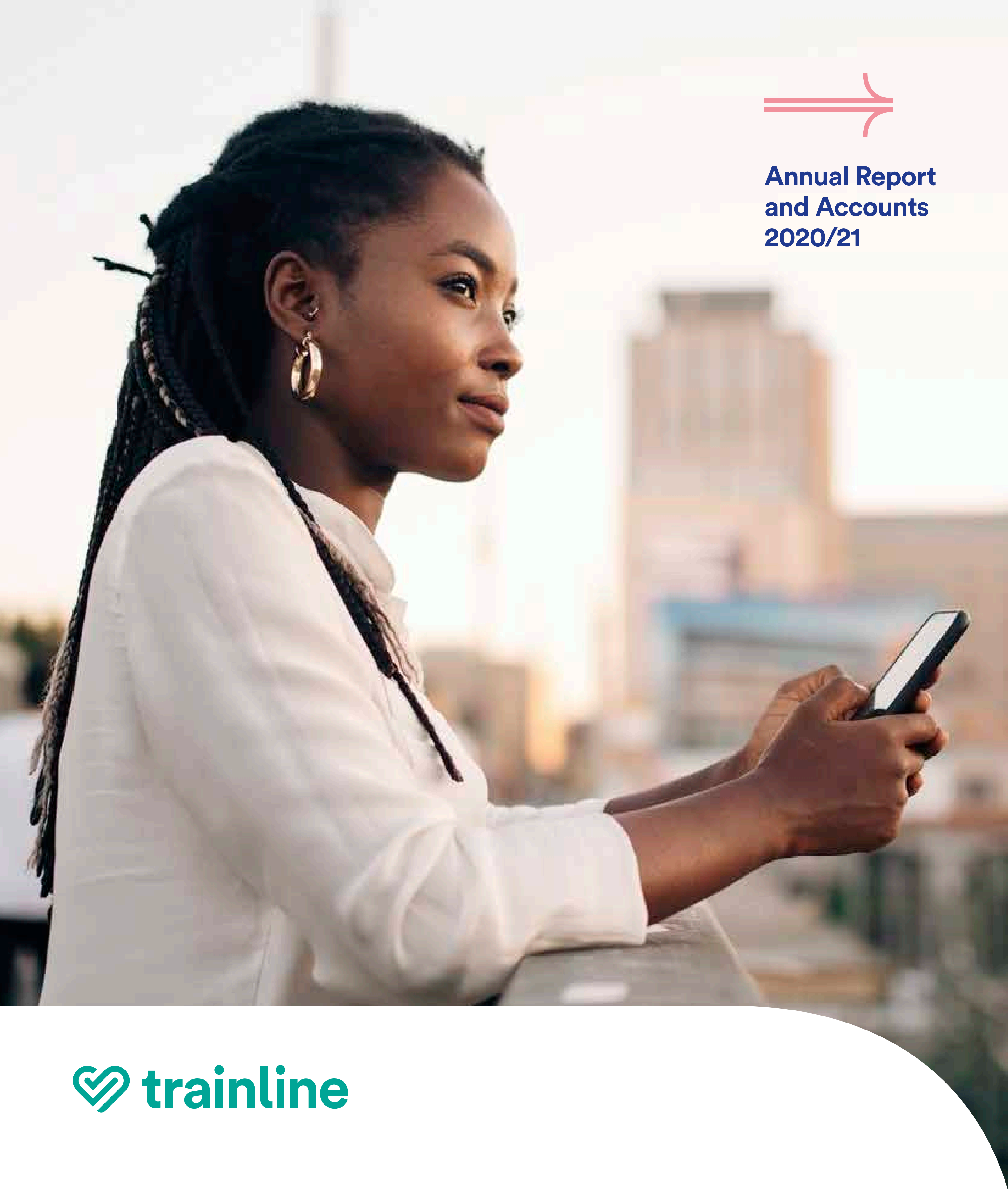


Annual Report and Accounts 2020/21

trainline

Building the world's number one rail and coach platform

Trainline is the world's leading independent rail and coach travel platform

Our purpose is to make rail and coach travel easier and more accessible, thereby encouraging people to make more environmentally sustainable travel choices

investors.thetrainline.com
Visit our investor site for more information on Trainline

Contents

Overview

We believe that as a generation, we have to make more environmentally friendly travel choices, and rail in particular can be a positive alternative to air and car.

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

Making rail and coach travel easier, championing a much greener way to travel

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

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

Chair's statement

We are well-positioned to drive long-term growth and create value for our customers and shareholders

Brian McBride
Chair

The past year has been unprecedented. COVID-19 caused significant disruption to the rail and coach industry with regional and national lockdowns across Europe for most of the year.

To mitigate the impact of the disruption we took quick and decisive steps to scale back our cash outflows and secured financing to provide additional liquidity, protecting the business in an extended COVID-19 downturn scenario while giving greater flexibility to invest in future growth opportunities.

I am grateful that, thanks to our strong culture and commitment to our stakeholders, the wellbeing of our people and supporting our customers have been prioritised by Trainline throughout the year.

Board changes

I am delighted to welcome Jody Ford into his role as CEO from 1 March 2021. I have been impressed by his clear leadership and his focus on improving our product and the customer experience since joining the Board. I look forward to continuing to work with Jody to achieve our long-term growth plan.

We have also welcomed Jennifer Duvalier, as Senior Independent Non-executive Director and Andy Phillipps, as Non-executive Director, to the Board during the year. Jennifer and Andy both have a proven record in high-growth, global technology businesses and I know their knowledge and experience will be invaluable to Trainline.

I would also like to thank Clare for her leadership during her time as our CEO and wish her every success for the future.

Financial and strategic performance

The Board is keenly focused on the Group's financial and strategic performance. Whilst we took early steps to preserve cash and liquidity, including raising £150 million through an issuance of convertible bonds, we have also ensured that the future success of the Group has remained central to decision-making.

We have continued to invest in our product and technology to deliver our strategic priorities of enhancing the customer experience, building demand and growing Trainline Partner Solutions (formerly T4B). You can read more about progress on our strategy during the year and our future priorities on pages 18 and 19.

Looking ahead

While it continues to be a challenging time for the wider industry, the structural tailwinds for Trainline endure and by maintaining our investment in the Group's strategic priorities during FY 2021 we are well-positioned to drive long-term growth and create value for our customers and shareholders.

With increased awareness of the environmental benefits of rail travel, growing investment in the industry, an acceleration in migration to online tickets and even more digitisation and liberalisation trends in European rail, we have never been more confident in the huge opportunity ahead for Trainline.

Finally, I would like to convey my thanks to all of the Trainline team. The past year has been challenging for everyone and I am proud of the resilience and dedication shown in continuing to prioritise the needs of our customers through the pandemic whilst remaining focused on delivering our strategic goals.

Brian McBride
Chair
6 May 2021

Highlights 2021

Strategic highlights

Maintained investment in strategic priorities

Enhancing user experience

Driving industry penetration of etickets in the UK to **30%** from **21%** in the year and launched a host of innovative new products, including in-app railcards in UK and Récup' Retard in France

Building demand

Strong rebound in new app customers in Q2 when lockdowns temporarily lifted: **UK Consumer >80% and International surpassing pre-COVID-19 levels**

Grow Trainline Partner Solutions

19 clients signed to our global API, 16 of which are new clients in FY 2021

Detail on performance against our strategic objectives can be found on pages 18 and 19.

Information on key performance indicators is available on page 26.

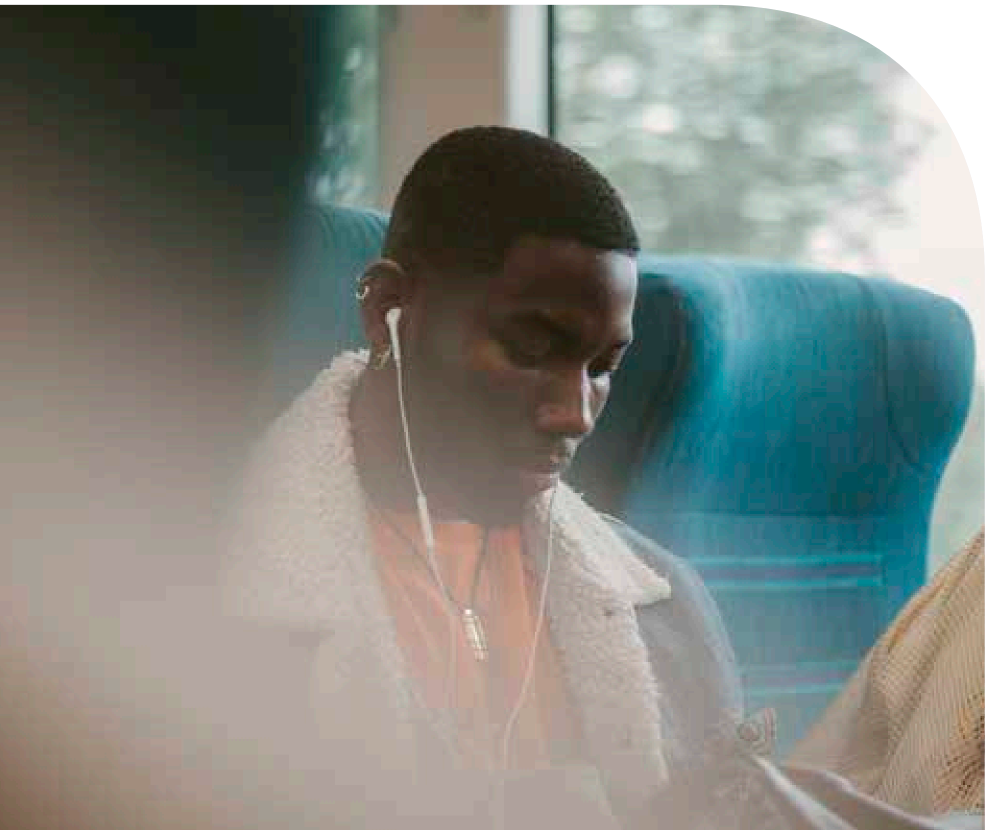
At a glance

We are the world's leading independent rail and coach travel platform selling rail and coach tickets to millions of travellers worldwide, enabling them to seamlessly search, book and manage their journeys all in one place via our highly rated website and mobile app.

We partner with more than 270 rail and coach companies across 45 countries, in Europe and Asia. Our broad range of carrier partners means we cover ~80% of rail and ~60% of coach routes in Europe.

By bringing together major carriers onto one platform, we provide our customers with a complete set of travel options and offer unique, AI-driven information to help our customers stay one step ahead. For our carrier partners, Trainline offers access to a huge pool of customers at relatively low cost.

Within Trainline Partner Solutions, our global API connects our clients with one-stop-shop access to our supply base, across the UK and EU.



Where are we?

● Countries where Trainline has carrier partnerships

4.9/5
star app rating

83%
of our transactions are through our app

175+
countries where our customers come from

45
countries travelled in and across by Trainline customers

270+
rail and coach companies

30m+
cumulative app downloads

10
currencies and multiple payment methods including Apple Pay, Google Pay, PayPal, SOFORT and iDEAL

>600
people in our Trainline team and more than 40 nationalities, including 300+ travel tech specialists and engineers

CEO's statement

> I'm excited to be leading a tech company with so much growth potential and a clear purpose: to empower people to make greener travel choices.

Jody Ford
Chief Executive Officer

I would like to start by thanking Clare for her huge contribution as CEO over the past seven years and for ensuring a smooth CEO transition. Having now picked up the baton, I'm excited to be leading a tech company with so much growth potential and a clear purpose to empower people to make greener travel choices.

At Trainline, we focus on continuous innovation to make rail and coach travel easier for millions of people, which in turn encourages them to make travel choices that are better for the environment.

For our customers, we provide a simple, consistent, friction-free experience for booking and managing travel by bringing all carriers together in one app and providing smart, real-time travel information.

For carriers, we offer access to a much larger customer pool, at a lower cost to serve than alternative routes to market. It is estimated that Trainline will contribute c.£2.8 billion in gross value added to the rail industry over the next six years.

Mitigating the impact of COVID-19

As COVID-19 spread across Europe, our first priority was to look after our people. We quickly transitioned our teams in all three offices to remote working and have worked hard throughout the year to support their health and wellbeing.

We also focused on our customers who were experiencing unprecedented disruption to their travel plans. We launched simple automated processes in our app and website to help them secure refunds and make changes to their journeys as easily as possible. We also launched our Crowd Alerts feature, helping those who had to travel to do so more safely.

To protect our business from the impact COVID-19 has had on trading, we took swift steps to conserve cash, significantly reducing cash burn to c. £5 million per month and raising £150 million through an issuance of convertible bonds. As a result, we exited FY 2021 with £260 million of liquidity headroom.

Well positioned for recovery following COVID-19

I am confident that our business will come back strongly as people start to travel again, as it did last summer when government restrictions were temporarily eased. We saw more customers booking rail travel online as they sought to avoid queues in stations and at ticket machines, and chose the safer, contactless travel experience provided by digital tickets in our app. I believe we will continue to see a market transition to online and digital ticketing, which we are well positioned to lead given our unwavering focus on our strategic priorities.

Strong momentum in our strategic priorities

Having maintained our investment in product and tech through the year, we made good progress against our strategic priorities:

Enhancing our customer experience

We continued to optimise our eticket experience, helping increase UK industry eticket penetration from 21% to 30%. This not only benefits Trainline, with UK Consumer representing c.70% of industry eticket sales, but also the wider industry. It is estimated that widespread use of barcode ticketing could enable £260 million p.a. of industry cost savings.

In addition, we continued to improve our mobile app, adding new features like in-app railcards, making it easier and more convenient to save up to a third off rail travel, and Récup' Retard in France to significantly improve our customers' delay compensation claim experience.

We have also invested in an enhanced 'new commuter' experience in the UK, including secure barcode ticket technology that lays the foundations for the future roll-out of Flexi tickets.

Building demand

Given the impact of government lockdowns on passenger volumes, we scaled back marketing activity for most of FY 2021. However, we did lean in when lockdowns temporarily eased in the second quarter benefiting from the reduction in bidding competition for paid marketing channels. We drove a strong rebound in new customers, with new app customers in the UK recovering to more than 80% of pre-COVID-19 levels and International customers surpassing pre-COVID-19 levels.

Looking ahead, we expect to lean in again as lockdowns ease and, in doing so, help stimulate the rail industry's recovery as every £1 of our advertising spend yields an estimated incremental £11 of earnings for the rail industry.

Growing Trainline Partner Solutions

We rebranded UK T4B to Trainline Partner Solutions and hired Champa Magesh to lead the business unit as we seek to make the full breadth of our solutions available to a global audience.

While business travel remained muted our Global Distribution and Business Solutions business made good progress, including scaling the global API platform, which provides our Distributions Solutions partners the ability to offer European rail options to their customers through our single connection. 19 clients are now signed up with a strong pipeline in place.

At the same time, our Carrier IT Solutions business continues to support our white label carrier partners through the pandemic and help them prepare for industry recovery as lockdowns ease.

Long-term structural tailwinds endure

Looking longer term, and past COVID-19, the structural tailwinds for our business endure, in particular the transition to online and digital ticketing which, though accelerating through COVID-19, continues to be a significant opportunity.

We operate in a large and expanding market, set to benefit from significant investment in capacity expansion across Europe, particularly in high-speed rail. Awareness of the environmental benefits of switching to rail and coach continues to grow as governments face stretching targets to bring transport emissions down. For example, the German government recently pledged to double rail passenger numbers by 2030, while the UK government has committed £48 billion 'to maximise the shift to rail from more polluting forms of transport'.

The force of legislative liberalisation in the European rail industry continues. Since December 2020 the EU's Fourth Railway Package has opened up domestic passenger services to commercial competition, leading to a more fragmented supply landscape. Subsequently we are already seeing the launch of new European rail brands, such as Avlo and Ouigo in Spain. As we've seen in markets like Italy, greater competition increases the value and choice for consumers in rail and further enhances the role of Trainline as a third-party aggregator.

I firmly believe that these structural tailwinds represent significant and long-term growth opportunities for Trainline and I am hugely excited about the journey ahead.

Changes to our management team

We continue to evolve our management team based on the needs of our organisation and broader strategy with the addition of Dave Price as Chief Product Officer, to lead the Product, Design and Research teams as well as Champa Magesh to lead Trainline Partner Solutions as previously mentioned. We have also appointed Mun Valiji as our Chief Information Security Officer to ensure a continued focus on providing protection for our customers. Finally we have also recently welcomed Lisa Hillier as our new Chief People Officer.

People and culture

One area I've been particularly impressed with so far at Trainline is our people and the culture. It is Trainline's pioneering team working tirelessly every day to improve the customer experience that makes us the world's leading independent rail and coach travel platform.

Jody Ford
Chief Executive Officer
6 May 2021

Our response to COVID-19

Keeping our customers safe

Crowd Alerts

In response to COVID-19 and in order to help our customers stay safe when they travel, we launched Crowd Alerts in the UK, a feature in our app which helps customers to see how busy their train is likely to be before they travel and to submit reports to help others.

Powered by crowd-sourced travel reports from other passengers, Crowd Alerts aims to give customers information about how busy their train is, helping them better plan and stay socially distanced on their journey.

Our response to COVID-19

Helping our customers and wider community

Using our reach

As a result of government restrictions on travel due to COVID-19, we weren't always able to connect our customers to their friends and family. Instead, we used our website and app to share important public health messaging, such as Stay Home, Save Lives, and helped connect our customers with local and national charities fighting the impact of COVID-19.

We gave free advertising slots to charities throughout the UK across our app, website and social media accounts to support those groups and organisations who may not have the ability to widely champion their great work.

Market overview

Trainline operates in a large market with multiple structural tailwinds, including: a shift towards greater rail industry complexity and fragmentation in our core European geographies; growing environmental awareness and government commitments to net zero targets; and a significant runway for online and digital migration.

Greater environmental awareness of different modes of travel

Over recent years, governments across the world have pledged to reduce transport emissions, in particular UK and European governments are targeting net zero emissions by 2050. The onset of COVID-19 during 2020 has seen heightened emphasis on such commitments, including the Green New Deal and Decarbonisation and Economic Strategy Bill in the UK, with the government expected to invest a record £48 billion by 2024 to 'maximise the shift of users to rail'. In Europe, the EU Commission's stated objective is net zero greenhouse gas emissions by 2050, and the German government is to increase investment into rail by 59% and double rail passengers by 2030.

In comparison to air and road transport, rail is a relatively low carbon form of transport, generating less than 1/20 of the CO_2 emissions of air travel and less than 1/7 of the CO_2 emissions compared with car travel. Rail is also a very efficient way of moving people into city centres and over long distances, reducing road congestion and pollution. In 2018, greenhouse gas emissions from rail (passenger and freight) made up just 1.4% of the UK's domestic transport emissions, while 10% of passenger miles travelled in Great Britain were by rail.

With greater environmental awareness of travellers, it is estimated that over time road travel will become increasingly less attractive, with congestion, slowing road speeds in urban areas, growing taxation on certain fuel types and congestion charge zones in major cities (already including London, Stockholm, Milan and Gothenburg) set to increase. Ever-increasing awareness of the environmental impacts of air travel has also shown that behaviours are beginning to change – a recent UBS survey found that 21% of people had reduced the number of flights they had taken over 2018/19.

600,000t

By shifting 150 million journeys from car to rail, Trainline's customers save 600,000 tonnes of emissions over the next three years.

As a generation, we believe we have to make more environmentally friendly travel choices.

Our purpose at Trainline is to make rail and coach travel easier, thereby helping customers make more environmentally sustainable travel choices.

A large and expanding market

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

In the last 20 years, before COVID-19, rail journeys increased by 97%, faster than any other mode of transport, in the UK. In 2018/19 there was a record 1.8 billion rail journeys and rail passenger revenue reached its highest ever level of £10 billion, in the UK.

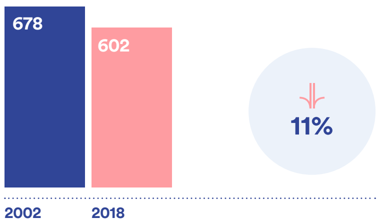
UK government support for rail has increased in line with passenger journeys since the mid-1980s. The government has pledged to invest £48 billion in the railway between 2019 and 2024, to support continued growth, improve efficiency, reliability and infrastructure, and to maximise the transition of travellers away from more polluting modes of transport.

In Europe, high-speed rail kilometres are forecast to grow three-fold by 2030, with the most significant high-speed network expansion planned in France, Germany, Spain and Italy. Total investment across continental Europe planned over the next ten years totals £176 billion, in line with government commitments to net zero greenhouse gas emissions and the European Green Deal initiatives.

Market worth over

€225bn

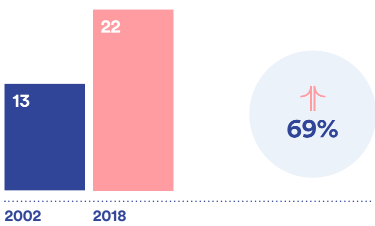
UK trips per person per year for car

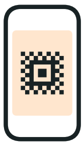


Triple the length of existing high-speed rail network in EU by 2035

x3

UK trips per person per year for rail



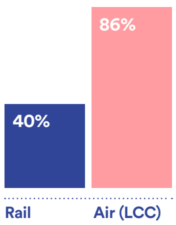


Runway for migration to online and mobile

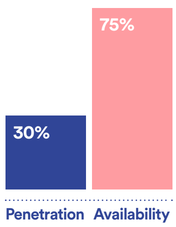
There remains a significant growth opportunity for online and mobile ticketing. Pre-COVID-19, across Europe, only c.40% of rail and coach tickets were purchased online, in comparison to 86% of flights.

In the UK, industry penetration of mobile ticketing has grown to 30% in the last year, up from 21%, with eticket availability at c.75% of journeys. The opportunity for Trainline to share a more seamless, online ticketing experience with customers, supported by a consumer need for ever greater convenience, flexibility and best value ticketing, remains. Our expectation is that both online sales and etickets will continue to grow across our markets, furthered by the acceleration to online caused by COVID-19.

Online sales penetration in Europe



eticket availability and penetration in UK



Market overview continued

Supply complexity and fragmentation

Trainline operates in an increasingly complex and fragmented rail market, where we partner with and support Train Operating Companies, governments and the wider rail industry.

There are approximately 400 rail carriers and more than 140 coach companies in the UK and continental Europe. With ongoing liberalisation in the European rail sector and investment in rail and greener modes of transport, we expect these numbers to continue to increase.

UK

In the UK, passenger rail services are delivered by 33 rail operators including (i) those let as franchises to private operators by the Department for Transport, Transport Scotland and Transport for Wales; and (ii) those run by private operators under an Open Access model (where track access rights are bought from Network Rail for specific routes).

Due to COVID-19, all operators under the franchising model have been put on emergency contracts (known as 'ERMAs'). Under these contracts all revenue risk falls on the government. This is a temporary measure with operators moving onto new National Rail contracts from mid-2021, as lockdown restrictions ease.

The UK railway is also going through a period of industry reform, led by the Department for Transport, underpinned by a common agenda to make rail travel easier and more accessible for all travellers, and to encourage a shift to rail from other, more polluting, modes of transport. Changes in the UK rail industry will have some implications for operators. We still expect, however, that once industry reform has finished there will still be a similar number of train companies to what we have now, tendered out by government to private companies on a competitive basis.

Tailwinds for UK rail remain strong. £48 billion is being invested into new trains and track enhancements, building a modern network for passengers. This, alongside planned COVID-19 recovery initiatives should support the long-term growth profile of the UK's railways.

Europe

Liberalisation and supply fragmentation of the rail and coach markets continues to unfold across continental Europe, promoted by a series of European Commission directives aimed at encouraging competition across Europe's railways and facilitating efficient transport systems that operate effectively across borders. The Fourth Railway Package is one such directive, mandating competition in every EU rail market, a process which started in 2019 and aims to be finalised by 2023.

Such directives have helped to create an environment supportive of further competition and market volume growth, expanding opportunities for independent retailers to enter the rail markets in other geographies. Many of the ~400 rail carriers currently operating across Europe are themselves new entrants, within the last 15 years.

Key examples of market liberalisation in Europe to date, include:

- **France** – The French government formally began to open up some long-distance and regional domestic passenger railway services in December 2019. New entrant carrier Thello plans to launch a service in 2021, followed by Renfe and Railcoop in 2022.
- **Italy** – Since opening to competition in 2012, NTV Italo trains entered the Italian high-speed rail market. They now operate across 25 stations and Italo now has a ~30% share of the high-speed rail market in Italy.
- **Germany** – c.30% of the annual volume of rail kilometres has been put out to public tender already, with a variety of private companies operating long-distance and regional rail connections, including Flixtrain and Transdev.
- **Spain** – New entrants Avlo and Ouigo España due to start operations in Summer 2021, to be followed by Ilsa, a new high-speed operator, in early 2022. The capacity utilisation of Spain's high-speed rail lines is around 40%, clearly leaving room for service growth by several operators.
- **Austria, Sweden** – Incremental demand for rail in these countries has been generated as a result of newer market entrants, Westbahn and MTR Express.

In the last few years, some of the major carriers in Europe have also announced plans to provide services beyond their own domestic markets. Such competition should ultimately provide more choice, convenience and quality for customers, as well as more competitive fares.

Liberalisation of European markets, combined with increasing and fragmenting supply across national, long-distance, cross-border, domestic and regional levels is expected to increase competition between carriers, thereby providing greater opportunity for Trainline to consolidate and simplify rail travel for its customers. As an independent aggregator of ticket types, journey combinations and fares, Trainline is able to provide a transparent and extensive offering to travellers across Europe, through our intuitive, highly-rated, digital experience.

For domestic carrier partners seeking to grow and for carrier partners entering new markets, we offer a world-class technology platform and access to a global customer base at a lower cost to serve.

In response to COVID-19, the EU and its member states introduced tax relief for businesses and sectoral support for travel trade associations and EU carriers, measures that Trainline supports in giving reassurance to the industry and to customers.

Regulatory and political environment

After several years of negotiations, the UK and European Union finally agreed the basis of their future relationship. Trainline has remained actively engaged with British and other EU national governments, institutions and carrier partners to stay abreast of policy and regulations that may affect Trainline and the wider environment in which we operate. Alongside scenario-planning and risk management, work undertaken by Trainline over the last years has meant that the impact of Brexit on the business, staff, customers and partners is low. We remain committed to ensuring we continue to comply with all relevant policies and legislation.

Continued liberalisation in Europe provides additional opportunity for Trainline as an independent aggregator of ticket types, journey combination and fares, to simplify the experience of rail customers.

400+

rail carriers in Europe

33

rail operators in the UK

How we are empowering people to make greener travel choices

> Trainline is expected to save 600,000 tonnes of CO_2 over the next three years by moving customers to more sustainable travel modes.

In the UK and across Europe, governments are targeting net zero emissions by 2050. In December 2020, the EU announced a 55% reduction target for CO_2 emissions by 2030 and the UK announced a reduction target of at least 78% by 2035.

Transport is the largest contributor to UK domestic greenhouse gas emissions, contributing 28% of UK domestic emissions in 2018, and the main source of these emissions is the use of petrol and diesel in road transport. Similarly, in Europe, transport accounts for more than a fifth of greenhouse gas emissions, almost 72% of which come from road transport.

Rail offers travellers a greener alternative to flying or driving, generating less than 1/20 of the CO_2 emissions of air travel and approximately 1/7 of the CO_2 emissions compared with car travel, per passenger[1]. It can move millions of people quickly and cleanly, for leisure or business, across countries and continents. We believe we have a role to play in supporting the rail industry, businesses and governments in meeting their emissions targets, as we build back from the impact of COVID-19.

Our purpose: to empower people to make greener travel choices

At Trainline, our purpose is anchored in environmental sustainability. Through our technology and data, we make rail and coach travel easier, empowering people to make travel choices that are better for the environment. Our customers are almost twice as likely to increase train travel in comparison with non-Trainline customers, having switched most often from car, and Trainline customers are expected to save 600k tonnes of CO_2 over the next three years by moving customers to more sustainable travel modes. This is equivalent to the CO_2 absorbed by 9 million trees over the same period.

However, we know there is more we can do to encourage a shift to rail from less sustainable transport modes based on research we undertook in four of our key markets, specifically about environmental sustainability and the role Trainline can play. Our customers told us we have a role in enabling them to make easier and better environmentally sustainable travel choices with useful and relevant information and tools. 41.5% of German passengers now consider their carbon footprint before making a travel decision.

Our aim is to harness data, so everyone can understand their own environmental impact and manage it

To answer the needs of our customers and increase our support of the rail industry and governments, this year we plan to provide accessible and transparent green data on our platform for our UK customers, with other markets to follow. This data will inform customers about the environmental impact of their journey and how the CO_2 emissions of their chosen journey compare to the same journey by road.

We are supporting our teams in making greener travel choices

In addition to our sustainable travel policy, available in our employee handbook and which asks our teams to travel by the most environmentally sustainable mode of transport for the distance they are travelling, we have a cycle scheme to encourage our people to use a greener mode of transport for the ‘last mile’ of their journey to and from work. The scheme enables our people to save at least 25% on a brand-new bike and accessories.

Additionally, we have made headway against reducing the impact of our own operations and product in use. We offset our operational emissions from the last financial year, including the impact of our people working from home as well as scope 1, 2, waste, water and business travel, with a donation to the Neema Forestry programme which preserves 170,000 hectares of forest in the Tsavo National Park in Kenya whilst developing a local sustainable economy.

Defining our path to net zero

As part of our journey to become a more sustainable business, we are committed to reporting against the Taskforce for Climate-Related Financial Disclosures ('TCFD') framework and are making progress against its recommended disclosures, see page 81. We are working with climate consultants to agree our net zero ambitions, science-based goals and long-term strategy for action, and we will be publishing these later in the year. Our Board is working closely with our Leadership team to ensure consideration of climate-related issues when reviewing strategy, plans and budgets as well as to monitor and oversee progress against our net zero goals and plans once agreed.

Trainline has a clear purpose and role to play in empowering and encouraging more people to travel by rail as a more environmentally sustainable transport mode. We look forward to updating all our stakeholders as we continue on our journey to become a more sustainable business.

1 European Environment Agency Study (2014)

Business model

As the leading independent rail and coach travel platform, Trainline enjoys significant network effects.

Through our agile and scalable platform, our customer insights and data and our industry relationships, we have created a simple and intuitive customer experience in our app and website. As a result our B2C and B2B businesses have large and sustained customer bases.

Deep network of carrier and industry partners

We have connected over 270 carrier partners to date, across the UK, Europe and beyond, bringing together the majority of rail and coach operators onto one platform, covering all of the UK rail network and ~80% of the European network. This breadth allows us to offer all the ticket options, inventories, timetables and features to our customers, whenever and wherever they may be travelling.

We have developed strong relationships with our industry and government partners across the markets we operate in, to support the growth of and improvements to rail travel and champion access to rail as a greener way to travel. This allows us to keep abreast of legislative developments and ensures we are up to date with new carrier features and requests. Our carrier partners also benefit from a huge pool of global customers at low cost.

Bespoke features and personalisation

Using our product and technology expertise, we work continuously to enhance our customer proposition and make rail and coach travel easier. Our large B2C customer base has given us the opportunity to understand how our customers travel and the insight to develop proprietary data features, and provide relevant, high-quality features and services our customers need, including multi-currency payment options and travel insurance.

Powerful data assets

Having significantly invested in our platform and inventory, we have scaled to serving customers in over 45 countries, with around 90 million visits to our platform each week (pre-COVID-19). This scale has enabled us to amass significant data and in turn, develop a clearer and deeper understanding of customer needs across the markets we serve. This network effect allows us to keep developing the most useful features for our customers and providing a personalised experience, geared towards helping our customers find the best fares, at the best times, via the best routes, with the best delay and disruption information, and through our new Crowd Alerts feature, to travel as safely as possible.

Highly scalable marketing playbook

We have invested in world-class branding and marketing capability – successfully building brand awareness and scale in the UK – and developed our own marketing playbook, which we are now using across our key markets to drive demand in an efficient way. Central to our playbook is extensive use of proprietary data and digital technology. This includes advanced customer segmentation tools to efficiently target and re-target high-value customer cohorts, and sophisticated SEO strategies, designed to drive engagement and increased frequency of purchase. In addition, our playbook focuses on app marketing and messaging to persuade existing and potential new customers to download our Group's mobile app, as we know app customers are more engaged and make significantly more purchases each year than web customers.

Revenue model

Trainline is paid commission by rail and coach operators on ticket sales and generates revenue from booking fees and ancillary services such as advertising and travel insurance, through our multi-currency platform. In addition we operate through three business segments under Trainline Partner Solutions: Trainline Carrier IT Solutions (including our white label services), Trainline Distribution Solutions (distribution of our global API) and Trainline Business Solutions (for our corporate and SME partners).

Highly-rated customer experience

Through our 4.9/5 star rated app and website, we provide a friction-free self-serve experience for our customers, with all options in one place. Alongside Crowd Alerts, etickets, smart departure boards, platform and delay information in 12 languages, our customers can pay in 10 different currencies and a variety of payment methods. We use smart tools and unique AI-driven travel information to help our customers on the go, ensuring they can quickly self-serve throughout their journey, from planning and booking to travelling and post sales.

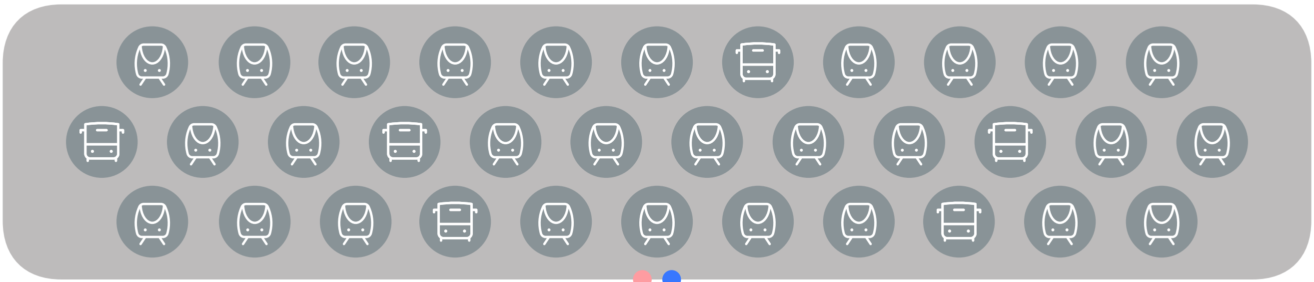
Smart business solutions

Trainline Carrier IT Solutions, a division of Trainline Partner Solutions, offers carrier partners access to the newest and most cutting-edge Trainline technology at a fraction of the cost of building a stand-alone platform.

We also provide rail booking solutions for thousands of small and medium enterprises ('SME's), large corporate entities, public sector partners, travel management companies and charities, across the UK and Europe.

Trainline Partner Solutions accounts allow companies to manage their corporate rail travel in a single place. This includes our new global API where Distribution Solutions partners get access to our worldwide rail content and local features through a single connection.

By connecting 270+ rail and coach carriers...



With our proprietary, agile technology...

Our carrier partners benefit from a global pool of customers, at lower cost.

Bespoke features & personalisation

Powerful data assets

Digital ticketing

trainline

Highly scalable marketing playbook

People

For more info on our Tech see page 40

Tech

For more info on our People, see page 17

Leadership

For more info on our Leadership, see page 56

We create a simple, seamless experience for our customers.

For travellers

- 4.9/5 star rated app; all travel options and best prices, in one place, instantaneously
- Smart departure boards, platform prediction, real-time delay and disruption information
- 12 languages, 10 currencies and a variety of payment methods plus useful ancillaries including insurance
- Bespoke personalisation and data-rich features

For businesses

- Trainline Partner Solutions provides retailing capabilities for carriers, businesses and travel sellers
- Trainline Carrier IT Solutions: carriers powered by Trainline's cutting-edge tech
- Trainline Business Solutions: for companies of all sizes
- Trainline Distribution Solutions: access to all rail carriers in one place, through one simple connection

For more information on our global API, see page 24

Creating value for our stakeholders

At Trainline, we empower people to make greener travel choices, driving a modal shift that benefits the world at large.

To realise our goal we continue to build the world's number one rail and coach platform so we can leverage our technology, content and reach to put rail at the heart of more journeys globally and make train travel easier for our customers. For all our customers and stakeholders, we aim to provide choice, value and ease.

Choice	Value	Ease
All rail and coach journeys	The best price for every journey	The simplest experience from start to finish

For our customers

For our customers globally, we aim to be the ultimate rail and coach travel companion.

- All the carriers
- All the fares
- All the railcards
- All the real-time information
- Train and coach

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

- Digital tickets
- Simple intuitive user interface
- Real-time information – departure times and platforms
- Automated refund capability
- Personalisation

For our business partners

We continue to aim to be the leading distributor of global rail content, providing unrivalled reach and access for our corporate partners at lower cost, including through one simple connection – our global API.

- Cost control features: travel policy, MI questions, on-account payment
- All the fares plus corporate rates

- Self-serve: sign up, onboarding, reporting

For more information on our global API, see page 24

For our carrier partners

Trainline aims to continue to be a leading tech platform enabling digital innovation in the rail industry. Our tailored retailing solutions meet the needs of our carrier partners, lowering the cost of serving customers by making complex technology simple.

Through bespoke development and our white label retailing service, we offer our scalable and secure platform, and our innovative features for use by our carrier partners.

- One-stop shop (front end and back end retailing needs)
- Customer first and innovative features
- Always up-to-date technology
- Dedicated customer team
- Scalable and secure platform

For the rail industry

We provide cutting-edge rail technology and digital innovation that encourages more people to travel by train versus other less sustainable modes of transport, at a lower cost to the industry. Having significantly invested in our global technology platform, we provide our carrier partners and the rail industry more broadly with access to travellers all over the world.

- Trainline expects to contribute c.£2.8 billion of additional value to rail industry over next six years
- We enable industry cost saving of up to ~£260 million per annum
- Every £1 of Trainline advertising spend yields an estimated incremental £11 of ticket sales for the industry

Our technology

At Trainline, we pride ourselves on our proprietary, modern, scalable tech platform created and maintained by our 300+ bright product and tech minds.

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

300+
releases a week

135bn
search results per year pre COVID-19

>500
microservices

270+
rail and coach carriers connected

~3 TB
data processed a day, pre COVID-19

300+
tech experts and product makers

Reliable, scalable, secure

- 100% cloud
- 300+ engineers
- 300+ releases per week
- >500 microservices, increasing speed of development, flexibility and scalability

Customer-centric e-commerce

- Simple '1 click' UX: hides industry complexity
- Proprietary multi-carrier/modal journey planner
- Multi-product basket

Security, payments, fulfilment, fraud safeguards

- PCI-DSS Level 1 (Merchant & Service Provider) since 2013
- Cyber Essentials certification since 2017
- Active member of the BSIMM community. Partnership with NCSC & NCA
- Internal standards aligned with ISO27001 certification & NIST framework
- 3DS version 2 implemented
- Payment Services Directive II Secure Customer Authentication ready
- Industry-leading fraud to sales ratio
- Industry-leading bank acceptance rates

Deep inventory connections

- >270 carriers
- Rail and coach
- Pre and post-sales
- Real-time data
- Add-on travel services: insurance, etc.

Personalised AI data products

- ~3 TB data processed per day pre COVID-19
- 135 billion search results pre COVID-19
- 1 billion train movements per year
- Bespoke AI-driven features
- Personalised UX and CRM

Strategy

Our purpose at Trainline is to make rail and coach travel easier, thereby helping customers make more environmentally sustainable travel choices.

Our strategic growth priorities:

Enhance the customer experience

Providing a smart, seamless and friction-free experience for our customers is at the heart of our business.

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

We have created a platform, with the aim of consolidating rail and coach inventory for all carriers globally, providing one convenient online experience for our customers. In doing so, our ambition is to help customers make more environmentally sustainable travel choices.

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

Build demand

Our key focus is to create the best possible product market fit in each market and strengthen demand by deploying our marketing playbook.

To date, we have built a strong and highly-rated app experience and a strong brand, notably in the UK. Our addressable customer base remains large and the headroom for Trainline to grow across our core markets remains significant.

We continue to deploy our marketing playbook in order to drive customer acquisition, customer loyalty, repeat purchases and the frequency with which our customers engage and transact with us.

By growing demand, we are encouraging more customers to choose more environmentally sustainable modes of transport.

Optimise revenues

By growing our customer base and net ticket sales, we are increasing opportunities to provide other services to our customers such as travel insurance, multi-currency payments and through targeted advertising. These in turn generate additional revenue opportunities for Trainline.

We measure the revenue we generate as revenue take-rate – calculated as revenue divided by net ticket sales.

Grow Trainline Partner Solutions

To date, Trainline Partner Solutions, (previously Trainline for Business) has primarily focused on opportunities in the UK.

Our Distribution Solutions offering, as well as Carrier IT Solutions and Business Solutions for companies of all sizes, offer further and significant growth headroom for Trainline. We remain focused on increasing demand from our existing accounts, winning new accounts and over time, scaling Trainline Partner Solutions internationally.

Key measures	Progress in FY 2021	Priorities for 2021/22
• App rating • Conversion rate growth • eticket penetration	• 4.9/5 star rated app • Higher adoption of etickets in the UK with eticket penetration up to 30%, of which 70% through Trainline • Enhanced 'new commuter' experience, powered by our proprietary data and AI	• Investing in our strong pipeline of new innovation • Evolving our offering for the returning commuter market • Adding new supply in European markets and adapting product roadmap to meet specific local market needs • Optimising the core proposition to drive value
• New app customers • App share of transactions	• Demand remained subdued for most of the year. However when conditions saw some recovery in Q2 new app customers rebounded to 80% of pre-COVID-19 levels in UK and >100% of pre-COVID-19 levels in International. With further COVID-19 related lockdowns in the second half, demand fell back across all of our markets. While timing of recovery remains uncertain for our International business, there are positive signs of recovery for UK Consumer as lockdowns in the UK gradually lift • UK Consumer app share of transactions up 7% pts to 83%	• Ramping marketing activity back up as operating conditions recover
• Take-rate in UK Consumer and International	• Significant distorting effects from COVID-19 on take-rates	• Optimising revenues where feasible, in the context of COVID-19 recovery • For the UK, manage take-rate headwind from growth in fee-free on-the-day ticket sales • Growing International take-rate over time to be similar to the UK take-rate
• Growth of our global API • B2B win/retention rate • Supporting our Carrier IT Solutions clients through COVID-19	• Introduced Trainline Partners Solutions as business segment leading solutions for businesses and carrier partners • Continued to add new clients to our global API, part of Distribution Solutions, with 19 clients now live and integrated • Innovation for Carrier IT Solutions customers for where issues arisen due to COVID-19, including new digital flexible ticketing solutions plus enhanced change and refund technology	• Growing the new Trainline Partner Solutions business • More client wins through Carrier IT and Distribution Solutions • Enhanced platform for UK Carrier IT Solutions clients

Strategy in action

Enhance the UK customer experience

UK Railcards

In the UK, we've taken railcards fully digital.

At Trainline, we are driven by making rail and coach travel easier, through a seamless customer experience in our app and helping our customers find the best value journey for their needs and by providing all options in one place.

This year, we launched our in-app railcards product feature in the UK, allowing our customers to buy, store and use their railcards alongside their tickets in our app.

In the UK, railcards offer travellers a discount on train tickets, as well as discounts and deals for days out when travelling by rail. Our new railcards feature means that our customers can easily apply their railcard discount to ticket purchases, without the hassle of keeping and renewing a paper version.

We will continue to invest in our in-app railcard feature, including building similar capabilities in other markets in Europe.

We currently offer the following railcards in the UK:

- Network Railcard
- 16-25 Railcard
- 26-30 Railcard
- Family & Friends Railcard
- Senior Railcard
- Two Together Railcard


16-25 Railcard
ISSUED TO
Misha Carr
ISSUED BY
Trainline
VALID UNTIL
01 Feb 22
No. 08ZMK1103449888
Family & Friends Railcard
ISSUED TO
James Evans
2ND CARDHOLDER
Leila Evans
VALID UNTIL
01 Feb 22
ISSUED BY
Trainline
No. 08ZMK1103449888
26-30 Railcard
ISSUED TO
Christopher Rowe
ISSUED BY
Trainline
VALID UNTIL
01 Feb 22
No. 08ZMK1103449888
Options
eticket + Railcard
Close
23 Nov 2021
EUS - MAN
LONDON EUSTON
MANCHESTER PICCADILLY
EUS
MAN
TICKET TYPE
Off-Peak Single
ROUTE
LNER
ADULT
16-25 Railcard
DEPART
12:54
RESERVATIONS
See Itinerary
TTVG23HRK9S
Show Railcard
Two Together Railcard
ISSUED TO
Emelie Mackay
2ND CARDHOLDER
Adam Nielsen
VALID UNTIL
01 Feb 22
ISSUED BY
Trainline
Options
eticket + Railcard
Close
23 Nov 2021
GLD - WIN
GUILDFORD
WINCHESTER
GLD
WIN
TICKET TYPE
Off-Peak Single
ROUTE
SWR
ADULT
Family & Friends Railcard
DEPART
12:54
RESERVATIONS
See Itinerary
TTVG23HRK9S
Show Railcard

Strategy in action

Enhance the international customer experience

Récup’ Retard

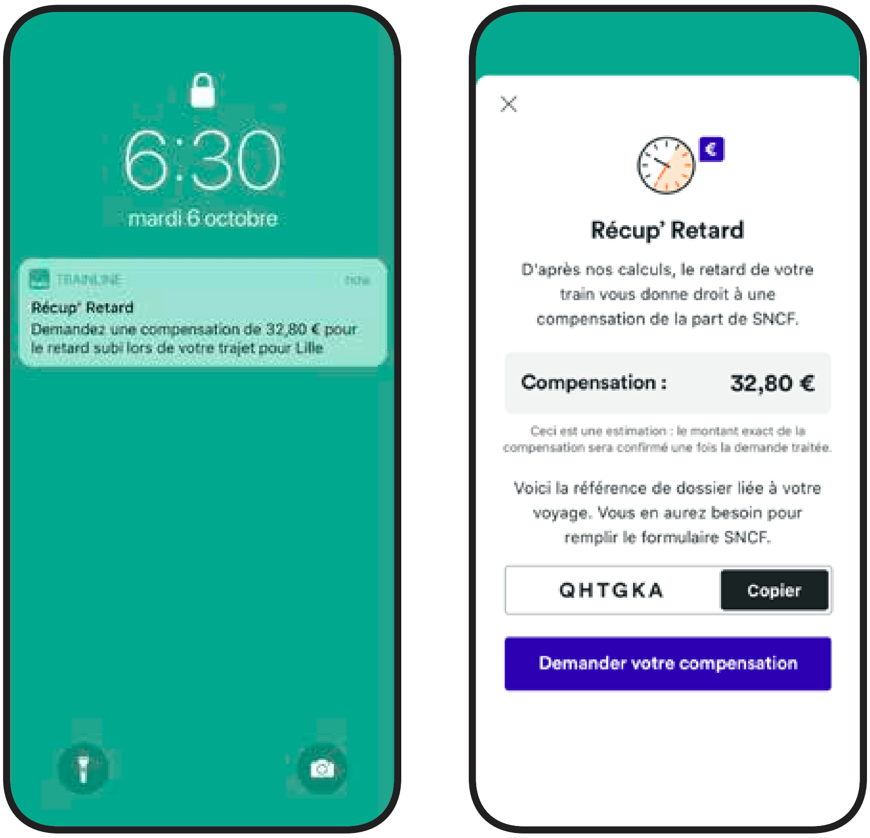
Improving our customers' experience is at the heart of what we do at Trainline.

Through our customer research, we found ~20% of French rail travellers were not aware that compensation is available to them if their train is delayed, and that over 60% of French rail travellers aren't aware of the amount or conditions under which they can request this compensation. We wanted our customers to know that even when things don’t quite go according to plan, we are there for them.

This year, we launched a new app feature called Récup' Retard for our French customers, which provides a quick and easy way for rail travellers who experience journey delays to request compensation.

Our customers just receive a notification to confirm that they have received compensation straight on to their payment card – no paper forms or telephone calls required.

We know from talking to our customers that providing automatic compensation for journeys on delayed trains is a key need so we are aiming to roll out similar, simple delay repay solutions for Trainline customers in other markets.



How Récup' Retard works

1

Receive a notification
If your train has arrived at the station more than 30 minutes late and you are eligible for compensation, we will let you know via a notification or email.

2

Receive a compensation estimate
We automatically calculate the estimated amount of your compensation.

3

Fill out the form
We direct you to make the compensation request.

4

Receive your compensation
Depending on the length of delay, compensation can be transferred to your bank or used against future travel bookings. Multiple compensation codes can be saved in the app, so they are always on hand for future bookings.

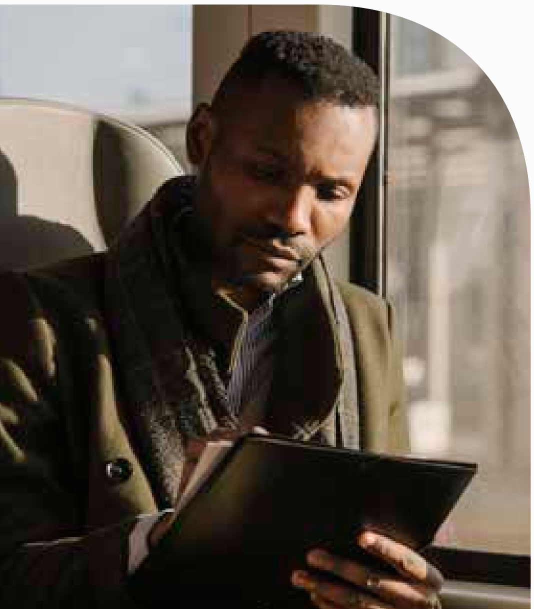
Strategy in action

Growing Trainline Partner Solutions

Connecting
45k
stations

Access to nearly
1.8bn
unique routes

Unlocking
10
markets



Global API

We are building the world's number one rail travel platform, pioneering the technology behind rail content and ticketing globally to provide access to nearly 1.8bn unique rail routes, across ten different markets, through one simple connection.

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

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

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

Quality global coverage

- Up-to-date content: new entrants and low-cost carriers
- Standardisation layer to normalise market-by-market differences
- All carriers; single search journey planning across markets and borders
- Connections updated and managed by us, behind the scenes

Customer-first feature set

- Real-time information
- Support for multiple languages
- Ten currencies and a variety of payment methods including on-account
- Aftersales; void tickets, change of journey, refunds
- Market-specific features e.g. SplitSave in UK and Mandatory Seat Mapping

Accessed through modern, dynamic technology

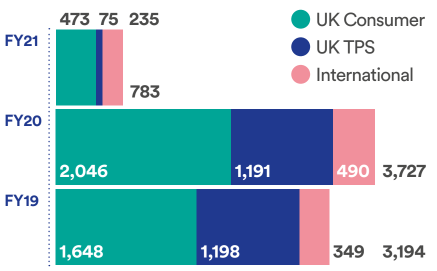
- Modern, efficient bandwidth through our RESTful API
- Up-to-date tech stack
- Dynamic capabilities
- Cloud-based hosting for instant scalability
- Industry best practice security standards

Access to rail content from more than 270 carriers, enabling travel in and across 45 countries, via our one simple connection.

Key performance indicators

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

Net ticket sales (£m)



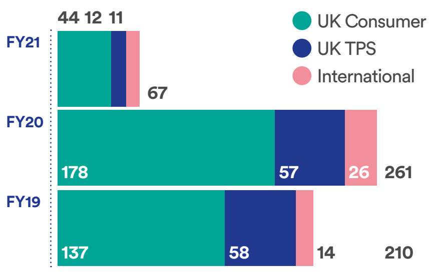
Description

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

Performance

Given the impact of COVID-19 on passenger numbers, net ticket sales decreased to 21% of prior year at £783 million, with UK Consumer at 23%, International at 48% and TPS at 6% of prior year.

Revenue (£m)



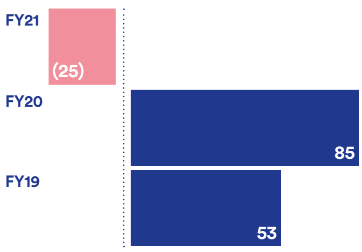
Description

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

Performance

Given the impact of COVID-19 on passenger numbers, revenue decreased to 26% of prior year at £67 million, with UK Consumer at 25%, International at 43%, and TPS at 21% of prior year.

Adjusted EBITDA (£m)



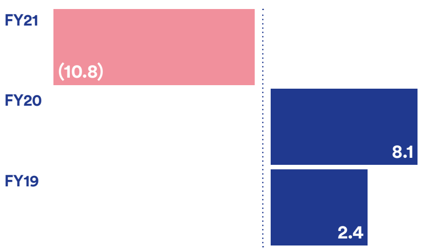
Description

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

Performance

Adjusted EBITDA reduced to a loss of £25 million from a profit of £85 million last year, reflecting the significant impact of COVID-19 on passenger numbers though partly offset by operating cost reductions.

Adjusted basic earnings per share (p)



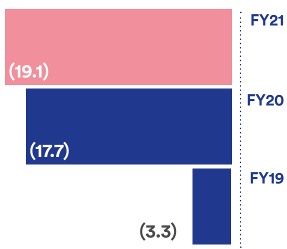
Description

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

Performance

Adjusted EPS was a loss of 10.8 pence, an 18.9 pence decrease on the prior year, predominantly driven by the significant impact of COVID-19 on passenger numbers though partly offset by operating cost reductions.

Basic earnings per share (p)



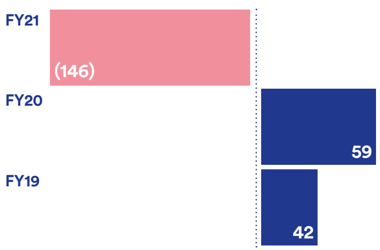
Description

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

Performance

Basic earnings per share was a loss of 19.1 pence, a reduction of 1.4 pence on the prior year, predominantly driven by the increased loss after tax driven by the significant impact of COVID-19. Prior year included significant exceptional costs relating to IPO.

Operating free cash flow (£m)



Description

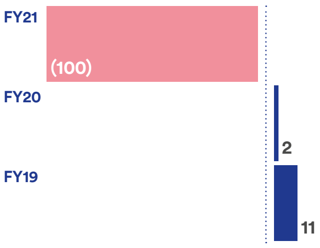
Operating free cash flow is cash generated from operating activities adding back exceptional items, and deducting cash flow in relation to capital expenditure.

Performance

Operating free cash flow was £(146) million versus £59 million in the prior year. The reduction was predominantly driven by a £110 million reduction in adjusted EBITDA and a reduction in working capital benefit of £96 million due to the impact of COVID-19.

Please see page 140 for the definition and reconciliation of Alternative Performance Measures (Net Ticket Sales, Adjusted EBITDA, Net Debt, Operating free cashflow and liquidity).

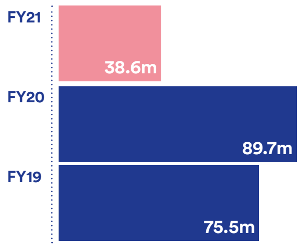
Operating (loss)/profit (£m)



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

Performance
Operating loss of £100 million was driven by the significant impact of COVID-19 on passenger numbers and the one-off International goodwill impairment of £25 million, partly offset by operating cost reductions.

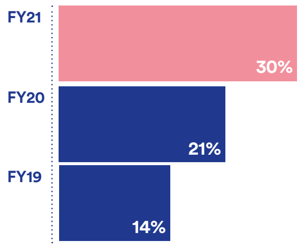
Average visits per month (m)



Description
Average number of visits per month to our consumer apps or websites (UK Consumer and International).

Performance
Our platforms hosted 39 million visits per month from UK and International consumers this year, a decrease of 57%.

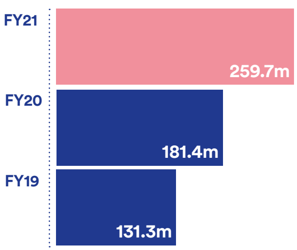
UK industry eticket penetration (%)



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

Performance
By the end of FY 2021, eticket penetration increased to 30%, from 21% in FY 2020, reflecting heightened preference for etickets due to COVID-19 and growing availability.

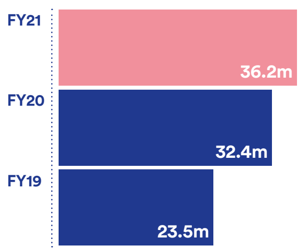
Liquidity (£m)



Description
Liquidity is the aggregate of the Group's cash and cash equivalents plus available headroom on the Group's Revolving Credit Facility.

Performance
Trainline's liquidity headroom increased due to the £150 million convertible bond issuance, partly offset by the impact of COVID-19 on cash flows and working capital balances.

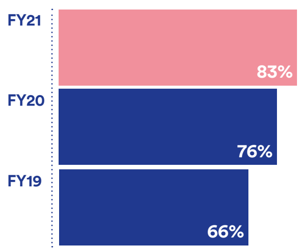
Cumulative app downloads (m)



Description
Cumulative number of app downloads in UK Consumer and International.

Performance
Total cumulative downloads of the Trainline app increased to 36.2 million.

Transactions through mobile app (%)



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

Performance
The percentage of transactions that went through the Trainline mobile app increased by 7 percentage points to 83%.

CFO's financial highlights

By bolstering our liquidity and reducing cash burn we have mitigated the impact of COVID-19 and having maintained our investment in our strategic priorities we are well positioned for recovery.

Shaun McCabe
Chief Financial Officer

c.£5m
Monthly cash burn

£260m
Liquidity headroom

Group overview
COVID-19 and the government measures to curb its spread led to a significant reduction of passenger volume in FY 2021. With national and regional lockdowns, and social distancing restrictions in place for much of the year, Group net ticket sales decreased to £783 million, equivalent to 21% of the prior year.

While the current trading environment remains challenging, vaccine rollouts and government roadmaps to ease lockdowns are expected to create the conditions necessary for recovery. Encouragingly, when lockdowns and restrictions were eased during the Summer months of 2020, leisure and commuter passenger volumes recovered relatively quickly in Trainline's key European markets, while Trainline's UK Consumer net ticket sales recovered faster than the market, reflecting an acceleration in the shift to online and digital channels.

The decline in Group net ticket sales resulted in Group revenue decreasing to £67 million, 26% of revenue in the prior year. Gross profit for the year decreased from £201 million to £49 million and we reported an adjusted EBITDA loss of £25 million, against an adjusted EBITDA profit last year of £85 million.

	FY 2021 £m	FY 2020 £m	% of PY
Net ticket sales			
UK Consumer	**473**	2,046	23%
UK TPS	**75**	1,191	6%
UK total	**548**	3,237	17%
International	**235**	490	48%
Total Group	**783**	3,727	21%
Revenue			
UK Consumer	**44**	178	25%
UK TPS	**12**	57	21%
UK total	**56**	235	24%
International	**11**	26	43%
Total Group	**67**	261	26%
Gross Profit			
UK Consumer	**34**	144	24%
UK TPS	**8**	40	21%
UK total	**42**	184	23%
International	**7**	17	38%
Total Group	**49**	201	24%
Adjusted EBITDA	**(25)**	85	
Operating (loss)/profit	**(100)**	2	

UK Consumer

Net ticket sales for UK Consumer decreased to £473 million, 23% of the prior year, reflecting the effects of COVID-related lockdowns over the course of the year. Net ticket sales peaked in August (between the first and second lockdowns) at 46% of prior year vs the wider industry passenger volumes at 34%.

UK Consumer revenue declined to £44 million, 25% of the prior year, driven by the material decline in net ticket sales. Revenue take-rate (the rate of revenue generated from net ticket sales) was distorted upwards by a significantly higher number of refunds in the period, partly offset by a lower mix of customers from overseas, who tend to generate higher revenue per transaction.

Cost of sales reduced to £10 million, 29% of the prior year, given reduced transaction volumes partly offset by an investment in customer service to process the unprecedented level of refunds arising due to government lockdown measures. Gross profit decreased to £34 million, 24% of the prior year.

UK Trainline Partner Solutions

Net ticket sales for Trainline Partner Solutions ('TPS') declined to £75 million, 6% of the prior year, with demand remaining subdued, particularly for business travel, while the Carrier IT Solutions business was also impacted by season ticket refunds.

Revenue declined to £12 million, 21% of the prior year, given materially lower net ticket sales. TPS's revenue take-rate was distorted by a higher proportion of fixed fee income for our Carrier IT Solutions business as well as a significantly higher volume of refunds processed.

Cost of sales was £4 million, 23% of the prior year given lower transaction volumes. Gross profit declined to £8 million, 21% of the prior year.

CFO's financial highlights continued

International

International net ticket sales were £235 million, or 48% of the same period in the prior year. This was better than the UK segments given an earlier and more prolonged relaxation of restrictions in our key European markets in Q2, within which Trainline's top three domestic markets in Europe (France, Italy, Germany) returned to year-on-year growth. With further COVID-19 related lockdowns in the second half, demand fell back across all our markets. While timing of recovery remains uncertain for our International business, we continue to invest in our product roadmap to be ready for recovery when it comes.

Revenue decreased to £11 million, 43% of the prior year, given the reduction in net ticket sales. As with the UK, International take-rate was impacted by a lower mix of customers from overseas, who typically generate higher revenues per transaction.

Cost of sales decreased to £5 million, 54% of the prior year, given reduced transaction volumes. Gross profit reduced to £7 million, 38% of the prior year.

Adjusted EBITDA

The Group reported an adjusted EBITDA loss of £25 million, within the guided range of a £24-27 million loss as set out in the Group's trading update published on 11 March 2021. This compared to an adjusted EBITDA of £85 million in FY 2020, with the reduction driven by the significant impact on trading from COVID-19, partly offset by a reduction in operating costs.

Operating loss

The Group reported an operating loss of £100 million compared to an operating profit of £2 million last year. In addition to the impact of trading losses from COVID-19, the operating loss included:

- Depreciation and amortisation charge of £41 million, £10 million lower than last year, driven by a reduction in the amortisation of acquired intangibles, partly offset by a higher amortisation charge relating to capital investment in our product pipeline.
- Exceptional goodwill impairment charge of £25 million relating to the International business. This was a one-off, non-cash charge. There is no significant change in the Group's expectations in relation to the long-term trading and profitability outlook for the International business, though COVID-19 continues to have a significant short-term adverse impact on business performance. Ongoing uncertainty within the travel sector and the subsequent challenges in long-term forecasting have been reflected within the FY 2021 impairment calculation by increasing the discount rate and reducing the long-term growth rate applied within the impairment calculation. For more information see page 112.
- Share-based payment charge of £7 million, down from £11 million in prior year given a one-off credit from the departure of our outgoing CEO, and due to the prior year including charges relating to pre-IPO schemes.

Loss after tax

Loss after tax was £91 million, reflecting the operating loss from COVID-19, offset in part by a £15 million tax credit primarily arising from that loss. This compares to an £81 million loss after tax in the prior year, which reflected significant exceptional costs incurred by the Group in relation to its IPO.

Earnings per share ('EPS')

Adjusted basic loss per share was 10.8 pence, an 18.9 pence decrease on last year. Adjusted basic earnings per share adjusts for the exceptional one-off costs in the period, amortisation of acquired intangibles and share-based payment charges, together with the tax impact of these items.

Basic loss per share was 19.1 pence, a reduction of 1.4 pence versus FY 2020.

Outlook for FY 2022

While COVID-19 continues to impact near-term trading, vaccination rollouts and the easing of lockdowns are creating the conditions necessary for the rail industry to recover. We are already seeing signs of recovery in the UK, with UK Consumer net ticket sales stepping up in Q1 FY 2022.

We are well placed to recover quickly as lockdown restrictions ease across our markets, as the business already demonstrated in the second quarter of FY 2021 (June-August 2020). During that period, passenger volumes recovered relatively quickly across Trainline's key European markets, with our top three markets returning to sales growth in the summer months, while Trainline's UK Consumer net ticket sales recovered faster than the rest of the UK market. This reflected an acceleration in the shift to online and digital channels, in part driven by a greater reluctance from customers to use ticket machines or queue at stations, government guidance to book in advance, and an increased need for clear and accurate, on-the-go travel information to reassure customers they can travel safely.

Statement of financial position

	FY 2021 £m	FY 2020 £m	Change %
Non-current assets	**532**	557	(5)%
Cash and cash equivalents	**37**	92	(60)%
Other current assets	**25**	52	(53)%
Current liabilities	**(42)**	(169)	75%
Non-current liabilities	**(267)**	(159)	(68)%
Net assets & total equity	**284**	373	(24)%

Long term we see no change to our structural tailwinds:

- Rail is a large and growing market, with significant investment in high-speed rail planned over the next decade;
- Growing environmental awareness of the benefits of rail vs. air and car;
- Online and digital migration remains under-penetrated with c.60% of tickets purchased at the station pre-COVID; and
- Liberalisation and fragmentation of European rail markets as a result of the EU's Fourth Railway Directive, with new entrant rail carriers such as Avlo and Ouigo in Spain creating a greater market fit for an online marketplace like Trainline.

Statement of financial position

Total net assets at the end of FY 2021 were £284 million, a decrease from £373 million in FY 2020.

Non-current assets decreased to £532 million from £557 million in FY 2020. The decrease was predominantly caused by the impairment of the goodwill balance relating to the International segment of £25 million. This is a one-off, non-cash charge. There is no material change in the Group's expectations in relation to the long-term trading and profitability outlook for the International business, though COVID-19 continues to have a significant short-term adverse impact on business performance. Ongoing uncertainty within the travel sector and the subsequent challenges in long-term forecasting have been reflected within the FY 2021 impairment calculation by increasing the discount rate and reducing the long-term growth rate applied within the impairment calculation.

Net current assets increased to £19 million from £25 million net current liabilities in FY 2020. The increase was caused by working capital outflow due to the impact on trading of COVID-19 throughout FY 2021, meaning trade receivables and payables balances were significantly lower at the end of FY 2021 than FY 2020. This working capital outflow is expected to reverse and recover to pre-COVID-19 levels in line with sales recovery.

Non-current liabilities have increased to £267 million from £159 million. This was driven by the successful £150 million convertible bond issuance which completed in January 2021 and is accounted for as debt on the balance sheet. The raise has added additional liquidity to the Group's balance sheet, protecting the business further in an extended COVID-19 downturn scenario and giving greater flexibility to invest in possible future growth opportunities. The increase is partly offset by a reduction in cash drawings on the Group's Revolving Credit Facility due to net repayments across the year of £42 million.

As announced in January 2021, Trainline's financial covenant on its Revolving Credit Facility has been waived until August 2022. The financial covenant, tested semi-annually, requires that net debt not surpass 3.75x adjusted EBITDA for the trailing twelve months.

Cash flow

Operating free cash flow ('FCF') was negative £146 million, primarily driven by the impact of COVID-19 on trading and net working capital, which reduced £95 million, as well as our decision to maintain investment in Product and Technology through the pandemic to drive long-term growth. Capital expenditure in the period was £26 million, broadly in line with the prior year (FY 2020: £27 million).

However, for the most part this was offset by the Group's convertible bond issuance in January 2021, resulting in cash and cash equivalents ending the year at £37 million, a net cash outflow of £55 million.

Shaun McCabe
Chief Financial Officer
6 May 2021

Principal risks and uncertainties

At Trainline, we ensure a robust risk management strategy, to ensure we continue to sustainably grow our business, meet our objectives and provide the best possible customer experience across geographies and customer segments.

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

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

The Audit and Risk Committee is responsible for reviewing the effectiveness of Trainline's internal controls and risk management processes, and for reporting such matters to the Board. The responsibility for reviewing and maintaining Trainline's risk register also belongs to the Audit and Risk Committee. The Committee makes sure that Trainline's risk register is: frequently updated and reviewed; comprehensive; monitored; and effectively communicated back to the Board on a regular basis. This helps to ensure that the Board remains up to date with Trainline's risk profile and allows them to define appropriate strategic objectives for the Group.

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

Our risk management framework

Trainline Board

Overall responsibility for Trainline's risk management programme

Audit & Risk Committee

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

Compliance & risk management processes

Annual review of risk identification and management of systems and processes, with regular reporting to the Audit and Risk Committee on changes to the risk register and risk profile

Management Team

Supported by and contributors to internal risk management systems and processes

The Audit and Risk Committee is overseen by the Board and holds responsibility for monitoring and maintaining the Board's approach to Group risk management. The Board receives updates from the Chair of the Audit and Risk Committee on its work and provides guidance on assessing risk against our strategic and operational priorities and on the implementation of mitigation plans.

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

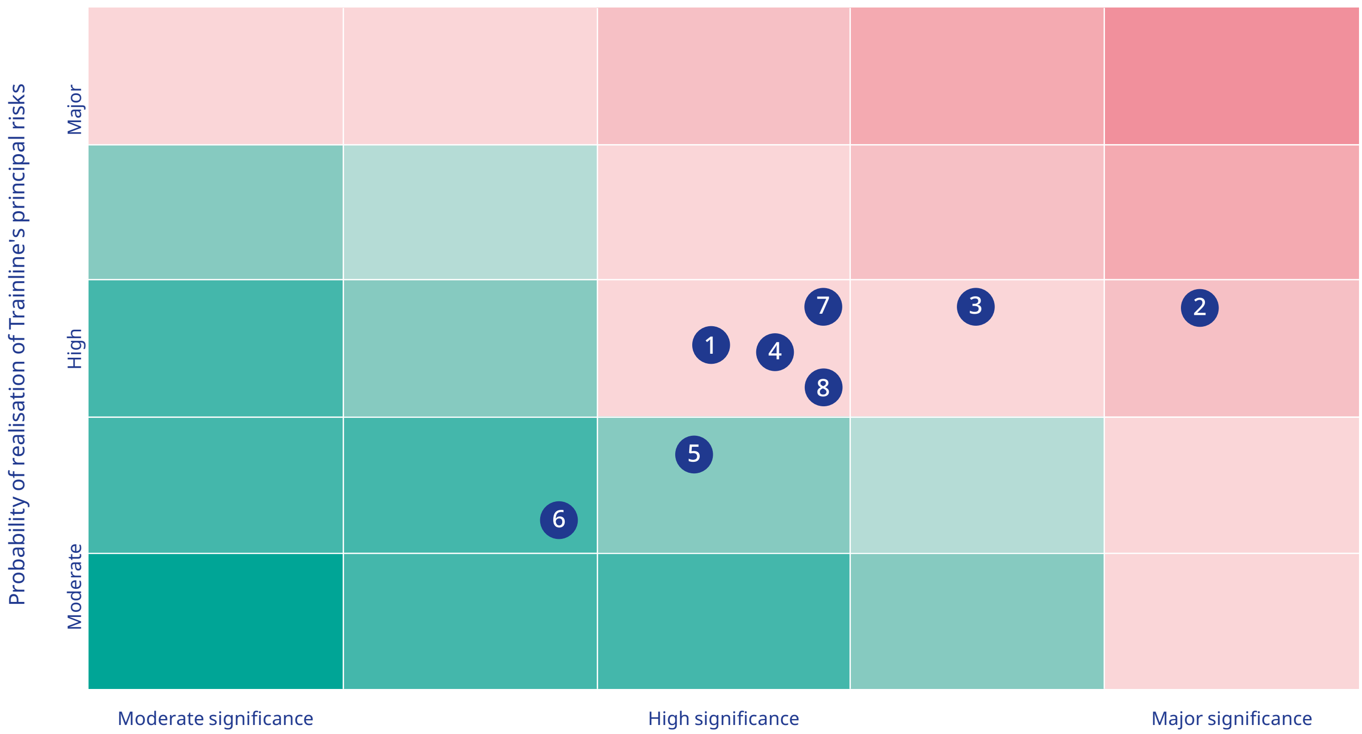
Trainline takes risk and compliance seriously and ensures that applicable legislation and directives are complied with across all geographies in which Trainline operates.

All Trainline teams are given Security and Data Privacy training on a rolling basis.

Procurement process and assessing our suppliers

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

Principal risks heat map



Key

1. Market shock/economic disruption
2. Prolonged COVID-19
3. IT security and cybercrime
4. People
5. Competitive landscape
6. Compliance
7. General supply
8. Regulatory and political environment

Principal risks and uncertainties continued

Trainline identified risks and mitigants

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

Trainline continually looks to identify emerging risks and to perform deep-dive analyses on risks it considers most important to the business, at regular intervals throughout planning processes and through each financial year.

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

By providing input to the risk register process, as overseen by the Audit and Risk Committee, the Management Team helps to determine the risk appetite for the business which is approved by the Board. Trainline's risk register is continually updated and reviewed formally at least every six months.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
1 Market shock/ economic disruption Exposure to market risks including foreign currency rates, general market sentiment and the risk of global market shocks, including a recession. COVID-19 has influenced trading across Trainline's markets. Significant market events could damage Trainline's competitiveness, creditworthiness and the spending power of our customers, ultimately impacting our financial results and the success of our product offering.	As part of our operations, we conduct detailed and careful analysis and modelling of cash balances and debt levels to ensure Trainline's liquidity, access to financial facilities and sustainable business operations, all support our long-term growth. Through this analysis, we create forecasts and projections, including contingencies that help us cater for any negative impacts on our business – operationally or financially. Trainline has a large and diverse portfolio of investors, allowing us to maintain access to global capital markets and funding.	• Duration and cost of debt • Monitoring of financial and investment markets • Investor engagement • Engagement with banking and finance partners • Monitoring our credit rating • Analysis of industry, economic and financial drivers	High

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
2 **Prolonged COVID-19** Exposure to and effect of COVID-19, notably as a result of lockdown measures taken by most governments, particularly by the UK, Europe and USA. Restrictions on domestic leisure and commuter travel, as well as cross-border travel into and around Europe and international in bound travel into the UK and Europe from overseas. Over the last 12 months, Trainline has seen a downturn in traffic on all platforms, on ticket purchases and on ancillary revenue in all markets as a result of the impact of COVID-19. The onset of COVID-19 saw a significant drop in bookings due to national and localised lockdowns, a significant increase in the number of customers contacting Trainline to refund or exchange tickets and the closure of our offices. A further prolonged COVID-19 heightens the need for Trainline to carefully manage its operations to sustain a profitable and stable business in the longer term.	Throughout COVID-19 Trainline's priorities have remained the safety and wellbeing of our people, supporting our customers and engaging with industry and governments to plan and support growth post pandemic. Protecting our shareholders against the economic impact of COVID-19 has also been a huge priority for us, and we've taken several actions to leverage the Group's financial position. At the onset of the pandemic, we swiftly transitioned all of our teams to work from home with minimal disruption to our business and we continue to support them whilst they work remotely. In addition, we have managed unprecedented levels of inbound customer service requests, as a result of repeated local and national lockdowns and continued disruption to travel. To ensure we provide as seamless a customer experience as possible, we have worked to improve our customer self-serve functionality so that customers can access simple, automated change and refund processes via our website and app, whilst also working with the wider rail industry for more favourable refund terms and conditions for rail travellers. We monitor customer feedback daily and work closely to make sure our customers stay updated via our social media channels and through CRM, as well as through notifications in-app. To mitigate the impact of COVID-19 on Trainline's business in the longer term, we have undertaken the following actions: • Evaluated and reduced operating costs and cash outflows • Reduced marketing and other discretionary spend • Paused recruitment of new team members and evaluated back-fill positions across FY 2021 • Deferred pay reviews for all staff for FY 2020 • Voluntary salary reductions of Management Team and Board of Directors, including our CEO during FY 2021 • Effective management of our working capital • Secured leverage covenant waivers from Lenders • Issued convertible bond to provide £150 million additional liquidity At Trainline, the wellbeing of our team is our highest priority. We continue to work hard to ensure that we have key touchpoints between all staff and the Management Team. We have increased wellbeing activities for all team members including: online fitness sessions and activities including regular and frequent all-company meetings; virtual wellbeing sessions; meditation and yoga; 24-hour, free, confidential, one-on-one counselling; and coming together once a week to celebrate achievements and progress during these times. We continue to monitor developments closely and adapt our responses accordingly, to make sure we are best placed for COVID-19 recovery and longer-term growth, once restrictions are lifted.	• Monitoring government updates and advice across markets • Engagement with key government organisations and representatives • Monitoring customer feedback and sentiment across markets • Monitoring financial performance and frequently updating financial projections • Level of customer contact rates • Employee check-ins and engagement surveys • Investor engagement • Engagement with carrier partners	Very High

Principal risks and uncertainties continued

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
3 **IT security and cybercrime** As an online, digital platform, Trainline could suffer a major breach in security as a result of identity fraud, theft, hacking, phishing or an information security incident which could adversely impact our business operations, reputation and/or our competitive position and expose the Group to litigation or other regulatory action.	By selling rail and coach tickets to customers in over 45 countries through our digital offering, Trainline is a processor of large amounts of customer data. Trainline has a best-in-class Security & Privacy team supporting business growth and commercial efficiency through a service-orientated model. All key business units including Finance, Legal and Technology are instrumental in adopting a pragmatic, risk-based approach to security and risk management. Trainline performs regular independent assessments to assess the effectiveness of protective measures and systems. Industry best practice and frameworks are used to deliver a robust, privacy and customer-first security strategy across all parts of the organisation. The Company continues to adhere to GDPR and our privacy office maintains good relationships with key EU supervisory and privacy authorities. Trainline is also certified PCI compliant. During this financial year we have also appointed a new Chief Information Security Officer to continue to ensure we protect each of our customers. For more information on our technology, see page 17.	• Regular review of risk registers with Executive team • Regular, independent review of detection and prevention systems / process operating effectiveness and remedial activity • Engagement with sector peers to ensure complete line of sight of risks	High
4 **People** Trainline's business depends on hiring and retaining first-class talent in the highly competitive tech industry. Inability to attract and retain critical skills and capabilities could hinder our ability to deliver on our strategic objectives.	In order for Trainline to deliver on its ambition and strategic objectives, attracting, nurturing and retaining first-class talent and building a pioneering team is critical. We invest heavily in building our team with the best skills we can find, ensuring that all new joiners are carefully screened and recruited by our in-house talent team. Once onboard, each member is encouraged and nurtured to develop their skills, through a wide range of resources, tools and mentoring. We work hard to develop and sustain our highly collaborative, agile and innovative culture, which incorporates the wellbeing and professional development of team members across each site. At Trainline we also ensure that we actively monitor and engage with our people, to help ensure that we flourish and successfully deliver against our operational and strategic objectives. We regularly engage with our teams through employee engagement surveys to make sure that our people are motivated and professionally and personally looked after, and we continuously strive to improve our engagement results, year-on-year. Organisation design reviews, talent reviews and succession planning processes are undertaken on a regular basis, as well as regular benchmarking and remuneration reviews to ensure that we remain competitive. Through COVID-19 and the shift of our teams to working from home, we continue to place a high priority on the mental health and wellbeing of our people, through our well-developed wellbeing initiative. We offer one-on-one counselling sessions, fitness and yoga, workshops, mentoring, access to a free, confidential, 24-hour employee assistance hotline and a wealth of health and wellbeing advice through our health portal. For more information on our people and culture, see page 40.	• Regular employee engagement surveys and satisfaction scores • Regretted attrition rate • External benchmarking	High

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
5 **Competitive landscape** Ensuring that Trainline meets the needs of its consumers, both B2C and Trainline Partner Solutions customers, is of paramount importance in building, growing and sustaining a healthy business. Failure to ensure our technology and user-experience meets those needs and that Trainline's offering remains ahead of competitor products could have an adverse impact on our future results.	At Trainline, we recognise the importance of building and sustaining both a strong team and strong relationships. Our leadership, exceptional team, strong industry networks and agile way of working helps to ensure that we stay ahead of our competitors, up-to-date and innovative. With over 300 tech specialists, we use our skills and experience across our Product and Tech teams, to innovate for, engage with and listen to our customers, so that we may continue to provide an accessible, world-class, user-friendly and seamless experience for rail and coach travel. We also undertake regular market and competitor analysis to understand potential competitive threats and opportunities for partnerships and growth.	• Monitoring and analysis of competitor behaviours • Customer feedback and research • Regular evaluation of industry and consumer trends	Moderate
6 **Compliance** Trainline is a listed company, with business operations in the UK and France. The Group also works within various licence terms and with licensing bodies and regulatory structures in order that it may retail rail and coach tickets to customers across the world. Examples include anti-bribery and corruption legislation, tax laws, legal and governance requirements of Trainline operating as a publicly listed company and retail licences that Trainline holds with carrier partners across the UK and Europe. Should Trainline not comply with licences, legislation, regulatory requirements or other such frameworks, this could affect the reputation of the Group and the Group's ability to conduct business operations. Non-compliance could also result in legal or financial penalties, the inability to retail rail and coach tickets and the loss of revenue.	At Trainline, we take an uncompromising approach to compliance, which is overseen by the Audit & Risk Committee, our Board and by our Management, Legal, Finance, Technology and Security teams on an operational basis. We have dedicated resources and training, to ensure that each member of our team is appropriately trained on compliance topics. Security, privacy and data, as well as corporate hospitality, bribery, gifting and political and charitable donation compliance training are mandatory for all at Trainline. All policies are also included in our Staff Handbook which is shared with all employees. We also ensure that extra training is given to team members, relative to their roles at Trainline. At Trainline, we operate a whistleblowing policy, whereby any member of our team is able to quickly and confidentially raise concerns and feedback through an appropriate, procedural channel. We employ dedicated staff members and teams who help to track and monitor legal, contractual and regulatory compliance requirements. Where required, annual assessments are performed and reported to the relevant party on compliance. Under some contracts and regulations, Trainline is subject to third-party review on either a regular or ad hoc basis to assess its compliance with the underlying requirements and the results of such reviews are reported to the relevant third party.	• Regular assessment of laws and regulations across geographies in which we operate • Regular review and maintenance of risk register • Monitoring of customer, industry and Board concerns • Audit & Risk Committee reviews of compliance processes	Moderate

Principal risks and uncertainties continued

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
7 **General supply** Trainline retails rail and coach tickets across many countries and to customers across the world. We therefore rely on performing and operationally safe rail and coach operators and systems. A unilateral termination or variation by a rail or coach carrier of its licence terms with Trainline including a significant reduction in the levels of commissions Trainline receives, or a significant or prolonged disruption to traveller services or systems such as prolonged bad weather, industrial action or a pandemic, such as COVID-19, would have an adverse impact on Trainline's results. In order to ensure a superior customer experience for our customers, we also rely on accurate and relevant information and data from carrier partners. Lack of or incomplete information would also impede Trainline's ability to offer a useful product to meet the needs of customers.	By working closely with our carrier partners and by remaining actively engaged with the industry across all geographies in which we have supply, we ensure we are as up to date as possible on any industry or service issues. We also believe relevant competition laws may limit the scope of carriers' abilities to amend or otherwise treat Trainline unfairly. By continuing to expand our supply portfolio we reduce our reliance on any one carrier and are able to offer our customers greater choice, better value and an overall more useful experience for booking and travelling by rail and coach. Our focus is to make rail and coach travel easier for our customers, and whilst disruptions, delays and prolonged suppression of rail travel as a result of recent lockdown measures are out of Trainline's control, our continued and relentless focus on offering a seamless customer experience means we provide our customers with relevant, timely and useful updates and alternative travel options, whether normal services are running smoothly or not. As a result of COVID-19, domestic, cross-border and international travel has decreased significantly due to ongoing local and national lockdowns. We continue to work closely with our industry and carrier partners to help support the return to growth once the effect of COVID-19 on travel has lessened.	• Deep-rooted relationships with the industry, our carrier partners and governments • Highly-experienced supply and government relations teams responsible for monitoring and responding to the needs of our partners, as well as in identifying new supply opportunities	High
8 **Regulatory and political environment** Trainline's operations could be affected by changes to government policy or regulation, whether in the UK or Europe, domestically or cross-border (for example Brexit) and such changes could result in unfavourable changes to carrier licence terms, such as reductions to commission levels. Similarly, changes to state-owned carriers, which operate in most geographies in continental Europe, as a result of government activity in their respective jurisdictions could also affect Trainline's operation and/or financial prospects, in the short to medium term.	We recognise the importance of developing and supporting partnerships and collaborative relations across the industry and with governments. Trainline remains actively engaged with the UK and EU national governments, institutions and carrier partners to stay abreast of legislative activity and policy-making as far as possible and in order to ensure that potential impacts on Trainline's business, customers, staff and partners are minimised. We also ensure that we actively engage in scenario-planning and regular risk management processes to help us fully understand and plan for potential outcomes.	• Monitoring changes to laws and regulations across geographies in which we operate • Scenario-planning and horizon-scanning, including regular risk management processes • Risk analysis and modelling • Monitoring public sentiment and trends • Regular engagement with key carrier partners and government representatives	High

Viability statement

In accordance with the 2018 UK Corporate Governance Code, the Directors have assessed the long-term viability of the Group and its ability to meet its liabilities over a three-year period. The Directors carried out a robust assessment of the Group's principal risks as set out on pages 34 to 38 and the potential impact of any of these risks on the long-term viability of the Group.

Forecasting period

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

How viability was considered

To assess the viability of the business, sensitivity scenarios were modelled from the base case taking into consideration the Group's principal risks if they were to occur. This involved flexing some of the key assumptions by downside changes, incorporating severe but plausible downside scenarios and quantifying the potential impact of one or more of the principal risks crystallising over the assessment period. None of the scenarios include any mitigating actions in the underlying modelling. The viability testing considered if the minimum liquidity requirement of £75 million in place until February 2022 had been met and if the covenant requirements were met in all periods in which they are applicable.

Sensitivities applied

The sensitivity scenarios applied were as follows:

- Scenario 1 – COVID-19 sensitivity – ongoing lockdowns across the three-year period and revenue below base case by 10% in non-lockdown months;
- Scenario 2 – 20% additional marketing spend with no upside in sales/revenue;
- Scenario 3 – £5 million additional Capex spend in each year with no upside in sales/revenue; and
- Scenario 4 – Data breach in FY 2023, resulting in reduced revenue, compliance fines and ongoing increased IT security costs.

Conclusion

Based upon the robust assessment of the principal risks facing the Group and their stress testing in the sensitivities applied, the Directors have a reasonable expectation that the Group will be able to meet its liabilities over the assessment period.

Under the base case and scenarios 2-4 the Group has a strong liquidity position and meets the minimum liquidity requirement and covenants requirements in all periods in which they are applicable. As such in all of these scenarios there is not considered to be any issue with the long-term viability of the Group. The base case reflects the Directors' best estimate of the future prospects of the Group.

In scenario 1, the prolonged COVID-19 scenario, the Group is forecast to meet its minimum liquidity requirement for the period it is in place. It is also forecast to meet its covenant requirements in place for all periods, with the exception of August 2022. In the event that a breach of covenant became likely, the Directors would be able to implement mitigating actions such as a reduction in discretionary spend, specifically marketing. Additionally, the Directors may approach the Group's lending syndicate for a further covenant waiver, which would be subject to approval by the syndicate.

The Directors do not consider this to be the most likely outcome given current information available around COVID-19 and the impact on the Group, but do consider this to be a plausible downside scenario.

Our people and culture

Committed to our people

People
600+

Nationalities
40+

Tech specialists and engineers
300+

We're proud to have built the world's leading train and coach app. Our love for technology is matched only by our commitment to our people.

As the world's leading independent rail and coach travel platform, we have made it simpler, easier, cheaper and greener for people to plan their journeys and see the world. It's our pioneering team that makes this possible, accomplishing brilliant things every day and moving us closer to our goal of creating 'the ultimate travel companion'.

Over the course of FY 2021, which saw us switching the majority of our teams to remote working, we've worked hard to ensure that our values, culture, and importantly, the wellbeing of our people has remained front and centre, despite us not being together.

Our commitment to diversity

We know that diverse teams perform better. Not only do they solve problems faster than teams of similar people, but they also make decisions 60% faster than non-diverse teams. At Trainline, diversity and the cohesion, positive culture and agility it brings has allowed us to create the superior customer experience we provide today.

Selling tickets to people living in more than 175 countries in 12 languages, we aim to be as diverse as the customer base we serve; Trainline is a family of more than 600 bright minds, of 40 nationalities spread across our European locations.

Over the course of FY 2021, we have continued our focus on improving diversity across our teams, appreciating that our Board and Executive Team in particular, set the tone for the rest of the Group. During FY 2021 we have welcomed two new female executives to our Management Team, Lisa Hillier as Chief People Officer and Champa Magesh, President of Trainline Partner Solutions.

Jennifer Duvalier has also joined Trainline's Board as Senior Independent Non-executive Director and has also been designated as Trainline's Non-executive Director for Workforce Engagement, where she actively engages with members of the Trainline team to discuss important matters for our People, key themes of which are then reported to the Trainline Board, all to ensure that Trainline's culture is positive and conducive to the successful achievement of our purpose and strategy.

Responding to huge interest from our teams and to ensure they are directly involved in shaping Trainline's progress on Diversity and Inclusion, we have formed four People Led Groups ('PLGs'), each representing a different minority group at Trainline: Differently-abled, Womxn, LGBTQ+ and Minority-Ethnic. Our PLGs are helping us deliver on areas in which we can better support, educate and inspire our people on ethnicity, gender, sexuality and ability.

Inclusivity and diversity

We are working hard to make tech more inclusive – more than a third of our people are women and we are committed to equal pay: the payment given to men and women doing the same job, at the same level. The difference between the average pay of men and women working at Trainline remained less than 5% in our most recent review. We aim to deliver wider change when it comes to gender imbalances in tech, focusing on increasing our 35% female representation.

We make sure that we have comprehensive, up-to-date policies for our people, all contained within our Staff Handbook, which everyone receives when they join Trainline. Such policies underline our commitment to:

- Creating a working environment in which all individuals can make the best use of their skills, free from discrimination or harassment
- Promoting diversity and equality of opportunity for all staff and job applicants
- Ensuring our people understand their duty to act in accordance with our policies, always treat colleagues with dignity, and not to discriminate against, harass or victimise others, regardless of their status
- Ensuring we pay fairly by benchmarking roles and by undertaking regular performance reviews.

We continue to ensure that:

- Our hiring managers take training on how to recognise and avoid unconscious bias
- Female candidates are interviewed for senior management and leadership roles, with a minimum of one female on each shortlist
- We review our plan to reduce our gender pay gap on a quarterly basis and our hiring plans monthly, at executive level
- We champion and give a voice to diverse groups and individuals, ensuring women have a voice alongside their male colleagues, and there are visible female role models at every level and across internal communications
- Our learning and development programme (Know How You Grow) supports junior women and men at Trainline to thrive and progress to more senior roles within the organisation
- Our mentoring programme gives every mid and senior level team member the opportunity to partner with an executive team mentor who can advise, champion and support them in their roles and career.

You can find our latest gender pay gap information on the 'Diversity at Trainline' page on our website and information on our gender balance on page 60.

Our values and behaviours

Wow our customers
Be customer obsessed

Blaze new trails
Think big and be curious

Focus on impact
Simplify and take ownership

One team
Encourage honesty, build trust and bring positivity

Our people and culture continued

At Trainline, we take our role in human rights seriously, and understand that societies in which human rights are respected and protected enhance the wellbeing of citizens and allow business to flourish. We operate to ensure that we as a company, and all of our employees, respect international human rights standards through our Human Rights policy.

Our focus on wellbeing

Over the course of FY 2021, we have placed even greater importance on the wellbeing of our teams, to help and support each member during prolonged periods of lockdown, persistent uncertainty, remote working and in many cases, living alone and/or being away from family and friends. Whilst we haven't all been together, we've made great efforts to ensure our teams feel motivated, connected to each other and supported both professionally and personally.

Through our Employee Assistance Programme, we continue to provide free, confidential, one-on-one counselling with experienced therapists and advisers at all hours of the day, greater flexibility for working and home-schooling parents, at least two free wellbeing sessions every week, including yoga and fitness boot camps, as well as other live workshops on topics including maintaining posture, meditation, sleep, healthy cooking and eating, laughter therapy, and a host of guest speakers on mental wellbeing, motivation and resilience.

Our online health portal continues to provide useful free wellbeing advice, from fitness to budgeting tips.

Our annual cross-company wellbeing weeks and days help our employees take care of their mind, body and spirits, packed full of choice, including nutrition workshops, meditation classes and even puppy therapy. But our focus on our teams' wellbeing is not limited to specific dates – our Employee Assistance Programme provides a free 24-hour confidential helpline and face-to-face counselling with experienced therapists and advisors; plus our online health portal offers access to a wealth of health and wellbeing advice from budgeting to sleep and fitness tips.

Keeping our People connected

Staying in touch with our people is paramount and we make sure that we keep our teams up to date with Trainline news through our All-Company meetings and CEO and Executive Team updates and that there are clear channels of communication for all who need extra support. Every Friday afternoon we still come together remotely for Weekly Wins, a long-standing tradition where we celebrate achievements and great news from across our organisation.

To encourage us all to keep checking in with each other, we also launched a popular new bot which connects team members from across the Company to meet for a virtual coffee and a conversation.

Encouraging innovation

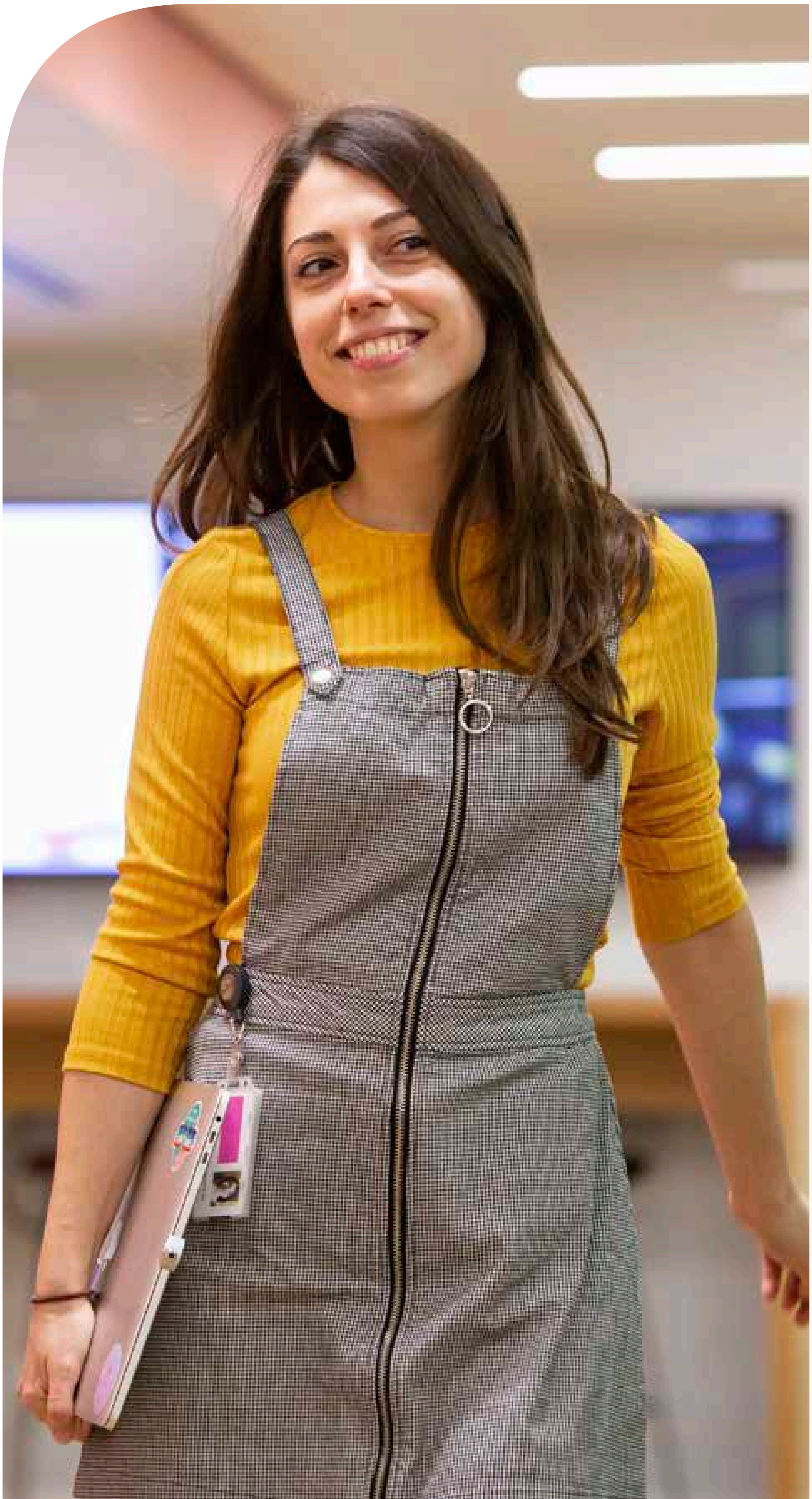
We are proud of the bright minds that work here at Trainline, constantly innovating, problem-solving and obsessing over making our customer experience even better. Aside from celebrating new ideas every Friday in Weekly Wins, we also still managed to hold our annual Tech Summit where we invite inspirational internal and external speakers. This year, our online Tech Summit had over 60 speakers, hosting 58 talks, with exceptionally positive feedback from our teams.

Our values and behaviours

We're here to make rail and coach travel easier for everyone and to encourage greener travel, through our four key values, ingrained in all we do at Trainline. Our teams understand that how they work is as important as what they deliver, and every member of our team knows what's expected of them and how they can succeed. We recognise and reward our people for living our values and behaviours through our Reward and Recognition programme, including our Quarterly Awards.

We focus on Customers

We've become the world's leading independent rail and coach travel platform by listening to the people who use us the most – our customers. Getting insight from the people across Europe and the world who use our app and website keeps us innovating and pushing the boundaries of what is possible.



We are energised by technology and innovation and it is through our people, their commitment to our customers and each other that our ambition to be the ultimate travel companion becomes a reality.

Lisa Hillier
Chief People Officer

Our people and culture continued

Despite the pandemic, our Customer Research team engaged with over 7,500 travellers during this financial year, swiftly pivoting to remote research methods so we could continue to learn about their evolving needs, safely. We also launched a new customer experience programme in three markets to help us understand how Trainline can provide the quickest solutions for easier, everyday rail and coach travel.

Repeated lockdowns and ongoing restrictions across our markets, often at very short notice, meant that throughout FY 2021 we have received an unprecedented volume of customer contacts through our customer service channels. Our cross-business team, focused on response and recovery, have worked persistently to ensure that our customers are assisted within just a few days. We have continued to develop our self-serve capability so that customers can get refunded for their journeys quickly and easily, we've launched Voice support for our French customers, provided Chat capabilities for our carrier partners through the pandemic, improved automation of key messaging to help customers quicker and made sure that are customers are updated with relevant and timely information, through our enhanced CRM programme.

Learning and development

We are proud of our industry-leading learning and development programmes. From day one, all Trainline team members have access to our tools and resources, giving coaching, guidance, advice and training on a wealth of career topics.

At Trainline we support development through:

- Mentoring – all of our team have the opportunity to take part in our mentoring programme
- Running training specifically for all of our managers, helping them to upskill, develop new skills and drive success in our teams
- Building our Executive Leadership Team, who spend time together at an annual off-site, working on strategic thinking, team building and social activities
- Our extended Learning and Development platform, full of tools and resources at all levels and covering all professional areas within our business.

When it comes to living out our values, we walk the walk and Trainline is a place where our people can truly own their career and reach personal and professional goals. Our learning resources and mentoring programme via the Trainline Academy give our people the chance to learn, develop and thrive, with access to individual support to advance their professional development.

Our popular mentoring and talent accelerator programmes help those wanting to broaden their skills with coaching and advice.

We make sure we support our managers through specific manager training, and we have our newly established Extended Leadership Team ('ELT'), a group of our senior and most experienced managers who come together to shape, share and discuss ideas and to ultimately lead Trainline and its teams.

Trainline in the Community: Educating, inspiring and supporting

At Trainline, we're innovating to make sustainable travel as simple, hassle-free and affordable as possible, to benefit our customers, communities and the environment. As our business grows, so do our opportunities to positively impact the world around us. We are passionate about communities and championing future talent, and that's why we've proudly partnered with the likes of Future Frontiers, Code First: Girls, Ada Tech School, Women in Technology and Speakers for Schools, among others.

Inspiring
Future Frontiers

We believe in fulfilling potential, so over the last four years, we've partnered with the award-winning charity, Future Frontiers. We work with them to help equip students from disadvantaged backgrounds with the information, skills and mindset to achieve their career aspirations. Since our partnership began, our teams in London and Edinburgh have mentored nearly 200 secondary school students, encouraging them to dream big, explore opportunities and achieve their career aspirations. Despite circumstances over this financial year, with students and our team members being remote, we have continued to support Future Frontiers, with 29 of our team coaching students and helping them to discover and explore inspiring career opportunities.

Educating
Code First: Girls

After a three-year partnership, we also helped Code First: Girls, a UK-based social enterprise focused on building diversity and skills in the tech sector, achieve their goal of teaching 20,000 young women in the UK to code, for free, in 2020.

Ada Tech Schools

Tackling gender imbalance and championing talent within the tech industry is at the core of our culture and values. According to McKinsey, only 26% of women professionals are in the tech sector, and out of them only 11% are in leadership positions. Key to improving this is inspiring women to consider a career in tech from an early stage. That's why we joined forces and launched a partnership with Ada Tech School in Paris in November 2019. Ada Tech School supports women and men aged 18-24 years and trains them to become developers, through a two-year apprenticeship programme. Their mission is 'to rethink the school of computer science and engineering and promote the diversity of the sector and women in Tech'.

Supporting
Railway Children

Across the world including India, East Africa and the UK, many children are living on the streets, often finding refuge in railway stations. For many years we've partnered with and supported Railway Children, the charity that provides safety, protection and opportunity for these vulnerable young people. Through our fundraising activities such as sponsored runs and Christmas donations, we are keen to help Railway Children continue the fundamental work they do for some of the most vulnerable in our societies.

Stakeholder engagement

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

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

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

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of our engagement
1 **Our customers** Customer experience is at the heart of Trainline's business. Understanding our customers' travel needs is key to us delivering and continually improving our best-in-class product experience.	Accessing the latest information on their planned journey. Finding the cheapest, fastest and most convenient tickets for their journeys, saving them money, time and hassle. A secure, reliable and robust product experience. Greater accessibility to more sustainable modes of transport.	We spend as much time as possible engaging with and learning from our customers. To stay in touch with evolving customer needs, we launched a new quarterly customer barometer programme to engage with commuters. We swiftly pivoted to remote research so we could continue to learn about travellers' evolving experience and needs. We also launched a new customer experience programme to help us understand how well we're serving our customers across their purchase and travel experience and where they want us to improve.	Crowd Alerts to help customers social distance on their journey. Improved experience for customers contacting us and our carrier partners through the provision of additional automation and live chat facilities. Providing and maintaining a best-in-class customer experience. Trainline continues to be the world's leading independent rail and coach app, with a 4.9 star app rating.
2 **Our carrier partners** In order to provide our customers with the best possible rail and coach journey experience, it's paramount we establish and maintain strong relationships with our carrier partners. Trainline also provides white label services to a number of Train Operating Companies.	Support, especially during COVID-19, by helping customers find the right information for their planned journeys and travel safely. The opportunity to increase their reach, ticket sales and the number of customers travelling on their services. Lower cost to serve customers by transitioning to digital. Access to Trainline's operational excellence and innovation, through our white label service.	Trainline has carrier partners in the UK, across Europe and other parts of the world. We have a dedicated, multi-national team of rail and coach travel specialists responsible for establishing and growing relationships with our carrier partners. Beyond this team, we collaborate with carrier partners at every level of the organisation to drive collaboration, deliver marketing campaigns and improve processes to enhance customer experience. During the year we have been especially focused on: – aligning closely to adapt frequently and rapidly as COVID-19 restrictions are introduced and lifted – encouraging travel where possible by supporting flexible refund conditions, supporting promotions and providing reassurance on safety – working closely with carriers to help customers with cancellations and refunds.	Rapid introduction of new ticketing solutions, for example TER Coupon in France. Provision of live chat facilities to enable more rapid interaction with customers. Supporting promotions to encourage a return to travel when restrictions are lifted. Improved processes to support fraud prevention measures in the UK and allow for targeted revenue protection on routes. Using our expertise to help the industry provide better real-time disruption information to UK rail passengers.

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of our engagement
3 Government and regulators Government and regulatory policy determine the business environment in which Trainline operates.	Continuing to improve the rail passenger experience. Developing and implementing regulatory frameworks and guidelines. Overall reduction of carbon emissions by increasing the rail modal shift. How Trainline can help governments achieve their policy aims, including the move to sustainable travel and liberalisation of rail travel in Europe.	Trainline regularly attends forum discussions and meets with key policymakers, government representatives and industry bodies across the UK and wider Europe. During the year, our focus has been on: – engaging on industry reform with ministers and senior officials – submitting responses to government consultations on improving the passenger experience and completing digital ticket rollout – building a vision for future rail retail and communicating it to decision-makers – engaging extensively on EU rail passenger rights, Sustainable & Smart Mobility Strategy and International Rail Platform with EU institutions – participating in EU consultations on rail data sharing and rail ticketing market regulation.	Positive public mentions from political stakeholders including the UK Transport Secretary. Embedded into industry reform decision-making procedures. EU Rail Passenger Rights Regulations included positives for independent retailers by providing a level playing field for access to rail data and fair liability burden in case of missed connections. Raised awareness of the urgent need to regulate the EU rail ticketing market through the future Smart & Sustainable Mobility Strategy.
4 Our people Ensuring that we attract, nurture and retain our people and focus them on achieving our strategy is key to Trainline's success. Trainline's Board is keenly aware that the interests of our people should be considered when making decisions that may impact them and the wider business.	The opportunity to develop and progress. An opportunity to contribute, take ownership and deliver to a clear and shared strategy. Working with a diverse and gender-balanced team. The opportunity to give back through charitable and social causes. Work/life balance. The opportunity to share in the success of the business.	Every six months we undertake a Group-wide engagement survey so we can evaluate how our whole team are doing. The survey also allows us to measure our progress against our key engagement indicators. Every month all our people across all our offices get together so our Management Team can bring everyone up to speed on our latest projects, the progress towards our strategy and our business performance. We undertake performance reviews twice a year to help our people understand how they are performing against set objectives. We provide a comprehensive Learning and Development programme. We offer a health and wellbeing programme that all our people can benefit from.	Implementation of People Led Groups, each sponsored by a member of the Leadership Team, and the roll out of the Board Workforce Engagement programme. Over 70% of our people contributed to our annual engagement survey and our overall engagement score remained steady at 59%. Increasingly high levels of employee satisfaction, with 81% of our people saying they 'are proud to work at Trainline'. 85% of our people say their manager genuinely cares for their wellbeing, a 4% increase. All our people have access to share schemes and over 75% hold an interest in shares of the Company.

Stakeholder engagement continued

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of our engagement
5 **Our shareholders** The Board is accountable to shareholders. Trainline aims to ensure that a good dialogue with shareholders, investors and analysts is maintained, and that their issues and concerns are understood and considered by the Board, the Leadership Team and our people.	Understanding the strategy and operations of the Group. Financial performance and commercial success. Understanding the exposure to macro-economic and political risk. Opportunity for dialogue with management on key matters, e.g. performance and executive remuneration. Sustainability and the environmental and ethical impact of the Group. The governance structures that are in place and changes to them.	Despite COVID-19 restrictions the Investor Relations Team, Executives and Leadership Team have continued to meet regularly with investors via calls, conferences and roadshows. The Company has also held an investor and analyst meeting for the Group's half-year results announcement.	Met with 224 existing shareholders and prospective investors during FY 2021. Over 87% of our issued share capital was voted at our AGM with the majority of resolutions receiving over 98% support. Introduced sustainability disclosures to this annual report to give shareholders insight into our sustainability programme at its initiation.

Section 172(1) statement

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

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

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

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

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

We set out below and on page 58 some examples of how the Directors have had regard to the matters set out in section 172(1)(a) to (f) when discharging their section 172 duty and the effect of that on certain of the decisions taken by them. By considering these matters the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duty under section 172.

Impact of COVID-19

The Board recognised the potential risks of COVID-19 to our people, the Group and its stakeholders and took quick and decisive measures to mitigate its impact. This included moving our people to working from home, reducing marketing expenditure, introducing a recruitment freeze, deferring bonus payments and pay reviews for staff, and revising payment terms with our suppliers to reduce operating costs and cash outflows. In addition the Company launched a convertible bond and agreed a succession of covenant waivers with the lenders of its Revolving Credit Facility ultimately extending the waiver until and including February 2022.

The Board recognises that whilst these measures may have a short-term impact on our people, our suppliers and our customers, the benefits and increased financial security afforded would benefit all our stakeholders in the long term.

Annual strategy review

The Board carries out a review of the Company's strategy on an annual basis. This includes approving the business plan for the following year and considering future years. In the most recent strategic review the Board received presentations from our Leadership Team which included potential post-COVID-19 market scenarios and investment opportunities.

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

Convertible bond

In making its decision to launch the convertible bond the Board considered not only the opportunities afforded by the additional liquidity but also the cost to the Group and the potentially dilutive effect on shareholders. The Board also noted that the increased financial security would be of benefit to its suppliers, customers and other stakeholders.

As a result of that consideration the Board ensured that the best possible terms were negotiated and that the size of the bond was not excessive.

Non-financial information statement

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

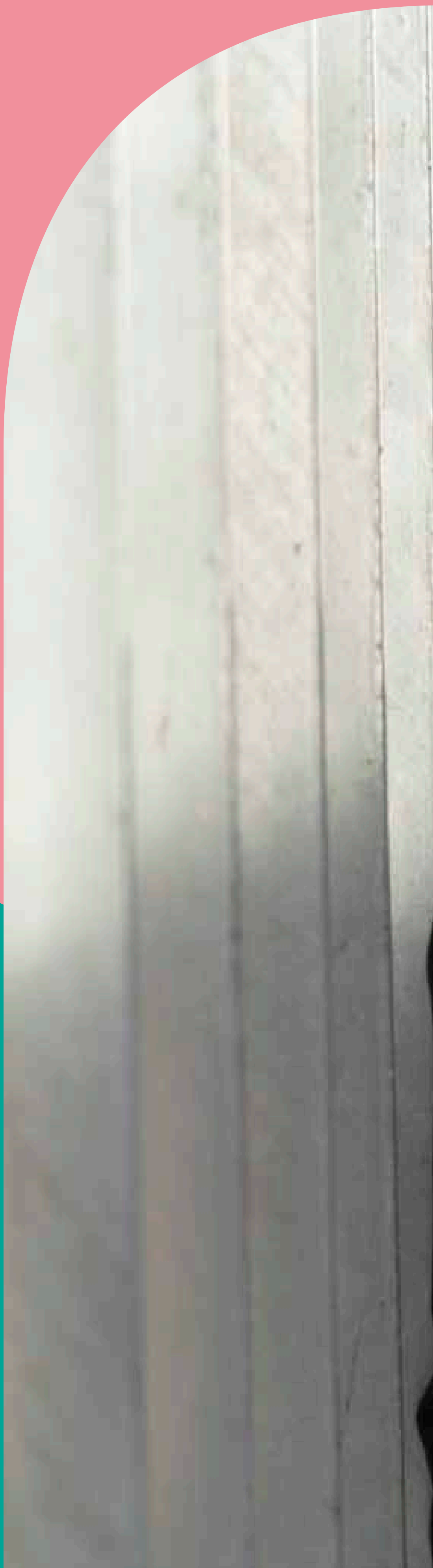
Reporting requirement	Relevant Trainline policies and procedures	Where to read more in this report	Page
Business Model	N/A	Our business model	14
Non-Financial KPIs	N/A	Key performance indicators	27
Principal Risks	Trainline risk management process	Principal risks and uncertainties	32
Environmental Matters	Environmental policy	Market overview Sustainability Global GHG emissions & data	8 13 81
Human Rights	Human rights policy Anti-slavery and human trafficking policy	Our people and culture Report of the Audit and Risk Committee	42 67
Our People	Trainline staff handbook and accompanying policies and procedures	Principal risks and uncertainties Our people and culture Stakeholder engagement	36 40 47
Social Matters	N/A	CEO's Statement Our people and culture	7 44
Anti-Corruption and Anti-Bribery	Anti-bribery and corruption policy	Principal risks and uncertainties Report of the Audit and Risk Committee	37 65

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

On behalf of the Board

Neil Murrin
Company Secretary
6 May 2021

Governance



In this section

Chair's governance statement

Brian McBride
Chair

We have taken steps during the year to resolve the few governance areas where Trainline diverged from the 2018 UK Corporate Governance Code.

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

Board

As Chair, my responsibility is to provide leadership and ensure that we have a Board that is able to make informed and effective decisions that are in the long-term interests of the Group and our stakeholders. Having Directors with a diverse range of skills, experience and attributes ensures the Board exercises an appropriate level of rigorous enquiry and debate to constructively challenge management when necessary.

We have continued to enhance the Board with the recruitment of Jody Ford, as COO on appointment and now CEO as of 28 February 2021, Jennifer Duvalier, as Senior Independent Non-executive Director, and Andy Phillipps as Independent Non-executive Director. They all bring invaluable experience of working in high-growth, global tech businesses and their appointments will ensure the Board and its Committees have an appropriate balance of skills, knowledge and experience.

As announced on 20 October 2020, Jody Ford took up the position of CEO following Clare Gilmartin stepping down on 28 February 2021. I am delighted that Jody is our CEO, he has shown a great ability to provide clear leadership and focus on improving the experience of our customers to deliver performance. I am confident that Jody and the Leadership Team will continue to position Trainline to weather COVID-19 and achieve our long-term growth plan. After seven years at the helm of Trainline, Clare informed the Board she was keen to spend more time with her young family. I would like to thank Clare for her leadership during her time as CEO.

A Board effectiveness review was conducted earlier this year which focused in particular on how the Board has evolved since the IPO and integrated its new members. The review concluded that the Board operates effectively though highlighted some areas which could be improved and for which an action plan has been agreed. You can read more on the effectiveness review on page 61.

Governance

The Board continues to be committed to the highest standards of corporate governance. We have a clear governance structure which ensures that we as a Board, and Trainline as a business, act responsibly in decision-making, management of risk and delivery of our strategic objectives.

We have taken steps during the year to resolve the few governance areas where Trainline diverged from the 2018 UK Corporate Governance Code (the 'Code'). Further information on our compliance with the Governance Code is available on page 79.

Diversity and inclusion

The Board wholeheartedly supports all the work Trainline undertakes to create a diverse workforce and encourage our people to be engaged in our success. The Group is involved in a number of initiatives aimed at encouraging more diversity in technology, which you can read more about on page 41.

Accountability and risk

The Board understands that to ensure the success and resilience of the Group, decisions must be taken and risks and opportunities in the short and long term must be assessed and, where appropriate, mitigated. When undertaking its annual review, the Board ensured the impact COVID-19 has had on the Group's principal and emerging risks was considered. Information on risks is available from page 32.

Stakeholder engagement
The Board recognises that engaging with and understanding the views of our key stakeholders and considering their interests when making decisions is critical to the long-term success of the Group. Trainline has engaged significantly during the year, in particular to understand the impact of COVID-19 on our key stakeholders, which the Board has received regular reports on. You can read more on the highlights of our engagement on page 46.

External audit tender
The Audit & Risk Committee has undertaken a competitive external audit tender and, following their advice, the Board recommends to shareholders that PwC be appointed for the FY 2022 audit and future audits. A resolution to appoint PwC as external auditor for FY 2022 will be put to shareholders at our forthcoming AGM.

Further information on the external audit tender process and the assessments the Audit & Risk Committee have made when considering the effectiveness of the external audit process and the work of the current external auditor are available on pages 63 and 64.

Sustainability
As sustainability is a core component of Trainline's purpose, we have included initial disclosures against the TCFD and SASB frameworks on page 81. The Board has a keen interest in Trainline's sustainability programme and will monitor its development throughout the coming year.

Annual General Meeting
We have prepared for the AGM based on the anticipated status of the UK Government's Roadmap out of Lockdown at the date of the meeting not withstanding that, at the date of publication, the UK Government has not yet lifted restrictions on public gatherings.

Though attendance in person at the AGM may be possible I strongly encourage shareholders to attend in the safest manner possible by using the live virtual webcast facility, details of which are set out in the Notice of Annual General Meeting which is available on our website at https://investors.thetrainline.com/AGM.

Shareholders may also submit questions to the Board via email to investor@trainline.com before the AGM takes place. We will maintain a list of responses to frequently asked questions in relation to our AGM and also notify shareholders of any changes to restrictions on attendance at the AGM on our website at https://investors.thetrainline.com/AGM.

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

Brian McBride
Chair
6 May 2021

Board Leadership

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

The Board is satisfied that the Group's culture is a positive one and is conducive to the successful execution of its purpose and its strategy.

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

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

Governance structure

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

Board of Directors

Collectively responsible for establishing Trainline's purpose, values and strategy to enable the long-term success of the Group for the benefit of our shareholders and stakeholders.

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

Audit & Risk Committee

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

Oversees the external auditor and monitors their independence.

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

Remuneration Committee

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

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

Nomination Committee

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

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

Trainline's Leadership Team

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

To see more information about Trainline's Management Team, visit: investors.thetrainline.com

The role of the Board

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

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

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

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

Division of responsibilities

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

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

Chair

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

Chief Executive Officer

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

Senior Independent Non-executive Director

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

Strategic Report
Governance
Financial Statements

Our Board of Directors

Brian McBride
Chair

Committees: N

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

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

Jody Ford
Executive Director and Chief Executive Officer

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

Other appointments:
None

Shaun McCabe
Executive Director and Chief Financial Officer

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

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

Jennifer Duvalier
Senior Independent Non-executive Director

Committees: N AR R

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

Other appointments:
Non-executive Director and Chair of the Remuneration Committee of Mitie plc and a Non-executive Director of NCC Group plc. Jennifer is also a Non-executive Director and Chair of the Remuneration Committee of Guardian Media Group plc, a Non-executive Director of The Cranemere Group Ltd and a senior advisor to the Corporate Research Forum.

Duncan Tatton-Brown
Independent Non-executive Director

Committees: N AR R

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

Other appointments:
Senior Adviser to Ocado Group and Non-executive Director of certain Ocado Group subsidiaries.

Kjersti Wiklund
Independent Non-executive Director

Committees: N AR R

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

Other appointments:
Non-executive Director of Babcock International Group PLC, Spectris PLC and Zegona Communications PLC.

Andy Phillipps
Independent Non-executive Director

Committees: N R

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

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

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

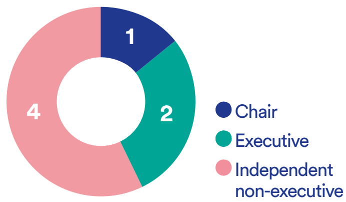
Attendance during the financial year

Board Member	Meetings
Brian McBride	9/9
Jody Ford (joined 21 Sep 2020)	5/5
Shaun McCabe	9/9
Jennifer Duvalier (joined 1 Oct 2020)	4/4
Duncan Tatton-Brown	9/9
Kjersti Wiklund	9/9
Andy Phillipps (joined 1 Jan 2021)	2/2
Clare Gilmartin (CEO until 28 Feb 2021)	9/9

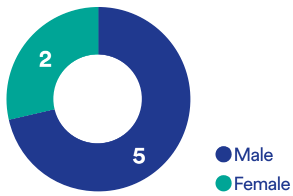
Ad hoc meetings were also convened to deal with specific matters arising

Directors' nationalities
British, Norwegian

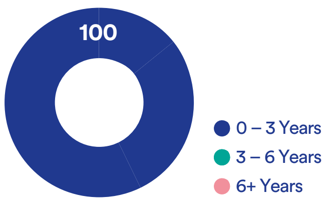
Board composition



Gender split



Length of tenure of Non-executive Directors



Board in action

Workforce engagement

To help the Board understand the views and concerns of our People, Jennifer Duvalier, our Senior Independent Non-executive Director, has been designated as the Non-executive Director for Workforce Engagement. Since her appointment Jennifer has taken part in colleague engagement sessions with our Paris office team, representatives of our People Led Groups and a subset of our Extended Leadership Team which, due to COVID-19 restrictions, had to be held virtually.

Sessions were held as an open forum for Jennifer and participants to discuss matters important to the workforce. Key themes identified were then shared with the Board by Jennifer. The Board used the key themes raised at these sessions, the results of our Group-wide colleague engagement surveys and other sources of insight to assess and monitor whether the culture and behaviours the Group strives for aligns with reality. The workforce engagement programme will continue to evolve over time, in particular once COVID-19 restrictions have been lifted.

The Board has valued the feedback received and were encouraged that conversations at sessions were candid and constructive in tone. As a result the Board is satisfied that the Group's culture is a positive one and is conducive to the successful execution of Trainline's purpose and strategy.

Key stakeholders

The Board has received reports throughout the year on stakeholder issues and concerns, in particular the impact of COVID-19, and updates on the issues and concerns raised by shareholders and stakeholders.

Further details on how the Group has engaged with our key stakeholders is available on page 46.

COVID-19

Throughout the year the Board has closely monitored the impact of COVID-19 on the Group, our people and our stakeholders.

The Board took quick and decisive steps to scale back cash outflows at the start of the pandemic and has continued to closely monitor them. In addition the Board supported securing additional financing and the deferral of covenants of existing loan facilities to provide liquidity, protect the business from the extended COVID-19 downturn that has taken place and to provide greater flexibility to invest in possible future growth opportunities.

Whilst near-term operational matters have been a focus, the Board has also encouraged management to consider the medium to long-term prospects of the Group to enable Trainline to be well positioned once COVID-19 restrictions have relaxed and ultimately ended.

Strategy

The Board receives updates on the execution of the Group's strategy at each Board meeting, typically from the CEO and CFO but also from members of the Leadership Team when appropriate.

In addition the Board and the Leadership Team took part in a strategy day where: the Group's strategy in the medium and long term was constructively reviewed and challenged; market opportunities, in light of the expected impact of COVID-19, were discussed; and investment and acquisition opportunities were considered.

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

Strategy, performance and liquidity	Detailed review of the Group's strategy, updates on initiatives, discussions of short and long-term priorities and setting medium-term plans
	Issuance of Convertible Bond due 2026, raising £150 million
Operational	Regular updates on the impact of COVID-19, formally at Board meetings and informally when appropriate
Shareholders and stakeholders	Investor relations and key stakeholder updates
Reporting and risk management	Annual review of the Group's principal and emerging risks, including the impact of COVID-19 on those risks
	Received updates on specific risk areas, including information security and privacy
	Reviewed and approved annual and half-yearly reporting
Leadership and people	Introduction of new Directors to the Board and Trainline
	Updates on culture and colleague engagement, in particular the impact of remote working on our People
Governance and corporate responsibility	Considered and discussed the results of the Board effectiveness review and agreed on the development opportunities identified
	Reviewed and approved disclosures including the gender pay gap statement, modern slavery statement and Group tax strategy

Composition, succession and evaluation

Board appointments and succession

The following changes have taken place in the membership of the Board during the year:

- Jody Ford joined the Board as Chief Operating Officer on 21 September 2020 and succeeded Clare Gilmartin as Chief Executive Officer on 1 March 2021 following Clare's resignation;
- Jennifer Duvalier joined the Board as Senior Independent Non-executive Director on 10 October 2020; and
- Andy Phillipps joined the Board as an Independent Non-executive Director on 1 January 2021.

Board composition

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

Skills, knowledge and experience

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

Board and Committee effectiveness evaluation

An evaluation of the operation and effectiveness of the Board, its Committees and the Chair took place during the year.

Directors completed an online questionnaire which was designed to provide insight on all areas of Board, Committee and individual Director's effectiveness. Questions included whether Board members thought the Board effectively monitored equality, diversity and inclusion as well as whether the Board's effectiveness had been negatively impacted by COVID-19 measures. In addition the Non-executive Directors, excluding the Chair, led by the Senior Independent Non-executive Director, met privately to appraise the performance of the Chair.

The evaluation concluded that the Board, its Committees and each of the Directors were effective, with most review areas scoring in the range of good or excellent and with consistency in scoring and commentary between individual submissions. Opportunities identified for further development included additional reporting on: key stakeholders; culture, talent, diversity and inclusion; and the evolving governance landscape.

The results of the evaluation were reviewed and assessed by the Nomination Committee. The outcome and proposed actions were recommended to the Board and accepted in full.

The intention is for the FY 2022 evaluation to be externally facilitated, thereby complying with the Governance Code guidance that an externally facilitated evaluation take place at least every three years.

Skills, knowledge and experience

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

Strategic Report
Governance
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Report of the Nomination Committee

Brian McBride
Chair of the Nomination Committee

Attendance during the financial year

Committee Member	Meetings
Brian McBride (Chair)	2/2
Jennifer Duvalier (joined 1 October 2020)	2/2
Andy Phillipps (joined 1 January 2021)	1/1
Duncan Tatton-Brown	2/2
Kjersti Wiklund	2/2

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

Our responsibilities

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

I am pleased to present Trainline's Report of the Nomination Committee which provides a summary of the Committee's role and activities for FY 2021.

During the period we reviewed the areas under our remit in accordance with the Committee's terms of reference. These reviews assist the Board in determining appointments to the Board and succession planning for the Board and Leadership Team. The Committee is satisfied with the current composition of the Board and its Committees though it will continue to monitor and refresh their composition where appropriate.

Membership

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

The Committee's key activities

Key matters discussed by the Committee during FY 2021 included a review of:

- the suitability of Jody Ford, Jennifer Duvalier and Andy Phillipps as candidates for appointment to the Board and its Committees;
- the suitability of Jody Ford to succeed Clare Gilmartin as CEO;
- the effectiveness of the Board, its Committees and individual Directors;
- the structure, size and composition of the Board, including the skills, knowledge, independence, experience and diversity of its members; and
- the additional external appointments undertaken by Board members during FY 2021.

The Committee's key activities planned for FY 2022

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

Following Clare Gilmartin's last day as CEO on 28 February 2021, the Committee recognises that the Board does not currently align with the Hampton-Alexander recommendations and is also not yet in alignment with the Parker recommendations.

In order to address this the Committee will ensure that candidates from ethnically, racially and gender diverse backgrounds are always included in shortlists for Board positions with the intention of maximising the opportunity to make appointments that allow the Board to reflect the diversity at Trainline and the wider community. The Committee is confident that by ensuring the candidates included on shortlists for Board appointments are genuinely diverse the Board will align with the Hampton-Alexander and Parker recommendations.

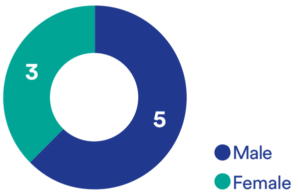
Prior to the Committee's next report for FY 2022 it intends to undertake the following key activities:

- an externally facilitated annual evaluation of the Board; and
- a review of the Group's policies on diversity and inclusion, their implementation and progress against objectives.

Brian McBride
Chair of the Nomination Committee
6 May 2021

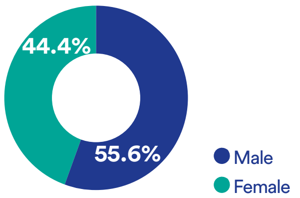
Gender balance (actual headcount as at 28 February 2021)

Board of Directors

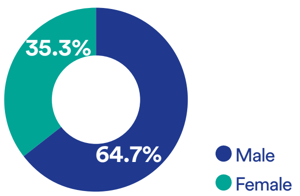


Following Clare Gilmartin's last day as CEO on 28 February 2021 the gender balance of the Board of Directors is two female and five male.

Senior Management Team and their direct reports



All our People



Key areas of focus for the Nomination Committee during FY 2021

The main matters that the Committee considered during the year were:

The appointment of new Directors to the Board

After considering the structure, size and composition of the Board, including the skills, knowledge, independence, experience and diversity of its members, the Committee agreed that the proposal to appoint new Directors was appropriate.

All new Directors received tailored induction training which included meetings with all of the Leadership Team and other senior managers, access to historic Board materials and guidance on their duties as Director's.

Appointment of Jody Ford

The Committee had identified the need for additional executive leadership on the Board and undertook a search for candidates who could provide this as part of a COO role on the Board.

Following an extensive market assessment exercise undertaken by the Committee's external executive search consultants, the Committee identified Jody Ford as the stand-out candidate.

Following Clare Gilmartin informing the Board that she intended to step down as CEO, the Committee considered Jody's suitability to succeed Clare. After considering Jody's previous experience, his clear leadership and focus on improving product and customer experience to deliver performance, the Committee recommended the Board appoint Jody as CEO.

Annual Board effectiveness evaluation

The Committee undertook a Board effectiveness evaluation during the year, the actions resulting from which were recommended to, and approved by, the Board.

Further information on the evaluation is available on page 59.

Selection process for the appointment of new Board members

When considering new appointments to the Board, the Committee:

- selects appropriate external executive search consultants for the role in question;
- prepares a specification for candidates, setting out the agreed key skills and character profile being sought to fit the desired balance, membership and dynamics of the Board;
- receives a long list of candidates meeting the specification, ensuring that this includes candidates from a diverse range of backgrounds and that it includes a sufficient number of female candidates;
- agrees a shortlist and invites these candidates to be interviewed by the Chair, the Chief Executive Officer, the Chief Financial Officer and other members of the Board where appropriate; and
- agrees on the preferred candidates and recommends them to the Board.

During the year the Committee has used the services of The Up Group Ltd as external executive search consultants. Trainline also utilises the services of The Up Group when making senior appointments, below Board level, to the Group. The Up Group has no other connection with the Company or the Board.

Succession planning

The Committee recognises the importance of developing and maintaining a diverse talent pipeline to provide succession options for the Leadership Team. Given the Group's focus on diversity and inclusion, the Committee welcomed the appointment of Champa Magesh and Lisa Hillier to the Leadership Team, not only due to the extensive experience and knowledge they bring but also that their appointments have resulted in women representing half of the Leadership Team excluding the Executive Directors.

During FY 2022 the Committee will continue to monitor succession planning arrangements for the Board and the Leadership Team and assess whether the succession planning arrangements and the Board appointment process will continue to support the development of a diverse pipeline of candidates.

Policy on diversity and inclusion

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

Trainline is committed to having a diverse and inclusive workplace and the Committee supports this goal and the recommendations set out in the Hampton-Alexander Review and the Parker Report wholeheartedly. The Committee recognises that technology is a male dominated sector and that the Group has more work to do to balance its gender split. Further information on Trainline's initiatives to improve diversity is available on page 40.

The Committee intends to review the Group's diversity and inclusion policies during FY 2022, how they link to the Group's objectives and strategy, how they are being implemented, and progress towards achieving diversity and inclusion objectives.

Director reappointment

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

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

All the Directors being proposed for reappointment attended all meetings they were scheduled to attend and the Committee is satisfied they devote sufficient time to their duties and demonstrate great enthusiasm and commitment to their roles.

Report of the Audit and Risk Committee

Duncan Tatton-Brown
Chair of the Audit and Risk Committee

Attendance during the financial year

Committee Member	Meetings
Duncan Tatton-Brown (Chair)	4/4
Jennifer Duvalier (joined 1 October 2020)	3/3
Kjersti Wiklund (INED)	4/4

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

Our responsibilities

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

I am pleased to present Trainline's Report of the Audit and Risk Committee which provides a summary of the Committee's role and activities for FY 2021.

During the year, we reviewed the areas under our remit with management and external auditors, in accordance with the Committee's terms of reference. These reviews help ensure the interests of our shareholders are protected and that the Group's reporting is fair, balanced and understandable.

Membership

The Committee comprises three Independent Non-executive Directors, Jennifer Duvalier, Kjersti Wiklund and myself (Duncan Tatton-Brown) as its Chair.

The biography of each member of the Committee is set out on pages 56 and 57. The Committee as a whole has the competence relevant to the sector in which the Group operates. As a member of the Chartered Institute of Management Accountants and as a former Chief Financial Officer of a FTSE 100 company I have the relevant financial knowledge and extensive experience to be the Chair of the Committee.

Role and work of the Audit & Risk Committee

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

The Committee's key activities during FY 2021

Key matters discussed by the Committee during FY 2021 included:

- undertaking a competitive tender for the provision of external audit services to the Group;
- considering the going concern and viability statements in light of the impact of COVID-19;
- an update on the Group's information security and privacy processes and controls;
- an update on the Group's tax profile and related legislative changes;
- a review of the Group's risk management process including the risk register, the internal control system and the effectiveness and independence of the risk management function;
- the integrity of the Financial Statements of the Group and all formal announcements relating to its financial performance;
- the Group's accounting policies, the use of Alternative Performance Measures, significant financial reporting issues, judgements and estimates;
- considering the Group's impairment assessment and the subsequent impairment of the International CGU in FY 2021; and
- whether this Annual Report, taken as a whole, is fair, balanced and understandable, provides shareholders with the information necessary to assess the Company's position, performance, business model and strategy, and the completeness of the included disclosures.

The Committee's key activities planned for FY 2022

Prior to the Committee's next report for FY 2022 it intends to undertake the following further key activities:

- monitor the effectiveness of the new external auditor; and
- oversee the implementation of the internal audit function.

Duncan Tatton-Brown
Chair of the Audit and Risk Committee
6 May 2021

Key areas of focus for the Audit & Risk Committee during FY 2021

External audit tender

In order to comply with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014 (Article 7.1), the Committee conducted a competitive tender for the provision of external audit services during 2020.

The Board and the Committee have remained satisfied with both KPMG's quality of service and their independence and objectivity throughout their tenure. The tender process was initiated in order to comply with the Competition and Markets Authority's tendering requirements.

The Committee led the tender process, including agreeing the timetable and requirements for the tender document and firms presentations, together with selecting the firms to be invited to attend. An outline of the process is included in the table below. The Committee, following consultation with Management, recommended the Board appoint PwC LLP as external auditors with effect from FY 2022, including the half year ended 31 August 2021.

The Board accepted the Committee's recommendation to appoint PwC LLP as external auditors and a resolution for the appointment of PwC LLP will be put to shareholders at the Annual General Meeting in June 2021. The Committee confirms this recommendation is free from influence by a third party and that no contractual term has been imposed on the Company limiting the choice of auditor. KPMG will cease to hold office following the completion of the audit of the Group's Financial Statements for the year ended 28 February 2021.

Going concern and viability assessments

The Committee reviewed and advised the Board on the Group's going concern and viability statements included in this Annual Report and the assessment reports prepared by management in support of such statements. The current and anticipated impact of COVID-19 was considered as part of the review. The external auditor discussed the statements with the Committee and reviewed the conclusions reached by management regarding going concern and viability.

FRC thematic review

During the year Trainline engaged with the Financial Reporting Council ('FRC') in relation to their thematic review of cashflow and liquidity disclosures. Their review was conducted in relation to Trainline's FY 2020 Financial Statements. As part of this review Trainline received a letter from the FRC with questions and requests for additional information to which Trainline Management drafted a response which was reviewed by the Committee.

The FRC confirmed it was satisfied with the response and that no further follow-up was required. As a result of the review no major financial reporting changes were required. One classification change has been made in the comparative period in Note 20.

The FRC's review only covered specific disclosures relating to this thematic review and provides no assurance that the Annual Report and Financial Statements are correct in all material respects. The FRC's role is not to verify the information provided but to consider the compliance with reporting requirements. Trainline Management and the Committee welcomed comments and queries received by the FRC and are supportive of their goal of increasing transparency in corporate reporting.

Audit Quality Review

The Audit Quality Review team ('AQR') from the Financial Reporting Council undertook an inspection of KPMG's audit of FY 2020. The AQR's final report noted improvements in relation to the audit of point of sale revenue, which KPMG has accepted and updated during its FY 2021 audit.

Tax strategy review

The Committee reviewed the tax strategy the Group is required to disclose from 28 February 2021 and the steps taken to comply with the 2016 Finance Act now that Trainline qualifies as a 'large group' prior to review and approval by the Board. In addition the Committee received reports on future developments and the tax-related disclosures in this Annual Report.

Audit tender process

Stage one	The Audit and Risk Committee recommended the external audit tender to the Board. The Audit and Risk Committee agreed the timetable for the process, requested content for the tender document and firms' pitches and the key decision criteria it would use in making the final recommendation to the Board.
Stage two	The Audit and Risk Committee Chair and CFO met separately with the audit partner of each short-listed firm in advance of issuing the formal invitation to tender. Each firm was then invited to the following meetings: • Meeting with proposed Audit Partner and Duncan Tatton-Brown • Meeting with proposed Audit Partner and Shaun McCabe • Meeting with wider audit team members and the wider Trainline finance team • Meeting with audit team including IT specialists and the wider Trainline finance team and Trainline IT specialists Each firm was given the opportunity to ask follow-up questions. Each firm submitted their written proposals to Trainline in December 2020.
Stage three	The written proposals were reviewed, and it was agreed all three firms would be invited to the final presentation to the Audit and Risk Committee and the Finance team. Each firm presented individually to the Audit and Risk Committee and the Finance team in mid-December 2020. All sessions took place in person, reflecting COVID-19 safety precautions, and were interactive and included questions and answers from the Committee and the Finance team to the firms.
Stage four	The Audit and Risk Committee met to evaluate each firm using the agreed evaluation criteria and to reach a recommendation to the Board.

Report of the Audit and Risk Committee continued

Financial Statements and reporting

The Committee monitored the financial reporting process for the Group, which included receiving reports from, and discussing these with, the external auditor. As part of the year end reporting process the Committee reviewed this Annual Report, a management report on accounting estimates and judgements, a management report on Alternative Performance Measures, the external auditor's report on internal controls, accounting and reporting matters, and management representation letters concerning accounting and reporting matters. Monitoring the integrity of the Company's financial statements, the financial reporting process and reviewing the significant accounting issues are key roles of the Committee. The Committee plays an important role in advising the Board when it considers whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Accounting judgements and key sources of estimation uncertainty

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

Internal controls review

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

Internal audit

The intended implementation of an internal audit function facilitated by an Internal Audit Manager supported by an external advisor was delayed due to the impact of COVID-19 but will be a focus for the Group and the Committee during FY 2022.

Risk management review

The Committee received updates from the Group's risk management function, in particular on the Company's risk register and whistleblowing system and policies, prior to the Board determining the Company's overall risk appetite, tolerance and strategy. The Committee, in supporting the Board to assess the effectiveness of risk management and internal control processes, relies on reporting by management, compliance reports and the assurance provided by the external auditor.

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

Further information on the Group's risk management is available on page 32.

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

The Committee places great importance on ensuring that the external audit is effective and of a high standard. The Committee reviewed and approved the annual audit plan to ensure it was consistent with the scope of the audit engagement. In reviewing the audit plan, the Committee discussed the areas identified by the external auditor as most likely to give rise to a material financial reporting error or those that are perceived to be of higher risk and requiring additional audit emphasis (including those set out in the Independent Auditor's Report). The Committee also considered the audit scope and materiality threshold. The Committee also met privately with the external auditor, without Company management presence, to discuss their remit and issues arising from their work.

The appointment of PwC LLP as external auditor to the Group will be recommended to shareholders at the 2021 AGM. KPMG LLP acted as external auditor to the Group from 2002 with the current Audit Partner, Anna Jones, new in the role this year. KPMG has indicated that it will not raise any areas of concern when confirming its resignation as external auditor.

Key areas of judgement and estimation

Issue considered	How the issue was addressed
Going concern **The going concern disclosure is an area of judgement. Given the impact of COVID-19 the level of uncertainty around this judgement is considered higher in the current environment.**	The Committee considered the work performed by management in assessing the Group's ability to continue as a going concern, particularly around its consideration of the impact of COVID-19 and the steps taken to protect and enhance the Group's liquidity. The Committee reviewed management's base case and downside scenarios which all showed the Group has sufficient cash and liquidity headroom to continue for a period of greater than 12 months. This, combined with the covenant waivers in place, led the Committee to conclude there is no material uncertainty around the Group's ability to continue as a going concern and as such the disclosures in this area are considered appropriate.
Carrying value of international goodwill **The carrying value of goodwill depends on the future cash flow forecast supporting the carrying value. There is inherent uncertainty in forecasting future cash flows and as such this area of estimate is a focus for the Committee.**	The Committee reviewed and discussed Management's conclusions around the carrying value of goodwill, including: the methodology applied; the achievability of the business plans and how COVID-19 had been reflected in the plans; considering the appropriateness of discount rates and long-term growth rates applied; and considering the outcome of sensitivity analysis. The Committee agreed with Management's conclusion that an impairment is required based on the discounted cash flow forecast of £25 million (FY 2020: £nil).

The Committee considered the safeguards in place to protect the external auditor's independence. KPMG provided a letter of independence to the Committee reporting that it had considered its independence in relation to the audit and confirmed that it complies with UK regulatory and professional requirements and that its objectivity is not compromised. The Committee took this into account when considering the external auditor's independence and concluded that KPMG remained independent and objective in relation to the audit.

Non-audit work carried out by the external auditor

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

The fees paid for non-audit services during the year ended 28 February 2021 amounted to £50,000. Of these fees, £40,000 relate to audit-related assurance services for the 31 August 2020 half-year review undertaken by the external auditor. Further details of these amounts can be found in Note 4 of the Financial Statements.

Certain types of work, as defined by the FRC, are explicitly prohibited to be provided to the Group including specific tax advisory services and internal audit services. A detailed list of prohibited services is included in the Committee's non-audit services policy.

Audit fees

The Committee was satisfied that the level of audit fees payable in respect of the audit services provided (being £358,000) was appropriate and that an effective audit could be conducted for such a fee.

Risk

The Group's risk tolerance is set by the Board and is the level of risk it is willing to accept to sustainably achieve our strategic objectives. The Group's risk management policies identify and analyse the risks faced by Trainline, set appropriate risk limits and controls, and monitor ongoing risks.

Through its training and management standards and procedures, the Group aims to maintain a disciplined and constructive control environment in which all our people understand their roles and obligations in relation to risk.

An overview of the Group's risk profile, and the management of those risks is available on page 32. The Group undertakes a robust assessment of its principal and emerging risks, which takes into account the risks that threaten our business model, future performance, solvency or liquidity and the Group's strategic objectives.

The Committee periodically receives assurance reports on the Group's risk management and internal control systems and monitored progress against risk function testing, development and goals. The Committee advises the Board on the effectiveness of the risk management system as the Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

Anti-bribery and corruption

Trainline is committed to the highest standards of ethical conduct and integrity in our business practices and adopts a zero-tolerance approach to bribery and corruption. Any of our people found to have breached the Group's policies will face disciplinary action which could include dismissal for gross misconduct. We pass on these policies, where appropriate, to our supply chain as part of our procurement and contracting procedures.

Whistleblowing

Trainline is committed to the highest possible standards of openness, honesty and accountability and will take every step possible to create a positive environment where people will feel comfortable in raising any concerns they have. Our whistleblowing procedures are included in the Group's staff handbook. If anyone has a concern they wish to raise they can contact an independent reporting line for anonymous reporting of concerns.

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

Our anti-bribery, corruption and human rights policies are available at https://investors.thetrainline.com/corporate-responsibility

Receiving corporate hospitality and gifts	Should be refused if they could influence or appear to influence decisions made on behalf of the Group. Colleagues are required to update the Group Gift Register. Substantial physical gifts should be passed onto the Group for donation to charity or disposal.
Offering corporate hospitality and gifts	Must be fully documented, approved by the relevant member of the Leadership Team and recorded in the Group Gift Register. Any hospitality above a set value must also be approved by the Business Review and Approvals Group.
Facilitation payments	Are strictly prohibited, no matter the value, even where such payments are perceived as a common part of local business practice or law. This prohibition also applies to those who work on behalf of the Group.
Corruption	All our people are made aware of the Group's Anti-Fraud and Corruption Strategy when they join. Concerns should be reported in accordance with the Group's Whistleblowing Policy. Disciplinary action and other appropriate measures will be taken as necessary.

Directors’ remuneration report

Kjersti Wiklund
Chair of the Remuneration Committee

Attendance during the financial year

Name	Meetings
Kjersti Wiklund (Chair)	4/4
Andy Phillipps (joined 1 Jan 2021)	2/2
Brian McBride (member until 24 Feb 2021)	3/3
Duncan Tatton-Brown	4/4
Jennifer Duvalier (joined 1 Oct 2020)	2/2

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

Our responsibilities

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

Dear Shareholder,
On behalf of the Board, I am pleased to present the Directors’ Remuneration Report for FY 2021 which covers a challenging year for the industry but one in which our employees continued to contribute strongly.

Key areas of focus for the Remuneration Committee during FY 2021

Former CEO’s outgoing remuneration

It is with regret that we announced the resignation of Clare Gilmartin, CEO, during the year. The Committee considered Clare Gilmartin’s remuneration in light of her resignation and determined that Clare’s outstanding PSP and DSBP grants would lapse, in accordance with the respective plan rules, and that given Clare had continued in her role to the end of the financial year that Clare would be eligible for any FY 2021 bonus that is paid, although ultimately no bonus was paid.

New COO’s remuneration

We are delighted that Jody Ford was appointed to the Board as COO on 21 September 2020 and succeeded Clare Gilmartin as CEO on 1 March 2021. Jody comes with a wealth of experience of innovating consumer-facing digital and technology businesses, helping them transform and grow across new sectors, markets and audiences.

On appointment Jody’s salary was set at £500,000 which the Committee considered a fair and reasonable level for the role. His pension was set at 5.5% of salary, to match the pension allowance available to the wider workforce. Jody’s bonus opportunity for FY 2021 was set at the same level as the CFO’s, at 150% of salary. To help ensure Jody’s exposure to our share price and to align him with shareholders’ interests, his FY 2021 PSP award was based on a total award of 400% of salary, which as his first PSP award was consistent with the Remuneration Policy approved by shareholders.

When deciding Jody Ford’s remuneration for his transition from COO to CEO, the Committee considered external benchmarks for Trainline’s sector and size peers and the remuneration arrangements of Trainline’s employees. As a result of these considerations the Committee approved a base pay package, starting on 1 March 2021, that matched the former CEO's (£575,000) with a reduced benefits allowance and a lower pension allowance of 5.5% of salary to match the pension allowance available to the wider workforce.

Employee remuneration and engagement

The Committee considers carefully the wider employee experience when making decisions around senior executive pay. The Committee will receive an update on colleague remuneration during FY 2022 which will provide both an overview of how our annual pay reviews are managed and employee sentiment on remuneration that has been collated through surveys, feedback and any matters raised through the workforce engagement mechanism. In addition the Committee will consider and make recommendations to management’s plans to address any considerations raised.

During FY 2022, the Committee will review how direct engagement with the broader employee base can be effected, to help facilitate dialogue on pay alignment across the Company.

Remuneration outcomes for FY 2021

Given the uncertainty created by COVID-19, the Committee deferred determining targets for the FY 2021 Annual Bonus until H2 FY 2021 so that a Group reforecast could be completed.

Due to the deferral the Committee determined that the FY 2021 Annual Bonus would be measured only on the H2 FY 2021 period and with the total opportunity prorated by 50% (100% of salary maximum for Clare Gilmartin and 75% of salary maximum for Shaun McCabe and Jody Ford) to recognise the six-month time frame.

The total annual bonus opportunity was based 75% on core financial targets (25% each for Group net sales, Group revenue and Group adjusted EBITDA) and 25% for key strategic and personal targets for the Executive Directors with a gate requirement that Group adjusted EBITDA must meet the H2 FY 2021 target for pay-out of any bonus.

Given the continued impact of COVID-19 and the reintroduction of increased travel restrictions in key markets, the H2 FY 2021 target for Group adjusted EBITDA was not achieved and, as a result, no FY 2021 annual bonus will be paid to the Executive Directors even though many of their individual strategic targets were met.

Awards under the Company's Performance Share Plan were granted on 22 May 2020 to Clare Gilmartin, which have lapsed due to her stepping down on 28 February 2021, and Shaun McCabe equivalent to 250% of salary. A one-off new joiner award of 400% of salary was granted to Jody Ford on 16 November 2020. Awards will vest after a three-year performance period, subject to the achievement of stretching earnings growth and relative TSR performance targets.

As was the case for previous PSP awards, 50% of salary will be structured as an award which vests only for the achievement of exceptional EPS performance and if Trainline's relative TSR performance is above upper quartile. All vested PSP awards will be subject to a two-year post-vesting holding period.

The Committee considered the volatility in the Company's share price when determining PSP grants and used the longest average period permitted under the plan rules when determining the grant share price (30 calendar days average daily MMQ) to help reduce the sensitivity to short-term share price movements.

The Committee will ensure that any vesting of the FY 2021 PSP cycle is consistent with the stakeholder experience over this uncertain period, taking into account perspectives of shareholders, employees and customers, as well as other factors such as the mitigation of any windfall gains.

Implementation of the Remuneration Policy for FY 2022

The maximum annual bonus opportunities for FY 2022 will be 200% and 150% of normal salary for the new CEO and the CFO, respectively. The performance measures will be based on a Company scorecard of financial and strategic metrics, including Group revenue, Group adjusted EBITDA and Group net ticket sales (weighted at least 75% of the bonus) and strategic pillar objectives (weighted no more than 25% of the bonus). The financial measures are aligned with KPIs for Trainline, and the combination of financial and strategic targets and personal objectives will ensure direct alignment between incentive outcomes and the Company's performance, as well as the delivery of near-term strategic objectives.

The current intention is for awards of 250% of salary to be made in FY 2022 to the new CEO and the CFO under the PSP. The performance measures will continue to be EPS and relative TSR vs. the FTSE 250 excluding investment trusts, and will also include Revenue to reinforce Trainline's ambitious growth strategy. As was the case for previous award grants, of the 250% of normal salary, 50% of salary will be structured as an award which vests only for the achievement of exceptional performance, based on stretching EPS, Relative TSR and Revenue targets. Vested awards will be subject to a two-year post-vesting holding period.

Targets for the FY 2022 annual bonus and PSP targets will factor in the current and expected impact of COVID-19 on the business. The Committee will ensure that any payout of the FY 2022 bonus and any vesting of the FY 2022 PSP cycle is consistent with the stakeholder experience over this uncertain period, taking into account perspectives of shareholders, employees, and customers, as well as other factors such as the mitigation of any windfall gains.

The Committee believes that the approach to remuneration in FY 2022 is in the best interests of all shareholders, and we respectfully ask for your support at the 2021 AGM.

Kjersti Wiklund
Chair of the Remuneration Committee
6 May 2021

Remuneration at a glance

This section is a snapshot of the Company's performance over the FY 2021 year and the remuneration received by our Executive Directors. Full details can be found in the Annual Report on Remuneration on pages 70 to 78.

FY 2021 remuneration outcomes

Annual bonus

The annual bonus was based on a mix of financial (weighted 75% of the total) and strategic (weighted 25% of the total) performance measures for FY 2021. The performance targets and actual performance are set out below:

		Performance targets				
Measures	Weighting (% of total bonus)	Threshold	Target	Stretch	Actual FY 2021 achievement	Resulting bonus outcome (% of total bonus)
Group Net Sales	25%	£1,004.5m	£1,232.7m	£1,420.9m	£783.1m	0%
Group Revenue	25%	n/a	£81.3m	£94.5m	£67.1m	0%
Group Adjusted EBITDA[1]	25%	£1.5m	£5.5m	£9.5m	£(24.9)m	0%
Total	75%					0% out of **75%**

	Weighting (% of total bonus)		Resulting bonus outcome (% of total bonus)
Strategic objectives[2]	25%	Clare Gilmartin	0% out of 25%
		Jody Ford	0% out of 25%
		Shaun McCabe	0% out of 25%

1 See page 140 for the definition of Group Adjusted EBITDA.
2 No annual bonus payout will be made in respect of strategic objectives as the Group adjusted EBITDA target was not achieved.

Due to the uncertainty generated by COVID-19, targets for financial performance measures and some strategic objective measures were based upon performance in H2 FY 2021 only, with the total bonus opportunity prorated by 50% to represent the six-month time frame. Given the continued impact of COVID-19 and the reintroduction of increased travel restrictions in key markets, the H2 FY 2021 target for Group adjusted EBITDA was not achieved and as a result no FY 2021 annual bonus will be paid to the Executive Directors.

Implementation of the Remuneration Policy in FY 2022

For FY 2022, the Executive Directors will be remunerated in line with the current Remuneration Policy, as summarised in the table below.

Element of pay	Implementation for FY 2022
Fixed remuneration	
Base salary	£575,000 for Jody Ford and £400,000 for Shaun McCabe
Pension	The CEO's pension contributions align with the broader workforce. The CFO has agreed to reduce pension contributions such that alignment with the broader workforce (currently c.5.5% of salary) is achieved by the end of FY 2023. Any new hires are to be offered a pension consistent with the prevailing rate for the broader workforce.
Benefits	As per FY 2021
Variable pay	
Annual bonus and DSBP	Awards of up to 200% of normal salary for CEO and 150% of salary for CFO, based on the achievement of Group financial targets and specific and quantifiable strategic (weighted 75% of maximum) and personal objectives (weighted 25% of maximum). Awards earned above 100% of salary deferred in shares for two years.
PSP	Awards of 250% of salary based on EPS, Relative TSR and Revenue, of which 50% of salary is based on the achievement of exceptional performance levels.

Remuneration policy overview

This section of the report provides a summary of our Remuneration Policy which was approved by shareholders at the 2020 AGM. The full Remuneration Policy is available in our FY 2020 Annual Report.

Consistency with the UK Corporate Governance Code

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

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

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

Risk: a significant proportion of the Executive Director remuneration package is delivered in long-term or deferred pay which ensures the longer-term impact of decisions is reflected in pay. Furthermore, the combination of in-post and post-employment shareholding requirements, as well as capturing several categories of performance in the variable pay elements, helps to ensure multiple mechanisms through which to expose senior executive pay to inadequate risk management.

Predictability: variable pay is subject to the achievement of specific and transparent performance targets, and the Committee has the ability to apply its discretion to ensure variable pay outcomes reflect underlying corporate health.

Proportionality: the Executive Director pay mix is similar to that at comparable companies, and the Committee has the ability to apply its discretion to ensure overall pay outcomes are proportionate to the Group's long-term performance.

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

Executive Directors' remuneration policy table

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

Element	Purpose and link to strategy	Policy
Salary	To recruit and retain high-calibre Executive Directors.	Salaries are typically reviewed annually, on 1 April. Base salaries are determined taking into account a number of factors, including: the individual's role, responsibilities, and performance; salary levels at comparable companies, adjusted to reflect scale; and salary increases for the wider workforce.
Pension	To provide appropriate retirement plans.	The Executive Directors currently participate in the Company's pension scheme, and the Company makes contributions on their behalf.
Annual Bonus & Deferred Share Bonus Plan ('DSBP')	To incentivise and reward the achievement of annual financial and non-financial targets, in line with the Company's strategic priorities. To directly align the interests of Executive Directors and shareholders and support retention through long-term deferral in shares.	Performance objectives are reviewed at the beginning of each year to ensure that the bonus opportunity, performance measures, targets and weightings are appropriate. The level of pay-out is determined by the Committee after the year-end, based on performance against targets and any additional factors they deem relevant. Any annual bonus earned above a threshold of 100% of salary is deferred in shares for a period of two years. The maximum annual bonus opportunity is 200% of salary.
Performance Share plan ('PSP')	To incentivise and reward the delivery of long-term shareholder value and the achievement of long-term financial targets.	Awards are made annually, with vesting dependent on the achievement of performance conditions. Performance conditions are reviewed prior to grant to ensure that the award level, performance measures, targets and weightings are appropriate. Awards normally vest based on performance measured over a minimum of three years. The level of vesting is determined by the Committee after the performance period, based on the degree to which the performance conditions have been met. In adjudicating the final vesting outcome, the Committee will also consider the underlying performance of the business, as well as the value created for shareholders. A two-year holding period will apply to vested PSP awards during which vested shares may not be sold save to cover tax liabilities. The maximum annual award level is 250% of salary. The maximum award level for a new joiner Executive Director's first award is 400% of salary.
Share Incentive Plan ('SIP')	To encourage employee share ownership and further support shareholder alignment.	The Company operates an HMRC-approved plan that provides all employees with a tax-efficient way of purchasing Partnership Shares and allows the grant of Free and/or Matching Shares. Executive Directors are entitled to participate in the SIP on the same terms as other employees.

Annual report on remuneration

The following section sets out our Annual Report on Remuneration, outlines decisions made by the Committee in relation to Directors' remuneration in respect of FY 2021 and how the Committee intends to apply the Remuneration Policy for FY 2022. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the AGM to be held on 1 July 2021. Where information has been audited, this has been stated. All other information in this report is unaudited.

Role and responsibilities of the Remuneration Committee

Detailed responsibilities are set out in the Committee's terms of reference, which may be found at www.investors.thetrainline.com.

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

Advisors

Up to 31 December 2020, the Committee's advisor was Mercer. As a result of the lead advisor moving to Ellason, the Committee appointed Ellason as advisor in January 2021, and during FY 2022 the Committee will review the provision of its advice. Ellason attends Committee meetings, reports directly to the Committee Chair, and is a signatory and adheres to the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com). Ellason was paid fees of £38,030 for its services to the Committee during the year, excluding expenses and VAT, in accordance with its letter of engagement.

Prior to Ellason's appointment, the Committee received advice from Mercer, to whom fees of £47,932, excluding expenses and VAT, were paid for the period to 31 December 2020.

Shareholder voting

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

	Votes For		Votes Against		Votes Withheld
	Number of shares (m)	Percentage	Number of shares (m)	Percentage	Number of shares (m)
Remuneration report	428.8	99.9	0.5	0.1	3.6
Remuneration policy	428.7	99.9	0.6	0.1	3.6

Implementation of the Remuneration Policy in FY 2021

Single figure of total remuneration for Executive Directors (Audited)

The following table sets out the single figure of total remuneration for Executive Directors in FY 2021. In recognition of the uncertainty generated by COVID-19, Clare Gilmartin and Shaun McCabe volunteered to take a salary reduction of 50% and 20% respectively, which was effective from 20 April 2020 to 1 August 2020 and deferred payment of their FY 2020 annual bonus until October 2020.

	Salary (000)	Pension (000)	Benefits (000)	Total fixed (000)	Annual bonus (000)	PSP[1] (000)	Total variable (000)	Total remuneration (000)
Clare Gilmartin	£480	£84	£24	£588	£0	£0	£0	£588
Jody Ford[2]	£227	£11	£1	£239	£0	£0	£0	£239
Shaun McCabe	£377	£41	£3	£421	£0	£0	£0	£421

1 No PSP vesting occurred in the period.
2 Jody Ford joined the Company as COO on 21 September 2020 and became CEO on 1 March 2021.

The single figure of total remuneration for Executive Directors for FY 2020, the period from Admission (26 June 2019) to 29 February 2020, (audited) was:

	Salary (000)	Pension (000)	Benefits (000)	Total fixed (000)	Annual bonus (000)	PSP[1] (000)	Total variable (000)	Total remuneration (000)
Clare Gilmartin	£392	£61	£17	£469	£451	£0	£451	£920
Jody Ford[2]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaun McCabe	£273	£29	£2	£303	£247	£0	£247	£550

1 No PSP vesting occurred in the period.
2 Jody Ford joined the Company as COO on 21 September 2020 and became CEO on 1 March 2021.

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

The following table sets out the single figure of total remuneration for Non-executive Directors in FY 2021. In recognition of the uncertainty generated by COVID-19, from 20 April 2020 to 1 August 2020, the Chair and the Non-executive Directors volunteered a 20% reduction to their base fees.

	Fees (000)	Taxable benefits (000)	Total fees (000)
Andy Phillipps[1]	£10	£0	£10
Brian McBride	£250	£0	£250
Duncan Tatton-Brown	£72	£0	£72
Jennifer Duvalier[2]	£29	£0	£29
Kjersti Wiklund	£72	£0	£72

1 Joined the Board on 1 January 2021.
2 Joined the Board on 1 October 2020.

The single figure of total remuneration for Non-executive Directors for FY 2020, the period from Admission (26 June 2019) to 29 February 2020, (audited) was:

	Fees (000)	Taxable benefits (000)	RSU (000)	Total fees (000)
Andy Phillipps[1]	n/a	n/a	n/a	n/a
Brian McBride	£111	£0	£300	£411
Douglas McCallum[2]	£86	£0	£0	£0
Duncan Tatton-Brown	£51	£0	£0	£51
Jennifer Duvalier[3]	n/a	n/a	n/a	n/a
Kjersti Wiklund	£51	£0	£0	£51
Philipp Freise[4]	£0	£0	£0	£0
Franziska Kayser[5]	£0	£0	£0	£0

1 Joined the Board on 1 January 2021.
2 Resigned from the Board on 5 November 2019.
3 Joined the Board on 1 October 2020.
4 Resigned from the Board on 12 November 2019.
5 Resigned from the Board on 20 September 2019.

Notes to the tables (Audited)

Base salary

During FY 2021 the annual salaries of the Executive Directors were £575,000 (FY 2020: £575,000) for Clare Gilmartin as CEO and £400,000 (FY 2020: 400,000) for Shaun McCabe as CFO. Jody Ford was appointed to the Board as COO on 21 September 2020 on a salary of £500,000.

Pension

During FY 2021, Clare Gilmartin, Shaun McCabe and Jody Ford received pension benefits by way of cash allowances equal to 15% (FY 2020: 15%), 10.5% (FY 2020: 10.5%) and 5.5% of salary respectively.

Annual report on remuneration continued

Annual bonus

The maximum bonus opportunities for FY 2021 were 200% of salary for Clare Gilmartin as CEO (FY 2020: 200%) and 150% of salary for each of Jody Ford and Shaun McCabe (FY 2020: 150%). The annual bonus is based on the achievement of Group financial targets weighted 75% and a set of specific and quantifiable strategic objectives weighted 25%. Performance targets and actual outturn are set out below.

Financial element

		Performance targets				
Measure	Weighting (% of total bonus)	Threshold[1]	Target[2]	Stretch	Actual FY 2021 achievement	Resulting bonus outcome (% of total bonus)
Group Net Sales	25%	£1,044.5m	£1,232.7m	£1,420.9m	£783.1m	0%
Group Revenue	25%	n/a	£81.3m	£94.5m	£67.1m	0%
Group Adjusted EBITDA[3]	25%	£1.5m	£5.5m	£9.5m	£(24.9)m	0%
Total	75%					0% out of **75%**

1 Achievement results in 0% of maximum payout.
2 Achievement results in 50% of maximum payout.
3 See page 140 for the definition of Group Adjusted EBITDA.

Due to the uncertainty generated by COVID-19, targets for financial performance measures and some strategic objective measures were based upon performance in H2 FY 2021 only, with the total bonus opportunity prorated by 50% to represent the six-month time frame. Given the continued impact of COVID-19 and the reintroduction of increased travel restrictions in key markets, the H2 FY 2021 target for Group adjusted EBITDA was not achieved and as a result no FY 2021 annual bonus will be paid to the Executive Directors in respect of financial performance measures.

Strategic element

	Weighting (% of total bonus)	Resulting bonus outcome (% of total bonus)
Clare Gilmartin		0% out of **25%**
Jody Ford	25%	0% out of **25%**
Shaun McCabe		0% out of **25%**

The Committee considered the successful achievement of key strategic targets by the Executive Directors when reviewing the FY 2021 annual bonus outcome, however in the context of the Company's underlying business and financial performance for FY 2021 no payment will be made.

The resulting bonus outcomes for FY 2021 for the Executive Directors are set out below.

Executive Director	Annual bonus outcome (% of maximum)	Annual bonus outcome (% of salary)	Annual bonus outcome (000)
Clare Gilmartin	0%	0%	£0
Shaun McCabe	0%	0%	£0
Jody Ford	0%	0%	£0

PSP awards granted in FY 2021

The Executive Directors received awards under the PSP as set out in the table below:

Executive Director	Date of grant	Number of shares granted	Share price of grant	Face value	Award as % of salary	Vesting date
Clare Gilmartin	22 May 2020	304,148	£3.781	£1.15m	200%[1 2]	22 May 2023[3]
Jody Ford	16 Nov 2020	495,610	£3.531	£1.75m	350%[4]	22 May 2023
Shaun McCabe	22 May 2020	211,581	£3.781	£0.8m	200%[1 2]	22 May 2023

1 Up to an additional 25% of the PSP award (50% of salary) is structured as a kicker based on exceptional EPS and relative TSR performance.
2 FY 2020: 200% of salary.
3 The grant lapsed on 1 March 2021 following Clare Gilmartin's resignation as CEO.
4 In accordance with the Remuneration Policy and to help ensure Jody's exposure to the share price, and alignment with shareholders, is maximised a one-off new joiner award of 400% of salary was granted to Jody Ford on 16 November 2020. Up to an additional 50% of salary of the PSP awards is structured as a kicker based on exceptional EPS and relative TSR performance.

The vest period for these awards is three years from grant followed by a two-year post-vest holding period. Dividend equivalents will not accrue in respect of the awards over the period from the date of grant to the vesting date.

Vesting of up to 50% of the award is based on EPS, as set out below:

	Performance targets		
Executive Director	Threshold (20% vesting)	Median (50% vesting)	Stretch (100% vesting)
EPS[1] for FY 2023	8.74p	11.23p	13.73p

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

Vesting of up to 50% of the award is based on relative TSR, as set out below:

	Performance targets	
Measure	Threshold (20% vesting)	Stretch (100% vesting)
Relative TSR vs. FTSE 250 excluding investment trusts	Median	Upper quartile

Up to an additional 50% of salary of the PSP awards can be earned as a PSP kicker based on exceptional EPS and relative TSR performance. It will vest only if the stretch EPS target (13.73p) has been achieved, and then only if relative TSR is above upper quartile as follows:

	Performance targets	
Measure	Threshold (0% vesting)	Stretch (100% vesting)
Relative TSR vs. FTSE 250 excluding investment trusts	Upper quartile	Upper decile

The performance period for these awards is TSR for the period 1 March 2020 to 28 February 2023, and for EPS the three financial years ending 28 February 2023.

The Committee considered the volatility in the Company's share price when determining PSP grants and used the longest average period permitted under the plan rules when determining the grant share price (30 calendar days average daily MMQ) to help reduce the sensitivity to short-term share price movements. The Committee will ensure that any vesting of the FY 2021 PSP cycle is consistent with the stakeholder experience over this uncertain period, taking into account perspectives of shareholders, employees and customers, as well as other factors such as the mitigation of any windfall gains.

Deferred share bonus plan ('DSBP') awards granted in FY 2021

No DSBP awards were granted in FY 2021 (FY 2020: none).

Leaving arrangements for Clare Gilmartin

As Clare is a voluntary leaver, she will not receive any severance payment or pay in lieu of notice. As Clare continued in the role of CEO through to the end of the financial year Clare was eligible for any annual bonus that was payable in respect of FY 2021 but none was paid. In line with the remuneration policy and the rules of the respective plans, Clare's outstanding PSP and DSBP grants lapsed on 28 February 2021. Clare is required to retain a shareholding equivalent to 200% of salary for a period of two years from 28 February 2021, compliance with which will be monitored by the Company.

Arrangements for Jody Ford

Jody joined Trainline on 21 September 2020 as COO and succeeded Clare Gilmartin as CEO on 1 March 2021. All pay and benefits have been set in line with the current remuneration policy. Jody's CEO salary has been set at a level that the Committee regards as appropriate for the size and scope of the role. In line with the remuneration policy, Jody also receives benefits including private medical cover. Jody is required to build up a shareholding of 200% of base salary and is subject to the Remuneration Policy's post-employment shareholding requirement. There were no buyout arrangements for Jody.

Annual report on remuneration continued

Legacy items

Clare Gilmartin and Shaun McCabe were subject to a 365-day lock-up period which expired on 26 June 2020 for the balance of their shares following admission of 8,513,397 shares and 2,612,879 shares respectively. Further details can be found in the FY 2020 Annual Report Directors' Remuneration Report.

Payments for loss of office

No payments for loss of office were made during the year under review (FY 2020: none).

Payments to past Directors

No payments were made to past Directors during the year under review (FY 2020: none).

Pay ratio information in relation to the remuneration of the CEO

The table below provides disclosure of the ratio between the CEO's salary and total remuneration and that of the lower quartile, median and upper quartile UK-based employee.

Financial year	Calculation methodology		P25 (lower quartile)	P50 (median)	P75 (upper quartile)	CEO
FY 2021	A	Total remuneration ratio	14.4:1	8.4:1	6.3:1	
		Total remuneration (£000)	£41	£70	£93	£588
		Salary ratio	13.3:1	7.4:1	5.7:1	
		Salary (£000)	£36	£65	£85	£480
FY 2020[1]	A	Total remuneration ratio	32.1:1	19.6:1	14.3:1	
		Total remuneration (£000)	£29	£47	£64	£920
		Salary ratio	16.4:1	9.3:1	7.1:1	
		Salary (£000)	£24	£42	£56	£392

1 The figures for FY 2020 are for the 10 months from Admission to the end of the financial year.

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

The Committee has considered the pay data for the three employees identified and believes that it fairly reflects pay at the relevant quartiles amongst our UK workforce. The three individuals identified were full-time employees during the year.

None received an exceptional incentive award which would otherwise inflate their pay figures. Assumptions were made regarding taxable benefits for employees given some data was unavailable, however the methodology used was consistent with the methodology used to calculate the single figure of the CEO.

The CEO pay ratio is based on comparing the former CEO's pay to that of Trainline's UK-based workforce, the largest proportion of whom work in our technology teams developing and maintaining our platform. The ratio reduced from 19.6 in FY 2020 to 8.4 in FY 2021 primarily as a result of no annual bonus payout being made for FY 2021 (compared to a 58% achievement in FY 2020) which has a more significant impact on the CEO's pay outcomes given the greater weighting on variable pay for our more senior executives. The Committee expects that the ratios will continue to be largely driven by the CEO's incentive pay outcomes, which will likely lead to greater variability in pay than that observed at lower levels who, consistent with market practices, have a greater proportion of their pay linked to fixed components. The Committee takes into account these ratios when making decisions around the Executive Director pay packages, and Trainline takes seriously the need to ensure competitive pay packages across the organisation.

Relative importance of spend on pay

The table below shows the change in total employee pay, as detailed in Note 5 of the financial statements. No dividends or share buybacks have occurred since Listing.

	% change	FY 2021 £m	FY 2020 £m
Total gross employee pay	(9)%	£60	£66
Revenue	(74)%	£67	£261
Group Adjusted EBITDA[1]	(71)%	£25	£85

1 See page 140 for the definition of Group Adjusted EBITDA.

Percentage change in Directors' and employee remuneration

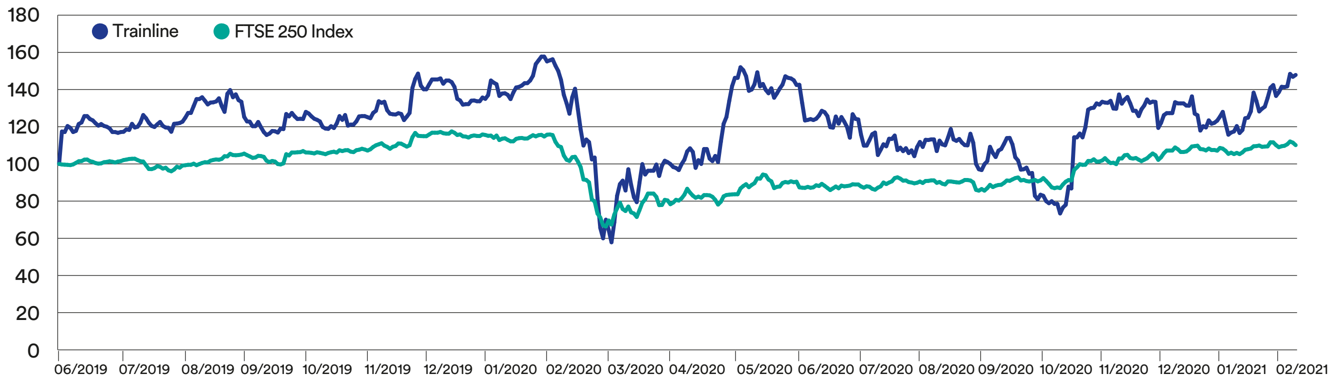
The table below shows the percentage change in individual Directors' salary, benefits and annual bonus between FY 2020 and FY 2021 compared to the average percentage change for all employees of the Group for the same elements of remuneration. To provide a more accurate percentage change the remuneration data for FY 2020, which represents a 10-month reporting period, has been prorated to a 12-month period.

	Change in FY 2021 against FY 2020 (%)		
	Salary/fees	Benefits	Annual Bonus
Executive Directors			
Clare Gilmartin	(17)%[1]	(5)%	(100)%
Jody Ford[2]	n/a	n/a	n/a
Shaun McCabe	(6)%[1]	(3)%	(100)%
Non-executive Directors			
Andy Phillipps[3]	n/a	n/a	n/a
Brian McBride	53%[1 4]	(100)%	n/a
Duncan Tatton-Brown	(4)%[1]	n/a	n/a
Jennifer Duvalier[5]	n/a	n/a	n/a
Kjersti Wiklund	(5)%[1]	n/a	n/a
Employees	6%	2%	(100)%

1 In recognition of the uncertainty generated by COVID-19 the Director voluntarily reduced their salary/fee from April 2020 to August 2020.
2 Joined the Board on 21 September 2020.
3 Joined the Board on 1 January 2021.
4 Brian's fee as Chair of the Board has not changed. The percentage change represents his revised fee following his change in role from Deputy Chair and Senior Independent Non-executive Director to Chair of the Board on 4 November 2020.
5 Joined the Board on 1 October 2020.

Historical TSR performance and remuneration outcomes for the CEO

The graph below compares the Company's TSR against the FTSE 250 Index excluding investment trusts, of which the Company is now a constituent. Performance, as required by legislation, is measured by TSR over the period from commencement of conditional dealing (21 June 2019) to 28 February 2021.



The table below illustrates Clare Gilmartin's single figure of total remuneration over the same period.

	FY 2021	FY 2020[1]
Single figure (£000)	588	920
Annual bonus outcome (% of max)	0%	57.6%
PSP vesting (% of max)	n/a	n/a

1 The figures for FY 2020 are for the 10 months from Admission to the end of the financial year.

Annual report on remuneration continued

Implementation of the Remuneration Policy in FY 2022

Executive Director remuneration in FY 2022

A summary of how the current Remuneration Policy will be applied to Executive Director remuneration for FY 2022 is set out below.

Base salary

Jody Ford's salary, on his appointment to CEO on 1 March 2021 was increased to £575,000 in line with the salary previously paid for this role. No change has been made to Shaun McCabe's salary for FY 2022.

Executive Director	FY 2021	FY 2022
Jody Ford	£500,000[1]	£575,000
Shaun McCabe	£400,000	£400,000

1 On joining the Company as COO, Jody Ford's annual salary was £500,000.

Pension and benefits

For FY 2022, the CEO and the CFO will receive pension benefits by way of cash allowances of 5.5% and 10.5% of salary respectively, in line with the Remuneration Policy.

Annual bonus

The FY 2022 annual bonus will be consistent with that detailed in the Remuneration Policy, with maximum opportunities of 200% and 150% of normal salary for the CEO and the CFO, respectively, and with measures based on a range of financial and strategic metrics, and personal objectives. The Committee will ensure any payout of the FY 2022 annual bonus is consistent with the stakeholder experience over this uncertain period, taking into account perspectives of shareholders, employees, and customers.

Long-term incentive

The intention is for the CEO and the CFO to receive awards under the PSP of 250% of salary with vesting based on EPS, Relative TSR and Revenue measured over three years, with 50% (out of 250%) of salary subject to the delivery of exceptional performance levels. Revenue is included in these awards to reinforce the Company's ambitious growth strategy. The relative TSR targets will be based on the same performance range as for the FY 2020 awards. The targets will be disclosed in the announcement of the PSP grant. The number of shares under grant will be determined at the time of the grant, taking into consideration historical prices and more recent share price performance relative to sector peers and the broader market. As with the FY 2021 annual bonus, the Committee will ensure that any vesting of the FY 2021 PSP cycle is consistent with the stakeholder experience over this uncertain period, taking into account perspectives of shareholders, employees and customers, as well as other factors such as the mitigation of any windfall gains.

Non-executive Director fees in FY 2022

Non-executive Director fees are determined by the Board within the limit approved by shareholders in the Articles of Association, with the exception of the Chair of the Board, whose remuneration is determined by the Committee.

	Fee at 1 March 2020	Fee from 1 Mar 2021
Basic fee		
Company Chair	£265,000	£265,000
Non-executive Director	£60,000	£60,000
Additional fees		
Senior Independent Director	£10,000	£10,000
Audit and Risk Committee Chair	£15,000	£15,000
Remuneration Committee Chair	£15,000	£15,000

External appointments

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

Outstanding share awards (Audited)

Details of outstanding share awards in the Company's share schemes granted to the Directors as at 28 February 2021, are set out in the table below.

Director	Award type	Date of grant	Number of shares granted	Share price of grant	Face value	Award as % of salary	Vesting date
Jody Ford	PSP	16 Nov 2020	495,610	£3.531	£1.75m	350%[1]	22 May 2023
Shaun McCabe	PSP	31 Jul 2019	186,915	£4.28	£0.8m	200%[2]	28 Feb 2022
	PSP	22 May 2020	211,581	£3.781	£0.8m	200%[2]	22 May 2023
Clare Gilmartin	PSP	31 Jul 2019	268,691	£4.28	£1.15m	200%[2]	28 Feb 2022[3]
	PSP	22 May 2020	304,148	£3.781	£1.15m	200%[2]	22 May 2023[3]
Brian McBride	RSU	26 Jun 2019	28,571	£3.50	£0.1m	38%	26 Jun 2021[4]
	RSU	26 Jun 2019	28,572	£3.50	£0.1m	38%	26 Jun 2022[4]

1 In line with the Policy and the rules of the PSP, Jody Ford's initial PSP grant on joining the Company was for 400% of salary, of which 350% of salary is for core performance with up to an additional 50% of salary structured as a kicker based on exceptional EPS and relative TSR performance.
2 Up to an additional 25% of the PSP award (50% of salary) is structured as a kicker based on exceptional EPS and relative TSR performance.
3 Lapsed on 1 March 2021 following Clare Gilmartin's resignation as CEO.
4 Vesting subject to his continued appointment to the Board in equal tranches over the three years following Admission and required to hold the vested shares so long as he remains a Director of the Company.

Statement of Directors' shareholding and share interests (Audited)

The table below shows the beneficial interests of Directors on 28 February 2021 (including the beneficial interest of their spouses, civil partners, children, and stepchildren) in the Ordinary Shares of the Company, as well as unvested awards.

		Interests					
	Ordinary Shares held at 1 March 2020	Ordinary Shares held at 28 Feb 2021	Subject to deferral/ holding period	Unvested and subject to performance conditions	Shareholding requirement as % of salary	Current Shareholding as % of salary[1]	Shareholding requirement met?
Executive Directors							
Jody Ford[2]	0	69,287	0	495,610	200%	62%	No
Shaun McCabe	2,612,879	2,012,879	0	398,496	200%	2,604%	Yes
Former Executive Director							
Clare Gilmartin	8,513,397	7,629,239	0	572,839[3]	200%	6,866%	Yes
Non-executive Directors							
Andy Phillipps[4]	74,237	74,237					
Brian McBride	28,571	57,142	57,143				
Duncan Tatton-Brown	28,571	28,571					
Jennifer Duvalier[5]	0	0					
Kjersti Wiklund	2,142	2,142					

1 Calculated using the closing price on 26 February 2021, the last market day of FY 2021, of £5.71 per share.
2 Joined the Board on 21 September 2020.
3 Lapsed on 1 March 2021 following Clare Gilmartin's resignation as CEO.
4 Joined the Board on 1 January 2021.
5 Joined the Board on 1 October 2020.

Executive Director shareholding guidelines

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

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

Annual report on remuneration continued

Executive Directors' service contracts and termination remuneration policy

The Executive Directors have service contracts with an indefinite term, which are terminable by either the Company or the Executive Director on 12 months' notice. The service contracts make provision, at the Board's discretion, for early termination involving payment of salary and other emoluments in lieu of notice.

Effective dates of Executive Director service contracts are set out in the table below.

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

Non-executive Director letters of appointment

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

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

Consideration of wider employee views and shareholders

In reviewing remuneration outcomes for FY 2021, the Committee has taken into account the internal context, including the remuneration arrangements that apply for other employee groups, recent developments in the UK governance landscape for executive remuneration, and the views of our shareholders.

Remuneration arrangements throughout the Group

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

Mid-level staff are eligible to participate in annual bonus schemes; opportunities and performance measures vary by organisational level, and an individual's role. Senior executives are eligible for PSP awards on similar terms to Executive Directors, although award opportunities are lower and vary by organisational level; other staff are eligible to participate in a restricted stock plan. All UK employees are eligible to participate in the Share Incentive Plan on identical terms and we also offer similar all-employee share plans to overseas colleagues.

Approved by the Board on 6 May 2021

Kjersti Wiklund
Chair of the Remuneration Committee
6 May 2021

Directors' report

The Directors present their report, together with the audited Financial Statements for the year ended 28 February 2021.

Compliance with the UK Corporate Governance Code 2018

This Annual Report has been prepared with reference to the UK Corporate Governance Code 2018 published by the UK Financial Reporting Council ('FRC') in July 2018 (the 'Governance Code'). During the year the following steps were taken to resolve the outstanding areas of non-compliance with the Governance Code:

- the appointment of Jennifer Duvalier as the Senior Independent Non-executive Director on 1 October 2020 (Provision 12)
- the initiation of the Board's workforce engagement mechanism following Jennifer Duvalier's appointment (Provision 5)
- the period from 21 September 2020 to 1 October 2020 during which the Independent Non-executive Directors, excluding the Chair, represented just under half of the Board (Provision 11)

From 1 October 2020 onwards the Company applied the Main Principles and complied with the relevant provisions set out in the Governance Code. Details demonstrating how the main principles and relevant provisions of the Governance Code have been applied can be found below in the Directors' Report and throughout the Corporate Governance Report, each of the Board Committee reports and the Strategic Report. The Corporate Governance Report, each of the Board Committee reports and the Strategic Report for their Corporate Governance disclosures all form part of the Directors' Report. The Financial Reporting Council ('FRC') is responsible for the publication and periodic review of the Governance Code, which can be found on the FRC website www.frc.org.uk.

Diversity and inclusion

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

Disclosure of information to auditors

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

Insurance and indemnities

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

Subsidiaries, branches and principal activities

The Company is the holding company for a group of subsidiaries ('the Group') whose principal activities are described in this Annual Report. The Group's subsidiaries and their locations are set out in Note 24 in the Financial Statements. In accordance with the Companies Act 2006, the Board confirms that there were no branches of the Company or its subsidiaries during the financial year.

Directors' report continued

Share capital

Details of the Company's share capital including changes during the period are given in note 18 to the Financial Statements. There are no restrictions on voting rights or the transfer of shares in the Company and the Company is not aware of agreements between holders of securities that result in such restrictions. No shareholder holds securities carrying special rights with regards to control of the Company. The Company had been notified under Rule 5 of the FCA's Disclosure Guidance and Transparency Rules of the following interests in voting rights in its shares. The latest information on major shareholders is available via the Regulatory Information Service or on the Company's Investor Relations website.

	% of total voting rights as at 28 Feb 2021	% of total voting rights as at the date of this report
T. Rowe Price Associates, Inc.	15.04%	15.00%
Baillie Gifford	11.02%	11.02%
The Capital Group Companies, Inc.	9.54%	9.54%
Jupiter Fund Management Plc	5.79%	5.79%
BlackRock, Inc.	5.74%	5.74%
Invesco Ltd.	5.15%	5.15%

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

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

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

Articles of Association and powers of the Directors

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

Events after the balance sheet date

There have been no balance sheet events since the end of FY 2021.

Disclosure against TCFD and SASB frameworks

As part of Trainline's journey to become a more sustainable business, Trainline is committed to reporting against the Taskforce for Climate-Related Financial Disclosures ('TCFD') framework and is making progress against its recommended disclosures:

- We are currently working with climate consultants to agree our net zero ambitions, science-based targets and long-term strategy for action, and will publish these later in the year. Our sustainability strategy will be informed by a materiality exercise to help determine the most material climate-related risks facing the business.
- We have provided the Group's GHG emissions below (Scope 1, 2 and some Scope 3 emissions), which we have offset. More information on our offsetting is available on page 13.

We are also committed to report against the Sustainability Accounting Standards Board's ('SASB') reporting standards for the 'Internet and Media Services' industry, where they apply to Trainline. Disclosure can be found in relevant sections within this report, including our people and culture on page 40, our technology on page 17 and principal risks and uncertainties on pages 32 to 38. We intend to expand disclosure against both TCFD and SASB frameworks over time.

Global GHG emissions and energy use data

	Current reporting year 2020-21		Previous reporting year 2019-20	
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Emissions from activities which the Company own or control including combustion of fuel & operation of facilities (Scope 1)/tCO_2e	69.85	41.81	84.36	42.01
Emissions from purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, location-based)/tCO_2e	148.34	2.89	238.65	6.21
Total gross Scope 1 & Scope 2 emissions/tCO_2e	218.20	44.71	323.01	48.22
Total energy consumption used to calculate above emissions: /kWh	1,016,200	280,879	1,392,555	346,620
Intensity ratio: tCO_2e gross figure based from mandatory fields above/m² of office space	0.05	0.02	0.09	0.02
Intensity ratio: tCO_2e gross figure based from mandatory fields above/FTE	0.33	0.89	0.57	0.79
Emissions from purchased goods and services (Scope 3)/tCO_2e	2.78	0.46	5.72	0.54
Emissions from employee business travel (Scope 3)/tCO_2e	0.62	–	81.17	156.29
Emissions from disposal of waste generated in operations (Scope 3)/tCO_2e	0.31	0.02	1.22	0.13
Emissions from energy use in data centres (Scope 3)/tCO_2e	18.69	5.54	20.02	7.21
Estimate of emissions associated with our workforce working from home due to the COVID-19 pandemic (Scope 3, Cat.7) / tCO_2e	369.23	44.25	–	–

Methodology: As a large, quoted company, Trainline is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The data detailed in this table represent emissions and energy use for which Trainline is responsible, including energy use in our offices. We have also included emissions associated with our use of our offices, such as from water use and waste sent for recycling. We have reported emissions from energy use from data centres for a minority of our outsourced data processing activities and are working to obtain activity data or a reasonable estimation methodology for the remainder of this emissions source. In addition, we have estimated the extraordinary impacts of our workforce working from home due to the COVID-19 pandemic, and reported these emissions under Scope 3, Category 7 (Commuting) in accordance with the GHG Protocol Scope 3 reporting guidance. We do not have any company vehicles for which we purchase fuel directly.

We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2020 and the IEA Emissions Factors 2020. Any estimates included in our totals are derived from actual data extrapolated to cover missing periods. As this is Trainline's second year of reporting, we have reported on a like-for-like basis with last year's data which is provided for comparison purposes.

Energy efficiency actions: Due to the impact of COVID-19, no energy efficiency actions were implemented in the reporting year.

Directors' report continued

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

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

Political and charitable donations
The Group did not make any political donations (FY 2020: £nil) or incur any political expenditure during the year (FY 2020: £nil). During the year the Company made charitable donations totalling £75,285, of which £70,000 was donated to the National Emergencies Trust for COVID-19, in addition to charitable donations via matched funding under the reporting threshold to support the charitable fundraising efforts of our people.

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

Other information relevant to the Directors' Report	Page	Information required by Listing Rules 9.8.4R	Page
Likely future developments	2 to 39	s.172 and relationships with stakeholders	46 to 49
Research and development	18 to 19	Long-term incentive schemes	68 to 78
Group's employees	40 to 45	Directors' interests in shares	77
Directors of the Company	56 to 57	Statement of capitalised interest	106
Financial instruments and financial risk management	129 to 131		

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

Neil Murrin
Company Secretary
6 May 2021

Statement of Directors' responsibilities

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

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

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

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

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

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

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

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

We confirm that to the best of our knowledge:

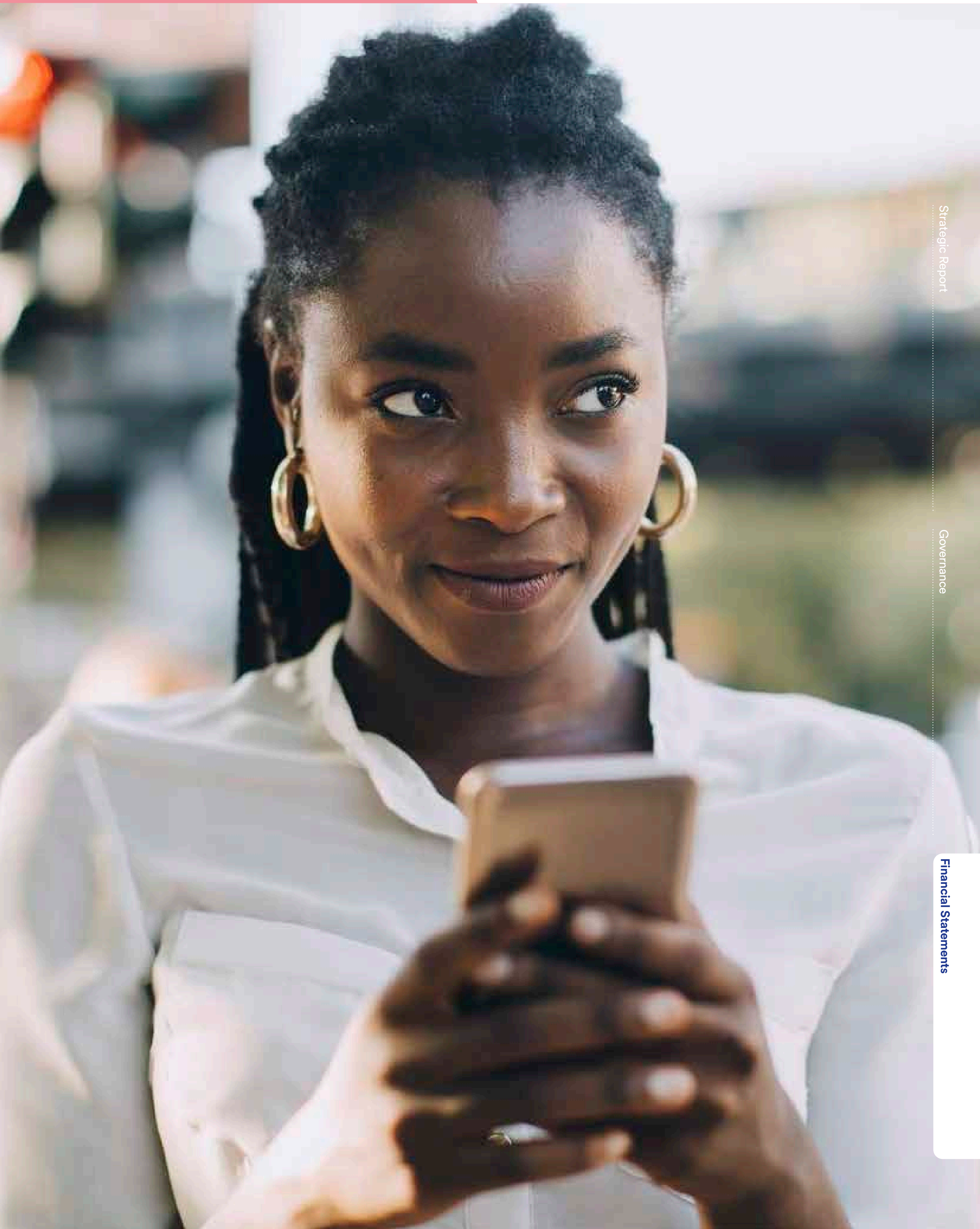
- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report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

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

Shaun McCabe
Chief Financial Officer
6 May 2021

Financial Statements

In this section



Independent auditor's report
to the members of Trainline plc

1. Our opinion is unmodified

We have audited the Financial Statements of Trainline plc ('the Company') for the year ended 28 February 2021 which comprise the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, Parent Company statement of financial position and Parent Company statement of changes in equity, and the related notes, including the accounting policies.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 28 February 2021 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company Financial Statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation to the extent applicable.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed as auditor by the Directors on 31 May 2019 which was prior to the Parent Company becoming a public listed entity. The period of total uninterrupted engagement is for the two financial years ended 28 February 2021. Prior to that we were also auditor to the Group's previous UK Parent Company, but which, being unlisted, was not a public interest entity. The period of total uninterrupted engagement for that previous UK Parent Company is for the 20 financial years ended 28 February 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole	£1.5 million (FY 2020: £2.0 million) 0.8% of four-year average revenue (FY 2020: 0.8% of revenue)
Coverage	100% (FY 2020: 91.5%) of Group revenue
Key audit matters	**vs 2020**
Recurring risks: Group	Going Concern
	Commission Revenue
	Recoverable amount of goodwill – International business
Recurring risks: Parent Company	Recoverability of Parent Company's investment in subsidiaries

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the Financial Statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the Financial Statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Going Concern Audit and Risk Committee Report pages 62-65 Accounting policy and financial disclosure page 100	**Disclosure quality** The Financial Statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and the Parent Company. That judgement is based on an evaluation of the inherent risks to the Group's and the Parent Company's business model and how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over a period of at least the next 12 months from the date of approval of the Financial Statements including consideration of the covenant test at 31 August 2022. The risks most likely to adversely affect the Group's and the Parent Company's available financial resources and metrics relevant to debt covenants over this period were: • COVID-19: The pandemic affecting the global economy leading to significant economic uncertainty and a significant reduction in the use of rail transport. In addition, there is inherent estimation uncertainty in the assumptions used in the Group and Company's business model, particularly in respect of COVID-19 including the length of the period that the reduction in the use of rail transport will continue; and • the Group's ability to negotiate a further adjusted EBITDA covenant waiver in August 2022, in a severe but plausible downside to avoid alternative mitigating actions. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to be disclosed.	We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively. Our procedures included: • **Funding assessment:** We examined correspondence and supporting documentation with third-party funding providers, to ascertain the committed level of financing available to the Group and Parent Company, the duration of the facilities and related covenant requirements. • **Period of assessment:** We assessed the terms of the loan agreements and assessed the appropriateness of the management's going concern assessment period. As a result, we requested Directors to extend that period to August 2022. • **Historical comparison:** We evaluated the Directors' forecasting accuracy by comparing the accuracy of previous forecasts to the actual cashflows. • **Sensitivity analysis:** We considered sensitivities over the level of available financial resources indicated by the Group's and Parent Company's financial forecasts taking account of severe but plausible (but not unrealistic) adverse effects that could arise from these risks individually and collectively. We have also considered the compliance with covenant requirements over the forecast period. • **Benchmarking assumptions:** We challenged the appropriateness of key assumptions in the cash flow projections, applying our sector knowledge and experience based on our historical knowledge of the Group and the markets in which the subsidiaries operate, together with market and other externally available information. • **Mathematical accuracy:** We checked the mathematical accuracy of the cash flow projections and recalculated the forecast covenant calculations based on the terms of the Group's borrowing facilities. • **Evaluating Directors' intent:** We have evaluated the assumptions in respect of the costs that could be avoided, if needed, in the severe but plausible scenarios in order for the August 2022 adjusted EBITDA covenant test to be met. • **Assessing transparency:** Considering whether the going concern disclosure in note 1(e) to the Financial Statements gives a full and accurate description of the Directors' assessment of going concern including the identified risks and related sensitivities. **Our results** We found the going concern disclosure in note 1(e) without any material uncertainty to be acceptable (FY 2020 result: acceptable).

Strategic Report
Governance
Financial Statements

Independent auditor's report continued
to the members of Trainline plc

2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Recoverable amount of goodwill (International business) £68.1 million (FY 2020: £92.1 million) Audit and Risk Committee Report pages 62-65 Accounting policy and financial disclosure page 110	**Forecast-based assessment** International business goodwill is significant and at risk of irrecoverability due to continuing weak demand in the rail industry. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of International business goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole, and possibly many times that amount. Note 10 to the Financial Statements discloses the sensitivity estimated by the Group.	Our procedures included: • **Benchmarking assumptions:** We challenged and compared the Group's assumptions to externally derived data in relation to key inputs such as projected economic growth, discount rates, the impact of COVID-19 on these assumptions and ensured the consistency of assumptions with those used for the purposes of the going concern and viability assessments. • **Our valuation expertise:** We reperformed our own calculations to develop an acceptable range, using external and our own source data, to challenge the discount rates used in the impairment model. • **Sensitivity analysis:** We evaluated the sensitivity of the outcomes to reasonably possible changes to the key assumptions. • **Historical comparison:** We evaluated the Directors' forecasting accuracy by comparing the accuracy of previous estimates of revenue and profits to the actual results of the international operations. • **Mathematical accuracy:** We checked the mathematical accuracy of the cash flow projections in management's impairment model. • **Assessing transparency:** We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill. We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** We found the carrying amount of goodwill, and the related impairment charge, to be acceptable (FY 2020: acceptable).

	The risk	Our response
Commission revenue Audit and Risk Committee Report pages 62-65 Accounting policy and financial disclosure page 104	**Revenue recognition** Given the significance of the commission revenue amount to the Financial Statements as a whole, we consider the volume of transactions creates a specific risk of error in relation to recognition of commission revenue.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls, except for manual cash reconciliations, because our knowledge of related IT controls indicated that we would not be able to obtain the required evidence to support reliance on controls. Our procedures included: **Control effectiveness:** We have evaluated the design and implementation as well as operating effectiveness of the Group's cash reconciliation control (reconciling third-party revenue to cash received). **Service organisation reporting:** We obtained and examined an Agreed Upon Procedures report from Rail Delivery Group's ('RDG') (a service organisation of the Group) auditor in relation to the operating effectiveness of the control environment at RDG for the period January 2020 to December 2020, together with a bridging letter for the remaining period to 28 February 2021. We have assessed the professional competence of the auditor issuing the report. **Test of details:** • We have inspected the 12 monthly RDG reports and compared these reports to the Group's underlying accounting records; • We have tested unusual manual journal entry transactions posted in revenue commission-related accounts. **Our results** The results of our testing were satisfactory and we consider the amount of commission revenue recognised to be acceptable (FY 2020: acceptable).
Parent Company risk: recoverability of Parent Company's investment in subsidiary £1.9 billion (2020: £1.8 billion) Audit and Risk Committee Report pages 62-65 Accounting policy and financial disclosure page 138	**Low risk, high value** The Parent Company has significant investment in a subsidiary company totalling £1,888 million as at 28 February 2021. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the Parent Company Financial Statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.	Our procedures included: **Test of details:** • We compared the carrying amount of the investment to the underlying aggregate recoverable amount of the Group's CGUs. Our procedures covered the International and UK CGUs and are consistent with those described in the Recoverability of International goodwill (International business) key audit matter above. • We compared the carrying amount of the investment to the market capitalisation for the Group. We performed the tests above rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** We found the carrying amount of investment in subsidiary to be acceptable (FY 2020: acceptable).

We continue to perform procedures over financial statements and annual report disclosures. However, as this is the second year of the Group's preparation of the Annual Report and Accounts, post listing on the UK Stock Exchange, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Independent auditor's report continued
to the members of Trainline plc

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group Financial Statements as a whole was set at £1.5 million (FY 2020: £2.0 million), determined with reference to a benchmark of Group revenue, normalised in 2021 by averaging over the last four years due to fluctuations in the business performance due to COVID-19, of £179 million, of which it represents 0.8% (FY 2020: 0.8%).

Materiality for the Parent Company Financial Statements as a whole was set at £1.2 million (FY 2020: £1.2 million), determined with reference to component materiality set by the Group audit team. This is lower than the materiality we would otherwise have determined by reference to total assets of £1,929 million (FY 2020: £1,808 million) and represents 0.06% (FY 2020: 0.07%) of the Parent Company's total assets.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the Financial Statements as a whole.

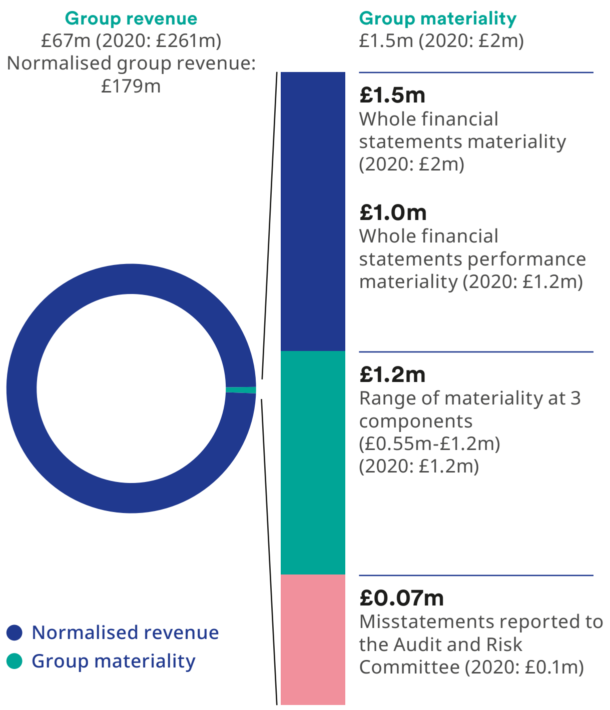
Performance materiality was set at 75% (FY 2020: 75%) of materiality for the Financial Statements as a whole, which equates to £1.0 million (FY 2020: £1.5 million) for the Group and £0.8 million (FY 2020: £0.9 million) for the Parent Company.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.07 million (FY 2020: £0.1 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

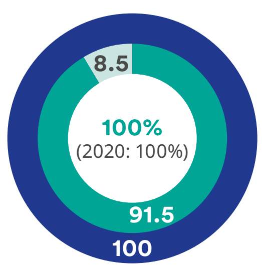
Of the Group's three (FY 2020: three) reporting components, we subjected three (FY 2020: two) to full scope audits for Group purposes. The components within the scope of our work accounted for the percentages illustrated below.

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £0.5 million to £1.2 million (FY 2020: £1.2 million), having regard to the mix of size and risk profile of the Group across the components. The work on one of the three components (FY 2020: zero of the three components) was performed by component auditors and the rest, including the audit of the Parent Company, was performed by the Group team.

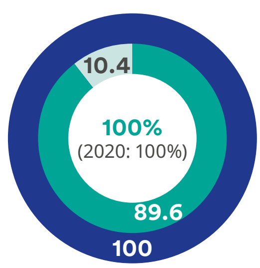
Due to COVID-19 restrictions, the Group team did not physically visit the component. Video and telephone conference meetings were held with the component auditor. At these meetings, the findings reported to the Group team were discussed in more detail. The Group audit team performed audit file reviews of the component auditor and any further work required by the Group team was then performed by the component auditor.



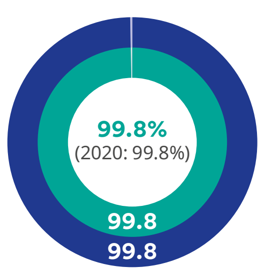
Group revenue



Group loss before tax



Group total assets



- Full scope for Group audit purposes 2021
- Full scope for Group audit purposes 2020
- Specified risk-focused audit procedures 2020
- Residual components

4. Going concern

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements including consideration of the covenant test at August 2022 ('the going concern period').

An explanation of how we evaluated management's assessment of going concern is set out in the related key audit matter in Section 2 of this report.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 1(e) to the Financial Statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period; and
- the related statement under the Listing Rules set out on page 79 is materially consistent with the Financial Statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit and Risk Committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit and Risk Committee and Remuneration Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management including the EPS target for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group to the component audit team of relevant fraud risks identified at the Group level, and a request to the component audit team to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group level.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited perceived pressure and opportunity for management to make inappropriate revenue accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.
- Assessing significant accounting estimates for bias.
- Evaluating the business purpose of significant unusual transactions.

Independent auditor's report continued
to the members of Trainline plc

5. Fraud and breaches of laws and regulations – ability to detect continued

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group to component audit team of relevant laws and regulations identified at the Group level, and a request for the component auditor to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group level.

The potential effect of these laws and regulations on the Financial Statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Financial Statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: general data protection regulation; e-commerce directive; competition law; anti-bribery; employment law; and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the Financial Statements. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report
Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the Financial Statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report
In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the Financial Statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement on page 39 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the principal risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on page 39 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the Financial Statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the Financial Statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the Financial Statements and our audit knowledge:

- the Directors' statement that they consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the Financial Statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report continued
to the members of Trainline plc

8. Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 83, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anna Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London E14 5GL
6 May 2021

Consolidated income statement

	Notes	2021 £'000	2020 £'000
Continuing operations			
Net ticket sales[1]		**783,084**	3,726,780
Revenue	3	**67,084**	260,753
Cost of sales		**(18,408)**	(59,602)
Gross profit		**48,676**	201,151
Administrative expenses		**(148,380)**	(198,890)
Adjusted EBITDA[1]		**(24,904)**	85,201
Depreciation and amortisation	10,11	**(41,199)**	(50,907)
Share-based payment charges	16	**(7,093)**	(10,631)
Exceptional items	6	**(26,508)**	(21,402)
Operating (loss)/profit		**(99,704)**	2,261
Finance income	7	**578**	692
Finance costs	7	**(7,636)**	(83,184)
Net finance costs	7	**(7,058)**	(82,492)
Loss before tax		**(106,762)**	(80,231)
Income tax income/(expense)	8	**15,458**	(707)
Loss after tax		**(91,304)**	(80,938)
Earnings per share (pence)			
Basic	9	**(19.10)p**	(17.67)p
Diluted[2]	9	**(19.10)p**	(17.67)p

1 Non-GAAP measure – see alternative performance measures section on page 140.
2 As the Group has incurred a loss in FY 2021 and FY 2020 the impact of its potential dilutive ordinary shares have been excluded as they would be anti-dilutive.

The notes on pages 100 to 135 form part of the Financial Statements.

Consolidated statement of other comprehensive income

	Notes	2021 £'000	2020 £'000
Loss after tax		**(91,304)**	(80,938)
Other comprehensive income:			
Remeasurements of defined benefit liability	19	**27**	18
Foreign exchange movement[1]		**876**	(214)
Other comprehensive income/(loss), net of tax		**903**	(196)
Total comprehensive loss		**(90,401)**	(81,134)

1 May subsequently be reclassified to the income statement in a future period.

The notes on pages 100 to 135 form part of the Financial Statements.

Consolidated statement of financial position

	Notes	2021 £'000	2020 £'000
Non-current assets			
Intangible assets	10	**81,379**	93,555
Goodwill	10	**419,457**	443,357
Property, plant and equipment	11	**25,871**	20,184
Derivative assets		**–**	6
Deferred tax asset	8	**5,083**	–
		531,790	557,102
Current assets			
Inventories		**–**	26
Trade and other receivables	12	**24,516**	52,078
Cash and cash equivalents		**36,575**	92,120
		61,091	144,224
Current liabilities			
Trade and other payables	13	**(37,990)**	(165,735)
Current tax payable		**–**	(552)
Loan and borrowings	14	**(4,167)**	(2,698)
		(42,157)	(168,985)
Net current assets/(liabilities)		**18,934**	(24,761)
Total assets less current liabilities		**550,724**	532,341
Non-current liabilities			
Loan and borrowings	14	**(266,369)**	(154,402)
Provisions	17	**(850)**	(681)
Deferred tax liability	8	**–**	(4,345)
		(267,219)	(159,428)
Net assets		**283,505**	372,913
Equity			
Share capital	18	**4,807**	4,807
Share premium	18	**1,198,703**	1,198,703
Preference shares	18	**–**	50
Foreign exchange reserve	18	**2,848**	1,972
Other reserves	18	**(1,124,992)**	(1,125,755)
Retained earnings		**202,139**	293,136
Total equity		**283,505**	372,913

The notes on pages 100 to 135 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors of Trainline plc (registered number 11961132) on 6 May 2021 and were signed on its behalf by

Jody Ford
Chief Executive Officer
6 May 2021

Shaun McCabe
Chief Financial Officer
6 May 2021

Consolidated statement of changes in equity

For the year ended 28 February 2021:

	Share capital £'000	Share premium £'000	Preference shares £'000	Other reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 29 February 2020	**4,807**	**1,198,703**	**50**	**(1,125,755)**	**1,972**	**293,136**	**372,913**
Loss after tax					**–**	**(91,304)**	**(91,304)**
OCI[1]	**–**	**–**	**–**		**876**	**27**	**903**
Preference share redemption	**–**	**–**	**(50)**	**–**	**–**	**–**	**(50)**
Acquisition of Treasury Shares	**–**	**–**	**–**	**(4,123)**	**–**	**–**	**(4,123)**
Share-based payments	**–**	**–**	**–**	**5,166**	**–**	**–**	**5,166**
Transfer between reserves				**(280)**		**280**	**–**
Balance as at 28 February 2021	**4,807**	**1,198,703**	**–**	**(1,124,992)**	**2,848**	**202,139**	**283,505**

For the year ended 29 February 2020:

	Share capital £'000	Share premium £'000	Preference shares £'000	Other reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 28 February 2019	422,555	1,055,683	50	(1,144,010)	2,186	(99,875)	236,589
IFRS 16 adjustment	–	–	–	–	–	1,223	1,223
Adjusted 1 March 2019	422,555	1,055,683	50	(1,144,010)	2,186	(98,652)	237,812
Loss after tax	–	–	–	–	–	(80,938)	(80,938)
OCI[1]	–	–	–	–	(214)	18	(196)
Interest on CPECs	–	–	–	–	–	(3,166)	(3,166)
Shares issued on listing net of fees	31,526	75,817	–	–	–	–	107,343
Issue of shares	59	148	–	–	–	–	207
Share issue to extinguish liabilities	26,541	67,055	–	–	–	–	93,596
Disposal of treasury shares	–	–	–	10,895	–	–	10,895
Share capital reduction	(475,874)	–	–	–	–	475,874	–
Share-based payments	–	–	–	7,360	–	–	7,360
Balance as at 29 February 2020	4,807	1,198,703	50	(1,125,755)	1,972	293,136	372,913

1 Other comprehensive income.

The notes on pages 100 to 135 form part of the Financial Statements.

Consolidated statement of cash flow

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Loss before tax		**(106,762)**	(80,231)
Adjustment for non-cash items:			
Depreciation and amortisation	10,11	**41,199**	50,907
Goodwill impairment	10	**25,195**	–
Net finance costs	7	**7,058**	82,492
Share-based payment charges	16	**7,093**	10,631
		(26,217)	63,799
Changes in working capital			
Inventories		**–**	(1)
Trade and other receivables		**33,021**	(7,805)
Trade and other payables		**(128,058)**	9,372
Cash generated from operating activities		**(121,254)**	65,365
Taxes refunded/(paid)		**159**	(5,198)
Net cash from operating activities		**(121,095)**	60,167
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		**(26,335)**	(28,358)
Net cash flow used in investing activities		**(26,335)**	(28,358)
Cash flows from financing activities			
Proceeds from IPO share issue		**–**	107,343
Sale of treasury shares		**–**	30,724
Purchase of treasury shares		**(4,123)**	(20,210)
Issue of shares		**–**	207
Repayment of pre-IPO borrowings		**–**	(276,763)
Proceeds from Revolving Credit Facility		**95,000**	206,941
Repayment of Revolving Credit Facility and other borrowings		**(137,184)**	(60,223)
Proceeds from issuance of convertible bonds		**150,000**	–
Issue costs relating to convertible bonds		**(2,690)**	–
Issue costs relating to loans and borrowings		**–**	(6,832)
Payments of lease liabilities		**(2,676)**	(2,247)
Payment of interest on lease liabilities		**(536)**	(828)
Interest paid		**(4,940)**	(9,711)
Interest on CPEC		**–**	(3,166)
Net cash flows used in financing activities		**92,851**	(34,765)
Net decrease in cash and cash equivalents		**(54,579)**	(2,956)
Cash and cash equivalents at beginning of the year		**92,120**	94,477
Effect of foreign exchange on cash		**(966)**	599
Closing cash and cash equivalents		**36,575**	92,120

The notes on pages 100 to 135 form part of the Financial Statements.

Notes
(forming part of the Group Financial Statements)

1. Significant accounting policies

a) General information
Trainline plc (the 'Company') and subsidiaries controlled by the Company (together, the 'Group') are the leading independent rail and coach travel platform selling rail and coach tickets worldwide. The Company is publicly listed on the London Stock Exchange ('LSE') and is incorporated and domiciled in England and Wales. The Company's registered address is 120 Holborn, London EC1N 2TD.

The Financial Statements for the year ended 28 February 2021 were approved by the Directors on 6 May 2021.

These Group Financial Statements were prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

b) Basis of consolidation
Th Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group'). The Financial Statements presented herein is for the year from 1 March 2020 to 28 February 2021.

(i) Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases. Control is achieved when the Group has (i) power over the investee; (ii) is exposed, or has rights to variable returns from its involvement with the investee; and (iii) has the ability to use its power to affect the returns.

(ii) Transactions eliminated on consolidation
Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

c) Basis of measurement
The Financial Statements are prepared on the historical cost basis except for the following:

- Non-current assets are stated at the lower of the carrying value and the recoverable amount
- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through the income statement are measured at fair value

The accounting policies set out in the sections below have, unless otherwise stated, been applied consistently to all periods presented within the Financial Statements and have been applied consistently by all subsidiaries.

d) Functional and presentation currency
The Financial Statements are presented in pounds sterling. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

e) Going concern
The Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due over at least the next 12 months from the date of the approval of these Financial Statements including consideration of the covenants associated with the Group's Revolving Credit Facility at the next covenant test date on 31 August 2022 (the 'going concern assessment period').

The UK Corporate Governance Code requires the Board to assess and report on the prospects of the Group and whether the business is a going concern. The Directors have undertaken a rigorous assessment of going concern and liquidity, taking into account financial forecasts, key uncertainties and sensitivities, including the potential impact of COVID-19 on the future performance of the Group, borrowing facilities and the relating covenant requirements.

The spread of COVID-19 has had a profound impact on the demand for rail and coach travel across all markets Trainline operates in. Though steps have been taken to reduce cost and protect the business and a partial recovery has been seen since the initial lockdown restrictions across the UK and Europe, trade remains heavily impacted by national lockdowns, localised travel restrictions and a temporarily reduced public demand for travel. This has had a significant impact on profitability which is evident in the results presented for the year ended 28 February 2021.

Despite the impact on profitability the Group reinforces and maintains the strong liquidity position that it reported at the year ended 29 February 2020. Liquidity, being cash plus undrawn available facilities, as at 28 February 2021 was £260 million and as at 30 April 2021 was £243 million. Liquidity has been strengthened in the period following the £150 million senior unsecured convertible bonds issued in January 2021 and due in 2026. As part of the convertible bond raise a further extension to the covenant waiver was also issued, meaning the next adjusted EBITDA covenant test date is 31 August 2022. As part of this waiver a minimum liquidity requirement of £75 million was put in place until 28 February 2022 by the lending syndicate.

The Directors performed a detailed going concern review using Board approved forecasts (the 'base case') as well as considering two severe but plausible downside scenarios, without any mitigations, and their potential impact on the Group's forecast, specifically considering varying degrees of impact and duration of COVID-19 restrictions. Two severe but plausible downside scenarios were modelled: (1) UK nationwide lockdown and ongoing EU COVID-19 restrictions from March to May 2021 and two further one-month lockdowns, in November 2021 and January 2022; and (2) UK nationwide lockdown and ongoing EU COVID-19 restrictions from March to May 2021 and two further one-month lockdowns, in November 2021 and in January 2022, and assuming only half of the forecast EBITDA is reached in the month following the one-month lockdowns. A further severe downside scenario was modelled, which though considered implausible, highlights the strength of the Group's liquidity position. This scenario assumed a UK nationwide lockdown and ongoing EU COVID-19 restrictions for the period March 2021 to May 2022 and a return to the base case forecast thereafter.

In the base case, the two severe but plausible scenarios and the additional severe downside scenario, the Group has sufficient liquidity, including complying with the banking syndicates' £75 million minimum liquidity, to continue in operation and meet its liabilities until the adjusted EBITDA covenant is reintroduced on 31 August 2022.

In a prolonged COVID-19 scenario, should either of the two severe but plausible downside scenarios described above materialise, the forecast indicates a breach of covenant at 31 August 2022. These downside scenarios do not include any mitigating actions. In the event that a breach of covenant became likely the Directors would be able to implement mitigating actions such as a reduction in discretionary spend, specifically marketing, to prevent a breach. Additionally, the Directors would approach the Group's lending syndicate for a further covenant waiver, which would be subject to approval by the syndicate. The Directors do not consider this to be a likely outcome given current information available around COVID-19 and the impact on the Group but do consider this to be a severe but plausible downside scenario. As described in the Viability Statement on page 39, the Directors have also considered the Group's viability and its ability to meet its liabilities over a three-year period.

Following the assessment described above, the Directors are confident that the Group and the Company have adequate resources to continue to meet their liabilities as they fall due and remain in operation for the going concern assessment period. The Board has therefore continued to adopt the going concern basis in preparing the Consolidated Financial Statements.

f) Cost of sales

Cost of sales include costs in relation to the provision of rail tickets, ancillary services, settlement and fulfilment costs and are recognised as incurred (at the point of sale).

g) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates applicable on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences arising on translation are generally recognised in the income statement. Non-monetary items that are measured based on historical cost in foreign currency are not retranslated.

For the purpose of presenting the Consolidated Financial Statements, the assets and liabilities of entities with a functional currency other than sterling are expressed in sterling using exchange rates prevailing at the reporting period date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised directly in other comprehensive income.

h) Use of judgements and estimates

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Notes continued
(forming part of the Group Financial Statements)

1. Significant accounting policies continued

h) Use of judgements and estimates continued

The following estimate is deemed significant as it has been identified by Management as one which could result in a material adjustment in the next financial year:

- **Note 10 – Goodwill impairment test: key assumptions underlying recoverable amounts**
  An impairment review is performed annually 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 occur, and in arriving at an appropriate discount rate to apply to the cashflows as well as an appropriate long-term growth rate. As part of the impairment review for the year ended 28 February 2021 the expected outcome of COVID-19 has been taken into account in the forecasting. Each of these assumptions have an impact on the overall value of cashflows expected and therefore the headroom between the cashflows and carrying values of the cash-generating units.

The following estimate has been identified by Management as involving estimation uncertainty but not deemed significant as it is not considered likely to result in a material adjustment in the next financial year:

- **Note 10 – 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 the length of time these assets are expected to generate income and be of benefit to the Group. Judgement is required when estimating the length of the useful life of assets, 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.

i) New standards and interpretations adopted

A number of new standards are effective from 1 March 2020, but they do not have a material effect on the Group's Financial Statements. The following adopted IFRSs have been issued but have not been applied by the Group in these consolidated Financial Statements. Their adoption is not expected to have material effect on the Financial Statements unless otherwise indicated:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective periods starting on or after 1 January 2021). The Interest Rate Benchmark Reform is expected to have an impact on the Group but the quantum has not yet been assessed;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (effective date to be confirmed);
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract (effective date to be confirmed);
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed);
- Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use (effective date to be confirmed); and
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).

2. Operating segments

In accordance with IFRS 8 Operating Segments the Group determines and presents its operating segments based on internal information that is provided to the Board, who is the Group's chief operating decision maker ('CODM').

The Group has three operating and reportable segments which are considered:

- **UK Consumer[1] –** Travel apps and websites for individual travellers for journeys within the UK;
- **UK Trainline Partner Solutions[1]** (formerly 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; and
- **International –** Travel apps and websites for individual travellers for journeys outside the UK.

1 UK Consumer and UK Trainline Partner Solutions are collectively referred to as the UK.

The Group's global operating model means that investments in platform technology and central overheads are leveraged across the business, and are reported to the CODM at the Group level, rather than being allocated to segments. No single customer accounted for 10% or more of the Group's sales.

The CODM monitors:

- The three operating segments results at the level of net ticket sales, revenue and gross margin;
- Results split by UK and International at the level of net ticket sales, revenue, gross margin, and contribution (as shown in this disclosure); and
- No results at a profit before/after tax or in relation to the statement of financial position are reported to the CODM at a lower level than the consolidated Group.

Segmental analysis for the year ended 28 February 2021:

	UK Consumer £'000	UK Trainline Partner Solutions[1] £'000	Total UK £'000	International £'000	Total Group £'000
Net ticket sales	472,808	75,476	548,284	234,800	783,084
Revenue	43,798	12,087	55,885	11,199	67,084
Cost of sales	(9,885)	(3,843)	(13,728)	(4,680)	(18,408)
Gross profit	33,913	8,244	42,157	6,519	48,676
Directly allocable administrative expenses			(21,540)	(10,986)	(32,526)
Contribution			20,617	(4,467)	16,150
Central administrative expenses					(41,054)
Adjusted EBITDA					(24,904)
Depreciation and amortisation					(41,199)
Share-based payment charges					(7,093)
Exceptional items					(26,508)
Operating loss					(99,704)
Net finance costs					(7,058)
Loss before tax					(106,762)
Tax					15,458
Loss after tax					(91,304)

1 Formerly T4B, Trainline for Business.

Segmental analysis for the year ended 29 February 2020:

	UK Consumer £'000	UK Trainline Partner Solutions[1] £'000	Total UK £'000	International £'000	Total Group £'000
Net ticket sales	2,046,178	1,190,549	3,236,727	490,053	3,726,780
Revenue	177,993	56,790	234,783	25,970	260,753
Cost of sales	(34,306)	(16,629)	(50,935)	(8,667)	(59,602)
Gross profit	143,687	40,161	183,848	17,303	201,151
Directly allocable administrative expenses			(40,039)	(31,185)	(71,224)
Contribution			143,809	(13,882)	129,927
Central administrative expenses					(44,726)
Adjusted EBITDA					85,201
Depreciation and amortisation					(50,907)
Share-based payment charges					(10,631)
Exceptional items					(21,402)
Operating profit					2,261
Net finance costs					(82,492)
Loss before tax					(80,231)
Tax					(707)
Loss after tax					(80,938)

1 Formerly T4B, Trainline for Business.

Notes continued
(forming part of the Group Financial Statements)

3. Revenue

Accounting policy

Consumer
Commission revenue earned from carriers on net ticket sales and service charges billed to customers. Each sale or refund transaction represents a separate performance obligation and the related revenue is recognised at the time of the sale or refund. The Group acts as an agent in these transactions, as it does not control the services prior to transferring them to its customers.

Trainline Partner Solutions
Revenue earned from branded travel portal platforms is recognised in three key elements represented by bespoke feature builds, monthly maintenance and 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 because the customer simultaneously receives and consumes the benefits provided to them. Revenue is recognised at point in time for bespoke builds and contributions earned per transaction.

The Group's operations and main revenue streams are those described in these Financial Statements. The Group's revenue is derived from contracts with customers and are disaggregated by primary geographical market and timing of revenue recognition.

	2021 £'000	2020 £'000
Timing of revenue recognition		
At point in time	**64,516**	258,194
Over time	**2,568**	2,559
Total revenue	**67,084**	260,753

Geographic information
In presenting the information on the basis of geography, revenue is based on the geographical location of the customers.

	2021 £'000	2020 £'000
UK	**54,643**	223,825
Rest of the world	**12,441**	36,928
Total revenue	**67,084**	260,753

Contract balances
The Group's contract balances consist of trade receivables, contract assets and contract liabilities. Trade receivables are disclosed in Note 12. The contract assets primarily relate to the Group's rights to consideration for services provided but not invoiced at the reporting date, recorded as accrued income. The contract assets are transferred to receivables when invoiced. The Group's contract assets amounted to £1.1 million (FY 2020: £0.8 million) which are included within the Prepayments and accrued income in Note 12. The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised when the services are deemed to be provided. The contract liabilities amounted to £0.2 million (FY 2020: £2.9 million) which are included within the Accruals and deferred revenue in Note 13.

4. Auditor remuneration

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

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

	2021 £'000	2020 £'000
Audit of these Financial Statements	**285**	240
Audit of Financial Statements of subsidiaries pursuant to legislation	**73**	57
Audit-related assurance services	**40**	105
Corporate finance services	**–**	1,607
Other non-audit services	**10**	–
Total auditor remuneration	**408**	2,009

5. Employee benefit expenses

Staff costs presented in this note reflect the total wage, tax, pension and share-based payment cost relating to employees of the Group. These costs are allocated between administrative expenses, cost of sales or capitalised where appropriate as part of software development intangible assets. The allocation between these areas is dependent on the area of business the employee works in and the activities they have undertaken.

Average number of full-time equivalent employees

	2021 Number	2020 Number
Sales and marketing	**103**	115
Operations	**126**	120
Technology and product	**319**	279
Management and administration	**111**	116
Total number of employees	**659**	630

Employee benefits expense

	2021 £'000	2020 £'000
Wages and salaries	**45,215**	46,921
Social security contributions	**5,889**	6,667
Contributions to defined contribution plans	**1,849**	1,781
Share-based payment expense	**7,093**	10,631
Total employee benefits	**60,046**	66,000

Details of Directors' remuneration are disclosed in Note 25 under Transactions with key management personnel of the Group.

6. 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 Statements. Exceptional items are one-off in nature or are not considered to be part of the Group's underlying trade.

IPO transaction costs
Fees and costs, including one-off bonuses, in relation to the IPO process.

Restructuring costs
Restructuring costs incurred as part of a strategic/management reorganisation.

Goodwill impairment
This is the impairment charge on the goodwill on the International CGU. Refer to Note 10 for disclosure.

	2021 £'000	2020 £'000
IPO transaction costs	**–**	21,402
Restructuring costs	**1,313**	–
Goodwill impairment charge	**25,195**	–
Net exceptional costs	**26,508**	21,402

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Notes continued
(forming part of the Group Financial Statements)

7. Finance income and finance costs

Net financing costs comprise bank interest income, interest expense on borrowings and lease liabilities, as well as foreign exchange gains/losses, 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 1g. The interest rate cap held by the Group is a derivative asset and is revalued to fair value at each period end; any fair value movement is booked through net finance costs.

	2021 £'000	2020 £'000
Bank interest income	**22**	692
Foreign exchange gain	**556**	–
Finance income	**578**	692
Interest on bank loans	**(6,729)**	(10,900)
Foreign exchange loss	**–**	(558)
Loss on interest rate swap	**(6)**	(454)
Interest on convertible bonds	**(189)**	–
Interest on lease liability	**(694)**	(828)
Other interest	**(18)**	–
Exceptional finance costs[1]		
Derecognition of previously capitalised finance costs	**–**	(8,466)
Fair value change on share-based payments	**–**	(49,705)
Fair value change on put/call option	**–**	(12,273)
Finance costs	**(7,636)**	(83,184)
Net finance costs recognised in the income statement	**(7,058)**	(82,492)

1 Exceptional finance costs – these costs are one-offs which occurred at the date of IPO relating to the final fair value movement on the pre-IPO share-based payment arrangements (Note 16) and the write off of previously capitalised financing costs due to the IPO refinancing. The put/call option relates to non-employee share-related costs. All of these expenses are non-cash charges. Excluding exceptional finance costs the net finance cost in FY 2021 would be £7.1 million (FY 2020: £12.0 million).

8. Taxation

This note analyses the tax income for this financial year, which includes both current and deferred tax. It also details tax accounting policies and presents a reconciliation between profit before tax in the income statement multiplied by the 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/credit comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, to the extent that the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used before their expiry. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Amounts will be recognised first to the extent that taxable temporary differences exist and it is considered probable that they will reverse and give rise to future taxable profits against which losses or other assets may be utilised before their expiry. Assets will then be recognised to the extent that forecasts or other evidence support the availability of future profits against which assets may be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

Amounts recognised in the income statement

	2021 £'000	2020 £'000
Current tax (credit)/charge		
Current year	**(3,205)**	7,178
Adjustment in respect of prior years	**(2,608)**	(2,978)
Total current tax (credit)/charge	**(5,813)**	4,200
Deferred tax (credit)/charge		
Current year	**(11,777)**	(5,601)
Adjustment in respect of prior years	**1,511**	2,108
Effect of change in tax rates	**621**	–
Total deferred tax (credit)/charge	**(9,645)**	(3,493)
Tax (credit)/charge	**(15,458)**	707

Corporation tax was calculated at 19% (FY 2020: 19%) of the taxable profit for the year. Taxation for territories outside of the UK was calculated at the rates prevailing in the respective jurisdictions. The total tax credit of £15.5 million (FY 2020: charge of £0.7 million) is made up of a current corporation tax credit of £5.8 million (FY 2020: charge of £4.2 million) arising in the UK, and a deferred tax credit of £9.6 million (FY 2020: £3.5 million).

As a result of the impact of COVID-19, part of the tax loss suffered has been used to offset the taxable profit arising in FY 2020 allowing the Group to recover the tax paid in FY 2020. This is reflected below as a current tax corporation tax credit. The remaining available losses has been carried forward and recognised as a deferred tax credit that can be used to offset the tax charge for the Group in future periods. This is on the basis that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The deferred tax credit in FY 2021 also includes the unwind of deferred tax liabilities arising on acquired intangibles and deferred tax on equity-settled share-based payment charges. The release of deferred tax assets and liabilities is an accounting unwind and does not impact the corporation tax payable in cash by the Group.

Notes continued
(forming part of the Group Financial Statements)

8. Taxation continued

Amounts recognised in the income statement continued

	2021 £'000	2020 £'000
Loss before tax	**(106,762)**	(80,231)
Loss multiplied by standard rate of corporation tax of 19% (FY 2020: 19%)	**(20,285)**	(15,244)
Non-taxable expenses	**4,849**	15,460
Depreciation in excess of capital allowances	**–**	–
Amounts not recognised[1]	**924**	1,627
Rate difference on deferred tax	**621**	–
Adjustment in respect of prior years	**(1,097)**	(870)
Other	**–**	(266)
Losses utilised	**(489)**	–
Difference in overseas tax rates	**19**	–
Total tax (credit)/charge	**(15,458)**	707
Effective tax rate	**14%**	(1)%

1 Primarily relates to unrecognised losses which are not expected to be recoverable and therefore not recognised as deferred tax assets.

The effective tax rate is lower than the UK corporation tax rate of 19% which primarily reflects a significant impairment to goodwill. This impairment does not have a cash tax impact for the Group. If the impairment is excluded, the effective rate of tax would be 19%, in line with the UK current tax rate of 19%.

The Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This rate change is not included above as the Finance Bill 2021 has not been substantively enacted.

Deferred tax asset/(liability) as at 28 February 2021:

	Acquired intangible assets £'000	Tangible assets and other £'000	Share-based payments £'000	Losses carried forward £'000	Total £'000
At 1 March 2020	**(5,298)**	**(508)**	**1,461**	**–**	**(4,345)**
Adjustments posted through equity	**–**	**37**	**(254)**	**–**	**(217)**
Current year credit/(charge) to consolidated income statement	**933**	**(1,089)**	**20**	**9,781**	**9,645**
At 28 February 2021	**(4,365)**	**(1,560)**	**1,227**	**9,781**	**5,083**

Deferred tax asset/(liability) as at 29 February 2020:

	Acquired intangible assets £'000	Tangible assets and other £'000	Share-based payments £'000	Losses carried forward £'000	Total £'000
At 1 March 2019	(9,712)	1,830	–	–	(7,882)
Adjustment in respect of prior years	–	(2,108)	–	–	(2,108)
Adjustments posted through equity	–	(209)	253	–	44
Current year credit/(charge) to consolidated income statement	4,414	(21)	1,208	–	5,601
At 29 February 2020	(5,298)	(508)	1,461	–	(4,345)

9. Earnings per share

This note sets out the accounting policy that applies to the calculation of earnings per share, and how the Group has calculated the shares to be included in basic and diluted earnings per share ('EPS') calculations.

Accounting policy

The Group calculates earnings per share in accordance with the requirements of IAS 33 Earnings Per Share.

Four types of earnings per share are reported:

(i) Basic earnings per share

Earnings attributable to ordinary equity holders of the Group for the period, divided by the weighted average number of ordinary shares outstanding during the period.

(ii) Diluted earnings per share

Earnings attributable to ordinary equity holders of the Group, divided by the weighted average number of shares outstanding used in the basic earnings per share calculation adjusted for the effects of all dilutive 'potential ordinary shares'.

(iii) Adjusted basic earnings per share

Earnings attributable to ordinary equity holders of the Group for the period, adjusted to remove the impact of exceptional items, share-based payment charges, amortisation of acquired intangibles and the tax impact of these items; divided by the weighted average number of ordinary shares outstanding during the period.

(iv) Adjusted diluted earnings per share

Earnings attributable to ordinary equity holders of the Group for the period, adjusted to remove the impact of exceptional items, share-based payment charges, amortisation of intangibles and the tax impact of these items; divided by the weighted average number of shares outstanding used in the basic earnings per share calculation adjusted for the effects of all dilutive 'potential ordinary shares'.

	2021 No. shares	2020 No. shares
Weighted average number of ordinary shares:		
Ordinary shares	**480,680,508**	462,099,526
Treasury shares	**(2,678,111)**	(4,108,486)
Weighted number of ordinary shares[1]	**478,002,397**	457,991,040

1 As the Group has incurred a loss in FY 2021 and FY 2020, the impact of its potential dilutive ordinary shares has been excluded as they would be anti-dilutive.

	2021 £'000	2020 £'000
Loss after tax	(91,304)	(80,938)
Earnings attributable to equity holders	(91,304)	(80,938)
Adjusted earnings[1]	(51,678)	36,887

	2021 pence	2020 pence
(Loss)/earnings per share		
Basic	(19.10)p	(17.67)p
Diluted[2]	(19.10)p	(17.67)p
Adjusted (loss)/earnings per share		
Basic	(10.81)p	8.05p
Diluted[2]	(10.81)p	8.05p

1 Refer to the alternative performance measures section for the calculation of adjusted earnings.
2 As the Group has incurred a loss in FY 2021 and FY 2020, the impact of its potential dilutive ordinary shares has been excluded as they would be anti-dilutive.

Notes continued
(forming part of the Group Financial Statements)

10. Intangible assets and goodwill

The consolidated statement of financial position 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 reviews of goodwill make use of estimates (see Note 1h).

Other intangible assets predominantly arise on acquisition of subsidiaries or are internally developed. These intangible assets are amortised and tested for impairment when an indicator of impairment exists.

Accounting policy
(i) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired business are assigned to those units.

(ii) Software development costs

Expenditure on research activities is recognised in the income statement as incurred.

External and internal development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the income statement as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Internal development expenditure is managed by the development team and the amount capitalised is monitored through time charged to projects.

(iii) Brand and customer valuation

Brand and customer valuations that are acquired by the Group have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

(v) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the income statement. Goodwill is not amortised.

The estimated useful lives are as follows:

Software development	3–5 years
Brand valuation	10 years
Customer lists	5–7 years

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

Intangible assets and goodwill as at 28 February 2021:

	Software development £'000	Brand valuation £'000	Customer valuation £'000	Goodwill £'000	Total £'000
Cost:					
At 1 March 2020	**108,621**	**51,738**	**92,690**	**443,357**	**696,406**
Additions[1]	**24,134**	**–**	**–**	**–**	**24,134**
FX[2]	**–**	**–**	**–**	**1,295**	**1,295**
At 28 February 2021	**132,755**	**51,738**	**92,690**	**444,652**	**721,835**
Accumulated amortisation and impairment:					
At 1 March 2020	**(46,181)**	**(25,633)**	**(87,680)**	**–**	**(159,494)**
Amortisation	**(28,147)**	**(5,167)**	**(2,996)**	**–**	**(36,310)**
Impairment charge	**–**	**–**	**–**	**(25,195)**	**(25,195)**
At 28 February 2021	**(74,328)**	**(30,800)**	**(90,676)**	**(25,195)**	**(220,999)**
Carrying amounts:					
At 28 February 2021	**58,427**	**20,938**	**2,014**	**419,457**	**500,836**

1 Total additions of £24.1 million all relate to internally developed intangible assets.
2 Effects of foreign exchange rate changes.

Intangible assets and goodwill as at 29 February 2020:

	Software development £'000	Brand valuation £'000	Customer valuation £'000	Goodwill £'000	Total £'000
Cost:					
At 1 March 2019	83,262	51,738	92,690	443,271	670,961
Additions[1]	25,359	–	–	–	25,359
FX[2]	–	–	–	86	86
At 29 February 2020	108,621	51,738	92,690	443,357	696,406
Accumulated amortisation:					
At 1 March 2019	(22,545)	(20,452)	(69,923)	–	(112,920)
Amortisation	(23,636)	(5,181)	(17,757)	–	(46,574)
At 29 February 2020	(46,181)	(25,633)	(87,680)	–	(159,494)
Carrying amounts:					
At 29 February 2020	62,440	26,105	5,010	443,357	536,912

1 Total additions of £25.4 million is split between internally developed intangible assets of £24.4 million and trade and asset acquisitions of £1.0 million.
2 Effects of foreign exchange rate changes.

Additions in the year includes £nil (FY 2020: £nil) of directly attributable borrowing costs.

Of the amortisation charge for the year, £8.2 million (FY 2020: £22.9 million) related to the amortisation of intangible assets which were recognised on the Group's acquisition of Trainline.com Limited and Trainline SAS, while £28.1 million (FY 2020: £23.7 million) related to internally developed and purchased intangible assets recognised at historical cost.

Notes continued
(forming part of the Group Financial Statements)

10. Intangible assets and goodwill continued

Goodwill impairment testing

The Group tests goodwill annually for impairment by reviewing the carrying amount against the recoverable amount of the investment. The recoverable amount is the higher of fair value less costs to dispose and value in use. However, in line with IAS 36 Impairment of Assets, 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 Cash Generating Units ('CGUs') that are expected to benefit from that business combination. Management monitors goodwill no lower than the geographical operating segments, hence, CGUs are the same as the geographical operating segments.

The Group has gross goodwill balances totalling £444.7 million (FY20: £443.4 million) which comprise:
i. £336.4 million (FY 2020: £336.4 million) from the FY 2016 acquisition of Trainline.com
ii. £108.3 million (FY 2020: £107.0 million) from the FY 2017 acquisition of Trainline SAS (formerly Capitaine Train SAS)

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 Capitaine 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	2021 £'000	2020 £'000
UK Consumer	**351,271**	351,271
UK Trainline Partner Solutions	**–**	–
International	**68,186**	92,086
Total goodwill	**419,457**	443,357

For all CGUs the recoverable amount was determined by measuring their value in use ('VIU').

Assumptions

The key value in use assumptions were:

	2021 UK Consumer	2020 UK Consumer	2021 UK Trainline Partner Solutions	2020 UK Trainline Partner Solutions	2021 International	2020 International
Pre-tax discount rate[1]	**11.6%**	10.7%	**N/A**	N/A	**18.6%**	16.7%
Terminal growth rate[2]	**1.5%**	2%	**N/A**	N/A	**1%**	2%
Number of years forecasted before terminal growth rate applied	**5**	5	**N/A**	N/A	**5**	5

1 The pre-tax discount rate is based upon the weighted average cost of capital reflecting specific principal risks and uncertainties. The discount rate takes into account the risk-free rate of return, the market risk premium and beta factor.
2 The terminal growth rate reflects the expected growth into perpetuity of the business, taking into account the current market and sector risks.

The Group prepares cash flow forecasts based on the most recent financial budgets and five-year projections approved by the Board. The forecasts have been used in the VIU calculation along with risk-adjusted discount rates. Cash flows beyond the five-year period are extrapolated using a long-term growth rate. The forecasts reflect management's expectations and best estimates for each CGU. Where costs or assets in the forecast are not reported to the CODM at a CGU level, as disclosed in Note 2, a reasonable and consistent allocation basis is applied for the purposes of impairment testing.

For the impairment review for the year ended 28 February 2021, cash flow forecasts have remained impacted by the COVID-19 pandemic through FY 2022, most notably this included forecasting significantly lower sales during FY 2022.

As the International CGU is currently loss making, the impairment calculation is more sensitive to a change in assumptions in the initial five-year forecast period than the UK Consumer CGU. To reflect the higher level of uncertainty in the International forecasts, a premium is applied to the discount rate.

For the year ended 28 February 2021, an impairment charge of £25.2 million (FY 2020: £nil) was recognised in relation to the International CGU. The impairment charge is recorded within exceptional items in the income statement to reflect its one-off nature. Despite there being no material change in the Group's expectations in relation to the long-term trading and profitability outlook for the International business, COVID-19 continues to have a significant short-term adverse impact on business performance. Ongoing uncertainty within the travel sector and the subsequent challenges in long-term forecasting have been reflected within the FY 2021 impairment calculation by increasing the discount rate and reducing the long-term growth rate applied within the impairment calculation.

The UK Consumer CGU continues to have significant headroom, and as such, no impairment was identified for this CGU.

Sensitivity analysis

The Group has conducted a 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.

	2021 UK Consumer	2020 UK Consumer	2021 UK Trainline Partner Solutions	2020 UK Trainline Partner Solutions	2021 International	2020 International
Increase in discount rate	**1pt**	1pt	**N/A**	N/A	**1pt**	1pt
Reduction in long-term growth rate applied in terminal year	**0.5pts**	0.5pts	**N/A**	N/A	**0.5pts**	0.5pts
Decrease in Adjusted EBITDA forecast in each year	**15%**	10%	**N/A**	N/A	**20%**	20%

As the International CGU has been impaired during the period any movement up or down of the above assumptions would result in a fluctuation in the value in use calculation for the CGU, as follows: 1 pt change in discount rate – £7 million; change in long-term growth rate of 0.5 pts – £3 million; and 20% change in adjusted EBITDA – £23 million. The UK Consumer CGU is not sensitive to a change in the above sensitivities and none of the sensitivities change the conclusion that the UK Consumer CGU is not impaired.

11. Property, plant and equipment

This note details the physical assets used by the Group in running its business.

Accounting policy

Items of property, plant and equipment ('PPE') are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the income statement. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the income statement. The estimated useful lives of property, plant and equipment are as follows:

Plant and equipment	3–7 years
Leasehold improvements	3–10 years/remaining lease length if shorter
Right-of-use assets	Lease length

The Group tests the carrying value of assets including right-of-use ('ROU') assets for impairment if there is an indicator of impairment. The PPE are included in the carrying value of the CGUs and have been included in the CGU impairment assessments (see Note 10). There were no additional indicators of specific impairment identified during the year relating to PPE (FY 2020: no indicators).

Property, plant and equipment as at 28 February 2021:

	Plant and equipment £'000	Leasehold improvements £'000	Right–of–use assets £'000	Total £'000
Cost:				
At 29 February 2020	**8,278**	**4,448**	**17,692**	**30,418**
Additions	**1,411**	**–**	**4,948**	**6,359**
Disposals	**(18)**	**–**	**–**	**(18)**
Lease extensions[1]	**–**	**–**	**4,221**	**4,221**
At 28 February 2021	**9,671**	**4,448**	**26,861**	**40,980**
Accumulated depreciation and impairment:				
At 1 March 2020	**(6,075)**	**(1,445)**	**(2,714)**	**(10,234)**
Depreciation	**(1,301)**	**(445)**	**(3,143)**	**(4,889)**
Disposals	**14**	**–**	**–**	**14**
At 28 February 2021	**(7,362)**	**(1,890)**	**(5,857)**	**(15,109)**
Carrying amounts:				
At 28 February 2021	**2,309**	**2,558**	**21,004**	**25,871**

1 Relates to lease extensions which do not constitute a new lease addition pursuant to IFRS 16.

Notes continued
(forming part of the Group Financial Statements)

11. Property, plant and equipment continued

Property, plant and equipment as at 29 February 2020:

	Plant and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
Cost:				
At 28 February 2019	6,967	4,448	–	11,415
Recognition of right-of-use asset on initial application of IFRS 16	–	–	17,692	17,692
Adjusted balance at 1 March 2019	6,967	4,448	17,692	29,107
Additions	1,365	–	–	1,365
Disposals	(54)	–	–	(54)
At 29 February 2020	8,278	4,448	17,692	30,418
Accumulated depreciation and impairment:				
At 1 March 2019	(4,952)	(1,001)	–	(5,953)
Depreciation	(1,175)	(444)	(2,714)	(4,333)
Disposals	52	–	–	52
At 29 February 2020	(6,075)	(1,445)	(2,714)	(10,234)
Carrying amounts:				
At 29 February 2020	2,203	3,003	14,978	20,184

Additions in the year includes £nil (FY 2020: £nil) of directly attributable borrowing costs.

12. Trade and other receivables

Trade and other receivables include amounts due from credit card companies for consumer ticket sales and amounts due from business customers and Train Operating Companies on account.

Receivables are held with the objective to collect the contractual cash flows and are therefore recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the expected loss on trade receivables is established at inception. This is modified when there is a change in the credit risk. The amount of the expected loss is considered immaterial for the Group.

	2021 £'000	2020 £'000
Trade receivables	**9,043**	43,154
Other receivables	**590**	3,453
Prepayments and accrued income	**7,361**	5,471
Current tax receivable	**7,522**	–
Total trade and other receivables	**24,516**	52,078

There is no material difference between the carrying value and fair value of trade and other receivables. See Note 21 for more detail on the trade and other receivables accounting policy.

13. Trade and other payables

Trade and other payables include liabilities for ticket sale monies to be passed on to carriers, as well as accounts payable and accruals for general business expenditure and deferred revenue.

	2021 £'000	2020 £'000
Trade payables	**22,523**	136,355
Accruals and deferred revenue	**15,467**	29,380
Total trade and other payables	**37,990**	165,735

There is no material difference between the carrying value and fair value of trade and other payables presented. See Note 21 for more detail on the trade and other payables accounting policy.

14. Loans and borrowings

This note details a breakdown of the various loans and borrowings of the Group. It also provides the terms and repayment dates of each of these.

Accounting policy

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. At the date borrowings are repaid any attributable transaction costs are released as an exceptional finance cost.

	2021 £'000	2020 £'000
Non-current liabilities		
Revolving Credit Facility[1]	**100,417**	141,057
Convertible bonds[2]	**147,378**	–
Other term debt	**216**	388
Lease liabilities	**18,358**	12,957
Total non-current liabilities	**266,369**	154,402
Current liabilities		
Accrued interest	**831**	309
Lease liabilities	**3,336**	2,389
Total current liabilities	**4,167**	2,698

1 Included within the Revolving Credit Facility is the principal amount of £104.9 million (FY 2020: £146.9 million) and directly attributable transaction costs of £4.5 million (FY 2020: £5.8 million).
2 Included within the Convertible bonds is the principal amount of £150.0 million and directly attributable transaction costs of £2.6 million.

Terms and repayment schedule

Agreement	Interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Revolving Credit Facility	**LIBOR +1-2%**	**2024**	**104,941**	**100,417**
Convertible bonds	**1.00%**	**2026**	**150,000**	**147,378**
Lease liabilities	**Various**	**Various**	**23,427**	**21,694**
Other term debt	**0.0%**	**2022**	**216**	**216**
Total borrowings			**278,584**	**269,705**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated future interest payments, so will not necessarily reconcile to amounts disclosed on the statement of financial position.

	Total contractual cash flows £'000	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Revolving Credit Facility	**104,941**	**–**	**–**	**104,941**	**–**
Convertible bonds	**150,000**	**–**	**–**	**150,000**	**–**
Lease liabilities	**23,427**	**3,863**	**3,761**	**12,867**	**2,936**
Other term debt	**216**	**178**	**38**	**–**	**–**
Total cash flows	**278,584**	**4,041**	**3,799**	**267,808**	**2,936**

Notes continued
(forming part of the Group Financial Statements)

14. Loans and borrowings continued

Revolving Credit Facility

The Revolving Credit Facility became effective on 26 June 2019, the total facility amount is £350.0 million. The facility allows draw downs in cash or non-cash to cover bank guarantees. At 28 February 2021 the cash drawn amount is £104.9 million (FY 2020: £146.9 million), the non-cash bank guarantee drawn amount is £21.9 million (FY 2020: £113.8 million) and the undrawn amount on the facility is £223.2 million (FY 2020: £89.3 million).

The Group's Revolving Credit Facility is secured by a fixed and floating charge over certain assets of the Group. Interest is payable on a margin of 1.0% to 2.0% above LIBOR. The Group is subject to certain bank covenants under this facility, however, those financial covenants have been waived by the Group's loan syndicate until and including February 2022, to support the business through the COVID-19 pandemic and the related impact on trading. As part of the waiver, the Group is required to maintain a minimum liquidity headroom of £50 million on a monthly basis from April 2020 to December 2020. This requirement was increased to £75 million on a monthly basis subsequent to the issuance of the convertible bonds in January 2021. The Group was in compliance with the liquidity requirement throughout the year. See Note 21 for the related disclosure.

Convertible bonds

On 7 January 2021, Trainline plc announced the launch of an offering of £150.0 million of senior secured convertible bonds due in 2026. Settlement and delivery of convertible bonds took place on 14 January 2021.

The total bond offering of £150.0 million covers a five-year term beginning on 14 January 2021 with a 1% per annum coupon payable semi-annually in arrears in equal instalments. The initial conversion price was set at £6.6670 representing a premium of 50% above the share price on 7 January 2021 (£4.444698).

The bonds have been accounted for as a liability of £150.0 million. Directly allocable fees of £2.7 million have been offset against the liability and will be unwound over the lifetime of the instrument. The bond was accounted for as a liability as certain terms within the terms and conditions attached to the bonds meant Trainline plc has an unavoidable obligation to settle in cash.

15. Other non-current liabilities

As part of the Group's acquisition of Capitaine Train SAS, the Group issued non-cash consideration in the form of Tracker Shares and Tracker CPECs to certain employee-shareholder and venture capital sellers. These Tracker Shares and Tracker CPECs entitled the holders to cash returns, payable on a liquidity event (sale or IPO), that mirrored the economics of the Company's actual shares and CPECs. Where employee-shareholders of Capitaine Train SAS continued to provide services to the post-combination Group and had leaver conditions attached to their Tracker Shares, their Tracker Shares were accounted for as share-based payments under IFRS 2 Share-Based Payments (see Note 16). All tracker securities were settled as part of the IPO funds flow.

Accounting policy

Tracker shares are remeasured to fair value at each reporting date. Gains and losses on fair value remeasurement are recognised in net finance costs.

At the date of the IPO, the difference between the fair value and carrying value was recognised as an exceptional finance cost. At the date of the IPO the full liability was settled through the issue of ordinary shares in Trainline plc.

The following amounts were recognised in the income statement in relation to these schemes:

	2021 £'000	2020 £'000
Finance costs	–	12,273
Total income statement impact	–	12,273

The carrying value of each instrument on the statement of financial position is £nil (FY 2020: £nil).

16. Share-based payments

During the year the Group has operated a number of equity-settled share-based payment schemes. Before the IPO the Group had two cash-settled schemes and one equity-settled scheme which were settled in full as part of the IPO funds flow.

Accounting policy

Equity-settled share-based payments to employees are initially measured at fair value at the grant date and recognised as a charge in the income statement over the vesting period based on the Group's estimate of the share that will eventually vest and adjusted for the effect of non-market vesting conditions. A corresponding increase in reserves is also recognised in equity.

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 remeasured at each balance sheet date with any changes recognised in net finance costs for the relevant period.

Share-based payment charges to 28 February 2021

	Within administrative costs £'000	Within finance costs £'000	Total £'000
Income statement			
Post-IPO schemes	**7,093**	**–**	**7,093**
Total income statement impact	**7,093**	**–**	**7,093**

Share-based payment charges to 29 February 2020

	Within administrative costs £'000	Within finance costs £'000	Total £'000
Income statement			
Pre-IPO schemes	3,524	49,705	53,229
Post-IPO schemes	7,107	–	7,107
Total income statement impact	10,631	49,705	60,336

Pre-IPO schemes

Cash-settled schemes

Before the IPO, cash-settled schemes consisted of the following:

Joint Share Ownership Plan ('JSOP')

The JSOP was a share ownership scheme under which the employee and Equity Trust (Jersey) Limited, the EBT Trustee, held a joint interest in class A shares. Interests under the JSOP took the form of restricted interests in class A shares in the former Parent Company of the Group. An interest permitted a participant to benefit from the increase, if any, in the value of a number of class A shares over specified threshold amounts. In prior years the fair value of interests awarded was determined using a Monte Carlo option pricing model. The final IPO value was based on the market value of the shares within the IPO funds flow.

Tracker shares

As part of the pre-IPO Group's consideration for the acquisition of Capitaine Train SAS on 16 April 2016, the Group issued Trackers A, B and E in the shares of one of its subsidiaries to certain selling shareholder-employees of Capitaine Train SAS, who went on to become employees of the post-combination Group. These Tracker shares and CPECs entitled the holders to cash proceeds in a liquidity event (sale or IPO) that were calculated as if the holders held shares and CPECs in the former Parent Company of the Group. The Tracker shares were also subject to a put/call option that was exercisable by the pre-IPO Parent Company in the event that the holders leave the business. As a result of the link between the put/call option exercise pricing and the holders' continued employment in the pre-IPO Group, the arrangement was required to be accounted for under IFRS 2 – Share-Based Payments as a cash-settled share-based payment. In prior years the fair value of interests awarded was determined using a Monte Carlo option pricing model. The final IPO value was based on the market value of the shares within the IPO funds flow.

Notes continued
(forming part of the Group Financial Statements)

16. Share-based payments continued

Pre-IPO schemes continued

Tracker shares continued

The Group's liabilities under the JSOP and Tracker share schemes were settled in the IPO.

As part of the Group's reorganisation on IPO, the holders of Tracker shares exchanged their entitlements for newly issued shares in Trainline plc. The Group's liability to JSOP holders was settled by the Group's EBT through a combination of cash of £20.9 million, before deduction of transaction costs, and shares of £25.2 million in Trainline plc. The cash portion of the consideration was funded by the Group's EBT selling down part of its shareholding in the Group IPO, which realised proceeds of £30.7 million, after the deduction of fees.

Equity-settled schemes

Certain employees held shares in the former Parent Company of the Group. The underlying agreement in relation to these shares included employment conditions and therefore all such shares were accounted for as equity-settled share-based payments. As these shares were purchased by employees at fair value, no associated share-based payment charge has been booked through the income statement.

As part of the Group's reorganisation on IPO, all holders of shares in the former Parent Company of the Group exchanged their interests for newly issued shares in Trainline plc.

The following amounts were recognised in relation to the pre-IPO schemes:

	2021 £'000	2020 £'000
Income statement		
Employee costs	–	3,524
Finance costs	–	49,705
Total income statement impact	–	53,229
Statement of financial position		
JSOP	–	–
Tracker shares	–	–
Total statement of financial position	–	–

All costs of the pre-IPO share-based payment schemes in the year ended 29 February 2020 were funded by the IPO funds flow and did not represent a cash outflow to the trading business of the Group.

The movements in these share awards can be summarised as follows:

Outstanding	JSOP interests Number	Tracker Shares Number
At 1 March 2019	58,108	34,318
Granted	–	–
Forfeited	**(58,108)**	**(34,318)**
Exercised	–	–
At 29 February 2020	–	–

The pre-IPO schemes were settled in full at the date of IPO and ceased to exist following that settlement.

Post-IPO schemes

Following the IPO, the Group operates eight equity-settled share-based payment schemes with a £nil exercise price.

1,000 RSU IPO award

The 1,000 restrictive stock unit ('RSU') IPO award was offered to all Company staff employed at both 26 June 2019 and 31 July 2019, being the IPO date and grant date respectively. The awards vested on 31 July 2020; all employees that have not opted out or left the business between 26 June 2019 and 31 July 2020 were entitled to 1,000 RSUs which each represent the right to receive one ordinary share in Trainline plc.

Share incentive plan

The share incentive plan ('SIP') was offered to all UK Company staff employed at both 26 June 2019 and 31 July 2019, being the IPO date and grant date respectively. The awards will vest on 31 July 2022; all employees that have not opted out or left the business between 26 June 2019 and 31 July 2022 will be entitled to shares in Trainline plc worth £3,600 at vesting date.

International share incentive plan

The share incentive plan ('SIP') was offered to all non-UK Company staff employed at both 26 June 2019 and 31 July 2019, being the IPO date and grant date respectively. The awards will vest on 31 July 2022; all employees that have not opted out or left the business between 26 June 2019 and 31 July 2022 will be entitled to shares in Trainline plc worth £3,600 at vesting date.

12-month RSU IPO award

The 12-month RSU IPO award is offered to certain members of the executive team and senior management. The awards vested on 26 June 2020; all participants that had not left the business at this date were entitled to RSUs which each represented the right to receive one ordinary share in Trainline plc.

Annual RSU award

The annual RSU award is offered to certain members of the executive team and senior management. The annual RSU award – 2019 will vest in three tranches: 20% on 28 February 2020, 40% on 28 February 2021, and 40% on 28 February 2022. The annual RSU award – 2020 will vest in three tranches: 33.33% on 28 February 2021, 33.33% on 28 February 2022 and 33.33% on 28 February 2023. All participants that have not left the business on these dates will be entitled to RSUs which each represent the right to receive one ordinary share in Trainline plc. Future RSU awards will vest in three equal tranches over three years. In November 2020 additional shares were granted to specific new joiners as per the grant deed. These shares will vest under the same tranches as the original shares issued under the scheme.

Annual performance share plan award

The annual performance share plan ('PSP') award is offered to certain members of the Board and executive team. The annual PSP award 2019 will vest on 28 February 2022 and the PSP award 2020 will vest on 22 May 2023, with subsequent awards vesting three years after the grant date. Subject to the Company meeting specified performance conditions relating to earnings per share and total shareholder returns, all participants that have not left the business at the vesting date will be entitled to PSPs which each represent the right to receive one ordinary share in Trainline plc. In November 2020 additional shares were granted to specific new joiners as per the grant deed. These shares will vest under the same tranches as the original shares issued under the scheme.

Specific RSU award

In addition to the above schemes and as detailed in the prospectus, one member of the Board received a grant of RSUs with a grant date value of £300,000 (calculated by reference to the offer price) vesting subject to continued appointment to the Board in equal tranches over the three years following admission.

Matching shares

As of 20 April 2020, all Company employees were entitled to one free matching share for every one partnership share they purchase under the share incentive plan ('SIP'), subject to remaining employees for the three-year vesting period.

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

	1,000 RSU IPO award	Share incentive plan	International share incentive plan	12-month RSU IPO award	Annual RSU award	Annual PSP award	Specific RSU award
Exit date	31 July 2020	31 July 2022	31 July 2022	26 June 2020	3 years after grant date	3 years after grant date	26 June 2020[1]
Attrition rate	17%	24%	24%	23%	12–30%	19%–53%	18%
Weighted average fair value	£4.28	£4.20	£4.20	£3.50	£4.28–£5.12	£3.66–£5.12	£3.50

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

Notes continued
(forming part of the Group Financial Statements)

16. Share-based payments continued

Carrying value and fair value of share-based payment liabilities

The carrying value and fair value of the Group's equity-settled share-based payment arrangements were determined using option pricing models.

The expense recognised in the year for post-IPO scheme share-based payments is £7.1 million (FY 2020: £7.1 million), including the relevant employer's social security contributions.

	2021 £'000	2020 £'000
1,000 RSU IPO award	**1,115**	1,268
Share incentive plan	**486**	281
International share incentive plan	**54**	31
12-month RSU IPO award	**2,120**	3,839
Annual RSU award	**2,294**	816
Annual PSP award	**890**	756
Specific RSU award	**109**	116
Matching shares	**25**	–
Total income statement impact	**7,093**	7,107

The movements in share awards are summarised as follows:

Outstanding	1,000 RSU IPO award number	Share incentive plan number	International share incentive plan number	12-month RSU IPO award number	Annual RSU award number	Annual PSP award number	Specific RSU award number
At 1 March 2019	–	–	–	–	–	–	–
Granted	589,000	454,210	50,563	1,904,732	444,570	1,757,249	85,714
Lapsed	(64,000)	(46,278)	(6,856)	(403,977)	(22,077)	(215,324)	–
Exercised	–	–	–	–	–	–	–
At 1 March 2020	**525,000**	**407,932**	**43,707**	**1,500,755**	**422,493**	**1,541,925**	**85,714**
Granted	**–**	**–**	**–**	**–**	**574,898**	**2,543,091**	**–**
Lapsed	**(36,000)**	**(84,843)**	**(5,139)**	**(28,823)**	**(154,411)**	**(1,487,819)**	**–**
Exercised	**(489,000)**	**–**	**–**	**(1,471,932)**	**(84,527)**	**–**	**–**
At 28 February 2021	**–**	**323,089**	**38,568**	**–**	**758,453**	**2,597,197**	**85,714**
Exercisable at 28 February 2021	**–**	**–**	**–**	**–**	**298,072**	**–**	**28,571**

17. Provisions

The Group holds provisions in relation to dilapidations and historically held a provision in relation to 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 a 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. It is expected that the cash flows in relation to provisions will occur at the end of the lease terms, between 2026–2030.

Dilapidation provisions are capitalised as part of the right-of-use assets at inception.

Provisions at 28 February 2021:

	Dilapidation £'000	Total £'000
As at 1 March 2020	**681**	**681**
Unwinding of the discount	**39**	**39**
Created	**130**	**130**
As at 28 February 2021	**850**	**850**

Provisions at 29 February 2020:

	Dilapidation £'000	VAT £'000	Total £'000
As at 1 March 2019	655	911	1,566
Unwinding of the discount	26	–	26
Utilised	–	(658)	(658)
Released	–	(253)	(253)
As at 29 February 2020	681	–	681

18. Capital and reserves

Share capital

Share capital represents the number of shares in issue at their nominal value.

Ordinary shares in the Group are issued, allotted and fully paid up. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Shareholding at 28 February 2021 and 29 February 2020

	Number	£'000
Ordinary shares – £0.01	480,680,508	4,807

Share premium

Share premium represents the amount over the nominal value which was received by the Group upon the sale of the ordinary shares. Upon the date of listing the nominal value of shares was £1.00 but the initial offering price was £3.50.

Share premium is stated net of any direct costs relating to the issue of shares.

Preference shares

Preference shares represent 50,000 redeemable preference shares of £1.00 each, redeemable at the option of the Group. These shares were redeemed on 20 August 2020.

Notes continued
(forming part of the Group Financial Statements)

18. Capital and reserves continued

Retained earnings
Retained earnings represents the profit the Group makes that is not distributed as dividends. No dividends have been paid in any year.

Foreign exchange
The foreign exchange reserve represents the net difference on the translation of the statement of financial position and income statements of foreign operations from functional currency into reporting currency over the period such operations have been owned by the Group.

Other reserves

	Merger reserve £'000	Treasury reserve £'000	SBP[1] reserve £'000	Total other reserves £'000
At 1 March 2019	(1,122,218)	(21,792)	–	(1,144,010)
Group restructure	–	10,895	–	10,895
SBP[1] charge	–	–	7,360	7,360
At 29 February 2020	(1,122,218)	(10,897)	7,360	(1,125,755)
Addition of treasury shares	**–**	**(4,123)**	**–**	**(4,123)**
SBP[1] charge	**–**	**–**	**5,420**	**5,420**
Allocation of treasury shares to fulfil SBP[1]	**–**	**7,268**	**(7,268)**	**–**
Deferred tax on SBP[1]	**–**	**–**	**(254)**	**(254)**
Transfer to retained earnings[2]	**–**	**–**	**(280)**	**(280)**
At 28 February 2021	**(1,122,218)**	**(7,752)**	**4,978**	**(1,124,992)**

1 SBP – Share-based payment.
2 Transfer to retained earnings relates to the difference between the share price at grant date of the exercised shares and the actual cost of the treasury shares purchased to fulfil the SBP.

Merger reserve
Prior to the IPO, the ordinary shares of the pre-IPO top company, Victoria Investments S.C.A., were acquired by Trainline plc. As the ultimate shareholders their relating rights did not change as part of this transaction and this was treated as a common control transaction under IFRS. The balance of the merger reserve represents the difference between the nominal value of the reserves in the Victoria Investments S.C.A. Group and the value of reserves in Trainline plc prior to the restructure.

Treasury reserve
Treasury shares reflect the value of shares held by the Group's Employee Benefit Trusts ('EBT'). At 28 February 2021 the Group's EBT held 2.1 million shares (FY 2020: 3.1 million) which have a historical cost of £7.8 million (FY 2020: £10.9 million).

Share-based payment reserve
The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the profit and loss account.

19. Other employee benefits

This note explains the accounting policies governing the Group's pension schemes and details the calculations and actuarial assumptions related to these.

The majority of the Group's employees are members of a defined contribution pension scheme. Additionally, the Group operates one defined benefit pension plan which is closed to new entrants.

For defined contribution schemes, the Group pays contributions into separate funds on behalf of the employee and has no further obligations to employees. The risks associated with this type of plan are assumed by the member. Contributions paid by the Group in respect of the current year are included within Note 5.

The defined benefit scheme is a pension arrangement under which participating members receive a pension benefit at retirement determined by the scheme rules, salary and length of pensionable service. The income statement charge for the defined benefit scheme is the current/past service cost and the net interest cost which is the change in the net defined benefit liability that arises from the passage of time. The Group underwrites both financial and demographic risks associated with this type of plan.

Accounting policy

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contribution is recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

The Group participates in a defined benefit scheme which is closed to new members. The assets of the scheme are held separately from those of the Group. Pension scheme assets are measured using market values.

The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed every period end by a qualified actuary using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The scheme is subject to an asset ceiling, meaning when the scheme is remeasured and shows a net asset position an 'asset ceiling' is applied equal to this amount, meaning the Group recognises no asset on its statement of financial position. This is because the Group does not have an irrevocable right to the surplus of the scheme. If the scheme is in a net deficit the Group would recognise the liability.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Notes continued
(forming part of the Group Financial Statements)

19. Other employee benefits continued

Defined benefit pension plan

(a) The Scheme

Qjump Limited, a subsidiary of the Group, operates a defined benefit pension scheme which is closed to new entrants. The Qjump Shared Cost Section of the Railways Pension Scheme ('the Scheme') is a funded scheme and provides benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the Company and are managed by RPMI. As the Scheme is currently in an asset position no contributions are expected from the Group in the coming year, apart from to cover the Scheme's administration costs.

Triennial valuation

The most recent published actuarial valuation was carried out by the Scheme Actuary as at 31 December 2019.

IAS 19 Employee benefits valuation

The IAS 19 valuations of the defined benefit pension scheme have been updated at each period end, the latest being 28 February 2021 by qualified independent actuaries Willis Towers Watson Ltd. The main financial assumptions applied in the valuations and an analysis of schemes' assets are as follows:

(i) Actuarial assumptions

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

	2021 % pa	2020 % pa
Discount rate	**2.2**	1.9
Price inflation (RPI measure)	**3.05**	2.8
Increases to deferred pensions (CPI measure)	**2.6**	2.1
Pension increase (CPI measure)	**2.6**	2.1
Salary increase	**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:

	2021 years	2020 years
Longevity at age 65 for current pensioners		
Males	**19.9**	20.2
Females	**22.7**	22.8
Longevity at age 65 for current members aged 45		
Males	**21.3**	21.9
Females	**24.3**	24.7

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.

	2021 £'000	2020 £'000
Liability		
Deferred members	**(3,688)**	(4,061)
Pensioner members (including dependants)	**(1,144)**	(572)
Total	**(4,832)**	(4,633)
Value of assets at end of year	**4,946**	4,689
Funded status at end of year	**114**	56
Adjustment for the member's share of surplus	**(46)**	(22)
Effect of asset ceiling	**(68)**	(34)
Net defined benefit at end of year	**–**	–

	2021 £'000	2020 £'000
Employer's share of administration cost	**27**	24
Past service cost adjustment	**–**	–
Total employer's share of service cost	**27**	24
Employer's share of net interest on net defined benefit	**–**	(6)
Employer's share of pension expense	**27**	18

(ii) Other comprehensive income ('OCI')

	2021 £'000	2020 £'000
Loss due to the liability expense	**105**	7
Loss/(gain) due to the liability assumption changes	**61**	532
Adjustment for the members' share	**43**	(124)
Return on plan assets (greater)/less than discount rate	**(269)**	(212)
Change in effect of the asset ceiling	**33**	(221)
Total gain recognised in OCI	**(27)**	(18)

(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.

	2021 £'000	2020 £'000
Defined benefit obligation		
Opening balance	**4,633**	4,078
Interest cost	**85**	107
Defined benefit obligation	**4,718**	4,185
Actuarial gain arising from:		
Financial assumptions	**121**	626
Experience adjustment	**105**	7
Demographic adjustment	**(60)**	(94)
	166	539
Other		
Benefits paid	**(52)**	(91)
Section amendment	**–**	–
Closing balance	**4,832**	4,633

Notes continued
(forming part of the Group Financial Statements)

19. Other employee benefits continued

(b) Movements in net defined benefit asset/liability continued

Reconciliation of value of assets:

	2021 £'000	2020 £'000
Opening value of scheme assets	**4,689**	4,491
Interest income on assets	**86**	117
Return on plan assets greater than discount rate	**269**	212
Employer and employee contributions	**–**	–
Actual benefit payments	**(52)**	(91)
Administration costs	**(46)**	(40)
Closing value of scheme assets	**4,946**	4,689

(c) Plan assets

Plan assets comprise:

	2021 £'000	2020 £'000
Growth assets	**3,117**	2,872
Government bonds	**1,240**	1,311
Non-government bonds	**578**	500
Other assets	**11**	6
Total plan assets	**4,946**	4,689

All equity securities and government bonds have quoted prices in active markets.

(d) Risk exposure

Through its defined benefit pension plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: There is a risk that a fall in asset values is not matched by a corresponding reduction in the value placed on the Scheme's defined benefit obligation. The Scheme holds a proportion of growth assets, which are expected to outperform corporate and government bond yields in the long term, but gives exposure to volatility and risk in the short term.
- Change in bond yields: A decrease in corporate bond yields will increase the value placed on the Scheme's defined benefit obligation, although this will be partially offset by an increase in the value of the Scheme's corporate bond holdings.
- Inflation risk: The majority of the Scheme's defined benefit obligation is linked to inflation, where higher inflation will lead to a higher value being placed on the defined benefit obligation. Some of the Scheme's assets are either unaffected by inflation or loosely correlated with inflation (e.g. growth assets), meaning that an increase in inflation will generally increase the deficit.
- Life expectancy: An increase in life expectancy will lead to an increased value being placed on the Scheme's defined benefit obligation. Future mortality rates cannot be predicted with certainty.

(e) Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 28 February is shown below:

	Approximate change in defined benefit obligation	
	2021 £'000	2020 £'000
Discount rate		
0.25% decrease	**270**	292
0.25% increase	**(251)**	(269)
Price inflation (CPI measure)		
0.25% decrease	**(246)**	(264)
0.25% increase	**264**	258
Life expectancy		
Decrease by 1 year	**185**	(164)
Increase by 1 year	**(185)**	164

(f) Funding arrangements

Under the UK's scheme-specific funding regime, contributions are payable in line with the Schedule of Contributions from the most recent formal actuarial valuation. There are no contributions expected for next year.

20. 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	Lease liabilities £'000	Total £'000
Balance at 1 March 2020	**141,754**	**–**	**15,346**	**157,100**
Changes from cash flows				
Interest paid	**(4,940)**	**–**	**(536)**	**(5,476)**
Issue costs relating to loans and borrowings	**(2,690)**	**–**	**–**	**(2,690)**
Proceeds from issuance of convertible bonds	**150,000**	**–**	**–**	**150,000**
Proceeds from Revolving Credit Facility	**95,000**	**–**	**–**	**95,000**
Repayment of Revolving Credit Facility and other borrowings	**(137,184)**	**–**	**–**	**(137,184)**
Repayment of lease liability	**–**	**–**	**(2,676)**	**(2,676)**
Total changes from financing cash flows	**100,186**	**–**	**(3,212)**	**96,974**
Changes in fair value	**–**	**–**	**–**	**–**
Other changes				
Capitalised borrowing cost releases	**1,428**	**–**	**–**	**1,428**
Interest expense	**5,473**	**–**	**694**	**6,167**
Additional lease liabilities	**–**	**–**	**4,631**	**4,631**
Remeasurement of lease liabilities[1]	**–**	**–**	**4,261**	**4,261**
Foreign exchange revaluation	**–**	**–**	**(25)**	**(25)**
Balance at 28 February 2021	**248,841**	**–**	**21,695**	**270,536**

1 Remeasurement of the lease liabilities arising from the modification of the lease term.

Notes continued
(forming part of the Group Financial Statements)

20. Changes in liabilities arising from financing activities continued

	Loans & borrowings (current & non-current) £'000	Other non-current liabilities £'000	Lease liabilities £'000	Total £'000
Balance at 1 March 2019	269,253	19,561	17,692	306,506
Changes from cash flows – Restated				
Interest paid	(9,711)	–	–	(9,711)
Issue costs relating to loans and borrowings	(6,832)	–	–	(6,832)
Repayment of pre-IPO borrowings	(276,763)	–	–	(276,763)
Proceeds from Revolving Credit Facility	206,941	–	–	206,941
Repayment of Revolving Credit Facility and other borrowings	(60,223)	–	–	(60,223)
Repayment of lease liability	–	–	(3,075)	(3,075)
Total changes from financing cash flows – Restated	(146,588)	–	(3,075)	(149,663)
Changes in fair value	–	–	–	–
Other changes – Restated				
Capitalised borrowing costs	9,318	–	–	9,318
Settlement of other non-current liabilities[1]	–	(19,561)	–	(19,561)
Interest expense	9,771	–	828	10,599
Foreign exchange revaluation	–	–	(99)	(99)
Balance at 29 February 2020	141,754	–	15,346	157,100

1 The amount shown under the 'Settlement of other non-current liabilities' of £19.6 million was reclassified from 'changes from cashflows' to 'other changes' to reflect the nature of this transaction, being settlement through the issue of shares. 'Total changes from financing cash flows' has changed from an outflow of £169.2 million to an outflow of £149.7 million. This reclassification did not have any impact on the consolidated statement of cash flows or any other primary statements.

21. 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	2021 £'000	2020 £'000
Cash and cash equivalents	1	**36,575**	92,120
Trade and other receivables	2	**9,633**	46,607
Derivative assets	2	**–**	6
Total financial assets		**46,208**	138,733
Trade and other payables	2	**(22,523)**	(136,355)
Loans and borrowings	2	**(248,011)**	(141,754)
Lease liabilities	2	**(21,694)**	(15,346)
Total financial liabilities		**(292,228)**	(293,455)

There have been no transfers between levels in any of the years. Other non-current liabilities are valued using market established valuation techniques.

Accounting definitions

Financial assets

The Group classifies its non-derivative financial assets into the following categories: cash and cash equivalents, and trade and other receivables. The classification depends on the purpose for which the assets are held. The classification is first performed at initial recognition and then re-evaluated at every reporting date for financial assets other than those held at fair value through the income statement.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

The carrying value of cash in the statement of financial position is valued at 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.

Notes continued
(forming part of the Group Financial Statements)

21. Financial instruments continued

(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, other non-current liabilities, and lease liabilities.

(i) Trade and other payables
Trade payables and accruals, which include amounts owed to carriers in respect of ticket sale monies that the Group has collected on their behalf and amounts due to other suppliers for general business expenditure, are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Trade and other payables are classified as financial liabilities, excluding deferred revenue.

(ii) Loans and borrowings
The financial liabilities recognised in this category include secured loan facilities, convertible bonds and preference shares held by the Group and are presented in borrowings in both current and non-current liabilities in the statement of financial position.

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

(iii) Other non-current liabilities
The Group has issued tracker entitlements as disclosed in Note 15.

(iv) Lease liabilities
The Group recognises lease liabilities for leases within the scope of IFRS 16 Leases.

Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management framework seeks to minimise potential adverse effects on the Group's financial performance.

(i) Risk management framework
The Group's Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Market risk
The Group is exposed to movements in LIBOR on its variable rate Revolving Credit Facility (see Note 14) and the Group has transactional foreign currency exposures, which arise from sales and purchases by the relevant segment in currencies other than the Group's functional currency.

To manage the risk of LIBOR rate increases, the Group held an interest rate cap which expired in January 2021, which had the effect of limiting the Group's exposure on £190 million of its borrowings to a maximum LIBOR of 1.0%.

(iii) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Trade receivables are assessed for risk of default by customers on a periodic basis and terms of trade are adjusted accordingly. Trade receivables are insured on risk and cost grounds.

Under the terms of the Group's retail licences, carriers require certain security arrangements with the Group in order to mitigate its credit risk under the payment and settlement procedures outlined in the licences. The Group satisfies these security arrangements through letters of credit from the Group's lenders. The letters of credit are provided under the Group's £350 million Revolving Credit Facility, details of which are included in Note 14.

During COVID-19 extra procedures have been put in place to monitor customer and counterparty debt. Debt has been reviewed on a weekly basis and any customers who fall overdue are chased immediately; if payment is not received, the account was put on hold until previous debts are cleared.

(iv) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a daily cash forecast in order to ensure that it has sufficient liquidity to cover all expected cash flows including scheduled repayment of debt.

In addition, a Revolving Credit Facility under which the Group is able to draw down cash of up to £350 million is in place. Of the £350 million, £8.2 million (FY 2020: £97.5 million) was utilised by a guarantee provided to the Rail Settlement Plan Limited. A further £13.2 million (FY 2020: £15.2 million) was utilised by guarantees provided to European Train Operating Companies and £0.5 million (FY 2020: £0.7 million) for other guarantees. The remaining headroom on the Revolving Credit Facility at 28 February 2021 was £223.2 million (FY 2020: £105.6 million); this is available to draw in cash or bank guarantees.

Under the Revolving Credit Facility, the Group's covenant requires the ratio of consolidated net debt to consolidated Adjusted EBITDA to be no more than 3.75x. This covenant ratio is tested on a semi-annual basis. As disclosed in Note 14, this financial covenant has been waived by the Group's loan syndicate until and including February 2022. As part of the waiver, the Group is required to maintain a minimum liquidity headroom of £50 million on a monthly basis from April 2020 to December 2020. This requirement was increased to £75 million on a monthly basis subsequent to the issuance of the convertible bonds in January 2021. The Group was in compliance with the liquidity requirement throughout the year. The Group is expected to return to its semi-annual financial covenant tests on 31 August 2022.

Moreover, the Group's issuance of £150 million convertible bonds, as disclosed in Note 14, enabled the Group to further strengthen its liquidity. The Group used £137.0 million of the convertible bonds to repay cash drawings on the RCF in FY 2021.

Capital management
The Group defines capital as equity, borrowings (Note 14), and cash and cash equivalents. The Group's policy is to maintain a strong capital base that ensures financial stability and provides a solid foundation for ongoing development of business operations and maintains investor and creditor confidence. The Group's objectives when managing capital are to ensure the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Group currently has sufficient capital for its needs.

The Group has requirements under the Revolving Credit Facility of how drawn amounts can be used. This RCF agreement states drawings should be used for financing or refinancing for general corporate purposes and working capital requirements, including capital expenditure and acquisitions.

Notes continued
(forming part of the Group Financial Statements)

22. Leases

Accounting policy

At inception of a contract, the Group assesses whether or not a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When a lease is recognised in a contract the Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. If there is an extension on the lease term that is not considered a new lease, the lease liability is remeasured using revised payments and a revised discount rate at the date of the modification. A corresponding adjustment is made to the right-of-use asset.

The Group presents right-of-use assets in property, plant and equipment and leased liabilities in loans and borrowings in the statement of financial position.

The Group leases assets including land and buildings that are held within property, plant and equipment. Information about leases for which the Group is a lessee is presented below.

(a) Right-of-use assets

Details of the right-of-use is shown on Note 11.

(b) Lease liabilities in the statement of financial position

	2021 £'000	2020 £'000
Current liabilities	**3,336**	2,389
Non-current liabilities	**18,358**	12,957
	21,694	15,346

The maturity analysis of lease liabilities is disclosed in Note 14.

(c) Amounts charged in the income statement

	2021 £'000	2020 £'000
Depreciation expense of right-of-use assets	**3,143**	2,714
Interest expense in lease liabilities	**694**	828
	3,837	3,542

(d) Cash outflow

	2021 £'000	2020 £'000
Total cash outflow for leases	**3,212**	3,075

23. Government grants

Accounting policy

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants that compensate the Group for expenses incurred are recognised in the profit or loss in the periods in which the expenses are recognised and are presented as a deduction from the related expense.

UK government grants

The Coronavirus Job Retention Scheme ('CJRS'), is the UK government's support measure for organisations during the COVID-19 pandemic. The Group participated in the CJRS and received grants aggregating to £0.5 million. There are no unfulfilled conditions or contingencies attached to this grant.

The Group voluntarily repaid all amounts claimed under the CJRS in February 2021.

French government grants

The Group participated in a number of schemes introduced by the French government to support certain eligible businesses amidst the COVID-19 pandemic and received grants aggregating to £1.3 million. There are no unfulfilled conditions or contingencies attached to any of these grants.

Notes continued
(forming part of the Group Financial Statements)

24. List of subsidiaries

The Group holds/held, directly or indirectly, share capital in the following companies:

Name of company	Country of incorporation	Ownership	Registered address	Nature of business
Victoria Intermediate Topco Limited[1, 2]	Jersey	100%	b	In liquidation
Victoria Investments Finco Limited	United Kingdom	100%	a	Holding
Victoria Investments Intermediate Holdco Limited	United Kingdom	100%	a	Holding
Victoria Investments PIKCo Limited[2]	United Kingdom	100%	a	In liquidation
Victoria Investments Midco Limited[2]	United Kingdom	100%	a	In liquidation
Victoria Investments Bidco Limited[2]	United Kingdom	100%	a	In liquidation
Victoria Investments Newco Limited[1, 2]	Jersey	100%	b	In liquidation
Trainline Investments Holdings Limited[2]	United Kingdom	100%	a	In liquidation
Trainline International Limited	United Kingdom	100%	a	Holding
Trainline France SAS	France	100%	c	Holding
Trainline SAS	France	100%	c	Trading
Trainline Group Investments Limited[2]	United Kingdom	100%	a	In liquidation
Trainline Junior Mezz Limited[2]	United Kingdom	100%	a	In liquidation
Trainline Holdings Limited[2]	United Kingdom	100%	a	In liquidation
Trainline.com Limited	United Kingdom	100%	a	Trading
Qjump Limited	United Kingdom	100%	a	Trading
Trainline Rail Enquiry Services Limited[2]	United Kingdom	100%	a	In liquidation
Trainline Short Breaks Limited[2]	United Kingdom	100%	a	In liquidation
Trainline Italia S.R.L	Italy	100%	d	Holding
Railguard Limited	United Kingdom	100%	a	Trading
Trainline Holdco Limited	United Kingdom	100%	a	Holding
Victoria Investments S.C.A	Luxembourg	100%	e	Holding
Victoria Manager S.a.r.l	Luxembourg	100%	e	Holding

1 Victoria Investments Newco Limited and Victoria Intermediate Topco Limited are incorporated in Jersey but tax domiciled in the UK.
2 Denoted subsidiaries went into liquidation on 26 February 2021 due to a Group reorganisation undertaken post the IPO.

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
e 2, rue Edward Steichen, L-2540 Luxembourg

The following subsidiaries are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this Company has guaranteed the subsidiary companies under Section 479C of the Act:

Victoria Investments Finco Limited registered no. 09394939

Trainline International Limited registered no. 06881309

Qjump Limited registered no. 04124436

Railguard Limited registered no. 09621101

Trainline Holdco Limited registered no. 12098773

Victoria Investments Intermediate Holdco Limited registered no. 09451259

25. Related parties

During the year, the Group entered into transactions in the ordinary course of business with related parties.

Transactions with the Group's former controlling shareholder

During the year fees of £nil (FY 2020: £5.4 million) were paid to KKR and Co. Inc and its subsidiaries. None of these fees are expected to reoccur going forward. KKR and Co. Inc ceased to be the controlling shareholder on 11 November 2019.

Transactions with key management personnel of the Group

Key management personnel are defined as the Board of Directors, including Non-executive Directors.

During the period key management personnel have received the following compensation: short-term employee benefits £1,545,336 (FY 2020: £5,192,600); post-employment benefits £136,795 (FY 2020: £127,160); and ongoing share-based payment schemes £419,856 (FY 2020: £311,811). No other long-term benefits or termination benefits were paid (FY 2020: £nil). The highest paid Director received: short-term employee benefits £380,090 (FY 2020: £3,580,555); post-employment benefits £40,647 (FY 2020: £37,438); and ongoing share-based payment schemes £202,676 (FY 2020: £80,266). There were two Directors to whom retirement benefits are accruing under defined contribution schemes (FY 2020: two).

Information on the emoluments of the Directors who served during the year, together with information regarding the beneficial interest of the Directors in the ordinary shares of the Company is included in the Directors' Remuneration Report on pages 70 to 78.

The IPO triggered the crystallisation of previous share-based payment schemes with key management personnel. In FY 2020, £12.9 million of the exceptional finance charge related to cash-settled share-based payment schemes with key management personnel (Note 16). In FY 2020, £64.6 million crystallised on equity-settled share-based payment schemes in relation to key management personnel, for which there is no cash, income statement or statement of financial position impact.

All amounts relating to equity and cash schemes were settled as a combination of cash from the IPO funds flow and shares in Trainline plc and do not represent a cash outflow from the trading business of the Group.

At 28 February 2021 key management personnel held 9,947,734 shares in Trainline plc (FY 2020: 11,185,560 shares).

26. 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 statement of financial position.

The Group entered into contracts in relation to office refurbishments and is committed to incurring payments of £2.4 million as of 28 February 2021 (FY 2020: £nil). These commitments are expected to be settled in FY 2022.

27. Post balance sheet events

There have been no material post balance sheet events between 28 February 2021 and the date of the approval of these Financial Statements.

Parent Company statement of financial position

	Notes	2021 £'000	2020 £'000
Non-current assets			
Investments	2	**1,888,364**	1,759,306
Deferred tax asset	3	**981**	–
		1,889,345	1,759,306
Current assets			
Cash and cash equivalents		**1,972**	935
Trade and other receivables		**1,053**	2,105
Amounts owing from subsidiaries	4	**37,769**	45,922
		40,794	48,962
Current liabilities			
Trade and other payables		**(836)**	(697)
Amounts owing to subsidiaries	4	**(14,063)**	–
Loan and borrowings	5	**(831)**	(270)
		(15,730)	(967)
Net current assets		**25,064**	47,995
Total assets less current liabilities		**1,914,409**	1,807,301
Non-current liabilities			
Loan and borrowings	5	**(247,795)**	(141,057)
		(247,795)	(141,057)
Net assets		**1,666,614**	1,666,244
Equity			
Share capital	6	**4,807**	4,807
Share premium	6	**1,198,703**	1,198,703
Preference shares	6	**–**	50
Retained earnings	6	**458,126**	462,684
Share-based payment reserve	6	**4,978**	–
Total equity		**1,666,614**	1,666,244

The notes on pages 138 to 139 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors of Trainline plc (registered number 11961132) on 6 May 2021 and were signed on its behalf by

Jody Ford
Chief Executive Officer
6 May 2021

Shaun McCabe
Chief Financial Officer
6 May 2021

Parent Company statement of changes in equity

For the year ended 28 February 2021:

	Share capital £'000	Share premium £'000	Preference shares £'000	Retained earnings £'000	SBP reserve £'000	Total equity £'000
At 1 March 2020	4,807	1,198,703	50	462,684	–	1,666,244
Preference share redemption	–	–	(50)	–	–	(50)
Loss after tax	–	–	–	(4,838)	–	(4,838)
Share-based payments	–	–	–	–	5,258	5,258
Transfer between reserves[1]	–	–	–	280	(280)	–
Balance as at 28 February 2021	4,807	1,198,703	–	458,126	4,978	1,666,614

1 Transfer between reserves relates to the difference between the share price at grant date of the exercised shares and the actual cost of the treasury shares purchased to fulfil the SBP.

For the year ended 29 February 2020:

	Share capital £'000	Share premium £'000	Preference shares £'000	Retained earnings £'000	Total equity £'000
On incorporation as at 24 April 2019	–	–	50	–	50
Shares issued on Group restructure[2]	449,095	1,122,738	–	–	1,571,833
Shares issued on listing net of fees	31,526	75,817	–	–	107,343
Issue of shares	59	148	–	–	207
Loss after tax	–	–	–	(13,189)	(13,189)
Share capital reduction	(475,873)	–	–	475,873	–
Balance as at 29 February 2020	4,807	1,198,703	50	462,684	1,666,244

2 See Note 5 for additional detail.

The notes on pages 138 to 139 form part of the Financial Statements.

Notes to the Parent Company Financial Statements

1. Basis of preparation

The Financial Statements are presented in pounds sterling, rounded to the nearest thousand, unless otherwise stated. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and certain related party transactions. Where required, equivalent disclosures are given in the Consolidated Financial Statements.

As permitted by section 408(4) of the Companies Act 2006, a separate income statement and statement of comprehensive income for the Company has not been included in these Financial Statements. The principal accounting policies adopted are described below. They have all been applied consistently to all years presented.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's Financial Statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the Consolidated Financial Statements.

2. Investment in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment. The investment relates to the Company's investments in Trainline Holdco Ltd, Victoria Investments S.C.A ('SCA') and Victoria Manager S.a.r.l.

	2021 £'000	2020 £'000
Opening balance	**1,759,306**	–
Additions on Group restructure[1]	–	1,571,833
Capital contribution	**129,058**	187,473
Closing balance	**1,888,364**	1,759,306

1 See Note 6 and statement of changes in equity for additional detail.

During the year, the Company made an additional capital contribution to Trainline Holdco Limited in exchange for new shares issued to the Company.

3. Deferred tax asset

The Company has recognised a deferred tax credit on the loss arising in the period as it is expected the loss can be used to offset the tax charge for the Group in future periods. This is on the basis that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The deferred tax credit in FY 2021 also includes deferred tax on equity-settled share-based payment charges.

4. Amounts owing from and to subsidiaries

Amounts owing from and to subsidiaries is comprised of intercompany loans with companies within the Group. IFRS 9 expected credit losses have been assessed as immaterial in relation to these balances.

In the current year, amounts owing from and to subsidiaries have been grossed on the balance sheet as there is no right of offset. The gross FY 2020 amounts owing from subsidiaries were c.7% of total assets. This is not considered a material disclosure in relation to the quantum of the investments in subsidiaries and therefore the FY 2020 comparatives have not been restated.

5. Loans and borrowings

Loans and borrowings relate to the Revolving Credit Facility and the convertible bonds. Please refer to Note 14 of the Consolidated Financial Statements for details.

6. Capital and reserves

Share capital

Share capital represents the number of shares in issue at their nominal value.

Ordinary shares in the Company are issued, allotted and fully paid up. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On incorporation on 24 April 2019, the Company issued 50,000 preference shares for a total consideration of £50,000, with one ordinary share to be issued. The preference shares were redeemed in full on 20 August 2020.

On 26 June 2019, the Company allotted 449,095,131 ordinary shares as part of a share for share exchange in consideration for: the transfer of the entire issued share capital of Victoria Investments S.C.A to the Company; the acquisition of the convertible preferred equity certificates ('CPECs') and relating interest held by Victoria Investments S.C.A; and the acquisition and extinguishment of the liability relating to Tracker shares held by Victoria Investment S.C.A. The nominal value of these shares was £1.00 and the consideration per share was £3.50.

On 26 June 2019, the Company issued 31,526,093 ordinary shares in its primary listing. The nominal value of these shares was £1.00 and the consideration per share was £3.50. Share premium is stated net of directly attributable fees of £3.0 million.

On 26 June 2019, the Company issued an additional 59,284 ordinary shares. The nominal value of these shares was £1.00 and the consideration per share was £3.50.

Following a reduction in capital the nominal value of ordinary shares was reduced from £1.00 to £0.01 each. The reduction of capital had no effect on the net asset position of the Company.

Shareholding at 28 February 2021 and 29 February 2020

	Number	£'000
Ordinary shares – £0.01	480,680,508	4,807

Share premium

Share premium represents the amount over the nominal value which was received by the Company upon the sale of the ordinary shares. Upon the date of listing the nominal value of shares was £1.00 but the initial offering price was £3.50.

Share premium is stated net of any direct costs relating to the issue of shares.

Preference shares

Preference shares represent 50,000 redeemable preference shares of £1.00 each, redeemable at the option of the Company. These shares were redeemed on 20 August 2020.

Retained earnings

Retained earnings represents the profit the Company makes that is not distributed as dividends.

Share-based payment reserve

The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the profit and loss account.

The Company allocates the share-based payment charges to the entities in which the employees' employment contracts sit through the amounts owing from/to subsidiaries.

Alternative performance measures

When assessing and discussing financial performance, certain alternative performance measures ('APMs') of historical or future financial performance, financial position or cash flows are used which are not defined or specified under IFRS. APMs are used to improve the comparability of information between reporting periods and operating segments.

APMs should be considered in addition to, not as a substitute for, or as superior to, measures reported in accordance with IFRS.

APMs are not uniformly defined by all companies. Accordingly, the APMs used may not be comparable with similarly titled measures and disclosures made by other companies. These measures are used on a supplemental basis as they are considered to be indicators of the underlying performance and success of the Group.

Net ticket sales

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 believes net ticket sales are a meaningful measure of the Group's operating performance and size of operations.

Adjusted EBITDA

The Group believes that adjusted EBITDA is a meaningful measure of the Group's operating performance and debt servicing ability without regard to amortisation and depreciation methods which can differ significantly.

Adjusted EBITDA is calculated as profit/(loss) after tax before net financing income/(expense), tax, depreciation and amortisation, exceptional items and share-based payment charges.

Exceptional items are excluded as management believes their nature could distort trends in the Group's underlying earnings. This is because they are often one-off in nature or not related to underlying trade. Share-based payment charges are also excluded as they can fluctuate significantly year on year.

A reconciliation of operating profit to adjusted EBITDA is as follows:

	Notes	2021 £'000	2020 £'000
Operating (loss)/profit		**(99,704)**	2,261
Adjusting items:			
Depreciation and amortisation	10,11	**41,199**	50,907
Share-based payment charges	16	**7,093**	10,631
Exceptional items	6	**26,508**	21,402
Adjusted EBITDA		**(24,904)**	85,201

Adjusted earnings

Adjusted earnings are a measure used by the Group to monitor the underlying performance of the business, excluding certain non-cash and exceptional costs.

Adjusted earnings is calculated as loss after tax with share-based payment charged in administrative expenses and finance costs, exceptional costs and amortisation of acquired intangibles added back, together with the tax impact of these adjustments also added back.

Exceptional items are excluded as management believes their nature could distort trends in the Group's underlying earnings. This is because they are often one-off in nature or not related to underlying trade. Share-based payment charges are also excluded as they can fluctuate significantly year on year and are a non-cash charge to the business. Amortisation of acquired intangibles is a non-cash accounting adjustment relating to previous acquisitions and is not linked to the ongoing trade of the Group.

A reconciliation from the loss after tax to adjusted earnings is as follows:

	Notes	2021 £'000	2020 £'000
Loss after tax		**(91,304)**	(80,938)
Earnings attributable to equity holders		**(91,304)**	(80,938)
Adjusting items:			
Exceptional items	6	**26,508**	21,402
Exceptional finance costs	7	**–**	70,444
Amortisation of acquired intangibles[1]	9	**8,563**	23,634
Share-based payment charges	16	**7,093**	10,631
Tax impact of the above adjustments		**(2,538)**	(8,286)
Adjusted (loss)/earnings		**(51,678)**	36,887

1 This consists of the amortisation of brand valuation of £5.2 million (FY 2020: £5.2 million), customer valuation of £3.0 million (FY 2020: £17.8 million) and software development of £0.4 million (FY 2020: £0.6 million).

Net debt

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

The calculation of net debt is as follows:

	Notes	2021 £'000	2020 £'000
Loan and borrowings[1]	14	**(277,681)**	(162,900)
Cash and cash equivalents		**36,575**	92,120
Net debt		**(241,106)**	(70,780)

1 This amount is the aggregate amount of loans and borrowings as disclosed in Note 14 amounting to £270.5 million (FY 2020: £157.1 million) and the capitalised finance charges amounting to £7.1 million (FY 2020: £5.8 million).

Operating free cash flow

The Group uses operating free cash flow as a supplementary measure of liquidity.

The Group defines operating free cash flow as cash generated from operating activities adding back cash exceptional items, and deducting cash flow in relation to purchase of property, plant and equipment and intangible assets, excluding those acquired through business combinations or trade and asset purchases.

The calculation of operating free cash flow is as follows:

	2021 £'000	2020 £'000
Cash (used in)/generated from operating activities	**(121,254)**	65,365
Cash exceptional items	**1,313**	20,928
Purchase of property, plant and equipment and intangible assets	**(26,335)**	(27,405)
Operating free cash flow	**(146,276)**	58,888

Liquidity

The Group uses liquidity as a measure of liquidity and to monitor its compliance with the liquidity requirement on the RCF. The liquidity headroom is cash and cash equivalents plus the undrawn, unencumbered balance on the Group's Revolving Credit Facility. As discussed in Note 21, the Group is required to maintain a liquidity headroom of £75 million on a monthly basis.

	2021 £'000	2020 £'000
Cash and cash equivalents	**36,575**	92,120
Undrawn balance on the Revolving Credit Facility	**223,152**	89,316
Liquidity headroom	**259,727**	181,436

Notes

Notes

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