5 November 2020

Trainline plc
Results for the six months ended 31 August 2020

While conditions remain challenging, Trainline is well positioned to return to growth when the market recovers

H1 FY2021 summary financial highlights:

£m unless otherwise stated:	H1 2021	H1 2020	Variance
Net ticket sales	358	1,844	(81)%
Revenue	31	129	(76)%
Adjusted EBITDA[(1)]	(16)	42	(58)
Operating loss	(43)	(8)	(35)
Adjusted basic (loss)/earnings per share (pence)	(6.2)p	3.6p	(9.8)p
Basic loss per share (pence)	(8.1)p	(20.3)p	+12.2p
Operating free cash flow	(80)	60	(140)
Net debt	(166)	(59)	(107)

Results summary:

- Significant impact on rail passenger numbers from COVID-19 lockdowns and virus containment measures across the UK and Continental Europe
- H1 Group net ticket sales of £358 million was 19% of the equivalent prior year period and revenue of £31 million was 24%
- Quick and decisive steps taken to mitigate impact of COVID-19, scaling back monthly cash burn to c.£5 million[3] to deliver Group adjusted EBITDA loss of £16 million and liquidity headroom of £162 million[4]
- Encouraging performance in Q2, with Trainline recovering as trading conditions improved, reflecting an accelerated shift to online and digital ticketing:
  - International led the recovery, returning to growth in the top 3 domestic markets
  - UK Consumer net ticket sales recovering faster than the market at 30% vs prior year period vs. industry passenger volume at 24%[2]
  - New customer rebounded strong – new app customers in UK exceeding 80% of pre-COVID levels; International surpassing pre-COVID levels
- Maintained investment in product and technology throughout the pandemic, developing innovative new products and features to position Trainline for recovery
- Basic loss per share of -8.1p, up 12.2p reflecting exceptional one-off IPO costs in the prior year

Outlook:

- Trading conditions remain challenging, particularly following the re-tightening of COVID-19 restrictions and lockdown measures across our markets in recent weeks
- The Group remains confident it can navigate an extended downturn if necessary, given our significant liquidity headroom of £162 million and proven ability to take mitigating actions to scale back monthly cash outflows where necessary

Clare Gilmartin, CEO of Trainline said:

"COVID-19 continues to cause significant disruption to the rail and coach industry as regional and national lockdowns are put in place across Europe. However, we have taken quick and decisive steps to scale back our cash outflows and ensure we have sufficient long-term liquidity.

"Looking ahead, our position as the digital innovator in the industry means we are well placed to recover quickly when lockdowns lift and market conditions improve, as demonstrated in the second quarter.

"We see no change to the long-term structural tailwinds for Trainline. Rail is a large market with significant government investment planned over the next decade, growing environmental awareness of its benefits compared to air or car, and considerable runway for train tickets to shift online and to mobile."

Notes:

(1) Adjusted EBITDA excludes share based payment charges and exceptional items
(2) Industry passenger volumes as reported by the UK Government Department for Transport (simple daily average)
(3) Cash burn is adjusted EBITDA less tangible and intangible asset additions, less interest paid and less lease liabilities paid, averaged over Jun-Aug 2020
(4) Liquidity headroom is cash and cash equivalents plus the undrawn, unencumbered balance on the Group's Revolving Credit Facility

Presentation of results

There will be a live webcast presentation and conference call of the results to analysts and investors at 8:30 AM GMT today (5th November 2020). Please register to participate at the Company's investor website: https://edge.media-server.com/mmc/p/z4xyiyfc
If participants want to ask a question over the phone or are unable to connect via the web, they can dial into the telephone conference call using the details below.

1. Call the appropriate participant dial-in number listed below.
2. Enter the Event Plus Passcode stated below and leave any information requested after the tone. You will be joined automatically to the conference.

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Forward looking statements and other important information

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This document contains forward looking statements, which are statements that are not historical facts and that reflect Trainline's beliefs and expectations with respect to future events and financial and operational performance. These forward looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond the control of Trainline and which may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. Nothing contained within this document is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of Trainline or its business. Any historical information contained in this statistical information is not indicative of future performance. The information contained in this document speaks only as at the date of this document and Trainline expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this document.

THE IMPACT OF COVID-19 in H1

The COVID-19 pandemic has significantly impacted rail and coach passenger numbers across all of our markets. Since the end of February 2020, Governments in the UK and the rest of Europe have introduced lockdowns, social distancing and other containment measures to curb the spread of COVID-19, and rail and coach operators reduced their service timetables in response. This resulted in a significant slowdown in all of the markets in which we operate, particularly in the first quarter of our financial year, when UK industry passenger volumes fell to c.5% of the equivalent prior year period throughout April and May, with similar declines observed across our international markets.

In light of the drop in industry passenger numbers, we took quick and decisive measures to reduce operating costs and cash outflows. Our mitigating actions included pausing marketing and other discretionary spend, a recruitment freeze, pausing of annual pay reviews and Executive and Board voluntary reductions in their respective salaries and fees. We also furloughed certain teams most directly impacted by the drop in demand, under the Government's Coronavirus Job Retention Scheme (CJRS).

At the same time we made the conscious decision to maintain our investment in our Tech and Product teams to drive the Group's strategic priorities to enable long term growth and create value for our customers and shareholders, including the development of innovative new products and services.

From the second quarter of the financial year, the industry began to see some improvement in passenger volumes. The improvement began first in international markets, reflecting an earlier relaxation of government lockdowns and social distancing measures, followed by the UK some weeks later.

As passenger volume returned, net ticket sales for our consumer business began to recover quickly as well. Our International business led the recovery, with net ticket sales across the top three European domestic markets returning to growth within the quarter, followed by our UK Consumer business, which recovered faster than the wider industry.

The strong recovery of Trainline's UK Consumer and International business reflected a step-up in online and digital ticketing, 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.

With the industry on the first step of the path to recovery and a greater propensity of customers to book online and use digital tickets, Trainline began phasing back its operations to reflect the increase in demand in the second quarter. It brought back most furloughed colleagues and dialed up marketing activity commensurate with the improvement in demand in each of its respective markets. This helped drive a strong rebound in new customers - with new app customers in the UK recovering to >80% of pre-COVID levels and International surpassing pre-COVID levels. At the same time, the Group maintained tight control of cash burn, which averaged c.£5 million per month over the quarter.

OUTLOOK FOR H2 FY2021

In the third quarter of our financial year, there has been a resurgence in COVID-19 cases across our markets. This has been met with a re-tightening of restrictions and lockdown measures, impacting passenger volumes and hampering the industry recovery.

The Group remains confident it can navigate an extended downturn if necessary, given its significant liquidity headroom of £162 million (as at the end of August) and proven ability to take mitigating actions to scale back monthly cash outflows, while remaining resolutely focused on helping our customers and positioning the business for recovery.

The Group recently revisited its financial forecasts given the current and ongoing COVID-19 restrictions, overlaying onto the base case three possible downside scenarios. The base case and all downside scenarios continue to show cash and liquidity headroom, however in the most severe downside scenario there is a risk of covenant breach relating to the Group's Revolving Credit Facility (note the financial covenant has been waived until August 2021). While a covenant breach is not considered likely, given the uncertainty of the current operating environment it should be considered a possible risk (see also note 1a).

While COVID-19 continues to disrupt near-term trading, we are well placed to recover quickly when lockdowns lift and market conditions improve, as the business demonstrated in the second quarter.

In addition, we see no change to our long-term 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 c60% of tickets purchased at the station pre-COVID. COVID-19 will accelerate that shift online;
- Liberalisation and fragmentation of European rail markets as a result of the EU's Fourth Railway Package, which from December 2020 opens domestic commercial passenger services to competition, creating a greater market fit for aggregators like Trainline.

PROGRESS AGAINST OUR STRATEGIC PRIORITIES IN H1 2021

To achieve our mission to make rail and coach travel easier for customers worldwide, we invest behind four strategic priorities for long-term growth: Enhancing the customer experience, building demand, optimising revenues, and growing Trainline for Business (T4B).

While COVID-19 has had an obvious impact on trading conditions, we have maintained our investment in our long-term strategic growth priorities, which we expect to position us well to return to growth as operating conditions recover.

Enhancing the customer experience

We have continued to invest in enhancing the customer experience over the first half of the year:

- The leading alternative to queuing at the station
    - Ongoing investment in our intuitive online ticket booking experience, available through our 4.9-star rated app
    - Further roll-out of eticket availability and improved experience. Industry eticket penetration stepped up in the first half, and in September was 29% (21% in FY2020) of all tickets
    - We continue to see a significant growth runway for eticket penetration over the medium-term, particularly with customers now having a greater preference for contactless travel given the backdrop of COVID-19, as well as the expectation that more rail journeys in the UK will become eticket-enabled in the near future
- Access to the cheapest train tickets
    - In H1 we launched digital railcards, which give customers up to a third off travel in a seamless in-app solution
    - Further improvements to SplitSave, our split-ticketing feature that gives customers access to cheaper fares on more than two-thirds of all UK rail journeys
- Helpful on-the-go travel information
    - We launched a new 'Crowd Alerts' feature that helps customers to identify busy trains
    - Our mobile app offers customers live times, journey planning, disruption alerts and platform prediction, giving useful insight and reassurance while travelling
- Improved self-serve functionality
    - Given the unprecedented levels of inbound customer service requests in the period, we improved our simple, automated change and refund processes in our app and website, with 99% of all refunds now self-served
    - In September, we launched Delay Repay notifications in France, notifying customers when they are entitled to compensation as a result of a delayed train

Looking ahead, we will continue to invest behind our strong innovation roadmap and expect to launch a pipeline of exciting new products and features over the next year.

Building demand

Given the impact on demand from COVID-19, in the first quarter we took the mitigating action to effectively pause our marketing activity. We resumed our marketing activity in Q2 as travel restrictions lifted and as we saw passenger demand recovering in each of our respective markets.

In the second quarter we leaned into the customer acquisition opportunity, benefiting from the current 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 >80% of pre-COVID levels and International surpassing pre-COVID levels - while our cost per customer acquisition reduced by c.30% in the UK and >50% in International. Likewise, customer engagement recovered well, with monthly active users surpassing 20 million, reaching around three-quarters of pre-COVID levels.

In addition, we continued to shift more customers to our mobile app, with app share of transactions in the UK rising to 81%, from 73% in H1 FY2020.

Growing Trainline for Business

UK Trainline for Business (T4B) consists of our booking service for business to business (B2B) and the white label retailing services we provide to train operating companies.

While demand in the UK for business travel remains low, we have increased our attention on addressing the long-term international growth opportunity. In the first half we continued to add new clients to our Global API service, which provides our B2B partners the ability to offer European rail options to their customers through a single connection. Momentum is building with 15 new clients signed up so far, seven of which are already live and integrated, and we have a strong pipeline of potential new clients as well. The Global API is increasingly providing us a platform to enter new markets and scale the B2B business internationally.

For our white label business, in H1 we built and delivered many new products and features to our carrier partners, primarily solving for issues arising due to COVID-19. This included new digital flexible ticketing solutions, as well as providing access to our enhanced automated change and refund functionality.

H1 FY2021 PERFORMANCE REVIEW

Group Overview:

The impact from COVID-19 on passenger volumes in the first half resulted in Trainline's Group net ticket sales decreasing to £358 million, equivalent to 19% of the same period in the prior year.

H1 Net ticket sales:

	Six months ended 31 August 2020					
	Q1 2021	*% of PY*	Q2 2021	*% of PY*	H1 2021	*% of PY*
UK Consumer	64	*13%*	154	*30%*	218	*22%*
UK T4B	3	*1%*	21	*7%*	23	*4%*
Total UK	**67**	***8%***	**174**	***22%***	**241**	***15%***
International	12	*10%*	105	*74%*	117	*45%*
Total Group	**79**	***9%***	**280**	***30%***	**358**	***19%***

Government measures to curb the spread of COVID-19 resulted in a significant slowdown in all the markets in which Trainline operates. The impact was particularly marked in the first quarter of the financial year, when industry passenger volumes in the UK fell to c.5% of the equivalent prior year period throughout April and May, with similar declines across International markets. Trainline also processed a significantly higher number of refund requests (more than 2 million across H1 in the UK alone). As a result, Group net ticket sales in Q1 declined to £79 million, equivalent to 9% of the prior year.

In the second quarter, Group net ticket sales increased to £280 million – equivalent to 30% of the prior year – as operating conditions began to recover. This followed the initial relaxation of government lockdowns and social distancing measures, first in International markets and then some weeks later in the UK, as well as an acceleration in the shift of ticket volumes to online and digital channels. Group net ticket sales improved through the quarter, in August reaching 42% of the prior year.

Group revenue decreased to £31 million in the first half, 24% of the revenue in the prior year. Gross profit for the half decreased from £99 million to £22 million and we reported an adjusted EBITDA loss of £16 million, against an adjusted EBITDA profit in H1 last year of £42 million.

H1 FY2021 Segmental performance:

	H1 2021	H1 2020	% of PY
Net ticket sales (£m)			
UK Consumer	218	986	22%
UK T4B	23	599	4%
Total UK	**241**	**1,585**	**15%**
International	117	259	45%
Total Group	**358**	**1,844**	**19%**
Revenue (£m)			
UK Consumer	19	86	22%
UK T4B	6	30	22%
Total UK	**25**	**115**	**22%**
International	6	14	41%
Total Group	**31**	**129**	**24%**
Gross profit (£m)			
UK Consumer	14	69	20%
UK T4B	5	21	23%
Total UK	**18**	**90**	**21%**
International	3	9	38%
Total Group	**22**	**99**	**22%**
UK contribution	7	70	10%
International contribution	(2)	(8)	28%
Central admin expenses	(21)	(21)	102%
Adjusted EBITDA (£m)	**(16)**	**42**	**n/a**

UK Consumer

Net ticket sales for UK Consumer decreased to £218 million, 22% of the prior year. First quarter net ticket sales reduced to £64 million, 13% of the prior year. In Q2 net ticket sales increased to £154 million, 30% of the prior year, compared to Q2 industry passenger volumes at 24%. This reflected an accelerated shift to online and digital ticketing, as well as a significant step up in new customers to Trainline in the second quarter, with new app customer recovering to more than 80% of pre-COVID levels.

UK Consumer revenue in H1 declined to £19 million, 22% of the prior year, driven by the decline in net ticket sales. Revenue take-rate (the rate of revenue generated from net ticket sales) was impacted by a lower mix of customers from overseas, who as a cohort generate higher revenue per transaction, offset by distorting effects in the period, primarily a significantly higher number of refunds.

Cost of sales reduced to £5 million, 31% of the prior year, given reduced transaction volumes in the first half but also an investment in customer service to process the unprecedented level of refunds. Gross profit decreased to £14 million, 20% of the prior year.

UK Trainline for Business (UK T4B)

UK T4B net ticket sales declined to £23 million, 4% of the prior year. Net ticket sales in Q1 declined to £3 million, 1% of the prior year. Net ticket sales in Q2 improved to £21 million, 7% of the prior year. While trends improved over the second quarter, demand for business travel remained subdued and the White Label business continued to be impacted by season ticket refunds.

Revenue declined to £6 million, 22% of the prior year, given materially lower net ticket sales, offset in part by a higher proportion of fixed fee income for our White Label business. As with UK Consumer, UK T4B's revenue take-rate was distorted by a significantly higher level of refunds processed in the period.

Cost of sales was £2 million, 19% of the prior year given lower transaction volume. Gross profit declined to £5 million, 23% of the prior year.

International

International net ticket sales decreased to £117 million, 45% of the prior year. In the first quarter net ticket sales were £12 million, 10% of the prior year. In the second quarter net ticket sales increased to £105 million, 74% of the prior year, with net ticket sales across the top three European domestic markets returning to growth within the quarter. In addition, there was a significant step up in new customers to Trainline in the second quarter, with new app customers surpassing pre-COVID levels. The faster recovery of our International business relative to the UK primarily reflected an earlier relaxation of lockdown and social distancing restrictions in those markets.

Revenue decreased to £6 million, 41% 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 as a cohort generate higher revenue per transaction than domestic travellers.

Cost of sales decreased to £2 million, 48% of the prior year, given the reduction in transaction volumes. Gross profit reduced to £3 million, 38% of the prior year.

Adjusted EBITDA

The Group reported an adjusted EBITDA loss for the first half of £16 million, within the guided range of a £14-19 million loss as set out in the Group's trading update published on 17th September 2020. This compared to adjusted EBITDA in H1 FY2020 of £42 million, 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 for the half year of £43 million (H1 FY2020: operating loss £8m). The operating loss included a depreciation and amortisation charge of £20 million. This was £3 million lower year-on-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. The operating loss also included a £6 million share-based payment charge for the period.

Loss after tax

Loss after tax for H1 FY2021 was £39 million versus an £89 million loss in the first half of last year, when the Group incurred significant exceptional costs in relation to the IPO in June 2019.

The tax credit in the first half was £6 million, primarily reflecting the reporting loss in the period as well as a deferred tax credit in relation to the unwind of deferred tax liabilities on intangibles acquired in past acquisitions.

Earnings per share (EPS)

Adjusted basic loss per share was 6.2 pence in H1 FY2021, a 9.8 pence reduction 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 8.1 pence, an improvement of 12.2 pence versus the prior year, predominantly driven by exceptional one-off costs and finance charges incurred last year in relation to the IPO.

Operating free cash flow and net debt

Operating free cash flow (FCF) was negative £80 million in the first half, primarily driven by the impact of COVID-19 on trading and the outflow of working capital in Q1. Alongside the £16 million adjusted EBITDA loss in the period, net working capital reduced by £49 million, with a £90 million reduction in the first quarter partially offset by a £41 million increase in Q2 as trading conditions improved. Capital expenditure in the period was £14 million, only slightly below the prior year (H1 FY2020: £15 million) as we maintained our investment in Product and Technology teams to drive long-term growth.

Net debt increased to £166 million at the end of August, from £71 million at the end of February, primarily as a result of the negative operating free cash flow in the half. As the business recovers, the working capital outflow will reverse and reduce the net debt position.

As announced in April 2020, given the disruption to Trainline's operating environment as a result of the COVID-19 pandemic, Trainline's financial covenant on its Revolving Credit Facility has been waived until August 2021. The financial covenant, tested semi-annually, requires that net debt not surpass 3.75x adjusted EBITDA for the trailing twelve months.

Responsibility Statement of the Directors in Respect of the Half-Yearly Financial Report

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

• the interim management report includes a fair review of the information required by:

> (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
>
> (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board:

Shaun McCabe
Chief Financial Officer
5 November 2020

Consolidated Income Statement

Continuing operations	Note	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Net ticket sales[1]	*1c*	358,134	1,844,374	3,726,780
Revenue	*2*	30,951	129,010	260,753
Cost of sales	*2*	(9,040)	(30,054)	(59,602)
Gross profit		**21,911**	**98,956**	**201,151**
Administrative expenses		(64,443)	(106,889)	(198,890)
Adjusted EBITDA[1]	*1c*	(16,304)	41,939	85,201
Depreciation and amortisation		(20,274)	(23,644)	(50,907)
Share based payment charges		(5,517)	(5,131)	(10,631)
Exceptional items	*3*	(437)	(21,097)	(21,402)
Operating (loss) / profit		**(42,532)**	**(7,933)**	**2,261**
Finance income	*4*	1,492	347	692
Finance costs	*4*	(3,614)	(79,914)	(83,184)
Net finance costs		**(2,122)**	**(79,567)**	**(82,492)**
Loss before tax		**(44,654)**	**(87,500)**	**(80,231)**
Income tax credit/(expense)	*5*	6,008	(1,594)	(707)
Loss after tax		**(38,646)**	**(89,094)**	**(80,938)**
Earnings per share (pence)				
Basic	*6*	(8.09)p	(20.32)p	(17.67)p
Diluted[2]	*6*	(8.09)p	(20.32)p	(17.67)p

[1] Non-GAAP measure – see note 1c

[2] As the Group has incurred a loss in H1 2021, H1 2020 and FY 2020 the impact of its potential dilutive ordinary shares have been excluded as they would be anti-dilutive.

The notes on pages 18 to 33 form part of the Interim Financial Statements.

Consolidated Statement of Other Comprehensive Income

	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Loss after tax	(38,646)	(89,094)	(80,938)
Items that may be reclassified to the income statement:			
Re-measurements of defined benefit liability	-	-	18
Foreign exchange movement	2,635	(1,581)	(214)
Other comprehensive income, net of tax	**2,635**	**(1,581)**	**(196)**
Total comprehensive loss	(36,011)	(90,675)	(81,134)

The notes on pages 18 to 33 form part of the Interim Financial Statements.

Consolidated Statement of Financial Position

	Note	At 31 August 2020 £'000	At 31 August 2019 Restated*	At 29 February 2020 £'000
Non-current assets				
Intangible assets		88,651	106,425	93,555
Goodwill		447,320	443,271	443,357
Property, plant and equipment		25,868	20,992	20,184
Derivative assets		-	64	6
Deferred tax asset	*5*	1,219	-	-
		563,058	**570,752**	**557,102**
Current assets				
Cash and cash equivalents		88,715	165,254	92,120
Trade and other receivables		29,442	54,813	52,078
Inventories		44	34	26
		118,201	**220,101**	**144,224**
Current liabilities				
Trade and other payables		(94,584)	(203,407)	(165,735)
Current tax payable		-	(4,430)	(552)
Loans and borrowings	*7*	(3,655)	(2,999)	(2,698)
		(98,239)	**(210,836)**	**(168,985)**
Net current assets/ (liabilities)		**19,962**	**9,265**	**(24,761)**
Total assets less current liabilities		**583,020**	**580,017**	**532,341**
Non-current liabilities				
Loans and borrowings	*7*	(245,773)	(215,283)	(154,402)
Provisions		(696)	(1,551)	(681)
Deferred tax liability	*5*	-	(5,564)	(4,345)
		(246,469)	**(222,398)**	**(159,428)**
Net assets		**336,551**	**357,619**	**372,913**
Equity				
Share capital*	*8*	4,807	4,807	4,807
Share premium	*8*	1,198,703	1,198,703	1,198,703
Preference shares	*8*	-	50	50
Foreign exchange reserve	*8*	4,607	605	1,972
Other reserves	*8*	(1,126,056)	(1,131,508)	(1,125,755)
Retained earnings*	*8*	254,490	284,962	293,136
		336,551	**357,619**	**372,913**

*Share capital and retained earnings as at 31 August 2019 have been restated, refer to note 8- capital and reserves.

The notes on pages 18 to 33 form part of the Interim Financial Statements.

Consolidated Statement of Changes in Equity

For the six months ended 31 August 2020:

	Share Capital	Share Premium	Preference shares	Foreign exchange reserve	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 March 2020	**4,807**	**1,198,703**	**50**	**1,972**	**(1,125,755)**	**293,136**	**372,913**
Loss after tax	-	-	-	-	-	(38,646)	(38,646)
OCI*	-	-	-	2,635	-	-	2,635
Preference share redemption	-	-	(50)	-	-	-	(50)
Acquisition of treasury shares	-	-	-	-	(4,123)	-	(4,123)
Share based payments	-	-	-	-	3,822	-	3,822
At 31 August 2020	**4,807**	**1,198,703**	**-**	**4,607**	**(1,126,056)**	**254,490**	**336,551**

For the six months ended 31 August 2019 and year ended 29 February 2020:

	Share Capital	Share Premium	Preference shares	Foreign exchange reserve	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 28 February 2019	**422,555**	**1,055,683**	**50**	**2,186**	**(1,144,010)**	**(99,875)**	**236,589**
IFRS 16 adjustment	-	-	-	-	-	1,223	1,223
Adjusted 1 March 2019	**422,555**	**1,055,683**	**50**	**2,186**	**(1,144,010)**	**(98,652)**	**237,812**
Loss after tax	-	-	-	-	-	(89,094)	(89,094)
OCI*	-	-	-	(1,581)	-	-	(1,581)
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	-	-	-	-	1,607	-	1,607
At 31 August 2019	**4,807**	**1,198,703**	**50**	**605**	**(1,131,508)**	**284,962**	**357,619**
Profit after tax	-	-	-	-	-	8,156	8,156
OCI*	-	-	-	1,367	-	18	1,385
Share based payments	-	-	-	-	5,753	-	5,753
At 29 February 2020	**4,807**	**1,198,703**	**50**	**1,972**	**(1,125,755)**	**293,136**	**372,913**

*Other Comprehensive Income

**Share capital and retained earnings as at 31 August 2019 have been restated, refer to note 8.

The notes on pages 18 to 33 form part of the Interim Financial Statements.

Consolidated Statement of Cash Flow

	Note	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Cash flows from operating activities				
Loss before tax		**(44,654)**	**(87,500)**	**(80,231)**
Adjustment for:				
Depreciation and amortisation		20,274	23,644	50,907
Net finance costs	*4*	2,122	79,567	82,492
Share based payment in admin expenses		5,517	5,131	10,631
		(16,741)	20,842	63,799
Changes in:				
Trade and other receivables		22,746	(8,751)	(7,805)
Trade and other payables		(71,663)	45,447	9,372
Inventories		(18)	(9)	(1)
Cash (used in)/ generated from operating activities		**(65,676)**	**57,529**	**65,365**
Taxes paid		23	(931)	(5,198)
Net cash (used in) / generated from operating activities		**(65,653)**	**56,598**	**60,167**
Cash flows from investing activities				
Purchase of tangible and intangible assets		(14,637)	(14,560)	(28,358)
Net cash flow used in investing activities		**(14,637)**	**(14,560)**	**(28,358)**
Cash flows from financing activities				
Proceeds from IPO share issue		-	107,343	107,343
Sale of treasury shares		-	9,994	10,514
Purchase of treasury shares		(4,123)	-	-
Issue of shares		-	207	207
Repayment of pre IPO borrowings		-	(276,763)	(276,763)
Proceeds from Revolving Credit Facility ("RCF")		85,000	206,941	206,941
Repayment of RCF and other borrowings		-	-	(60,223)
Issue costs relating borrowings		-	(6,400)	(6,832)
Payments of lease liabilities		(1,129)	(1,091)	(2,247)
Payment of interest on lease liabilities		(388)	(445)	(828)
Interest paid		(2,238)	(7,518)	(9,711)
Interest on CPECs		-	(3,166)	(3,166)
Net cash flows generated by / (used in) financing activities		**77,122**	**29,102**	**(34,765)**
Net (decrease)/ increase in cash and cash equivalents		**(3,168)**	**71,140**	**(2,956)**
Cash and cash equivalents at beginning of the period		**92,120**	**94,477**	**94,477**
Effect of exchange rate changes on cash		(237)	**(363)**	599
Closing cash and cash equivalents		**88,715**	**165,254**	**92,120**

The notes on pages 18 to 33 form part of the Interim Financial Statements.

Notes

(Forming part of the Interim Financial Statements)

1. 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 Interim Financial Statements for the six months ended 31 August 2020 were approved by the Directors on 5 November 2020. The Interim Financial statements have been reviewed, not audited. The auditor's review report is on page 34.

a) Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Consistent accounting policies have been applied to all periods presented.

The Interim Financial Statements have been prepared on a going concern basis. In adopting this basis of preparation, the Directors have considered the Group's forecast cashflows, liquidity, borrowing facilities and covenant requirements. These have been considered in light of the expected operational activities and principal risks and uncertainties of the Group.

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 six months ended 31 August 2020.

Despite the impact on profitability the Group reinforces and maintains the strong cash and liquidity position that it reported at the year ended 29 February 2020. Cash at 31 August 2020 was £89 million (YE20: £92 million) and liquidity, being cash plus available undrawn borrowing facilities, was £162 million (YE20: £181 million). No further draw downs on the Revolving Credit Facility have been made since the £85 million in March 2020 as disclosed in the Annual Report.

In considering the going concern basis of preparation, the Directors have considered the current financial forecasts for the business. These forecasts assume a one month national lockdown in November with recovery assumed to begin from December and month on month increases thereafter. By June 2021 revenue is expected to recover to June 2019 levels. Cost reduction exercises have been actioned and included in the forecast to partly offset the impact of COVID-19 on profitability and cashflow. After reviewing the forecast and the expected cash, liquidity and profitability the Directors concluded they have an expectation that the Group has sufficient resources to continue for the foreseeable future and at least 12 months from the signing of these Interim Financial Statements.

Due to the high level of uncertainty created by COVID-19, there remains a risk that further lockdowns or restrictions on travel could be put in place. It is hard to predict the outcome and timing of any future restrictions and also the timing and speed of recovery within the rail and coach sector across Trainline's various markets. Given this uncertainty, downside scenarios have been modelled. These downside scenarios included; a one month extension to the November full national lockdown in December; a prolonged downturn of trade with no meaningful recovery from September trading levels until March 2021 resulting in profitability for March and April 2021 being half of that in the base case; and a further 6 week national lockdown in the first quarter of calendar year 2021.

All downside scenarios show sufficient cash and liquidity reserves to continue operationally for at least 12 months from the date of these Interim Financial Statements. However, all scenarios would have a negative impact on future profitability. The Group's covenants under the Revolving Credit Facility requires the ratio of net debt over adjusted EBITDA to be 3.75X or less at 31 August 2021. In the first two sensitivity scenarios, the Group's covenant test is forecast to be met, though headroom is limited. The third sensitivity, which reflects management's most severe but plausible downside scenario, results in a breach of the Group's covenant test. In the event that the severe but plausible downside scenario occurred the Group would approach its lending syndicate to discuss possible remediation options including; an extension of the existing covenant waiver to cover the period ended 31 August 2021 or a renegotiation of the covenant requirements linked to the Revolving Credit Facility. The Group remains confident that its lenders would continue to support the business in such an event.

As at 5 November 2020 the Group has not sought to obtain a further covenant waiver or renegotiated the underlying covenant requirement with the lending syndicate as currently a breach is not considered the most likely outcome. As such this creates a material uncertainty on the Group's ability to continue as a Going Concern due to the possibility of a covenant breach if the most severe by plausible scenario should come to pass.

Based on the above, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The Directors recognise that the above circumstances, particularly the severe but plausible downside scenario, reflect a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. If these circumstances occurred, it could result in the Group being unable to realise the value of assets or meet the value of liabilities through the normal course of business. The Interim Financial Statements do not include any adjustments that would result from the basis of preparation being inappropriate.

b) Basis of measurement

The Interim Financial Statements have been prepared on the historical cost basis except for the following:

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

c) Non-GAAP Measures

When discussing and assessing performance of the Group, Management use certain measures which are not defined under IFRS, referred to as 'Non-GAAP measures'. These measures are used on a supplemental basis as they are considered to be indicators of the underlying performance and success of the Group.

The Non-GAAP measures used within this Financial Information are:

(i) Net Ticket Sales

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

Management believe net ticket sales are a meaningful measure of the Group's operating performance and size of operations.

(ii) Adjusted EBITDA

The Group believe that adjusted EBITDA is a meaningful measure of the Group's operating performance and debt servicing ability without regard to amortisation and depreciation methods which can differ significantly.

Adjusted EBITDA is calculated as profit/(loss) after tax before net financing income/(expense), tax, depreciation and amortisation, exceptional items and share based payment charges.

Exceptional items are excluded as management believe their nature could distort trends in the Group's underlying earnings. This is because they are often one off in nature or not related to underlying trade. Share based payment charges are also excluded as they can fluctuate significantly year on year.

(iii) 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 believe their nature could distort trends in the Group's underlying earnings. This is because they are often one off in nature or not related to underlying trade. Share based payment charges are also excluded as they can fluctuate significantly year on year and are a non-cash charge to the business. Amortisation of acquired intangibles is a non-cash accounting adjustment relating to previous acquisitions and is not linked to the ongoing trade of the Group.

Notes *(continued)*

General information *(continued)*

(iv) 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.

Net Debt is calculated as total gross debt less cash and cash equivalents.

d) **Use of judgements and estimates**

In preparing the Interim 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. Revision to estimates is recognised prospectively.

- Carrying value of goodwill

  An impairment review is performed at least annually (or when an indicator of impairment is identified) 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. Each of these judgements has an impact on the overall value of cashflows expected and therefore the headroom between the cashflows and carrying values of the cash generating units.

  As part of the impairment review for the year ended 29 February 2020, the expected outcome of COVID-19 had been taken into account in the forecasting, most notably this included forecasting significantly lower sales during FY21. Sensitivities were applied to the calculation. At 29 February 2020 and 31 August 2020, no impairment provision is required. However, as noted in the basis of preparation, there is increased uncertainty as a result of the COVID-19 pandemic and therefore this is a significant estimate and should any significant adverse change arise in the key assumptions on the international CGU, this may result in an impairment.

Notes *(continued)*

General information *(continued)*

- Useful life of intangible assets, including related deferred tax liabilities.

  Intangible assets that are developed or acquired by the Group have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. The estimated useful lives which are used to calculate amortisation are based on length of time these assets are expected to generate income and be of benefit to the Group. Judgement is required when estimating the 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.

  The useful lives of intangible assets, including related deferred tax liabilities, are not considered a significant estimate as it is not considered likely to lead to a material adjustment in the next financial year.

2. Operating segments

In accordance with IFRS 8 the Group determines and presents its operating segments based on internal information that is provided to the Board, who is considered to be the Group's Chief Operating Decision Maker ("CODM").

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

- UK Consumer* – Travel apps and websites for individual travellers for journeys within the UK
- UK T4B* (Trainline for Business) – Branded travel portal platforms for Corporates and travel management companies and white label ecommerce platforms for Train Operating Companies within the UK
- International – Travel apps and websites for individual travellers for journeys outside the UK.

*UK Consumer and UK T4B are collectively referred to as the "UK"

The Group's global operating model means that investments in platform technology and central overheads are leveraged across the business, and it is not possible to meaningfully measure full income statement and statement of financial position results by operating segment. No single customer accounted for 10 percent or more of the Group's sales. During FY2021, we completed the migration of the international business to the Single Global Platform. As a result, certain costs that were previously allocated to the International segment are now allocated to central administrative expenses to align with how these costs are allocated in the UK segment.

The CODM monitors:

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

Notes *(continued)*

Operating Segments *(continued)*

Segmental Analysis for the six months ended 31 August 2020:

	UK Consumer £'000	UK T4B £'000	Total UK £'000	International £'000	Total Group £'000
Net Ticket Sales	**217,571**	**23,263**	**240,834**	**117,300**	**358,134**
Revenue	**18,916**	**6,394**	**25,310**	**5,641**	**30,951**
Cost of sales	(5,247)	(1,622)	(6,869)	(2,171)	(9,040)
Gross Margin	**13,669**	**4,772**	**18,441**	**3,470**	**21,911**
Directly allocable administrative expenses			(11,237)	(5,625)	(16,862)
Contribution			**7,204**	**(2,155)**	**5,049**
Central administrative expenses					(21,353)
Adjusted EBITDA					**(16,304)**
Depreciation and Amortisation					(20,274)
Share based payment charges					(5,517)
Exceptional items					(437)
Operating (loss)/profit					**(42,532)**
Net finance costs					(2,122)
Loss before tax					**(44,654)**
Income tax credit					6,008
Loss after tax					**(38,646)**

Segmental Analysis for the six months ended 31 August 2019:

	UK Consumer £'000	UK T4B £'000	Total UK £'000	International £'000	Total Group £'000
Net Ticket Sales	**985,740**	**599,420**	**1,585,160**	**259,214**	**1,844,374**
Revenue	**85,686**	**29,649**	**115,335**	**13,675**	**129,010**
Cost of sales	(17,009)	(8,566)	(25,575)	(4,479)	(30,054)
Gross Margin	**68,677**	**21,083**	**89,760**	**9,196**	**98,956**
Directly allocable administrative expenses			(19,269)	(16,763)	(36,031)
Contribution			**70,491**	**(7,567)**	**62,924**
Central administrative expenses					(20,985)
Adjusted EBITDA					**41,939**
Depreciation and Amortisation					(23,644)
Share based payment charges					(5,131)
Exceptional items					(21,097)
Operating profit/(loss)					**(7,933)**
Net finance costs					(79,567)
Loss before tax					**(87,500)**
Income tax expense					(1,594)
Loss after tax					**(89,094)**

Notes *(continued)*

Operating Segments *(continued)*

Segmental Analysis for the year ended 29 February 2020:

	UK Consumer £'000	UK T4B £'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 Margin	**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/(loss)					**2,261**
Net finance costs					(82,492)
Loss before tax					**(80,231)**
Income tax expense					(707)
Loss after tax					**(80,938)**

Notes *(continued)*

3. 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.

	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
IPO transaction costs	-	21,097	21,402
Restructuring costs	437	-	-
Net exceptional costs / (credits)	**437**	**21,097**	21,402

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

Restructuring costs
Restructuring costs incurred were part of a strategic reorganisation to improve operating efficiency.

Notes *(continued)*

4. Net 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.

	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year ended 29 February 2020 £'000
Bank interest income	14	347	692
Foreign exchange gain	1,478	-	-
Finance Income	**1,492**	**347**	**692**
Interest on bank loans	(3,223)	(8,565)	(10,900)
Foreign exchange loss	-	(73)	(558)
Loss on interest rate swap	(6)	(396)	(454)
Interest on lease liability	(385)	(436)	(828)
Exceptional finance costs*			
Write off of capitalised finance costs	-	(8,466)	(8,466)
Fair value change on share based payments	-	(49,705)	(49,705)
Fair value change on put/call option	-	(12,273)	(12,273)
Finance costs	**(3,614)**	**(79,914)**	**(83,184)**
Net finance costs recognised in the income statement	**(2,122)**	**(79,567)**	**(82,492)**

*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 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.

Notes *(continued)*

5. Taxation

	Six months ended 31 August 2020 £'000	Six months ended 31 August 2019 £'000	Year Ended 29 February 2020 £'000
Current tax (credit)/charge	(352)	4,112	4,200
Deferred tax credit	(5,656)	(2,518)	(3,493)
Tax (credit)/charge	**(6,008)**	1,594	707
Effective tax rate - %	13.45%	(1.82)%	(1)%

UK corporation tax was calculated at 19% (H1 2020 & FY 2020: 19%) of the taxable profit for the period. Taxation for territories outside of the UK was calculated at the rates prevailing in the respective jurisdictions. The income tax expense was recognised based on the best estimate of the annual income tax rate expected for each jurisdiction for the full financial year applied to profit before tax for the interim period.

The total tax credit of £6.0 million (H1 2020: £1.6 million charge; FY 2020: £0.7 million charge) is made up of a current corporation tax credit of £0.4 million (H1 2020: £4.1 million charge; FY 2020: £4.2 million charge) arising in the UK, and a deferred tax credit of £5.7 million (H1 2020: £2.5 million credit, FY 2020: £3.5 million credit). The deferred tax credit in H1 2021 primarily relates to the trading losses arising as a result of the impact of COVID-19 that can be used to offset against the tax charge for the group in FY 2020, or offset against future profits. The deferred tax credit in H1 2021, H1 2020 and FY 2020 is also resulting from 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)*

6. 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.

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'.

Notes *(continued)*

Earnings per share *(continued)*

	At 31 August 2020	At 31 August 2019	At 29 February 2020
Weighted average number of ordinary shares:			
Ordinary shares	480,680,508	443,518,543	462,099,526
Treasury shares	(3,241,163)	(5,103,596)	(4,108,486)
Weighted number of ordinary shares*	**477,439,345**	**438,414,947**	**457,991,040**

*As the Group has incurred a loss in H1 2021, H1 2020 and FY 2020, the impact of its potential dilutive ordinary shares have been excluded as they would be anti-dilutive.

	At 31 August 2020 £'000	At 31 August 2019 £'000	At 29 February 2020 £'000
Loss after tax	(38,646)	(89,094)	(80,938)
Earnings attributable to equity holders	**(38,646)**	**(89,094)**	**(80,938)**
Exceptional items	437	21,097	21,402
Exceptional finance costs	-	70,444	70,444
Amortisation of acquired intangibles	4,712	11,693	23,634
Share based payment charges	5,517	5,131	10,631
Tax impact of the above adjustments	(1,602)	(3,468)	(8,286)
Adjusted earnings	**(29,582)**	**15,803**	**36,887**

(Loss)/earnings per share (pence)			
Basic	(8.09)p	(20.32)p	(17.67)p
Diluted	(8.09)p	(20.32)p	(17.67)p

Adjusted earnings per share (pence)			
Basic	(6.20)p	3.60p	8.05p
Diluted	(6.20)p	3.56p	8.05p

Notes *(continued)*

7. Loans and borrowings

This note details a breakdown of the various loans and borrowings of the Group.

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.

	At 31 August 2020 £'000	At 31 August 2019 £'000	At 29 February 2020 £'000
Non-current liabilities			
Revolving credit facility[1]	226,743	200,697	141,057
Other term debt	405	526	388
Lease liabilities	18,625	14,060	12,957
	245,773	215,283	154,402
Current liabilities			
Accrued interest on secured bank loans	524	799	309
Lease liabilities	3,131	2,200	2,389
	3,655	2,999	2,698

1. Included within the revolving credit facility is the principal amount of £231.9 million (H1 2020: £206.9 million, FY 2020: £146.9 million) and directly attributable transaction costs of £5.2 million (H1 2020: £6.2 million, FY 2020: £5.8 million).

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 31 August 2020 the cash drawn amount is £231.9 million, the non-cash bank guarantee drawn amount is £44.5 million and the undrawn amount on the facility is £73.6 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 the new facility, however financial covenants have been waived by the Group's loan syndicate until August 2021 to support the business through the COVID-19 pandemic and the related impact on trading.

Notes *(continued)*

8. Capital and reserves

Share Capital

Share Capital represents the number of shares in issue at their nominal value.

Ordinary shares in the Group have a nominal value of £0.01 and 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.

Share capital and retained earnings as at 31 August 2019 have been restated to include the share capital reduction on 30 July 2019.

Shareholding at 31 August 2020, 31 August 2019 and 29 February 2020

	Number	£'000
Ordinary shares - £0.01	480,680,508	4,807
	480,680,508	4,807

Share Premium

Share premium represents the amount over the nominal value which was received by the Group upon the sale of the ordinary shares. Upon the date of listing the nominal value of shares were £1.00 but the initial offering price was £3.50.

Share premium is stated net of any direct costs relating to the issue of shares.

Preference shares

Preference shares represented 50,000 redeemable preference shares of £1.00 each, redeemable at the option of the Group. The preference shares were redeemed in full on 20 August 2020.

Retained Earnings

Retained earnings represents the profit the Group makes that is not distributed as dividends. No dividends have been paid in any period.

Foreign Exchange

The foreign exchange reserve represents the net difference on the translation of the balance sheets and income statements of foreign operations from functional currency into reporting currency over the period such operations have been owned by the Group.

Notes *(continued)*

Capital and reserves *(continued)*

Other Reserves

	Merger reserve	Treasury reserve	SBP* reserve	Total other reserves
	£'000	£'000	£'000	£'000
At 1 March 2019	**(1,122,218)**	**(21,792)**	**-**	**(1,144,010)**
Disposal of treasury shares	-	10,895	-	10,895
SBP* charge	-	-	1,607	1,607
At 31 August 2019	**(1,122,218)**	**(10,897)**	**1,607**	**(1,131,508)**
SBP* charge	-	-	5,753	5,753
At 29 February 2020	**(1,122,218)**	**(10,897)**	**7,360**	**(1,125,755)**
Addition of treasury shares	-	(4,123)	-	(4,123)
Allocation of treasury shares to fulfil share based payments	-	6,860	(6,860)	-
SBP* charge	-	-	3,822	3,822
At 31 August 2020	**(1,122,218)**	**(8,160)**	**4,322**	**(1,126,056)**

*SBP – Share based payment

Merger reserve

The balance of the merger reserve represents the difference between the nominal value of the reserves in the Victoria Investments S.C.A. Group (the previous ultimate parent company) and the value of reserves in Trainline Plc prior to the initial public offering.

Treasury reserve

Treasury shares reflect the value of shares held by the Group's Employee Benefit Trust ('EBT'). At 31 August 2020 the Group's EBT held 2.1 million shares (H1 2020: 3.1 million, FY 2020: 3.1 million) which have a historical cost of £8.2 million (H1 2020: £10.9 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.

9. Related parties

During the period, the Group entered into transactions in the ordinary course of business with related parties.

Transactions with Key Management Personnel of the Group

Key Management Personnel are defined as the Board of Directors, including Non-Executive Directors.

During the period Key Management Personnel have received the following compensation, including ongoing long term share scheme incentives, £1,000,465 (H1 FY 2020 £4,052,000, FY 2020 £5,631,571).

At 31 August 2020 Key Management Personnel held 10,385,560 shares (H1 FY 2020 14,701,387, FY 2020 11,185,560) in Trainline plc.

Notes *(continued)*

10. Principal risks and uncertainties

The principal risks and uncertainties that the Group faces for the rest of the financial year are consistent with those previous reported and are summarised below:

- Market shock/economic disruption: Trainline is exposed to market risks including foreign currency rates, general market sentiment and the risk of global market shocks, such as a pandemic. 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 proposition.
- Prolonged COVID-19: Trainline has been exposed to and affected by the impact of COVID-19, notably as a result of lockdown measures taken by most governments, particularly in the UK and Europe. Restrictions on domestic travel, including commuting, and cross border travel into and around Europe, has impacted Trainline's operations. Trainline has seen a downturn in traffic on all platforms, on ticket purchases and on ancillary revenue in all markets. As well as closure of our offices in London, Paris and Edinburgh, the onset of COVID-19 saw a significant increase in the number of customers contacting Trainline to refund or exchange tickets in all markets. Should COVID-19 continue, Trainline will need to ensure that we are well-positioned to manage the impact on our operations.
- IT security and cybercrime: A major breach in systems as a result of identity fraud, theft, hacking, phishing or an information security incident could adversely impact our business operations and reputation and expose the Group to litigation or other regulatory action.
- People: Our 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.
- Competitive landscape: Failure to ensure our technology and user experience meets our customers' needs and remains ahead of competitor products would have an adverse impact on our future results.
- Compliance: Non-compliance by Trainline with legislation, licences and other regulatory requirements could affect Trainline's reputation and operational and financial success, and result in financial or other legal penalties, an inability to retail rail and coach tickets and loss of revenue. Examples of such legislation, regulations and licences include anti-bribery and corruption, tax legislation and licenses with our carrier partners in the UK, across Europe and beyond, and the legal and governance requirements of Trainline operating as a public limited company.
- General supply: Our business is dependent on performing and operationally safe rail and coach operators and systems. A significant and prolonged disruption to traveller services or systems, due to bad weather, industrial action or a pandemic such as COVID-19, for example, would have an adverse impact on our future results. We also rely on our carriers for our rail and coach products and relevant information.
- Regulatory and political environment: Changes to government policy or regulations, whether in the UK or across Europe, such as Brexit, could affect the Group's operations or financial prospects. Similarly, activity by state-owned carriers, affected by government activity in their respective jurisdictions, could negatively affect Trainline's operations in the short to medium term.

Independent Review Report to Trainline Plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2020 which comprises 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 Flow and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules ("the DTR") of the United Kingdom's Financial Services Authority ("the UK FCA").

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the DTR of the UK FCA.

Material uncertainty related to going concern

We draw attention to note 1a to the Half-Yearly Financial Report which indicates that the Group's ability to continue as a going concern is dependent on, in a severe but plausible downside scenario, the lender not calling in the amounts owed to it in the event of a covenant breach. These events and conditions, along with the other matters explained in note 1a, constitute a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Sarah Styant
For and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
5 November 2020