Company's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Prospectus, particularly under Part 1 (Risk Factors) and Part 2 (Presentation of Financial and Other Information). In addition, certain industry issues also affect the Company's results of operations and are described in Part 5 (Industry Overview).

OVERVIEW

Trainline is the leading independent rail and coach travel platform based on monthly active users, selling rail and coach tickets to travellers worldwide via its highly rated website and mobile app. The Directors believe there is a global movement towards more environmentally sustainable travel, with a growing awareness of the environmental impact of CO₂ emissions, reflected in the EU Commission's objective to reduce transport emissions by 50% by 2050 and increased investment by many governments in public transport, particularly rail, which generates less than 1/8th the CO₂ of air travel and approximately 1/3rd the CO₂ emissions of road travel. Trainline's ambition is to bring together the world's rail, coach and other travel services into one simple mobile experience so travellers can easily find the best prices for their journey and access smart, real time travel information on the go. By making rail and coach travel easier, Trainline's aim is to encourage people all over the world to make more environmentally sustainable travel choices.

Today, Trainline is a one-stop-shop for rail and coach travel, bringing together routes, fares and journey times from 220 rail and coach carriers, covering approximately 80% of European rail by market share of carriers and approximately 50% of European coach by market share of carriers, allowing travellers to compare and book millions of routes across 45 countries, principally in Europe but also in Asia. Trainline customers have access to payment in 10 currencies, including pounds sterling, US dollars and Japanese Yen, and to 14 languages, including English, French, Spanish and Mandarin Chinese. This means millions of travellers can benefit from booking journeys in their own language and seeing prices and paying in their own currency, saving money, time and hassle.

The Group is able to use its scale, and the volume of information generated through its platform to collect and analyse a vast amount of data to facilitate product innovation and personalisation that benefits its customers. Trainline's unique AI-driven mobile app offers customers a number of booking and support features, such as Price Prediction, which is available for customers travelling in the United Kingdom and tells them when the price for their journey is most likely to increase, helping them save money on their bookings. By providing a complete set of travel options and AI-driven journey information in one mobile app, Trainline aims to make it easy for travellers to find the best prices and most direct routes for their journey and aims to provide carriers access to more customers at a lower cost to serve.

As well as an easy, consistent and friction-free travel booking experience, Trainline aims to offer travellers a smart travel companion for every stage of their journey. Via the Trainline mobile app, customers can, where available, access live departure boards, live train trackers, and personalised journey delay and disruption information as they travel. For example, the mobile app feature Busybot uses crowd sourced data to help travellers find a seat on busy commuter trains in the United Kingdom.

The global long-distance rail and coach markets are estimated by OC&C to be worth more than €225 billion per year based on 2017 market size data – and increasing as governments continue to invest, particularly in high speed rail, as liberalisation of rail and coach unfolds across continental Europe, and customer usage of rail and coach increases in tandem with growing environmental awareness. During 2017, only approximately 39% of rail purchases in the Top 5 European Markets were made online, according to OC&C, and in 2018 only 1 in 7 tickets sold in the United Kingdom were eTickets, according to OC&C. However, with customers making approximately 21 rail journeys per capita in 2017 in the United Kingdom, according to OC&C, and significant

headroom for further growth in online penetration, in part due to governments committing to eTicket availability, the Directors believe there is a significant runway for eTicketing and that Trainline's focus on unique, AI-driven travel information, travel recommendations and machine learning capabilities will keep the Group at the centre of this shift.

Trainline has invested in the introduction and take-up of eTickets in rail and coach and in 2019, eTickets made up 61% of all journeys booked through Trainline's platform. The Directors believe this is to the benefit of Trainline's customers, with Trainline's internal customer research showing that, once travellers use eTicketing, the majority do not revert to buying paper tickets; 94% of Trainline's mobile ticket customers say that they will continue to use this ticket option.

The Directors believe that Trainline is encouraging the shift away from road and short haul air travel to more environmentally sustainable modes of transport with its continued focus on making rail and coach travel easier and more accessible by offering customers a broad choice of travel options and helping them stay in control of their travel experience with personalised travel information, including delay and disruption notifications.

Trainline currently operates through three business segments:

- *UK Consumer:* Trainline sells rail tickets on behalf of all UK rail carriers and coach tickets on behalf of National Express, the largest UK coach carrier. Customers include people living in the United Kingdom (domestic customers) as well as those visiting the United Kingdom (inbound customers). These UK Consumer customers can also benefit from individually targeted, high quality recommendations for hotel bookings and insurance. Trainline partners with carefully selected businesses and brands wishing to advertise on its mobile app and website. In the year ended 28 February 2019, UK Consumer represented £136.7million (65.3%) of Group revenue, had more than 60 million visits per month and had net ticket sales of £1,647.6 million.
- *International:* Trainline's International business sells rail and coach tickets to people all over the world on behalf of all the major European rail and coach carriers, offers rail passes in Japan to inbound visitors through its partnership with JTB and is in advanced discussions with US operators to secure direct distribution agreements for the sale of rail and coach tickets in the United States. In the year ended 28 February 2019, International represented £14.5 million (6.9%) of Group revenue, had approximately 20 million visits per month and had net ticket sales of £348.5 million.
- *Trainline for Business:* Trainline's T4B business is currently a UK-focussed business which provides and supports rail booking solutions for SMEs and large corporate entities, including public sector partners. The Group also provides services to TMCs who in turn support businesses, primarily in the United Kingdom. Additionally, T4B builds, supports and manages "white label" online and mobile sales platforms for many of the United Kingdom's biggest rail carriers, leveraging its proprietary technology to provide rail carriers with a best-in-class product and a cost-to-serve advantage compared to developing their own ticket sales solutions. In the year ended 28 February 2019, UK T4B represented £58.4 million (27.9%) of the Group's revenue and, as of 28 February 2019, T4B had 10 white label solutions customers, 90 TMC customers, 125 corporate customers and approximately 30,000 SME customers.

Trainline's products and services are underpinned by its Single Global Platform, allowing customers to book travel seamlessly through one consistent 4.7-star rated mobile app, on one website and via one API in the currency and language of their choosing, wherever they are in the world. The Single Global Platform currently supports the UK Consumer and the majority of the International business (with the remainder being migrated over the next few months). The T4B business shares a significant proportion of the Single Global Platform services (payments, fulfilment, search) but the T4B front end functionality will, at least in the near term, continue to be supported as a different platform. The investment in the Single Global Platform enables a significant increase in the velocity at which Trainline can launch new products and features, delivering more than 300 releases a week (compared to 9 total releases in 2014) through small, agile, mission-based teams with a focus on continuously improving the customer experience and leading to nearly 80% of the Group's sales in the year ended 28 February 2019 coming from repeat customers.

Trainline had approximately 23 million cumulative app downloads as of 28 February 2019, based on Company data and an average of approximately 29 million monthly active users from September to November 2018, based on Adobe Analytics and Google Analytics, representing approximately 3 times as many monthly active users as the next largest independent platform, based on data from AppAnnie and Similar Web. This translated into

revenue of £209.5 million, net ticket sales of £3.2 billion, representing a 19% growth compared to the year ended 28 February 2018, operating profit of £10.5 million, Adjusted EBITDA of £52.6 million and Adjusted EBITDA margin of 25.1% for the year ended 28 February 2019. The Trainline team is made up of more than 600 people, including more than 300 tech engineers, representing more than 42 nationalities, with offices based in London, Paris and Edinburgh.

KEY PERFORMANCE INDICATORS

Trainline monitors several KPIs to track the financial and operating performance of its business. These measures are derived from the Group's internal systems. Because some of these measures are not determined in accordance with generally accepted accounting principles, including IFRS, and are thus susceptible to varying calculations, they may not be comparable with other similarly titled measures of performance of other companies.

The table below presents revenue, gross profit, Contribution, net transactions and net ticket sales, for the business segments or geographies indicated, and central administrative expenses and Adjusted EBITDA for the years ended 28 February 2017, 2018 and 2019. For more information on the definition and calculation of these metrics, including, in respect of applicable financial metrics, a reconciliation to the Group's reported historical financial information prepared on an IFRS basis, where applicable, please see "Non-IFRS financial information" and "Operational data" each in Part 2 (*Presentation of Financial and Other Information*).

| | Year ended 28 February | | |
|--|------------------------|-----------|-----------|
| | 2017 | 2018 | 2019 |
| | | (£000) | |
| Revenue | | | |
| UK Consumer | 97,618 | 114,397 | 136,660 |
| UK T4B | 50,271 | 54,399 | 58,366 |
| Total UK | 147,889 | 168,796 | 195,026 |
| International | 4,883 | 9,197 | 14,478 |
| Group | 152,772 | 177,993 | 209,504 |
| Gross profit | | | |
| UK Consumer | 75,970 | 88,236 | 106,957 |
| UK T4B | 32,400 | 35,474 | 40,617 |
| Total UK | 108,370 | 123,710 | 147,574 |
| International | 3,240 | 6,137 | 7,871 |
| Group | 111,610 | 129,847 | 155,445 |
| Contribution | | | |
| Total UK | 74,173 | 87,220 | 111,896 |
| International | (11,140) | (18,306) | (18,013) |
| Group | 63,033 | 68,914 | 93,883 |
| Central administrative expenses ⁽¹⁾ | (32,347) | (38,281) | (41,255) |
| Adjusted EBITDA | 30,686 | 30,633 | 52,628 |
| Net ticket sales | | | |
| UK Consumer | 1,109,872 | 1,338,438 | 1,647,648 |
| UK T4B | 1,038,827 | 1,123,826 | 1,198,006 |
| Total UK | 2,148,699 | 2,462,264 | 2,845,654 |
| International | 104,766 | 218,228 | 348,515 |
| Group | 2,253,465 | 2,680,492 | 3,194,168 |
| Net transactions (000) | | | |
| UK Consumer | 24,939 | 34,970 | 48,053 |
| International ⁽²⁾ | 1,416 | 3,023 | 5,597 |

(1) Central administrative expenses include costs which by their nature cannot be allocated to a specific segment. These include central staff costs relating to general management, administration, technology and back office functions as well as occupancy, finance and professional and IT costs.

(2) Excludes transactions that have zero value as they are part of a subscription travel scheme.

KEY FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The results of the Group's operations have been, and will continue to be, affected by many factors, some of which are beyond the Group's control. This section sets out certain key factors the Directors believe have affected the Group's results of operations in the periods under review and could affect its results of operations in the future.

Net ticket sales

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 booking fees and other service charges billed directly to the customer, on a per transaction basis. As such, the Group's revenue and results of operations for any particular period largely depend on net ticket sales during that period, which, in turn, are driven primarily by net transactions and average transaction value. Net ticket sales do not represent the Group's revenue.

Net transactions

Net transactions represent the aggregate number of customer payment events in a given period less the number of transactions refunded. Throughout the periods under review, Trainline has experienced a 39% CAGR in net transactions, which the Directors believe is driven in large part by the increasing digitalisation of the rail and coach industry, together with Trainline's ability to capitalise on this digitalisation through its continued investment in providing customers with a one-stop-shop for rail and coach travel via the Trainline mobile app and websites and its success in driving customers to its mobile app.

In the year ended 28 February 2019, more than 74% of UK Consumer and International transactions were mobile transactions (including its mobile web and mobile app) compared to just 9% in 2014. As described in Part 4 (Industry Overview – "Shift to Digital"), mobile and online ticket penetration levels were estimated to be approximately 39% of rail bookings in the Top 5 European Markets in 2017 and the size of the online passenger rail market in the Top 5 European Markets is expected by OC&C to grow by approximately 10% per annum between 2017 and 2022. These dynamics have contributed to growth at a 24% CAGR in monthly active customers from the year ended 28 February 2017 to the year ended 28 February 2019 and increasing frequency of ticket sales as customers shift to mobile and eTickets.

Net transactions are also affected by certain other structural trends that are driving an expansion of the rail and coach market globally, including planned rail investments across Europe and corresponding increases in demand for rail and coach travel in the markets in which the Group operates. These developments have contributed to a large, growing and evolving addressable market that has driven robust growth in demand. The Directors believe these developments, combined with Trainline's technology and marketing strategy, have the potential to support sustained organic growth in the Group's transaction volumes across its business segments.

The table below sets forth net transactions by business segment and geography during the years under review.

| | Year ended 28 February | | |
|------------------------------|------------------------|--------|--------|
| | 2017 | 2018 | 2019 |
| Net transactions | | (000) | |
| UK Consumer | 24,939 | 34,970 | 48,053 |
| International ⁽¹⁾ | 1,416 | 3,023 | 5,597 |

(1) Excludes transactions that have zero value as they are part of a subscription travel scheme.

Average transaction value

Average transaction value represents net ticket sales divided by net transactions. Average transaction value is primarily driven by the type of ticket purchased, the method of purchase, the distance of journeys made and carrier pricing trends. For example, coach journeys typically have a lower transaction value than rail journeys and, within rail journeys, longer journeys typically have a higher transaction value than shorter journeys. On-the-day mobile tickets are typically for shorter journeys, as customers are more likely to book long trips further in advance. Trainline's average transaction value for a given period will thus depend on the mix of tickets purchased by customers.

During the periods under review, average transaction value in the UK Consumer business decreased by a CAGR of 12% between the years ended 28 February 2017 and 2019, from £44 in the year ended 28 February 2017, £38

in the year ended 28 February 2018 and to £34 in the year ended 28 February 2019, while average transaction value in International decreased by a CAGR of 8% from £74 in the year ended 28 February 2017, £72 in the year ended 28 February 2018 and to £62 in the year ended 28 February 2019, in each case largely due to the significant increase in mobile transactions, which are predominately on-the-day purchases and short-distance journeys. The Directors expect average transaction value to continue to decrease slightly as customers increasingly purchase on-the-day flexible tickets via the Trainline mobile app. The roll-out of eTicket has given Trainline access to the on-the-day market which was previously predominantly serviced at the station.

Despite the decrease in average transaction value during the periods under review, the significant increase in net transactions has resulted in robust increase in net ticket sales and, consequently, the Group's revenue, with net ticket sales growing at a CAGR of 19.1% from the year ended 28 February 2017 to the year ended 28 February 2019. This increase was primarily due to growth at a CAGR of 38.8% in UK consumer net transactions and 98.8% in international net transactions over the same period, each driven in large part by an increase in mobile app and website purchases as a result of the Group's marketing activities driving app transactions. The table below sets forth the net ticket sales by business segment and geography during the periods under review.

| | Year ended 28 February | | |
|---------------------|------------------------|-----------|-----------|
| | 2017 | 2018 | 2019 |
| | | (£000) | |
| UK Consumer | 1,109,872 | 1,338,438 | 1,647,648 |
| UK T4B | 1,038,827 | 1,123,826 | 1,198,006 |
| Total UK | 2,148,699 | 2,462,264 | 2,845,654 |
| International | 104,766 | 218,228 | 348,515 |
| Group | 2,253,465 | 2,680,492 | 3,194,168 |

Net ticket sales in UK Consumer increased by £309.2 million, or 23.1%, to £1,647.6 million in the year ended 28 February 2019 from £1,338.4 million in the year ended 28 February 2018. This increase was primarily due to the 37.4% increase in net transactions, particularly by an increase in purchases on mobile devices, offset in part by a decline in average transaction values driven by the shift to on-the-day tickets. Net ticket sales in UK Consumer increased by £228.5 million, or 20.6%, to £1,338.4 million in the year ended 28 February 2018 from £1,109.9 million in the year ended 28 February 2017. This increase was primarily due to an increase in the volume of tickets sold offset by a declining average transaction value.

Net ticket sales in International increased by £130.3 million, or 59.7%, to £348.5 million in the year ended 28 February 2019 from £218.2 million in the year ended 28 February 2018. This increase was primarily a result of partnering with new rail carriers and an increase in marketing spend to acquire new customers and drive traffic to the website and app, which combined to deliver an 85.1% increase in net transactions. Net ticket sales in International increased by £113.4 million, or 108.5%, to £218.2 million in the year ended 28 February 2018 from £104.8 million in the year ended 28 February 2017.

Net ticket sales in UK T4B increased by £74.2 million, or 6.6%, to £1,198.0 million in the year ended 28 February 2019 from £1,123.8 million in the year ended 28 February 2018. This increase was primarily driven by new customer wins in the Corporate business, as well as underlying volume growth in each of the UK T4B businesses. Net ticket sales in UK T4B increased by £85.0 million, or 8.2%, to £1,123.8 million in the year ended 28 February 2018 from £1,038.8 million in the year ended 28 February 2017.

Revenue earned on net ticket sales

As described in “– Net ticket sales” above, while transaction volumes have historically driven the growth in net ticket sales (partially offset by a year-on-year decline in average transaction value as the Group has increased its focus on mobile tickets), the Group's own revenue generated by the tickets sold through its platform is driven by revenue as a percentage of net ticket sales, which is a function of the commission it receives from rail carriers and coach operators, booking and other fees, and ancillary services (including the Group's multi-currency platform, selective advertising, insurance and others, including hotels). In the year ended 28 February 2019, the UK Consumer revenue as a percentage of net ticket sales was 8.3%, the International revenue as a percentage of net ticket sales was 4.2% and the UK T4B revenue as a percentage of net ticket sales was 4.9%. The International revenue as a percentage of net ticket sales is substantially a commission-only rate as the Group has only recently rolled out other revenue streams for International, including booking fees and other service fees.

UK Consumer

During the periods under review, the Group's commission rates on UK rail tickets have remained stable, with a base commission of approximately 5.0% and commission upside from sales of inbound rail tickets (8.0%) and a higher commission on UK coach sales. Commissions (as a percentage of revenue) increased from 58% in the year ended 28 February 2017, to 60% in the year ended 28 February 2018, to 63% in the year ended 28 February 2019, largely due to the declining proportion of fees. Fees (as a percentage of revenue) have declined during the period under review from 42% in the year ended 28 February 2017 to 40% in the year ended 28 February 2018 and 37% in the year ended 28 February 2019, following the implementation of the Payment Services Directive II, which prohibited credit card processing fees and reflecting a shift in mix of tickets sold to on-the-day ticket purchases, which currently do not attract any booking fees. This decline was offset in part by increased revenue from ancillary services. As a result of the foregoing, the Group's UK Consumer revenue as a percentage of net ticket sales decreased from 8.8% in the year ended 28 February 2017 to 8.5% in the year ended 28 February 2018 to 8.3% in the year ended 28 February 2019. Revenue in the UK Consumer business continued to grow, however, as a result of a cumulative increase in net ticket sales.

International

The Group's revenue as a percentage of net ticket sales in its International business has been historically lower as a result of lower aggregate commissions (blended rate of approximately 4.2% in the year ended 28 February 2019) and fees in the Group's international markets, where ancillary and monetisation services are in the nascent stages of being rolled out because the Group has historically sought transaction volume growth over margin. In the years ended 28 February 2017, 2018 and 2019, the International revenue as a percentage of net ticket sales was 4.7%, 4.2% and 4.2%, respectively. As a result of monetisation avenues such as the multicurrency platform, booking fees and other ancillaries begin to come online in International, the Directors expect the International revenue as a percentage of net ticket sales in the year ending 29 February 2020 to rise to approximately 5 – 6%.

UK T4B

The UK T4B business model typically attracts lower fee revenue as a percentage of net ticket sales (see Part 6 (*Regulatory and Licensing Framework*)), and hence a lower revenue as a percentage of net ticket sales than the UK Consumer business. Revenue earned as a percentage of net ticket sales within the TMC, Corporate and white label solutions businesses are negotiated on a bespoke contractual basis which varies from client to client and is based on a blend of commissions received on underlying sales and fees charged to the client. Revenue earned as a percentage of net ticket sales for SME clients is determined on largely the same basis as it is for the consumer businesses, which has the effect of driving up overall UK T4B revenue as a percentage of net ticket sales given the higher revenue as a percentage of net ticket sales in the UK Consumer business. The UK T4B revenue as a percentage of net ticket sales was 4.8%, 4.8% and 4.9% in the years ended 28 February 2017, 2018 and 2019, respectively. Whilst the revenue as a percentage of net ticket sales is lower for UK T4B than for UK Consumer, it is important to note there are no marketing costs associated with T4B as those marketing costs are a cost to the T4B customer to drive traffic to their own sites.

International investment

The Group's International business began operations in 2014 with a view to offering a comprehensive, impartial "one stop shop" proposition that facilitates the planning and booking of rail journeys in and across Europe. Since then, the Group's International business has rapidly built a customer base that continues to grow, including in particular through the acquisition of Captain Train in April 2016. In addition, the International business expanded into coach in 2016 and entered into a partnership with JTB in 2018 to enable the sale of Japanese rail passes to inbound customers via the Trainline platform, demonstrating the traction Trainline has gained internationally and the growth opportunities that the Group's International business represents. The Group also intends to expand into North America and is in advanced discussions with US partners to secure direct distribution agreements for the sale of US rail and coach tickets to US and international customers and intends to expand its T4B businesses internationally and already has a small amount of Corporate business in France and Italy and one white label solutions customer in Austria.

The International business currently represents a small but growing proportion of Trainline's operations, with 3.2%, 5.2% and 6.9% of total revenue in the years ended 28 February 2017, 2018 and 2019, respectively and 4.6%, 8.1% and 10.9% of Group net ticket sales in the years ended 28 February 2017, 2018 and 2019, respectively. Although the Directors expect that International will remain a relatively smaller proportion of the

overall Trainline business at least in the medium-term compared to the UK Consumer business, Trainline's international expansion is a key part of the Group's growth strategy and the Directors expect the International business will represent an increasing proportion of the Group's business in the longer term.

Marketing spend and customer acquisition

Historically, the Group has invested significantly and diligently in marketing to grow the customer base. The Group's marketing strategy is focussed on its consumer businesses and involves the use of targeted campaigns to drive new customers, mobile app downloads and transactions which support growth in net ticket sales and active customers and enable the Group to scale customer acquisition at lower cost. During the periods under review, the Group's UK marketing expenditure in these areas was £17 million, £17 million and £16 million for years ended 28 February 2017, 2018 and 2019, respectively, representing 1.5%, 1.3% and 1.0% of UK Consumer net ticket sales over these periods.

Trainline's investment in marketing has helped the Group to grow its customer numbers dramatically since the year ended 28 February 2016, while decreasing its CPA. In the Group's UK Consumer business, the number of new customers acquired from the year ended 28 February 2016 to the year ended 28 February 2019 increased by 1.5 times, with a CAGR of 13% from the year ended 28 February 2017 to the year ended 28 February 2019 and the CPA decreasing by 50% from the year ended 28 February 2016 to the year ended 28 February 2019 and by a CAGR of 15% from the year ended 28 February 2017 to the year ended 28 February 2019. In International, the number of new customers acquired increased by 5 times from the year ended 28 February 2017 to the year ended 28 February 2019, with the CPA decreasing by a CAGR of 29%. The Group has also seen growth in monthly active UK Consumer customers at a CAGR of 24% from the year ended 28 February 2017 to the year ended 28 February 2019 and increasing transaction frequency per cohort of customers acquired in a given year, which the Directors believe is driven at least in part by the shift to mobile and eTickets.

Combined, the growth in customers and frequency per customer results in strong growth in gross transactions per annual cohort and compelling customer payback metrics. In UK Consumer, based on the Company's analyses of consumer behaviour and its marketing expenditures, the Directors expect a return on investment (defined as cumulative gross profit less marketing costs divided by marketing costs) from the 2017 customer cohort of 0.1 times within six months, 0.8 times within one year, 2.7 times within 3 years and 4.3 times within five years; from the 2018 customer cohort of 0.3 times within six months, 1.1 times within one year, 3.6 times within three years and 5.8 times within five years; and from the 2019 cohort of 0.4 times within six months, 1.3 times within one year, 4.3 times within three years and 6.9 times within five years. In International, the Group expects that its ability to scale its marketing playbook and the rollout of monetisation opportunities will continue to drive down CPA, decreasing the expected time to break even from approximately 5 years to approximately 2-3 years.

The Directors believe that Trainline has now developed an efficient and highly replicable marketing playbook that will enable the Group to continue to drive demand at scale in new geographies whilst maintaining a low cost per customer acquisition.

Investment in technology and products

The Group's business strategy relies significantly on continuing to develop innovative products and features that address customer needs and differentiate the Group and its product offering from its competitors.

During the periods under review, the Group has made substantial investments in its technology and product offering, amounting to £12.7 million, £27.1 million and £32.4 million in capital expenditures for the years ended 28 February 2017, 2018 and 2019, respectively, with a view to expanding its operations and enhancing customer experience. A significant portion of the Group's capital expenditures related to the development of the Group's Single Global Platform, which increases the scalability and reliability of the Group's software platform and contributes to the Group's operating leverage. In the years ended 28 February 2017, 2018 and 2019, the Single Global Platform capital expenditures amounted to £3 million, £14 million and £18 million, respectively. The Single Global Platform also provides Trainline with the foundation for providing ancillary services to customers via the Trainline mobile app and website without significant additional development expenditure, driving increased revenue as a percentage of net ticket sales as discussed above in "Revenue earned on net ticket sales". In addition, the Directors believe that investments in the Group's mobile app, including by adding features such as price prediction, voice assistants and localised offerings, increase conversion rates, and, accordingly, the efficiency of the Group's expenditures. In the year ending 29 February 2020, the Group has budgeted approximately £25 million of capital expenditure, of which approximately £5 million relates to the Single Global Platform, thereafter the Group is targeting a capital expenditure budget over the medium term in the mid-to-high single digit percentage of revenues.

Payment and settlement procedures affecting the Group's cash flow

The Group has granted RSP a security interest in its dedicated collections account for sales under the RDG Licences and has provided RDG security over the Group's credit card receivables relating to sales made under the RDG Licences. In connection with the Third Party Retailing Licence and certain of its larger international carrier licences, the Group is required to secure its obligations to the carriers in respect of tickets sold.

As at 28 February 2019, the Group had drawn down £92.3 million of its £130 million revolving credit facility to satisfy security obligations to carriers. In relation to RSP, the amount of the bond is calculated each settlement period based on an agreed formula under the Third Party Retailing Licence and a similar concept applies in relation to security provided to certain international carriers under the relevant bilateral licence, pursuant to which the amount of the bond will increase if ticket sales increase. If the Group's sales of tickets continue to grow, the Group will therefore be required to maintain a larger line of credit to support the commensurate growth in the amount of the security bond. If the Group's security requirements exceed its available credit, the Group is required to provide cash top-ups to the bonding arrangements.

In the case of UK T4B, sales of rail tickets to corporate and SME customers and via the TOC white label solutions are made under Trainline's RDG Licences. Trainline's TMC customers can access and participate in a credit insurance arrangement (the "Tarif Scheme") with RSP, whereby the participating TMC is responsible for accounting directly to RSP for any rail products sold and for paying a separate commission sum to Trainline. This Tarif Scheme has the effect of (i) removing the participating TMCs from the scope of Trainline's security and bonding arrangements, thereby reducing the level of the security required to be maintained by Trainline and (ii) reducing the level of interim payments Trainline is required to make to RSP.

During the periods under review, these arrangements had a significant impact on the Group's working capital and cash flow management and mean the Group typically operates with negative net working capital and, taking into consideration the Group's cash position for the periods then ended, net cash flow generated from operating activities was £38.6 million for the year ended 28 February 2017, £37.2 million for the year ended 28 February 2018 and £72.2 million for the year ended 28 February 2019. See, "– Liquidity and Capital Resources – Cash Flow Statement."

Seasonality of ticket sales and its effect on cash flow

The Group's net ticket sales are subject to seasonal fluctuations, reflecting seasonal fluctuations in the rail industry, in the form of (i) a significant decrease in the periods encompassing Christmas and New Year, which reflects advance leisure rail ticket purchases made prior to the holiday period and an overall decrease in UK T4B net ticket sales during the Christmas and New Year period and (ii) a slight decrease in the July-August period, reflecting a decrease in UK and European corporate rail travel booking during the summer holidays. These fluctuations have an impact on cash flow for the Group. Because the fourth quarter of the financial year contains the Christmas period, quarter on quarter comparisons are influenced by the impact of lower transaction volumes during the Christmas period.

Acquisitions

In April 2016, the Group acquired Captain Train for total consideration of £110.8 million, financed with PIK Notes and equity investments. The acquisition gave the Group access to the technology underpinning Captain Train's itinerary calculation system, together with access to the European market. The results of Captain Train have been consolidated in the results of the Group's from 13 April 2016. The Directors will consider opportunistic acquisitions to acquire scale in other geographies where appropriate, in line with the Group's strategy.

Impact of the Refinancing

In connection with the Offer and Admission, the Group intends to repay in full its outstanding borrowings under the Existing Senior Facilities Agreement, utilising the net proceeds of the Offer receivable by the Company and borrowings available under the New Facilities Agreement. As a result of the Refinancing, the Group will reduce its outstanding debt by approximately £63.1 million. In addition, the Group expects to have significantly reduced finance costs in future periods compared to the prior periods under review. See paragraph 17.4 of Part 15 (*Additional Information*) for more information on the Refinancing.

CURRENT TRADING AND PROSPECTS

Trainline's business plan sets out certain ambitions in respect of net ticket sales growth, revenue growth and Contribution margin for its UK and International businesses. These are forward-looking statements, based on assumptions that the Directors believe are reasonable, but which may turn out to be incorrect or different than

expected, and Trainline's ability to achieve them will depend on a number of factors, many of which are outside the Group's control, including significant business and economic uncertainties and risks, including those described in Part 1 (*Risk Factors*). As a result, Trainline's actual results may vary from the targets and ambitions set out below and those variations may be material.

In the UK Consumer business, looking forward, for the year ending 29 February 2020, the Group is targeting net ticket sales growth in the high teens to low 20% range, with revenue growing at a slightly lower rate as a result of the continued shift toward on-the-day ticket sales which do not attract a booking fee. Over the medium term, the Group is targeting UK Consumer net ticket sales to grow in the mid- to high-teens, with the delta between net ticket sales growth and revenue to be approximately two to four percentage points as a result of continued strong growth in on-the-day tickets.

In the International business, the Group is targeting net ticket sales growth for the year ending 29 February 2020 at a rate slightly below the growth achieved in the year ended 28 February 2019, with revenue growth of approximately 80% to 100% due to the launch of new revenue streams. Over the medium term, the Group is targeting similar rates of net ticket sales growth, with revenue growth broadly in line with net ticket sales growth.

In the UK T4B business, the Group is targeting net ticket sales growth in the low-to-mid single digits and flat revenue growth for the year ending 29 February 2020, primarily as a result of the termination of the Egencia TMC contract following the acquisition of SilverRail by the parent company of Egencia, Expedia. Over the medium term, the Group is targeting low-to-mid single digit net ticket sales growth and revenue growth broadly in line with net ticket sales growth.

On a group-wide basis, the Group accordingly is targeting overall net ticket sales growth in the high teens for the year ending 29 February 2020 and over the medium term. Revenue growth for the year ending 29 February 2020 is expected to be broadly in line with net ticket sales growth with the shift to on-the-day ticket sales in UK Consumer offset by new revenue streams in International. Revenue growth in the medium term is expected to be in the high teens range. In respect of Contribution margin, over the medium term, the Group is targeting a high 50% range for its UK business, and for the International business to achieve breakeven on a full year basis within the next three years.

Trainline has had a strong start to the year ending 29 February 2020. Within UK Consumer, the Directors expect net ticket sales growth for the year to be near the top end of the targeted range with a smaller-than-expected delta between net ticket sales and revenue growth. Within UK T4B and International, net ticket sales growth remains in line with the Directors' expectations for the year.

RECENT ACCOUNTING PRONOUNCEMENTS

Trainline has considered the impact on the Group of new standards IFRS 9, IFRS 15, IFRS 16, amendments to standards and interpretations that are endorsed by the EU. The Group's assessment of the impact of these new standards is set out below:

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* was issued in July 2014 and was endorsed by the EU in 2016. It replaces existing financial instruments guidance, including IAS 39 *Financial Instruments: Recognition and Measurement*. This standard is effective for accounting periods commencing on or after 1 January 2018. The standard addresses the classification and measurement of financial instruments and will require additional disclosures. Further to this, a new impairment measurement model for financial assets based around expected credit losses has been introduced. There is no longer a requirement for a credit event to have occurred before a credit loss is recognised.

The Group has adopted the new standard in its consolidated financial information for the year ended 28 February 2019. The Group has considered the impact of adopting IFRS 9 and determined that there was no material impact on the Group's results and as such there is no required restatement disclosure.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* was issued in 2014 and was endorsed by the EU in 2016. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group has adopted IFRS 15 in its consolidated financial information for the year ending 28 February 2019 and has applied the practical expedients for completed contracts. Based on the Group's impact assessment, IFRS 15 has not had a significant impact on revenue recognised in comparative periods. As such, revenue for the year ended 28 February 2018 and 29 February 2017 does not require restatement due to the adoption of IFRS 15.

Consumer

As described in Note 1 to the Group's Historical Financial Information, the Group's consumer revenue relates to commission earned from carriers on ticket sales and service charges billed to customers. Each sales transaction represents a performance obligation and the related revenue is recognised at the time of the sale. The Group acts as an agent in these transactions, as it does not control the services promised prior to transferring them to its customers.

T4B

Revenue earned from branded travel portal platforms is recognised in three key elements represented by bespoke feature builds, monthly maintenance and contribution earned per transaction processed. Each of these elements represent a separate performance obligation. Revenue is recognised over time for maintenance and connections to existing features and point in time for bespoke builds and contributions earned per transaction.

IFRS 16 Leases

IFRS 16 *Leases* was issued in January 2016, and was endorsed by the EU in 2017. IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a corresponding lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items.

IFRS 16 replaces existing leases guidance including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of IFRS 16.

The Group plans to adopt IFRS 16 in its consolidated financial information for the year ending 29 February 2020. This will result in the Group's London, Paris and Edinburgh office leases being recognised on the balance sheet through new right of use assets and lease liabilities. The current lease costs relating to these buildings total £2.7 million per annum and the largest two leases relating to the London office have a remaining life of 7 years. The Group expects that IFRS 16 will result in Adjusted EBITDA increasing as a result of these lease costs no longer being reported in administrative expenses. Instead, a depreciation charge on the new right of use asset will be recognised, along with an interest charge on the new lease liability. The aggregate value of the depreciation and interest charges will be materially similar (but not exactly the same) as the lease cost previously reported in administrative expenses. The Group does not expect the new standard will have any material impact on net profit after tax, total comprehensive income or equity.

DESCRIPTION OF KEY LINE ITEMS

Revenue

Within UK Consumer and International, revenue primarily comprises amounts earned by the Group from the sale of rail and coach tickets in the form of both commission earned from carriers on ticket sales and service charges billed directly to the customer. Revenue associated with ticket sales and associated ancillary services is recognised at the point of sale. UK Consumer and International revenue also includes administration fees for processing ticket refunds. Ticket refund administration fees are recognised at the time the refund is processed.

Within UK T4B, revenue is also recognised in relation to branded travel platforms for corporates and TMCs and white label ecommerce platforms for rail carriers. Revenue relating to bespoke build and customisation of a product is recognised when the product is fully mobilised for use by the customer. Revenue is also recognised in the form of fixed fees and/or contribution per transaction to cover the maintenance of the product. Revenue is recognised over time for maintenance and point in time for the contribution per transaction.

Cost of sales

Costs of sales include costs in relation to the provision of rail tickets, software services, ancillary services and settlement and fulfilment costs.

Administrative expenses

Administrative expenses relate to the costs of hosting, developing and supporting the Single Global Platform and other software, employment benefit expenses, marketing and other costs, including exceptional costs such as

transaction costs and exceptional restructuring costs. The systems costs associated with hosting, application and support are largely fixed in nature, as are the costs associated with employment benefit expenses. Marketing and other costs, including exceptional costs, are discretionary and variable. Administrative expenses are partially directly allocable to the Group's business segments and geographies. Costs which by their nature cannot be allocated to a specific segment are included within central administrative expenses. These include central staff costs relating to general management, administration, technology and back office functions as well as occupancy, finance and professional and IT costs.

Adjusted EBITDA

The Directors believe that Adjusted EBITDA is a meaningful measure of the Group's operating performance and debt servicing ability without regard to amortisation and depreciation methods which can differ significantly. Adjusted EBITDA is calculated as profit/(loss) after tax before net financing income/(expense), tax, depreciation and amortisation, exceptional items and share based payment charges. Exceptional items are excluded as management believe their nature could distort trends in the Group's underlying earnings. This is because they are often one off in nature and, not related to underlying trade. Share based payment charges are also excluded as they can fluctuate significantly year on year, please see Part 2 (*Presentation of Financial and Other Information*)

Depreciation and amortisation

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. 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 generally recognised in the income statement. Goodwill is not amortised.

Share based payment charges

The Group holds two cash settled share-based payment schemes: the Joint Share Ownership Plan ("JSOP") and phantom shares and convertible preferred equity certificates ("cPECs") (the cPECs, together with the phantom shares, the "phantom securities") relating to the Group's acquisition of Captain Train. Cash-settled share based payments to employees are initially measured and recorded as a liability at the fair value of the equity instruments. The initial fair value is then expensed in employee benefit expenses evenly over the vesting period. The fair value is re-measured at each balance sheet date with any changes recognised in finance costs for the relevant period.

Exceptional items

Exceptional items are costs or credits that, by virtue of their nature and incidence, have been disclosed separately in order to improve a reader's understanding of the Group's financial information. Exceptional items are one off in nature or are not considered to be part of the Group's operating activities.

Net finance costs

Net finance costs comprise bank interest income and interest expense on borrowings, as well as foreign exchange gains, losses and fair value movements on the Group's interest rate cap and fair value re-measurements in relation to share based payments and put/call option liabilities. Interest income and expense is recognised as it accrues in the income statement, using the effective interest method.

Income tax

Income tax credit / (expense) comprises current and deferred tax and 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 of the Group. 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. 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. The current tax charge primarily consists of corporate tax arising in the UK, and the deferred tax credit primarily results from the unwinding of deferred tax liabilities arising on acquired intangibles.

RESULTS OF OPERATIONS

The table below presents the Group's results of operations for the periods indicated which has been extracted without material adjustment from the historical financial information set out in Part 12 (*Historical Financial Information*).

| | Year ended 28 February | | |
|--------------------------------------|--|--|-----------------|
| | 2017 ⁽¹⁾ <i>(restated)</i> | 2018 ⁽¹⁾⁽²⁾ <i>(restated)</i> <i>(£000)</i> | 2019 |
| Revenue | 152,772 | 177,993 | 209,504 |
| Cost of sales | (41,162) | (48,146) | (54,059) |
| Gross profit | 111,610 | 129,847 | 155,445 |
| Administrative expenses | (122,849) | (137,398) | (144,932) |
| Adjusted EBITDA* | 30,686 | 30,633 | 52,628 |
| Depreciation and amortisation | (34,977) | (34,137) | (38,942) |
| Share based payment charges | (168) | (1,846) | (3,309) |
| Exceptional items | (6,780) | (2,201) | 136 |
| Operating profit/(loss) | (11,239) | (7,551) | 10,513 |
| Finance income | 228 | 161 | 1,100 |
| Finance costs | (20,188) | (22,034) | (25,275) |
| Net finance costs | (19,960) | (21,873) | (24,175) |
| Loss before tax | (31,199) | (29,424) | (13,662) |
| Income tax credit / (charge) | 962 | 5,222 | (8) |
| Loss after tax | (30,237) | (24,202) | (13,670) |

* Non-IFRS financial measure. For a reconciliation of Adjusted EBITDA to Loss before tax, see Part 2 (*Presentation of Financial and Other Information*) – “Non-IFRS financial information”

- (1) The comparative financial information for each of the years ended 28 February 2017 and 2018 has been restated for the consolidation of the EBT and to reflect share-based payment arrangements and classification. For additional details on the prior period restatements, see Note 27 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*).
- (2) The comparative financial information for the year ended 28 February 2018 has been restated for the removal of a deferred tax amount. For additional details on the prior period restatements, see Note 27 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*).

Results of operations for the year ended 28 February 2019 compared to the year ended 28 February 2018

Revenue

Revenue increased by £31.5 million, or 17.7%, to £209.5 million in the year ended 28 February 2019 from £178.0 million in the year ended 28 February 2018. This increase was primarily due to increased volume of tickets sold in the UK Consumer segment, offset by a declining average transaction value and a lower revenue as a percentage of net ticket sales arising as a result of increased sales of on-the-day tickets, which do not attract booking fees, and growth in the International segment.

The table below provides a breakdown of Trainline's revenue by segment for the years ended 28 February 2018 and 2019:

| | Year ended 28 February | | | |
|----------------------|------------------------|--------------|-----------------------|--------------|
| | 2018 <i>(£000)</i> | % Total | 2019 <i>(£000)</i> | % Total |
| UK Consumer | 114,397 | 64.3 | 136,660 | 65.2 |
| International | 9,197 | 5.2 | 14,478 | 6.9 |
| UK T4B | 54,399 | 30.6 | 58,366 | 27.9 |
| Revenue | 177,993 | 100.0 | 209,504 | 100.0 |

UK Consumer revenue increased by £22.3 million, or 19.5%, to £136.7 million in the year ended 28 February 2019 from £114.4 million in the year ended 28 February 2018. This increase was primarily due to an increase in the volume of tickets sold, particularly driven by an increase in purchases on mobile devices, offset slightly by a decrease in booking fees, service fees and ancillary revenue following the implementation of the Payment Services Directive II, which prohibited credit card processing fees, and reflecting the ongoing shift in mix of tickets sold.

International revenue increased by £5.3 million, or 57.4%, to £14.5 million in the year ended 28 February 2019 from £9.2 million in the year ended 28 February 2018. This increase was primarily a result of the purchase of partnering with new rail carriers and the increase in marketing spend, driving overall transaction growth.

UK T4B revenue increased by £4.0 million, or 7.3%, to £58.4 million in the year ended 28 February 2019 from £54.4 million in the year ended 28 February 2018. This increase was primarily due to the increase in the volume of tickets sold, which was offset somewhat by a lower average transaction value due to increased purchases of “on the day” tickets by SMEs.

Cost of sales

Cost of sales increased by £5.9 million, or 12.3%, to £54.1 million in the year ended 28 February 2019 from £48.1 million in the year ended 28 February 2018. This increase was primarily due to increased transaction volumes and some inefficiencies in International related to cost of payments, with a greater mix of cross-border and international inbound journeys, partially offset by lower fulfilment costs per transaction due to increased use of eTickets in the United Kingdom.

The table below provides a breakdown of Trainline’s cost of sales by segment for the years ended 28 February 2018 and 2019:

| | Year ended 28 February | | | |
|----------------------------|------------------------|--------------|-----------------|--------------|
| | 2018 | % Total | 2019 | % Total |
| | (£000) | | (£000) | |
| UK Consumer | (26,161) | 54.3 | (29,703) | 54.9 |
| International | (3,060) | 6.4 | (6,607) | 12.2 |
| UK T4B | (18,925) | 39.3 | (17,749) | 32.8 |
| Cost of sales | (48,146) | 100.0 | (54,059) | 100.0 |

Administrative expenses

Administrative expenses increased by £7.5 million, or 5.5%, to £144.9 million in the year ended 28 February 2019 from £137.4 million in the year ended 28 February 2018. This increase was primarily due to staff overheads driven by investment in more employees to help scale and grow the business and higher average salaries along with increased marketing costs primarily directed to expansion of the international business.

Adjusted EBITDA

Adjusted EBITDA increased by £22.0 million, or 71.8%, to £52.6 million in the year ended 28 February 2019 from £30.6 million in the year ended 28 February 2018. This increase was primarily due to volume growth and operating leverage, as revenue and gross profit continued to grow at a faster rate than operating expenses as the business began to realise the benefits of scale.

The table below provides a breakdown of Contribution by geography and Adjusted EBITDA for the years ended 28 February 2018 and 2019:

| | Year ended 28 February | |
|---------------------------------------|------------------------|---------------|
| | 2018 | 2019 |
| | (£000) | |
| Total UK Contribution | 87,220 | 111,896 |
| International Contribution | (18,306) | (18,013) |
| Group Contribution | 68,914 | 93,883 |
| Central Administrative expenses | (38,281) | (41,255) |
| Adjusted EBITDA | 30,633 | 52,628 |

For definitions of and reconciliations for Adjusted EBITDA and Contribution, see Part 2 (*Presentation of Financial and Other Information*) – “Non-IFRS Financial Information”.

Depreciation and amortisation

Depreciation and amortisation increased by £4.8 million, or 14.1%, to £38.9 million in the year ended 28 February 2019 from £34.1 million in the year ended 28 February 2018. This increase was primarily due to depreciation of the Single Global Platform.

Share based payment charges

Share based payment charges were £3.3 million in the year ended 28 February 2019, compared to £1.8 million in the year ended 28 February 2018, as a result of a net increase over the year in the number of awards granted pursuant to the Group's JSOP from 45,214 shares as at 28 February 2018 to 58,108 shares as at 28 February 2019, which was partially offset by a forfeiting of awards under the JSOP and of phantom shares. This net increase in shares covered resulted in an increase to the carrying value and fair value of the share-based payment arrangements recorded in employee costs.

Exceptional items

Exceptional items were a benefit of £0.1 million in the year ended 28 February 2019, compared to a cost of £2.2 million in the year ended 28 February 2018. Exceptional items in the year ended 28 February 2019 consisted of restructuring costs offset by a recovery of an indemnity claim and VAT recoveries on historic acquisition costs. Exceptional items in the year ended 28 February 2018 primarily consisted of costs associated with restructuring and legal fees.

Operating profit/(loss)

As a result of the above, the Group's operating profit for the period was £10.5 million for the year ended 28 February 2019, compared to an operating loss of £7.6 million for the year ended 28 February 2018.

Finance income

Finance income increased to £1.1 million in the year ended 28 February 2019 from £0.2 million in the year ended 28 February 2018. This increase was primarily due to £0.8 million relating to revaluation gains on share-based payment liabilities as well as increased bank interest income.

Finance costs

Finance costs increased by £3.2 million, or 14.7%, to £25.3 million in the year ended 28 February 2019 from £22.0 million in the year ended 28 February 2018. This increase was primarily due to increased interest on bank loans relating to the extension of the Group's senior credit facilities, as well as to losses on foreign exchange and interest rate swaps.

Income tax

Income tax credit decreased to a charge of less than £0.1 million in the year ended 28 February 2019 from a credit of £5.2 million in the year ended 28 February 2018. This decrease was primarily due to reduced losses before tax.

Loss for financial period

As a result of the above, the Group's loss for financial period was £13.7 million for the year ended 28 February 2019, compared to £24.2 million for the year ended 28 February 2018.

Results of operations for the year ended 28 February 2018 compared to the year ended 28 February 2017

Revenue

Revenue increased by £25.2 million, or 16.5%, to £178.0 million in the year ended 28 February 2018 from £152.8 million in the year ended 28 February 2017. This increase was primarily due to growth in net ticket sales across all of the Group's segments, in particular UK Consumer, as well as a near doubling of International revenue, partially offset by a moderate decline in average transaction value driven by the shift to on-the-day and mobile tickets.

The table below provides a breakdown of Trainline's revenue by segment for the years ended 28 February 2017 and 2018:

| | Year ended 28 February | | | |
|----------------------|------------------------|--------------|----------------|--------------|
| | 2017 | % Total | 2018 | % Total |
| | (£000) | | (£000) | |
| UK Consumer | 97,618 | 63.9 | 114,397 | 64.3 |
| International | 4,883 | 3.2 | 9,197 | 5.2 |
| UK T4B | 50,271 | 32.9 | 54,399 | 30.6 |
| Revenue | 152,772 | 100.0 | 177,993 | 100.0 |

UK Consumer revenue increased by £16.8 million, or 17.2%, to £114.4 million in the year ended 28 February 2018 from £97.6 million in the year ended 28 February 2017. This increase was primarily due to growth in net ticket sales.

International revenue increased by £4.3 million, or 88.3%, to £9.2 million in the year ended 28 February 2018 from £4.9 million in the year ended 28 February 2017. This increase was partly due to the full year impact of the Captain Train acquisition and partly driven by an increase in net ticket sales.

UK T4B revenue increased by £4.1 million, or 8.2%, to £54.4 million in the year ended 28 February 2018 from £50.3 million in the year ended 28 February 2017. This increase was primarily due to growth in net ticket sales, which was offset somewhat by a lower average transaction value.

Cost of sales

Cost of sales increased by £7.0 million, or 17.0%, to £48.1 million in the year ended 28 February 2018 from £41.2 million in the year ended 28 February 2017. This increase was primarily due to growth in transaction volumes.

The table below provides a breakdown of Trainline's cost of sales by segment for the years ended 28 February 2017 and 2018:

| | Year ended 28 February | | | |
|----------------------------|------------------------|--------------|-----------------|--------------|
| | 2017 | % Total | 2018 | % Total |
| | (£000) | | (£000) | |
| UK Consumer | (21,648) | 52.6 | (26,161) | 54.3 |
| International | (1,642) | 4.0 | (3,060) | 6.4 |
| UK T4B | (17,871) | 43.4 | (18,925) | 39.3 |
| Cost of sales | (41,162) | 100.0 | (48,146) | 100.0 |

Administrative expenses

Administrative expenses increased by £14.5 million, or 11.8%, to £137.4 million in the year ended 28 February 2018 from £122.8 million in the year ended 28 February 2017. This increase was primarily due to increased marketing and staff cost spend.

Adjusted EBITDA

Adjusted EBITDA was broadly stable and decreased by £0.1 million, or 0.2%, to £30.6 million in the year ended 28 February 2018 from £30.7 million in the year ended 28 February 2017. This reflects investments made in scaling the business for international expansion, including through increasing marketing spend by £8.4 million to £31.7 million in the year ended 28 February 2018. Adjusted EBITDA was also impacted by higher staff bonuses, which was offset by increased revenue.

The table below provides a breakdown of Contribution by geography and Adjusted EBITDA for the years ended 28 February 2017 and 2018:

| | <u>Year ended 28 February</u> | |
|---------------------------------------|-------------------------------|----------------------|
| | <u>2017</u> | <u>2018</u> |
| | (£000) | |
| Total UK Contribution | 74,173 | 87,220 |
| International Contribution | <u>(11,140)</u> | <u>(18,306)</u> |
| Group Contribution | 63,033 | 68,914 |
| Central administrative expenses | <u>(32,347)</u> | <u>(38,281)</u> |
| Adjusted EBITDA | <u>30,686</u> | <u>30,633</u> |

For definitions of and reconciliations for Adjusted EBITDA and Contribution, see Part 2 (*Presentation of Financial and Other Information*) – “*Non-IFRS Financial Information*”

Depreciation and amortisation

Depreciation and amortisation decreased by £0.8 million, or 2.4%, to £34.1 million in the year ended 28 February 2018 from £35.0 million in the year ended 28 February 2017.

Share based payment charges

Share based payment charges increased to £1.8 million in the year ended 28 February 2018 from £0.2 million in the year ended 28 February 2017. This change was primarily as a result of a net increase over the year in the number of awards granted pursuant to the Group’s JSOP from 41,005 shares as at 28 February 2017 to 45,214 shares as at 28 February 2018, which was partially offset by a forfeiting of awards under the JSOP and of phantom shares. This net increase in shares covered resulted in an increase to the carrying value and fair value of the share-based payment arrangements recorded in employee costs.

Exceptional items

Exceptional items were £2.2 million in the year ended 28 February 2018, compared to £6.8 million in the year ended 28 February 2017. Exceptional items in the year ended 28 February 2018 primarily consisted of costs associated with restructuring and legal fees. Exceptional items in the year ended 28 February 2017 consisted of costs related to the acquisition of Captain Train and the write-off of software development costs related to the old International technology platform.

Operating profit/(loss)

As a result of the above, the Group’s operating loss was £7.6 million for the year ended 28 February 2018, compared to £11.2 million for the year ended 28 February 2017.

Finance income

Finance income decreased by £0.1 million, or 29.4%, to £0.1 million in the year ended 28 February 2018 from £0.2 million in the year ended 28 February 2017.

Finance costs

Finance costs increased by £1.8 million, or 9.1%, to £22.0 million in the year ended 28 February 2018 from £20.2 million in the year ended 28 February 2017. This increase was primarily due to increases on the amount of borrowings drawn and outstanding, and increased share based payment fair value re-measurement.

Income tax credit

Income tax credit was £5.2 million in the year 28 February 2018, compared to £1.0 million in the year ended 28 February 2017. This change was primarily due to the impact of losses which were not expected to be recoverable in the year ended 28 February 2017 and were therefore not recognised.

Loss for financial period

As a result of the above, the Group’s loss for financial period was £24.2 million for the year ended 28 February 2018, compared to £30.2 million for the year ended 28 February 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Group's primary sources of liquidity are the cash flows generated from its operations, along with long-term borrowings. The primary use of this liquidity is to fund the Group's operations.

Cash flows

The table below presents a summary of the Group's cash flows for the periods indicated, which have been extracted without material adjustment from the historical financial information set out in Part 12 (*Historical Financial Information*).

| | Year ended 28 February | | |
|--|------------------------|------------------------|---------------|
| | 2017 ⁽¹⁾ | 2018 ⁽¹⁾⁽²⁾ | 2019 |
| | (restated) | (restated) | |
| | (£000) | | |
| Net cash from operating activities | 38,629 | 37,158 | 72,175 |
| Net cash flow used in investing activities | (66,643) | (28,494) | (32,562) |
| Net cash flows (used in) / generated by financing activities | 65,778 | (12,441) | (14,313) |
| Net increase/(decrease) in cash and cash equivalents | 37,764 | (3,777) | 25,300 |
| Cash and cash equivalents at beginning of the year | 36,345 | 73,979 | 69,678 |
| Effect of foreign exchange on cash | (130) | (524) | (501) |
| Closing cash and cash equivalents | 73,979 | 69,678 | 94,477 |

(1) The comparative financial information for each of the years ended 28 February 2017 and 2018 has been restated for the consolidation of the EBT and to reflect share-based payment arrangements and classification. For additional details on the prior period restatements, see Note 27 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*).

(2) The comparative financial information for the year ended 28 February 2018 has been restated for the removal of a deferred tax amount. For additional details on the prior period restatements, see Note 27 of the Group's consolidated historical financial information in Part 12 (*Historical Financial Information*).

Cash flows from operating activities

Net cash inflow from operating activities increased by £35.0 million, or 94.2%, to £72.2 million in the year ended 28 February 2019 from £37.2 million in the year ended 28 February 2018 primarily due to strong growth in Adjusted EBITDA and the impact of the Group's net working capital cycle (described in "– Net working capital" below) as a result of increased net ticket sales.

Net cash inflow from operating activities decreased by £1.5 million, or 3.8%, to £37.2 million in the year ended 28 February 2018 from £38.6 million in the year ended 28 February 2017 primarily due to a smaller increase in the Group's trade payables arising as a result of short-term changes to the settlement cycle under the Third Party Retailing Licence.

Cash flows used in investing activities

Net cash outflow from investing activities increased by £4.1 million, or 14.3%, to £32.6 million in the year ended 28 February 2019 from £28.5 million in the year ended 28 February 2018 primarily due to increased purchases of property, plant and equipment and intangible assets relating to the development of the Single Global Platform.

Net cash outflow from investing activities decreased by £38.1 million, or 57.2%, to £28.5 million in the year ended 28 February 2018 from £66.6 million in the year ended 28 February 2017 primarily due to an increase in investment in intangible assets relating to development of the Single Global Platform and the non-recurrence of significant purchase of investment related to the Captain Train acquisition in the year ended 28 February 2017.

Cash flows used in financing activities

Net cash flows used in financing activities increased by £1.9 million, or 15.0%, to £14.3 million in the year ended 28 February 2019 from £12.4 million in the year ended 28 February 2018 primarily due to the redemption of phantom securities.

Net cash flows from financing activities changed from an inflow of £65.8 million in the year ended 28 February 2017 to an outflow of £12.4 million in the year ended 28 February 2018, primarily reflecting net cash flows from financing activities in the year ended 28 February 2017 related primarily to the proceeds of the PIK notes issued in connection with the Captain Train acquisition.

Net working capital

Trainline benefits from a negative net working capital cycle due to the mismatch in payments from customers and payments owed to rail carriers. While Corporate and TMC clients are invoiced in arrears, in UK Consumer and International, Trainline receives cash from customers prior to settling the associated liability with the rail carriers. RSP and certain of the European rail carriers impose a bonding requirement on Trainline for security over the liability, which is currently provided through letters of credit issued under the Group's revolving credit facility. If and to the extent there is a shortfall between the letters of credit and the bonding requirements, the Group will typically make cash top-up payments to RSP and the rail carriers.

The table below presents the Group's net working capital movements as at 28 February 2017, 2018 and 2019:

| | As at 28 February | | |
|--|---------------------|---------------------|---------------------|
| | 2017 ⁽¹⁾ | 2018 ⁽²⁾ | 2019 ⁽³⁾ |
| | (£000) | | |
| <i>Changes in working capital</i> | | | |
| Inventories | (1) | (12) | 19 |
| Trade and other receivables | (589) | (1,661) | (13,604) |
| Trade and other payables | 14,408 | 10,217 | 35,908 |
| Provisions | — | 188 | 74 |
| Net change in working capital | 13,818 | 8,732 | 22,397 |

(1) Includes cash outflows in relation to RSP rail bonding of £4.7 million

(2) Includes cash outflows in relation to RSP rail bonding of £9.3 million

(3) Includes a cash inflow in relation to RSP rail bonding of £14.0 million

The combination of the Group's negative working capital cycle and the growth in Adjusted EBITDA during the periods under review drives strong normalised operating free cash flow and normalised operating free cash flow conversion, with normalised operating free cash flow of £30.0 million, £25.0 million and £60.8 million in the years ended 28 February 2017, 2018 and 2019, respectively, and normalised operating free cash flow conversion rates of 98%, 82% and 115% in the years ended 28 February 2017, 2018 and 2019, respectively.

Borrowings

The table below presents a breakdown of the Group's interest-bearing loans and borrowings as at the dates indicated.

| | As at 28 February | | |
|--|-------------------|----------------|----------------|
| | 2017 | 2018 | 2019 |
| | (£000) | | |
| <i>Non-current liabilities</i> | | | |
| Secured bank loans ¹ | 197,725 | 199,032 | 198,954 |
| Unsecured PIK loan and accrued interest ² | 52,833 | 59,389 | 66,874 |
| Other term debt | 802 | 424 | 610 |
| | 251,360 | 258,845 | 266,438 |
| <i>Current liabilities</i> | | | |
| Accrued interest on secured bank loans | — | — | 2,815 |
| Secured bank loans | 80 | 200 | — |
| Total | 80 | 200 | 2,815 |

(1) Included within secured bank loans balance as at 28 February 2019 is the principal amount of £205.0 million (2018: £205.0 million, 2017: £205.0 million) and directly attributable transaction costs of £6.2 million (2018: £6.1 million, 2017: £7.3 million)

(2) Included within the unsecured PIK loan as at 28 February 2019 is the principal amount of £50.0 million (2018: £50.0 million, 2017: £50.0 million), accrued interest of £19.0 million (2018: £11.7 million, 2017: 5.3 million) and directly attributable transaction costs of £2.2 million (2018: £2.3 million, 2017: £2.5 million)

On 14 May 2019 the Group agreed with its lenders to refinance the PIK loan. As part of this refinancing, the Group agreed with its Lenders to increase the secured bank loan facility by £65m, to £270m, and gave notice to the PIK lenders that it would repay the PIK loan, in full, on 17 May 2019. Funding for the PIK repayment was made by drawing on the increased loan facility and the Group's existing cash resources. The term, interest rates and covenants of the increased bank loan facility remain unchanged. In connection with the Offer and Admission, the Group intends to repay in full its borrowings under its Existing Senior Facilities Agreement, utilising borrowings available under the New Facilities Agreement and the net proceeds of the Offer receivable by the Company (the "Refinancing"). See paragraph 17.4 in Part 15 (*Additional Information*) for more information on the Group's key financing arrangements.

Commitments and Contingent Liabilities

Commitments

The Group's commitments relate to non-cancellable operating leases. The table below presents a summary of the Group's commitments as at 28 February 2019.

| | <u>Less than one year</u> | <u>One to five years</u> | <u>More than five years</u> | <u>Total</u> |
|------------------------------------|-------------------------------|------------------------------|---------------------------------|---------------|
| Property, land and buildings | 3,068 | 11,585 | 6,911 | 21,564 |
| Total | 3,608 | 11,585 | 6,911 | 21,564 |

Contingent liabilities

Trainline had no material contingent liabilities as at 28 February 2019

Capital expenditure

The table below presents a breakdown of the Group's capital expenditure for the periods indicated.

| | <u>Year ended 28 February</u> | | |
|-------------------------------------|-------------------------------|------------------------|---------------|
| | <u>2017</u> | <u>(£000) 2018</u> | <u>2019</u> |
| Property, plant and equipment | 4,615 | 2,325 | 1,057 |
| Software development | 12,659 | 27,083 | 32,410 |
| Total | 17,274 | 29,408 | 33,467 |

The most significant element of the Group's capital expenditure during the period under review related to capitalised development spend associated with the Single Global Platform. Expenditure on property, plant and equipment relates to the purchase of physical computer equipment, property fit-out costs and leasehold improvements. In the year ending 29 February 2020, the Group has budgeted approximately £25 million of capital expenditure, of which approximately £5 million relates to the Single Global Platform, thereafter the Group is targeting a capital expenditure budget over the medium term in the mid-to-high single digit percentage of revenues.

Off-balance sheet arrangements

Trainline's off-balance sheet arrangements relate to its existing revolving credit facility, which is used to provide letters of credit required to secure the obligations of the Group to carriers in respect of tickets sold. In addition, the facility is available to fund short term working capital if required. This facility is not recognised on balance sheet unless amounts are drawn down in cash.

In October 2018, the Group entered into a refinancing agreement for an increased £130,000,000 revolving credit facility (facility of £60,000,000 as at 28 February 2018 and 28 February 2017) to be able to provide bonding security to carriers via bank guarantees and for general corporate liquidity purposes. Of the £130,000,000, £30,000,000 can be drawn down in either cash or bank guarantees and the remaining £100,000,000 can only be drawn down in bank guarantees.

The Group's revolving credit facility is secured by a fixed and floating charge over certain assets of the Group. Interest is payable on cash amounts drawn down at a margin of 2% to 3% above LIBOR and a commitment fee of 0.9% to 1.1% is payable on unutilised amounts.

An amount of £92,284,000 (2018: £59,340,000, 2017: £59,600,000) had been drawn down as at 28 February 2019 in respect of bank guarantees. No amounts have ever been drawn down in cash.

As described in paragraph 17.4 of Part 15 (*Additional Information*), in connection with the Refinancing, the Group's existing revolving credit facility will be refinanced and replaced with new revolving credit facilities. Trainline expects that, as with the existing revolving credit facility, the new revolving credit facilities will not be recognised on balance sheet unless amounts are drawn down in cash.

DIVIDEND POLICY

The Company currently intends to retain any future earnings to finance the operation and expansion of its business. The Company will review its capital allocation policy on an ongoing basis but does not expect to declare or pay any dividends for the foreseeable future.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

For a description of the Group's management of market, credit and liquidity risks, see Note 18 of Section B of Part 12 (*Historical Financial Information*).

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

For a description of the Group's critical accounting judgements and key sources of estimation uncertainty, see Note 1 of Section B of Part 12 (*Historical Financial Information*).

PART 11

Capitalisation and Indebtedness

Capitalisation and indebtedness

The capitalisation information has been extracted without material adjustment from the Group's financial information included in Part 12 (*Historical Financial Information*) as at 28 February 2019. The indebtedness information has been extracted without material adjustment from the management accounts of the Group.

| | <u>30 April 2019</u> |
|---|-------------------------|
| | (£'000) |
| Total current debt | |
| Guaranteed | — |
| Secured | 4,811 |
| Unguaranteed/unsecured | — |
| Total non-current debt (excluding current portion of long-term debt) | |
| Guaranteed | — |
| Secured | 199,701 |
| Unguaranteed/unsecured | <u>68,276</u> |
| Total indebtedness | <u>272,788</u> |
| | <u>28 February 2019</u> |
| | (£'000) |
| Shareholder's equity | |
| Share capital | 155 |
| Share premium | 26,283 |
| Other reserves | <u>210,151</u> |
| Total | <u>236,589</u> |

On 14 May 2019 the Group agreed with its lenders to refinance the PIK loan. As part of this refinancing, the Group agreed with its Lenders to increase the secured bank loan facility by £65m, to £270m, and gave notice to the PIK lenders that it would repay the PIK loan, in full, on 17 May 2019. Funding for the PIK repayment was made by drawing on the increased loan facility and the Group's existing cash resources. The term, interest rates and covenants of the increased bank loan facility remain unchanged.

The following table sets forth the Group's net indebtedness as at 30 April 2019.

| | <u>30 April 2019</u> |
|---|----------------------|
| | (£'000) |
| Cash | 123,466 |
| Cash equivalent | — |
| Trading securities | — |
| Liquidity | <u>123,466</u> |
| Current Financial Receivable | 282 |
| Current bank debt | — |
| Current portion of non-current debt | (4,811) |
| Other current financial debt | — |
| Current Financial Debt | <u>(4,811)</u> |
| Net Current Financial Cash / (Indebtedness) | <u>118,937</u> |
| Non-current bank loans | (199,701) |
| Bonds issued | — |
| Other non-current loans | <u>(68,276)</u> |
| Non Current Financial Indebtedness | <u>(267,977)</u> |
| Net Financial Indebtedness | <u>(149,039)</u> |

At 30 April 2019, the Group had also drawn down £96.2 million in letters of credit against its revolving credit facility in order to meet the security requirements under the RDG Licences and the Retailing Agent's Agreement.

PART 12

Historical Financial Information

Section A – Accountant’s report on the Historical Financial Information



KPMG LLP
15 Canada Square
London E14 5GL

The Directors
Trainline plc
120 Holborn
London EC1N 2TD

21 June 2019

Ladies and Gentlemen

Trainline plc

We report on the financial information set out in Section B, Part 12 for the three years ended 28 February 2019. This financial information has been prepared for inclusion in the prospectus dated 21 June 2019 of Trainline plc on the basis of the accounting policies set out in the notes to the financial information. This report is required by paragraph 20.1 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Trainline plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the prospectus dated 21 June 2019, a true and fair view of the state of affairs of Victoria Investments S.C.A. as at 28 February 2017, 28 February 2018 and 28 February 2019 and of its losses, cash flows and comprehensive income, and changes in equity for the three years then ended in accordance with the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 1.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

Section B – Historical Financial Information

Consolidated Income Statement

| | <i>Notes</i> | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 Restated | Year Ended 28 February 2017 £'000 Restated |
|---|--------------|--|--|--|
| Revenue | 2 | 209,504 | 177,993 | 152,772 |
| Cost of sales | 2 | (54,059) | (48,146) | (41,162) |
| Gross profit | | 155,445 | 129,847 | 111,610 |
| Administrative expenses | | (144,932) | (137,398) | (122,849) |
| Adjusted EBITDA* | 1g | 52,628 | 30,633 | 30,686 |
| Depreciation and amortisation | 8,9 | (38,942) | (34,137) | (34,977) |
| Share based payment charges | 21 | (3,309) | (1,846) | (168) |
| Exceptional items | 5 | 136 | (2,201) | (6,780) |
| Operating profit / (loss) | | 10,513 | (7,551) | (11,239) |
| Finance income | | 1,100 | 161 | 228 |
| Finance costs | | (25,275) | (22,034) | (20,188) |
| Net finance costs | 6 | (24,175) | (21,873) | (19,960) |
| Loss before tax | | (13,662) | (29,424) | (31,199) |
| Income tax (expense)/credit | 7 | (8) | 5,222 | 962 |
| Loss after tax | | (13,670) | (24,202) | (30,237) |
| | | £ | £ | £ |
| Basic earnings/(loss) per ordinary share | 24 | (41.99) | (49.20) | (52.29) |
| Diluted earnings/(loss) per ordinary share | 24 | (0.14) | (0.17) | (0.18) |

The notes on pages 121 to 158 form part of the Financial Information.

* Non-GAAP measure – for further details please refer to note 1g

Consolidated Statement of Other Comprehensive Income

| | <i>Notes</i> | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 Restated | Year Ended 28 February 2017 £'000 Restated |
|--|--------------|--|--|--|
| Loss after tax | | (13,670) | (24,202) | (30,237) |
| Items that may be reclassified to the income statement: | | | | |
| Re-measurements of defined benefit liability | <i>13</i> | 30 | 37 | 23 |
| Foreign exchange movement | | 506 | 36 | 1,640 |
| Fair value movement on interest rate cap | | — | 346 | — |
| Other comprehensive income, net of tax | | 536 | 419 | 1,663 |
| Total comprehensive loss | | (13,134) | (23,783) | (28,574) |

The notes on pages 121 to 158 form part of the Financial Information.

Consolidated Statement of Financial Position

| | <i>Notes</i> | As at 28 February 2019 £'000 | As at 28 February 2018 £'000 Restated | As at 28 February 2017 £'000 Restated |
|--|--------------|---------------------------------------|---|---|
| Non-current assets | | | | |
| Intangible assets | 8 | 114,770 | 119,663 | 125,256 |
| Goodwill | 8 | 443,271 | 443,271 | 443,271 |
| Property, plant and equipment | 9 | 5,462 | 6,044 | 5,180 |
| Derivative assets | | 460 | 1,539 | — |
| | | <u>563,963</u> | <u>570,517</u> | <u>573,707</u> |
| Current assets | | | | |
| Cash and cash equivalents | | 94,477 | 69,678 | 73,979 |
| Trade and other receivables | 10 | 47,196 | 37,505 | 35,874 |
| Current tax receivable | 7 | — | — | 2,651 |
| Inventories | | 25 | 44 | 32 |
| | | <u>141,698</u> | <u>107,227</u> | <u>112,536</u> |
| Current liabilities | | | | |
| Trade and other payables | 11 | (161,684) | (129,412) | (117,650) |
| Current tax payable | 7 | (1,093) | (178) | — |
| Loan and borrowings | 12 | (2,815) | (200) | (80) |
| | | <u>(165,592)</u> | <u>(129,790)</u> | <u>(117,730)</u> |
| Net current liabilities | | <u>(23,894)</u> | <u>(22,563)</u> | <u>(5,194)</u> |
| Total assets less current liabilities | | <u>540,069</u> | <u>547,954</u> | <u>568,513</u> |
| Non-current liabilities | | | | |
| Loan and borrowings | 12 | (266,438) | (258,845) | (251,360) |
| Other non-current liabilities | 20 | (19,561) | (18,641) | (17,061) |
| Share based payment liabilities | 21 | (8,033) | (6,882) | (5,021) |
| Provisions | 14 | (1,566) | (1,493) | (1,303) |
| Deferred tax liability | 7 | (7,882) | (12,870) | (20,489) |
| | | <u>(303,480)</u> | <u>(298,731)</u> | <u>(295,234)</u> |
| Net assets | | <u>236,589</u> | <u>249,223</u> | <u>273,279</u> |
| Equity | | | | |
| Share capital | 15 | 155 | 155 | 155 |
| Share premium | 15 | 26,283 | 26,283 | 26,283 |
| Convertible preferred equity certificates | 15 | 310,735 | 310,735 | 310,735 |
| Foreign exchange reserve | 15 | 2,186 | 1,680 | 1,644 |
| Other reserves | 15 | (2,894) | (2,486) | (2,772) |
| Retained earnings | | (99,876) | (87,144) | (62,766) |
| | | <u>236,589</u> | <u>249,223</u> | <u>273,279</u> |

The notes on pages 121 to 158 form part of the Financial Information.

Consolidated Statement of Changes in Equity

For the Year Ended 28 February 2019:

| | Share Capital £'000 | Share Premium £'000 | CPECs £'000 | Other Reserve £'000 | Foreign Exchange Reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---------------------------|---------------------------|----------------|---------------------------|---|-------------------------------|--------------------------|
| Balance as at 1 March 2018 | 155 | 26,283 | 310,735 | (2,486) | 1,680 | (87,144) | 249,223 |
| Loss after tax | — | — | — | — | — | (13,670) | (13,670) |
| Other comprehensive income | — | — | — | — | 506 | 30 | 536 |
| Other movements | — | — | — | (408) | — | 908 | 500 |
| Balance as at 28 February 2019 | 155 | 26,283 | 310,735 | (2,894) | 2,186 | (99,876) | 236,589 |

For the Year Ended 28 February 2018 – Restated:

| | Share Capital £'000 | Share Premium £'000 | CPECs £'000 | Other Reserve £'000 | Foreign Exchange Reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---------------------------|---------------------------|----------------|---------------------------|---|-------------------------------|--------------------------|
| Balance as at 1 March 2017 | 155 | 26,283 | 310,735 | (2,772) | 1,644 | (62,766) | 273,279 |
| Loss after tax | — | — | — | — | — | (24,202) | (24,202) |
| Other comprehensive income | — | — | — | — | 36 | 383 | 419 |
| Other movements | — | — | — | 286 | — | (559) | (273) |
| Balance as at 28 February 2018 | 155 | 26,283 | 310,735 | (2,486) | 1,680 | (87,144) | 249,223 |

For the Period Ended 28 February 2017 – Restated:

| | Share Capital £'000 | Share Premium £'000 | CPECs £'000 | Other Reserve £'000 | Foreign Exchange Reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---------------------------|---------------------------|----------------|---------------------------|---|-------------------------------|--------------------------|
| Balance as at 1 March 2016 | 128 | 1,054 | 269,286 | — | 4 | (33,055) | 237,417 |
| Loss after tax | — | — | — | — | — | (30,237) | (30,237) |
| Other Comprehensive income | — | — | — | — | 1,640 | 23 | 1,663 |
| Issuance of shares | 27 | 25,229 | — | — | — | — | 25,256 |
| Issuance of CPECs | — | — | 41,449 | — | — | — | 41,449 |
| Other movements | — | — | — | (2,772) | — | 503 | (2,269) |
| Balance as at 28 February 2017 | 155 | 26,283 | 310,735 | (2,772) | 1,644 | (62,766) | 273,279 |

Consolidated Statement of Cash Flow

| | Notes | 28 February 2019 £'000 | 28 February 2018 £'000 Restated | 28 February 2017 £'000 Restated |
|---|-------|------------------------------|--|--|
| Cash flows from operating activities | | | | |
| Loss after tax | | <u>(13,670)</u> | <u>(24,202)</u> | <u>(30,237)</u> |
| Adjustment for non-cash items: | | | | |
| Amortisation | 8 | 37,303 | 32,676 | 33,132 |
| Depreciation | 9 | 1,639 | 1,461 | 1,845 |
| Net finance costs | 6 | 24,175 | 21,873 | 19,960 |
| Write down software development | | — | — | 905 |
| Share based payment charges | 21 | 3,309 | 1,846 | 168 |
| Tax | | <u>8</u> | <u>(5,222)</u> | <u>(962)</u> |
| | | 52,764 | 28,432 | 24,811 |
| <i>Changes in working capital</i> | | | | |
| Inventories | | 19 | (12) | (1) |
| Trade and other receivables | | (13,604) | (1,661) | (589) |
| Trade and other payables | | 35,908 | 10,217 | 14,408 |
| Provisions | | <u>74</u> | <u>188</u> | <u>—</u> |
| Cash generated from operating activities | | 75,161 | 37,164 | 38,629 |
| Taxes paid | | <u>(2,986)</u> | <u>(6)</u> | <u>—</u> |
| Net cash from operating activities | | 72,175 | 37,158 | 38,629 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment and intangible assets | | (32,562) | (28,494) | (17,274) |
| Acquisition net of cash acquired | 25 | <u>—</u> | <u>—</u> | <u>(49,369)</u> |
| Net cash flow used in investing activities | | (32,562) | (28,494) | (66,643) |
| Cash flows from financing activities | | | | |
| Interest paid | | (11,385) | (11,881) | (11,764) |
| Proceeds from new borrowings | | — | — | 50,000 |
| Proceeds from new CPECs issued | | — | — | 19,018 |
| Issue costs relating to loans and borrowings | | (925) | — | (2,467) |
| Redemption of other non-current liabilities | | (2,003) | (560) | — |
| Shares issued | | <u>—</u> | <u>—</u> | <u>10,991</u> |
| Net cash flows (used in) / generated by financing activities | | (14,313) | (12,441) | 65,778 |
| Net increase/(decrease) in cash and cash equivalents | | 25,300 | (3,777) | 37,764 |
| Cash and cash equivalents at beginning of the year | | 69,678 | 73,979 | 36,345 |
| Effect of foreign exchange on cash | | <u>(501)</u> | <u>(524)</u> | <u>(130)</u> |
| Closing cash and cash equivalents | | <u>94,477</u> | <u>69,678</u> | <u>73,979</u> |

The notes on pages 121 to 158 form part of the financial statements

Notes

(Forming part of the Financial Information)

1. General information

This section describes how the Financial Information has been prepared, as well as the critical accounting judgements and key sources of estimation uncertainty that the Group has identified that could potentially have a material impact on the consolidated Financial Information in the next 12 months. This note also sets out the significant accounting policies that relate to the Financial Information as a whole. Where an accounting policy is mainly applicable to a specific note to the Financial Information, the policy is described within that note. Where the Group believes any new Accounting Standards yet to be adopted could have a material impact, these have also been disclosed in this note.

a) Basis of preparation

Victoria Investments S.C.A (referred to as the “Company”) is a company incorporated in the Grand-Duchy of Luxembourg. The Group financial information consolidates those of the Company and its subsidiaries (together referred to as the “Group”).

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated Financial Information has been prepared under the historical cost convention except for certain financial instruments (including derivative instruments), pension assets and liabilities which are measured at fair value.

The Group’s principal activity during the period was that of rail and bus ticket retail, fulfilment, distribution and information service provision on behalf of carriers and customers, with ancillary services being offered in conjunction with the core journey.

The financial information presented herein is for the year from 1 March 2016 to 28 February 2017 and the years from 1 March 2017 to 28 February 2018 and 1 March 2018 to 28 February 2019.

The Company is a partnership limited by shares within the definition of the Luxembourg Law of August 10, 1915. The address of the registered office during the year ended 28 February 2019 was 63, rue de Rollingergrund, L-2440 Luxembourg.

b) Basis of measurement

The financial information is prepared on the historical cost basis except for the following:

- Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell
- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through the income statement are measured at fair value

The accounting policies set out in the sections below have, unless otherwise stated, been applied consistently to all periods presented within the financial information and have been applied consistently by all subsidiaries.

c) Functional and presentation currency

This financial information is presented in Sterling. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d) Going concern

The consolidated financial information has been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due for at least 12 months from the end of the reporting period. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current bank and other borrowing facilities.

Notes (continued)

1. General information (continued)

e) Basis of consolidation

(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 information of subsidiaries are included in the consolidated financial information from the date on which control commences until the date on which control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

f) Revenue and cost of sales

(i) Revenue

Consumer

Revenue primarily comprises amounts earned by the Group from the sale of rail and coach tickets in the form of commission earned from carriers on ticket sales and service charges billed directly to the customer. Revenue associated with ticket sales and associated ancillary services is recognised at the point of sale. Revenue also includes administration fees for processing ticket refunds. Ticket refund administration fees are recognised at the time the refund is processed. Consumer revenue is reported under the UK Consumer and International segment.

T4B

Revenue is also recognised in relation to branded travel portal platforms for corporate and travel management companies and white label ecommerce platforms for Train Operating Companies. Revenue relating to bespoke build and customisation of a product is recognised when the product is fully mobilised for use by the customer. Revenue is also recognised in the form of fixed fees and/or contribution per transaction to cover the maintenance of the product. Revenue is recognised over time for maintenance and point in time for the contribution per transaction. T4B is reported in the T4B segment.

(ii) Cost of Sales

Costs of sales include costs in relation to the provision of rail tickets, ancillary services, settlement and fulfilment costs and are recognised at the point of sale.

g) Non-GAAP Measures

When discussing and assessing performance of the Group Management use certain measures which are not defined under IFRS, referred to as 'Non-GAAP measures'. These measures are used on a supplemental basis as they are considered to be indicators of the underlying performance and success of the Group.

The Non GAAP measures used within this Financial Information are:

(i) Net Ticket Sales

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

Management believe Net Ticket Sales are a meaningful measure of the Group's operating performance and size of operations.

Notes (continued)

1. General information (continued)

(ii) Adjusted EBITDA

Management believe that Adjusted EBITDA is a meaningful measure of the Group's operating performance and debt servicing ability without regard to amortisation and depreciation methods which can differ significantly.

Adjusted EBITDA is calculated as profit/(loss) after tax before net financing income/(expense), tax, depreciation and amortisation, exceptional items and share based payment charges.

Exceptional items are excluded as management believe their nature could distort trends in the Group's underlying earnings. This is because they are often one off in nature or not related to underlying trade. Share based payment charges are also excluded as they can fluctuate significantly year on year.

h) 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 re-translated.

For the purpose of presenting the consolidated financial information, 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.

i) Use of judgements and estimates

In preparing this financial information, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates is recognised prospectively.

Areas of Judgement

The areas of judgement which have the most significant effect on the amounts recognised in the financial information are:

- Note 21 – Share based payments

Judgement is required to assess whether Share Based Payment arrangements are cash or equity settled. IFRS 2 requires that the Group's share-based payment arrangements are initially measured and recorded as a liability at the fair value of the equity instrument. For cash settled arrangements the fair value is remeasured at each balance sheet date with any changes recognised in finance cost. When calculating the fair value of these arrangements a number of assumptions are applied in arriving at the fair value, including the expected financial results of the Group and the expected timing of a liquidity event.

Management do not consider any of the estimates made in this financial information are likely to lead to a material adjustment in the next financial year, as such none are deemed significant estimates, however there are a number of other estimates which involve estimation uncertainty as described below:

- Note 8 – Goodwill impairment test: key assumptions underlying recoverable amounts;

An impairment review is performed of goodwill balances held by the Group on a 'value in use' basis, which requires judgement in estimating the future cash flows, the time period over which they will

Notes (continued)

1. General information (continued)

occur, and in arriving at an appropriate discount rate to apply to the cashflows as well as an appropriate long term growth rate. Each of these judgements has an impact on the overall value of cashflows expected and therefore the headroom between the cashflows and carrying values of the cash generating units.

- Note 8 – Useful life of intangible assets, including related deferred tax liabilities;

Intangible assets that are developed or acquired by the Group have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. The estimated useful lives which are used to calculate amortisation are based on length of time these assets are expected to generate income and be of benefit to the Group. Judgement is required when estimating the useful life to amortise assets over as the length of useful life, particularly in relation to software assets which can often have varying expected useful lives dependent on the type of asset and speed of technological development.

j) New standards and interpretations not yet adopted

Management has considered the impact on the Group of new standards IFRS 9, IFRS 15, IFRS 16, amendments to standards and interpretations that are endorsed by the EU. The Group's assessment of the impact of these new standards is set out below.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments was issued in July 2014 and was endorsed by the EU in 2016. It replaces existing financial instruments guidance, including IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for accounting periods commencing on or after 1 January 2018. The standard addresses the classification and measurement of financial instruments and will require additional disclosures. Further to this, a new impairment measurement model for financial assets based around expected credit losses has been introduced. There is no longer a requirement for a credit event to have occurred before a credit loss is recognised.

The Group has adopted the new standard in its consolidated financial information for the year ended 28 February 2019. The Group has considered the impact of adopting IFRS 9 and determined that there was no material impact on the Group's results and as such there is no required restatement disclosure.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers was issued in 2014 and was endorsed by the EU in 2016. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group has adopted IFRS 15 in its consolidated financial information for the year ending 28 February 2019 and has applied the practical expedients for completed contracts. Based on the Group's impact assessment IFRS 15 has not had a significant impact on revenue recognised in comparative periods. As such, revenue for the year ended 28 February 2018 and 28 February 2017 does not require restatement due to the adoption of IFRS 15.

Consumer

As described in note 1 (f), the Group's consumer revenue relates to commission earned from carriers on ticket sales and service charges billed to customers. Each sales transaction represents a performance obligation and the related revenue is recognised at the time of the sale. The Group acts as an agent in these transactions, as it does not control the services promised prior to transferring them to its customers.

T4B

Revenue earned from branded travel portal platforms is recognised in three key elements represented by bespoke feature builds, monthly maintenance and contribution earned per transaction processed, each of

Notes (continued)

1. General information (continued)

these elements represent a separate performance obligation. Revenue is recognised over time for maintenance and connections to existing features and point in time for bespoke builds and contributions earned per transaction.

IFRS 16 Leases

IFRS 16 Leases was issued in January 2016, and was endorsed by the EU in 2017. IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a corresponding lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items.

IFRS 16 replaces existing leases guidance including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

The Group plans to adopt IFRS 16 in its consolidated Financial Information for the year ending 29 February 2020. This will result in the Group's London, Paris and Edinburgh office leases being recognised on the balance sheet through new right of use assets and lease liabilities. The current lease costs relating to these buildings total £2.7 million per annum and the largest two leases relating to the London office have a remaining life of 7 years. The Group expects that IFRS 16 will result in Adjusted EBITDA increasing as a result of these lease costs no longer being reported in Administration Expenses. Instead, a depreciation charge on the new right of use asset will be recognised, along with an interest charge on the new lease liability. The aggregate value of the depreciation and interest charges will be materially similar (but not exactly the same) as the lease cost previously reported in Administration expenses. The Group does not expect the new standard will have any material impact on net profit after tax, total comprehensive income or equity.

k) Changes in presentation

In preparing this financial information, the Group has made certain presentational changes to better align these items to the relevant IFRS financial statement captions and to better reflect the underlying nature of the transactions. Comparative for the year ended 28 February 2018 and year ended 28 February 2017 have been updated to reflect this change in classification for all instances.

These changes are:

Income statement

- i. System costs (2019: £16,280,000, 2018: £16,431,000, 2017: £15,323,000) have been reclassified to administrative expenses; in the previous 28 February 2018 financial statements these costs were classified as costs of sale. This change in classification was made as system costs are not driven by transactional volume and therefore the Directors considered that administration expenses better reflected the nature of cost.

Statement of financial position

- i. Current tax payable (2019: £1,093,000, 2018: £178,000, 2017: nil) and current tax receivable (2019: nil, 2018: nil, 2017: £2,651,000) have been separately disclosed on the face of the statement of financial position; in the previous 28 February 2018 financial statements these balances were included as components of trade and other payables, and trade and other receivables, respectively.

Statement of cash flows

- i. Interest paid (2019: £11,385,000, 2018: £11,881,000 2017: £11,764,000) has been reclassified to financing cash flows; in the previous 28 February 2018 financial statements these cash flows were classified as operating cash flows.

Notes (continued)

2. Operating segment

In accordance with IFRS 8 the Group determines and presents its operating segments based on internal information that is provided to the Board, who is considered to be the Group's Chief Operating Decision Maker ("CODM"). During the year ended 28 February 2019 management have reassessed the Group's segments and established that the Group has three segments as presented below, on the basis of the information received and monitored by the CODM. As such, the operating segments disclosures for the year ended 28 February 2018 and year ended 28 February 2017 have also been presented.

The Group has three operating and reportable segments which are considered:

- UK consumer* – Travel apps and websites for individual travellers for journeys within the UK
- UK T4B* (Trainline for Business) – Branded travel portal platforms for corporates and travel management companies and white label ecommerce platforms for Train Operating Companies within the UK.
- International – Travel apps and websites for individual travellers for journeys outside the UK

* UK Consumer and UK T4B are collectively referred to as the UK

The Group's global operating model means that investments in platform technology and central overheads are leveraged across the business, and it is not possible to meaningfully measure full income statement and balance sheet results by operating segment.

The CODM monitors:

- The three operating segments results at the level of net ticket sales, revenue and gross margin
- Results split by UK and International at the level of net ticket sales, revenue, gross margin, and contribution (as shown in the below disclosure).
- No results at a profit before/after tax or in relation to the Balance Sheet are reported to the CODM at a lower level than the consolidated Group.

Segmental Analysis for the Year ended 28 February 2019:

| | UK Consumer £'000 | UK T4B £'000 | Total UK £'000 | International £'000 | Total Group £'000 |
|--|-------------------------|------------------|-------------------|------------------------|-------------------------|
| Net Ticket Sales | 1,647,648 | 1,198,006 | 2,845,654 | 348,514 | 3,194,168 |
| Revenue | 136,660 | 58,366 | 195,026 | 14,478 | 209,504 |
| Cost of sales | (29,703) | (17,749) | (47,452) | (6,607) | (54,059) |
| Gross Margin | 106,957 | 40,617 | 147,574 | 7,871 | 155,445 |
| Directly allocable administrative expenses | | | (35,678) | (25,884) | (61,562) |
| Contribution | | | 111,896 | (18,013) | 93,883 |
| Central administrative expenses | | | | | (41,255) |
| Adjusted EBITDA | | | | | 52,628 |
| Depreciation and Amortisation | | | | | (38,942) |
| Share based payment charges | | | | | (3,309) |
| Exceptional items | | | | | 136 |
| Operating profit/(loss) | | | | | 10,513 |
| Net finance costs | | | | | (24,175) |
| Loss before tax | | | | | (13,662) |
| Tax | | | | | (8) |
| Loss after tax | | | | | (13,670) |

Notes (continued)

2. Operating segment (continued)

Segmental Analysis for the Year ended 28 February 2018 – Restated:

| | UK Consumer £'000 | UK T4B £'000 | Total UK £'000 | International £'000 | Total Group £'000 |
|--|-------------------------|-----------------|-------------------|------------------------|-------------------------|
| Net Ticket Sales | 1,338,438 | 1,123,826 | 2,462,264 | 218,228 | 2,680,492 |
| Revenue | 114,397 | 54,399 | 168,796 | 9,197 | 177,993 |
| Cost of sales | (26,161) | (18,925) | (45,086) | (3,060) | (48,146) |
| Gross Margin | 88,236 | 35,474 | 123,710 | 6,137 | 129,847 |
| Directly allocable administrative expenses | | | (36,490) | (24,443) | (60,933) |
| Contribution | | | 87,220 | (18,306) | 68,914 |
| Central administrative expenses | | | | | (38,281) |
| Adjusted EBITDA | | | | | 30,633 |
| Depreciation and Amortisation | | | | | (34,137) |
| Share based payment charges | | | | | (1,846) |
| Exceptional items | | | | | (2,201) |
| Operating profit/(loss) | | | | | (7,551) |
| Net finance costs | | | | | (21,873) |
| Loss before tax | | | | | (29,424) |
| Tax | | | | | 5,222 |
| Loss after tax | | | | | (24,202) |

Segmentation Analysis for the Year Ended 28 February 2017 – Restated:

| | UK Consumer £'000 | UK T4B £'000 | Total UK £'000 | International £'000 | Total Group £'000 |
|--|-------------------------|-----------------|-------------------|------------------------|-------------------------|
| Net Ticket Sales | 1,109,872 | 1,038,827 | 2,148,699 | 104,766 | 2,253,465 |
| Revenue | 97,618 | 50,271 | 147,889 | 4,883 | 152,772 |
| Cost of sales | (21,648) | (17,871) | (39,519) | (1,642) | (41,162) |
| Gross Margin | 75,970 | 32,400 | 108,370 | 3,240 | 111,610 |
| Directly allocable administrative expenses | | | (34,197) | (14,380) | (48,577) |
| Contribution | | | 74,173 | (11,140) | 63,033 |
| Central administrative expenses | | | | | (32,347) |
| Adjusted EBITDA | | | | | 30,686 |
| Depreciation and Amortisation | | | | | (34,977) |
| Share based payment charges | | | | | (168) |
| Exceptional items | | | | | (6,780) |
| Operating profit/loss | | | | | (11,239) |
| Net finance costs | | | | | (19,960) |
| Loss before tax | | | | | (31,199) |
| Tax | | | | | 962 |
| Loss after tax | | | | | (30,237) |

Notes (continued)

3. Auditor remuneration

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

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

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|---|--|--|--|
| Audit of the Group Financial Statements | 50 | 49 | 49 |
| Audit of financial statements of subsidiaries of the Company | 155 | 158 | 156 |
| Accounting advisory services | — | — | 25 |
| | <u>205</u> | <u>207</u> | <u>230</u> |

4. Employee benefit expenses

This note details the number of employees across the Group, staff costs relating to these persons and remuneration of the key management personnel.

The average number of persons employed by the Group (including directors) during the period analysed by category was as follows:

| | Year Ended 28 February 2019 Number of employees | Year Ended 28 February 2018 Number of employees | Year Ended 28 February 2017 Number of employees |
|---|---|---|---|
| Sales and marketing | 107 | 82 | 76 |
| Operations | 111 | 116 | 106 |
| Technology and product | 258 | 233 | 189 |
| Management and administration | 107 | 98 | 80 |
| | <u>583</u> | <u>529</u> | <u>451</u> |

The table below presents the staff costs of these persons, including those in respect of the Directors, recognised in the income statement.

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 Restated | Year Ended 28 February 2017 £'000 Restated |
|---|--|--|--|
| Wages and salaries | 41,221 | 37,147 | 28,028 |
| Social security contributions | 5,752 | 4,892 | 3,765 |
| Contributions to defined contribution plans | 1,381 | 1,457 | 1,120 |
| Net share based payment expense | 2,499 | 2,373 | 246 |
| | <u>50,853</u> | <u>45,869</u> | <u>33,159</u> |

Staff costs presented in this note reflect the total wage, tax and pension cost relating to employees of the Group. These costs are allocated between administrative expenses, cost of sales or capitalised where appropriate as part of Software Development intangible assets. The allocation between these areas is dependent on the area of business the employee works in and the activities they have undertaken.

Notes (continued)

4. Employee benefit expenses (continued)

Key Management Personnel

Key management personnel are considered to be members of the Group's Strategic Board.

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 Restated | Year Ended 28 February 2017 £'000 Restated |
|--|---|--|--|
| Aggregate emoluments | 2,713 | 2,840 | 2,499 |
| Group contribution to defined contribution pension schemes | 99 | 32 | 39 |
| Net share based payment expense | <u>1,287</u> | <u>835</u> | <u>131</u> |
| | <u>4,099</u> | <u>3,706</u> | <u>2,669</u> |
| | | | |
| Number of Strategic Board Members of the Group accruing benefits under a defined contribution pension scheme Retirement benefits are accruing to the following number of directors, under a defined contribution pension scheme: | Number | Number | Number |
| | <u>4</u> | <u>4</u> | <u>3</u> |

The aggregate emoluments of the highest paid Strategic Board Member in the Group were £1,328,000 (2018: £1,088,000, 2017: £793,000) and no group pension contributions were made on their behalf.

5. Exceptional items

Exceptional items are costs or credits that, by virtue of their nature and incidence, have been disclosed separately in order to improve a reader's understanding of the Financial Information. Exceptional items are one off in nature or are not considered to be part of the Group's operating activities.

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|--|---|--|--|
| Strategic restructuring costs | 1,532 | 2,201 | 490 |
| Software development write off | — | — | 1,530 |
| Acquisition related transaction costs | — | — | 4,760 |
| Recoveries | <u>(1,668)</u> | <u>—</u> | <u>—</u> |
| Net exceptional (credits) / costs | <u>(136)</u> | <u>2,201</u> | <u>6,780</u> |

Restructuring costs

Restructuring costs incurred were part of a strategic/management reorganisation.

Software development write off

The software development costs write off in 2017 occurred as a result of the acquisition of Trainline SAS.

Acquisition related transaction costs

Costs relating to the acquisition of Trainline SAS.

Recoveries

One-off credits received or receivable for an indemnity claim and VAT on historic acquisition costs.

Notes (continued)

6. Finance income and finance costs

Net financing costs comprise bank interest income and interest expense on borrowings, as well as foreign exchange gains, losses and fair value movements on the Group's interest rate cap and fair value remeasurements in relation to share based payments and put/call option liabilities.

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 1)h. The interest rate cap held by the Group is a derivative asset and is revalued to fair value as each period end, any fair value movement is booked through net finance costs.

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 Restated | Year Ended 28 February 2017 £'000 Restated |
|---|--|--|--|
| Bank interest income | 290 | 161 | 228 |
| Fair value movements on share-based payment liabilities | 810 | — | — |
| Finance Income | 1,100 | 161 | 228 |
| Interest on bank loans | (22,050) | (19,744) | (18,798) |
| Interest on other long-term liabilities | (1,083) | (940) | (843) |
| Other interest expense | — | (60) | (46) |
| Foreign exchange loss | (270) | — | — |
| Loss on interest rate swap | (1,081) | — | — |
| Fair value movements on share-based payment liabilities | — | (527) | (78) |
| Fair value movements on Put/Call option liability | (791) | (763) | (423) |
| Finance Costs | (25,275) | (22,034) | (20,188) |
| Net finance costs recognised in the income statement | (24,175) | (21,873) | (19,960) |

7. Taxation

This note analyses the tax expense for this financial year, which includes both current and deferred tax. It also details tax accounting policies and presents a reconciliation between profit before tax in the income statement multiplied by the Luxembourg rate of corporation tax and the tax expense 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 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.

Notes (continued)

7. Taxation (continued)

(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 in the income statement;
- temporary differences related to investments in subsidiaries, to the extent that the Company is able to 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. 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.

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

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 Restated | Year Ended 28 February 2017 £'000 Restated |
|--------------------------------------|--|--|--|
| Current tax expense/(credit) | | | |
| Current period | 4,509 | 2,315 | — |
| Adjustment in respect of prior years | 487 | 82 | — |
| Adjustment for acquired subsidiaries | — | — | (1,270) |
| | <u>4,996</u> | <u>2,397</u> | <u>(1,270)</u> |
| Deferred tax (credit)/charge | | | |
| Current period | (4,526) | (7,141) | 1,406 |
| Adjustment in respect of prior years | (433) | (1,402) | — |
| Adjustment for acquired subsidiaries | — | — | (1,406) |
| Effect of change in tax rates | (29) | 924 | 308 |
| | <u>(4,988)</u> | <u>(7,619)</u> | <u>308</u> |
| Tax charge/(credit) | <u>8</u> | <u>(5,222)</u> | <u>(962)</u> |

The current tax charge primarily consists of corporate tax arising in the UK, and the deferred tax credit primarily results from the unwinding of deferred tax liabilities arising on acquired intangibles.

Notes (continued)

7. Taxation (continued)

The Group's income tax expense for the year is lower in both years than the standard rate of corporation tax in Luxembourg of 26.01% (2018: 27.08%, 2017: 29.22%). The differences are explained below:

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 Restated £'000 | Year Ended 28 February 2017 Restated £'000 |
|---|--|--|--|
| Loss before tax | (13,662) | (29,424) | (31,199) |
| Loss multiplied by standard rate of corporation tax in the Luxembourg 26.01% (2018: 27.08%, 2017: 29.22%) | (3,553) | (7,968) | (9,116) |
| Non-taxable (income)/expenses | (2,510) | (1,650) | (2,588) |
| Pension adjustments | 1 | 7 | (5) |
| Capital allowances in excess of depreciation ... | 154 | (9) | — |
| Amounts not recognised* | 3,102 | 1,817 | 7,235 |
| Rate difference on deferred tax | (29) | 491 | 368 |
| Adjustment in respect of prior years and acquired subsidiaries | 53 | (1,320) | (2,427) |
| Difference in overseas tax rates | 2,790 | 3,410 | 5,571 |
| Total tax credit | 8 | (5,222) | 962 |
| Effective tax rate | (0.1)% | 17.7% | 3.3% |

* Primarily relates to unrecognised losses which are not expected to be recoverable and therefore not recognised as deferred tax assets.

The difference between the standard rate and effective rate at 28 February 2019 of 26.11% (2018: 9.38%, 2017: 26.12%) is primarily attributable to difference in overseas tax rates and adjustments in respect of non-deductible income, in particular in relation to financing.

Deferred tax

The net deferred tax liability is attributable to the following:

Deferred tax liability as at 28 February 2019:

| | Acquired intangible assets £'000 | Accelerated tax depreciation £'000 | Total £'000 |
|---|---|---|----------------|
| At 1 March 2018 | 14,515 | (1,645) | 12,870 |
| Adjustment in respect of prior years | 1 | (434) | (433) |
| Current year credit to consolidated income statement | (4,804) | 250 | (4,555) |
| At 28 February 2019 | 9,712 | (1,830) | 7,882 |

Deferred tax liability/(asset) as at 28 February 2018 – Restated:

| | Acquired intangible assets £'000 | Accelerated tax depreciation £'000 | Total £'000 |
|---|---|---|----------------|
| At 1 March 2017 | 20,489 | — | 20,489 |
| Adjustment in respect of prior years | (1,402) | — | (1,402) |
| Current year credit to consolidated income statement | (4,572) | (1,645) | (6,217) |
| At 28 February 2018 | 14,515 | (1,645) | 12,870 |

Notes (continued)

7. Taxation (continued)

Deferred tax liability as at 28 February 2017:

| | Acquired intangible assets £'000 | Accelerated tax depreciation £'000 | Total £'000 |
|---|---|---|----------------------|
| At 1 March 2016 | 22,403 | (3,628) | 18,775 |
| Adjustment in respect of prior years | 1,406 | — | 1,406 |
| Current year credit to consolidated income statement | (3,320) | 3,628 | 308 |
| At 28 February 2017 | <u>20,489</u> | <u>—</u> | <u>20,489</u> |

Corporation tax payable / (receivable)

Corporation tax payable/receivable at each year end was as follows:

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|--|--|--|--|
| Corporation tax payable / (receivable) | <u>1,093</u> | <u>178</u> | <u>(2,651)</u> |

Corporation tax payable at the end of the year reflects the tax charge for the year, less corporation tax payments on account made during the year. In years where the corporation tax balance is a receivable this reflects that payments were made in excess of the tax charge due.

8. 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 annual impairment reviews. Impairment of goodwill is a key judgement (see Note 1).

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 re-assesses 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 re-assessment 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 acquiree 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

Notes (continued)

8. Intangible assets and Goodwill (continued)

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) *Other intangible assets*

Other intangible assets that are acquired by the Group have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iv) *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

(v) *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in the income statement. Goodwill is not amortised.

The estimated useful lives are as follows:

| | |
|------------------------------------|-------------|
| Software development | 3 – 5 years |
| Brand valuation | 10 years |
| Customer lists/T4B contracts | 5 – 7 years |

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

Intangible assets and Goodwill as at 28 February 2019:

| | Software development £'000 | Brand valuation £'000 | Customer valuation £'000 | Goodwill £'000 | Total £'000 |
|----------------------------------|----------------------------------|-----------------------------|--------------------------------|-----------------------|-------------------------|
| Cost: | | | | | |
| At 1 March 2018 | 50,852 | 51,738 | 92,690 | 443,271 | 638,551 |
| Additions | 32,410 | — | — | — | 32,410 |
| At 28 February 2019 | <u>83,262</u> | <u>51,738</u> | <u>92,690</u> | <u>443,271</u> | <u>670,961</u> |
| Accumulated amortisation: | | | | | |
| At 1 March 2018 | (8,118) | (15,285) | (52,214) | — | (75,617) |
| Amortisation | (14,427) | (5,167) | (17,709) | — | (37,303) |
| At 28 February 2019 | <u>(22,545)</u> | <u>(20,452)</u> | <u>(69,923)</u> | <u>—</u> | <u>(112,920)</u> |
| Carrying amounts: | | | | | |
| At 28 February 2019 | <u>60,717</u> | <u>31,286</u> | <u>22,767</u> | <u>443,271</u> | <u>558,041</u> |

Notes (continued)

8. Intangible assets and Goodwill (continued)

Intangible assets and Goodwill as at 28 February 2018:

| | Software development £'000 | Brand valuation £'000 | Customer valuation £'000 | Goodwill £'000 | Total £'000 |
|----------------------------------|----------------------------------|-----------------------------|--------------------------------|-----------------------|------------------------|
| Cost: | | | | | |
| At 1 March 2017 | 43,182 | 51,738 | 92,690 | 443,271 | 630,881 |
| Additions | 27,083 | — | — | — | 27,083 |
| Disposals | (19,413) | — | — | — | (19,413) |
| At 28 February 2018 | <u>50,852</u> | <u>51,738</u> | <u>92,690</u> | <u>443,271</u> | <u>638,551</u> |
| Accumulated amortisation: | | | | | |
| At 1 March 2017 | (17,732) | (10,117) | (34,505) | — | (62,354) |
| Amortisation | (9,799) | (5,168) | (17,709) | — | (32,676) |
| Disposals | 19,413 | — | — | — | 19,413 |
| At 28 February 2018 | <u>(8,118)</u> | <u>(15,285)</u> | <u>(52,214)</u> | <u>—</u> | <u>(75,617)</u> |
| Carrying amounts: | | | | | |
| At 28 February 2018 | <u>42,734</u> | <u>36,453</u> | <u>40,476</u> | <u>443,271</u> | <u>562,934</u> |

Intangible assets and Goodwill as at 28 February 2017:

| | Software development £'000 | Brand valuation £'000 | Customer valuation £'000 | Goodwill £'000 | Total £'000 |
|--|----------------------------------|-----------------------------|--------------------------------|-----------------------|------------------------|
| Cost: | | | | | |
| At 1 March 2016 | 29,055 | 51,700 | 92,500 | 336,449 | 509,704 |
| Acquired through business combinations | 4,218 | 38 | 190 | 106,822 | 111,268 |
| Additions | 12,659 | — | — | — | 12,659 |
| Disposals | (2,750) | — | — | — | (2,750) |
| At 28 February 2017 | <u>43,182</u> | <u>51,738</u> | <u>92,690</u> | <u>443,271</u> | <u>630,881</u> |
| Accumulated amortisation: | | | | | |
| At 1 March 2016 | (9,348) | (4,898) | (16,752) | — | (30,998) |
| Amortisation | (10,160) | (5,219) | (17,753) | — | (33,132) |
| Disposals | 1,776 | — | — | — | 1,776 |
| At 28 February 2017 | <u>(17,732)</u> | <u>(10,117)</u> | <u>(34,505)</u> | <u>—</u> | <u>(62,354)</u> |
| Carrying amounts: | | | | | |
| At 28 February 2017 | <u>25,450</u> | <u>41,621</u> | <u>58,185</u> | <u>443,271</u> | <u>568,527</u> |

Of the amortisation charge for the year ended 28 February 2019, £24,300,000 (2018: £25,200,000, 2017: £24,800,000) related to the amortisation of intangible assets which were recognised on the Group's acquisition of Trainline.com Limited and Trainline SAS, while £12,400,000 (2018: £7,500,000, 2017: £8,300,000) related to internally developed and purchased intangible assets recognised at historical cost.

Goodwill Impairment

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 to dispose and value in use. However, in line with IAS 36, fair value less costs to dispose is only determined where value in use would result in an impairment.

Goodwill acquired in a business combination is allocated on acquisition to the CGUs that are expected to benefit from that business combination.

The Group has goodwill balances totalling £443,271,000 which comprises:

- i. £336,449,000 from the FY16 acquisition of Trainline.com
- ii. £106,822,000 from the FY17 acquisition of Trainline SAS (formerly Captain Train SAS)

Notes (continued)

8. Intangible assets and Goodwill (continued)

The majority of goodwill arising from the acquisition of Trainline.com was attributed to UK Consumer with a small proportion allocated to International. The goodwill related to the Captaine Train SAS acquisition was mostly attributed to the International CGU, with the remainder allocated to UK Consumer.

The carrying amount of goodwill has been allocated as follows:

| CGU | At 28 February 2019 £'000 | At 28 February 2018 £'000 | At 28 February 2017 £'000 |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|
| UK Consumer | 351,271 | 351,271 | 351,271 |
| UK T4B | — | — | — |
| International | 92,000 | 92,000 | 92,000 |
| Total Goodwill | 443,271 | 443,271 | 443,271 |

For the year ended 28 February 2019 no impairment charge has arisen. For all CGUs the recoverable amount was determined by measuring their value in use (“VIU”)

Assumptions

The key value in use assumptions were:

| | UK Consumer | UK T4B | International |
|--|-------------|--------|---------------|
| Pre-tax discount rate | 14.5% | N/A | 16% |
| Terminal growth rate ¹ | 2% | N/A | 2% |
| Number of years forecasted before terminal growth rate applied | 5 | N/A | 5 |

1. Terminal growth rate is based on long-term inflationary rates in the region of operation

There were no impairments in the year ended 28 February 2019, 28 February 2018 or 28 February 2017.

The Group prepares cash flow forecasts based on the most recent financial budgets and 5 year projections approved by the Board. The forecasts have been used in the Value in Use calculation along with risk-adjusted discount rates. After this, a long-term growth rate is applied.

The forecasts reflect management’s expectations and best estimates for each CGU.

As the international CGU is currently loss making, the impairment calculation is more sensitive to a change in cashflow in the initial 5 year forecast period than the UK Consumer CGU. To reflect the higher level of uncertainty in the International forecasts, a premium has been applied to the discount rate. The sensitivity analysis is included below and shows clear headroom for all outcomes.

Sensitivity analysis

The group has conducted sensitivity analysis 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 VIU calculations are set out in the table below. These are considered to be reasonably possible, but not likely.

| | UK Consumer | UK T4B | International |
|---|-------------|--------|---------------|
| Increase in discount rate | 1pts | N/A | 1pts |
| Reduction in long-term growth rate applied in terminal year | 0.5pts | N/A | 0.5pts |
| Decrease in forecast Adjusted EBITDA forecast in each year | 10% | N/A | 20% |

None of the above reasonably possible scenarios result in an impairment in any of the CGUs, there is still clear headroom in all CGUs.

Notes (continued)

9. 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 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 | 3-7 years/remaining lease life if shorter |

Property Plant and Equipment as at 28 February 2019:

| | Plant and equipment £'000 | Leasehold improvements £'000 | Total £'000 |
|---|------------------------------|---------------------------------|----------------|
| Cost: | | | |
| At 1 March 2018 | 5,969 | 4,389 | 10,358 |
| Additions | 998 | 59 | 1,057 |
| At 28 February 2019 | 6,967 | 4,448 | 11,415 |
| Accumulated depreciation and impairment: | | | |
| At 1 March 2018 | (3,757) | (557) | (4,314) |
| Depreciation | (1,195) | (444) | (1,639) |
| At 28 February 2019 | (4,952) | (1,001) | (5,953) |
| Carrying amounts: | | | |
| At 28 February 2019 | 2,015 | 3,447 | 5,462 |

Property Plant and Equipment as at 28 February 2018:

| | Plant and equipment £'000 | Leasehold improvements £'000 | Total £'000 |
|---|------------------------------|---------------------------------|----------------|
| Cost: | | | |
| At 1 March 2017 | 5,303 | 3,619 | 8,922 |
| Additions | 1,103 | 1,222 | 2,325 |
| Disposals | (437) | (452) | (889) |
| At 28 February 2018 | 5,969 | 4,389 | 10,358 |
| Accumulated depreciation and impairment: | | | |
| At 1 March 2017 | (3,098) | (644) | (3,742) |
| Depreciation | (1,096) | (365) | (1,461) |
| Disposals | 437 | 452 | 889 |
| At 28 February 2018 | (3,757) | (557) | (4,314) |
| Carrying amounts: | | | |
| At 28 February 2018 | 2,212 | 3,832 | 6,044 |

Notes (continued)

9. Property, plant and equipment (continued)

Property Plant and Equipment as at 28 February 2017:

| | Plant and equipment £'000 | Leasehold improvements £'000 | Total £'000 |
|---|---------------------------------|------------------------------------|-----------------------|
| Cost: | | | |
| At 1 March 2016 | 3,632 | 464 | 4,096 |
| Acquired through business combinations | 303 | — | 303 |
| Additions | 1,460 | 3,155 | 4,615 |
| Disposals | (92) | — | (92) |
| At 28 February 2017 | <u>5,303</u> | <u>3,619</u> | <u>8,922</u> |
| Accumulated depreciation and impairment: | | | |
| At 1 March 2016 | (1,670) | (312) | (1,982) |
| Depreciation | (1,513) | (332) | (1,845) |
| Disposals | 85 | — | 85 |
| At 28 February 2017 | <u>(3,098)</u> | <u>(644)</u> | <u>(3,742)</u> |
| Carrying amounts: | | | |
| At 28 February 2017 | <u>2,205</u> | <u>2,975</u> | <u>5,180</u> |

10. 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 Group assesses at each reporting date whether there is objective evidence that trade and other receivables are impaired. An impairment allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

| | As at 28 February 2019 £'000 | As at 28 February 2018 £'000 | As at 28 February 2017 £'000 |
|---|------------------------------------|------------------------------------|------------------------------------|
| Trade receivables | 30,048 | 15,929 | 28,280 |
| Other receivables | 5,675 | 5,803 | 1,986 |
| Prepayments and accrued income | 11,473 | 11,967 | 3,599 |
| Security deposits | — | 3,806 | 2,009 |
| | <u>47,196</u> | <u>37,505</u> | <u>35,874</u> |

There is no material difference between the carrying value and fair value of trade and other receivables. See note 18 for more detail on the trade and other receivables accounting policy.

Trade receivables are net of an allowance for bad or doubtful debts of £168,000 (2018: £200,000, 2017: £40,000). Trade receivables are recognised and carried at the lower of their original invoiced value and their recoverable amount.

11. 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.

| | As at 28 February 2019 £'000 | As at 28 February 2018 £'000 | As at 28 February 2017 £'000 |
|-------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Trade payables | 132,703 | 102,444 | 99,137 |
| Accruals and deferred revenue | 28,981 | 26,968 | 18,297 |
| Other payables | — | — | 216 |
| | <u>161,684</u> | <u>129,412</u> | <u>117,650</u> |

Notes (continued)

11. Trade and other payables (continued)

There is no material difference between the carrying value and fair value of trade and other payables presented. See note 18 for more detail on the trade and other payables accounting policy.

12. 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.

| | As at 28 February 2019 £'000 | As at 28 February 2018 £'000 Restated | As at 28 February 2017 £'000 Restated |
|--|---------------------------------------|---|---|
| Non-current liabilities | | | |
| Secured bank loan ¹ | 198,954 | 199,032 | 197,725 |
| Unsecured PIK loan and accrued interest ² | 66,874 | 59,389 | 52,833 |
| Other term debt | 610 | 424 | 802 |
| | <u>266,438</u> | <u>258,845</u> | <u>251,360</u> |
| Current liabilities | | | |
| Accrued interest on secured bank loans | 2,815 | — | — |
| Secured bank loans | — | 200 | 80 |
| | <u>2,815</u> | <u>200</u> | <u>80</u> |

1. Included within the secured bank loan is the principal amount of £205,000,000 (2018: £205,000,000, 2017: £205,000,000) and directly attributable transaction costs of £6,200,000 (2018: £6,084,000, 2017: £7,300,000).
2. Included within the unsecured PIK loan is the principal amount of £50,000,000 (2018: £50,000,000, 2017: £50,000,000), accrued interest of £19,044,000 (2018: £11,700,000, 2017: £5,300,000) and directly attributable transaction costs of £2,169,000 (2018: £2,300,000, 2017: £2,500,000).

Terms and repayment schedule

| Agreement | Interest Rate | Year of maturity | Face Value £'000 | Carrying amount £'000 |
|-----------------------------------|---------------|------------------|---------------------|--------------------------|
| Secured bank loan | LIBOR +4.5% | 2022 | 205,000 | 198,954 |
| PIK loan | LIBOR +11.0% | 2023 | 50,000 | 66,874 |
| Other term debt | | 2019 -22 | 610 | 610 |
| Total Borrowings | | | <u>255,610</u> | <u>266,438</u> |

The secured bank loan is secured by a fixed and floating charge against certain assets of the Group.

The Group is subject to bank covenants, all of which have been met during the year.

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 |
|---------------------------|---|------------------------------|-----------------------------------|-----------------------------------|--------------------------|
| Bank term debt | 234,621 | 9,688 | 9,714 | 215,219 | — |
| PIK Loan | 107,492 | — | — | 107,492 | — |
| Other term debt | 633 | 228 | 184 | 221 | — |
| | <u>342,746</u> | <u>9,916</u> | <u>9,898</u> | <u>322,932</u> | <u>—</u> |

Notes (continued)

12. Loans and borrowings (continued)

Revolving finance facility

A revolving credit facility is used to provide letters of credit required to secure the obligations of the Group to carriers in respect of tickets sold. In addition, the facility is available to fund short term working capital if required.

In October 2018, the Group entered into a refinancing agreement for an increased £130,000,000 revolving credit facility (facility of £60,000,000 as at 28 February 2018) to be able to provide bonding security to carriers via bank guarantees and for general corporate liquidity purposes. Of the £130,000,000, £30,000,000 can be drawn down in cash or bank guarantees and the remaining £100,000,000 can only be drawn down in bank guarantees.

The Group's revolving credit facility is secured by a fixed and floating charge over certain assets of the Group. Interest is payable on cash amounts drawn down at a margin of 2% to 3% above LIBOR and a commitment fee of 0.9% to 1.1% is payable on unutilised amounts.

An amount of £92,284,000 (2018: £59,340,000, 2017: £59,600,000) had been drawn down as at 28 February 2019 in respect of bank guarantees. No amounts have been drawn down in cash. This facility is not recognised on the balance sheet unless amounts are drawn down in cash.

13. 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 period are included within the income statement in Employee Costs.

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.

Notes (continued)

13. Other employee benefits (continued)

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 Balance Sheet. This is because the Group does not have an irrevocable right to the surplus of the scheme. If the scheme is in a net deficit the Group would recognise the liability.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Defined benefit pension plan

(a) *The Scheme*

Qjump Limited, a subsidiary of Victoria Investments Finco Limited, operates a defined benefit pension scheme which is closed to new entrants. The Qjump Shared Cost Section of the Railways Pension Scheme ("the Scheme") is a funded scheme and provides benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the company and are managed by RPMI.

As the scheme is currently in an asset position no contributions are expected from the Group in the coming year, apart from the cover the scheme administration costs.

Triennial valuation

The last formal valuation was carried out by independent actuaries Towers Watson Ltd as at 31 December 2016.

Notes (continued)

13. Other employee benefits (continued)

IAS 19R 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 2019 by qualified independent actuaries Towers Watson Ltd. The main financial assumptions applied in the valuations and an analysis of schemes' assets are as follows:

(i) Actuarial assumptions

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

| | Year Ended 28 February 2019 % pa | Year Ended 28 February 2018 % pa | Year Ended 28 February 2017 % pa |
|--|---|---|---|
| Discount Rate | 2.7 | 2.5 | 2.5 |
| Price Inflation (RPI measure) | 3.2 | 3.2 | 3.2 |
| Increases to deferred pensions (CPI measure) | 2.2 | 2.2 | 2.2 |
| Pension increase (CPI measure) | 2.2 | 2.2 | 2.2 |
| Salary increase | n/a | n/a | n/a |

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

| | Year Ended 28 February 2019 | Year Ended 28 February 2018 | Year Ended 28 February 2017 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Longevity at age 65 for current pensioners | | | |
| Males | 20.7 | 20.6 | 21.4 |
| Females | 23.2 | 23.1 | 23.4 |
| Longevity at age 65 for current members aged 45 | | | |
| Males | 22.7 | 22.6 | 23.6 |
| Females | 25.1 | 25.0 | 25.8 |

Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice.

Given the net position is not significant, changes in assumptions are not likely to impact the valuation significantly.

When defined benefit funds have an IAS 19 surplus, they are recorded at the lower of that surplus and the future economic benefits available in the form of a cash refund or a reduction in future contributions. Any adjustment to the surplus is recorded in other comprehensive income.

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|---|--|--|---|
| Liability | | | |
| Deferred members | (3,468) | (3,623) | (3,724) |
| Pensioner members (Including dependents) | (610) | (616) | (607) |
| Total | (4,078) | (4,239) | (4,331) |
| Value of assets at end of year | 4,491 | 4,605 | 4,607 |
| Funded Status at end of year | 413 | 366 | 276 |
| Adj. for the members share of surplus | (165) | (146) | (110) |
| Effect of asset ceiling | (248) | (220) | (166) |
| Net defined benefit (liability) / asset at end of year | <u>—</u> | <u>—</u> | <u>—</u> |

Notes (continued)

13. Other employee benefits (continued)

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|--|--|--|---|
| Employer's share of administration cost | 23 | 37 | 27 |
| Past service cost adjustment | 7 | — | — |
| Total employer's share of service cost | 30 | 37 | 27 |
| Employer's share of net interest on net defined benefit | — | — | — |
| Employer's share of pension expense | 30 | 37 | 27 |

(ii) Other comprehensive income (OCI)

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|--|--|--|---|
| Loss/(gain) due to the liability expense | 34 | 50 | (63) |
| (Gain)/loss due to the liability assumption changes | (143) | (189) | 1,148 |
| Adjustment for the members' share | 37 | 59 | (291) |
| Cost/(return) on plan assets greater than discount rate | 20 | (7) | (360) |
| Change in effect of the asset ceiling | 22 | 50 | (461) |
| Total gain recognised in the OCI | (30) | (37) | (27) |

(b) Movements in net defined benefit asset/liability

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

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|---|--|--|--|
| Defined benefit obligation | | | |
| Opening balance | 4,239 | 4,331 | 3,163 |
| Interest cost | 104 | 108 | 116 |
| Defined benefit obligation | 4,343 | 4,439 | 3,279 |
| Actuarial gain arising from: | | | |
| Financial assumptions | (143) | — | 1,148 |
| Experience adjustment | 34 | 50 | (63) |
| Demographic adjustment | — | (189) | — |
| | 4,234 | 4,300 | 4,364 |
| Other | | | |
| Benefits paid | (168) | (61) | (33) |
| Section amendment | 12 | — | — |
| Closing balance | 4,078 | 4,239 | 4,331 |

Notes (continued)

13. Other employee benefits (continued)

Reconciliation of value of assets:

| | Year Ended 28 February 2019 £'000 | Year Ended 28 February 2018 £'000 | Year Ended 28 February 2017 £'000 |
|---|--|--|--|
| Opening value of scheme assets | 4,605 | 4,607 | 4,172 |
| Interest income on assets | 113 | 114 | 153 |
| Return on plan assets greater than discount rate | (20) | 7 | 360 |
| Employer contributions | — | — | — |
| Actual benefit payments | (168) | (61) | (33) |
| Administration costs | (39) | (62) | (45) |
| Closing value of scheme assets | <u>4,491</u> | <u>4,605</u> | <u>4,607</u> |

(c) Plan assets

Plan assets comprise:

| | As at 28 February 2019 £'000 | As at 28 February 2018 £'000 | As at 28 February 2017 £'000 |
|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Equities | 2,703 | 2,844 | 2,896 |
| Government bond | 1,383 | 1,559 | 1,620 |
| Non-Government bond | 398 | 200 | 88 |
| Other assets | 7 | 2 | 3 |
| | <u>4,491</u> | <u>4,605</u> | <u>4,607</u> |

All equity securities and government bonds have quoted prices in active markets

14. Provisions

The Group holds provisions in relation to dilapidations and VAT.

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 London, Edinburgh and Paris offices over the minimum term of the leases.

The Group has provided for VAT previously recovered in respect of certain professional services costs, this recovery was challenged by HMRC and the case has been taken to tribunal. A provision has been established and interest accrued on the provision in case the Company is not successful in the tribunal.

Provisions at 28 February 2019:

| | Dilapidation £'000 | VAT £'000 | Total £'000 |
|--------------------------------------|-----------------------|-------------------|---------------------|
| As at 1 March 2018 | 602 | 891 | 1,493 |
| Provision made during the year | 53 | 20 | 73 |
| Provision used during the year | — | — | — |
| As at 28 February 2019 | <u>655</u> | <u>911</u> | <u>1,566</u> |

Notes (continued)

14. Provisions (continued)

Provisions at 28 February 2018:

| | Dilapidation £'000 | VAT £'000 | Total £'000 |
|--------------------------------------|-----------------------|-------------------|---------------------|
| As at 1 March 2017 | 433 | 871 | 1,304 |
| Provision made during the year | 169 | 20 | 189 |
| Provision used during the year | — | — | — |
| As at 28 February 2018 | <u>602</u> | <u>891</u> | <u>1,493</u> |

Provisions at 28 February 2017:

| | Dilapidation £'000 | VAT £'000 | Total £'000 |
|--------------------------------------|-----------------------|-------------------|---------------------|
| As at 1 March 2016 | 378 | 851 | 1,229 |
| Provision made during the year | 346 | 20 | 366 |
| Provision used during the year | (291) | — | (292) |
| As at 28 February 2017 | <u>432</u> | <u>871</u> | <u>1,303</u> |

15. Capital and reserves

Share Capital (shares classified in shareholders' funds)

Group and Company

| | As at 28 February 2019 | | As at 28 February 2018 | | As at 28 February 2017 | |
|--|---------------------------|------------|---------------------------|------------|---------------------------|------------|
| | Number | £'000 | Number | £'000 | Number | £'000 |
| Allotted, called up and fully paid: | | | | | | |
| Ordinary shares of £0.10 each | <u>1,557,460</u> | <u>155</u> | <u>1,557,460</u> | <u>155</u> | <u>1,557,460</u> | <u>155</u> |
| | <u>1,557,460</u> | <u>155</u> | <u>1,557,460</u> | <u>155</u> | <u>1,557,460</u> | <u>155</u> |

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.

As at February 28, 2019, the fully paid up subscribed capital amounts is £155,000 (2018: £155,000, 2017: £155,000) and is represented by 150,342 Class A shares, 977,712 Class B shares, 348,334 Class C shares, 15,425 Class D shares and 65,647 Class E shares, all having a nominal value of £0.10.

The shares were issued at a premium of £26,283,000.

Convertible Preferred Equity Certificates (CPECs)

As at 28 February 2019, the Company has issued CPECs for an aggregate amount of £310,735,000 (2018: £310,735,000, 2017: £310,735,000).

At any time but before liquidation the Company shall be entitled to convert some or all of the CPECs into Conversion Shares by requiring the holders to exchange the relevant CPECs for the Conversion Shares at the Conversion ratio and the Holders holding not less than 75% of the CPECs shall not be entitled to convert some or all of the CPECs into Conversion Shares, in each case, at the Conversion ratio. Any such conversion of some, but not all, of the CPECs shall be pro-rata between holders (as nearly as may be) to the number of CPECs held by the holders respectively and so that, for the avoidance of doubt, if the holders holding not less than 75% of the CPECs exercise their right to convert some or all of their CPECs into Conversion Shares, this shall require the other Holders to convert some or all of their CPECs in the same proportion into Conversion Shares.

Conversion ratio means the exchange rate between CPECs and Conversion shares being 1 CPEC for 1 Conversion share, subject to such adjustment in respect of any changed to the Company's share capital, as the Directors may determine in its absolute discretion.

The Conversion shares shall be class B shares of each numerical class in existence at that time in the same proportions as regards the different numerical classes as the number of class B shares of the different numerical classes in issue immediately before the conversion bear to each other.

Notes (continued)

15. Capital and reserves (continued)

Foreign exchange reserve

The foreign exchange reserve represents the exchange differences upon consolidation of foreign entities.

Other Reserves

Other reserves primarily consists of Treasury shares which are held by the Group's EBT. Movements in Treasury shares occur when employee's leave or join the Group's share option schemes.

16. Operating leases

The Group's operating leases consist of the lease of office buildings.

Accounting Policy

(i) *Leased assets*

Assets held under leases that transfer substantially all of the risks and rewards of ownership are classified as finance leases. During the year to and ending 28 February 2019, the Group did not hold any finance leases (year to and ending 28 February 2018: none, year to and ending 28 February 2017: none).

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(ii) *Lease payments*

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The future minimum lease payments under non-cancellable leases were payable as follows:

| | As at 28 February 2019 £'000 | As at 28 February 2018 £'000 | As at 28 February 2017 £'000 |
|--|------------------------------------|------------------------------------|------------------------------------|
| <i>Property, Land and Building</i> | | | |
| Not later than one year | 3,068 | 2,615 | 2,306 |
| After one year, but not more than five | 11,585 | 9,436 | 3,235 |
| Greater than five years | 6,911 | 6,841 | 14,365 |
| | <u>21,564</u> | <u>18,892</u> | <u>19,906</u> |

The income statement lease expense for the period was £2,538,000 (2018: £2,754,000, 2017: £1,769,000).

Notes (continued)

17. Changes in liabilities arising from financing activities

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes.

| | Loans & Borrowings (Current & Non-current) £'000 | Other non-current liabilities £'000 | Total £'000 |
|--|--|--|-----------------|
| Balance at 1 March 2018 | 259,044 | 18,641 | 277,685 |
| Changes from cash flows | | | |
| Interest paid | (11,385) | — | (11,385) |
| Issue costs relating to loans and borrowings | (925) | — | (925) |
| Redemption of other non-current liabilities ... | — | (2,003) | (2,003) |
| Total changes from financing cash flows ... | (12,310) | (2,003) | (14,313) |
| Changes in fair value | — | 2,923 | 2,923 |
| Other changes | | | |
| Capitalised borrowing costs | 1,355 | — | 1,355 |
| Interest expense | 21,164 | — | 21,164 |
| Balance at 28 February 2019 | 269,253 | 19,561 | 288,814 |

18. 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 | As at 28 February 2019 | As at 28 February 2018 | As at 28 February 2017 |
|--|-------------------|------------------------|------------------------|------------------------|
| Cash and cash equivalents | 1 | 94,477 | 69,678 | 73,979 |
| Trade and other receivables | 1 | 47,196 | 37,505 | 35,874 |
| Derivative assets | 2 | 460 | 1,539 | — |
| Total financial assets | | 142,133 | 108,722 | 109,853 |
| Trade and other payables | 1 | (161,684) | (129,412) | (117,650) |
| Loans and borrowings | 2 | (266,438) | (258,845) | (251,360) |
| Other non-current liabilities | 3 | (19,561) | (18,641) | (17,061) |
| Total financial liabilities | | (447,683) | (406,898) | (386,071) |

All financial assets and financial liabilities shown above, except for derivative assets and loans and borrowings, are valued at carrying amount or at fair value using Level 1 measurements. The fair value of the derivative asset interest rate cap and loans and borrowings was determined using Level 2 inputs. There have been no transfers between levels in any of the years. Other non-current liabilities are valued using market established valuation techniques. For other non-current liabilities fair value assumptions please see note 20

Notes (continued)

18. Financial Instruments (continued)

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 fair value.

(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.

(iii) *Derivative assets*

The Group's only derivative asset is an interest rate cap, which is used according to the Group's risk management policy relating to interest rate risk.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value through profit and loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the interest rate cap held at year end was valued based on broker quotes.

Financial liabilities

The Group classifies its financial liabilities into the following categories: trade and other payables, loans and borrowings and other non-current 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, classified as a financial liabilities, exclude deferred revenue.

(ii) *Loans and borrowings*

The financial liabilities recognised in this category include secured loan facilities 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) *Other non-current liabilities*

The Company has issued phantom entitlements as disclosed in note 20.

Notes (continued)

18. Financial Instruments (continued)

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 board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Market risk

The Group is exposed to movements in LIBOR on its variable rate secured bank loan (see note 12) and the company has transactional foreign currency exposures, which arise from sales and purchases by the relevant segment in currencies other than the Group's functional currency.

To manage the risk of LIBOR rate increases, the Group holds an interest rate cap which has the effect of limiting the Group's exposure on €190 million of its borrowings to a maximum LIBOR of 1.0%. This cap expires January 2021. As a result, the Group does not anticipate any material movements that would impact the Group's results in the next 12 months.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Trade receivables are assessed for risk of default by customers on a periodic basis and terms of trade are adjusted accordingly. Trade receivables are insured on risk and cost grounds.

Under the terms of Group's retail licenses, 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 £130,000,000 revolving credit facility, details of which are included in Note 12.

(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 rolling 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 is able to draw down cash of up to £30,000,000 is in place.

Capital Management

The Group defines capital as equity, borrowings (note 12) 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

Notes (continued)

18. Financial Instruments (continued)

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 externally imposed requirements for managing capital under the terms of its loan facility. These requirements limit the use of cash for items such as capital expenditure, investing activities and loans and credit.

19. Capital commitments

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

The Group's capital commitments at 28 February 2019 are £nil (2018: £nil, 2017: £nil).

20. Other non-current liabilities

As part of the Group's acquisition of Captain Train SAS, the Group issued non-cash consideration in the form of Phantom Shares and Phantom CPECs to certain employee-shareholder and venture capital sellers. These Phantom Shares and Phantom CPECs entitle the holders to cash returns, payable on a liquidity event, that mirror the economics of the Company's actual shares and CPECs on issue. Where employee-shareholders of Captain Train SAS continued to provide services to the post-combination group and had leaver conditions attached to their Phantom Shares, their Phantom Shares are accounted for as share based payments under IFRS 2 (see note 21). This note details the Group's liabilities for all other Phantom securities.

Accounting Policy

Phantom securities issued by the Group are accounted for as financial liabilities under IAS 32, unless they fall within the scope of another standard (e.g. IFRS 2). They are initially recognised at their fair value on the date of issue, and are subsequently remeasured to fair value at each reporting date. Gains and losses on fair value remeasurement are recognised in net finance costs.

The carrying value and fair value of Phantom securities accounted for as financial liabilities were as follows:

The carrying value of each instrument on the balance sheet was:

| | At 28 February 2019 £'000 | At 28 February 2018 £'000 Restated | At 28 February 2017 £'000 Restated |
|--|---------------------------------|---|---|
| Put/Call option over CPECs | 13,497 | 13,368 | 12,551 |
| Put/Call option over A, B and Es | 6,064 | 5,273 | 4,510 |
| | <u>19,561</u> | <u>18,641</u> | <u>17,061</u> |

The expense interest expense recognised in the period for put/call option over CPECS was £1,083,000 (2018: £928,000, 2017: £854,000). The fair value movement booked in other reserves in relation to the Put/Call options over A, B and Es was £791,000 (2018: £763,000, 2017: £423,000). The put/call options over A, B and Es are valued using the same methodology and assumptions as the share based payments described in note 21.

21. Share based payments

The Group holds two cash settled share-based payment schemes. Both schemes are re-valued to their fair value at each year end.

Accounting policy

The Group holds two share based payment arrangements that are cash-settled. Cash-settled share based payments to employees are initially measured and recorded as a liability at the fair value of the equity

Notes (continued)

21. Share based payments (continued)

instruments. The initial fair value is then expensed in employee benefit expenses evenly over the vesting period. The fair value is remeasured at each balance sheet date with any changes recognised in net finance costs for the relevant period.

Joint Share Ownership Plan (“JSOP”)

The JSOP is a share ownership scheme under which the employee and Equity Trust (Jersey) Limited, the EBT Trustee, hold a joint interest in Class A shares. Interests under the JSOP take the form of restricted interests in Class A shares in the Company. An interest permits a participant to benefit from the increase (if any) in the value of a number of Class A shares in the Company over specified threshold amounts. In order to acquire an interest, a participant must enter into a co-ownership agreement with the EBT Trustee, under which the participant acquires shares from the EBT Trustee and agree that when the shares are sold the participant has a right to receive the proportion of the sale proceeds that exceed the threshold amount. The vesting of interests granted to employees is subject to the JSOP interest holder continuing to be an employee. Interests vest in stages over a five-year period commencing on a specified date. The fair value of interests awarded under the JSOP was determined using a Monte-Carlo option pricing model.

Phantom shares

As part of the Group’s consideration for the acquisition of Capitaine Train SAS on 16 April 2016, the Group issued Phantom A, B and E shares to certain selling shareholder-employees of Capitaine Train SAS, who went on to become employees of the post-combination Group.

These Phantom Shares and CPECs entitle the holders to cash proceeds in a liquidity event that are calculated as if the holders held the actual shares and CPECs issued by the Group. The Phantom Shares are also subject to a put/call option that is exercisable by the Company in the event that the holders leave the business. The exercise prices for this put/call option depend in part on the holder’s length of service in the post-combination business and leaver status. As a result of the link between the put/call option exercise pricing and the holders continued employment in the Group, the arrangement is required to be accounted for under IFRS2 as a cash-settled share based payment.

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

| | Year ended 28 February 2019 | Year ended 28 February 2018 | Year ended 28 February 2017 |
|----------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Exit date | 28/02/2020 | 28/02/2020 | 28/02/2020 |
| Volatility | 34% | 34% | 34% |
| Risk free rate | 0.83% | 0.72% | 0.12% |

Carrying value and fair value of share based payment liabilities

The carrying value and fair value of the Group’s cash-settled share based payment arrangements were determined using Monte-Carlo option pricing models.

| | At 28 February 2019 £’000 | At 28 February 2018 £’000 Restated | At 28 February 2017 £’000 Restated |
|----------------------------------|------------------------------------|--|--|
| Joint Share Ownership Plan | 3,961 | 2,132 | 169 |
| Phantom shares | 4,072 | 4,750 | 4,852 |
| | <u>8,033</u> | <u>6,882</u> | <u>5,021</u> |

The expense recognised in the period for share based payments is £2,499,000 (2018: £2,373,000, 2017: £246,000). Of these amounts £3,309,000 (2018: £1,846,000, 2017: 168,000) was recorded in Employee Costs (Note 4) and (£810,000) (2018: £527,000, 2017: £78,000) was recorded in Net Finance Costs (Note 6).

Notes (continued)

21. Share based payments (continued)

The movements in share awards are summarised as follows:

| | | |
|----------------------------------|----------------------------------|----------------------------------|
| Outstanding | JSOP interests Number | Phantom Shares Number |
| At 1 March 2018 | 45,214 | 36,009 |
| Granted | 35,537 | — |
| Forfeited | (22,643) | (1,691) |
| Exercised | — | — |
| At 28 February 2019 | <u>58,108</u> | <u>34,318</u> |
| Outstanding | JSOP interests Number | Phantom Shares Number |
| At 1 March 2017 | 41,005 | 38,663 |
| Granted | 8,213 | — |
| Forfeited | — | (2,654) |
| Exercised | (4,004) | — |
| At 28 February 2018 | <u>45,214</u> | <u>36,009</u> |
| Outstanding | JSOP interests Number | Phantom Shares Number |
| At 1 March 2016 | 41,005 | 38,798 |
| Granted | — | — |
| Forfeited | — | (135) |
| Exercised | — | — |
| At 28 February 2017 | <u>41,005</u> | <u>38,663</u> |

22. List of subsidiaries

The Group holds, directly or indirectly, share capital in the following companies:

| Name of company | Country of Incorporation | Principle activity | Ownership | Registered Address |
|---|-----------------------------|-------------------------------------|-----------|-----------------------|
| Victoria Intermediate Topco Limited | Jersey | Intermediate holding company | 100% | b |
| Victoria Finco Limited | Great Britain | Intermediate holding company | 100% | a |
| Victoria Investments Intermediate Holdco Limited | Great Britain | Intermediate holding company | 100% | a |
| Victoria Investments PIKCo Limited | Great Britain | Intermediate holding company | 100% | a |
| Victoria Investments Midco Limited | Great Britain | Intermediate holding company | 100% | a |
| Victoria Investments Bidco Limited | Great Britain | Intermediate holding company | 100% | a |
| Victoria Investments Newco Limited ₁ | Jersey | Intermediate holding company | 100% | b |
| Trainline Investments Holdings Limited | Great Britain | Intermediate holding company | 100% | a |
| Trainline International Limited | Great Britain | Rail ticket retail and distribution | 100% | a |
| Trainline France SAS | France | Intermediate holding company | 100% | c |
| Trainline Junior Mezz Limited | Great Britain | Intermediate holding company | 100% | a |
| Trainline SAS | France | Rail ticket retail and distribution | 100% | c |
| Trainline Group Investments Limited | Great Britain | Intermediate holding company | 100% | a |
| Trainline Holdings Limited | Great Britain | Intermediate holding company | 100% | a |
| Trainline.com Limited | Great Britain | Rail ticket retail and distribution | 100% | a |
| Qjump Limited | Great Britain | Rail ticket retail and distribution | 100% | a |
| Trainline Rail Enquiry Services Limited | Great Britain | Non trading | 100% | a |
| Trainline Short Breaks Limited | Great Britain | Dormant | 100% | a |
| Trainline Italia S.R.L. | Italy | Intragroup services | 100% | d |

Notes (continued)

22. List of subsidiaries (continued)

Registered address key:

- a 120 Holborn, London, EC1N 2TD
- b 47 Esplanade, St Hellier, Jersey, JE1 0BD
- c 20 rue Saint Georges, 75009 Paris
- d Corso Vercelli, 40 20145 Milan, Italy
- 1 Victoria Investments Newco Limited is incorporated in Jersey but tax domiciled in UK.

23. Related parties

During the year, the Group entered into transactions in the ordinary course of business with related parties.

Transactions with Shareholders

At 28 February 2019, the ultimate controlling party of the company is KKR and Co. Inc on behalf of the funds under its management. As part of this control and ownership certain fees are payable to KKR and Co. Inc or associated companies, as detailed below.

During the financial year ended 28 February 2019, the Group paid KKR and Co. Inc £534,000 (2018: £625,000, 2017: £498,000) in relation to Directors fees and other subsidiaries of KKR and Co. Inc £928,000 (2018: £904,000, 2017: £858,000) in relation to advisory services.

Transactions with key management personnel of the Group

Key Management Personnel are defined as member of the Group's Strategic Board.

See note 6 for details of compensation of key management personnel. Certain employees hold shares in the Group, including Key Management Personnel. The underlying agreement in relation to these shares includes a call options which allows settlement in equity. It also includes employment conditions and therefore all shares are accounted for as equity settled share based payments. As these shares were purchased at fair value at the date of the KKR acquisition of Trainline no associated share based payment charge booked through the income statement.

Key Management Personnel had the following share holdings at each year end:

| | <u>Class A</u> | <u>Class B</u> | <u>Class C</u> | <u>Class D</u> | <u>CPECs</u> |
|-----------------------------------|----------------|----------------|----------------|----------------|---------------|
| | <u>Number</u> | <u>Number</u> | <u>Number</u> | <u>Number</u> | <u>Number</u> |
| Year ended 28 February 2019 | 52,200 | 16,476 | 164,819 | 7,594 | 5,182,519 |
| Year ended 28 February 2018 | 52,200 | 16,476 | 156,742 | 7,594 | 5,182,519 |
| Year ended 28 February 2017 | 52,200 | 16,476 | 156,742 | 7,594 | 5,182,519 |

Where Key Management Personnel are accruing share based payments as part of the JSOP or Phantom Share Schemes the quantum of this charge per financial year is detailed in note 4.

24. 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 including in basic and diluted earnings per share calculations.

Accounting policy

The Group calculates earnings per share in accordance with the requirements of IAS 33.

Two types of earnings per share are reported:

(i) Basic earnings per share

Earnings attributable to ordinary equity holders of the Company for the period, divided by the weighted average number of ordinary shares outstanding during the period

Notes (continued)

24. Earnings per share (continued)

For the purposes of IAS 33, an 'Ordinary Share' is an equity instrument that is subordinate to all other classes of equity instruments. Ordinary Shares participate in profit for the period only after all other types of shares have participated.

As the Group has more than one class of equity instrument on issue, it reviews the terms of each equity instrument and determines which class or classes are subordinate to all other equity instruments. Superior classes of share that participate in profit for the period ahead of Ordinary Shares are classified as 'Participating Shares'.

When determining the share of overall group profits or losses that are attributable to Ordinary Shares, the Group adjusts total profit and loss to remove those elements of profit and loss that are attributable to Participating Shares.

(i) Diluted earnings per share

Adjusts the earnings attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding used in the basic earnings per share calculation for the effects of all dilutive 'Potential Ordinary Shares'.

Potential Ordinary Shares are financial instruments or other contracts that may entitle their holders to Ordinary Shares. Examples of Potential Ordinary Shares could include convertible preference shares and share options, the exercise of which would result in additional Ordinary Shares being issued.

| | At 28 February 2019 | At 28 February 2018 | At 28 February 2017 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Weighted average number of ordinary shares for basic earnings per share; | | | |
| Class A shares | 150,342 | 150,342 | 150,342 |
| Class B shares | 977,712 | 977,712 | 977,712 |
| Treasury shares | (65,389) | (65,389) | (65,389) |
| Total ordinary shares for basic earnings per share | 1,062,665 | 1,062,665 | 1,062,665 |
| Dilutive impact of CPECS convertible to B shares | 308,444,172 | 308,444,172 | 308,444,172 |
| Weighted average number of ordinary shares for diluted earnings per share | 309,506,837 | 309,506,837 | 309,506,837 |
| | At 28 February 2019 £'000 | At 28 February 2018 £'000 | At 28 February 2017 £'000 |
| Loss after tax | (13,670) | (24,202) | (30,237) |
| Accumulating preferred dividends on CPECS | (30,952) | (28,085) | (25,334) |
| Basic and diluted earnings | (44,622) | (52,287) | (55,571) |
| | £ | £ | £ |
| Basic earnings/(loss) per share | (41.99) | (49.20) | (52.29) |
| Diluted earnings/(loss) per share | (0.14) | (0.17) | (0.18) |

25. Business combinations

On 13 April 2016 the Group acquired Capitaine Train SAS for consideration of €143.3m satisfied in cash, equity and loan notes.

Accounting policy

The Group accounts for business combinations in line with IFRS 3. The consideration transferred is measured at fair value, as are the identifiable net assets acquired. Transaction costs are expensed as incurred

Notes (continued)

25. Business combinations (continued)

The Company provided an online booking platform and mobile apps that allow customers to book train tickets in Europe without any hassle and at the best price. The purpose of the acquisition by Trainline was to continue to expand its operations into Europe and make European travel by train easier and more accessible than ever before.

From the date of acquisition to 28th February 2017 the subsidiary contributed net loss of £2,100,000 to the consolidated net loss for the year. If the acquisition had occurred on first day of accounting period, the subsidiary revenue would have been an estimated £4,200,000 and the net loss would have been an estimated £2,200,000. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on first day of accounting period.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

| | Recognised values on acquisition £'000 |
|--|---|
| Acquiree's net assets at the acquisition date: | |
| Property, plant and equipment | 303 |
| Intangible assets | 4,446 |
| Trade and other receivables | 889 |
| Cash and cash equivalents | 4,077 |
| Interest-bearing loans and borrowings | (802) |
| Trade and other payables | (3,486) |
| Deferred tax liabilities | (1,406) |
| Net identifiable assets and liabilities | 4,021 |
| Goodwill arising from acquisition | 106,822 |
| Consideration paid: | |
| Cash consideration | 53,443 |
| Non-cash consideration | 57,400 |
| Total consideration | 110,843 |

Goodwill arose on the acquisition because of the expected synergies and other benefits from combining the assets and activities of Capitaine Train SAS with the Trainline Group's existing business. As part of the agreement, £57,400,000 of shares and loan notes were issued to Capitaine Train SAS employees and shareholders, and the net cash consideration provided was £49,300,000. The cost base of the goodwill is partially expected to be deductible for income tax purposes on a future disposal of Capitaine Train SAS.

Total transaction costs of £4,800,000 were incurred and are included in exceptional expense.

Goodwill acquired has been allocated to the Group's CGUs as follows:

- UK consumer – £22,600,000 – to reflect the synergies, particularly relating to international inbound sales expected post combination.
- International – £84,400,000 – to reflect the future sales growth expected from the acquisition and the value of the workforce acquired.

26. Post balance sheet events

On 14 May 2019, the Group agreed with its lenders to refinance the PIK loan. As part of this refinancing, the Group agreed with its lenders to increase the secured bank loan facility by £65 million, to £270 million, and gave notice to the PIK lenders that it would repay the PIK loan, in full, on 17 May 2019. Funding for the PIK repayment was made by drawing on the increased loan facility and the Group's existing cash resources. The term, interest rates and covenants of the increased bank loan facility remain unchanged.

Notes (continued)

27. Prior period restatement

During the preparation of the Financial Information the financial results for the financial year ended 28 February 2017 and 28 February 2018 have been restated. Details of the restatements and their impacts are included in the tables and narrative below.

Income Statement – Year ended 28 February 2018

| | Original £'000 | Adj 1 £'000 | Adj 2 £'000 | Adj 3 £'000 | Reclass.* £'000 | Restated £'000 |
|-------------------------------|-------------------|----------------|----------------|----------------|--------------------|-------------------|
| Revenue | 177,993 | — | — | — | — | 177,993 |
| Cost of sales | (64,577) | — | — | — | 16,431 | (48,146) |
| Gross profit | 113,416 | — | — | — | 16,431 | 129,847 |
| Administrative expenses | (119,122) | 1 | (1,846) | — | (16,431) | (137,398) |
| Adjusted EBITDA | 30,632 | 1 | — | — | — | 30,633 |
| Depreciation and amortisation | (34,137) | — | — | — | — | (34,137) |
| Share based payment charges | — | — | (1,846) | — | — | (1,846) |
| Exceptional items | (2,201) | — | — | — | — | (2,201) |
| Operating loss | (5,706) | 1 | (1,846) | — | — | (7,551) |
| Finance income | 161 | — | — | — | — | 161 |
| Finance expense | (20,742) | — | (1,292) | — | — | (22,034) |
| Net finance costs | (20,581) | — | (1,292) | — | — | (21,873) |
| Loss before tax | (26,287) | 1 | (3,138) | — | — | (29,424) |
| Income tax credit | 1,943 | — | — | 3,279 | — | 5,222 |
| Loss after tax | (24,344) | 1 | (3,138) | 3,279 | — | (24,202) |

Income Statement – Year ended 28 February 2017

| | Original £'000 | Adj 1 £'000 | Adj 2 £'000 | Reclass.* £'000 | Restated £'000 |
|-------------------------------|-------------------|----------------|----------------|--------------------|-------------------|
| Revenue | 152,772 | — | — | — | 152,772 |
| Cost of sales | (56,485) | — | — | 15,323 | (41,162) |
| Gross profit | 96,287 | — | — | 15,323 | 111,610 |
| Administrative expenses | (107,358) | — | (168) | (15,323) | (122,849) |
| Adjusted EBITDA | 30,686 | — | — | — | 30,686 |
| Depreciation and amortisation | (34,977) | — | — | — | (34,977) |
| Share based payment charges | — | — | (168) | — | (168) |
| Exceptional items | (6,780) | — | — | — | (6,780) |
| Operating loss | (11,071) | — | (168) | — | (11,239) |
| Finance income | 228 | — | — | — | 228 |
| Finance expense | (19,686) | — | (502) | — | (20,188) |
| Net finance costs | (19,458) | — | (502) | — | (19,960) |
| Loss before tax | (30,529) | — | (670) | — | (31,199) |
| Income tax credit | 962 | — | — | — | 962 |
| Loss after tax | (29,567) | — | (670) | — | (30,237) |

* Reclassifications have been explained in note 1k.

Notes (continued)

27. Prior period restatement (continued)

Balance Sheet – Year ended 28 February 2018

| | Original £'000 | Adj 1 £'000 | Adj 2 £'000 | Adj 3 £'000 | Reclass.* | Restated £'000 |
|---|-------------------|----------------|----------------|----------------|-----------|-------------------|
| Non-Current Assets | 570,517 | — | — | — | — | 570,517 |
| Current assets | 106,779 | 448 | — | — | — | 107,227 |
| Current liabilities | (129,791) | 1 | — | — | — | (129,790) |
| Loans and Borrowings | (281,329) | — | 22,485 | — | — | (258,844) |
| Other non-current liabilities | — | — | (18,641) | — | — | (18,641) |
| Share based payment liabilities | — | — | (6,882) | — | — | (6,882) |
| Provisions | (1,492) | — | — | — | — | (1,493) |
| Deferred tax liability | (16,149) | — | — | 3,279 | — | (12,870) |
| Non-current liabilities | (298,971) | — | (3,039) | 3,279 | — | (298,731) |
| Net Assets | 248,534 | 449 | (3,039) | 3,279 | — | 249,223 |
| Share capital | 155 | — | — | — | — | 155 |
| Share premium | 26,283 | — | — | — | — | 26,283 |
| CPECs | 310,735 | — | — | — | — | 310,735 |
| Foreign exchange reserve | 1,680 | — | — | — | — | 1,680 |
| Other reserves | (3,374) | 313 | 575 | — | — | (2,486) |
| Retained earnings | (86,945) | 136 | (3,614) | 3,279 | — | (87,144) |
| Total Equity | 248,534 | 449 | (3,039) | 3,279 | — | 249,223 |

Balance Sheet – Year ended 28 February 2017

| | Original £'000 | Adj 1 £'000 | Adj 2 £'000 | Reclass.* | Restated £'000 |
|---|-------------------|----------------|----------------|-----------|-------------------|
| Non-Current Assets | 573,707 | — | — | — | 573,707 |
| Current assets | 112,056 | 480 | — | — | 112,536 |
| Current liabilities | (117,730) | — | — | — | (117,730) |
| Loans and Borrowings | (272,878) | — | 21,517 | — | (251,361) |
| Other non-current liabilities | — | — | (17,061) | — | (17,061) |
| Share based payment liabilities | — | — | (5,021) | — | (5,021) |
| Provisions | (1,303) | — | — | — | (1,303) |
| Deferred tax liability | (20,489) | — | — | — | (20,489) |
| Non-current liabilities | (294,670) | — | (564) | — | (295,234) |
| Net Assets | 273,363 | 480 | (564) | — | (273,279) |
| Share capital | 155 | — | — | — | 155 |
| Share premium | 26,283 | — | — | — | 26,283 |
| CPECs | 310,735 | — | — | — | 310,735 |
| Foreign exchange reserve | 1,644 | — | — | — | 1,644 |
| Other reserves | (2,855) | 55 | 28 | — | (2,772) |
| Retained earnings | (62,599) | 425 | (592) | — | (62,766) |
| Total Equity | 273,363 | 480 | (564) | — | 273,279 |

* Reclassifications have been explained in note 1k.

The restatement adjustments comprise of the following:

Adjustment 1: Consolidation of the Group's Employee Benefit Trust

The Group has an Employee Benefit Trust, that has not previously been consolidated. The comparative information has been restated to include the consolidation of the Trust.

Notes (continued)

27. Prior period restatement (continued)

Adjustment 2: Share Based Payments and share related balances

The Group has a number of share based payment arrangements, as disclosed in note 21, which were not accounted for in prior years. The comparative information has been restated to reflect the accounting for these arrangements.

Other non-current liabilities for phantom securities were included in loans and borrowings in previous years at grant date fair value. These have been reclassified in the above restatement and revalued to fair value at each year end. See note 20.

Adjustment 3: Deferred Tax

In the year ended 28 February 2018 the Group made an error in its consolidation of deferred tax credits and balances in overseas jurisdictions. The deferred tax credit and liability for the year ended 28 February 2018 has been restated to correct this error.

PART 13

Unaudited Pro Forma Financial Information

Section A – Unaudited pro forma financial information

The unaudited pro forma statement of net assets as at 28 February 2019 set out below has been prepared to illustrate the effect of the Offer on the consolidated net assets of the Group as if the Offer had occurred on 28 February 2019.

The information, which has been produced for illustrative purposes only by its nature addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position. The unaudited pro forma statement of net assets is compiled on the basis set out in the notes below and in accordance with the accounting policies of the Group for the year ending 28 February 2019. The unaudited pro forma financial information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the unaudited financial information in this Part 13. KPMG LLP's report on the unaudited pro forma financial information is set out in Section B of this Part 13.

Unaudited consolidated pro forma statement of net assets as at 28 February 2019

| | Consolidated net assets of the Group at 28 February 2019 | Adjustment for net proceeds of the Offer | Adjustment for refinancing | Adjustment for pre-IPO restructuring | Pro forma net assets of the Group |
|--|---|--|-------------------------------|--|---|
| | Note 1 £'000 | Note 2 £'000 | Note 3 £'000 | Note 4 £'000 | Note 5 £'000 |
| Non-current assets | | | | | |
| Intangible assets | 114,770 | — | — | — | 114,770 |
| Goodwill | 443,271 | — | — | — | 443,271 |
| Property, plant and equipment | 5,462 | — | — | — | 5,462 |
| Derivative assets | 460 | — | — | — | 460 |
| | 563,963 | — | — | — | 563,963 |
| Current assets | | | | | |
| Cash and cash equivalents | 94,477 | 93,059 | (77,118) | (3,000) | 107,418 |
| Trade and other receivables | 47,196 | — | — | — | 47,196 |
| Inventories | 25 | — | — | — | 25 |
| | 141,698 | 93,059 | (77,118) | (3,000) | 154,639 |
| Current liabilities | | | | | |
| Trade and other payables | (161,684) | — | — | — | (161,684) |
| Current tax payable | (1,093) | — | — | — | (1,093) |
| Loans and borrowings | (2,815) | — | 2,815 | — | — |
| | (165,592) | — | 2,815 | — | (162,777) |
| Net current liabilities | (23,894) | 93,059 | (74,303) | (3,000) | (8,138) |
| Total assets less current liabilities | 540,069 | 93,059 | (74,303) | (3,000) | 555,825 |
| Non-current liabilities | | | | | |
| Loans and borrowings | (266,438) | — | 65,225 | — | (201,213) |
| Other non-current liabilities | (19,561) | — | — | 19,561 | — |
| Share based payment liabilities | (8,033) | — | — | 8,033 | — |
| Provisions | (1,566) | — | — | — | (1,566) |
| Deferred tax liability | (7,882) | — | — | — | (7,882) |
| | (303,480) | — | 65,225 | 27,594 | (210,661) |
| Net assets | 236,589 | 93,059 | (9,078) | 24,594 | 345,164 |

Notes:

- The consolidated net assets of the Group as at 28 February 2019 have been extracted without material adjustment from the audited historical financial information of the Group for the year ended 28 February 2019 set out in Section B of Part 12 (*Historical Financial Information*).

2. The adjustment represents the effect of the receipt by the Company of the gross proceeds of the Offer of £110.3 million less estimated costs of £17.2 million.
3. This adjustment represents the use of proceeds of the Offer to repay bank indebtedness, and associated bank exit fees plus the write off of unamortised arrangement fees amounting to £9.1 million in aggregate.
4. This adjustment reflects the re-designation of share based payment liabilities and of put option liabilities into ordinary shares, and a payment of £3.0 million on certain convertible preferred equity certificates.
5. No adjustment has been made to reflect the trading results of the Group since 28 February 2019 or any other change in its financial position since that date. The Directors believe that, had the Offer completed at the beginning of the last financial period, the earnings of the Group would have been affected. Assuming that a portion of the net offer proceeds was applied to reduce the borrowings of the Group, the impact would have been to reduce finance costs associated with loans with a corresponding increase in earnings.
6. The unaudited pro forma financial information has not been prepared in accordance with the requirements of Regulation SX of the US Securities Act.

Section B – Accountant’s report on the unaudited pro forma financial information



KPMG LLP
15 Canada Square
London E14 5GL

The Directors
Trainline plc
120 Holborn
London EC1N 2TD
United Kingdom

21 June 2019

Ladies and Gentlemen

Trainline plc

We report on the pro forma net assets (the ‘Pro forma financial information’) set out in Part 13 of the prospectus dated 21 June 2019, which has been prepared on the basis described in notes 1 to 5, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by Trainline plc in preparing the financial statements for the period ended 28 February 2019. This report is required by paragraph 7 of Annex II of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of Trainline plc to prepare the Pro forma financial information in accordance with Annex II of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of Trainline plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Trainline plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Trainline plc.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

PART 14

Details of the Offer

Background

Pursuant to the Offer, the Company intends to issue 31,526,093 New Shares, raising proceeds of approximately £93.1 million, net of underwriting commissions and other estimated Offer-related fees and expenses of approximately £17.2 million. The New Shares will represent approximately 6.6% of the expected issued ordinary share capital of the Company immediately following Admission.

Approximately 240,129,377 Existing Shares are expected to be sold by the Selling Shareholders in the Offer, pursuant to which the Company expects the Selling Shareholders to raise aggregate proceeds of up to approximately £811.0 million, net of underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders in connection with the Offer of approximately £29.4 million. In addition, a further 40,748,321 Over-allotment Shares are being made available by the Principal Shareholder pursuant to the Over-allotment Option described below.

The Offer is being made by way of an offer by the Company and the Selling Shareholders to certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and in the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

Certain restrictions that apply to the distribution of this Prospectus and the Shares being issued and sold under the Offer in jurisdictions outside the United Kingdom are described below in “– *Selling Restrictions*”.

When admitted to trading, the Shares will be registered with ISIN number GB00BKDTK925 and Stock Exchange Daily Official List (“SEDOL”) number BKDTK92 and trade under the symbol “TRN”.

Immediately following Admission, it is expected that in excess of 46.2% of the Company’s issued ordinary share capital will be held in public hands (within the meaning of paragraph 6.14 of the Listing Rules), assuming that no Over-allotment Shares are acquired pursuant to the Over-allotment Option (increasing to 53.1% if the maximum number of Over-allotment Shares are acquired pursuant to the Over-allotment Option).

Reasons for the Offer and use of proceeds

The Directors believe that the Offer and Admission will:

- further support the Group’s growth plans by increasing the Group’s public profile and brand awareness;
- provide a base of long-term shareholders; and
- provide a potential liquidity opportunity for existing Shareholders

The sale of Existing Shares will provide the Selling Shareholders with an opportunity for a partial realisation of their shareholding in the Company.

The Company intends to use the net proceeds from the issue of the New Shares to reduce its existing indebtedness, which will provide the Group with greater working capital flexibility.

No expenses will be charged by the Company or the Selling Shareholders to any subscribers or purchasers of Shares pursuant to the Offer.

Offer Size and Allocations

This section should be read in conjunction with the section entitled Part 4 (*Expected Timetable of Principal Events and Offer Statistics*)

The Offer comprises an offer to (i) certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and (ii) in the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, of which:

- 31,526,093 are New Shares being offered for subscription by the Company;

- 195,794,409 are Existing Shares being offered for sale by the Principal Shareholder; and
- 44,334,968 are Existing Shares being offered for sale by the Minority Selling Shareholders,

for a total of 271,655,470 Shares.

The rights attaching to the Shares issued or sold pursuant to the Offer, including any Shares sold pursuant to the Over-allotment Option, will be uniform in all respects, including the right to vote and the right to receive all dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission. The Shares will, immediately on and from Admission, be freely transferable under the Articles.

The Shares allocated under the Offer have been underwritten, subject to certain conditions, by the Underwriters as described in the paragraph headed "Underwriting arrangements" below and in paragraph 14 of Part 15 (*Additional Information*).

Allocations under the Offer will be determined at the discretion of the Company and the Principal Shareholder following consultation with the Joint Global Co-ordinators. There is no obligation for the Company, the Principal Shareholder or the Joint Global Co-ordinators to allocate such Shares proportionately. A number of factors will be considered in determining the basis of allocation, including the level and nature of demand for the Shares in the Offer and the objectives of encouraging an orderly and liquid after market in the Shares and establishing an investor profile consistent with the long term objective of the Company. If there is excess demand for Shares in the Offer, allocations may be scaled down at the discretion of the Company and the Principal Shareholder following consultation with the Joint Global Co-ordinators. All Shares issued or sold pursuant to the Offer will be issued or sold, payable in full, at the Offer Price. Liability for UK stamp duty and SDRT is described in paragraph 18 of Part 15 (*Additional Information*).

The latest time and date for indications of interest in acquiring Shares under the Offer was 12.00 p.m. on 20 June 2019, but that time may be extended at the discretion of the Joint Global Co-ordinators (with the agreement of the Company and the Principal Shareholder).

Over-allotment and stabilisation

In connection with the Offer, Morgan Stanley & Co. International plc, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilising transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilising transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 40,748,321 Shares, being 15% of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilising period, the Principal Shareholder will have granted to the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares at the Offer Price, which represents up to an additional 40,748,321 Shares, being 15% of the total number of Shares comprised in the Offer. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Offer and will form a single class for all purposes with the other Shares.

For a discussion of certain stock lending arrangements entered into in connection with the Over-allotment Option, see paragraph 14.2 of Part 15 (*Additional Information*).

Cornerstone Investor

Pursuant to the Cornerstone Investment Agreement, the Cornerstone Investor has irrevocably agreed to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer at the Offer Price, up to a maximum aggregate amount of £200,000,000, and the Company has agreed to cause such Shares to be delivered or allotted and issued to the Underlying Cornerstone Investors at the Offer Price. The Underlying Cornerstone Investors will subscribe for or purchase Shares pursuant to, and as part of, the Offer. The Shares to be subscribed for or purchased by the Underlying Cornerstone Investors will rank *pari passu* with the Shares issued or sold in the Offer. No special rights have been granted to the Cornerstone Investor or the Underlying Cornerstone Investors pursuant to the Cornerstone Investment Agreement. The obligation of the Cornerstone Investor under the Cornerstone Investment Agreement to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer is subject to certain conditions. For more information, see “*Material Contracts – Cornerstone Investment Agreement*” in Part 15 (*Additional Information*).

Listing, dealing and settlement arrangements

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, including Admission occurring and becoming effective by 8.00 a.m. (London time) on 26 June 2019 or such later date and time as may be determined in accordance with such agreement, and to the Underwriting Agreement not having been terminated. Further details of the Underwriting Agreement are set out in paragraph 14.1 of Part 15 (*Additional Information*).

It is expected that Admission will become effective and that dealings in the Shares will commence on an unconditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 26 June 2019. Settlement of dealings from that date will be on a two-day rolling basis. Prior to Admission, conditional dealings in Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 21 June 2019. Dealings on the London Stock Exchange prior to Admission will only be settled if Admission takes place. The earliest date for settlement of such dealings will be 26 June 2019. **All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a “when issued basis”. If the Offer does not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned. These dates and times may be changed without further notice.**

Each investor will be required to undertake to pay the Offer Price for the Shares issued or sold to such investor in such manner as shall be directed by the Joint Global Co-ordinators.

It is expected that Shares allocated to investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

In connection with the Offer, each of the Underwriters and any of their respective affiliates may take up a portion of the Shares in the Offer as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such securities and any other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt with should be read as including any issue, offer, subscription, acquisition, dealing or placing by the Underwriters and any of their affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Underwriters intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

CREST

CREST is a paperless settlement system allowing securities to be transferred from one person’s CREST account to another’s without the need to use share certificates or written instruments of transfer. With effect from Admission, the Articles will permit the holding of Shares in the CREST system.

Application has been made for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so.

Underwriting arrangements

The Underwriters have entered into commitments under the Underwriting Agreement pursuant to which they have agreed, subject to certain conditions, to procure subscribers for the New Shares to be issued by the Company and to procure purchasers for the Existing Shares to be sold by the Selling Shareholders in the Offer, and to the extent that such New Shares and/or Existing Shares are not so subscribed or purchased, to subscribe for or purchase themselves such Shares, as the case may be, at the Offer Price. The Underwriting Agreement contains provisions entitling the Underwriters to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any moneys received in respect of the Offer will be returned to applicants without interest. The Underwriting Agreement provides for the Underwriters to be paid a commission in respect of the New Shares issued, the Existing Shares sold and any Over-allotment Shares sold following exercise of the Over-allotment Option. Any commissions received by the Underwriters may be retained, and any Shares acquired by them may be retained or dealt in, by them, for their own benefit.

The Underwriters and/or their respective affiliates may have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or the Principal Shareholder (or any parties related to the Company or the Principal Shareholder) for which they have received or may in the future receive customary compensation, fees and/or commissions. In particular, the Company has entered into the New Facilities Agreement with certain of the Underwriters or their affiliates, see “Material Contracts – New Facilities Agreement” in Part 15 (*Additional Information*). In addition, KKR Capital Markets Limited is an affiliate of the Principal Shareholder. Furthermore, certain of the Underwriters or their affiliates may participate in financing arrangements, including a potential margin loan, with the Principal Shareholder, in relation to which such Underwriters or their affiliates may receive fees or other compensation.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with investors’ and or the Company’s interests.

Further details of the terms of the Underwriting Agreement are set out in paragraph 14.1 of Part 15 (*Additional Information*). Certain selling and transfer restrictions are set out below.

Lock-up arrangements

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Joint Sponsors, issue, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement and related arrangements, the Principal Shareholder and the Directors have agreed that, subject to certain exceptions, during the period of 180 days in respect of the Principal Shareholder and 365 days in respect of the Directors, in each case from the date of Admission, they will not, without the prior written consent of the Joint Sponsors, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The lock up restrictions described in this paragraph shall not apply to any of the following:

- (a) any disposal for the purpose of pledging or charging any Share to or for the benefit of a lender in connection with any margin loan facility made available to the Principal Shareholder; or
- (b) any disposal for the purposes of transferring any Shares pursuant to any enforcement of the security over Shares granted by the Principal Shareholder to or for the benefit of a lender in connection with any margin loan facility made available to the Principal Shareholder, provided that any proposed transferee of those Shares pursuant to an enforcement of security shall have agreed to be bound by the lock up restrictions applicable to the Principal Shareholder.

The Principal Shareholder has retained the right to enter into a margin loan facility following Admission. Should the Principal Shareholder enter into a margin loan facility, the security granted in favour of the margin loan lender could represent a significant majority of the Shares held by the Principal Shareholder in the Company at

Admission. Ordinarily under such arrangements, the Principal Shareholder will continue to be able to vote Shares over which security has been granted unless and until a default occurs under a margin loan facility. In the event that an event of default occurs under a margin loan facility, the security agent under the margin loan facility agreement may enforce the security granted by the Principal Shareholder over its Shares and sell those Shares. Any transferee of such Shares during the lock up period applicable to the Principal Shareholder would be required to be bound by the lock up arrangements described above.

Pursuant to the Deeds of Election, the Minority Shareholders, whether or not they have elected to make available for sale in the Offer any Shares, have agreed that, subject to certain exceptions, during a period of 365 days in respect of Management Shareholders, and 180 days in respect of all other Minority Shareholders, in each case from the date of Admission, they will not, without the prior written consent of the Joint Sponsors, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The Management Shareholders subject to a 365-day lock-up period (other than those Management Shareholders who have signed the Underwriting Agreement) are expected to hold, in aggregate, 1.6% of the Company's issued ordinary share capital immediately following Admission, and the Minority Shareholders subject to a 180-day lock-up period are expected to hold, in aggregate, 5.5% of the Company's issued ordinary share capital immediately following Admission.

Subscription of Shares by Directors

Shortly following Admission 28,571 Shares will be issued by the Company to Brian McBride for a total price of £100,000, 28,571 Shares will be issued by the Company to Duncan Tatton-Brown for a total price of £100,000 and 2,142 Shares will be issued by the Company to Kjersti Wiklund for a total price of £7,500. These Shares will be issued at the Offer Price but will not form part of the Offer.

Selling restrictions

The distribution of this Prospectus and the offer of Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

European Economic Area

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") no Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression an “offer to the public” in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU and Regulation EU 2017/1129), and includes any relevant implementing measure in each Relevant Member State.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Co-ordinators has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Underwriters of such fact in writing may, with the prior consent of the Joint Global Co-ordinators, be permitted to acquire Shares in the Offer.

United States

The Shares have not been and will not be registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer of the Shares an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective United States broker-dealer affiliates arrange for the offer and resale of Shares within the United States only to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Each acquirer of Shares within the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

- (a) it is (a) a QIB within the meaning of Rule 144A, (b) acquiring the Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (c) acquiring the Shares for investment purposes, and not with a view to further distribution of such Shares, and (d) aware, and each beneficial owner of the Shares has been advised, that the sale of the Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.
- (b) it understands that the Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available) or (d) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. It further (a) understands that the Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Shares established or maintained by a depositary bank, (b) acknowledges that the Shares (whether in physical certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of

Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Shares and (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

- (c) it understands that the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE US SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR REALES OF THE ORDINARY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

and

- (d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Shares while they remain “restricted securities” within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Underwriters and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Australia

This Prospectus (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (“Corporations Act”); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (“ASIC”), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors (“Exempt Investors”) who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are “wholesale clients” for the purpose of section 761G of the Corporations Act.

The Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Shares, each purchaser or subscriber of Shares represents and warrants to the Company, the Selling Shareholders, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Shares under this Prospectus, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those

Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Shares each purchaser or subscriber of Shares undertakes to the Company, the Selling Shareholders, the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Shares, offer, transfer, assign or otherwise alienate those Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Japan

The Shares have not been, and will not be, registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the "FIEL") and disclosure under the FIEL has not been, and will not be, made with respect to the Shares. Neither the Shares nor any interest therein may be offered, sold, resold, or otherwise transferred, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, a resident of Japan is any person that is resident in Japan, including any corporation or other entity organised under the laws of Japan.

Dubai International Finance Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The Shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorised financial advisor.

Hong Kong

This document has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Shares may only be offered or sold in Hong Kong (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance and (b) in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person under Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise under, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(A) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(B) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 2(1) of the SFA) or Securities-based Derivatives Contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares under an offer made under Section 275 of the SFA except:

(1) to an institutional investor under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time, including by such of its subsidiary legislation as may be applicable at the relevant time.

South Africa

In South Africa, the Offer will only be made by way of private placement to, and be capable of acceptance by, persons falling within the exemptions set out in Section 96(1)(a) of the South African Companies Act and to whom the Offer will be specifically addressed ("Qualifying Investors") and this Prospectus is only being made available to such Qualifying Investors. The Offer and the Prospectus do not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and to subscribe for, shares to the public as defined in the South African Companies Act and will not be made or distributed, as applicable, to any person in South Africa in any manner which could be construed as an offer to the public in terms of the South African Companies Act. Should any person who is not a Qualifying Investor receive this Prospectus they should not and will not be entitled to acquire any Offer Shares or otherwise act thereon. This Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules

or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

PART 15

Additional Information

1. Responsibility

The Company and the Directors (whose names and principal functions are set out in Part 8 (*Directors, Senior Managers and Corporate Governance*)) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

2. Incorporation and share capital

2.1 The Company was incorporated and registered in England and Wales on 24 April 2019 as a private company limited by shares under the UK Companies Act with the name Austin 2019 Limited and with the registered number 11961132.

2.2 On 4 June 2019, the Company was re-registered as a public limited company and renamed Trainline plc.

2.3 The Company's registered office and principal place of business is at 120 Holborn, London, United Kingdom, EC1N 2TD and its telephone number is +44 (0) 203 128 2089.

2.4 The principal laws and legislation under which the Company operates and the ordinary shares have been created are the UK Companies Act and regulations made thereunder.

2.5 The share capital of the Company on incorporation was £50,001 divided into one ordinary share of £1.00 and 50,000 redeemable preference shares of £1.00 each, all of which were allotted to the Principal Shareholder. No further shares have been issued since incorporation.

2.6 On 20 June 2019, by member's written resolutions:

2.6.1 in substitution for any prior authority conferred upon the Board, the Board was authorised pursuant to section 551 of the UK Companies Act, without prejudice to the continuing authority of the Board to allot Shares or grant rights to subscribe for any security convertible into Shares pursuant to any offer or agreement by the Company before the expiry of the authority under which such offer or agreement was made:

2.6.1.1 upon Admission, to allot Shares, and to grant rights to subscribe for or to convert any security into Shares, up to an aggregate nominal amount of £480,680,508 in connection with the Offer, the subscription for Shares by the Independent Non-Executive Directors and the Reorganisation;

2.6.1.2 immediately following Admission, in addition to the authority contained in paragraph 2.6.1.1 above, to allot Shares and to grant rights to subscribe for or to convert any security into Shares for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed):

(a) up to an aggregate nominal amount of £160,207,075, which is equal to approximately one third of the aggregate nominal value of the share capital of the Company on the day following Admission; and

(b) in connection with an offer by way of a rights issue only to holders of Shares in proportion (as nearly as practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the Board consider it necessary, as permitted by the rights of those equity securities, up to an aggregate nominal value of £320,414,150, which is equal to approximately two thirds of the aggregate nominal value of the share capital of the Company on the day following Admission (including within such limit any shares or rights issued under (a) above),

but in each case subject to such exclusions or other arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

- 2.6.2 in substitution for any prior authority conferred upon the Board (but without prejudice to any allotments made pursuant to the terms of such authority), the Board was authorised for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed), to allot equity securities (within the meaning of section 560(1) of the Act) for cash, pursuant to sections 570 and 573 of the Act, as if section 561 of the Act did not apply to such allotment, such power being limited to:
- (a) the allotment of Shares up to an aggregate amount of £480,680,508 in connection with the Offer, the subscription for Shares by the Independent Non-Executive Directors and the Reorganisation;
 - (b) the allotment of equity securities in connection with an offer of equity securities to holders of Shares in proportion (or as nearly as may be practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those securities, but in each case subject to such exclusions or other arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - (c) the allotment of equity securities for cash (other than as described at (a) above) up to an aggregate nominal value of 5% of the issued share capital of the Company immediately following Admission.
- 2.6.3 in addition to the authority described at 2.6.2 above, the Board was authorised for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed), to allot equity securities (within the meaning of section 560(1) of the Act) for cash, pursuant to sections 570 and 573 of the Act, as if section 561 of the Act did not apply to such allotment, such power being:
- (a) limited to the allotment of equity securities for cash up to an aggregate nominal value of 5% of the issued share capital of the Company immediately following the Admission; and
 - (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice in respect of such resolution;
- 2.6.4 the Company will be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Shares each subject to the following conditions:
- (a) the maximum aggregate number of Shares will represent 10% of the Company's issued ordinary share capital on the day following Admission;
 - (b) the minimum price (excluding expenses) which may be paid for each Share is the nominal value of that Share;
 - (c) the maximum price (excluding expenses) which may be paid for each Share is the higher of:
 - (i) 105% of the average of the middle market quotations for the Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and
 - (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out; and
 - (d) the authority shall expire on the date falling 18 months after the resolution conferring it is passed or, if earlier, at the end of the next annual general meeting of the Company so that the Company may, before the expiry of the authority enter into a contract to purchase Shares which will or may be executed wholly or partly after the expiry of such authority;
- 2.6.5 the Company will be authorised in accordance with the Articles, until the Company's next annual general meeting, to call extraordinary general meetings on 14 clear days' notice;
- 2.6.6 subject to and conditional on Admission and confirmation of the court, the Company will be authorised to reduce the issued ordinary share capital of the Company from £1.00 per Share to £0.01 per Share by

cancelling and extinguishing capital to the extent of £0.99 on each issued fully paid up Share of £1.00 each in the capital of the Company and reducing the nominal value of each issued fully paid up Share from £1.00 to £0.01; and

- 2.6.7 the Company and all companies that are its subsidiaries at any time up to the end of the next annual general meeting of the Company, will be authorised, in aggregate, to:
- (a) make political donations to political parties and/or independent election candidates not exceeding £100,000 in total;
 - (b) make political donations to political organisations other than political parties not exceeding £100,000 in total; and
 - (c) incur political expenditure not exceeding £100,000 in total.

For the purposes of this authority the terms “political donation”, “political parties”, “independent election candidates”, “political organisation” and “political expenditure” have the meanings given by sections 363 to 365 of the UK Companies Act.

The Company notes that it is not its policy to make political donations and that it has no intention of using the authority for that purpose and that such authority was sought to avoid inadvertent infringement of the UK Companies Act resulting from the Company’s possible participation in public debate and opinion-forming on matters which affect its business.

- 2.7 Save as disclosed above and in paragraphs 11 “Employee Share Plans” and 14 “Underwriting Arrangements” below:
- 2.7.1 no share or loan capital of the Company has, within three years of the date of this Prospectus, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Offer), fully or partly paid, either for cash or for a consideration other than cash, to any person;
 - 2.7.2 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and
 - 2.7.3 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 2.8 The Company will be subject to the continuing obligations of the FCA with regard to the issue of shares for cash. The provisions of section 561(1) of the UK Companies Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees’ share scheme as defined in section 1166 of the UK Companies Act) apply to the issue of shares in the capital of the Company except to the extent such provisions are disapplied as referred to in paragraphs 2.6.2 and 2.6.3 above.
- 2.9 As at the date of this Prospectus, the issued share capital of the Company is £50,001, comprising one Share and 50,000 Redeemable Shares (all of which were fully paid or credited as fully paid). Immediately following Admission, the issued share capital of the Company is expected to be £480,621,224 comprising 480,621,224 Shares of £1.00 each and 50,000 Redeemable Shares (all of which will be fully paid or credited as fully paid).
- 2.10 Shortly following Admission 28,571 Shares will be issued by the Company to Brian McBride for a total price of £100,000, 28,571 Shares will be issued by the Company to Duncan Tatton-Brown for a total price of £100,000 and 2,142 Shares will be issued by the Company to Kjersti Wiklund for a total price of £7,500. These Shares will be issued at the Offer Price but will not form part of the Offer.
- 2.11 The Shares are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of Shares of any class in uncertificated form and title to such Shares may be transferred by means of a relevant system (as defined in the Regulations). Where Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.
- 2.12 The New Shares being issued pursuant to the Offer will be issued at a price of 350 pence per New Share, representing a premium of 250 pence over their nominal value of £1.00 each, which price is payable in full on application.

3. Reorganisation

3.1 *Pre-Admission steps under the Reorganisation*

- 3.1.1 Each of the holders of securities in Victoria Investments S.C.A. (“Luxco”) immediately prior to Admission, but excluding Victoria Manager S.à r.l (the “Existing Luxco Security Holders”) holds

certain A, B, C, D, and/or E shares in Luxco and/or cPECs (including cPEC Principal and Unpaid cPEC Yield) issued by Luxco (the “Luxco Securities”) and each of the holders of securities in Victoria Investments Intermediate Holdco Limited (“OpCo”) (the “Existing OpCo Security Holders”) holds certain A, B, C and/or E redeemable preference shares in OpCo (together with any unpaid return accruing to the C shares in accordance with the terms of the articles of association of OpCo) (the “Phantom Securities”).

3.1.2 Under the terms of the Reorganisation Deed which was executed on 28 May 2019, the Company will become the holding company of Luxco, the Group’s existing holding company, via a share-for-share exchange immediately prior to Admission, whereby:

3.1.2.1 the Existing Luxco Security Holders will each transfer the Luxco Securities held by them to the Company; and

3.1.2.2 the Existing OpCo Security Holders will each transfer the Phantom Securities held by them to the Company,

in each case in exchange for the allotment and issue by the Company of a number of Shares that represents the economic value of the Luxco Securities and Phantom Securities held by each of them immediately prior to the Reorganisation. KKR Victoria Aggregator will be issued with one less Share due to it already holding one Share in the Company.

3.1.3 As part of the share-for-share exchange, the Company will also issue one Share to KKR Victoria Aggregator in part consideration for the transfer to the Company by KKR Victoria Aggregator of the entire issued share capital held by it in the general partner of (and holder of one unlimited share in) Luxco, Victoria Manager S.à r.l. The remaining consideration will be paid by the Company in cash within five business days of the transfer. This transfer will ensure that each of the Company’s subsidiaries are (directly or indirectly) wholly owned from Admission.

3.1.4 As certain Phantom Securities are held by OpCo’s direct parent, Victoria Investments Finco Limited, it is intended that, prior to the share-for-share exchange, OpCo will redeem such Phantom Securities.

3.1.5 Further, as the Company will become the holding company of the Group pursuant to the Reorganisation, new articles of association will be adopted by Luxco shortly after (and conditional upon) Admission, which will contain provisions appropriate to its position, following Admission, as a wholly-owned subsidiary of the Company.

3.2 *Post-Admission steps under the Reorganisation*

It is intended that the following steps will be carried out under the Reorganisation after Admission:

3.2.1 the Company will undertake a court-approved reduction of capital in accordance with the UK Companies Act in order to provide it with certain distributable reserves to pay dividends in the future (the reduction of capital was approved (conditional upon Admission) by resolutions of the Company passed as part of the Reorganisation and will require the approval of the court following Admission);

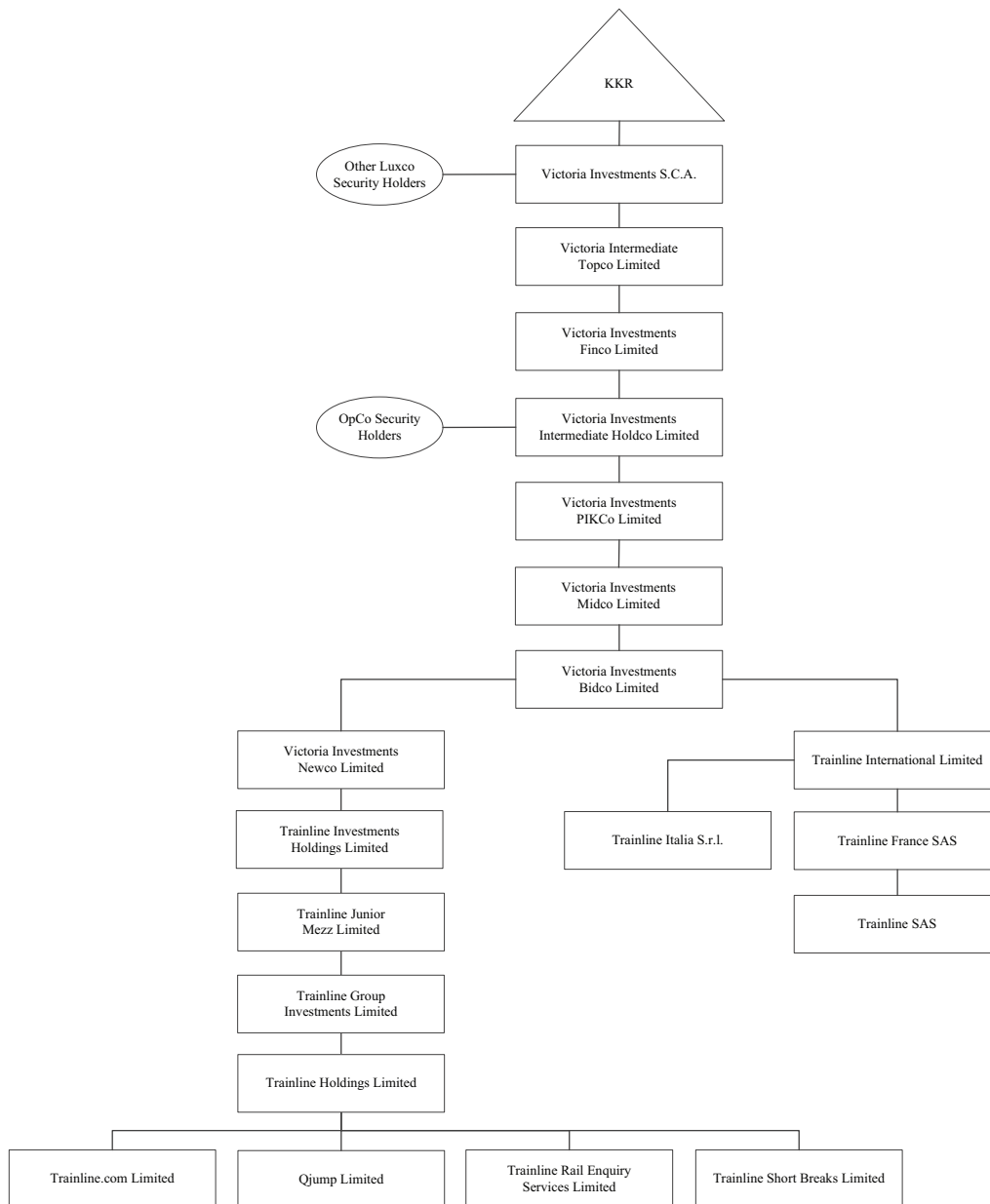
3.2.2 the Company will, following completion of the court-approved reduction of capital, redeem the 50,000 Redeemable Shares issued by it to KKR Victoria Aggregator;

3.2.3 provided that it has sufficient distributable reserves, OpCo will redeem the remaining Phantom Securities which will be held by the Company following the share-for-share exchange and which will be held by Victoria Investments Finco Limited following completion of certain Reorganisation steps; and

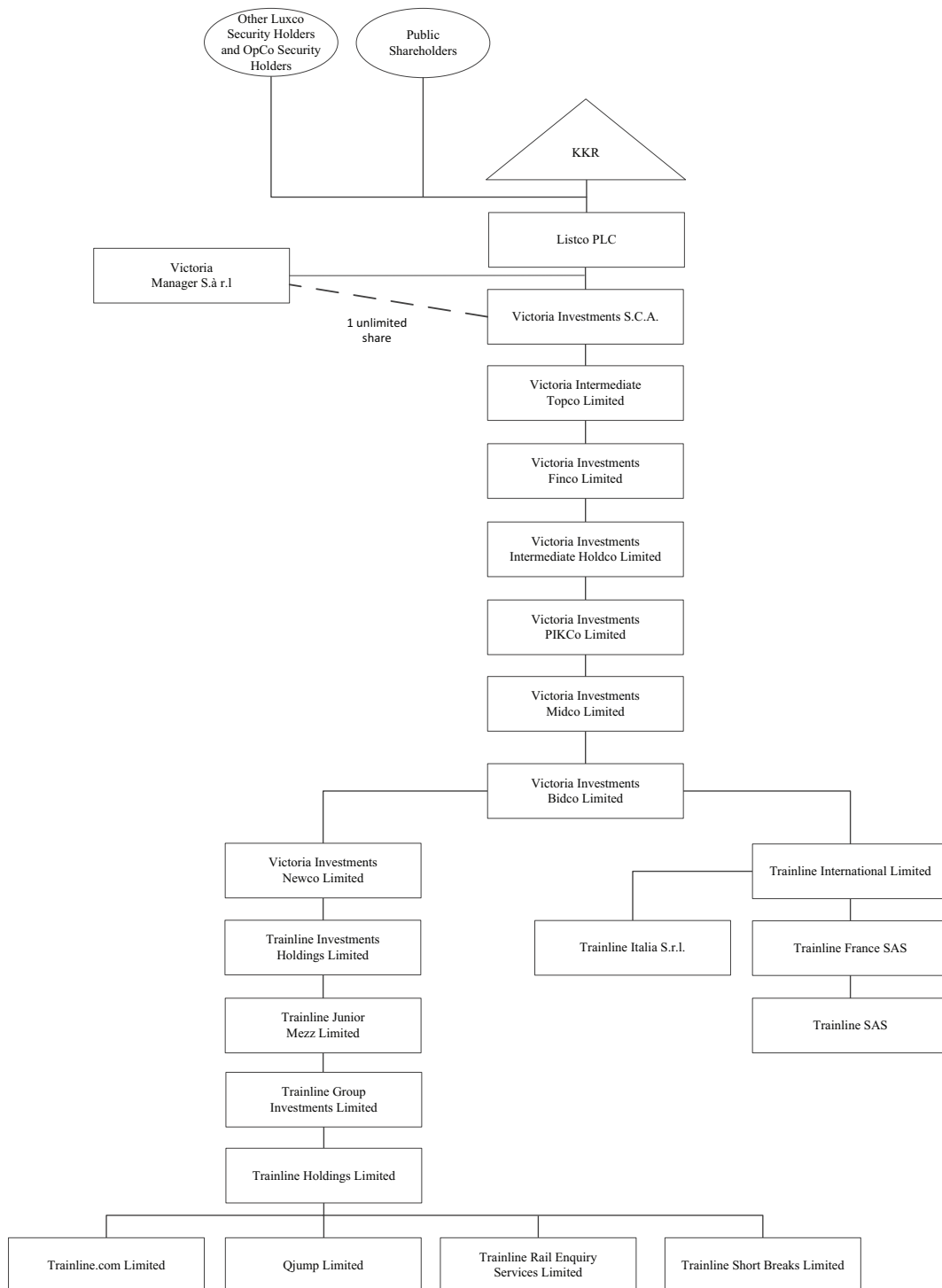
3.2.4 the Group may also be further reorganised and/or rationalised such that, among other things, the Company incorporates a new wholly-owned subsidiary to act as a direct holding company of each of Trainline.com Limited and Trainline International Limited (each of which are, as at the date of this Prospectus, indirect wholly-owned subsidiaries of Luxco). Surplus holding companies (including Luxco and Victoria Manager S.à r.l.) may be wound up in due course to reduce the administrative burden on the Group and help prevent the erosion of profit and loss reserves between the trading subsidiaries, holding subsidiaries and the Company, which could otherwise result in future dividend blocks. Lastly, it is anticipated that certain intra-Group balances which exist as at the date of this Prospectus will be consolidated after Admission and, to the extent possible, offset between members of the Group, in order to simplify intra-Group accounting arrangements.

3.3 *Structural changes to the Group under the Reorganisation*

3.3.1 The structure chart below illustrates the structure of the Group as at the date of this Prospectus, before completion of the steps of the Reorganisation due to take place immediately prior to Admission.



3.3.2 The structure chart below illustrates the structure of the Group at Admission following completion of the Reorganisation steps which will take effect immediately prior to Admission.



4. Articles of Association

The Articles of Association of the Company (the “Articles”), which have been adopted with effect from Admission, include provisions to the following effect:

4.1 Share rights

Subject to the provisions of the UK Companies Act, and without prejudice to any rights attached to any existing shares or class of shares: (i) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine;

and (ii) shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of such shares provided that it does so prior to the allotment of those shares.

4.2 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he or she is the holder.

No member shall be entitled to vote at any general meeting in respect of a share unless all moneys presently payable by him or her in respect of that share have been paid.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the UK Companies Act and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice to such member direct that, in respect of the shares in relation to which the default occurred, the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll.

4.3 *Dividends and other distributions*

Subject to the provisions of the UK Companies Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights and restrictions attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated for these purposes as paid on the share.

Subject to the provisions of the UK Companies Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

If the share capital is divided into different classes, the Board may also pay, at intervals determined by it, any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares, credited as fully paid, by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividend.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

4.4 *Variation of rights*

Rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

4.5 *Lien and forfeiture*

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such

manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

Subject to the terms of the allotment, the Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his or her shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

4.6 *Transfer of shares*

A member may transfer all or any of his or her certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed or authenticated in any other manner acceptable to the Board and permitted by law by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- 4.6.1 is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- 4.6.2 is in respect of one class of share only; and
- 4.6.3 is in favour of not more than four transferees.

If the Board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Subject to the provisions of the Regulations, the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

4.7 *Alteration of share capital*

The Articles do not restrict the Company's ability to increase, consolidate or sub-divide its share capital. Therefore, subject to the UK Companies Act, the Company may by ordinary resolution increase, consolidate or sub-divide its share capital.

4.8 *Purchase of own shares*

The Articles do not restrict the Company's ability to purchase its own shares. Therefore, subject to the UK Companies Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way and at any price (whether at par or above or below par).

4.9 *General meetings*

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the UK Companies Act. The Board may call general meetings whenever and at such times and places as it shall determine. The Articles permit the Board to take advantage of section 360A of the UK Companies Act to hold general meetings by electronic means.

4.10 *Directors*

4.10.1 *Appointment of Directors*

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two but shall not be subject to any maximum in number. Directors may be appointed by ordinary resolution of Shareholders or by the Board.

4.10.2 *No share qualification*

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

4.10.3 *Annual retirement of Directors*

At every annual general meeting all the Directors at the date of notice convening the annual general meeting shall retire from office. A retiring Director shall be eligible for appointment.

4.10.4 *Remuneration of Directors*

The emoluments of any Director holding executive office for his or her services as such shall be determined by the Board, and may be of any description.

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £1,500,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee for that service (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his or her family or any person who is or was dependent on him or her.

4.10.5 *Permitted interests of Directors*

Subject to the provisions of the UK Companies Act, and provided that he or she has disclosed to the Board the nature and extent of his or her interest (unless the circumstances referred to in section 177(5) or section 177(6) of the UK Companies Act apply, in which case no such disclosure is required), a Director notwithstanding his or her office:

- 4.10.5.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 4.10.5.2 may act by himself or herself or for his or her firm in a professional capacity for the Company (otherwise than as auditor), and he or she or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director;
- 4.10.5.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is (directly or indirectly) interested as a shareholder or otherwise or with which he or she has such relationship at the request or direction of the Company; and
- 4.10.5.4 shall not, by reason of his or her office, be accountable to the Company for any remuneration or other benefit which he or she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate the acceptance, entry into or existence of which has been approved by the Board pursuant to Article 141 of the Articles (subject, in any case, to any limits as conditions to which such approval was subject) or which he or she is permitted to hold or enter into by virtue of paragraph 4.10.5.1, 4.10.5.2 or 4.10.5.3.

4.10.6 *Restrictions on voting*

A Director shall not vote on any resolution of the Board or committee of the Board concerning a matter in which he or she has an interest which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless his or her interest arises only because the resolution concerns one or more of the following matters:

- 4.10.6.1 the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or her or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- 4.10.6.2 the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- 4.10.6.3 a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he or she is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he or she is to participate;
- 4.10.6.4 a contract, arrangement, transaction or proposal concerning any other body corporate in which he or she or any person connected with him or her is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he or she and any persons connected with him or her do not to his or her knowledge hold an interest (as that term is used in sections 820 to 825 of the UK Companies Act) representing 1% or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or any other body corporate through which his or her interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of the Articles to be likely to give rise to a conflict with the interests of the Company in all circumstances);
- 4.10.6.5 a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him or her any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- 4.10.6.6 a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors.

4.10.7 *Indemnity of officers*

Subject to the provisions of the UK Companies Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him or her for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that the Articles shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause the Articles, or any element of them, to be treated as void under the UK Companies Act.

5. Mandatory bids and compulsory acquisition rules relating to Shares

5.1 *Squeeze-out*

- 5.1.1 Under the UK Companies Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90% of the shares to which such offer related, it could then compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfer on behalf of the relevant members, and pay to consideration to the Company which would hold the consideration in trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

5.2 *Sell-out*

- 5.2.1 The UK Companies Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5.3 *Relevant Provisions of the City Code*

- 5.3.1 The City Code administered by the Panel on Takeovers and Mergers (the “Panel”) will apply to the Company. Rule 9 of the City Code provides that if any person or group of persons acting in concert with each other (a “concert party”) acquire an interest in shares which: (i) when taken together with shares in which that person or concert party are already interested would increase their aggregate interests to an amount carrying 30% or more of the voting rights in the Company; or (ii) where the persons or concert party are interested in shares which in aggregate carry more than 30% of the voting rights in the Company but do not hold shares carrying more than 50% of such voting rights, would increase their percentage of shares carrying voting rights in which they are interested, the person and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares in the Company by the acquirer or its concert parties during the previous 12 months.

5.4 *Buyback or redemption of shares*

- 5.4.1 When a company redeems or purchases its own voting shares, under Rule 37 of the City Code, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code. Rule 37 of the City Code provides that, subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders approving such waiver. Appendix 1 to the City Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 on Rule 37 of the City Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company’s purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, concert parties with any of the directors. However, there is no presumption that all the directors (or any two or more directors) are concert parties solely by reason of a proposed purchase by a company of its own shares, or the decision to seek shareholders’ authority for any such purchase. For so long as representative(s) of the Principal Shareholder (or its concert parties) are director(s) of the Company, Note 1 on Rule 37 of the City Code will not exempt the Principal Shareholder (or its concert parties) from the effects of Rule 37 of the City Code.
- 5.4.2 Under Note 2 on Rule 37 of the City Code, the exception in Note 1 on Rule 37 described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if concert parties have acquired an interest in shares at a time when they had reason to believe that such a purchase of their own shares by the company would take place. Note 2 will not normally be relevant unless the concert parties know that a purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).
- 5.4.3 The Panel must be consulted in advance in any case where Rule 9 of the City Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30% or more but does not hold shares carrying more than 50% of the voting rights of a company, or may become interested in 30% or more on full implementation of the proposed purchase of own shares.
- 5.4.4 Subject to certain limits, the Company has authority to purchase Shares under the terms of the shareholder resolution summarised in paragraph 2.6.4 of this Part 15 (*Additional Information*) (the “Buyback Authority”). The maximum aggregate number of Shares authorised to be purchased under the

Buyback Authority is 10% of the Company's issued share capital immediately following Admission (subject to the conditions summarised in paragraph 2.6.4 of this Part 15 (*Additional Information*)). The Buyback Authority is due to expire at the conclusion of the annual general meeting of the Company to be held in 2020 or, if earlier, the close of business on the date falling 18 months after the Buyback Authority was passed, but in each case so that the Company may, before the expiry of the Buyback Authority enter into a contract to purchase Shares which will or may be executed wholly or partly after the expiry of such Buyback Authority.

5.4.5 If, prior to such expiry:

- (a) the Company were to exercise the Buyback Authority in full;
- (b) the aggregate percentage beneficial shareholding of the Principal Shareholder in the Company immediately following Admission is approximately 33.3% of the issued share capital of the Company, assuming no exercise of the Over-allotment Option, or approximately 24.8% if the Over-allotment Option is exercised in full; and
- (c) none of the Shares which the Principal Shareholder holds are purchased by the Company under the Buyback Authority and no Shares had been newly issued by the Company between the date of Admission and the date that the authority is fully exercised,

then the shareholding of the Principal Shareholder in the Company would increase to approximately 37.0%, assuming no exercise of the Over-allotment Option, and approximately 27.6% if the Over-allotment Option is exercised in full. This increase would be less to the extent that: (i) any of the Shares of the Principal Shareholder are purchased by the Company; and (ii) as noted below, the Stabilising Manager had exercised the Over-allotment Option by acquiring further Shares from the Principal Shareholder.

5.4.6 In respect of the period from Admission up to the close of business on 20 December 2020 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2020, the Panel has confirmed that notwithstanding Rule 37.1 of the City Code, this potential increase in the shareholding of the Principal Shareholder in the Company due to the Buyback Authority will not require the Principal Shareholder to make a mandatory offer pursuant to Rule 9 of the City Code, and therefore a whitewash resolution of the independent shareholders will not be necessary. This confirmation has been given on the basis that (a) the Buyback Authority was passed on 20 June 2019 and (b) the consequences of such a buyback have been fully disclosed in this document. However, following the close of the annual general meeting of the Company to be held in 2020 or, if earlier, 18 months from the date on which the resolution was passed, to the extent that authority for share buybacks may be sought in future, approval for a whitewash resolution will be sought from the Panel and from the independent shareholders of the Company at that time to the extent necessary.

5.5 *Stabilisation arrangements in connection with the Offer*

5.5.1 Under the stabilisation arrangements described in Part 14 (*Details of the Offer*), Morgan Stanley & Co. International plc, as Stabilising Manager, may purchase or procure purchasers for additional Shares up to a maximum of 40,748,321 Shares, being 15% of the total number of Shares comprised in the Offer at the Offer Price from the Principal Shareholder under the terms of the Stock Lending Agreement for the purposes of satisfying over allotments of Shares (the "Over-allotment Option"). The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the thirtieth calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange.

5.5.2 As a result of the combined effect of lending Shares pursuant to the Stock Lending Agreement and granting the Over-allotment Option, the Principal Shareholder's shareholding in the Company can only remain the same or decrease from what its shareholding would be if it were not party to any stabilisation arrangements. In particular, the Principal Shareholder's shareholding in the Company will return to its original level when the loan is repaid and then decrease if the Stabilising Manager acquires Shares from it pursuant to utilisation of the Over-allotment Option. The minimum and maximum percentages of the Principal Shareholder's shareholding in the Company following the operation of the stock lending and over allotment arrangements (and assuming no exercise of the Buyback Authority) are 24.8% and 33.3%, respectively.

5.5.3 The Takeover Panel has confirmed to the Company that no mandatory offer for the Company need be made as a result of the arrangements and transactions described above. In particular, the Takeover Panel has confirmed that, pursuant to Note 3 to the definition of "interests in securities" in, and Notes 17 and

18 to Rule 9.1 of, the City Code, the Principal Shareholder will not be treated as having disposed of an interest in any Shares when it lends Shares to the Stabilising Manager under the Stock Lending Agreement and will not therefore be treated as having increased their interest in Shares upon the repayment of such loan.

- 5.5.4 An announcement will be made by the Company or by the Stabilising Manager on its behalf following any utilisation of the Over-allotment Option, not later than one week after the end of the stabilisation period, and a further announcement will be made in accordance with the Disclosure Guidance and Transparency Rules to record the movements that have taken place in the Principal Shareholder's shareholding in the Company consequent upon the arrangements referred to above. This announcement will include the Principal Shareholder's then current shareholdings and its shareholding assuming that: (a) the Company were to exercise the Buyback Authority in full (for 10% of the Company's issued share capital immediately following Admission); and (b) none of the Shares which the Principal Shareholder holds are purchased by the Company under the Buyback Authority and no Shares are newly issued by the Company between the date of Admission and the date that the Buyback Authority is fully exercised.

6. Directors' and Senior Managers' interests

The interests in the issued ordinary share capital of the Company of the Directors and Senior Managers (all of which, unless otherwise stated, are beneficial and include interests of persons connected with a Director or a Senior Manager) immediately prior to Admission will be, and immediately following Admission are expected to be:

| Director/Senior Manager | Immediately prior to Admission ⁽¹⁾ | | Number of Shares to be sold in the Offer | | Immediately following Admission | |
|--|---|---|--|---|---------------------------------|---|
| | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital |
| Douglas S. McCallum | 5,360,018 | 1.2% | 1,876,006 | 0.4% | 3,484,012 | 0.7% |
| Clare Gilmartin | 13,097,533 | 2.9% | 4,584,136 | 1.0% | 8,513,397 | 1.8% |
| Shaun McCabe ⁽²⁾ | 4,019,813 | 0.9% | 1,406,934 | 0.3% | 2,612,879 | 0.5% |
| Brian McBride ⁽³⁾ | — | — | — | — | — | — |
| Duncan Tatton-Brown ⁽³⁾ . . | — | — | — | — | — | — |
| Kjersti Wiklund ⁽³⁾ | — | — | — | — | — | — |
| Philipp Freise | — | — | — | — | — | — |
| Franziska Kayser | — | — | — | — | — | — |

Notes:

- (1) The interests in Shares have been stated on the basis that the Reorganisation steps described in paragraph 3.1 this Part 15 (*Additional Information*) have been completed in full.
- (2) Amounts shown in the table above indicating Shaun McCabe's interests immediately prior to Admission and the number of Shares sold in the Offer reflect the economic equivalent of beneficial interests over Shares held by the EBT for Shaun's benefit. Amounts shown in the table above indicating Shaun McCabe's interests immediately following Admission reflect Shares which will be held directly by Shaun.
- (3) Shortly following Admission 28,571 Shares will be issued by the Company to Brian McBride for a total price of £100,000, 28,571 Shares will be issued by the Company to Duncan Tatton-Brown for a total price of £100,000 and 2,142 Shares will be issued by the Company to Kjersti Wiklund for a total price of £7,500. These Shares will be issued at the Offer Price but will not form part of the Offer. In addition, in recognition of the services he provided to the Group prior to Admission and his appointment as Deputy Chair and Senior Independent Non-Executive Director, on or shortly following the date of Admission, Brian McBride will receive a grant of restricted stock units with a grant date value of £300,000 (calculated by reference to the Offer Price) vesting subject to his continued appointment to the Board in equal tranches over three years following Admission. See paragraph 8.3.9 of this Part 15 (*Additional Information*).

7. Significant Shareholders

7.1 In so far as is known to the Directors, the following are the interests (within the meaning of Part 22 of the UK Companies Act) which represent, or will represent, directly or indirectly, 3% or more of the issued ordinary share capital of the Company immediately following Admission:

| Shareholders | Immediately prior to Admission ⁽¹⁾ | | Number of Shares to be sold in the Offer | | Immediately following Admission ⁽²⁾ | |
|--|---|---|--|---|--|---|
| | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital |
| KKR Victoria Aggregator | 355,810,498 | 79.2% | 195,794,409 | 43.6% | 160,016,089 | 33.3% |
| EBT ⁽³⁾ | 19,399,301 | 4.3% | 9,096,680 | 2.0% | 10,302,621 | 2.1% |
| Funds and accounts under management by Baillie Gifford ⁽⁴⁾ | — | — | — | — | 57,142,857 | 11.9% |
| Funds and accounts under management by direct and indirect investment management subsidiaries of BlackRock, Inc. | — | — | — | — | 17,500,000 | 3.6% |
| Merian Global Investors (UK) Limited | — | — | — | — | 14,500,000 | 3.0% |
| T-Rowe Price International Ltd. ⁽⁵⁾ | — | — | — | — | 14,500,000 | 3.0% |
| Capital World Investors | — | — | — | — | 14,500,000 | 3.0% |

Notes:

- (1) The interests in Shares immediately prior to Admission have been stated on the basis that the Reorganisation steps described in paragraph 3.1 of this Part 15 (*Additional Information*) have been completed in full.
- (2) Assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, it is expected that the Principal Shareholder will beneficially hold 119,267,768 Shares, representing 24.8% of the Company's issued ordinary share capital.
- (3) The Trainline Group Employee Benefit Trust, the trustee of which is Equity Trust (Jersey) Limited. The EBT holds Shares for the benefit of members of management and employees of Trainline.
- (4) Baillie Gifford is an asset manager which includes Baillie Gifford & Co and its wholly-owned subsidiaries.
- (5) Shares may be acquired in part through various subsidiary entities.

Save as disclosed above, in so far as is known to the Directors, there is no other person who is, or will be immediately following Admission, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. None of the Company's major shareholders have or will have different voting rights attached to the Shares they hold in the Company.

7.2 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were effected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

7.3 There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors.

7.3.1 There are no family relationships between any of the Directors and/or the Senior Managers.

7.4 In addition to the New Shares that will be issued by the Company pursuant to the Offer, Existing Shares will be sold by the Selling Shareholders pursuant to the Offer. The Selling Shareholders comprise the Principal Shareholder and the Minority Selling Shareholders. The interests in Shares of the Selling Shareholders immediately prior to Admission and immediately following Admission are set out below.

| Shareholders | Immediately prior to Admission ⁽¹⁾ | | Number of Shares to be sold in the Offer | | Immediately following Admission ⁽²⁾ | |
|--|---|---|--|---|--|---|
| | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital | Number of Shares | Percentage of issued ordinary share capital |
| KKR Victoria Aggregator ⁽³⁾ | 355,810,498 | 79.2% | 195,794,409 | 43.6% | 160,016,089 | 33.3% |
| EBT ⁽⁴⁾ | 15,379,488 | 3.4% | 7,689,746 | 1.7% | 7,689,742 | 1.6% |
| Index Ventures ⁽⁵⁾ | 7,826,516 | 1.7% | 4,306,752 | 1.0% | 3,519,764 | 0.7% |
| Ares ⁽⁶⁾ | 7,489,740 | 1.7% | 4,121,432 | 0.9% | 3,368,308 | 0.7% |
| Alven Capital ⁽⁷⁾ | 7,218,130 | 1.6% | 3,971,972 | 0.9% | 3,246,158 | 0.7% |
| Kima Ventures ⁽⁸⁾ | 276,990 | 0.1% | 152,421 | 0.0% | 124,569 | 0.0% |
| LGV L.P. ⁽⁹⁾ | 890,513 | 0.2% | 222,628 | 0.0% | 667,885 | 0.1% |
| Douglas S. McCallum ⁽¹⁰⁾ | 5,360,018 | 1.2% | 1,876,006 | 0.4% | 3,484,012 | 0.7% |
| Clare Gilmartin ⁽¹⁰⁾ | 13,097,533 | 2.9% | 4,584,136 | 1.0% | 8,513,397 | 1.8% |
| Shaun McCabe ⁽¹⁰⁾⁽¹¹⁾ | 4,019,813 | 0.9% | 1,406,934 | 0.3% | 2,612,879 | 0.5% |
| Other Selling Shareholders ⁽¹²⁾ . . | 31,029,066 | 6.9% | 16,002,941 | 3.6% | 15,026,125 | 3.1% |
| Total | 448,398,305 | 99.8% | 240,129,377 | 53.5% | 208,268,928 | 43.3% |

- (1) The interests in Shares as at the date of this Prospectus have been stated on the basis that the Reorganisation steps described in paragraph 3.1 of this Part 15 (*Additional Information*) have been completed in full.
- (2) Assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Principal Shareholder will sell a further 40,748,321 Shares, representing 15% of Shares in the Offer.
- (3) The business address of KKR Victoria Aggregator is c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, Suite 4200, New York, NY 10019, United States.
- (4) The EBT holds Shares for the benefit of members of management and employees. The EBT trustee's business address is at IFC 1, Level 1, Esplanade, St Helier, Jersey, JE2 3BX. For the purposes of this table, the interests held by the EBT exclude those it holds for the benefit of Shaun McCabe, which are disclosed separately in this table.
- (5) The Index Ventures group advises various investment funds, including those which hold interests in the Company, namely: Index Ventures VI (Jersey), L.P.; Index Ventures VI Parallel Entrepreneur Fund (Jersey), L.P.; and Yucca (Jersey) S.L.P. Index Ventures's address is at 5th Floor, 44 Esplanade, St Helier, Jersey JE1 3FG.
- (6) The Ares funds which hold interests in the Company are: (i) Ares Capital Europe III Investments S.à r.l, (ii) Ares CSF Holdings S.à r.l, (iii) Ares ECSF II South S.à r.l, (iv) Ares CCF Holdings S.à r.l, (v) Ares Credit Strategies Feeder III UK LP, (vi) Ares Credit Strategies Fund III, L.P.; (vii) Ares UK Credit Strategies, L.P., (viii) Ares European Credit Strategies Fund II (B), (ix) Ares Customized Credit Fund, L.P., and (x) Ace III Acquisition, L.P. The address for the Ares funds listed in (i) – (v), inclusive, is 10 New Burlington Street, 6th Floor, London W1S 3BE; the address for the Ares fund listed in (vi) is 2000 Avenue of the Stars, 12th Floor, Los Angeles, CA, United States of America, 90067; the address for the Ares fund listed in (vii) is 5th Floor, St Andrews Street, London EC4A 3AE; and the address for the Ares funds listed in (viii) – (x), inclusive, is Maples Corporate Services Limited, PO Box 309, Ugland House, George Town, KY1-1104, Cayman Islands.
- (7) The Alven Capital fund which holds shares in the Company is FPCI Alven Capital IV a French *fonds professionnel de capital investissement* represented by its managing company (*société de gestion*) Alven Capital Partners, a French *société anonyme* having its registered office located at 124, rue Réaumur, 75002 Paris, France.
- (8) Kima Ventures's address is at 16 Rue de la Ville-l'Évêque, 75008 Paris, France.
- (9) LGV L.P.'s address is at Suite 1, 1st Floor, The Energy Centre, Admiral Park, St Peters Port, Guernsey GY12BB.
- (10) For the purposes of the Offer, the business address of each of Douglas S. McCallum, Clare Gilmartin, Shaun McCabe and the other Selling Shareholders is 120 Holborn, London EC1N 2TD.
- (11) Amounts shown in the table above indicating Shaun McCabe's interests immediately prior to Admission and the number of Shares sold in the Offer reflect the economic equivalent of beneficial interests over Shares held by the EBT for Shaun's benefit. Amounts shown in the table above indicating Shaun McCabe's interests immediately following Admission reflect Shares which will be held directly by Shaun.
- (12) The other Selling Shareholders comprise individual investors and current and former employees of the Group (other than the Directors). There are more than 50 other Selling Shareholders.

8. Directors' terms of employment

8.1 The Directors and their functions are set out in Part 8 (*Directors, Senior Managers and Corporate Governance*). In advance of Admission, each of the Executive Directors entered into a new service agreement with the Company and each of the Non-Executive Directors entered into a letter of appointment with the Company.

8.2 *Executive Directors*

- 8.2.1 On 12 June 2019, Clare Gilmartin and Shaun McCabe entered into service agreements for the positions of Chief Executive Officer and Chief Finance Officer respectively, which will come into effect on Admission.
- 8.2.2 Clare Gilmartin will receive a salary of £575,000 per annum and Shaun McCabe will receive a salary of £400,000 per annum. The salaries will be reviewed annually by the remuneration committee. There is no obligation to increase the relevant Executive Director's salary following a review.
- 8.2.3 Each Executive Director will be eligible to participate in the Company's discretionary bonus plan, and will be entitled to participate in such long-term incentive plans as the Company may establish for executives.
- 8.2.4 The Company will contribute an amount equal to 15% of Clare Gilmartin's salary to a pension scheme. The Company will contribute an amount equal to 10.5% of Shaun McCabe's salary to a pension scheme. In lieu of the Company's pension contribution, part or all of that amount may be provided as a cash allowance.
- 8.2.5 Each Executive Director will receive the benefit of private medical and dental insurance for herself/himself, his/her spouse and any dependent children up to the age of 21. Each Executive Director will also benefit from a life assurance arrangement providing a coverage of four times salary.
- 8.2.6 Clare Gilmartin's service agreement will be terminable by either the Company or Clare Gilmartin on twelve months' written notice. Shaun McCabe's service agreement will be terminable by either the Company or Shaun McCabe on twelve months' written notice.
- 8.2.7 The Company will also be entitled to terminate an Executive Director's service agreement with immediate effect by payment in lieu of notice, equal to (i) the basic annual salary that would have been payable, and (ii) the cost that would have been incurred by the Company in providing the Executive Director with the contractual benefits which the Executive Director would have been entitled to receive during the notice period.
- 8.2.8 Each of the Executive Directors is subject to a confidentiality undertaking without limitation in time and to non-competition, non-solicitation, non-dealing and non-hiring restrictive covenants for a period of 12 months after the termination of their respective employments arrangements.
- 8.2.9 The Executive Directors will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

8.3 *Non-Executive Directors*

- 8.3.1 On 10 June 2019, Douglas McCallum was appointed as Chair of the Company, and Brian McBride, Duncan Tatton-Brown, Kjersti Wiklund were appointed Independent Non-Executive Directors of the Company. Philipp Freise and Franziska Kayser were appointed non-independent Non-Executive Directors of the Company on 24 April 2019. Each appointment is for a fixed term ending on the Company's third annual general meeting following Admission but each appointee may be invited by the Company to serve for a further period or periods. In any event, each appointment is subject to annual re-election by the Company at each annual general meeting of the Company.
- 8.3.2 The Chair's appointment may be terminated at any time by either party giving the other six months' written notice or in accordance with the Articles. The Non-Executive Directors' appointments may be terminated at any time by either party giving the other one month's written notice or in accordance with the Articles.
- 8.3.3 The Chair is entitled to receive £240,000 per annum for his role as Non-Executive Chair. This fee is inclusive of any membership of any Board committees.
- 8.3.4 The Independent Non-Executive Directors are entitled to receive the following fees:
- 8.3.4.1 Brian McBride: £70,000 per annum for his role as Deputy Chair and Senior Independent Non-Executive Director;
- 8.3.4.2 Duncan Tatton-Brown: £60,000 per annum plus an additional fee of £15,000 per annum for his role as Chair of the audit and risk committee; and
- 8.3.4.3 Kjersti Wiklund: £60,000 per annum plus an additional fee of £15,000 per annum for her role as Chair of the remuneration committee.

- 8.3.5 Philipp Freise and Franziska Kayser are not entitled to any fees in connection with their directorships.
- 8.3.6 The Chair and Non-Executive Directors are entitled to reimbursement of reasonable and properly incurred expenses.
- 8.3.7 The Chair and Non-Executive Directors are subject to confidentiality undertakings without limitation in time. The Chair is also subject to non-competition and non-hiring restrictive covenants for the duration of his appointment and for six months following the termination of his appointment.
- 8.3.8 The Chair and Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.
- 8.3.9 In addition, in recognition of the services he provided to the Group prior to Admission and his appointment as Deputy Chair and Senior Independent Non-Executive Director, on or shortly following the date of Admission, Brian McBride will receive a grant of restricted stock units with a grant date value of £300,000 (calculated by reference to the Offer Price) vesting subject to his continued appointment to the Board in equal tranches over three years following Admission. If Mr McBride ceases to be a director at any time before each vesting date in circumstances other than death, injury, ill-health, disability or in other circumstances which the Board decides appropriate, the restricted stock units will lapse automatically upon such termination. In case of a change of control event, the restricted stock units will vest on a pro-rated basis. Mr McBride is required to hold any shares acquired from the vesting of the restricted stock units so long as he remains a director of the Company, and such shares may be clawed back in case of termination of his directorship by reason of misconduct.
- 8.4 Save as set out in paragraphs 8.2 and 8.3 above, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group.

8.5 *Directors' and Senior Managers' Remuneration*

Under the terms of their service contracts, letters of appointment and applicable incentive plans, in the year ended 28 February 2019, the aggregate remuneration paid and benefits granted to the Directors and Senior Managers who served the Group during the year ended 28 February 2019, consisting of 3 individuals, was £2.0 million.

Set out in the table below is the remuneration paid and benefits in kind granted to the Directors under the terms of their service contracts, letters of appointment and applicable incentive plans, in the year ended 28 February 2019:

| <u>Name</u> | <u>Position</u> | <u>Annual Salary (£)</u> | <u>Other Benefits (£)</u> | <u>Date of Joining the Group</u> |
|---------------------|---|--------------------------|---------------------------|----------------------------------|
| Douglas S. McCallum | Non-Executive Chair | 128,438 | 97,783 | 23/04/2013 |
| Clare Gilmartin | Chief Executive Officer | 432,550 | 784,181 | 24/03/2014 |
| Shaun McCabe | Chief Finance Officer | 311,000 | 285,131 | 12/09/2016 |
| Brian McBride | Deputy Chair, Senior Independent Non-Executive Director | N/A | N/A | 10/06/2019 |
| Duncan Tatton-Brown | Independent Non-Executive Director | N/A | N/A | 10/06/2019 |
| Kjersti Wiklund | Independent Non-Executive Director | N/A | N/A | 10/06/2019 |
| Philipp Freise | Non-Executive Director | — | — | 16/12/2016 |
| Franziska Kayser | Non-Executive Director | — | — | 24/09/2015 |

- 8.6 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Prospectus.

8.7 *Directors' and Senior Managers' current and past directorships and partnerships*

Set out below are the directorships and partnerships held by the Directors and Senior Managers (other than, where applicable, directorships held in the Company and its subsidiaries and the subsidiaries of the companies listed below), in the five years prior to the date of this Prospectus:

| <u>Name</u> | <u>Current directorships / partnerships</u> | <u>Past directorships / partnerships</u> |
|-------------------------------|--|---|
| Douglas S. McCallum | Photobox Group (Horizon HoldCo Limited) | Ocado Group plc McCallum Management Consulting Ltd. Cabinet Office Digital Advisory Board |
| Clare Gilmartin | — | Chime plc |
| Shaun McCabe | AO World plc | — |
| Brian McBride | AO World plc Mapil Topco Limited UK Government Digital Service Advisory Board Kinnevik AB | ASOS PLC Computacenter PLC |
| Duncan Tatton-Brown | Karakuri Ltd Last Mile Technology Limited Ocado Ventures (Karakuri) Limited MHE JVCo Limited Ocado Central Services Limited Ocado Group plc Ocado Holdings Limited Ocado Innovation Holdings Limited Ocado Innovation Limited Ocado Operating Limited Ocado Retail Limited Ocado Solutions Limited Orange Tree Theatre Limited | Paws & Purrs Ltd Specialty Stores Limited ZPG Limited |
| Kjersti Wiklund | Babcock International Group PLC Spectris plc Saga Robotics AS | Cxense ASA Fast Search & Transfer ASA Laird PLC Telescience Inc Telenor Internet AS Telenor Mobile AS Telenor Enterprise Holding AS Telenor Enterprise AS Teleservice AS Telenor Financial Services AS |

| <u>Name</u> | <u>Current directorships / partnerships</u> | <u>Past directorships / partnerships</u> |
|----------------------------|---|---|
| Philipp Freise | KKR KFC Holdings Limited KKR SP Limited KKR Management LLC KKR Associates 2006 (Overseas), Limited Partnership KKR Associates Europe II, Limited Partnership KKR Associates Europe III, Limited Partnership KKR IFI GP L.P. KKR Management LLC KKR Next Gen Tech Growth Limited KKR NGT EEA Limited KKR NGT EEA LLC KKR Caribou Investors LLC KKR Next Gen Tech Growth AIV LLC KKR Ride Investors LLC KKR Valeur Investors GP LLC KKR Caribou Aggregator GP Limited KKR Caribou Co-Invest GP Limited KKR Caribou Co-Invest Blocker LLC KKR Omega Aggregator GP LLC KKR Omega Co-Invest GP LLC KKR Next Gen Tech Fund II Holdings Limited GfK SE Kohlberg Kravis Roberts & Co. Partners LLP Show Jupiter Beteiligungs AG | KKR PEI Holdings GP Limited KKR PEI Associates, L.P. KKR Ibex Investors GP LLC Scout24 Holding AG Scout24 Schweiz AG Omnimedia Holding AG GetYourGuide AG Hensoldt Holding GmbH ProSiebenSat.1 Media SE |
| Franziska Kayser | Acceleratio Aggregator S.à r.l. Acceleratio Capital B.V. Acceleratio GP S.à r.l. Acceleratio Holdco S.à r.l. Victoria Manager S.à r.l. GfK SE Kohlberg Kravis Roberts & Co. Partners LLP Traviata I S.à r.l. Traviata II S.à r.l. Traviata B.V. | Fashionista Topco S.à r.l. KKR Ronnie S.à r.l. GLH RTM Company Limited KKR Columba Four S.à r.l. KKR Columba One S.à r.l. KKR Columba Three S.à r.l. KKR Columba Two S.à r.l. |

8.8 Within the period of five years preceding the date of this Prospectus, none of the Directors:

- (a) has had any convictions in relation to fraudulent offences;
- (b) has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or
- (c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company.

9. Employee benefit trust

9.1 The Trainline Group Employee Benefit Trust (the “EBT”) was established by the Company in connection with Admission as a discretionary employee benefit trust, to replace the Trainline Investments Holdings Limited Employee Incentive Trust (the “Old EBT”) established by Trainline

Investments Holdings Limited in 2007. The trustee of the EBT is Equity Trust (Jersey) Limited. The class of beneficiaries of the EBT includes employees and former employees of the Group. On Admission, the EBT will hold 19,399,301 Shares which result from the resettlement of the assets of the Old EBT and the Reorganisation. The EBT will use Shares (and proceeds from sale of such Shares in accordance with the Share Sale Election) to satisfy its obligations in relation to the Joint Share Ownership Plan (“JSOP”) (see further details below). It is proposed that, following Admission, any remaining Shares held in the EBT and any further Shares acquired by the EBT in the future using funds loaned to it by the Company may also be used to satisfy share options and awards which are exercised or vest under the Company’s employee share plans.

- 9.2 The JSOP is a share ownership scheme under which the employees of the Group and Equity Trust (Jersey) Limited, as trustee of the Old EBT, hold a joint interest in Luxco Securities. In connection with acquisition of interests, employees entered into co-ownership agreements with the trustee, under which the parties agreed that in case of an exit event the employees have the right to receive the proportion of any proceeds that exceed the threshold amount. In accordance with the terms of the JSOP, the employees’ interests in the JSOP will vest upon Admission, and the EBT’s holding of Shares (and proceeds from sale of such Shares in accordance with the Share Sale Election) will be used to satisfy such vested JSOP interests. Following the satisfaction of the JSOP interests, no outstanding entitlements or awards will remain under the JSOP, and the JSOP will discontinue.

10. IPO-related awards

- 10.1 Shaun McCabe will receive a cash bonus of £2,833,422 payable following Admission in recognition of his contribution to the success and progress of the business over the last 3 years.
- 10.2 The Company intends to grant restricted stock units over up to 1,827,697 Shares, in aggregate, to certain senior employees (not including the Executive Directors) in connection with the Offer. These restricted stock units will vest 12 months following the grant date, subject to the participant’s continued employment, and will be satisfied by the unallocated Shares held in the EBT immediately following the Reorganisation.
- 10.3 In addition, in connection with the Offer, in recognition of the contribution made by employees of the Group, a restricted stock unit over 1,000 Shares, subject to a twelve-month vesting period, will be granted to each employee of the Group at the time of Admission (save that the Executive Directors have indicated their intention to waive such awards).
- 10.4 As soon as reasonably practicable following Admission, an award of Free Shares with an award value of £3,600 (or such foreign currency equivalent), subject to a three-year forfeiture period, will be granted under the Trainline plc Share Incentive Plan (or such foreign equivalent plan) to each employee of the Group at the time of Admission (save that the Executive Directors have indicated their intention to waive such awards).

11. Employee share plans

11.1 *Trainline plc Performance Share Plan*

The Company adopted the Trainline plc Performance Share Plan (the “PSP”) on 20 June 2019. The PSP provides for grants of awards over the Shares in the form of nil-cost options, market value options and conditional share awards. Executive Directors and other employees of the Group are eligible for grants under the PSP. A summary of the material terms of the PSP is set out below.

Eligibility

Participation in the PSP is at the discretion of the remuneration committee. The remuneration committee currently intends to make grants to the executive directors and other senior executives, all of whom have group-wide responsibilities.

Grant of awards

Awards can be granted within the period of 42 days commencing on any of the following:

- Admission;
- the day on which the Company makes an announcement of its results for any period;

- any day on which the remuneration committee resolves that exceptional circumstances exist which justify the grant of awards (for example, on a senior executive joining the Group); or
- the day following the lifting of any dealing restrictions which prevented the grant of the award during the periods referred to above.

No payment is required for the grant of awards. No grants may be made under the PSP more than ten years following the adoption of the plan.

Form of awards

Awards can be granted as nil-cost options, market value options, fixed cost options or in the form of a conditional award which grants the right to acquire or receive Shares at no or nominal cost.

The PSP also provides that where an award involving real shares is not appropriate for legal, regulatory or tax reasons, a phantom award may be granted. This will deliver a cash payment equal to the net benefit a participant would have derived from the vesting or exercise of a share award. In certain circumstances, share based awards may be satisfied (in whole or in part) in cash.

Value of awards

Award levels will be determined each year by the remuneration committee. An award may not be granted to an individual if such grant would cause the aggregate total market value (as measured at the respective dates of grant) of the maximum number of shares that may be acquired on realisation of the individual's PSP awards in relation to the same financial year to exceed 250% of the individual's base salary at the date of grant.

Performance Conditions

The vesting of awards granted will normally be dependent upon the satisfaction of stretching performance conditions that are appropriate to the strategic objectives of the Group. The remuneration committee can set different performance conditions for awards granted in different years and for awards granted to different participants in the same year (in terms of the type of condition, the weighting given to that condition and the targets applicable to each condition). For awards granted to executive directors, each performance condition will normally be measured over the three financial years commencing on the year in which the award is granted (the "Performance Period"), or such longer period as the remuneration committee may determine, save that the committee may set a different period if it considers it appropriate, including on recruitment of an executive director or if the grant of an award has been delayed beyond the end of the financial year in which it would have otherwise been granted. The Performance Period for awards granted to individuals who are not executive directors may be any such period as determined by the committee. There will be no retesting of any performance condition. The committee may vary the performance conditions applying to existing awards if an event occurs or there are circumstances (for example, an acquisition or disposal of a business or a significant part of a business) such that the conditions are no longer a fair measure of performance provided that, in the reasonable opinion of the remuneration committee, the new conditions are not materially less challenging than the original conditions would have been but for the event or circumstances in question. In exercising any power to vary performance conditions the remuneration committee will have regard to ensuring fairness between participants and shareholders.

Awards granted shortly following Admission will be subject to a Performance Period beginning on the date of Admission and ending at the end of the third financial year following Admission and will not be subject to any holding period. The grant date value of an award granted to each of CEO and CFO will be 250% of his or her base salary. Performance conditions applicable to such awards will be the Company's earnings per share (50%) and the total shareholder return relative to FTSE 250 (50%).

Holding periods

At the time the remuneration committee grants an award, the remuneration committee has discretion to impose a mandatory holding period on the Shares to be allotted or transferred pursuant to all or some of the vesting of the Award (including Shares to be issued or transferred on exercise of an option that has vested). This means that such options may not be exercised or shares allotted or transferred may not be transferred or disposed of (other than to satisfy any tax liability incurred in connection with the award) during the holding period. The remuneration committee may exercise its discretion to allow early release of shares subject to a holding period if the participant ceases to be an employee of the Group.

Malus and clawback

The remuneration committee may reduce the number of shares under an award, or forfeit shares following an award vesting if certain events occur, including a material misstatement of the Company's financial accounts, conduct by the relevant participant resulting in significant reputational damage to the Company, or fraud, negligence or gross misconduct by the relevant participant.

Dividend enhancement

The number of shares under an award may be increased to account for dividends paid on any vesting shares in the period between grant and vesting. Alternatively, participants may receive a cash sum equal to the value of dividends paid on any vesting shares in the period between grant and vesting. Any cash paid in respect of dividends will be paid following the vesting of shares (or the date on which the shares are called for).

Cessation of employment

Awards held by executives who leave at any time prior to vesting will lapse unless they leave by reason of death, injury, ill-health, disability, the sale out of the Group of the participant's employing company or business, or in other circumstances at the discretion of the remuneration committee ("good leavers").

Awards for good leavers will vest at the normal vesting date to the extent that the performance conditions are met, but will normally be pro-rated on the basis of actual service within the Performance Period. If the remuneration committee thinks there are circumstances that justify it, the remuneration committee may release shares early having regard to performance achieved to the date of leaving. Any holding period will continue to apply and the vested shares will be released at the end of the holding period.

Adjustment of awards

If there is a variation in the share capital of the Company (including without limitation a capitalisation issue, rights or bonus issue or subdivision or consolidation of share capital, or a reduction of capital, in the event of a demerger or payment of a special dividend) the shares under award may be adjusted to reflect that variation. In addition, on a demerger the committee may determine for some or all participants that part or all of the award shall vest and/or that awards held by participants leaving the group as a result of the demerger should be rolled over into equivalent awards in the demerged company.

Rights attaching to shares

All shares allotted under the PSP will carry the same rights as any other issued ordinary shares in the Company and application will be made for the shares to be listed by the UK Financial Conduct Authority and traded on the London Stock Exchange.

Benefits received under the PSP are not pensionable and may not be assigned or transferred except on a participant's death.

Alterations to the PSP

In addition to the remuneration committee's powers to vary performance measures described above, it will have authority to amend the rules of the PSP, provided that no amendments to the advantage of the participants or eligible employees may be made to provisions relating to the key features of the PSP without the prior approval of shareholders in general meeting unless the amendment is minor and made to benefit the administration of the PSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Key features are: who can be a participant, the limits on the number of shares which can be issued under the PSP, the basis for determining a participant's entitlement to shares and the terms on which they can be acquired, and the provisions relating to adjustments in the event of a variation in the Company's share capital.

Additional schedules to the rules can be established to operate the PSP outside the UK. These schedules can vary the rules of the PSP to take account of any securities, exchange control or taxation laws or regulations.

Satisfaction of awards

An award may be satisfied with new issue shares, treasury shares or shares purchased in the market.

Limits on the issue of shares

In any 10 year period, the Company may not grant awards under the PSP if such grant would cause the number of shares that could be issued under the PSP or any other share plan adopted by the Company or any other company under the Company's control to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant.

In addition in any 10 year period, the Company may not grant awards under the PSP if such grant would cause the number of ordinary shares that could be issued under the PSP or any discretionary share plans adopted by the Company or any other company under the Company's control to exceed 5% of the Company's issued ordinary share capital at the proposed date of grant.

The satisfaction of awards with treasury shares will be treated as an issue of ordinary shares for the purposes of the above limits for so long as institutional shareholder guidelines recommend this. If awards are satisfied by a transfer of existing ordinary shares, the percentage limits stated above will not apply.

11.2 Trainline plc Restricted Share Plan

The Company adopted the Trainline plc Restricted Share Plan (the "Trainline RSP") on 20 June 2019. The Trainline RSP provides for grants of awards over the Shares in the form of nil-cost options, market value options and conditional share awards. All employees of the Group (other than executive directors) are eligible for grants under the Trainline RSP. A summary of the material terms of the Trainline RSP is set out below.

Eligibility

Participation in the Trainline RSP is at the discretion of the remuneration committee.

Grant of awards

Awards can be granted within the period of 42 days commencing on any of the following:

- Admission;
- the day on which the Company makes an announcement of its results for any period;
- any day on which the committee resolves that exceptional circumstances exist which justify the grant of awards (for example, on a senior executive joining the Group); or
- the day following the lifting of any dealing restrictions which prevented the grant of the award during the periods referred to above.

No payment is required for the grant of awards. No grants may be made under the Trainline RSP more than ten years following the adoption of the plan.

Shortly following Admission, it is intended that awards will be granted to approximately 40 employees under the Trainline RSP. The grant date value of an award will not exceed 50% of each individual's base salary. The number of Shares underlying each award will be determined based on the share price at the date of grant.

Form of awards

Awards can be granted as nil-cost options, market value options, fixed cost options or in the form of a conditional award which grants the right to acquire or receive Shares at no or nominal cost.

The Trainline RSP also provides that where an award involving real shares is not appropriate for legal, regulatory or tax reasons, a phantom award may be granted. This will deliver a cash payment equal to the net benefit a participant would have derived from the vesting or exercise of a share award. In certain circumstances, share based awards may be satisfied (in whole or in part) in cash.

Value of awards

Award levels will be determined each year by the remuneration committee. An award may not be granted to an individual if such grant would cause the aggregate total market value (as measured at the respective dates of grant) of the maximum number of shares that may be acquired on realisation of the individual's Trainline RSP awards in relation to the same financial year to exceed 50% of the individual's base salary at the date of grant, save that awards granted in connection with the Offer will not be subject to such limit.

Vesting periods

The vesting of awards granted will normally be subject to the participant's continued employment. The vesting period may be any such period as determined by the remuneration committee. It is intended that awards will normally vest in equal tranches vesting on each of the first, second and third anniversary of the grant date. Awards granted under the Trainline RSP will not be subject to any performance conditions.

Holding periods

Awards granted under the Trainline RSP will not be subject to any post-vesting holding requirements.

Malus and clawback

The remuneration committee may reduce the number of shares under an award, or forfeit shares following an award vesting if certain events occur, including a material misstatement of the Company's financial accounts, conduct by the relevant participant resulting in significant reputational damage to the Company, or fraud, negligence or gross misconduct by the relevant participant.

Dividend enhancement

The number of shares under an award may be increased to account for dividends paid on any vesting shares in the period between grant and vesting. Alternatively, participants may receive a cash sum equal to the value of dividends paid on any vesting shares in the period between grant and vesting. Any cash paid in respect of dividends will be paid following the vesting of shares (or the date on which the shares are called for).

Cessation of employment

Awards held by executives who leave at any time prior to vesting will lapse unless they leave by reason of death, injury, ill-health, disability, the sale out of the Group of the participant's employing company or business, or in other circumstances at the discretion of the remuneration committee ("good leavers").

Awards for good leavers will vest at the normal vesting date, but will normally be pro-rated on the basis of actual service within the vesting period. If the remuneration committee thinks there are circumstances that justify it, the remuneration committee may release shares early.

Adjustment of awards

If there is a variation in the share capital of the Company (including without limitation a capitalisation issue, rights or bonus issue or subdivision or consolidation of share capital, or a reduction of capital, in the event of a demerger or payment of a special dividend) the shares under award may be adjusted to reflect that variation. In addition, on a demerger the committee may determine for some or all participants that part or all of the award shall vest and/or that awards held by participants leaving the group as a result of the demerger should be rolled over into equivalent awards in the demerged company.

Rights attaching to shares

All shares allotted under the Trainline RSP will carry the same rights as any other issued ordinary shares in the Company and application will be made for the shares to be listed by the FCA and traded on the London Stock Exchange.

Benefits received under the Trainline RSP are not pensionable and may not be assigned or transferred except on a participant's death.

Alterations to the Trainline RSP

The remuneration committee will have authority to amend the rules of the Trainline RSP, provided that no amendments to the advantage of the participants or eligible employees may be made to provisions relating to the key features of the Trainline RSP without the prior approval of shareholders in general meeting unless the amendment is minor and made to benefit the administration of the Trainline RSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Key features are: who can be a participant, the limits on the number of shares which can be issued under the Trainline RSP, the basis for determining a participant's entitlement to shares and the terms on which they can be acquired, and the provisions relating to adjustments in the event of a variation in the Company's share capital.

Additional schedules to the rules can be established to operate the Trainline RSP outside the UK. These schedules can vary the rules of the Trainline RSP to take account of any securities, exchange control or taxation laws or regulations.

Satisfaction of awards

An award may be satisfied with new issue shares, treasury shares or shares purchased in the market.

Limits on the issue of shares

In any 10 year period, the Company may not grant awards under the Trainline RSP if such grant would cause the number of shares that could be issued under the Trainline RSP or any other share plan adopted by the Company or any other company under the Company's control to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant.

In addition in any 10 year period, the Company may not grant awards under the Trainline RSP if such grant would cause the number of ordinary shares that could be issued under the Trainline RSP or any discretionary share plans adopted by the Company or any other company under the Company's control to exceed 5% of the Company's issued ordinary share capital at the proposed date of grant.

The satisfaction of awards with treasury shares will be treated as an issue of ordinary shares for the purposes of the above limits for so long as institutional shareholder guidelines recommend this. If awards are satisfied by a transfer of existing ordinary shares, the percentage limits stated above will not apply.

11.3 *Trainline plc Share Incentive Plan*

General

The Company proposes to implement a new all-employee share incentive plan. The Trainline plc Share Incentive Plan ("SIP") will comply with and be operated within the requirements of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 2") so that the SIP qualifies as a Schedule 2 share incentive plan under the legislation.

Administration

The SIP will be constituted by a trust deed and rules, the trustee of which (the "Trustee") will be an independent trustee. The SIP will be administered by the Trustee in accordance with the trust deed and its rules. The Board will operate the SIP. The Board may appoint and remove the Trustee. The SIP will be operated over new issue or market purchase Shares.

Eligible employees

All United Kingdom resident employees of participating group companies who have been employed for a minimum period (not exceeding the period specified from time to time by HMRC) will be eligible to participate in the SIP. In addition, the Company may invite employees outside the UK to participate in the SIP under additional schedules established for that purpose.

Awards

If the Board decides to operate the SIP, all eligible employees will be entitled to participate in the SIP on similar terms. The Board can operate the SIP in a number of ways. It can:

- (a) make an award of Free Shares; and/or
- (b) give eligible employees the opportunity to invest in Partnership Shares; and/or
- (c) make an award of Matching Shares to those eligible employees who have invested in Partnership Shares; and/or
- (d) require or allow eligible employees to re-invest dividends paid on their Free Shares, Partnership Shares and/or Matching Shares.

Participation

Employees will be able to participate only if they enter into a contract with the Company and, when the SIP is to operate over Partnership Shares with or without Matching Shares, if they agree to the acquisition of Shares with contributions from their gross salary by the Trustee on their behalf.

(a) Free Shares

Eligible employees may be awarded Free Shares worth up to the maximum statutory limit which is currently £3,600 in each tax year. If the Company wishes, the award of Free Shares can be based on the achievement of individual, team, divisional or corporate performance measures which must be fair and objective. Otherwise Free Shares must be awarded to eligible employees on the same terms, although awards can vary by reference to remuneration, length of service or hours worked. Free Shares must be held by the Trustee for a holding period of up to five years. Free Shares will be forfeited in certain circumstances within a period to be determined by the Board of not more than three years if a participant ceases to be employed by the Group within a period to be determined by the Board of not more than three years.

(b) Partnership Shares

Eligible employees may purchase Partnership Shares worth up to the maximum statutory limit, which is currently £1,800 in any tax year using money deducted from their gross salary in one or more lump sums not exceeding 10% of salary in any year. Partnership Shares may be withdrawn from the SIP at any time and will not be subject to forfeiture. The Board may permit eligible employees to instruct the Trustee to buy on their behalf:

- Partnership Shares out of deductions from their gross salary accumulated for up to a 12 month period (accumulation period); or
- Partnership Shares monthly (or at other intervals) out of their gross salary.

(c) Matching Shares

The Board may permit the Trustee to award up to two Matching Shares for each Partnership Share purchased. Matching Shares must be held by the Trustee for a holding period of up to five years, to be determined by the Board. Matching Shares may be forfeited in certain circumstances if a participant ceases to be employed by the Group or the participant chooses to withdraw his or her Partnership Shares from the SIP within a period to be determined by the Board of not more than three years.

(d) Dividend Shares

The Board may permit dividends received on Shares held in the SIP to be reinvested in additional Shares (“Dividend Shares”). The Dividend Shares will not be subject to forfeiture and must be held for a minimum of three years before they can be sold.

Tax benefits

If participants keep their Free, Partnership and Matching Shares in the SIP for five years (three years for Dividend Shares), there will be no income tax or National Insurance contributions to pay. If participants cease to be employed because of injury, disability, redundancy, if the business in which or the company by which they are employed is sold out of the Group or if there is a change in control of the Company which falls within the relevant legislation, there will be no income tax or National Insurance contributions to pay. In other circumstances, participants will be liable to pay income tax and National Insurance contributions. The amount on which a participant will pay tax will depend on how long their Free, Partnership and Matching Shares have been held and the terms of the SIP. If Dividend Shares are withdrawn from the SIP before the third anniversary of their acquisition, the participant may be liable to income tax in respect of the cash value of the original dividend.

No capital gains tax will be payable while the Shares are held in the SIP.

Limits

No award may be granted under the SIP if it would cause the number of Shares issued or issuable pursuant to awards and rights granted in the preceding 10 years under the Company’s employee share schemes (including the SIP), or which have been issued in the preceding 10 years under any such schemes, to exceed 10% of the Company’s issued share capital at the proposed date of grant.

Awards may be granted under the SIP over existing Shares, and the percentage limits stated above will not apply to existing Shares, except (for so long as institutional shareholder guidelines so recommend) to the extent that they are treasury shares.

Dividends and voting rights

Participants are the beneficial owners of the Shares held by the Trustee on their behalf. All dividends and other distributions received in respect of the Shares will be passed on to participants by the Trustee as soon as practicable after receipt unless the Board decides to permit or require their reinvestment in Dividend Shares. The Trustee will vote in accordance with the wishes of the participants if participants have given the Trustee prior voting directions in writing.

Takeovers and variations of the Company's share capital

If a general offer is made to shareholders of the Company or there is a scheme of arrangement or a rights or capitalisation issue or other variation of the Company's share capital, participants will be able to instruct the Trustee how to act or vote on their behalf.

Amendments to the SIP

The Board and the Trustee may amend the SIP at any time in any respect except that no amendment may be made which would affect the status of the SIP as a Schedule 2 share incentive plan. The provisions of the trust deed and rules of the SIP relating to eligibility, limits on the overall number of Shares available under the SIP, the basis for determining an eligible employee's participation and adjustments for a variation of the Company's share capital and amendment of the SIP may not, however, be amended to the advantage of existing or future participants without the prior approval of the Company in general meeting except that the Board and the Trustee may:

- (a) make any amendments necessary to secure and maintain the status of the SIP as a Schedule 2 share incentive plan or to obtain or maintain favourable taxation, exchange control or regulatory treatment of the Company, any of its subsidiaries or any participant; or
- (b) make minor amendments to benefit or facilitate the administration of the SIP.

No amendment may be made to the SIP which would affect the beneficial interests of participants in Shares held by the Trustee on their behalf.

Additional schedules to the rules can be established to operate the SIP outside the UK. These schedules can vary the rules of the SIP to take account of any securities, exchange control or taxation laws or regulations.

Benefits not pensionable

Benefits under the SIP will not be pensionable.

11.4 Trainline plc Deferred Share Bonus Plan

The Company adopted the Trainline plc Deferred Share Bonus Plan (the "DSBP") on 20 June 2019. The DSBP is intended to facilitate the retention of senior executives of the Group and to align the interests of such executives with those of shareholders by providing a mechanism for the Group to defer a proportion of such persons' annual bonuses in the form of nil-cost options, market value options or conditional share awards for a period of time, under the DSBP.

Eligibility

Participation in the DSBP is at the discretion of the remuneration committee, and may include former employees who participated in an annual bonus plan of the Group the year preceding the date of grant. The remuneration committee currently intends to make grants to the executive directors.

Grant of Awards

Awards can be granted within the period of 42 days commencing on any of the following:

- Admission;
- the day on which the Company makes an announcement of its results for any period;
- any day on which the Committee resolves that exceptional circumstances exist which justify the grant of awards; or
- the day following the lifting of any dealing restrictions which prevented the grant of the award during the periods referred to above.

No payment is required for the grant of awards. No grants may be made under the DSBP more than ten years following the date of adoption of the plan.

Form of awards

Awards can be granted as nil-cost option, market value options, fixed cost options or in the form of a conditional award which grants the right to acquire or receive Shares at no or nominal cost.

The DSBP also provides that where an award involving real shares is not appropriate for legal, regulatory or tax reasons, a phantom award may be granted. This will deliver a cash payment equal to the net benefit a participant would have derived from the vesting or exercise of a share award. In certain circumstances, share based awards may be satisfied (in whole or in part) in cash.

Value of awards

Award levels will be determined each year by the remuneration committee. The award value at the date of grant will be the pre-tax amount of the annual bonus that the committee determines would have been paid to the participant under the relevant annual bonus plan had the participant not participated in the DSBP which exceeds 100% of the participant's salary (or such other amount as the committee determines appropriate).

Malus and clawback

The remuneration committee may reduce the number of shares under an award, or forfeit shares following an award vesting if certain events occur, including a material misstatement of the Company's financial accounts, conduct by the relevant participant resulting in significant reputational damage to the Company, or fraud, negligence or gross misconduct by the relevant participant.

Dividend enhancement

The number of shares under an award may be increased to account for dividends paid on any vesting shares in the period between grant and vesting. Alternatively, participants may receive a cash sum equal to the value of dividends paid on any vesting shares in the period between grant and vesting. Any cash paid in respect of dividends will be paid following the vesting of shares (or the date on which the shares are called for).

Cessation of employment

Awards held by executives who leave at any time prior to vesting will lapse unless they leave by reason of death, injury, ill-health, disability, the sale out of the Group of the participant's employing company or business, or in other circumstances at the discretion of the remuneration committee ("good leavers").

Awards for good leavers will vest at the normal vesting date, but will normally be pro-rated on the basis of actual service within the vesting period. If the remuneration committee thinks there are circumstances that justify it, the committee may release shares early.

Adjustment of awards

If there is a variation in the share capital of the Company (including without limitation a capitalisation issue, rights or bonus issue or subdivision or consolidation of share capital, or a reduction of capital, in the event of a demerger or payment of a special dividend) the shares under award may be adjusted to reflect that variation. In addition, on a demerger the committee may determine for some or all participants that part or all of the award shall vest and/or that awards held by participants leaving the group as a result of the demerger should be rolled over into equivalent awards in the demerged company.

Rights attaching to shares

All shares allotted under the DSBP will carry the same rights as any other issued ordinary shares in the Company and application will be made for the shares to be listed by the UK Financial Conduct Authority and traded on the London Stock Exchange.

Benefits received under the DSBP are not pensionable and may not be assigned or transferred except on a participant's death.

Alterations to the DSBP

The remuneration committee will have authority to amend the rules of the DSBP, provided that no amendments to the advantage of the participants or eligible employees may be made to provisions relating to the key features of the DSBP without the prior approval of shareholders in general meeting unless the amendment is minor and made to benefit the administration of the DSBP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Key features are: who can be a participant, the limits on the number of shares which can be issued under the DSBP, the basis for determining a participant's entitlement to shares and the terms on which they can be acquired, and the provisions relating to adjustments in the event of a variation in the Company's share capital.

Additional schedules to the rules can be established to operate the DSBP outside the UK. These schedules can vary the rules of the DSBP to take account of any securities, exchange control or taxation laws or regulations.

Satisfaction of awards

An award may be satisfied with new issue shares, treasury shares or shares purchased in the market.

Limits on the issue of shares

In any 10 year period, the Company may not grant awards under the DSBP if such grant would cause the number of shares that could be issued under the DSBP or any other share plan adopted by the Company or any other company under the Company's control to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant.

In addition in any 10 year period, the Company may not grant awards under the DSBP if such grant would cause the number of ordinary shares that could be issued under the DSBP or any discretionary share plans adopted by the Company or any other company under the Company's control to exceed 5% of the Company's issued ordinary share capital at the proposed date of grant.

The satisfaction of awards with treasury shares will be treated as an issue of ordinary shares for the purposes of the above limits for so long as institutional shareholder guidelines recommend this. If awards are satisfied by a transfer of existing ordinary shares, the percentage limits stated above will not apply.

12. Pensions

Trainline operates a defined contribution pension plan in the United Kingdom, membership of which is open to all UK employees. Trainline also participates in a fully funded (calculated on a technical provisions basis) defined benefit pension scheme which was closed to new members on 31 March 2003 and is closed to future accrual of benefits. Based on its last formal triennial valuation as at 31 December 2016, the defined benefit pension scheme had total assets of £4.6 million in the year ended 28 February 2019 and the scheme was in surplus. Employees in France are included within a state scheme; hence no pension scheme is operated in France. Trainline has one employee in Italy, who is included within the state pension scheme and receives an employee-matched pension contribution.

13. Remuneration policy

13.1 The Company's directors' remuneration policy will be submitted for Shareholder approval at the Company's annual general meeting in 2020 in compliance with section 439A of the Companies Act 2006.

13.2 Executive Directors (the CEO and CFO) will each be remunerated through a combination of fixed pay and variable pay. Fixed pay will comprise of: (a) base salary; (b) benefits; and (c) pension. Variable pay will comprise of (i) an annual bonus; and (ii) the long-term incentive program. Material terms of the Executive Directors' service agreements with the Company are described in paragraph 8.2 of this Part 15 (*Additional Information*).

13.2.1 Base salary

The CEO and the CFO will receive £575,000 and £400,000 respectively in base salaries per annum. Base salaries are reviewed annually and at the remuneration committee's discretion as to whether to offer any salary increase.

13.2.2 *Pension and benefits*

Executive Directors are eligible to receive contributions to a pension plan and/or a cash supplement in lieu of pension contributions as the Executive Director may direct. Executive Directors each receive benefits, including life assurance, permanent medical and dental insurance and health care provision, and any other benefits deemed appropriate to the nature of the role.

13.2.3 *Annual bonus*

Executive Directors are eligible for an annual bonus which will have a maximum opportunity of 200% of base salary for the CEO and 150% of base salary for the CFO. The bonus will be determined by the Company's performance (50%) and by personal performance (50%). Any bonus earned over 100% of base salary will be deferred for two years under the DSBP. Material terms of the DSBP are set out in paragraph 11.3 of this Part 15 (*Additional Information*).

13.2.4 *Long-term incentive*

In accordance with the rules of the PSP, awards with a maximum value of 250% of base salary may be granted under the PSP to Executive Directors on an annual basis. The awards will vest at the end of three years, subject to achieving targets based on earnings per share (50%) and the relative total shareholder return relative to FTSE 250 (50%). Material terms of the PSP are set out in paragraph 11.1 of this Part 15 (*Additional Information*).

13.2.5 *Executive Director share ownership guidelines*

In order to encourage alignment with shareholders, individual shareholding guidelines are adopted for Executive Directors. Under such guidelines, 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.

14. **Underwriting arrangements**

14.1 *Underwriting Agreement*

On 21 June 2019, the Company, the Directors, the Principal Shareholder, the SSE Agent and the Underwriters entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement:

- 14.1.1 the Company has agreed, subject to certain conditions, to allot and issue, at the Offer Price, the New Shares to be issued in connection with the Offer;
- 14.1.2 the Principal Shareholder and the SSE Agent (acting as agent for and on behalf of each of the Minority Selling Shareholders pursuant to the Deeds of Election) have agreed, subject to certain conditions, to sell the Shares in the Offer at the Offer Price. Each of the Minority Shareholders has been offered the opportunity to sell 25% of its, his or her shareholding in the Company prior to Admission or such higher percentage as the Principal Shareholder sells of its shareholding (excluding any Shares sold by the Principal Shareholder pursuant to the exercise of the Over-allotment Option), subject to a cap of 35% in the case of the Executive Directors and the Non-Executive Chair;
- 14.1.3 the Underwriters have severally (and not jointly or jointly and severally) agreed, subject to certain conditions, to procure subscribers or, failing which, to subscribe themselves for the New Shares (in such proportions as will be set out in the Underwriting Agreement) and to procure purchasers for or, failing which, to purchase themselves the Existing Shares (in such proportions as will be set out in the Underwriting Agreement) pursuant to the Offer;
- 14.1.4 the Underwriters will deduct from the proceeds of the Offer payable to the Company a commission of 2% of the product of the Offer Price and the number of New Shares allotted pursuant to the Offer and from the proceeds of the Offer payable to the Principal Shareholder and the SSE Agent (acting as agent for and on behalf of each of the Minority Selling Shareholders pursuant to the Deeds of Election) a commission of 2% of the product of the Offer Price and the number of Shares sold in the Offer (including following any exercise of the Over-allotment Option);
- 14.1.5 in addition, the Company may, in its absolute discretion pay an additional commission of up to 1% of the product of the Offer Price and the number of New Shares, the Principal Shareholder may, in its absolute discretion, an additional commission of up to 1% of the product of the Offer Price and the number of Existing Shares sold by it in the Offer (including following any exercise of the Over-allotment Option) and the SSE Agent shall, if so instructed by the Company and the Principal Shareholder, pay an additional commission of up to 1% of an amount equal to the Offer Price multiplied by the aggregate number of Existing Shares sold by it (as agent for and on behalf of each of the Minority Selling Shareholders);

- 14.1.6 the obligations of the Underwriters to procure subscribers and/or purchasers for or, failing which, themselves to subscribe for or purchase Shares, as the case may be, on the terms of the Underwriting Agreement are subject to certain conditions. These conditions include the absence of any breach of representation or warranty under the Underwriting Agreement and Admission occurring on or before 8:00 a.m. on 26 June 2019 (or such later time and/or date as the Joint Global Co-ordinators (on behalf of the Underwriters) and the Company may agree in writing). In addition, the Joint Sponsors (on behalf of the Underwriters) have the right to terminate the Underwriting Agreement, exercisable in certain circumstances, prior to Admission;
- 14.1.7 Morgan Stanley & Co International plc, as Stabilising Manager, has been granted the Over-allotment Option by the Principal Shareholder pursuant to which it may purchase or procure purchasers for up to 40,748,321 Over allotment Shares at the Offer Price for the purposes of covering short positions arising from over allocations, if any, in connection with the Offer and/or from sales of Shares, if any, effected during the stabilising period. Except as required by law or regulation, neither the Stabilising Manager, nor any of its agents, intends to disclose the extent of any over allotments and/or stabilising transactions conducted in relation to the Offer. Settlement of any purchase of Over-allotment Shares will take place shortly after such determination (or if acquired on Admission, at Admission). If any Over-allotment Shares are acquired pursuant to the Over-allotment Option, Morgan Stanley & Co. International plc will be committed to pay to the Principal Shareholder, or procure that payment is made to it of, an amount equal to the Offer Price multiplied by the number of Over-allotment Shares purchased from the Principal Shareholder, less commissions and expenses;
- 14.1.8 the Principal Shareholder and the SSE Agent (acting as agent for and on behalf of the Minority Selling Shareholders pursuant to the Deeds of Election) have agreed on a several basis to pay any stamp duty and/or stamp duty reserve tax arising on the sale to purchasers procured by the Underwriters or, where relevant to the Underwriters as principals, of their Shares, subject to certain exceptions including where stamp duty or stamp duty reserve tax has arisen from the wilful default or delay of the Underwriters;
- 14.1.9 the Company has agreed to pay the costs, charges, fees and expenses of the Offer (together with any related value added tax);
- 14.1.10 each of the Company, the Directors, the Principal Shareholder and the SSE Agent have given certain representations, warranties and undertakings, subject to certain limitations, to the Underwriters;
- 14.1.11 the Company has given an indemnity to the Underwriters on customary terms; and
- 14.1.12 the parties to the Underwriting Agreement have given certain covenants to each other, including regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions.

14.2 *Stock lending agreements*

In connection with settlement and stabilisation, Morgan Stanley & Co International plc, as Stabilising Manager, has entered into a stock lending agreement with the Principal Shareholder. Pursuant to this agreement, the Stabilising Manager will be able to borrow up to a maximum of 40,748,321 Shares, being 15% of the total number of Shares comprised in the Offer (excluding the Shares subject to the Over-allotment Option) on Admission for the purposes, amongst other things, of allowing the Stabilising Manager to settle, on Admission, over-allotments, if any, made in connection with the Offer. If the Stabilising Manager borrows any Shares pursuant to the stock lending agreement, it will be required to return equivalent securities to the Principal Shareholder by no later than the third business day after the date that is the 30th day after the commencement of conditional dealings of the Shares on the London Stock Exchange.

15. Subsidiaries, investments and principal establishments

Following the Reorganisation, the Company will be the principal operating and holding company of the Group. The principal subsidiaries and subsidiary undertakings of the Company (excluding any companies in liquidation) will be as follows:

| <u>Name</u> | <u>Country of incorporation and registered office</u> | <u>Primary field of activity</u> | <u>Ownership</u> |
|--|---|-------------------------------------|------------------|
| Victoria Manager S.à r.l | Luxembourg | Intermediate holding company | 100% |
| Victoria Investments S.C.A. | Luxembourg | Intermediate holding company | 100% |
| Victoria Intermediate Topco Limited | Jersey | Intermediate holding company | 100% |
| Victoria Finco Limited | Great Britain | Intermediate holding company | 100% |
| Victoria Investments Intermediate Holdco Limited | Great Britain | Intermediate holding company | 100% |
| Victoria Investments PIKCo Limited | Great Britain | Intermediate holding company | 100% |
| Victoria Investments Midco Limited | Great Britain | Intermediate holding company | 100% |
| Victoria Investments Bidco Limited | Great Britain | Intermediate holding company | 100% |
| Victoria Investments Newco Limited | Jersey | Intermediate holding company | 100% |
| Trainline Investments Holdings Limited | Great Britain | Intermediate holding company | 100% |
| Trainline International Limited | Great Britain | Rail ticket retail and distribution | 100% |
| Trainline France SAS | France | Intermediate holding company | 100% |
| Trainline Junior Mezz Limited | Great Britain | Intermediate holding company | 100% |
| Trainline SAS | France | Rail ticket retail and distribution | 100% |
| Trainline Group Investments Limited | Great Britain | Intermediate holding company | 100% |
| Trainline Holdings Limited | Great Britain | Intermediate holding company | 100% |
| Trainline.com Limited | Great Britain | Rail ticket retail and distribution | 100% |
| Qjump Limited | Great Britain | Rail ticket retail and distribution | 100% |
| Trainline Rail Enquiry Services Limited | Great Britain | Non trading | 100% |
| Trainline Short Breaks Limited | Great Britain | Dormant | 100% |
| Trainline Italia S.R.L | Italy | Intragroup services | 100% |

15.1 Principal establishments

The following are the principal establishments of the Group:

| <u>Country</u> | <u>Location</u> | <u>Primary Function</u> | <u>Occupancy Type</u> |
|--------------------------|-----------------|-------------------------|-----------------------|
| United Kingdom | London | Global Headquarters | Leased |
| United Kingdom | Edinburgh | Office | Leased |
| France | Paris | Office | Leased |

All the Group's leases are short term.

16. Statutory auditors

The auditors of the Company for the period covered by the historical financial information set out in this Prospectus are KPMG LLP, chartered accountants, whose registered address is at 15 Canada Square, Canary Wharf, London E14 5GL.

17. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group, and (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus:

17.1 Underwriting Agreement

The Underwriting Agreement is described in paragraph 14.1 of this Part 15 (*Additional Information*).

17.2 Relationship Agreement

The Relationship Agreement is described in Part 8 (*Directors, Senior Managers and Corporate Governance*).

17.3 *Reorganisation Deed*

The Reorganisation Deed between the Company, Luxco, Victoria Manager S.à r.l, OpCo, the Existing Luxco Security Holders (other than individual shareholders), Clare Gilmartin and Daniel Beutler was entered into on 28 May 2019 in order to set out the agreement on the steps of the Reorganisation. The Company and other relevant parties entered into the Reorganisation Deed in relation to the steps required to be carried out by the Company (or otherwise involving the Company) in connection with the Reorganisation prior to and following the date of Admission. All of the individual shareholders (other than Clare Gilmartin and Daniel Beutler) then entered into deeds of adherence to the Reorganisation Deed.

17.4 *The Group's financing arrangements*

The Company intends to use the net proceeds from the Offer receivable by it, together with approximately £206.9 million to be drawn under amounts available under the New Facilities Agreement, to refinance outstanding amounts under the Group's Existing Senior Facilities Agreement.

17.4.1 *Existing Senior Facilities Agreement and PIK Facilities*

On 12 April 2019, Victoria Investments Midco Limited, a wholly-owned subsidiary of the Company and Trainline France SAS, a wholly-owned subsidiary of the Company entered into an amendment to a credit agreement originally dated 13 March 2015 and made between AIB Group (UK) P.L.C., Ares Management Limited, Bank of America Merrill Lynch International, Barclays Bank PLC, Commerzbank AG, Crédit Agricole Corporate and Investment Bank, GE Corporate Finance Bank SCA, HSBC Bank PLC, IKB Deutsche Industriebank AG, KKR Capital Markets Limited, Mediterranean Bank PLC, Mizuho Bank, LTD, NIBC Financing N.V., The Governor and Company of the Bank of Ireland, and Wilmington Trust (London) Limited, as amended and restated from time to time (the "Existing Senior Facilities Agreement") consisting of (i) a term loan facility of £270.0 million and (ii) revolving credit facilities of £130.0 million of which £30.0 million can be drawn in cash or bank guarantees and £100.0 million can only be drawn down in bank guarantees.

As at 28 February 2019, the Group had a total of £205 million principal amount outstanding and accrued interest of £2.8 million under the term loan facility. The term loan facility matures on 20 March 2022. The term loan facility accrues interest at either a EURIBOR rate or a LIBOR rate and, in either case, plus an applicable margin.

The two revolving credit facilities are made available for finance of the Group's general corporate and working capital needs and may be used by way of letters of credit. They are available in pounds sterling, Euro, US Dollars and any other currency readily available in the amount required and freely convertible into pounds sterling. As at 28 February 2019, the Group had a total of £92,284,000 of revolving credit facilities drawn down in respect of bank guarantees. The facilities mature on 20 March 2021 and 20 March 2022, respectively. The revolving credit facilities accrue interest at either a EURIBOR rate or a LIBOR rate and, in either case, plus an applicable margin.

The Existing Senior Facilities Agreement limits the ability of the Company, the indirect parent of Victoria Investments Midco Limited, and its restricted subsidiaries to declare or pay dividends, make certain restricted payments and investments, enter into certain transactions with affiliates, transfer or sell assets, create certain liens and guarantee certain additional debt. Subject to certain exceptions, the Existing Senior Facilities Agreement permits the parent guarantor and its restricted subsidiaries to incur additional indebtedness, including secured indebtedness.

On 10 February 2016, Victoria Investments PIKCO Limited completed the issuance of the PIK Notes. As at 28 February 2019, the Group had a total of £50.0 million principal amount of PIK Notes outstanding and accrued interest of £19.0 million, which accrue PIK interest (if cash interest is not elected to be paid) at a rate of LIBOR plus 11.00% per annum. On 14 May 2019, the Group agreed with its lenders to refinance the PIK loan. As part of this refinancing, the Group agreed with its lenders to increase the secured bank loan facility by £65 million, to £270 million, and gave notice to the PIK lenders that it would repay the PIK loan, in full, on 17 May 2019. Funding for the PIK repayment was made by drawing on the increased loan facility and the Group's existing cash resources. The term, interest rates and covenants of the increased bank loan facility remain unchanged.

The existing term loan facility and revolving credit facilities will be repaid with the net proceeds of the Offer receivable by the Company and drawings under the New Facilities Agreement.

17.4.2 *New Facilities Agreement*

At Admission, the Company intends to enter into a new revolving credit facilities agreement with, amongst others, AIB Group (UK) p.l.c., Barclays Bank Plc, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, HSBC UK Bank plc, ING Bank N.V., London Branch, J.P. Morgan AG, Lloyds Bank plc,

Morgan Stanley Senior Funding, Inc., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation Europe Limited, and The Governor and Company of the Bank of Ireland (the “New Lenders”), Lucid Agency Services Limited as facility agent (the “Facility Agent”) and Lucid Trustee Services Limited as security agent (the “Security Agent”) (the “New Facilities Agreement”). Under the New Facilities Agreement, a multicurrency revolving credit facility of £350 million (the “Revolving Credit Facility”) will be made available to the Company and certain of its subsidiaries.

The Revolving Credit Facility may be utilised by way of loans for the purpose of (directly or indirectly) financing or refinancing the general corporate purposes and/or working capital requirements of the Group. The Revolving Credit Facility may also be utilised by way of ancillary facilities and bank guarantees provided by the lenders of the Revolving Credit Facility.

Each loan made under the Revolving Credit Facility will be repayable on the last day of its interest period. The interest period of a loan made under the Revolving Credit Facility can be one, two, three or six months or any such period as agreed by the Facility Agent (or if greater than six months, all lenders participating in the relevant loan). The scheduled final maturity date of the Revolving Credit Facility is the date which falls 60 months after the date of first drawdown under the New Facilities Agreement (the “First Utilisation Date”).

Interest will be payable on amounts drawn by way of loans under the New Facilities Agreement at a margin ranging between 2.00% and 1.00% per annum over LIBOR or EURIBOR (as applicable) (depending on the ratio of total net debt to consolidated EBITDA). Until the date falling six months after the First Utilisation Date, the opening margin for the Revolving Credit Facility is fixed at 1.50% per annum. Additionally, a commitment fee is payable on unutilised amounts under the Revolving Credit Facility at a rate of 35% of the applicable margin. Customary fees are payable to the Facility Agent and Security Agent.

The New Facilities Agreement will be guaranteed by the guarantors thereto (being only the Company as at the First Utilisation Date). The rights of the lenders under the New Facilities Agreement, will, subject to agreed security principles, be secured by security over the shares held by a guarantor or a borrower in another guarantor or borrower. Such security must be released by the Security Agent if requested by a member of the Group provided certain conditions are met.

The New Facilities Agreement also contains customary prepayment, cancellation and default provisions and customary representations and warranties (subject to certain exceptions and qualifications) and a financial covenant, including:

- if required by a lender, mandatory prepayment of all utilisations provided by that lender upon the sale of all or substantially all of the business and assets of the Group or a change of control;
- a financial covenant (tested twice annually) which requires that the ratio of total net debt to consolidated EBITDA, when tested, does not exceed 3.75:1;
- covenants that impose restrictions on the Group’s ability to enter mergers, incur additional financial indebtedness, make disposals, grant security or make a substantial change to the general nature of the business of the Group (in each case subject to certain exceptions);
- voluntary prepayment of loans or letters of credit (subject to minimum amounts and prior notice);
- events of default including non-payment, failure to comply with financial covenant (subject to equity cure provisions), breaches of representation and other obligations, insolvency and cross default (in relation to certain other financial indebtedness of the Group, subject to a £20 million *de minimis* threshold), unlawfulness, invalidity and repudiation of the finance documents and material adverse effect (in each case, subject to customary grace periods and thresholds); and
- certain ongoing financial information provisions.

17.5 Cornerstone Investment Agreement

On 11 June 2019, the Company and Baillie Gifford (the “Cornerstone Investor”), as agent for funds and accounts under its management (the “Underlying Cornerstone Investors”), entered into a cornerstone investment agreement (the “Cornerstone Investment Agreement”) pursuant to which: (i) the Cornerstone Investor irrevocably agreed to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer at the Offer Price, up to a maximum aggregate amount of £200,000,000, and (ii) the Company agreed to cause such Shares to be delivered or allotted and issued to the Underlying Cornerstone Investors at the Offer Price. The obligation of the Cornerstone Investor under the Cornerstone Investment Agreement to procure that the Underlying Cornerstone Investors subscribe for or purchase Shares in the Offer is conditional upon Admission and certain other conditions being satisfied, and will terminate automatically if such conditions have

not been fulfilled or, in certain circumstances, waived by the Cornerstone Investor (as agent for the Underlying Cornerstone Investors), on or before 30 September 2019 (or such other date as the Company and the Cornerstone Investor (as agent for the Underlying Cornerstone Investors) may agree). The Cornerstone Investment Agreement contains customary warranties from the Cornerstone Investor (for itself and as agent for the Underlying Cornerstone Investors) and the Company.

18. UK Taxation

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. They are based on current UK law as applied in England and Wales and what is understood to be the current practice of HMRC as at the date of this Prospectus, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals domiciled or deemed domiciled, for tax purposes in (and only in) the UK and to whom “split year” treatment does not apply (except (i) insofar as express reference is made to the treatment of non-UK residents and (ii) in relation to the statements on stamp duty and stamp duty reserve tax in paragraph 18(c) below, which apply to all Shareholders), who hold their Shares as an investment (other than in an individual savings account or pension arrangement) and who are the absolute beneficial owner of both the Shares and any dividends paid on them. The discussion does not address all possible tax consequences relating to an investment in the Shares. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

(a) Taxation of dividends

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder. No UK tax credit attaches to any dividend paid by the Company.

(i) UK resident individual Shareholders

Under current UK tax rules specific rates of tax apply to dividend income. These include a nil rate of tax (the “nil rate band”) for the first £2,000 of dividend income in any tax year from 6 April 2018 and different rates of tax for dividend income that exceeds the nil rate band. For these purposes “dividend income” includes UK and non UK source dividends and certain other distributions in respect of shares received by a UK resident individual.

An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will not be liable to UK tax on the dividend to the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) that dividend falls within the nil rate band.

To the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) the dividend exceeds the nil rate band and cannot be sheltered by the unused part of that Shareholder’s personal allowance, it will be subject to income tax at 7.5% to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the dividend will be taxed at 32.5% to the extent that it is within the higher rate band, or 38.1% to the extent that it is within the additional rate band. For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder’s income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

(ii) UK resident corporate Shareholders

Shareholders within the charge to UK corporation tax which are “small companies” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will not be subject to UK corporation tax on any dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident Shareholder within the charge to UK corporation tax that is not a “small company” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will be liable to UK corporation tax (currently at a rate of 19%, reducing to 17% from 1 April 2020) on any dividend received unless the dividend falls within one of the exempt classes set out in Chapter 3 of Part 9A of the Corporation Tax Act 2009. Examples of exempt classes include: i) dividends paid on shares that are “ordinary shares” (that is, shares that do not carry any present or future preferential right to dividends or to the Company’s assets on its winding up) and which are not “redeemable”; and ii) dividends paid to a person which holds less than 10% of the issued share capital of the payer (or of any class of that share capital in respect of which the distribution is made), which is entitled to less than 10% of the profits available for distribution to holders of the issued share capital of the payer (or of any class of that share capital in respect of which the distribution is made), and which would be entitled on a winding up to less than 10% of the assets of the company available for distribution to holders of the issued share capital of the payer (or of any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

(iii) *Non-UK resident Shareholders*

A non-UK resident Shareholder will generally not be liable to pay any UK tax on dividends paid by the Company. However, a Shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law. Any such Shareholder should consult his or her own tax adviser concerning his or her tax position on dividends received from the Company.

An individual Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as resident outside the UK for the purposes of a double tax treaty (“Treaty non-resident”) for a period of five years or less and who receives or becomes entitled to dividends from the Company during that period of temporary non-residence may, if the Company is treated as a close company for UK tax purposes and certain other conditions are met, be liable for income tax on those dividends on his or her return to the UK.

(b) *Taxation of disposals*

A disposal or deemed disposal of Shares by a Shareholder who is resident in the UK for tax purposes may, depending upon the Shareholder’s circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

(i) *UK resident individual Shareholders*

For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of shares is generally 10% for individuals who are subject to income tax at the basic rate and 20% for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (£12,000 for the tax year 6 April 2019 to 5 April 2020) without being liable to UK capital gains tax.

(ii) *UK resident corporate Shareholders*

For a Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Shares may give rise to a chargeable gain subject to corporation tax (currently at a rate of 19%, reducing to 17% from 1 April 2020) or an allowable loss for the purposes of UK corporation tax.

(iii) *Non-UK resident Shareholders*

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as Treaty non-resident for a period of five years or less and who disposes of all or part of his or her Shares during that period may be liable to capital gains tax on his or her return to the UK, subject to any available exemptions or reliefs.

(c) *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

(i) *The Offer*

The stamp duty and SDRT treatment of the subscription or purchase of Shares under the Offer will be as follows:

- (a) The issue of Shares direct to persons acquiring Shares pursuant to the Offer will not generally give rise to stamp duty or SDRT. In the case of Shares issued to a clearance service or depositary receipt system, this is as a result of EU case law which has been accepted by HMRC (as referred to further below).
- (b) The transfer of, or agreement to transfer, Shares sold by the Selling Shareholders (comprising the Principal Shareholder and the Minority Selling Shareholders who have elected to sell Shares in the Offer pursuant to the Deeds of Election) under the Offer will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5% of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of £5). The Principal Shareholder and the SSE Agent (acting as agent for and on behalf of the Minority Selling Shareholders pursuant to the Deeds of Election) have agreed in the Underwriting Agreement to meet such liability.

(ii) *Subsequent transfers*

Stamp duty at the rate of 0.5% (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. A charge to SDRT will also arise on an unconditional agreement to transfer Shares (at the rate of 0.5% of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

(iii) *Shares transferred through paperless means including CREST*

Paperless transfers of Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. The charge is generally borne by the purchaser. Under the CREST system, no stamp duty or SDRT will arise on a transfer of Shares into the system unless such a transfer is made for a consideration in money or money’s worth, in which case a liability to SDRT (usually at a rate of 0.5%) will arise.

(iv) *Shares held through Clearance Systems or Depositary Receipt Arrangements*

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts or a person providing a clearance service, under which SDRT or stamp duty may be charged at a rate of 1.5%, with subsequent transfers within the clearance service or transfers of depositary receipts then being free from SDRT or stamp duty (except in relation to clearance service providers that have made an election under section 97A(1) of the Finance Act 1986 (to which the special rules outlined below apply)). In light of EU case law, HMRC accept that this charge is in breach of EU law so far as it applies to new issues of shares or transfers that are an integral part of a share issue, and it was confirmed in the Autumn 2017 Budget that the Government intend to continue this approach following the UK’s withdrawal from the EU.

HMRC’s published view is that the 1.5% SDRT or stamp duty charge continues to apply to other transfers of shares into a clearance service or depositary receipt system, although this has been disputed. Further litigation indicates that certain transfers of legal title to clearance services in connection with listing, but not integral to a new issue, are also not chargeable. **In view of the continuing uncertainty, specific professional advice should be sought before incurring a 1.5% stamp duty or stamp duty reserve tax charge in any circumstances.**

The UK rules provide a statutory basis for disapplying the 1.5% charge where a clearance service provider makes and maintains an election under section 97A(1) of the Finance Act 1986, which is approved by HMRC. In those circumstances, SDRT will instead arise on any transfer of shares into the clearance service at the rate of 0.5% of the amount or value of any consideration payable for the transfer, and on subsequent agreements to transfer such shares within the clearance service, in accordance with the general rules.

The statements in this paragraph (c) apply to any holders of Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

(d) Inheritance Tax

The Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled in the UK (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold Shares, bringing them within the charge to inheritance tax. A charge to inheritance tax may also arise if the Shares are transferred to a trust during the lifetime of the transferor. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Shares through trust arrangements. They should also seek appropriate tax advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

(e) Close companies

It is likely that the Company is a close company within the meaning of Part 10 of the Corporation Tax Act 2010 as at the date of this Prospectus. The Company may continue to be a close company immediately following the Offer, and it is possible that the non-UK resident companies in the Group would, if they were UK resident for UK tax purposes, be close companies. As a result, certain transactions entered into by the Company or other members of the Group may, in certain circumstances, have tax implications for Shareholders (including but not limited to implications related to UK inheritance tax and/or implications related to Shareholders' base cost in the Shares for the purposes of UK tax on capital gains, in each case in certain circumstances). There may also be implications related to dividends that certain Shareholders receive or become entitled to from the Company (see paragraph 18(a)(iii) of this Part 15 (*Additional Information*)). Shareholders should consult their own professional advisers on the potential impact of the close company rules.

19. US Federal Income Taxation

The following discussion is a general summary based on present law of certain US federal income tax considerations relevant to the acquisition, ownership and disposition of Shares. This discussion is not a complete description of all tax considerations that may be relevant to a prospective investor and is not a substitute for tax advice. It addresses only US Holders (as defined below) that purchase Shares in the Offer, will hold Shares as capital assets and use the US dollar as their functional currency. This discussion does not address the tax treatment of US Holders subject to special rules, such as banks and other financial institutions, insurance companies, dealers in currencies and securities, traders in securities that elect to mark-to-market, regulated investment companies, real estate investment trusts, individual retirement accounts and other tax deferred accounts, tax-exempt entities, pass-through entities (including S-corporations), certain US expatriots, persons owning directly, indirectly or constructively 10% or more of the total combined voting power or of the total value of the Company's equity interests, investors liable for alternative minimum tax, persons holding Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction or persons holding Shares in connection with a permanent establishment or fixed base outside the United States. It also does not address US federal taxes other than the income tax (such as the estate and gift tax) or US state and local tax or non-US tax considerations.

As used in this section, "US Holder" means a beneficial owner of Shares that is, for US federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation or other business entity treated as a corporation created or organised under the laws of the United States any state thereof or the District of Columbia, (iii) a trust that is subject to the control of one or more US persons and the primary supervision of a US court or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds Shares generally will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships for US federal income tax purposes should consult their own tax advisors regarding the specific US federal income tax consequences to them and to their partners of the partnership's acquisition, ownership and disposition of Shares.

19.1 *Distributions*

Subject to the discussion below under “– *Passive Foreign Investment Company Rules*,” the gross amount of any distribution (other than certain *pro rata* distributions of Shares) made by the Company with respect to the Shares will be included in a US Holder’s gross income as dividend income from foreign sources when actually or constructively received. The dividends will not be eligible for the dividends-received deduction generally available to US corporations. Dividends received by eligible non-corporate US Holders that satisfy a minimum holding period and certain other requirements generally will be taxed at the preferential rate applicable to qualified dividend income provided the Company is eligible for benefits under the income tax treaty between the United States and the United Kingdom (the “Treaty”) and is not a passive foreign investment company (“PFIC”) in the year of distribution or the preceding year. So long as the Shares are listed for trading on the London Stock Exchange and regularly traded in sufficient quantity, the Company believes that it will qualify for benefits under the Treaty.

Dividends paid in a currency other than US dollars will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the currency is converted into US dollars or otherwise disposed of at that time. A US Holder’s tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss realised on a subsequent conversion or other disposition of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

19.2 *Sale or other Disposition*

Subject to the discussion below under “– *Passive Foreign Investment Company Rules*,” a US Holder generally will recognise capital gain or loss on the sale or other disposition of Shares in an amount equal to the difference, if any, between the US dollar value of the amount realised from the sale or other disposition and the US Holder’s adjusted tax basis in the Shares. Any gain or loss generally will be treated as arising from US sources and will be long-term capital gain or loss if the US Holder’s holding period exceeds one year. A loss may nonetheless be a long-term capital loss regardless of a US Holder’s actual holding period to the extent the US Holder has received, within a specified time period, an aggregate amount of qualified dividends eligible for reduced rates of tax prior to a sale or other disposition of its Shares that exceeded 10% of such US Holder’s basis in the Shares. Deductions for capital loss are subject to significant limitations.

The initial tax basis of a US Holder’s Shares generally will be the US dollar value of the pounds sterling paid in the Offer determined on the date of purchase. If the Shares are treated as traded on an “established securities market” at the time of the Offer, a cash basis US Holder (or, if it elects, an accrual basis US Holder) will determine the US dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. A US Holder that receives a currency other than US dollars on the sale or other disposition of the Shares will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the Shares are traded on an “established securities market” at the time of disposition, in the case of cash basis and electing accrual basis US Holders, the settlement date). A US Holder that does not determine the amount realised using the spot rate on the settlement date will recognise currency gain or loss if the US dollar value of the currency received at the spot rate on the settlement date differs from the amount realised. A US Holder will have a tax basis in the currency received equal to its US dollar value at the spot rate on the settlement date. Any currency gain or loss realised on the settlement date or on a subsequent conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

19.3 *Passive Foreign Investment Company Rules*

Based on the composition of the Company’s current gross assets and income (including the income and assets of the Group) and the manner in which the Company expects the Group to operate its business in future years, the Company believes that it should not be classified as a PFIC for US federal income tax purposes for the Company’s current taxable year or in the foreseeable future. In general, a non-US corporation is a PFIC for any taxable year in which, taking into account a *pro rata* portion of the income and assets of 25% or more owned subsidiaries, either (i) at least 75% of its gross income is passive income or (ii) at least 50% of the average value of its assets is attributable to assets that produce or are held to produce passive income. For this purpose, passive income generally includes, among other things, interest, dividends, rents, royalties and gains from the disposition of investment assets (subject to various exceptions) and property that produces passive income. Whether the

Company is a PFIC is a factual determination made annually, and the Company's status could change depending among other things upon changes in the composition and relative value of its gross receipts and assets. Because the market value of the Company's assets may be determined in large part by reference to the market price of the Shares, which is likely to fluctuate after the Offer, there can be no assurance that the Company will not be a PFIC in the current or any future taxable year.

If the Company were a PFIC for any taxable year during which a US Holder held the Shares (whether or not the Company continued to be a PFIC), gain recognised by a US Holder on a sale or other taxable disposition (including certain pledges) of the Shares would be allocated ratably over the US Holder's holding period for the Shares. The amounts allocated to the taxable year of the sale or other taxable disposition and to any year before the Company became a PFIC would be taxed as ordinary income in the year of sale or other taxable disposition. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations for that year, as appropriate, and an interest charge would be imposed. Further, to the extent that any distribution received by a US Holder on its Shares exceeds 125% of the average of the annual distributions on the Shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, as described immediately above and would not be eligible for the reduced rate of tax on qualified dividend income of certain non-corporate US Holders described above under "*Dividends*."

A US Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark the Shares to market annually. The election is available only if the Shares are considered "marketable stock," which generally includes stock that is regularly traded in more than *de minimis* quantities on a qualifying exchange. If a US Holder makes the mark-to-market election, any gain from marking the Shares to market or from disposing of them would be ordinary income. Any loss from marking the Shares to market would be recognised only to the extent of unreversed gains previously included in income. Loss from marking the Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. No assurance can be given that the Shares will be traded in sufficient frequency and quantity to be considered "marketable stock" or whether the London Stock Exchange is or will continue to be considered a qualifying exchange for purposes of the PFIC mark-to-market election. A valid mark-to-market election cannot be revoked without the consent of the US Internal Revenue Service ("IRS") unless the Shares cease to be marketable stock.

A US Holder would not be able to avoid the tax consequences described above by electing to treat the Company as a qualified electing fund ("QEF") because the Company does not intend to provide US Holders with the information that would be necessary to make a QEF election with respect to the Shares.

US Holders should consult their own tax advisors concerning the Company's possible PFIC status and the consequences to them if the Company were classified as a PFIC for any taxable year.

19.4 Medicare Tax on Net Investment Income

Certain non-corporate US Holders whose income exceeds certain thresholds generally will be subject to a 3.8% surtax on their "net investment income" (which generally includes, among other things, dividends on, and capital gain from the sale or other disposition of Shares). Non-corporate US Holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of Shares.

19.5 Reporting and Backup Withholding

Dividends on the Shares and proceeds from the sale or other disposition of Shares that are made into the United States or through certain US-related financial intermediaries may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments unless the holder makes the required certification, including providing its taxpayer identification number or otherwise establishes a basis for exemption. Any amount withheld may be credited against a US Holder's US federal income tax liability or refunded to the extent it exceeds the holder's liability, provided the required information is timely furnished to the IRS.

Certain non-corporate US Holders are required to report information with respect to Shares not held through an account with a US financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in Shares.

US Holders may be required to file IRS Form 926 reporting the payment of the Offer Price for a Share to the Company. Substantial penalties may be imposed upon a US Holder that fails to comply. Each US Holder should consult its own tax advisor as to the possible obligation to file IRS Form 926.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

20. Enforcement and civil liabilities under US federal securities laws

The Company is a public limited company incorporated under English law. Many of the Directors are citizens of the United Kingdom (or other non-US jurisdictions), and all of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws.

21. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus, which may have, or have had in the recent past significant effects on the Company's and/or the Group's financial position or profitability.

22. Related party transactions

Details of related party transactions entered into by members of the Group during the period covered by the financial information and up to the date of this Prospectus include: those described in Note 23 of Part 12 (*Historical Financial Information*), the Relationship Agreement described in Part 8 (*Directors, Senior Managers and Corporate Governance*), the Underwriting Agreement described in paragraph 14.1 of this Part 15 (*Additional Information*) and the Reorganisation Deed described in paragraph 17.3 of this Part 15 (*Additional Information*)

In addition:

- (a) In connection with the New Facilities Agreement, KKR Capital Markets Limited, an affiliate of the Principal Shareholder, is entitled to receive a syndication agent fee equal to 0.75% of the total commitments as at the date of the New Facilities Agreement, such fee to be payable on the First Utilisation Date.
- (b) As part of the Principal Shareholder's control and ownership of the Group prior to the Offer and Admission, certain fees and expenses have been payable to the Principal Shareholder and/or its affiliates in connection with monitoring and advisory services provided to the Group, as described in Note 23 of Part 12 (*Historical Financial Information*). On Admission, these arrangements shall be terminated and a fee of approximately £1.7 million shall be paid to Kohlberg Kravis Roberts & Co L.P., an affiliate of the Principal Shareholder.

Save as described above, there are no other related party transactions between the Company or members of the Group and related parties.

23. Working capital

In the opinion of the Company, taking into account the net proceeds receivable by the Company from the subscription for New Shares in the Offer, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

24. No significant change

There has been no significant change in the financial or trading position of the Group since 28 February 2019, being the end of the last financial period for which audited consolidated accounts of the Group were published.

25. Consents

KPMG LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of the reports in Part 12 (*Historical Financial Information*) and Part 13 (*Unaudited Pro Forma Financial Information*), in the form and context in which they appear and has authorised the contents of those parts of this Prospectus which comprise its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

A written consent under the Prospectus Rules is different from a consent filed with the SEC under Section 7 of The US Securities Act. As the Shares have not been and will not be registered under The US Securities Act, KPMG LLP has not filed and will not be required to file a consent under Section 7 of The US Securities Act.

26. General

- 26.1 The fees and expenses to be borne by the Company in connection with Admission, including the Underwriters' commission, the FCA's fees, professional fees, employee transaction bonuses, amounts due to the Principal Shareholder and/or its affiliates on Admission in connection with monitoring and advisory services, and expenses and the costs of printing and distribution of documents are estimated to amount to approximately £17.2 million (including VAT). The Selling Shareholders have agreed to pay their expenses in connection with the sale of Existing Shares including underwriting commissions of up to approximately £29.4 million.
- 26.2 The financial information contained in this Prospectus does not amount to statutory accounts within the meaning of section 434(3) of the UK Companies Act.
- 26.3 Each New Share is expected to be issued at a premium of 250 pence to its nominal value of £1.00.

27. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following the date of this Prospectus at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS:

- (a) the Articles;
- (b) the Historical Financial Information of the Group in respect of the three financial years ended 28 February 2017, 2018 and 2019, together with the Accountant's Report from KPMG LLP, which are set out in Part 12 (*Historical Financial Information*);
- (c) the report from KPMG LLP on the pro forma financial information, which is set out in Section B of Part 13 (*Unaudited Pro Forma Financial Information*);
- (d) the consent letter referred to in "Consents" in paragraph 25 above; and
- (e) this Prospectus.

Dated: 21 June 2019

PART 16
Definitions and Glossary

The following definitions apply throughout this Prospectus unless the context requires otherwise:

| | |
|------------------------------------|---|
| “Adjusted EBITDA” | earnings before net financing income/(expense), tax, depreciation and amortisation, share based remuneration and exceptional items |
| “Admission” | the admission of the Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities |
| “AI” | artificial intelligence |
| “API” | application programming interface |
| “Articles” | the Articles of Association of the Company adopted with effect from Admission |
| “ATOC” | the Association of Train Operating Companies |
| “AWS” | Amazon Web Services |
| “B2B” | business-to-business |
| “Barclays” | Barclays Bank PLC, acting through its Investment Bank |
| “Board” | the board of directors of the Company |
| “Brexit” | the United Kingdom’s exit from the European Union |
| “CAGR” | compound annual growth rate |
| “Captain Train” | Capitaine Train S.A.S. |
| “Chief Executive Officer” or “CEO” | the chief executive officer of the Group |
| “Chief Finance Officer” or “CFO” | the chief financial officer of the Group |
| “City Code” | the City Code on Takeovers and Mergers |
| “Company” | Trainline plc |
| “Cornerstone Investment Agreement” | means the cornerstone investment agreement entered into between the Company and the Cornerstone Investor (as agent for the Underlying Cornerstone Investors) on 11 June 2019, as described in paragraph 17.5 of Part 15 (<i>Additional Information</i>) |
| “Cornerstone Investor” | Baillie Gifford, an asset manager which includes Baillie Gifford & Co. and its wholly-owned subsidiaries |
| “CPA” | cost per new customer acquired |
| “cPEC” | the convertible preferred equity certificates in Luxco |
| “cPEC Principal” | the par value of each cPEC, being £1.00 |
| “CREST” | the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland Limited is the operator |
| “CREST Regulations” | The Uncertificated Securities Regulations 2001 (SI 2001/3755) |
| “CRM” | customer relationship management |

| | |
|--|--|
| “Deeds of Election” | the share sale election deeds entered into by the Minority Selling Shareholders pursuant to which, amongst other things, the Minority Selling Shareholders have irrevocably instructed the SSE Agent to agree the sale of Existing Shares for and on behalf of the Minority Selling Shareholders |
| “DfT” | the UK Department for Transport |
| “Disclosure Guidance and Transparency Rules” | the disclosure guidance and transparency rules produced by the FCA and forming part of the handbook of the FCA through which a manager derives its status as an authorised person under the FSMA rules and guidance, as, from time to time, amended |
| “Directors” | the Executive Directors and the Non-Executive Directors |
| “DSBP” | the Trainline plc Deferred Share Bonus Plan |
| “DUP” | Unique Delegation of Personnel |
| “EBT” | the Trainline Group Employment Benefit Trust, a successor to the Old EBT |
| “EEA” | the European Economic Area |
| “Equiniti” | Equiniti Limited, of Aspect House Spencer Road, Lancing, West Sussex, BN99 6DA |
| “ERA” | the European Union Agency for Railways |
| “eTickets” | electronically fulfilled tickets |
| “EU” | the European Union |
| “Euro” or “€” | the lawful currency of the European Union |
| “Executive Directors” | the executive Directors of the Company |
| “Existing Luxco Security Holders” | the holders of Luxco Securities immediately prior to Admission, but excluding Victoria Manager S.à r.l |
| “Existing Phantom Security Holders” | the holders of Phantom Securities immediately prior to Admission |
| “Existing Senior Facilities Agreement” | the amended and restated existing senior facilities agreement between Victoria Investment Midco Limited, Barclays Bank PLC, HSBC UK Bank PLC, Commerz Bank AG and Crédit Agricole Corporate and Investment Bank |
| “Existing Shares” | Shares to be sold as part of the Offer by the Selling Shareholders (excluding, for the avoidance of doubt, the Over-allotment Shares) |
| “FCA” | the Financial Conduct Authority |
| “FSMA” | the Financial Services and Markets Act 2000, as amended |
| “GDPR” | the General Data Protection Regulation (Regulation (EU) 2016/679) |
| “GDS” | global distribution systems |
| “Governance Code” | the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time |

| | |
|---------------------------------|--|
| “Group” or “Trainline” | Luxco and its subsidiaries and subsidiary undertakings prior to the Reorganisation and, upon the Reorganisation taking effect, the Company and its subsidiaries and subsidiary undertakings |
| “HMRC” | HM Revenue and Customs |
| “IFRS” | International Financial Reporting Standards, as adopted by the European Union |
| “IRU” | the International Road Transport Union |
| “Joint Bookrunners” | Barclays and Numis |
| “Joint Global Co-ordinators” | KKR Capital Markets Limited and the Joint Sponsors |
| “Joint Sponsors” | J.P. Morgan and Morgan Stanley |
| “J.P. Morgan” | J.P. Morgan Securities plc (which conducts its UK investment banking activities under the name J.P. Morgan Cazenove) |
| “JSOP” | Joint Share Ownership Plan |
| “KKR” | the Principal Shareholder, together with its affiliates |
| “KKR Victoria Aggregator” | KKR Victoria Aggregator L.P., acting by its general partner KKR Victoria Aggregator GP Limited |
| “Level 1 Mandatory Variation” | a variation to certain terms of the Third Party Retailing License, where such changes are mandated by a governmental agency or regulatory authority (including DfT and ORR) |
| “Level 1 PCI DSS” | Payment Card Industry Data Security Standards certification |
| “Listing Rules” | the listing rules of the FCA made under section 74(4) of the FSMA |
| “London Stock Exchange” | London Stock Exchange plc |
| “Luxco” | Victoria Investments S.C.A., a société en commandite par actions organised and existing under the laws of Luxembourg, having its registered office at 2, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trad Registry (Registre de commerce et des sociétés, Luxembourg) under number B 195.360 |
| “Luxco Securities” | the A, B, C, D and/or E shares in Luxco and/or cPECs (including cPEC Principal and Unpaid Yield) issued by Luxco |
| “Management Shareholders” | Minority Shareholders who are members of Trainline senior management |
| “Market Abuse Regulation” | Regulation (EU) 596/2014 |
| “Member State” | a member state of the European Economic Area |
| “Minority Selling Shareholders” | the Minority Shareholders who have elected to sell Shares in the Offer pursuant to the Deeds of Election |
| “Minority Shareholders” | individual and corporate existing shareholders other than the Principal Shareholder |
| “Morgan Stanley” | Morgan Stanley & Co. International plc |
| “New Facilities Agreement” | the new facilities agreement described in paragraph 17.4.2 of Part 15 (<i>Additional Information</i>) |
| “New Shares” | the 31,526,093 new Shares in the Company to be allotted and issued as part of the Offer |
| “Non-Executive Directors” | the non-executive Directors of the Company |

| | |
|--|---|
| “NRE” | National Rail Enquiries |
| “Numis” | Numis Securities Limited |
| “OAO” | Open Access Operators |
| “OC&C” | OC&C Strategy Consultants |
| “Offer” | the issue of New Shares by the Company and the sale of Existing Shares by the Selling Shareholders described in Part 14 (<i>Details of the Offer</i>) |
| “Offer Price” | the price at which each Share is to be issued or sold pursuant to the Offer |
| “Official List” | the Official List of the FCA |
| “Old EBT” | the Trainline Investments Holdings Limited Employee Incentive Trust |
| “OpCo” | Victoria Investments Intermediate Holdco Limited |
| “ORR” | the UK Office of Rail Regulation |
| “OTA” | online travel agency |
| “Over-allotment Option” | the option granted to the Stabilising Manager by the Principal Shareholder to purchase, or procure purchasers for, up to 40,748,321 additional Shares as more particularly described in Part 14 (<i>Details of the Offer</i>) |
| “Over-allotment Shares” | existing Shares the subject of the Over-allotment Option |
| “Panel” | the Panel on Takeovers and Mergers |
| “PCAOB” | the Public Company Accounting Oversight Board (United States) |
| “PECR” | the Privacy and Electronic Communications Regulations |
| “Phantom Securities” | the A, B, C and E redeemable preference shares in OpCo, together with any unpaid return accruing to the C shares in accordance with the terms of the articles of association of OpCo |
| “PPC” | pay-per click |
| “PRA” | Prudential Regulation Authority |
| “Principal Shareholder” | KKR Victoria Aggregator |
| “Private Placement Provinces” | the Canadian provinces of Ontario, Quebec, British Columbia and Alberta |
| “Prospectus” | the final prospectus approved by the FCA as a prospectus prepared in accordance with the Prospectus Rules made under section 73A of the FSMA |
| “Prospectus Directive” | Directive 2003/71/EC as amended, including by Directive 2010/73/EU and Regulation EU 2017/1129, including any relevant implementing measure in each Relevant Member State |
| “PSP” | the Trainline plc Performance Share Plan |
| “qualified institutional buyers” or “QIBs” | has the meaning given by Rule 144A |
| “Qualified Investors” | persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive |

| | |
|-------------------------------|---|
| “Rail Review” | the Williams Rail Review commissioned by the UK government |
| “RDG” | the Rail Delivery Group |
| “RDG Licences” | the Third Party Retailing Licence, including the Season Ticket Trial Licence variation, and the International Sales Licence |
| “Receiving Agent” | Equiniti |
| “Redeemable Shares” | the 50,000 redeemable shares of £1.00 each in the share capital of the Company |
| “Refinancing” | the refinancing of the Group’s existing senior facilities using net proceeds of the Offer receivable by the Company and borrowings under the New Facilities Agreement |
| “Registrars” | Equiniti |
| “Registration Document” | the final registration document approved by the FCA as a registration document prepared in accordance with the Prospectus Rules |
| “regretted attrition” | defined as the percentage of employees who leave the organisation of their own accord on an annual basis |
| “Regulation S” | Regulation S under the US Securities Act |
| “Relationship Agreement” | the relationship agreement entered into between the Company and the Principal Shareholder as described in Part 8 (<i>Directors, Senior Managers and Corporate Governance</i>) |
| “Relevant Member State” | each Member State of the European Economic Area that has implemented the Prospectus Directive |
| “Reorganisation” | the corporate reorganisation undertaken by the Group in preparation for the Offer as described in paragraph 3 of Part 15 (<i>Additional Information</i>) |
| “Reorganisation Deed” | the reorganisation deed dated 28 May 2019, entered into between the Company, Luxco, Victoria Manager S.à r.l, OpCo, the Existing Luxco Security Holders (other than the individual shareholders), Clare Gilmartin and Daniel Beutler, later adhered to by each of the individual shareholders (other than Clare Gilmartin and Daniel Beutler) |
| “Retailing Agent’s Agreement” | the retailing agent’s agreement dated 3 June 2005 with West Coast Trains |
| “Revolving Credit Facility” | the multicurrency revolving credit facility of £350 million under the New Facilities Agreement |
| “RSP” | the Rail Settlement Plan Limited |
| “Rule 144A” | Rule 144A under the US Securities Act |
| “SDRT” | stamp duty reserve tax |
| “SEDOL” | Stock Exchange Daily Official List |
| “Selling Shareholders” | Shareholders who sell Shares as part of the Offer as listed in paragraph 7.4 of Part 15 (<i>Additional Information</i>), comprising the Principal Shareholder and the Minority Selling Shareholders |
| “Senior Managers” | those individuals identified as such in Part 8 (<i>Directors, Senior Managers and Corporate Governance</i>) |
| “SEO” | search engine optimisation |

| | |
|--|--|
| “Shareholders” | the holders of Shares in the capital of the Company |
| “Shares” | the ordinary shares of the Company excluding the Redeemable Shares, having the rights set out in the Articles |
| “Single Global Platform” | the Group’s recently developed technology platform which currently supports the UK Consumer, the majority of the International and parts of the T4B businesses |
| “SIP” | the Trainline plc Share Incentive Plan |
| “SME” | small and medium enterprises |
| “Stabilising Manager” | Morgan Stanley |
| “Sterling” or “pounds sterling” or “GBP” or “£” or “pence” | the lawful currency of the United Kingdom |
| “T4B” | Trainline for Business |
| “Tarif Scheme” | a credit insurance arrangement with RSP available to Trainline’s TMC customers |
| “TfL” | Transport for London |
| “Ticketing and Settlement Agreement” | the common arrangements between UK rail carriers which authorises RDG to grant retail licences |
| “TMCs” | travel management companies |
| “TOC” | train operating company |
| “Top 5 European Markets” | United Kingdom, Germany, Spain, Italy and France |
| “Trainline RSP” | the Trainline plc Restricted Share Plan |
| “UK” | the United Kingdom of Great Britain and Northern Ireland |
| “UK Companies Act” | the UK Companies Act 2006, as amended, modified or re-enacted from time to time |
| “Underlying Cornerstone Investors” | funds and accounts under management by Baillie Gifford |
| “Underwriters” | the Joint Global Co-ordinators and the Joint Bookrunners |
| “Underwriting Agreement” | the underwriting agreement entered into between the Company, the Directors, the Principal Selling Shareholder, the SSE Agent and the Underwriters described in paragraph 14.1 of Part 15 (<i>Additional Information</i>) |
| “United States” or “US” | the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia |
| “Unpaid cPEC Yield” | means any unpaid return accruing to the cPEC holders on a given date in accordance with the terms of the cPEC Instrument |
| “US Dollar” or “\$” | the lawful currency of the United States of America |
| “US Exchange Act” | United States Securities Exchange Act of 1934, as amended |
| “US GAAP” | accounting principles generally accepted in the United States |
| “US GAAS” | auditing standards generally accepted in the United States |
| “US Securities Act” | United States Securities Act of 1933, as amended |
| “West Coast Trains” | West Coast Trains Limited |

PART 17

Schedule of Changes

The registration document published by Victoria Investments S.C.A. (a wholly-owned subsidiary of the Company following completion of the Reorganisation) on 22 May 2019 (the “Registration Document”) contained the information required to be included in a Share Registration Document by Annex I of the PD Regulation. The Prospectus, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a Share Securities Note, Summary and Prospectus relating to the offer to the public as prescribed by Annexes III and XXII of the PD Regulation. The Prospectus updates and replaces in whole the Registration Document. Any investor participating in the Offer should invest solely on the basis of the Prospectus, together with any supplement thereto and Pricing Statement.

This schedule of changes to the Registration Document (the “Schedule of Changes”) sets out, refers to or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

PURPOSE

The purpose of this Schedule of Changes is to:

- Highlight material changes made in the Prospectus, as compared to the Registration Document;
- Highlight the new disclosure made in the Prospectus to reflect information required to be included in a Securities Note;
- Highlight the new disclosure made in the Prospectus to reflect information required to be included in a Summary.

REGISTRATION DOCUMENT CHANGES

- The information under the heading “Corporate governance” and the description of the committees’ structure on page 63 of the Registration Document have been amended and replaced in their entirety in the Prospectus, to reflect the Company’s expected corporate governance structure following Admission, which reflects the implementation of changes to the Group’s corporate governance arrangements appropriate for a listed company and summarises the Relationship Agreement. Please see pages 85 to 89 of the Prospectus.
- The paragraph entitled “Conflicts of interest” on page 64 of the Registration Document has been updated to reflect the potential conflicts of the Directors. Please see pages 88 to 89 of the Prospectus.
- The paragraph entitled “Incorporation and Share Capital” on page 132 of the Registration Document has been amended and replaced in its entirety in the Prospectus to reflect the Company’s share capital history and structure immediately prior to and immediately following Admission. Please see pages 173 to 175 of the Prospectus.
- A new paragraph entitled “Reorganisation” has been added into the Prospectus, to describe the steps that the Company has undertaken and expects to undertake prior to and following Admission. Please see pages 175 to 178 of the Prospectus.
- The paragraph entitled “Articles of Association” on page 134 of the Registration Document has been amended and replaced in its entirety in the Prospectus, to reflect the articles of association of the Company that will take effect from Admission. Please see pages 178 to 182 of the Prospectus.
- The paragraph entitled “cPECs” on page 136 of the Registration Document has been deleted in the Prospectus as the cPECs will be converted into equity as part of the Reorganisation.
- The paragraph entitled “Shareholders’ Agreement” on page 136 of the Registration Document has been deleted in the Prospectus, as it will be terminated with effect from (and conditional upon) Admission, with the Articles solely governing the relationship of the Shareholders thereafter (save in respect of the Relationship Agreement).
- A new paragraph entitled “Mandatory bids and compulsory acquisition rules relating to Shares” has been added to the Prospectus, to describe the relevant provisions of the City Code applicable to the Company. Please see pages 182 to 185 of the Prospectus.

- The paragraph entitled “Directors’ and Senior Managers’ interests” on page 137 of the Registration Document has been updated in the Prospectus to reflect the expected interests in the share capital of the Company of the Directors and Senior Managers immediately prior to and immediately following Admission. Please see page 185 of the Prospectus.
- The paragraph entitled “Significant Shareholders” on page 137 of the Registration Document has been updated in the Prospectus to reflect the expected interests in the share capital of the Company of the significant shareholders immediately prior to and immediately following Admission. Please see pages 186 to 187 of the Prospectus.
- The paragraph entitled “Directors’ terms of employment” on page 138 of the Registration Document has been amended and replaced in its entirety in the Prospectus, to reflect the Directors’ new terms of employment (where applicable). Please see pages 187 to 189 of the Prospectus.
- The paragraph entitled “Directors’ and Senior Managers’ Remuneration” on page 138 of the Registration Document has been amended and updated to reflect the relevant details for the Directors of the Company. Please see page 189 of the Prospectus.
- The paragraph entitled “Directors’ and Senior Managers’ current and past directorships and partnerships” on page 139 of the Registration Document has been updated to reflect the Board of the Company. Please see pages 190 to 191 of the Prospectus.
- A new paragraph entitled “Employee Benefit Trust” has been added into the Prospectus, to describe the new employee benefit trust that has been established by the Company, which can be used to benefit employees and former employees of the Group and certain of their dependents. Please see pages 191 to 192 of the Prospectus.
- A new paragraph entitled “IPO-related awards” has been added into the Prospectus, to describe the cash and Share awards granted to employees in connection with the Offer. Please see page 192 of the Prospectus.
- The paragraph entitled “Employee share plans” on page 141 of the Registration Document has been updated in the Prospectus, to reflect the newly adopted employee incentive schemes that the Company intends to operate following Admission. Please see pages 192 to 201 of the Prospectus.
- A new paragraph entitled “Remuneration Policy” has been added into the Prospectus. Please see pages 201 to 202 of the Prospectus.
- Changes have been made to the paragraph entitled “Material contracts” on page 142 of the Registration Document, including the addition of the following new material contracts: (i) the Underwriting Agreement, (ii) the Relationship Agreement, (iii) the Reorganisation Deed, (iv) the New Facilities Agreement and (v) the Cornerstone Investment Agreement. Please see pages 204 to 207 of the Prospectus.
- Changes have been made to the paragraph entitled “Related Party Transactions” on page 144 of the Registration Document to reflect related party transactions entered into in connection with the Offer and Admission. Please see page 213 of the Prospectus.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

- A new section entitled “Unaudited Pro Forma Financial Information” has been added into the Prospectus to illustrate the effect of the Offer on the consolidated net assets of the Group as if the Offer had occurred on 28 February 2019. Please see pages 159 to 160 of the Prospectus.

SECURITIES NOTE INFORMATION

- A new section entitled “Risks Relating to the Offer and the Shares” has been added into the Prospectus to describe the risks relating to the Offer and the Shares, including risks relating to the liquidity or trading price of the Shares, dilution risks, and risks relating to Shareholders in the United States. Please see pages 30 to 32 of the Prospectus.
- New sections entitled “Expected Timetable of Principal Events and Offer Statistics” and “Details of the Offer” have been added into the Prospectus, describing the means through which the Shares will be offered to the public pursuant to the Offer. Please see page 44 and pages 163 to 172 of the Prospectus.
- A new section entitled “Capitalisation and Indebtedness” has been added into the Prospectus, describing the capitalisation of the Company as at 28 February 2019 and the indebtedness of the Company as at 30 April 2019. Please see page 113 of the Prospectus.

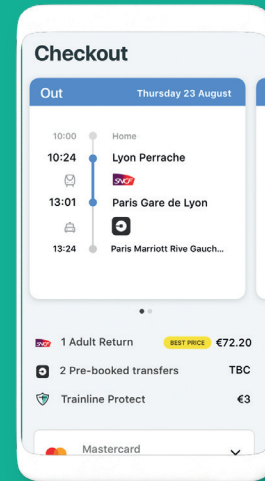
- A new paragraph entitled “Underwriting arrangements” has been added into the Prospectus, describing the arrangements entered into between the Company and the Underwriters, among other parties, pursuant to which the Underwriters agreed to underwrite the Offer. Please see pages 202 to 203 of the Prospectus.
- A new paragraph entitled “Relationship Agreement with the Principal Shareholder” has been added into the Prospectus, describing the agreement entered into between the Principal Shareholder and the Company, which will, conditional upon Admission, regulate the ongoing relationship between the Company and the Principal Shareholder. Please see pages 87 to 88 of the Prospectus.
- New paragraphs entitled “UK Taxation” and “US Federal Income Taxation” have been added into the Prospectus to provide a general guide to certain UK and US tax considerations relevant to the acquisition, ownership and disposition of Shares. Please see pages 207 to 213 of the Prospectus.
- A new paragraph entitled “Working capital” has been added into the Prospectus, confirming the adequacy of the Group’s working capital. Please see page 213 of the Prospectus.

SUMMARY INFORMATION

- A new section entitled “Summary” has been added into the Prospectus, to reflect the addition of a Summary as required by Annex XXII of the PD Regulation. Please see pages 1 to 15 of the Prospectus.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Trainline is the first global platform in rail and coach. Our aim is to bring together all rail, coach and other travel services into one simple experience so customers get the best prices and smart, real time travel info on the go, encouraging people all over the world to make more environmentally sustainable travel choices.



An easy, consistent, friction-free rail and coach customer experience.

1. Search

All options in one place. Multi carrier, multi modal search allowing access to best prices and journey options.

We work with 220 rail and coach companies to offer our customers millions of travel options across 45 countries in Europe and the rest of the world – and we are continuously adding more.



126

Train companies



94

Coach companies



£3bn+

Salesⁱ



#1

Monthly Active Users in EUⁱⁱ



4.7*

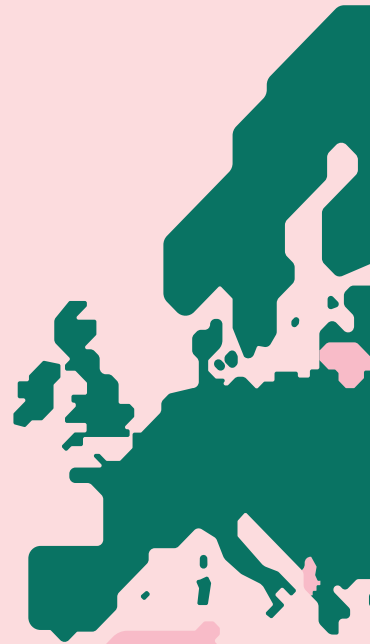
App ratingⁱⁱⁱ



80m

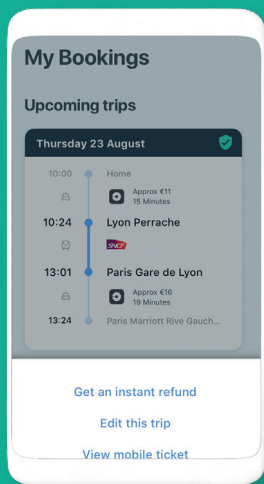
Our platforms host more than 80m visits per month^{iv}

More than 80% of visits are mobile



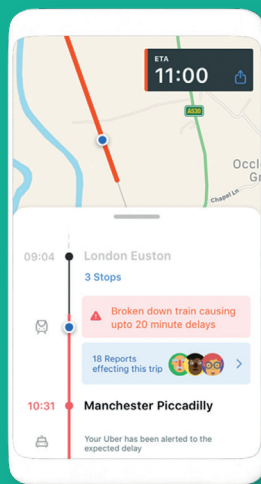
i. Company information, financials as of FY19. Financial year end 28 February'
 ii. Compared to rail carriers and independent consumer platforms, average users Sep–18 to Nov–18, based on AppAnnie, Similar Web, Company Estimates'
 iii. iOS rating from UK AppStore as of 29 March 2019
 iv. Trainline data for November 2018 (incl. UK consumer numbers Web/App and EU Web/App)

 Trainline enables travel in and across these countries



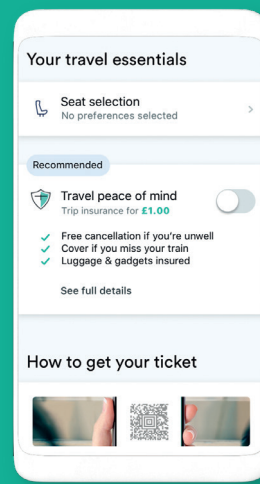
2. Simple

Friction-free and self-serve (purchase and post transaction). Mobile tickets + loyalty cards enabled. Price Prediction. Localised language and payment options.



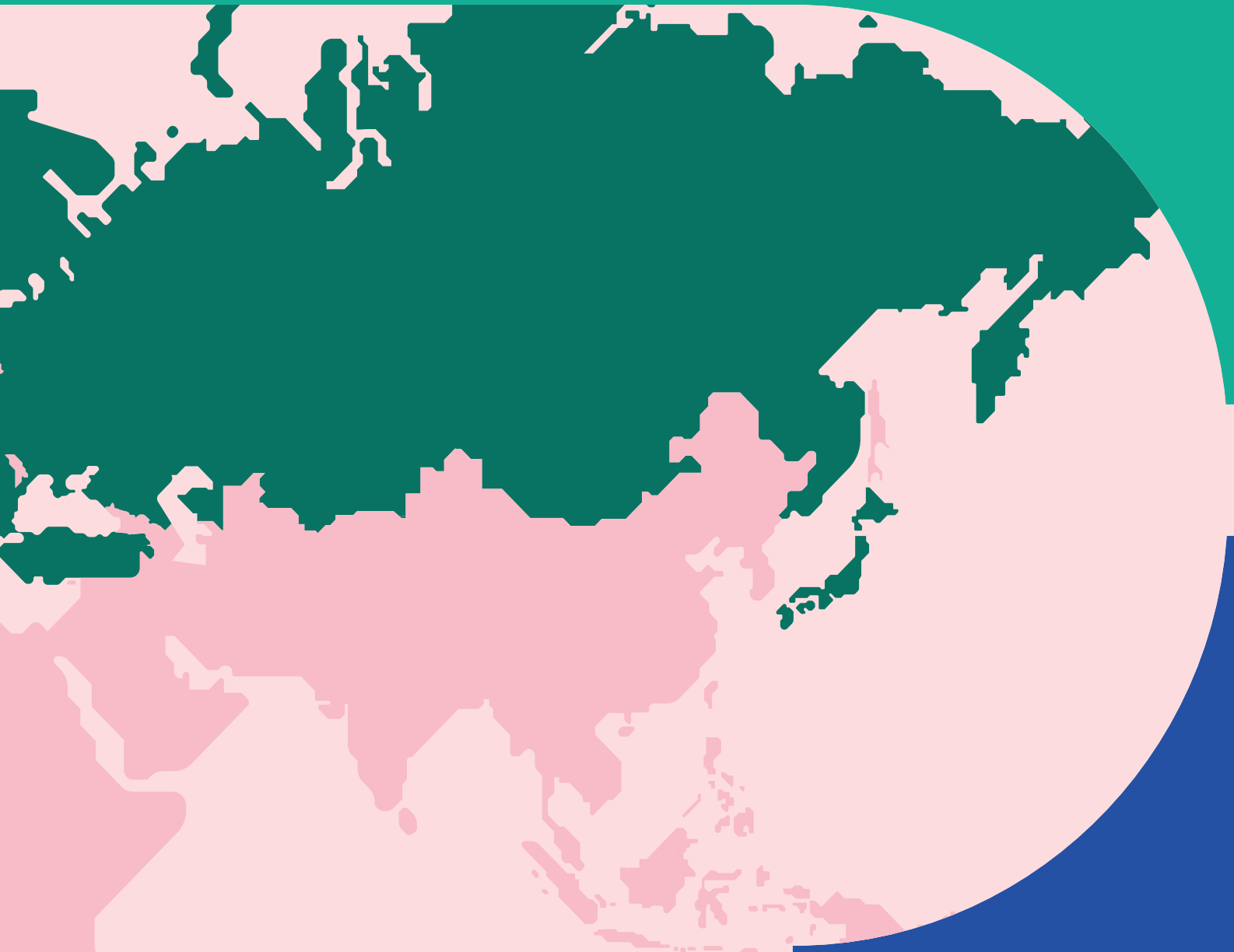
3. Travel companion

Smart departure boards and delay information. Live train tracker. AI driven travel information.



4. High quality ancillary

Individually relevant, high quality recommendations for additional travel services including hotel, insurance and other travel products.



trainline

www.trainline.com

