The world's leading independent rail and coach travel platform

Annual Report 2019/20

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Trainline is the world's leading independent rail and coach travel platform. We bring together all rail, coach and other travel services into one simple experience, so that customers can get the best prices and smart, real time travel data.

In this report

Chair's Statement

Brian McBride
Independent Non-executive Chair

"I believe Trainline has a huge opportunity ahead and I look forward to working with the Board and wider team to deliver on its strategy in the coming years."

Following our IPO in June 2019 and my appointment as Chair in November, I am pleased to introduce my first annual report as Chair of Trainline.

I believe Trainline has a huge opportunity ahead and I look forward to working with the Board and wider team to deliver on its strategy in the coming years.

Financial and Strategic Results

Trainline has performed strongly over the year, both financially and strategically. As the leading independent booking and journey platform for rail and coach travel we have encouraged people all over the world to make more environmentally sustainable travel choices.

The Board is keenly focused on the Group's financial and strategic performance.

In brief, the Group outperformed the financial expectations set out at the IPO, despite headwinds such as long-lasting rail strikes in France over the last quarter of the financial year.

Good progress was made on our strategic priorities: enhancing the customer experience; building demand; and optimising revenue. While Trainline for Business (T4B, our business-to-business and white label solutions business) has seen some challenges, we have made progress positioning the business for growth.

The Board will continue to closely monitor the Group's performance against financial and strategic priorities.

Response to COVID-19

I am pleased with Trainline's response to COVID-19, particularly the way the Group prioritised the wellbeing of our people while supporting customers during these unprecedented times. The Group quickly adapted to manage extraordinary levels of inbound customer requests and worked with the rail industry to relax refund terms and conditions for the benefit of our customers.

In addition, the Group took prudent steps to mitigate the impact on the business, reducing its operating costs and cash outflows. Together with the Group's liquidity headroom, this gives me great confidence that the Group can continue to operate through even an extended downturn period, whilst maintaining our investment in the Group's strategic priorities.

Outlook

While it is a challenging time for the industry, longer-term the structural tailwinds for the business endure.

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

By maintaining our investment in the Group's strategic priorities at this time we will be well-positioned to drive long-term growth and create value for our customers and shareholders.

Finally, I would like to convey my thanks to all those who have been involved with Trainline in the past year, particularly our people's efforts to drive our growth and to all those involved in the IPO for their hard work in making it such a success.

Brian McBride
Independent Non-executive Chair
7 May 2020

Financial Highlights

Net ticket sales

+17%

Net ticket sales up 17% year on year to £3.7 billion in line with guidance.

Revenue

+24%

Revenue increased 24% to £261 million, at the top end of guidance.

Adjusted EBITDA

+62%

Adjusted EBITDA increased by 62% to £85 million driven by volume growth and the operating leverage achieved across our cost base.

Operating profit

£2m

Operating profit down 78% to £2 million, primarily driven by exceptional costs relating to the IPO.

Operating free cashflow

£59m

Operating free cash flow up 39% to £59 million, driven by growth in adjusted EBITDA and a reduction in capital expenditure partly offset by working capital timing.

Strategic highlights in 2020

Enhancing user experience:
>20% conversion rate growth; 4.9/5 star app rating.

Building demand:
90 million visits per month, up 19%; App share of transactions 76%, up 10%pts.

Optimising revenue:
Driving up take-rate in UK Consumer +c40bps, International +c110bps.

Growing Trainline for Business (T4B):
First clients on Global API; white label retention since IPO.

1 Highlights that are key performance indicators are detailed further on page 18.

2 Detail on performance against our strategic objectives can be found on page 16.

At a Glance

Trainline is the world's leading independent rail and coach travel platform. We partner with more than 270 rail and coach companies across 45 countries, in Europe and Asia. Our broad range of carrier partners mean we cover ~80% of EU rail and ~60% of coach routes in Europe.

We are a one-stop shop for rail and coach travel, bringing together major carriers onto one platform, providing our customers with a complete set of travel options and offering 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.

>160

Train companies

>110

Coach companies

We sell tickets on behalf of **more than 270 rail and coach companies** and are adding more all the time.

90m

visits hosted by our platforms, per month

76%

of our transactions are through app

4.9/5

app star rating

30m+

cumulative Group app downloads

175+

countries

our customers come from 175+ countries.

10

currencies

and multiple payment methods including **Apple Pay, PayPal, SOFORT** and **iDEAL.**

45

countries

travelled in and across by Trainline customers.

>600

in Trainline team

and **more than 40 nationalities,** including 300+ travel tech specialists and engineers.

CEO's Statement

Clare Gilmartin
Chief Executive Officer

"We are pleased to have delivered a strong performance over this past year, in particular, to have exceeded expectations set at IPO for FY'20 Revenue growth and EBITDA."

Our purpose

We believe as a generation that we have to make more environmentally friendly travel choices, and rail in particular is a great alternative to air and car. Our purpose at Trainline is to make rail and coach travel easier, and we do that by combining all carriers into one app, and creating a simple, consistent friction free experience. We leverage our scale in data to create smart real time, often personalised and AI driven travel information. And for our carriers, we offer access to a much bigger customer pool, at a lower cost to serve than their alternatives.

Impact of COVID-19 and mitigants

Given government lockdown restrictions across our markets, we have seen a significant reduction in passenger volumes since March. As a result, we have taken quick and decisive action to protect our people, our customers, and our business.

We supported our customers in making an unprecedented level of travel changes, whilst maintaining the safety and wellbeing of our people. In addition, we have significantly reduced our cash burn to £8–9million per month by reducing costs. As a result, we are well positioned to weather this downturn, expecting to have £150 million of liquidity headroom at the end May.

Whilst the short-term disruption to rail and coach travel is significant, we believe our long term growth opportunity remains unchanged. We have therefore continued our investment in our strategic priorities.

Operating and Strategic progress

We delivered net ticket sales growth over the year of 17%, and delivered revenue growth of 24%, ahead of expectations set at the IPO. In addition, we have continued to experience strong operating leverage resulting in adjusted EBITDA growth of 62% to £85 million, also ahead of expectations.

We have four stated strategic priorities, enhancing customer experience, building demand, optimising revenues and growing Trainline for Business, and we have made significant progress this year on each.

Enhancing customer experience

We have continued to improve our customer experience this year, evidenced by a continued high app rating (4.9*) and a >20% improvement in our conversion rate across the Group. In addition we launched our SplitSave feature in the UK, allowing customers to save money and resulting in a very significant increase in post-purchase NPS of +43%. We continued to drive adoption of etickets, now at 21% in the UK. We also continued to improve our International experience, optimising for speed and improving core flows, as well as adding post-sale functionality.

The last 12 months have seen us increase the number of rail and coach carrier partners (from 220 to more than 270), notably adding the Swiss carrier SBB. Through the breadth of our partnerships, depth of our individual connections and our unique cross carrier journey planner, we now offer customers the best route options for their journeys in and across 45 countries.

Building demand

As well as focusing on our customer experience, we have accelerated demand growth in all markets whilst maintaining a low cost per new customer. We have focused significant effort in driving app growth, where customers benefit from many more features, resulting in downloads growing 49% year-on-year YOY), over half of which came from International. Monthly visits to our platform grew by 19% to 90 million, with 76% of transactions through our app.

Optimising revenues

The launch and growth of new revenue streams over the past year have allowed us to both enhance the customer experience whilst also delivering strong growth in our take rate for both our UK and International business. Notable examples include multi-currency payment options, International service fees, tiered refund fees and insurance across app and web.

Growing Trainline for Business

We have made good progress positioning for future growth in our Trainline for Business segment, which constitutes our business to business (B2B) and white label sub-segments. In the UK, we launched etickets for corporates and travel management companies, and we built out and launched our Global API, with our first clients already transacting through the platform. Our Global API provides us with a platform to enter new markets and scale the B2B business internationally. Additionally, our white label service sustained its high retention rate, retaining both franchises up for tender this year – East Midlands Railway and West Coast Mainline.

The market

Looking at the broader market, governments across our markets have been quick to support the rail industry through the COVID-19 pandemic. The UK Government has introduced emergency measures that have allowed rail franchises to temporarily shift to a management contract model in place of traditional franchising. Likewise, in Europe the EU and its member states have introduced sectoral support for travel companies and rail carriers.

We are very supportive of these measures given the reassurance they give to the industry and to customers.

While it's a challenging time for the industry, longer-term the structural tailwinds for our business endure. We operate in a large market, with continued expansion investment across Europe most notably in high-speed rail. We are also seeing a growing awareness of the environmental benefits of rail and coach, versus air and car travel. There still remains significant digital migration opportunity, both evidenced by low online penetration today, and the eticket growth opportunity in the UK. Finally, the liberalisation trend in the European rail industry continues on the back of the EU's Fourth Railway Package, notably with additional carriers set to start operations in the French and Spanish markets this year.

These long-term structural tailwinds continue to represent a real growth opportunity for us. We are proud of the progress we are making, and that, by making rail and coach travel as simple, seamless and affordable as possible, we are encouraging more people to travel by two of the most sustainable modes of transport.

People and culture

Culture is central to our success. Our first thought is always to our customers and our culture is no different. We start by asking what our customers need and want and then bring our curiosity to the challenge, to work out how we can do things better and solve the problems to make our customers lives easier. We always think big, but we try to keep things simple both in how we get things done and in developing our products. We truly believe our work has a genuine impact on customers' lives and will change travel for the better.

Our culture is one where trust is important. We build this trust through being honest and open, and taking ownership for doing the things we say we're going to do. We are solving problems that have never been solved before and sometimes that's hard, but we tackle everything with positivity and try to be the person we want to work with.

Everyone has busy lives away from Trainline and so we work hard to empower our people to work flexibly if they need to, so they can take care of what matters most to them when they are not at work.

We believe that through creating a high trust culture, where people can balance their lives and be themselves, everyone in the team can bring their best selves to work. This culture enables us to attract the most talented and diverse team we can, so we can continue to deliver great products, and so have the most positive impact possible on our customers' lives.

Clare Gilmartin
Chief Executive Officer
7 May 2020

Our Business Model

Trainline is the leading independent rail and coach travel platform, benefiting significantly from scale throughout our operations.

How we create value

We have built a simple and intuitive customer experience, which in turn attracts a large customer base across B2C and B2B/TOC white label.

We have invested significantly in building out our inventory, which ensures our customers see all options and best prices. This scale has enabled us to amass significant data, which we use to make our operations more efficient, to inform the development of new bespoke features for our customers, and even to create bespoke and proprietary smart data features.

This is all underpinned by our proprietary, modern and agile tech platform, our people and our strong and diversified revenue model.

People

At Trainline, we pride ourselves on having diverse and exceptional talent. We've a highly talented team of over 600 people of 40 nationalities, spread between our offices in London, Paris and Edinburgh, 300+ of whom are travel technology specialists and engineers. For more information on our People, see page 31.

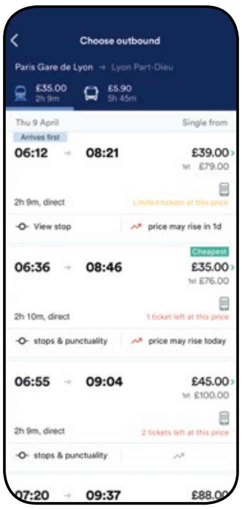
Revenue model

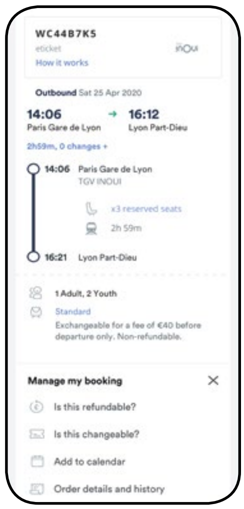
Trainline is paid commission by rail and coach operators on ticket sales and generates revenue from booking fees, ancillary services such as travel insurance, selective advertising partnerships, our multi-currency platform and through white label products developed for and provided to rail companies.

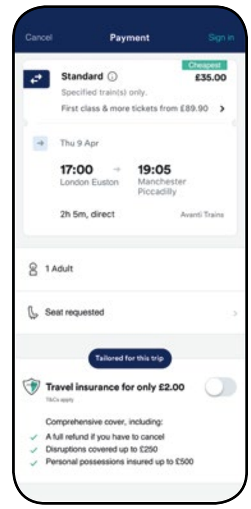
Leadership

Our Board and Management Team are comprised of experienced, knowledgeable and highly qualified people from a variety of industries, including world-class global tech companies. As a team, we've in-depth experience in Technology, Product, Government Relations, the rail industry, Travel and Hospitality, Finance, Online Retail, Marketing, Growth and Entrepreneurship; a great combination geared to deliver the best possible customer experience. For more information about our Board, see page 46 and 47.

Superior customer experience







Search: all options, best prices

All options in one place instantaneously. Fastest and cheapest routes, simple and hassle free.

Simple self service

Friction-free self-serve purchase and post-transaction. Mobile tickets, Price Prediction, in 14 languages, with ten currencies and payment methods.

Smart Travel companion

Smart departure boards, platform and delay information. Unique, AI-driven travel information for travellers when they're on the go.

Smart, ancillary & recommendations

Individually relevant, high quality recommendations and services, including multi-currency payment options and travel insurance.

Large B2C customer base

We have worked hard to build our well-known, reputable and trusted brand, now serving customers in more than 175 countries and with our platforms hosting over 90 million visits per month.

Loyal B2B customer base

Trainline provides rail booking solutions for thousands of small and medium enterprises ('SMEs'), large corporate entities, public sector partners, travel management companies and charities.

We provide business accounts for companies to manage their corporate train travel in a single place, season ticket employee benefit solution and, through our recently launched Global API, we aggregate rail content worldwide with all local features into one simple connection, giving our B2B clients the opportunity to offer European rail to their customers.

Breadth of carriers and ticket options

Trainline has deep inventory connections with >270 rail and coach operators, bringing major carriers onto one platform. We currently cover ~80% of the European rail network and are partnering with more operators all the time.

For our carrier partners, we offer access to a huge pool of global customers at low cost. And for our white label train carrier partners, we offer access to our best-in-class retailing platform at a fraction of the cost to build stand-alone.

Our Business Model continued

Proprietary, modern, agile platform

1. Reliable, scalable, secure

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

2. Deep inventory connections

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

3. Customer-centric e-commerce

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

4. Personalised AI data products

- ~2–3 TB data processed a day
- 135 bn search results
- 1 bn train movements per year
- Bespoke AI driven features
- Personalised UX & CRM

5. Security, payments, fulfilment, fraud safeguards

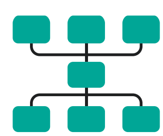
- PCI-DSS Level 1 (Merchant & Service Provider) since 2013
- Cyber Essentials certification since 2017
- Active member of the BSIMM community, an exclusive community of leading firms in the software development field
- Internal standards aligned with ISO27001 certification
- 3DS version 2 ready
- Payment Services Directive II Secure Customer Authentication ready
- Industry leading Fraud to Sales ratio
- Industry leading Bank Accept Rates

300+

releases a week

135bn

search results



>500

microservices

Mark Holt
Chief Technology Officer

“Our ability to bring together teams comprising developers, designers, infrastructure and data scientists to create an amazing customer experience is what defines us.”

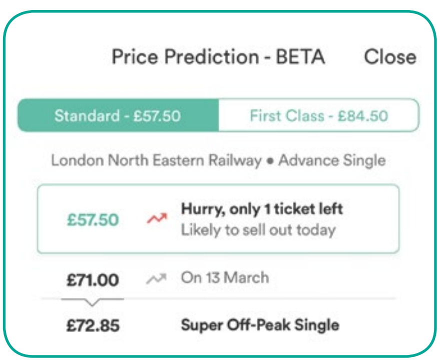
Powerful data assets

Using unique, AI-driven information to provide an exceptional customer experience

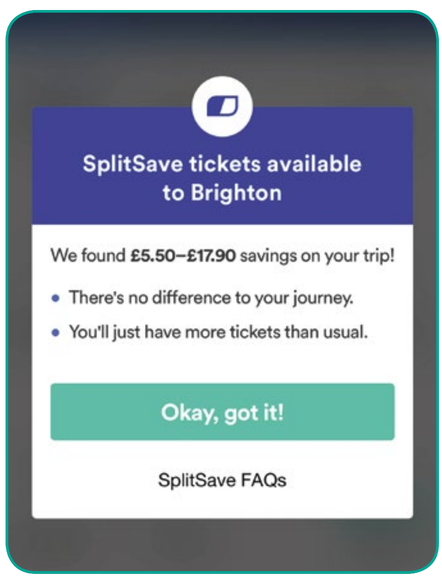
- User-generated data
- Geo-data
- Real-time travel information
- Journey and price data
- Platform data
- Delay and disruption data
- Transactional data
- Machine-generated data
- Customer engagement data

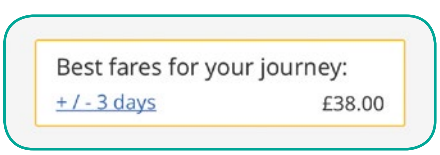
Bespoke features/personalisation

Smart features and travel information, helping our customers stay one step ahead

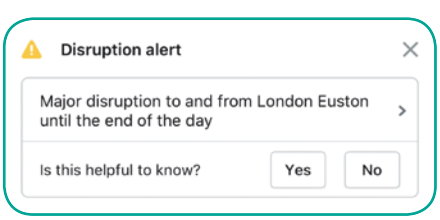


Price Prediction

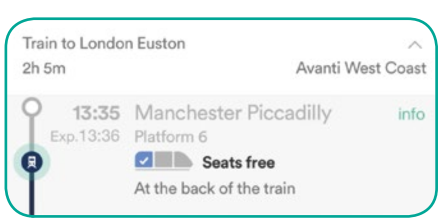




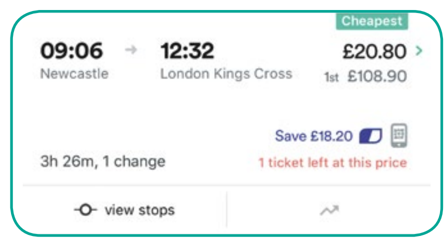
Best fare finder



Delay and disruption info



Busybot



SplitSave

At Trainline we are passionate about helping our customers save as much money on train travel as possible. We recently launched SplitSave, which gives customers access to 'split tickets' on eligible routes across the UK, offering them the chance to make savings on thousands of journeys nationwide.

- Using machine-learning, we analyse ~12 billion lines of fares and journey data for best prices
- SplitSave covers 64% of routes in the UK

Market Overview

Trainline operates in a large, global market with multiple structural tailwinds. These include continued industry investment in capacity expansion, growing environmental awareness, a shift towards greater supply complexity and fragmentation, and a significant runway for digital migration.

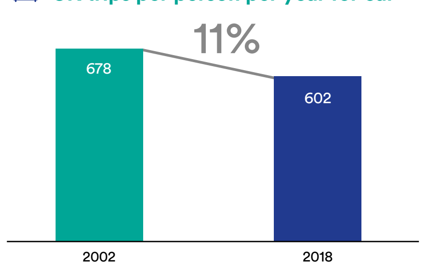
Large and expanding market

Reports estimate the global rail and coach market to be worth over €225bn per annum, of which Europe represents over €70bn[1]. This gives Trainline significant headroom in which to grow.

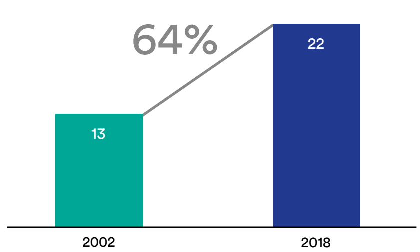
In the UK, over the past 20 years rail journeys have increased by 97%, faster than any other mode of transport[2]. In 2018/19, there was a record 1.8 billion rail journeys and rail passenger revenue reached its highest ever level of £10 billion[2]. At the same time, UK government support for rail has increased in line with passenger journeys since the mid-1980s. In 2018/19, government investment was £7 billion, its second-highest level on record (in real terms)[2]. Looking ahead, the UK Government is investing a record £48 billion in the railway between now and 2024 to support continued growth[3], ensure rail remains an attractive option for passengers, and to maximise the shift of users to rail from more polluting modes.

Across Europe, there is £176 billion of rail investment planned over the next ten years[4]. In particular, high-speed rail kilometres are forecast to grow three-fold by 2030[5], with significant expansion planned in Spain, France, Germany and Italy over the next ten years.

UK trips per person per year for car[2]

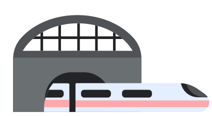


UK trips per person per year for rail[2]



€225bn+

total Market[1]



3x

triple the length of existing high-speed rail network in EU by 2030[5]

1 OC&C, based on 2017 market data
2 Department for Transport Rail Factsheet, published December 2019
3 Decarbonising transport: Setting the Challenge, Department for Transport, March 2020
4 OC&C, based on 2017 market data. Does not include rail infrastructure projects listed as completed or cancelled
5 OC&C, based on 2017 market data

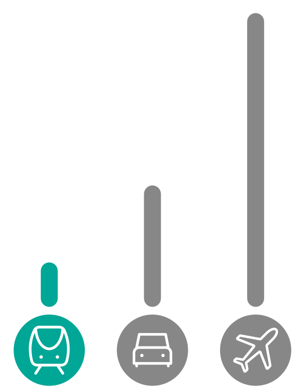
Growing environmental awareness

We need to make more environmentally sustainable transport choices.

At Trainline, we aim to make rail and coach travel easier, and to help customers make more environmentally sustainable travel choices. Over the past year governments across the world have pledged to reduce transport emissions, and in particular in the UK and across Europe, governments are targeting net zero emissions by 2050[6].

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 road transport[7], and is a very efficient way of moving people into city centres and over long distances. In 2018, greenhouse gas emissions from rail (passenger and freight) made up just 1.4% of the UK's domestic transport emissions[3], while 10% of passenger miles travelled in Great Britain were by rail[3].

For travellers, road travel is becoming less attractive over time, with increasing congestion, slowing road speeds in city centres, and growing taxation (e.g. congestion charge zones in London, Milan, Stockholm, and Gothenburg). In addition, travellers are becoming more aware of the pollutive effects of air travel, and are modifying their behaviours as a result – a recent UBS survey found that 21% of people had reduced the number of flights they took over the last year[8].



<1/20

of CO_2 Emissions vs. air and <1/7 vs. car[7]

6 https://ec.europa.eu/commission/presscorner/detail/en/ip_20_335

7 European Environment Agency Study (2014)

8 UBS Global Aerospace & Airlines: Consumers' climate awareness on the rise; assessing the impact on traffic and places demand, 30 September 2019

Market Overview continued

Complex with growing fragmentation

Trainline operates in a fragmented market with over 400 rail carriers in Europe[9], 30 in the UK[10], and over 140 coach companies, with that number increasing over time driven by ongoing liberalisation of the European rail sector.

UK

UK passenger rail services are delivered by 30 operators ('TOCs'). This includes (i) those franchised by the Department for Transport or Transport Scotland; (ii) those with a concession agreement whereby they deliver services without taking on any revenue risk; and (iii) Open Access Operators which obtain track access rights from Network Rail to run individual routes[10].

Europe

Liberalisation and supply fragmentation of the rail and coach markets is unfolding across Continental Europe today. There has been 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 latest directive being the Fourth Railway Package, which mandates competition in every EU rail market, starting in 2020 and finalised by 2023[11].

This has created an environment supportive of market volume growth, and a growing opportunity for independent retailers, with many of the c.400 European rail carriers being new entrants within the last 15 years[9].

Examples of liberalisation to date in Europe include[12]:

- France – as of January 2019, the French government formally began to open up the main domestic passenger railway lines. Two of the major cross-country routes previously operated by SNCF (Nantes – Bordeaux and Lyon – Nantes) were put out to public tender;
- Italy – NTV Italo trains entered the Italian high-speed rail market after it opened up to competition in 2012. They now operate across 25 stations and have gained significant market share from the Italian national provider Trenitalia;
- 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;
- Austria, Sweden – new entrants Westbahn and MTR Express, respectively, have generated incremental demand for rail.

Major carrier competitors have more recently announced plans to offer services outside of their domestic markets, such as Trenitalia in France and SNCF in Spain, providing more choice and quality for customers and more competitive fares.

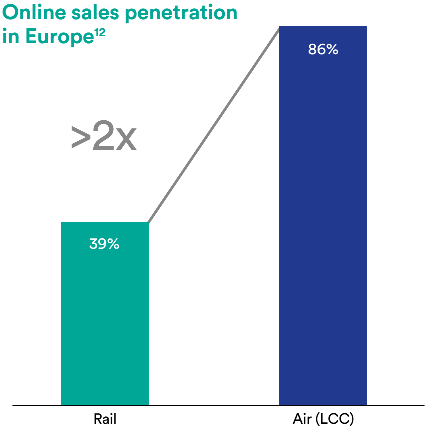
Increasing and fragmenting supply at national, long-distance and regional levels should intensify competition amongst operators, enhancing Trainline's market-fit. For consumers, Trainline serves as an independent aggregator that provides an extensive, fully transparent range of carriers and routes and an excellent customer experience. For carriers looking to grow, Trainline offers a world-class technology platform and a wide customer reach, particularly useful when entering new markets.

Runway for migration to online and mobile

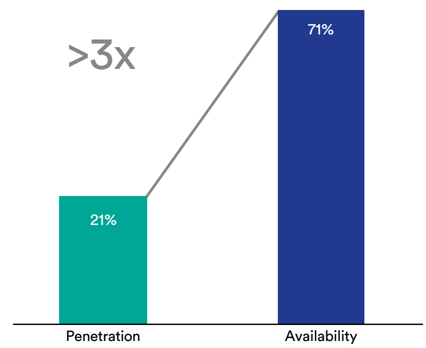
Today we estimate only c.39% of rail and coach ticket purchases are made online[12] across Europe, compared to c.86% of journeys by air[12]. This represents significant online growth headroom.

Likewise in the UK, industry penetration of mobile eticketing has grown 50% in the past year to c.21%, yet there is significant further headroom for further growth, with eticket availability of c.71%. We expect continued growth in both online sales, and etickets, as consumers seek out best prices and greater convenience.

Online sales penetration in Europe[12]



E-ticket availability and penetration in UK[13]



Governmental support for the rail industry in response to COVID-19

In both the UK and across Europe, Governments have been quick to support the rail sector in mitigating the impact of COVID-19.

UK

On 23 March 2020, in response to the effects of the Coronavirus, the UK government temporarily transitioned franchised train operators onto Emergency Measures Agreements. The agreements transferred all revenue and cost risk to the government, with operators continuing to run day-to-day services for a small, pre-determined management fee. They have been put in place for an initial six months, allowing the railway to stay open for the full duration of the crisis[14].

Trainline strongly welcomes these measures as they provide greater flexibility to operators and the government at a time when they need it. They ensure core services remain in place for key workers, with the option of ramping up activity quickly when the situation warrants it. The agreements do not affect any of Trainline's arrangements with operators and we continue to liaise closely with both them and the Department for Transport on a variety of different points.

Europe

As in the UK, the EU and its member states have introduced tax relief for businesses and sectoral support for travel trade associations and EU carriers.

We are very supportive of governmental support measures across our markets given the reassurance they give to the industry and to customers.

9 https://de.statista.com/statistik/daten/studie/13296/umfrage/anzahl-der-eisenbahnverkehrsunternehmen-in-europa/

10 https://www.thetrainline.com/train-companies

11 European Commission https://ec.europa.eu/transport/modes/rail/packages/2013_en

12 OC&C, based on 2017 market data

13 http://orr.gov.uk and internal data

14 https://www.gov.uk/government/speeches/rail-emergency-measures-during-the-covid-19-pandemic

Our Strategy

Our aim is to make rail and coach travel easier and to encourage our customers to make more environmentally sustainable travel choices.

Our strategic priorities:

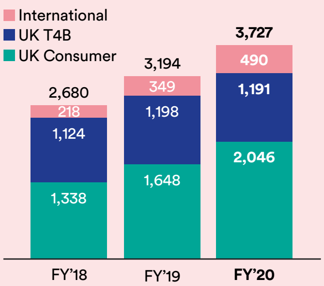
	Enhance the customer experience	Build demand
	Customer experience is at the heart of our business. We invest in the best tech talent and innovative technologies, such as AI and machine learning, to deliver products that make rail and coach travel as smart, seamless and friction-free as possible. Our ambition is to create a marketplace where the rail and coach inventory of all carriers globally is available in one convenient online experience – a leap forward in making travel more accessible. We remain committed to delivering the best possible Customer Experience and have a pipeline of new products and features enabling wide deployment across our different market segments, further strengthening Trainline's position as the leading one-stop-shop for rail and coach travel.	Our addressable customer base remains large and the headroom for growth is significant. Having built a strong brand in the UK, increasingly centred around our 4.9-star rated mobile app, we are now deploying our marketing playbook globally to drive customer acquisition at scale and increase the frequency with which those customers engage and transact with us. As we grow demand, we are persuading more customers to choose greener modes of transport.
Key measures	• Eticket penetration • Conversion rate growth • App rating	• App downloads • App share of transactions • Number of visits
Progress in 2019/20	• 4.9/5 star app rating in the UK and now in International • >20% conversation rate growth in our consumer business • Completed build of new, micro-service based global tech platform and migrated across all carriers and majority of our customer base. Paused migration of remaining customers given current disruption from COVID-19 and will resume once we see a recovery • Successfully launched SplitSave (Split-ticketing), driving high customer satisfaction • Driving adoption of etickets in the UK with eticket penetration up to 21%, of which >70% through Trainline	• Launched 000'Ks of new content pages in a further 10 languages for search engine optimisation • Rolled-out our own proprietary bidding engine to optimise pay-per-click advertising • Monthly visits up 19% to 90 million • Migrated web customers to app through scaled A/B testing across our web flows • Mobile app downloads grew 49%; >50% came from International • UK consumer app share of transactions up 10%pts to 76%
Priorities for 2020/21	• Investing in our strong pipeline of new innovation • Continue fine-tuning our global platform for European markets	• Marketing investment temporarily paused given COVID-19. Intend to ramp up marketing activity once recovery begins

Optimise revenues	Grow Trainline for Business (T4B)
Expanding our active user base and growing net ticket sales in our consumer businesses provides Trainline with greater opportunity to optimise our revenues. We seek to optimise the revenue we generate (our revenue take rate) through the development and roll-out of ancillary revenue streams across our markets, such as offering travel insurance options and serving targeted advertising.	Trainline for Business today is primarily a UK-focused business segment. Trainline for Business comprises our business to business (B2B) sub-segment and our white label online solutions for train operating companies, both of which offer significant headroom for growth. To position Trainline for Business for future growth, we are focused upon increasing demand from our existing customer accounts, winning new accounts and, over time, scaling Trainline for Business internationally.
• Take rate in UK Consumer and International	• Growth of Global API • B2B win/retention rate • White label client win/retention rate
• Launch of new revenue streams (multi-currency payments, flexible fees engine across our markets, travel insurance and targeted advertising in the UK) • Increased revenue take rate for UK Consumer business by ~40 basis points, offsetting dilution from growth in on-the-day ticket sales • Increased revenue take rate for International business by ~110 basis points, enhancing monetisation in our less mature business	• Successful launch of Global API, a platform to scale T4B internationally, allowing B2B clients access to broad supply across the UK and Europe and meeting growing demand from corporate and SMEs for improved access to European rail. First clients live in the UK, France and Germany with strong pipeline of potential clients • Retained both white label clients up for tender since IPO • 66% B2B win rate
• Optimising revenues where feasible in context of COVID-19 • A strong pipeline of new ancillary partnerships to drive further long-term revenue optimisation	• Position ourselves for International growth through our Global API

Key Performance Indicators

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

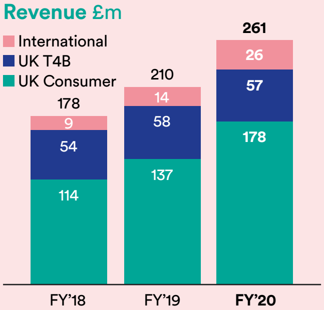
Net ticket sales £bn



Net ticket sales represent 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.

Net ticket sales increased 17% to £3.7 billion, with strong growth in UK Consumer up 24%, and International, up 41%, while UK T4B declined slightly year-on-year at (1)%.

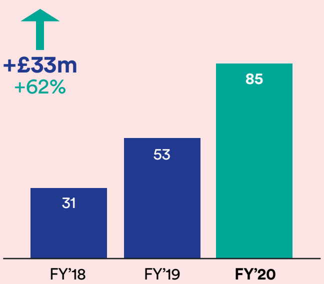
Revenue £m



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.

Revenue increased 24% to £261 million, ahead of expectations set out at IPO, with strong growth in UK Consumer, up 30%, and International, up 79%, while T4B declined (3)%.

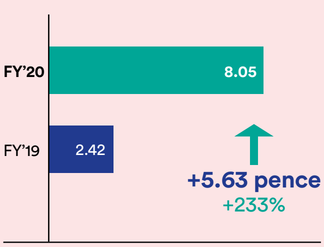
Adjusted EBITDA £m



Adjusted EBITDA is profit or loss after tax before net financing expense, tax, depreciation and amortisation, exceptional items (primarily IPO-related fees and expenses) and share-based payment charges.

Adjusted EBITDA grew 62% to £85 million, supported by strong volume growth and our improving operating leverage.

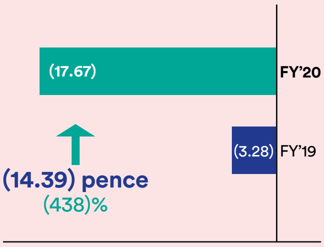
Adjusted basic earnings per share pence



Adjusted basic EPS is profit after tax for the year, excluding exceptional items (primarily IPO-related fees and expenses) 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.

Adjusted EPS was 8.05 pence, a 5.63 pence increase on the prior year, predominantly driven by strong volume growth and our improving operating leverage.

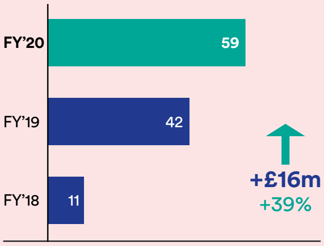
Basic earnings per share pence



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

Basic earnings per share was (17.67) pence, a reduction of 14.39 pence on the prior year, predominantly driven by the exceptional costs and finance charges linked to the IPO in the year.

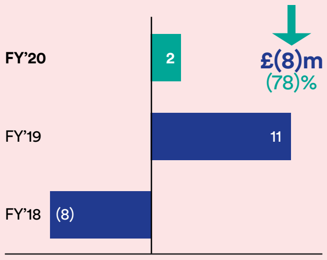
Operating free cashflow £m



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

Operating free cash flow was £59 million, up from £42 million in the prior year. The growth was predominantly driven by growth in adjusted EBITDA of £33 million and a reduction in capital expenditure of £5million partly offset by a reduction in working capital benefit of £21 million due to the timing of payments to our rail carriers.

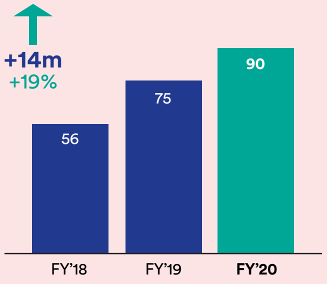
Operating loss/profit £m



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

Operating profit of £2 million was driven by strong volume and revenue together with leverage achieved across the cost base. This was offset in the year by £21 million of exceptional costs all relating to the IPO.

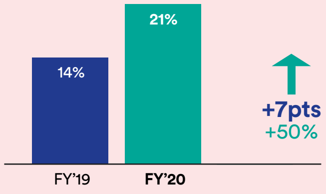
Average visits per month m



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

Our platforms hosted more than 90 million visits per month from UK and International consumers this year, an increase of 19%.

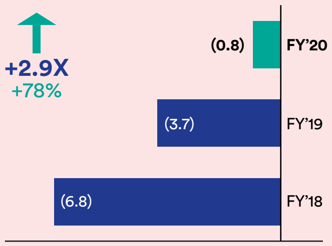
UK industry eticket penetration %



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

By the end of FY'20, eticket penetration increased to 21%, or 1 in 5 tickets, reflecting greater market awareness and growing availability of journeys where etickets can be used.

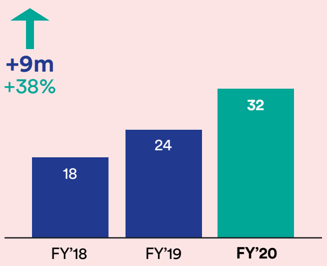
Net debt/Adjusted EBITDA



Ratio of total net debt at year end to consolidated Adjusted EBITDA for the year. Bank covenants require this to be 3.75 or less.

Net debt reduced to £71 million from £194 million in February 2019, meaning net debt to adjusted EBITDA was 0.8x at 29 February 2020, down from 3.7x a year ago. This reflects the benefit to net debt from proceeds of the IPO and strong organic cash generation.

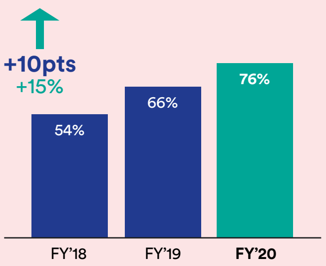
Cumulative app downloads m



Cumulative number of app downloads in UK Consumer and International.

Total cumulative downloads of the Trainline app increased to 32 million.

Transactions through mobile app %



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

The percentage of transactions that went through the Trainline mobile app increased by ten percentage points to 76%.

CFO's Financial Highlights

Shaun McCabe
Chief Financial Officer

"Our continued investment in customer experience has fuelled growth and reinforced our position as the leading independent rail and coach platform."

We reported strong growth in FY'20, in our first year as a listed business, reaching the top end of our guidance.

Group overview

Net ticket sales increased 17% to £3.7 billion in line with guidance expectations (of high-teens percentage rate growth). Revenue increased 24% to £261 million, at the top end of already improved guidance expectations of growth in the low to mid-20% range.

Gross profit increased 29% to £201 million and adjusted EBITDA grew 62% to £85 million, driven by strong volume growth, improving operating leverage, and ticket fulfilment cost savings in the UK from an increased use of etickets.

UK Consumer

Net ticket sales for UK Consumer increased 24% to £2,046 million, supported by an increased mix of app customers, greater eticket availability and increased conversion rates. The UK business also benefited in the fourth quarter from the successful launch of SplitSave, a new split-ticketing mobile app feature offering the lowest fares available, as well as some switching to UK Consumer following a change in operator and branding of the West Coast mainline franchise. Together these factors helped accelerate our growth in market share in the fourth quarter.

Revenue increased 30% to £178 million, driven by the growth in net ticket sales and a c.~40 basis point increase in revenue take-rate. Our take-rate improvement resulted from the full year effect of new ancillary revenue streams, including our multi-currency service, insurance and advertising, in addition to the continuing optimisation of fees.

Cost of sales grew 15% to £34 million, primarily due to increased volumes but partially offset by lower fulfilment costs per transaction of etickets versus paper tickets. As a result, gross profit increased 34% to £144 million, growing faster than revenue, with gross margin expanding from 78% to 81%.

+17%

Growth in Group net ticket sales

+24%

Growth in Group revenue

	FY'20 £m	FY'19 £m	Change %
Net ticket sales			
UK Consumer	**2,046**	1,648	+24%
UK T4B	**1,191**	1,198	(1)%
UK total	**3,237**	2,846	+14%
International	**490**	349	+41%
Total Group	**3,727**	3,194	+17%
Revenue			
UK Consumer	**178**	137	+30%
UK T4B	**57**	58	(3)%
UK total	**235**	195	+20%
International	**26**	14	+79%
Total Group	**261**	210	+24%
Gross Profit			
UK Consumer	**144**	107	+34%
UK T4B	**40**	41	(1)%
UK total	**184**	148	+25%
International	**17**	8	+120%
Total Group	**201**	155	+29%
Total Adjusted EBITDA	**85**	53	+62%
Operating profit	**2**	11	(78)%

UK Trainline for Business (T4B)

UK T4B net ticket sales declined 1% year on year to £1,191 million. White label ticket sales were impacted by a change in operator and branding for the West Coast mainline franchise in the fourth quarter, albeit partly offset by higher related ticket sales through UK Consumer. B2B ticket sales were impacted by the loss of the Egencia B2B contract in March 2019, as previously disclosed, as well as by a slowdown in discretionary travel spend by large corporations in the second half of the year resulting from Brexit uncertainty.

Revenue declined 3% to £57 million given lower net ticket sales and some margin pressure as we secured and extended major partnerships for the long term.

Cost of sales reduced 6% given lower volume and the benefit from reduced fulfilment costs per transaction, resulting in an improved gross margin from 70% to 71%, with gross profit declining 1% to £40 million.

International

International net ticket sales increased by 41% to £490 million, with new customer acquisition continuing to underpin growth, along with growth in conversion. This was partly offset by the impact of widespread national strike action in France in Q4, which had an estimated 8% points impact on our growth for the full year. Outside of France our International business continued to perform strongly in the fourth quarter.

Revenue increased 79% to £26 million, supported by rapid growth in net ticket sales and the launch of new revenue services in our international markets, driving revenue take-rate up by ~110 basis points.

Cost of sales grew 31% to £9 million driven by higher net ticket sales. Gross profit grew 120% to £17 million, with gross margin increasing from 54% to 67%, driven by the take-rate expansion.

+29%

Growth in Group Gross Profit

+62%

Growth in Group Adj. EBIDTA

CFO's Financial Highlights continued

Adjusted EBITDA

Group adjusted EBITDA increased by 62% to £85 million. This increase was primarily due to volume growth and operating leverage, with revenue and gross profit scaling faster than operating expenses as the business continues to realise the benefits of scale.

The Group continues to tightly manage direct and central operating costs, albeit with some additional marketing investment to support the growth of Trainline's International business. In addition there was a one-off benefit from the implementation of IFRS 16 Leases as there was no rental expense in the FY'20 adjusted EBITDA figure but there was £3 million rental expense in the FY'19 comparative.

Operating profit

The Group reported an operating profit for the year of £2 million, £8 million lower than prior year given £21 million of exceptional fees and charges relating to the IPO in June, as previously disclosed in our H1 results announcement. Excluding these one-off costs, operating profit would have been £24 million, up £13 million year-on-year.

Operating profit included a depreciation and amortisation charge of £51 million, up £12 million year-on-year, driven by the increased capital investment relating to the new Single Global Platform and a step-up in investment behind our product roadmap.

Operating profit also included a share-based payment charge of £11 million, up £7 million on the prior year. £7 million of this related to post-IPO employee incentive schemes and £4 million related to the final true up charge in relation to pre-IPO employee incentive schemes.

Loss after tax

Loss after tax for FY'20 was £81 million, £67 million lower than the prior year driven by one-off, exceptional items incurred as a result of the IPO. In addition to items described above within operating profit, as previously disclosed in our H1 results announcement the Group recorded a one-off £70 million charge to finance costs related to share-based payments and other share related costs and the write off of previously capitalised financing costs (pre-IPO financing), neither of which impacted the Group's cashflow. The share-based payment charge resulted from the crystallisation of the Group's pre-IPO share-based payment arrangements for employees and management and reflects the final fair value accounting movement in relation to pre-IPO employee incentive schemes.

Excluding the £92 million of one-off exceptional items relating to the IPO, profit after tax would have been £11 million, £25 million higher than the prior year.

Net finance costs excluding exceptional IPO-related charges were £12 million, a reduction of £12 million year-on-year, reflecting the new capital structure put in place in June 2019 following the IPO.

The FY'20 tax charge was £1 million, with our corporation tax largely offset by a deferred tax credit in relation to the unwind of deferred tax liabilities on intangibles acquired in past acquisitions. Over time the corporation tax charge is expected to increase as profits increase and the deferred tax benefit is expected to reduce as the relating assets become fully amortised.

Earnings per share (EPS)

Adjusted basic EPS was 8.05 pence, a 5.63 pence increase on last year. Adjusted basic earnings per share adjusts for the exceptional one-off costs in the year (primarily IPO-related fees and expenses), amortisation of acquired intangibles and share-based payment charges, together with the tax impact of these items.

Basic loss per share was 17.67 pence, an increase of 14.39 pence on the prior year, predominantly driven by the exceptional costs and finance charges linked to the IPO in the year.

Impact of COVID-19 and mitigants

From the end of February 2020, COVID-19 has considerably impacted the rail and coach industry across our markets.

In response, we have taken mitigating actions to reduce the Group's monthly cash outflow from operating costs and capital expenditure. This included pausing marketing and other discretionary spend, furloughing about 20% of the workforce under the UK Government's Coronavirus Job Retention Scheme, reducing Board and Executive team salaries, introducing a Group-wide pay and recruitment freeze, and deferring bonus payments in relation to fiscal year 2020 performance. In taking these actions, we have reduced the Group's monthly cash outflow from operating costs and capital expenditure to c.£8–9 million.

Given the disruption in 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.

Statement of financial position

	FY'20 £m	FY'19 £m	Change %
Non-current assets	**557**	564	(1)%
Cash and cash equivalents	**92**	94	(2)%
Other current assets	**52**	47	+10%
Current liabilities	**(169)**	(166)	(2)%
Non-current liabilities	**(159)**	(303)	+47%
Net assets & Total equity	**373**	237	+58%

Outlook for FY'21

Uncertainty remains around when COVID-19 related restrictions will be lifted in our markets as well as what the macroeconomic recovery will look like thereafter. Until visibility improves, we will not provide specific guidance for FY'21.

However, given our mitigating actions and our secure liquidity position, we are confident we can operate through even an extended downturn period.

Trainline's liquidity headroom will be c.£150 million by the end of May 2020. By this time, the Group expects to have fully completed the working capital outflow arising from settling pre-existing bookings to train and coach operators as well as processing refunds to customers.

Given the Group's monthly cash outflow from operating costs and capital expenditure of c.£8–9 million (see previous page), this gives the Group sufficient liquidity to operate for the foreseeable future with no revenue generation or further cost mitigation.

Longer-term, we continue to see the same structural tailwinds for the business, while in the shorter term, we expect COVID-19 to encourage a faster shift to digital ticketing as train users are less willing to use ticket machines or queue at the station. Similarly, ongoing social distancing requirements will increase the need for clear and accurate, on-the-go travel information. We also expect customers to be very value conscious and SplitSave will be an important feature for customers looking for the cheapest rail fares available. Against that backdrop, we remain resolutely focused on supporting our customers through these difficult times.

Statement of financial position

Total net assets at the end of FY'20 were £373 million, the move from £237 million in FY'19 was predominantly caused by the extinguishment of liabilities and capital restructure following the IPO.

The adoption of IFRS 16 has resulted in an increase in property, plant and equipment of £15 million and a corresponding increase in loans and borrowings of £15 million. As the modified retrospective approach was adopted no restatement to the FY'19 figures has been made in relation to IFRS 16.

Non-current assets have decreased to £557 million, down 1%. This is the net impact of the £15 million increase due to IFRS 16 described above and £21 million decrease in intangible assets, predominantly due to the amortisation charge on assets acquired in previous business combinations.

Non-current liabilities have decreased to £159 million, down 47%. Following the IPO in June the previous bank loan was repaid in full and a new revolving credit facility was issued for £207 million. During FY'20 £60 million has been repaid on this facility. The reduction in the level of bank debt combined with cash generation means net debt has reduced to £71 million at the end of FY'20, compared to £194 million in FY'19.

Cash flow

Operating free cash flow was £59 million, up 39% or £16 million year on year.

The increase was predominantly driven by growth in adjusted EBITDA of £33 million and a reduction in capital expenditure of £5 million as we approach completion of the Global re-platforming project. Operating free cash flow growth was partly offset by a reduction in the benefit from working capital movements, £21 million lower year-on-year, relating to the timing of our payments to rail carriers.

Cash and cash equivalents are slightly down at £92 million, down 2%. The key driver for this movement is net cash from operating activities of £60 million. Purchase of tangible and intangible assets of £28 million, net one-off financing cash inflows in relation to the IPO of £118 million and a debt repayment of £130 million including the £60 million repayment of the revolving credit facility in the second half of the year.

Shaun McCabe
Chief Financial Officer
7 May 2020

Principal Risks and Uncertainties

In order to sustainably grow our business, meet our objectives and provide the best possible customer experience, we ensure we have a robust risk management strategy.

Our risk management framework

Trainline's Board has ultimate responsibility for our Risk Management programme, which is combined with an active responsibility from all levels of leadership within the Group – the Board, the Management Team and the Audit and Risk Committee, in particular.

Trainline's 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 Audit and Risk Committee is also responsible for reviewing and maintaining Trainline's risk register. It ensures that the risk register is comprehensive, frequently updated, monitored and effectively communicated back to the Board. This process allows Trainline's Board to assess and define appropriate strategic objectives for the Group, and in turn facilitates our Management Team in executing our strategic objectives.

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.

Trainline's Board are responsible for overseeing the work of the Audit and Risk Committee, and monitoring and maintaining its approach to Group risk management. The Board also decides Trainline's risk appetite and determines the culture of risk to be flowed down through the business. It is responsible for assessing events and circumstances that could threaten our current and future strategy, business model and ambitions, and sets boundaries around the level of risk in which we are willing to operate.

There is a clear flow of timely and relevant communication and decision-making on risk from the Board to the business and vice versa. By ensuring this clear flow, 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 appetite.

High-level strategic, financial, regulatory and reputational risks are formally assessed during our annual long-term business planning process and are reviewed by the Board.

By combining their skills and in-depth knowledge of the business, our Management Team and senior managers carry out the day-to-day management of Trainline's operations, within the risk parameters set by the Board.

We take compliance seriously and ensure that applicable legislation and directives are complied with.

All of our people across our three sites are given Security and Data Privacy training on a rolling basis.

Assessing our suppliers

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

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

Trainline identified risks and mitigants

Risk management is an integral part of Trainline's business culture and organisation.

Ultimate accountability for risk management lies with the Board, supported by the work of the Audit and Risk Committee which has responsibility for reviewing Trainline's risk register, risk management and compliance activities. Guided by the Board, the Management Team takes an active role in managing risk. The Management Team helps to determine the risk appetite for the business, which is approved by the Board, and oversees the development and review of the risk register. The register is continually updated and reviewed formally at least every 6 months.

Trainline continually looks to identify emerging risks and to perform deep-dive analyses on risks it considers most important to the business.

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
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.	Through detailed and careful analysis, modelling of cash balances and debt levels, and by ensuring liquidity and access to finance facilities, Trainline is committed to maintaining a healthy balance sheet. Our forecasts and projections include contingencies to help us cater for any negative impacts on our business, operationally or financially, and in most scenarios. Trainline has a diverse portfolio of investors, allowing us to maintain access to capital markets.	• 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	Prominent

Principal Risks and Uncertainties continued

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
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 by the UK, Europe and USA. 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.	Trainline's priorities during the COVID-19 pandemic remain the safety and wellbeing of our people and supporting our customers to make changes to their travel plans and process refunds, during this exceptional time. 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 and improved customer self-serve functionality – introducing simple, automated change and refund processes on our app and website – while also working with the rail industry to relax refund terms and conditions. We continue to monitor and work with our carrier partners and government to minimise the impact and also to plan the returning growth after COVID-19. We continue to monitor customer feedback closely and to keep customers updated via our social media and CRM channels. Trainline has also undertaken the following actions: • Reduced operating costs and cash outflows • Paused marketing and other discretionary spend • Put a hold on recruitment of new team members • Deferred bonus payments and pay reviews for all staff for FY'20 • Revised payment terms with some of our suppliers • Voluntary salary reductions of Management Team and Board of Directors, including our CEO • Furloughed teams under Government Coronavirus Job Retention Scheme • Obtained a covenant waiver Trainline continues to work hard on ensuring the wellbeing of its team. Trainline has continued key touchpoints between all staff and the Management Team and has increased its focus on wellbeing across offices by running sessions and activities including regular and frequent all-company meetings, virtual wellbeing sessions; meditation and yoga, and coming together once a week to celebrate achievements and progress during these times. Trainline continues to monitor developments closely and adapt responses accordingly to ensure that the business is strengthened for the long-term and that Trainline is well positioned to return to growth once all restrictions are lifted.	• Monitoring government updates and advice across markets • Engagement with key government organisations and representatives • Monitoring customer feedback and sentiment across markets • Level of customer contact rates, UK and International • Employee check-ins and engagement surveys • Investor engagement • Engagement with carrier partners	Prominent

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
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.	As an online retailer and processor of customer data, Trainline takes information security very seriously. As fraudsters become more sophisticated, the benchmark on security excellence is constantly being raised – we remain alert to and monitor these developments. We are certified PCI compliant, and our designated Head of Privacy Compliance is responsible for overseeing the Group's adherence to both privacy legislation and best practice. We have a Data Protection working Group, comprising key individuals across the business including Security, Legal, Technology, Operations and Finance. They have implemented a lengthy and robust evaluation to ensure that we are operating at a high standard of compliance with new Global Data Protection Regulations. We ensure that all members of our team undertake mandatory security training on topics including Privacy & Data. For more information on our technology, see page 10.	• Security incidents • Routine testing of network security • Global payments industry fraud to sales statistics	Increasing
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.	At Trainline, we invest heavily in attracting, nurturing and retaining our first-class talent. All new joiners are carefully selected by our in-house talent team and once onboard, each team member is encouraged and nurtured to develop their skills and interests within the business. We work hard to foster a highly collaborative, agile and successful culture and have developed professional, social and health and wellbeing initiatives across all of our offices all geared to provide our people with opportunities to develop their interests, career plans and take good care of themselves. Actively monitoring our organisational needs and the changing nature of individual career plans, helps to ensure that our team flourishes and can successfully and sustainably deliver Trainline's strategic objectives. Our processes include organisation design reviews, talent reviews and succession planning. We also undertake regular benchmarking and remuneration reviews to ensure that we remain competitive. Employee engagement surveys throughout the year help us to monitor whether our team is, and remains, motivated and looked after professionally and personally. Trainline continuously strives to improve employee engagement, year-on-year. For more information on our people and culture, see page 31.	• Employee engagement surveys and satisfaction scores • Regretted attrition rate	Stable

Principal Risks and Uncertainties continued

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
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.	The combination of our leadership, exceptional team, agile way of working and strong industry networks help to ensure that we stay up-to-date with the competitive landscape within which we operate. We are constantly innovating with our technology and engaging our customers for feedback so that we provide a world-class, accessible, user-friendly and useful service for rail and coach bookings. Our robust and scalable business model helps to ensure that we remain competitive as we continue to grow globally. We also undertake regular horizon-scanning activities to understand competitive threats and opportunities to develop strategic partnerships.	• Competitor behaviours • Industry and consumer trends	Stable
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.	Trainline aims to be uncompromising in its approach to compliance, which is overseen by the Audit & Risk Committee and ultimately the Board, and which is supported by Legal, Finance, Security, Operations and Technology teams. As well as dedicated compliance resources, we ensure that our people are appropriately trained in compliance, relative to their roles. All employees are trained in Security, Privacy and Data compliance and mandatory processes and policies such as gifts and hospitality, political and charitable donations, expenses and anti-bribery and corruption, are disseminated to all employees through our Staff Handbook. Trainline has a whistleblowing policy and hotline, allowing any team member to feed concerns through an appropriate, procedural channel. Responsibility for and adherence to carrier and retailing licences falls to our Legal, Finance and Compliance functions.	• Laws and regulations across geographies in which we operate • Regular review, and maintenance of risk register • Audit Committee review of compliance processes • Board, employee, customer and industry concerns	Stable

Description of risk	How we mitigate the risk	How we monitor the risk	Status of risk
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.	We continue to expand and diversify our carrier supply portfolio, reducing our dependency on any one operator within the market. We remain actively engaged with the industry across all geographies in which we have supply, in order to ensure we are as up to date as the industry in the event of any service issues. Our focus is on making rail and coach travel easier. Whilst delays and disruption are outside of Trainline's control, our relentless focus on innovating our product aims to provide customers with the best possible experience and real time information, as well as alternative travel options, whether services are running smoothly or not. We also work to support our carrier partners and government in a return to growth after COVID-19.	• Deep-rooted relationships with the industry and our carrier partners • Highly-experienced supply team responsible for monitoring and responding to needs of our partners, as well as in identifying new supply opportunities	Stable
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.	We remain actively engaged with British and other EU national governments, institutions and our carrier partners to stay abreast of policy and legislative activities and ensure as far as possible that any potential negative impacts on Trainline's business, staff, customers and partners are minimised. Simultaneously, Trainline actively engages in scenario-planning and risk management.	• Changes to laws and regulations across geographies in which we operate • Public sentiment and trends	Stable

Principal Risks and Uncertainties continued
Viability statement

In accordance with the UK Corporate Governance Code 2018, the Directors and the Management team 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 review of the Group's principle risks as set out on page 24 to 29 and the potential impact of any of these risks on the long-term viability of the Group.

The conclusion of this assessment is that the Group is expected to be able to meets its liabilities and continue in operation over the three year period to 28 February 2023.

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. Three years is also the longer-term forecasting period which is considered by the Board on an annual basis. The first year of the forecast is normally the Group's detailed budget and the outer two years are forecast using a bottoms-up detailed calculation methodology with a top-down strategic overlay from Senior Management and the Board. The plan utilises the detailed one year budget as a plan and overlays assumptions supported by the Group's strategic pillars to forecast the outer two years. The budget for FY'21 used in assessing viability assumes significantly reduced trade due to the impact of COVID-19.

The key assumptions in the forecast period 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; the level of marketing investment required to reach growth targets; and the level of capital expenditure required to meet growth targets.

The plan is subject to downside sensitivity analysis. Each sensitivity case is based around the likely impact of the principle risks. This sensitivity analysis involves flexing the key assumptions by downside changes which are considered to be reasonably possible as a result of the principle risks occurring.

Specific scenarios which were modelled included a COVID-19 scenario where the dip in sales lasted longer than the base case, net ticket sales growth not being at the level expected across all years, additional marketing spend being required to meet expected net ticket sales growth across all years, and additional required capital expenditure to create new features being above the level originally anticipated. The financial impact of each of these scenarios was considered and none of the downside scenarios raised concerns over the Group's ability to meet its future liabilities.

Due to COVID-19 the Group has further reviewed its cash and liquidity position and announced on 29 April 2020 that it had agreed a covenant waiver for its current Revolving Credit Facility until August 2021. This review confirmed the Group has sufficient cash and headroom under its current Revolving Credit Facility to see it through a prolonged lockdown period and will be able to service its cost base, assuming no revenues, for at least a year.

It is not possible to test the forecast for every possible eventuality however the Directors believe the sensitivity analysis was appropriate and tested the most likely potential outcomes.

Our People and Culture

At Trainline, we pride ourselves on having high levels of employee satisfaction, with 80% of our people saying they 'are proud to work at Trainline' and 5% regretted attrition in the year ended 28 February 2020.

Commitment to diversity

We all know that diverse teams perform better – solving problems faster than teams of similar people[1] and making decisions 60% faster than non-diverse teams[2] – and positively impact employee retention and engagement[2].

At Trainline, we sell tickets to people living in more than 175 countries in 14 languages – so it is important we have diverse teams to represent the customers we serve. We are proud of our team of more than 600 talented people of 40 nationalities, working in London, Edinburgh and Paris.

Our journey to gender balance

At Trainline, 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 remains less than 1%.

- During the past year, we have continued to focus on recruiting more women into Trainline and addressing a gender imbalance that exists in our Company, like many other tech businesses. This is a focus particularly in our technology specialist teams that make up half our people.

Our progress includes:

- The majority of our hiring managers have taken training on how to recognise and avoid unconscious bias.
- Making it mandatory that female candidates are interviewed for senior management and leadership roles, with a minimum of one female on each shortlist.
- We now review our plan to reduce our gender pay gap on a quarterly basis and our hiring plans monthly, at executive level.
- In all Company-wide forums or communication, we continue to focus on championing and giving 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.
- We have launched our learning and development programme (Know How You Grow) to help junior women and men at Trainline thrive and progress to more senior roles within the organisation.
- Ongoing focus on our mentoring programme which gives every mid and senior level woman and man the opportunity to partner with an executive team mentor who can advise, champion and support them in their roles and career.

1 2017 Harvard Business review, https://hbr.org/2017/03/teams-solve-problems-faster-when-theyre-more-cognitively-diverse

2 https://www.ciphr.com/advice/5-reasons-diverse-workforce-matters/, https://www.women-ahead.org/networks-research

Our People and Culture continued

A continued shortage of women in tech – as well as in the rail and coach industries – can limit the number of female candidates applying for open roles, particularly senior and leadership positions. However, we are pleased that, as a result of our efforts, we have increased the number of women in our teams at Trainline from 34% in April 2018 to 35% in April 2019 and this figure continues to rise. In the same time period, we have managed to reduce our gender pay gap from 22% in April 2018 to 20% in April 2019.

In 2019/ 2020, tackling gender imbalance at Trainline continues to be a priority for us, and we will continue to support wider change in the tech industry.

2018 saw the launch of our partnership with the charity Future Frontiers, to help equip students from disadvantaged backgrounds with the information, skills and mindset to achieve their career aspirations. We continued to support Future Frontiers in 2019, pairing 124 secondary school students with Trainline employees in our London and Edinburgh offices to date, and the partnership continues into 2020. We completed our second year of partnership with Code First: Girls, a UK-based social enterprise focussed on building diversity and skills in the tech sector, to help 20,000 young women in the UK to code, for free, by 2020 as part of their 20:20 campaign[3]. We make sure we have comprehensive policies for our people, all contained within our Staff Handbook, which everyone receives when they join Trainline and which underline our commitment to:

- Promoting diversity and equality of opportunity for all staff and job applicants.
- Creating a working environment in which all individuals can make the best use of their skills, free from discrimination or harassment.
- 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.
- Providing a safe environment for all people in all offices.
- Ensuring we pay fairly by benchmarking roles and by undertaking regular performance reviews.

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.

Encouraging innovation

There are a lot of brains sparking innovative ideas at Trainline – over 600 in fact. Our Discovery Days get great minds from across the business together in one room to think about new and exciting ways we can make our customers' lives easier.

We celebrate new ideas every Friday at Weekly Wins and connect with our colleagues in the tech industry by hosting regular meet-ups at our offices (35 in 2019). We hold an annual Tech Summit to which we invite external, inspirational speakers (44 talks at our 2019 summit); and last year we held our second Trainline Summer of Craft, a week of inspiring engineering workshops.

Our values and behaviours

Wow our customers

- We see the world through our customers' eyes
- We make every journey smarter
- We treat our customers as individuals

Blaze new trails

- We're obsessed with improvement
- We learn fast and act faster
- We're game changers

Focus on impact

- We make smart, data driven decisions
- We prioritise, agree clear goals and deliver
- We're agile and lean

One team

- We collaborate and build on each other's ideas
- We're direct, honest, open and fair
- We help each other, have fun and enjoy the journey together

Our People and Culture continued

Our four core values

We're proud of our four core values and how ingrained they are in our culture. Our people 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.

Our customer focus

Everyone's voice is heard here, but most importantly, our customers'. Getting insight from the people across Europe and the world who use our app and website daily helps us to constantly improve. Our in-house Customer Research team regularly tests new features and updates with customers then feeds back comments to our teams to learn from.

We regularly invite customers into our offices to give us their views. We note down what they love about us and make plans to develop the product improvements or new features they'd like to see, to keep making journeys easier and simpler.

Working as one team

We work in an agile way, in small mission-based teams, allowing everyone to collaborate and take on new responsibilities.

For those wanting to broaden their skills, our mentoring programme pairs colleagues with experienced professionals within the business, to help guide their ambitions and providing them with coaching. We understand that everyone starts somewhere, so new managers can go to drop-in sessions to get tips on how to handle their new role effectively.

When things move at a mile a minute, taking time to relax together is a must. So, we make a conscious effort to let our hair down and connect, away from the nine-to-five tasks. Whether it's a yoga class or a salsa night, social and wellbeing events are regularly in the calendar for those who want to join. Themed Company social events happen monthly and there's even the occasional bring-your-dog to-work day, as well as the annual Christmas party.

Taking everyone on the journey

Communication is something we really value. We've laid out our work areas with plenty of space for break-out huddles and cross-team stand-ups, so updates are quick and easy.

Although our teams are spread across three offices in London, Paris and Edinburgh, we're one Company. So, to make sure there's a regular conversation going, we hold monthly all-hands meetings to bring everyone up to speed on our latest projects and how the business is performing and our executive team take it in turn to host 'Ask me anything' lunches or informal Q&As to encourage two-way communication.

Lunch and Learns give colleagues the chance to share food and ideas collaboratively and, every Friday, we celebrate our teams' achievements over pizza at Weekly Wins. Then there's The Download, a regular email update that's sent to all staff, highlighting what's new and exciting in the world of Trainline.

Our focus on wellbeing

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 offering access to a wealth of health and wellbeing advice from budgeting to sleep and fitness tips.

Robin Hancock
Chief People Officer

"Trainline's success is driven by our 600+ strong team of highly talented and diverse people, focused on making a positive impact on the lives of millions of travellers, every day."

Developing our team

- Mentoring – all of our team have the opportunity to take part in our mentoring programme
- Learning and Development opportunities are open to all. We've spent more than £350,000 this financial year on up-skilling our team
- Team off-site – we make sure our teams get together outside of the office to share ideas, get creative, work on problem-solving and team-building activities enabling leadership
- We run training specifically for all of our managers, helping them to upskill, develop new skills and drive success in our teams
- Our Executive Leadership team spend time together at an annual off-site; working on strategic thinking, team-building and social activities
- All managers and Executives are encouraged to participate in mentoring and coaching sessions – we recognise that we can all learn from each other, wherever you are and whatever level you are at within Trainline

We give back

As our business grows, so do the opportunities we have to positively impact the world around us. We're proud to partner with these charitable organisations to support, educate and inspire tomorrow's generations.

Inspire – Future Frontiers

We believe in thinking big, which is why we partner with Future Frontiers – an award-winning charity that believes all young people can be motivated by their aspirations. We work with them to help equip students from disadvantaged backgrounds with the information, skills and mindset to achieve their career aspirations. Over the past two years, our teams in London and Edinburgh have mentored 124 secondary school students to encourage them to dream big and fulfil their future potential and we've also partnered on delivering career talks in local schools.

Support – Railway Children

For many years, we've partnered with Railway Children, the charity that provides protection and opportunity for children living on the streets in India, East Africa and the UK, many of whom find shelter in railway stations. We support them with our internal fundraising events, including bake sales and our annual Christmas raffle.

Educate – Code First Girls & Ada Tech School

Tackling gender imbalance and championing talent within the tech industry is at the absolute core of our culture and values. We're proud to partner with Code First: Girls to help 20,000 young women in the UK to code, for free, by 2020 as part of the Code First: Girls' 20:20 Campaign[3]. As well as financial support, we're helping to deliver the training programme by providing in-house specialists as mentors and hosting courses in our London office. We've opened up the programme to women at Trainline too, so they can add new strings to their bows and learn a new skill.

Trainline also supports the newly opened Ada Tech School in France, whose goal it is to break the status quo and support more women to become developers.

Give & Gain

Every year we hold Trainline's Give and Gain Day, where our teams in London, Edinburgh and Paris spend the day helping local communities by working with charities and not-for-profit organisations such as Thames21, Le Vestaire de Solidarités Saint-Bernard, KIDS Chelsea Playground, Surfrider Foundation with Ocean Initiatives, Spitalfields Farm and South London Cares.

On top of this, everyone who works at Trainline can take a paid day out of the office each year to work for a charity of their choice.

3 https://www.codefirstgirls.org.uk/2020

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 the results of our engagement
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.	• Access to 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. In 2019, we engaged with over 13,000 travellers. We met them in stations, held virtual workshops, organised weekly feedback sessions, they tested our product and we shared new ideas, all to better understand how we can make their experiences better.	• Providing and maintaining a best-in-class customer experience. • Trainline is the world's leading independent rail and coach app, with a 4.9* app rating. • 90m visits to our platform per month (+19%).
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.	• The opportunity to increase their reach, ticket sales and the number of customers travelling on their services. • Lower cost to serve customers. • 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: • Engagement with the Rail Delivery Group in the UK on split ticketing and other innovations; • Coordinating with coach operators to offer alternative methods of travel during rail disruption.	• In the last financial year, we increased the number of our carrier partners to 270, allowing our customers to travel in and across 45 countries in Europe and the rest of the world. • Trainline now sells over 350 tickets, on behalf of our carrier partners, every minute.

Our key stakeholders and their significance to our business	What is important to them	How we engage with them	Highlights of the results of our engagement
Government and regulators			
Government and regulatory policy determine the business environment in which Trainline operates.	• Developing and implementing regulatory frameworks and guidelines. • Overall reduction of carbon emissions. • How Trainline can help Governments achieve their policy aims, including the move to sustainable travel and liberalisation of rail travel in Europe.	Trainline regularly meets and attends forum discussions with key policymakers, government representatives and industry bodies across the UK and wider Europe. During the year, our focus has been on: • Engaging with multiple EU departments in relation to travel, sustainability and data-related initiatives, with the aim of ensuring a fair marketplace for all existing organisations and new entrants into the rail and coach markets. • In France, we engaged extensively in relation to the new Law on Mobility together with other relevant initiatives. • In the UK, we engaged extensively on the Williams Review, as well as continuing to work closely with the Department for Transport, Rail Delivery Group and consumer rights organisations such as Transport Focus.	• Trainline was mentioned as an example of innovation by Keith Williams (leader of the Williams Review of rail). • The French Law on Mobility included provisions dealing with terms for fair distribution of rail and coach tickets. • The Open Data Directive included provisions dealing with terms for ensuring fair, reasonable and non-discriminatory access to rail data, including real-time data.
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 see 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 well-being programme that all our people can benefit from. • Since IPO, we've refreshed our share schemes so that all of our people can benefit from the success of the Company.	• Over 77% of our people contributed to our annual engagement survey and our overall engagement score increased by 2% in the past six months. • We have high levels of employee satisfaction, with 80% of our people saying they 'are proud to work at Trainline'. • 79% of our team say that they 'would recommend Trainline as a place to work'. • We have 5% regretted attrition in the year ended 28 February 2019. • We have increased our investment in learning and development. • We have listened to feedback and are taking steps to improve our office environments. • All our people have access to share schemes and over 80% hold an interest in shares of the Company.
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 Management 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.	Since the IPO the Investor Relations Team, Executives and senior management have met regularly with investors via office visits, conferences and roadshows. The Company has also held an investor and analyst meeting for the Group's half-year results announcement and held quarterly results conference calls for analysts and investors. The Chair of the Remuneration Committee consulted with major shareholders (representing over 60% of our issued share capital) on the proposed Directors' Remuneration Policy which shareholders will be invited to vote on at our 2020 AGM.	• In total the Company met with 76 existing shareholders and 89 prospective investors since IPO.

Stakeholder Engagement continued

Section 172(1) Statement

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

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

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

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

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 the Management Team which included senior executives from our People, Supply, Technology and Finance teams. The Board also received reports which, in addition to covering our business and financial performance, included papers relating to our people and our regulatory obligations.

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 focussed 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.

IPO

In making its decision to proceed with the IPO the Board considered its consequences and the benefits of the financing and liquidity opportunities to the Company's stakeholders.

As a result of that consideration the Board ensured that governance processes were introduced to help protect the interests of shareholders and that share plans were implemented to provide opportunities for our people to share in the success of the Company and to align them with the interests of shareholders. The Board also noted that the enhancement in the reputation of the Group and the increased financial security would be of benefit to its suppliers, customers and other stakeholders.

By considering these matters the directors have had regard to the matters set out in section 172(1)a to (f) of the Companies Act 2006 when performing their duty under section 172.

Non-Financial 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.

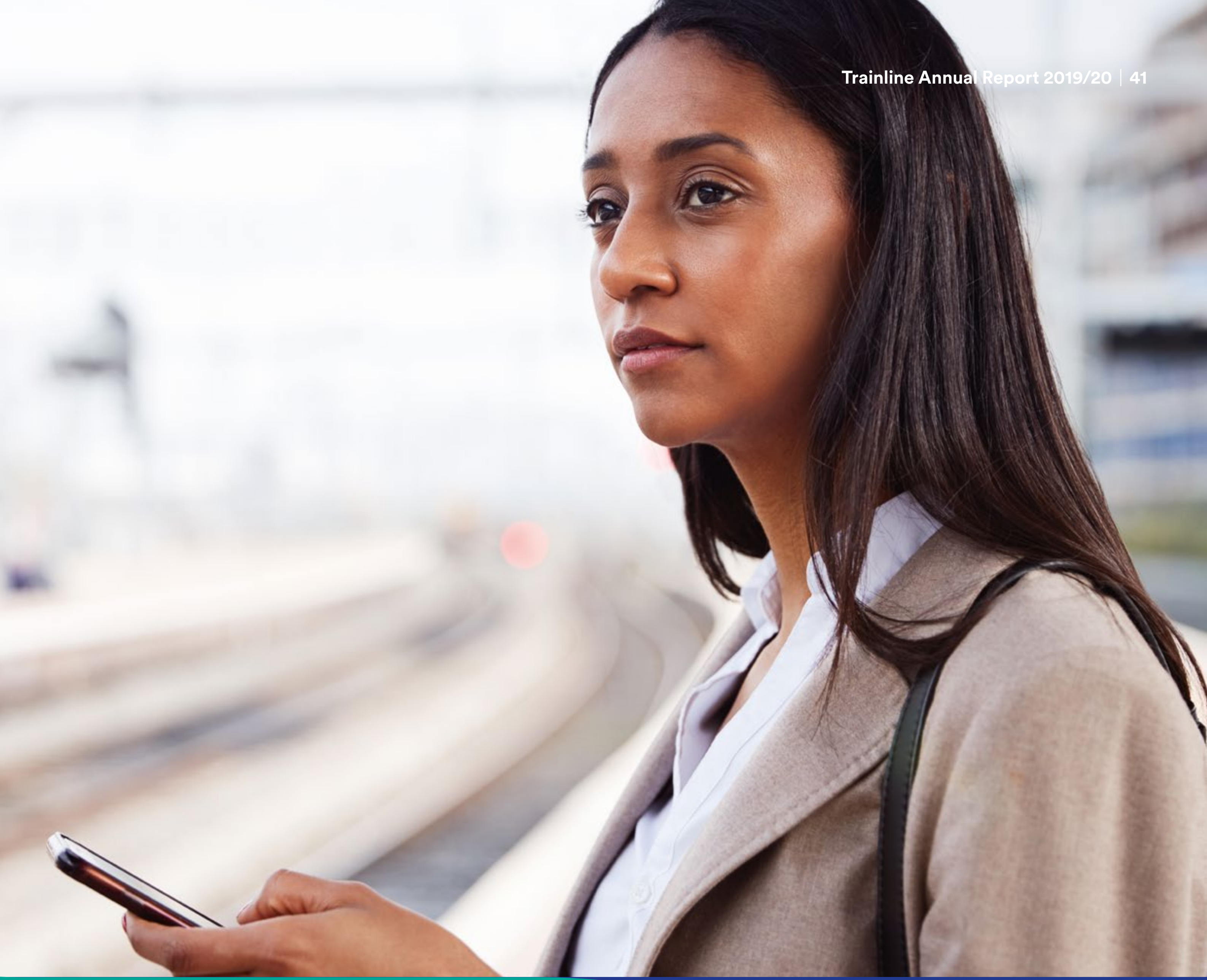
Reporting requirement	Relevant Trainline policies and procedures	Where to read more in this report	Page
Business Model	N/A	• Our business model	8
Non-Financial KPI's	N/A	• Key Performance Indicators	19
Principal Risks	Trainline risk management process	• Principal risks and uncertainties	24
Environmental Matters	Environmental policy	• Market overview • Global GHG emissions and energy use data	13 78
Human Rights	Human rights policy Anti-slavery and human trafficking policy	• Principal risks and uncertainties • Our people and culture	24 32
Our People	Trainline staff handbook and accompanying policies and procedures	• Our people and culture • Principal risks and uncertainties • Stakeholder engagement	31 27 37
Social Matters	N/A	• We give back	35
Anti-Corruption and Anti-Bribery	Anti-fraud and corruption policy and procedure	• Audit, risk and internal control	57

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
7 May 2020

Governance



In this section

Chair's Governance Statement

Brian McBride
Independent Non-executive Chair

"We firmly believe in doing business the right way by operating with high standards of business and personal integrity."

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

Governance

The Board is 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 objectives.

Governance policies and processes to comply with the 2018 UK Corporate Governance Code (the 'Governance Code') were established for our IPO in June and have been maintained since.

Board

Our Board sets the tone and culture for the Group and the expectations placed on our team. We firmly believe in doing business the right way by operating with high standards of business and personal integrity.

We have recruited experienced and knowledgeable Independent Non-executive Directors, in Duncan Tatton-Brown and Kjersti Wiklund who along with myself, understand the business and possess the backgrounds and skills in technology, innovation and high growth companies required to be effective in our roles.

The search for our Senior Independent Non-executive Director is ongoing. Ensuring the candidate has the right skills, experience and knowledge to complement our existing Board members is a key goal for myself and the Nomination Committee which is why we have taken the time to ensure we make the right appointment. I look forward to introducing the appointee in due course.

I would like to thank Douglas S. McCallum, Philipp Freise and Franziska Kayser for their service to Trainline during their time on the Board and wish them well in their future endeavours.

Following the resignation of Philipp Freise on 12 November 2019, the Board is comprised entirely of executive and independent non-executive directors. Excluding myself, the Independent Non-executive Directors make up at least half of the Board membership.

Stakeholders

We have invested a considerable amount of time engaging with our stakeholders and our new shareholders, to help us understand their objectives and concerns but also to ensure they understand our business and strategy. You can read more on the highlights of this engagement on page 36.

Diversity

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 women into technology, which you can read more about on page 31.

External audit tender

The Audit & Risk Committee intended to undertake a competitive external audit tender with the appointment in place for the HY'21 results, however in light of COVID-19 the tender has been delayed and we now expect the appointment to be made in advance of the FY'21 Full-Year results for the FY'22 audit.

Further information on the tender 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 page 54.

Board remuneration

In early April, in recognition of the uncertainty generated by COVID-19, the CEO volunteered to take a 50% salary reduction (to £287,500), the CFO volunteered to take a 20% reduction (to £320,000) and the Chair and Non-executive Directors' base fees were also voluntarily reduced by 20%.
The reductions took effect from 20 April 2020 and will stay in place for the foreseeable future.

Also, in line with the Group-wide decision to defer the payment of all bonuses until such time that the impact of COVID-19 has ended, the Executive Directors' bonuses will also be deferred accordingly.

The Remuneration Policy that will be put to shareholders to vote upon at our 2020 AGM and that we intend to operate through to 2023 is detailed on pages 61 to 68. Kjersti has provided commentary on the development of the Remuneration Policy and the engagement with shareholders that has been undertaken on page 58. I encourage you to read this and hope that we can count on your support when you consider how to vote at the AGM.

Annual General Meeting

Attendance at the AGM will not be permitted if the Government's compulsory COVID-19 Stay at Home measures, prohibiting public gatherings of more than two people, are still in place at the time of the AGM.

Given the above, I strongly encourage you to 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 without the need for you to attend.

If you have any questions you wished to raise with the Board at the AGM, I invite you to submit it 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 on our website at https://investors.thetrainline.com/AGM.

In the event that the Stay at Home measures are lifted in part or in full prior to the AGM, the Board will consider whether shareholders should be allowed to attend the AGM in person taking into account first and foremost the health and safety of attendees. Any changes to restrictions on attendance will be reflected on our website at https://investors.thetrainline.com/AGM.

Brian McBride
Independent Non-executive Chair
7 May 2020

Board Leadership and Company Purpose

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' resources, and presentations on legal, governance and regulatory developments.

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

To help the Board understand the views and concerns of the workforce, the Senior Independent Non-executive Director will be designated as the Non-executive Director for Workforce Engagement. Once appointed, as part of their role the Senior Independent Non-executive Director will attend colleague engagement sessions, meet individually with workforce representatives to discuss their views and concerns, and will report on these to the Board to help us understand the culture of the Company as well as to hear our people's concerns and ideas.

The Board has received reports throughout the year on stakeholder issues and concerns, including details of our Group-wide colleague engagement surveys and updates from senior management on the issues and concerns raised by shareholders and stakeholders.

The Chair of the Remuneration Committee updated the Board on her consultation with major shareholders (representing over 60% of our issued share capital) on the proposed Directors' Remuneration Policy which shareholders will be invited to vote on at our 2020 AGM. Further details on how the Group has engaged with shareholders and other stakeholders are available on page 36.

The Board uses all these and other informal reporting streams to monitor whether the culture and behaviours the Group strives for aligns with reality.

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

Strategy Development and Planning	• Strategy planning and review
Operational	• Progress towards strategic goals
Shareholders and Stakeholders	• Investor relations updates • Key stakeholder updates
Financial Performance and Risk	• Financial results • Annual and half-yearly reports
Other Activities	• Talent management • Culture and colleague engagement
Environmental, Social and Corporate Governance	• Implementation of governance processes arising from the IPO

Our purpose, culture, behaviours and strategy

Our purpose

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

Our culture

Wow our customers

Blaze new trails

Focus on impact

One team

Our behaviours

Be customer obsessed

Think big

Simplify

Take ownership

Be curious

Build trust

Encourage honesty

Bring positivity

Our strategy

Enhance customer experience

Build demand

Optimise revenues

Grow Trainline for Business

Our Board of Directors

Brian McBride

Independent Non-executive Chair

Skills and experience:

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

Other appointments:

Non-executive Director at Standard Life Aberdeen plc, Wiggle Ltd and Kinnevik AB. Brian is also Senior Adviser to Lazard's Global Financial Advisory business and a Senior Adviser to Scottish Equity Partners. He is a member of the UK Government's Digital Advisory Board, which steers the digital delivery of Government services to UK citizens.

Committees:

N R

Clare Gilmartin

Executive Director and Chief Executive Officer

Skills and experience:

Clare has been CEO of Trainline since 2014, leading the business through a period of rapid growth and expansion. Prior to Trainline, Clare was Vice President, Greater Europe for eBay. Clare holds a Bachelor of Commerce (Int) degree from University College of Dublin and is its Business Alumni of the Year 2019.

Other appointments:

Adviser to Future Frontiers, an award-winning social enterprise that provides career guidance to pupils from low income backgrounds, and through Trainline is a supporter of Code First: Girls.

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, Germany and the Netherlands.

Duncan Tatton-Brown

Independent Non-executive Director

Skills and experience:

Duncan has been the Chief Financial Officer of Ocado plc since 2012. Prior to joining Ocado, Duncan held the Chief Financial Officer's role at Fitness First plc, and prior to that, Duncan was Group Finance Director of Kingfisher plc. He has also been Finance Director of B&Q plc 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:

Chief Financial Officer of Ocado plc.

Committees:

N AR* R

Kjersti Wiklund

Independent Non-executive Director

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.

Committees:

N AR R*

Attendance during the financial year

Board Member	Meetings
Brian McBride (Chair since 5th Nov. 2019)	7/7
Clare Gilmartin (CEO)	7/7
Shaun McCabe (CFO)	7/7
Duncan Tatton-Brown (INED)	7/7
Kjersti Wiklund (INED)	7/7
Douglas S. McCallum (Chair until 5th Nov. 2019)	4/4
Philipp Freise (NED until 12th Nov 2019)	4/4
Franziska Kayser (NED until 20th Sep 2019)	3/3

Key

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

Division of Responsibilities

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.

Trainline plc Board of Directors

Supported by

Audit & Risk Committee

Monitors 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.

Supported by

Remuneration Committee

Develops the Group's policy on Board remuneration and monitors its ongoing appropriateness;

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

Reviews colleague remuneration and administers the Group's share schemes.

Supported by

Nomination Committee

Monitors 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.

Supported by

Trainline's Management Team

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

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 considered the RSU grant to Brian McBride on his appointment to the Board and at the time of his appointment as Chair and considered him to be independent.

The Board conducts an annual review of the Group's overall strategy. The CEO, CFO and the Executive 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.

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 Boards 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;
- 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.

Composition, Succession and Evaluation

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.

Board succession

Since our IPO the following changes have taken place in the membership of the Board:

Brian McBride succeeded Douglas S. McCallum as Independent Non-executive Chair of the Board on 5 November 2019

Douglas S. McCallum resigned as Non-executive Chair of the Board on 5 November 2019

Philipp Freise resigned as a Non-executive Director on 12 November 2019

Franziska Kayser resigned as a Non-executive Director on 20 September 2019

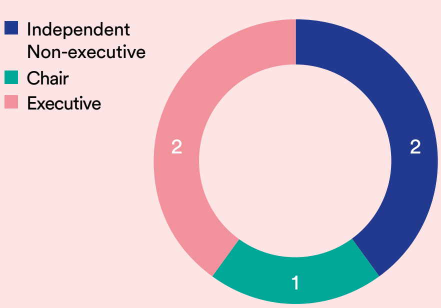
Board evaluation

Since the IPO the Chair has met privately with the Chief Executive Officer and separately with the Independent Non-executive Directors, without the Executive Directors being present, during which time they have been invited to raise any concerns they may have about the Board and its effectiveness.

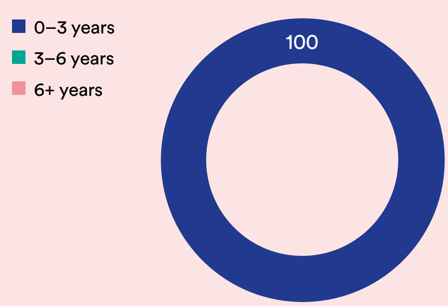
An evaluation of the operation and effectiveness of the Board, its Committees and individual directors will take place during the next financial year, the process and the outcomes of which will be reported upon in the next Annual Report. The Board intends to comply with the Governance Code guidance that an externally facilitated evaluation take place at least every three years.

Composition of the Board

Independence



Length of tenure of Non-executive Directors*



Directors' nationalities

* Owing to this being the first year since the Admission of Trainline to the Main Market of the London Stock Exchange.

Report of the Nomination Committee

Brian McBride
Chair of the
Nomination Committee

Attendance during the financial year

Committee Member	Meetings
Brian McBride (Chair since 5th Nov. 2019)	1/1
Duncan Tatton-Brown (INED)	1/1
Kjersti Wiklund (INED)	1/1

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 senior management positions and oversee the development of a diverse pipeline

I am pleased to present Trainline's first Report of the Nomination Committee as a listed company which provides a summary of the Committee's role and activities for the period since the IPO until 29 February 2020.

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 senior management team. Apart from the need to appoint a Senior Independent Non-executive Director, 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 three Independent Non-executive directors, Kjersti Wiklund, Duncan Tatton-Brown, and myself (Brian McBride) as its Chair. The biography of each member of the Committee is set out on pages 46 to 47.

During the period, Douglas McCallum resigned from the Committee following his resignation as Chair of the Board.

The Committee's key activities

Key matters discussed by the Committee since IPO included a review of:

- the structure, size and composition of the Board post IPO, including the skills, knowledge, independence, experience and diversity of its members; and
- the appointment of Brian McBride as Chair of the Board.

The Committee's Key Activities Planned For FY'21

Prior to the Committee's next report for FY'21 it intends to undertake the following key activities:

- appoint a Senior Independent Non-executive Director;
- a review of succession planning arrangements for the Board and senior management and whether this and the Board appointment process support the development of a diverse pipeline of candidates;
- the 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
7 May 2020

Report of the Nomination Committee continued

Role and work of the Nomination Committee

The Committee met once during the period since IPO which all Committee members attended.

In future years the Committee will meet twice per year with meetings held to coincide with key events, in particular the evaluation of the Board and Committee. 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 acts in accordance with its terms of reference and the matters delegated to it by the Board.

Key areas of focus for the Nomination Committee

The main matters that the Committee considered during the period are described as following:

The appointment of Brian McBride as Independent Non-executive Chair

The Committee considered the succession planning for the previous Chair of the Board, who did not meet the independence criteria under the UK Corporate Governance Code 2018, and the proposal in the IPO prospectus that Brian McBride be appointed as Chair of the Board following a post-IPO transitionary period.

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 Brian as Chair of the Board was still appropriate.

The Committee was cognisant that this would leave the position of Senior Independent Non-executive Director vacant but agreed that as Brian was particularly qualified to be Chair of the Board and that, as the search for a suitable candidate to replace him as Senior Independent Non-executive Director was ongoing, it was appropriate to recommend the appointment to the Board.

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

During FY'21 the Committee intends to undertake a review of succession planning arrangements for the Board and senior management and assess whether the succession planning arrangements and the Board appointment process support the development of a diverse pipeline of candidates.

Diversity and inclusion

One of the pivotal considerations on any appointment to the Board is diversity. The Committee will take 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 non-executive director roles. The Committee believe we have a diverse Board which is able to effectively serve the Company's interests.

The Committee recognises that technology is a male dominated sector and that the Group has more work to do to balance its gender split. Whilst there are no quick fixes, the Group takes an active role in improving diversity in the technology sector. Further information on Trainline's initiatives to improve diversity is available on page 31.

The Committee intends to review the Group's diversity and inclusion policies during the FY'21 period, how they link to the Group's objectives and strategy, how they are being implemented, and progress towards achieving diversity and inclusion objectives.

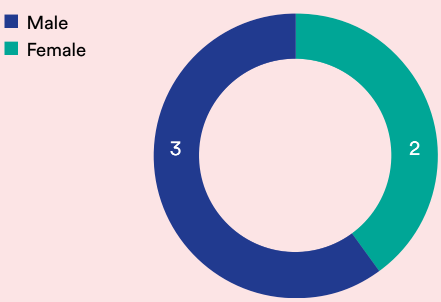
Director reappointment

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.

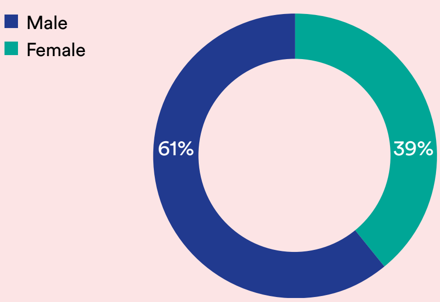
All the Directors being proposed for reappointment attended all meetings they were scheduled to attend and the Committee is satisfied they devote sufficient time to their duties and demonstrate great enthusiasm and commitment to their roles.

Gender balance (actual headcount as at 29 February 2020)

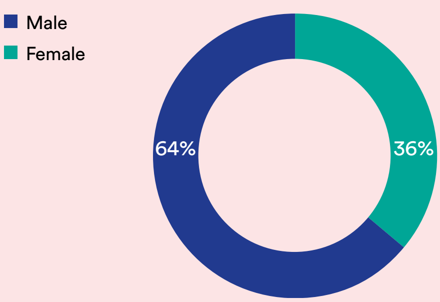
Board of Directors



Senior Management Team and their direct reports



All our People



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 (INED)	3/3
Kjersti Wiklund (INED)	3/3
Brian McBride (prior to his appointment as Chair of the Board)	2/2

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 first Report of the Audit and Risk Committee as a listed company, which provides a summary of the Committee's role and activities for the period since the IPO until 29 February 2020.

During the period, 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 two Independent Non-executive Directors, Kjersti Wiklund and myself (Duncan Tatton-Brown) as its Chair. During the period, Brian McBride resigned from the Committee following his appointment as Chair of the Board.

The biography of each member of the Committee is set out on page 47. 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 Chief Financial Officer of a FTSE100 Company I have the relevant financial knowledge and extensive experience to be the Chair of the Committee.

The Committee's key activities during FY'20

Key matters discussed by the Committee since IPO included a review of:

- the impact of COVID-19 on the Group, and the Going Concern and Viability Statement;
- the adequacy and effectiveness of the Company's internal financial controls;
- 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 Company and any 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, including the completion accounting treatment of the IPO and pre and post-IPO share schemes;
- 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 plans for and outcome of the preparation and review of the Group's half year results and the audit of these year end financial statements including presentations from both management and the external auditor;
- the effectiveness of the external audit process, the independence and objectivity of the external auditor and the supply of non-audit services by the external auditor, including its network firms, to the Group;
- the need for and development of the Internal Audit function
- the Group's whistleblowing policies;
- the post-IPO Group reorganisation;
- the Group's tax strategy; and
- the Groups compliance with Rail Delivery Group licence requirements.

The Committee's key activities planned For FY'21

Prior to the Committee's next report for FY'21 it intends to undertake the following key activities:

- conduct a competitive tender for the provision of external audit services with the appointment in place for the full-year results;
- oversee the implementation of the internal audit function; and
- undertake a review of the Committee's performance since the IPO, its composition and terms of reference.

Duncan Tatton-Brown
Chair of the Audit and Risk Committee
7 May 2020

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.

Key areas of focus for the Audit & Risk Committee during FY'20

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.

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.

Internal controls review

The Board monitors the key elements of the Group's internal control and risk management framework arrangements supported by the Audit and Risk 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.

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 also reviewed the impact of the new accounting standard, International Financial Reporting Standard (IFRS) 16, on the Group's leases and the accounting adjustments required. The Committee considered and agreed with managements proposed implementation.

The Committee, alongside management and the external auditor identified the areas set out in the table below as the key areas of judgment and estimation.

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 current COVID-19 pandemic and the resulting economic conditions the level of uncertainty around this judgement is considered higher in the current environment. Additionally there is significant heightened public interest and scrutiny around the ability of companies to continue for a period of 12 months should these conditions prevail.	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 the Group's liquidity. As part of this review the Committee reviewed management's 'worst case' cash burn scenario which showed the Group has sufficient cash and liquidity headroom to continue for a period of greater than 12 months with no sales. This combined with the covenant waiver 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 appropriate.
Carrying value of goodwill The carrying value of goodwill depends on the Group's ability to meet future trading forecasts. 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 not required (FY'19 £nil).
Share-based payments Judgement is required when assessing whether share-based payment arrangements are cash or equity settled. Depending on the allocation as cash or equity settled impacts the accounting treatment and whether the instruments are required to be remeasured at fair value at each Balance Sheet date.	The Committee considered the treatment of new share-based payment schemes issued during the year, particularly their treatment as cash or equity settled. The Committee considered Management accounting papers referencing the underlying legal documentation and the requirements of IFRS2, Share-Based Payments. The Committee agreed with Management's conclusion to treat post IPO equity schemes as equity settled.
Financial Statement disclosures As this is the first Annual Report Trainline plc will prepare as a Company listed on the UK Stock Exchange there is a risk that the disclosures and reporting requirements of a UK listed Company are not met.	The Committee have reviewed the Financial Statements in detail and provided comments. Additionally they considered Management papers in relation to Financial Statement presentation and the external auditors findings. The Committee noted that an appropriate process had been followed in checking completeness and accuracy of disclosures and as such concluded the Financial Statement disclosures were adequate.

Report of the Audit and Risk Committee continued

Internal Audit

The Committee reviewed the need for an internal audit function, recommended its implementation be facilitated by an external third party and began a tender process which has been delayed due to COVID-19. The Committee intends to continue the tender and oversee implementation of the internal audit function during FY'21.

Tax strategy review

The Committee reviewed the Group's tax strategy and related disclosures in this Annual Report prior to review and approval by the Board.

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.

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.

KPMG have acted as external auditor to the Group since 2002 with the current Audit Partner, Sarah Styant, in the role for 1 year.

Independence and objectivity

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 help 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 29 February 2020 amounted to £1.7million. £1.6 million of these fees related to services provided by the external audit firm as part of the IPO process and were incurred before the Company listed. The fees relating to the IPO were one-off in nature and are not expected to reoccur. The external auditor has undertaken audit-related assurance services for the provision of the accountants report in relation to the historical financial information for the IPO and audit-related assurance services for the 31 August 2019 half-year review for fees totalling £0.1 million. Further details of these amounts can be found in Note 3 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 £297,000) was appropriate and that an effective audit could be conducted for such a fee.

External audit tender and statement of compliance with the Competition and Markets Authority (CMA) order

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 will conduct a competitive tender for the provision of external audit services during 2020 with the appointment in place for the FY'21 Full-Year results.

The Group was due to tender the audit for FY'21 in line with the CMA Order 2014 but sought an extension from the CMA in light of COVID-19, this extension was granted on 17 April 2020.

Undertaking an external audit tender during FY'21 is in the best interests of the Company's members as it will be the first full financial year of the Company since IPO.

Risk

Like any business, the Group faces a number of risks and uncertainties. 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 monitors 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 24.

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 updates from senior managers on changes to the risk assessment and reports to the Board on these risks and the effectiveness of the risk management system. 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 Groups staff handbook. If anyone has a concern they wish to raise they can contact an independent reporting line for anonymous reporting of concerns.

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

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 senior management team and recorded in the Group Gift Register. Any hospitality above a set value must also be approved by the Business Review and Approvals Group.
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 Groups Anti-Fraud and Corruption Strategy when they join. Concerns should be reported in accordance with the Groups Whistleblowing Policy. Disciplinary action and other appropriate measures will be taken as necessary.

Directors' Remuneration Report and Policy

Kjersti Wiklund
Chair of the
Remuneration Committee

Attendance during the financial year

Name	Board
Kjersti Wiklund (Chair)	4/4
Brian McBride	4/4
Duncan Tatton-Brown	4/4

Our responsibilities

- Develop the Group's policy on executive remuneration and monitoring its ongoing appropriateness;
- Determine the levels of remuneration for Executive Directors, the Chair and the Company's senior management;
- Review colleague 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'20, outlining what we have achieved in Trainline's first year as a listed company.

This report has three parts; the Chair's Annual Statement, a Policy Report and an Annual Report on Remuneration. Together, they cover the required regulatory information, balanced against commercial sensitivities, and also provide further context and insight into how our Executive pay arrangements operate.

This report comes at a time when the Committee is considering the impact of COVID-19 on remuneration, and we have already taken several actions that are detailed further below. We will continue to stay close to the situation, monitor business impact, exercise judgement and apply necessary discretion to FY'21 remuneration.

Our Remuneration Policy

The proposed 2020 Remuneration Policy is based on the remuneration framework that was detailed in the Company's 2019 IPO Prospectus and is structured to support the strategy of the Company and align executive remuneration with shareholder experience.

In the development of the 2020 Policy, the Committee took account of prevailing market and best practices, including recent changes to the UK Corporate Governance Code and various investor body guidelines.

The 2020 Policy reinforces a performance-oriented pay structure, with lower fixed components of pay and higher variable components.
The variable components focus on key financial and strategic targets and the delivery of exceptional returns to shareholders (through the super-stretch relative TSR performance targets for the exceptional element of the PSP awards).

The incumbent CEO and CFO currently receive pensions of 15% and 10.5% of salary, respectively, and have agreed to reduce pensions such that alignment with the broader workforce (currently c.5.5% of salary) is achieved by the end of FY'23. Any new Executive Directors will be offered a pension consistent with the prevailing rate for the broader workforce.

The 2020 Policy for remunerating new Executive Director hires is aligned with that for incumbents except for the additional flexibility for the Committee to award up to 400% of salary under the PSP in the first year of appointment, depending on the individual circumstances around the appointment and the calibre and experience of the candidate, and only in the absence of any buy-out awards. A resolution to approve the required change to the PSP rules will be tabled at the 2020 AGM.

Various IPO-linked awards were made to the Directors in recognition of the services provided to the Group prior to IPO (including a cash award to Shaun McCabe and a share award to Brian McBride vesting over three years following IPO); going-forward the remuneration structure for the Executive and Non-executive Directors is as described in this report and is broadly consistent with typical practice for a UK-listed Company.

In line with our commitment to open dialogue with our shareholders, the Committee also consulted with over 60% of our shareholder base on the initial proposals. Those shareholders we consulted were broadly supportive of the proposals, and the final 2020 Policy reflects the feedback we received.

The 2020 Policy is intended to operate for a three-year period from the 2020 AGM. The Committee believes that the proposed approach to remuneration will support the delivery of the Company's key objectives during its initial years as a public Company. The Company's remuneration framework will no doubt continue to evolve in the future as Trainline establishes itself as a listed Company. The Committee will engage with shareholders ahead of any future significant changes to the 2020 Policy or its implementation.

Remuneration outcomes for FY'20

FY'20 was an important year for the Company, with its Listing on the London Stock Exchange in June signalling the strength of the business model.
Bonus targets were set for the Executive Directors around key financial measures (Group adjusted EBITDA, Group Capital Expenditure, net debt net sales growth and revenue growth) and several key strategic objectives.

Performance overall was strong in these areas resulting in bonus outcomes of 27.9% for financial measures and 29.7% and 32.5% out of 50% for achievement of strategic measures for the CEO and CFO respectively. The Committee reviewed the bonus outcomes in the context of the Company's underlying business and financial performance for FY'20, and concluded that they were appropriate and that no discretionary adjustment was required. However, in line with the Group-wide decision to defer the payment of all bonuses until the exceptional business circumstances due to COVID-19 have ended, the Executive Directors' bonuses will be deferred accordingly, and only be paid when bonuses are also paid to all other eligible employees across the business.

The first awards under the Company's Performance Share Plan were granted in July 2019, with the CEO and the CFO each receiving an award of 250% of salary. Awards will vest after three years, subject to the achievement of stretching earnings growth and relative TSR performance targets.

Implementation of the Remuneration Policy for FY'21

The Committee reviewed Executive Directors' salaries in early 2020 and agreed that they should remain unchanged for 2020. In early April, in recognition of the uncertainty generated by COVID-19, the CEO volunteered to take a 50% salary reduction and the CFO volunteered to take a 20% reduction. The reduced salaries will take effect from 20 April 2020, for the foreseeable future. The Chair and Non-executive Directors' have similarly volunteered to take a 20% reduction to base fees.

The current intention is for the maximum annual bonus opportunities for FY'21 to be 200% and 150% of normal salary for the CEO and the CFO, respectively.
The performance measures will be based on a Company scorecard of financial and strategic metrics, including revenue, adjusted EBITDA and net debt (weighted at least 75% of the bonus) and personal 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 2020 to the CEO and the CFO under the PSP.
The performance measures will continue to be EPS and relative TSR vs. the FTSE250 excluding investment trusts. As was the case for awards granted in 2019, of the 250% of normal salary, 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. Vested awards will be subject to a two-year post-vesting holding period.

The FY'21 annual bonus and PSP targets will be devised to attempt to factor in the current and expected impact of COVID-19 on the business. However, given the ongoing uncertainty on when we can expect normalcy to return, the Committee will monitor their appropriateness to ensure they retain the appropriate amount of stretch and motivational value over the coming year. If any amendments are made, these will be disclosed in full in next year's Annual Report on Remuneration.
The Committee will ensure that any payout of the FY'21 bonus and any vesting of the FY'21 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 proposed 2020 Remuneration Policy and the approach to implementation in FY'21 are in the best interests of all shareholders, and we respectfully ask for your support at the 2020 AGM.

Kjersti Wiklund
Chair of the Remuneration Committee
7 May 2020

Remuneration at a glance

This section is a snapshot of the Company's performance over the FY'20 year and the remuneration received by our Executive Directors. Full details can be found in the Annual Report on Remuneration on pages 68 to 75.

FY'20 remuneration outcomes

Annual bonus

The annual bonus was based on a mix of financial (weighted 50% of the total) and strategic (weighted 50% of the total) performance measures for FY'20. The performance targets and actual performance are set out below:

		Performance targets				
Measures	Weighting (% of total bonus)	Threshold	Target	Stretch	Actual FY'20 achievement	Resulting bonus outcome (% of total bonus)
Group Adjusted EBITDA	15%	£68.5m	76.5m	£84.5m	£85.2m	15%
Group capital expenditure	5%	n/a	£25.0m	£22.5m	£25.8m	0%
Net debt	2.5%	£181.8m	£174.3m	£166.8m	£70.8m	2.5%
Net sales growth[1]	15%				17%	5.4%
Revenue growth[1]	12.5%				24%	5%
Total	**50%**					27.9% out of **50%**

	Weighting (% of total bonus)	Key achievements during FY'20	Resulting bonus outcome (% of total bonus)
Strategic objectives	**50%**	CEO: Strong growth in sales through app, greater eticket availability and improved take rates.	29.7% out of **50%**
		CFO: Launched additional features and payment options and improved take rates.	32.5% out of **50%**

Key: Performance range; Actual outturn

1 Given the commercially sensitive nature of the strategic measures, several measures have been merged into these groupings for disclosure purposes.

Based on actual outturn as set out above, the CEO and the CFO will receive 57.6% and 60.5% of the maximum bonus respectively, which represents 115% and 91% of salary respectively. As the CEO earned above 100% of salary 13% of her bonus will be deferred in shares for two years under the Deferred Share Bonus Plan. In line with the Group-wide policy, the CEO and CFO have deferred the payment of their FY'20 bonuses until the exceptional business circumstances due to COVID-19 have ended and bonuses are paid to all those eligible across the business.

Implementation of the Remuneration Policy in FY'21

For FY'21, the Executive Directors will be remunerated in line with the proposed Remuneration Policy, as summarised in the table below. In recognition of the uncertainty generated by COVID-19, effective 20 April 2020 and for the foreseeable future, the CEO's salary reduced by 50% and the CFO's salary reduced by 20%. The Chair and Non-executive Directors' fees will also be reduced by 20%.

Element of pay	Implementation for FY'21
Fixed remuneration	
Base salary	FY'21 salaries: £575,000 (reduced to £287,500) for Clare Gilmartin, £400,000 (reduced to £320,000) for Shaun McCabe
Pension	The incumbent CEO and CFO have 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'23 Any new hires to be offered a pension consistent with the prevailing rate for the broader workforce
Benefits	As per FY'20
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 and relative TSR, of which 50% of salary is based on the achievement of exceptional EPS and relative TSR performance targets.

Remuneration Policy

This section of the report sets out the proposed 2020 Remuneration Policy which will be put before shareholders for approval at the 2020 AGM. The Committee intends that the 2020 Remuneration Policy will come into effect from that date (25 June 2020) for a period of up to three years.

The basic elements of the 2020 Remuneration Policy were outlined in the Company's Prospectus dated 21 June 2019. Since Listing, the Remuneration Committee reviewed and further developed the remuneration policy based on external advice from its independent remuneration consultants, Mercer, and having regard to the Group's evolving strategy. Very few changes have been made to the broad Remuneration Policy elements outlined in the Prospectus.

Executive Directors' remuneration policy table

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

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Salary	To recruit and retain high-calibre Executive Directors.	Salaries are typically reviewed annually, on 1 April, though the Committee reserves the right to make salary increases from any other time where considered appropriate. Base salaries are determined taking into account a number of factors, including: • individual's role, responsibilities, and performance; • salary levels at comparable companies, adjusted to reflect scale; and • salary increases for the wider workforce.	Whilst there is no maximum salary, increases will normally be in line with the average increase for the wider workforce. The Committee retains the discretion to make increases above this level in certain circumstances, for example following an increase in responsibility or scope, or where an individual is appointed on a below-market salary.	Not applicable.
Pension	To provide appropriate retirement plans.	The Executive Directors currently participate in the Company's pension scheme, and the Company makes contributions on their behalf. The Committee retains the discretion to provide a cash allowance in lieu of pension contribution during the term of the Policy.	The Company's maximum contributions/cash allowances for existing Executive Directors are 15% and 10.5% of salary for the CEO and the CFO, but will reduce such that alignment with the broader workforce is achieved by the end of FY'23. For new appointments to the Board, the Committee will set a pension contribution rate which is in line with the contributions available to the wider workforce at that time.	Not applicable.

Remuneration Policy continued

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits	To ensure that the overall package is competitive.	Executive Directors receive private medical and dental insurance for the individual and their immediate family, and life assurance. Other benefits may be provided at the discretion of the Committee based on individual circumstances and business requirements, such as relocation allowances.	The value of benefits is based on the cost to the Company and is not pre-determined. The Committee retains the discretion to approve a higher than typical cost in exceptional circumstances (e.g. relocation) or in circumstances driven by factors outside the Company's control (e.g. material increases in insurance premium).	Not applicable.
Annual Bonus & Deferred Share Bonus Plan (DSBP)	To incentivise and reward the achievement of annual financial and non-financial targets, in line with the Company's strategic priorities. To directly align the interests of Executive Directors and shareholders and support retention through long-term deferral in shares.	Performance objectives are reviewed at the beginning of each year to ensure that the bonus opportunity, performance measures, targets and weightings are appropriate. The level of pay-out is determined by the Committee after the year-end, based on performance against targets and any additional factors they deem relevant. Any annual bonus earned above a threshold of 100% of salary is deferred in shares for a period of two years. Dividends may accrue over the deferral period in respect of DSBP awards that vest.	The maximum bonus opportunity is 200% of salary. The CEO and the CFO currently have opportunities of 200% and 150% of salary, respectively. For threshold and target performance, the bonus earned is 0% and up to 50% of maximum, respectively.	The bonus is determined based on annual performance against financial and strategic metrics, and personal objectives. Performance measures and weightings will be determined at the start of the year to align with the Company's short-term financial and strategic priorities. No more than 25% of the bonus opportunity will be based on personal objectives. Details of the measures applicable for the year under review are provided in the Annual Report on Remuneration.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Performance Share Plan (PSP)	To incentivise and reward the delivery of long-term shareholder value and the achievement of long-term financial targets.	Awards of nil-cost options, market value options or conditional shares are made annually, with vesting dependent on the achievement of performance conditions. Performance conditions are reviewed prior to grant to ensure that the award level, performance measures, targets and weightings are appropriate. Awards normally vest based on performance measured over a minimum of three years. The level of vesting is determined by the Committee after the performance period, based on the degree to which the performance conditions have been met. In adjudicating the final vesting outcome, the Committee will also consider the underlying performance of the business, as well as the value created for shareholders. A two-year holding period will apply to vested PSP awards granted in 2020 and subsequent years, during which vested shares may not be sold save to cover tax liabilities. Dividends may accrue over the vesting period in respect of awards that vest.	The maximum annual award level is 250% of salary, comprising a core award of 200% of salary and an award of 50% of salary linked to exceptional performance. For threshold performance, up to 20% of the core award vests.	Performance conditions and weightings will be determined prior to grant each year to align with the Company's longer-term strategy. Details of the measures applicable for the year under review are provided in the Annual Report on Remuneration.
Share Incentive Plan (SIP)	To encourage employee share ownership and further support shareholder alignment.	The Company operates an HMRC-approved plan that provides all employees with a tax-efficient way of purchasing Partnership Shares and allows the grant of Free and/or Matching Shares. Executive Directors are entitled to participate in the SIP on the same terms as other employees.	In line with the award limits set by HMRC (or any lower limit as determined by the Committee).	Not applicable.

Notes to the Policy table:

Executive Director shareholding guidelines

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

Executive Directors will also be 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.

Payments from previously agreed remuneration arrangements

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

Remuneration Policy continued

Discretion

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

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

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

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

Malus and clawback

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

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

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

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

Selection of performance measures

The annual bonus is currently based on a combination of financial and strategic measures, and personal objectives. The PSP is currently based on EPS and relative TSR. The use of EPS incentivises Executive Directors to grow profit over the long term, whilst the relative TSR measure supports shareholder alignment and incentivises outperformance against the broader market.

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

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

Remuneration arrangements throughout the Group

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

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.

Non-executive Directors' Remuneration Policy

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

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

Remuneration Policy for new hires

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

The annual bonus opportunity will be limited to 200% of salary and the PSP award level will typically be no more than 250% of salary apart from in exceptional circumstances under which the first PSP award may be up to 400% of salary. In addition, the Remuneration Committee may offer additional cash and/or share-based awards when it considers these to be in the best interests of the Company and its shareholders, to take account of remuneration forfeited when leaving the former employer. Any such buyout awards would reflect, as far as practicable, the nature, time horizons and performance conditions attaching to that remuneration. The Committee will seek to use the current remuneration structure in making awards, but in some cases it may be required to use the flexibility afforded by Listing Rule 9.4.2R, if appropriate. Shareholders will be informed of any such awards or payments at the time of appointment. It is expected that a PSP award of up to 400% of salary in the first year would be considered only in circumstances where no buy-out award is provided. Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable assistance with relocation in line with local market norms for a period of up to two years.

Remuneration Policy continued

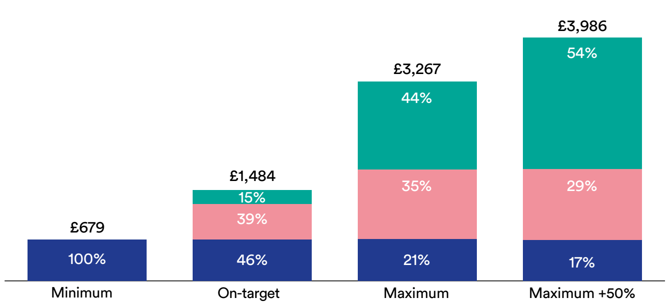
Remuneration opportunities in different performance scenarios

The charts below illustrate the potential future value and composition of the Executive Directors' remuneration opportunities in four performance scenarios: minimum, on-target (i.e. in line with the Company's expectations), maximum, and maximum plus 50% share price appreciation, a scenario where 50% share price appreciation is included. The potential remuneration opportunities are based on the proposed 2020 Policy, applied to the Executive Directors' salaries as at 1 March 2020 (i.e. before the voluntary reductions). The charts below exclude the effect of any Company share price appreciation except in the 'Maximum+50%' scenario.

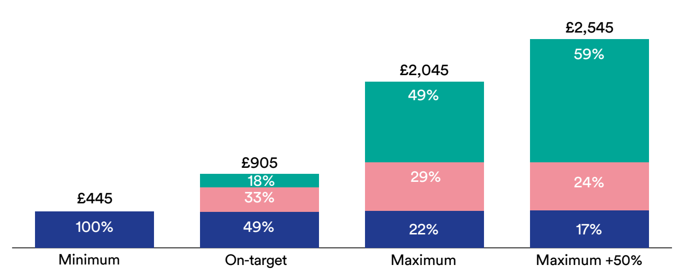
Assumptions:

Performance scenario	Includes
Minimum	Salary, pension and benefits (fixed remuneration) No bonus payout No vesting under the PSP
On-target	Fixed remuneration 50% of maximum annual bonus payout (i.e. 100% and 75% of salary for the CEO and the CFO, respectively) 20% vesting of the core award under the PSP (i.e. 40% of salary)
Maximum	Fixed remuneration 100% of maximum annual bonus payout (i.e. 200% and 150% of salary for the CEO and the CFO, respectively) 100% vesting of the PSP (i.e. 250% of salary)
Maximum +50%	Fixed remuneration 100% of maximum annual bonus payout (i.e. 200% and 150% of salary for the CEO and the CFO, respectively) 100% vesting of the PSP, plus 50% share price appreciation

CEO £000



CFO £000



Fixed pay   Annual bonus   Long-term incentive

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
Clare Gilmartin	12 June 2019
Shaun McCabe	12 June 2019

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

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

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

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
Brian McBride	10 June 2019	AGM 2022
Duncan Tatton-Brown	10 June 2019	AGM 2022
Kjersti Wiklund	10 June 2019	AGM 2022

Remuneration Policy continued

Consideration of wider employee views and shareholders

In reviewing and developing the 2020 Remuneration Policy, the Committee has taken into account the internal context, including the remuneration arrangements that apply for other employee Groups, recent developments in the UK governance landscape for executive remuneration, and the views of our shareholders.

The Committee is dedicated to ensuring open dialogue with shareholders in relation to remuneration. The Committee Chair consulted with major shareholders and proxy advisors during FY'20 on the proposed 2020 Remuneration Policy (and its implementation in FY'21). The Committee took on board the comments received, and commits to further engagement in advance of any significant changes. Further information on the consultation process is set out on page 58.

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'20 and how the Committee intends to apply the proposed 2020 Remuneration Policy for FY'21.

The Annual Report on Remuneration will be subject to an advisory shareholder vote at the AGM to be held on 25 June 2020. 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 two independent Non-executive Directors and the Chair of the Board who was independent on appointment. The Committee invites other individuals such as the 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.

During FY'20, representatives of KKR, the principal shareholder prior to the Company's Listing, also attended Committee meetings as observers. Since the placing of KKR's shares in November 2019, and the stepping down of KKR representatives from the Board, no further KKR representation at Committee meetings took place.

Advisors

The Committee's independent advisor during the year was Mercer, having been appointed in November 2019 following a competitive tender process. Mercer 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). Mercer was paid fees of £48,296 for its services to the Committee during the year, excluding expenses and VAT, in accordance with its letter of engagement.

Prior to Mercer's appointment, the Committee received advice from EY, to whom fees of £4,350, excluding expenses and VAT, were paid for the period following Admission.

Key activities during the year

During the period the Committee held four scheduled meetings. The key activities and matters discussed at these meetings included:

- the appointment of remuneration advisors to the Committee;
- the preparation of the 2020 Remuneration Policy;
- results of the engagement with significant shareholders on the 2020 Remuneration Policy; and
- the award of share grants.

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'20 for the period since Admission (i.e. 26 June 2019 to 29 February 2020).

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

1 In line with the Group-wide policy, both Executive Directors have deferred the payment of their FY'20 bonuses until such time that the impact of COVID-19 has ended and bonuses are paid to all those eligible across the business. The annual bonus figure shown in the table for Clare Gilmartin includes £87,970 which will be paid in deferred shares under the Deferred Share Bonus Plan.

2 No PSP vesting occurred in the period.

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'20 for the period since Admission (i.e. 26 June 2019 to 29 February 2020).

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

1 The fees above reflect Brian McBride's role as Deputy Chair and Senior Independent Non-executive Director up until 4 November 2019, and thereafter as Chair of the Board for which his annual fee was £265,000.

2 In recognition of the services he provided to the Group prior to Admission and his appointment as Deputy Chair and Senior Independent Non-executive Director, Brian McBride was granted an award of restricted stock units with a grant date value of £300,000 vesting subject to his continued appointment to the Board in equal tranches over three years following Admission. If Mr McBride ceases to be a Director at any time before each vesting date in circumstances other than death, injury, ill-health, disability or in other circumstances which the Board decides appropriate, the restricted stock units will lapse automatically upon such termination. In case of a change of control event, the restricted stock units will vest on a pro-rated basis. Mr McBride is required to hold any shares acquired from the vesting of the restricted stock units so long as he remains a Director of the Company, and such shares may be clawed back in case of termination of his Directorship by reason of misconduct.

3 Douglas McCallum stepped down from his role as Chair on 5 November 2019. The fees above reflect those paid between Admission and 5 November 2019.

4 Philipp Freise stepped down from his role as Non-executive Director representing KKR on 12 November 2019. He was not paid a fee nor did he receive any taxable benefits.

5 Franziska Kayser stepped down from her role as Non-executive Director representing KKR on 20 September 2019. She was not paid a fee nor did she receive any taxable benefits.

Notes to the tables (Audited)

Base Salary

During FY'20, the annual salaries of the Executive Directors were £575,000 and £400,000 for the CEO and the CFO, respectively.

Pension

During FY'20, the CEO and CFO received pension benefits by way of cash allowances equal to 15% and 10.5% of salary respectively.

Legacy Items

Prior to Admission, the Executive Directors and senior managers participated in long-term share schemes. Key details of these were set out in the IPO Prospectus. The value delivered under the Legacy shares schemes was determined based on the value created between the date of grant and the date of Admission and so represents performance prior to listing, achieved over a number of years. The awards vested on listing and the number of shares delivered to participants was determined at this point. There are no outstanding awards under the Legacy share schemes. There were two legacy share schemes in place prior to the IPO, one was cash-settled and one was equity-settled. These schemes ceased to exist at the date of the IPO and new long-term incentive plans have been set up as part of the Listed Group. The terms of the two legacy share plans were set by the pre-Admission shareholders.

Upon Admission Douglas McCallum held 5,360,018 shares (1.2% of the issued share capital) of which 1,876,006 were sold upon Admission at £3.50 per share totalling £6,566,021. The balance of 3,484,012 shares with a value of £12,194,042 is carried forward and is subject to a lock-up period of 365 days.

Annual Report on Remuneration continued

Legacy Items continued

Upon Admission Clare Gilmartin held 13,097,533 shares (2.9% of the issued share capital) of which 4,584,136 were sold upon Admission at £3.50 per share totalling £16,044,476. The balance of 8,513,397 shares with a value of £29,796,890 is carried forward and is subject to a lock-up period of 365 days.

Upon Admission Shaun McCabe held 4,019,813 shares (0.9% of issued share capital) of which 1,406,934 were sold upon Admission at £3.50 per share totalling £4,924,276. The balance of 2,612,879 shares with a value of £9,145,076 is carried forward and is subject to a lock-up period of 365 days. Shaun McCabe also received a bonus payment for £2,833,422 which was payable after Admission in recognition of his contribution to the success and progress of the business over the previous three years.

Annual Bonus

The maximum bonus opportunities for FY'20 were 200% and 150% of salary for the CEO and the CFO, respectively. The annual bonus is based on the achievement of Group financial targets and a set of specific and quantifiable strategic objectives. Performance targets and actual outturn are set out below.

Financial element

		Performance targets				
Measure	Weighting (% of total bonus)	Threshold[2]	Target[3]	Stretch	Actual FY'20 achievement	Resulting bonus outcome (% of total bonus)
Group Adjusted EBITDA[1]	15%	£68.5m	£76.5m	£84.5m	£85.2m	15%
Group capital expenditure[4]	5%	n/a	£25m	£22.5m	£25.8m	0%
Net debt	2.5%	£181.8m	£174.3m	£166.8m	£70.8m	2.5%
Net sales growth	15%				17%	5.4%
Revenue growth	12.5%				24%	5%
Total	**50%**					27.9% out of **50%**

Key: Performance range Actual outturn

1 See page 132 for the definition of Group Adjusted EBITDA.

2 achievement results in 0% of maximum payout.

3 achievement results in 50% of maximum payout.

4 Group capital expenditure excludes additions through trade and asset acquisitions.

Whilst the Group financial measures and targets have been disclosed in full, for reasons of commercial sensitivity, the divisional financial measures have been merged into the groups of 'Net sales growth' and 'Revenue growth' for disclosure purposes. Each grouping consists of a number of separate sub-measures; actual FY'20 achievement against targets for these sub-measures is disclosed on an aggregated basis. Due to the commercially sensitive nature of these divisional targets, the Committee does not currently intend to disclose them at a future date.

Strategic element

Measure	Weighting (% of total bonus)	Key progress during FY'20	FY'20 achievement	Resulting bonus outcome (% of total bonus)
CEO				
Enhance the customer experience & build demand	20%	Strong app growth, greater eticket availability and improved NPS scores have contributed to strong sales growth	Target	9%
Optimising revenues & margin	15%	Improved take rates driven by new ancillary revenue streams in the UK and International consumer segments. Gross profit increased 29%	Target	8.5%
Preparing the Group for capital transaction	10%	Preparing the Group for public or private capital transaction, subsequent successful IPO and share price growth in FY'20	Stretch	10%
Other (inc. staff engagement, diversity, etc	5%	Strong delivery of staff engagement, equal pay and regretted attrition rates	Target	2%
CEO Total:	**50%**			29.7% out of **50%**

Measure	Weighting (% of total bonus)	Key progress during FY'20	FY'20 achievement	Resulting bonus outcome (% of total bonus)
CFO				
Enhance the customer experience & build demand	6%	Launched additional features and payment options enhancing the customer experience and contributing to strong sales growth	Target	2%
Optimising revenues & margin	12%	Improved take rates driven by new ancillary revenue streams in the UK and International consumer segments. Gross profit increased 29%	Target	5%
Preparing the Group for capital transaction	20%	Preparing the Group for public or private capital transaction, subsequent successful IPO and share price growth in FY'20	Stretch	19.5%
Other (inc. staff engagement, diversity, etc	12%	Strong delivery of staff engagement, equal pay and regretted attrition rates	Target	6%
CEO Total:	**50%**			32.5% out of **50%**

Given the commercially sensitive nature of the strategic measures, several measures have been merged into the groupings for disclosure purposes. Each of these groupings consists of several different measures. Given the granular nature of each measure the Committee does not intend to disclose the performance targets of the individual measures comprising these groupings.

The resulting bonus outcomes for FY'20 for the Executive Directors are set out below. Payment of these bonuses is deferred until the exceptional business circumstances due to COVID-19 have ended, and bonuses are paid to all those eligible across the business.

Executive Director	Annual bonus outcome (% of maximum)	Annual bonus outcome (% of salary)	Annual bonus outcome (000)
CEO	57.6%	115%	£451[1]
CFO	60.5%	91%	£247

1 In line with the Policy, as the CEO's bonus has exceeded 100% of salary, 100% of salary will be paid in cash, and the balance will be paid in deferred bonus shares under the Deferred Share Bonus Plan.

PSP awards granted in FY'20

On 31 July 2019, 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 on date of grant	Face value	Award as % of salary	Vesting date
CEO	31 Jul 2019	268,691	£4.28	£1.15m	200%	28 Feb 2022
CFO	31 Jul 2019	186,915	£4.28	£0.8m	200%	28 Feb 2022

The vest period for these awards, the first since Admission, is three years from grant. Subsequent PSP awards for Executive Directors will also include 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 100% of salary is based on EPS, as set out below:

		Performance targets		
Measure	Maximum vesting (% of salary	Threshold (20% vesting)	Median (50% vesting)	Stretch (100% vesting)
EPS[1] for FY'22	100%	13.5p	15p	17p

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

Vesting of up to 100% of salary is based on relative TSR, as set out below:

		Performance targets[1]	
Measure	Maximum vesting (% of salary	Threshold (20% vesting)	Stretch (100% vesting)
Relative TSR vs. FTSE250 excluding investment trusts	100%	Median	Upper quartile

Annual Report on Remuneration continued

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. It will vest only if the stretch EPS target (17p) 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. FTSE250 excluding investment trusts	Upper quartile	Upper decile

The performance period for these awards, which were granted shortly after Admission, is for TSR the period 26 June 2019 to 28 February 2022, and for EPS the three financial years ending 28 February 2022.

Deferred share bonus plan ('DSBP') awards granted in FY'20

In line with Policy, as the CEO's bonus has exceeded 100% of salary, 100% of salary will be paid in cash, and the balance, being £87,970, will be paid in deferred bonus shares under the Deferred Share Bonus Plan. The grant of shares will take place once the impact of COVID-19 has ended and bonuses are paid to all eligible employees across the business.

Payments for loss of office

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

Payments to past Directors

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

Implementation of the Remuneration Policy in FY'21

Executive Director remuneration in FY'21

A summary of how the proposed 2020 Remuneration Policy will be applied to Executive Director remuneration for FY'21 is set out below.

Base salary

The Committee reviewed Executive Directors' salaries in early 2020 and agreed that they should remain unchanged for 2020. In early April, in recognition of the uncertainty generated by COVID-19, the CEO volunteered to take a 50% salary reduction (to £287,500) and the CFO volunteered to take a 20% reduction (to £320,000). The reduced salaries will take effect from 20 April 2020, for the foreseeable future.

Executive Director	Salary at Admission	Salary from 1 Mar 2020	Salary from 20 Apr 2020
CEO	£575,000	£575,000	£287,500[1]
CFO	£400,000	£400,000	£320,000[1]

1 Salary reduction took effect from 20 April 2020 and will apply for the foreseeable future.

Pension and benefits

For FY'21, the CEO and the CFO will receive pension benefits by way of cash allowances in line with the 2020 Remuneration Policy. Pension provisions will continue to be based on salaries prior to the voluntary reductions that took effect from 20 April 2020, in line with the treatment of pension contributions of the wider workforce.

Annual bonus

At the time of publication of this report, the impact of the COVID-19 pandemic was uncertain. The intention is for the FY'21 annual bonus to be based on the structure as 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'21 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. Vesting will continue to be based on EPS and relative TSR measured over three years, with 50% (out of 250%) of salary subject to exceptional EPS and TSR performance. The relative TSR targets will be based on the same performance range as for FY'20 awards. Given the unprecedented uncertainty created by COVID-19, the EPS performance targets will be determined as early as possible during FY'21 and will be disclosed no later than in the FY'21 Directors' Remuneration Report. 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'21 annual bonus, the Committee will ensure that any vesting of the FY'21 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'21

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. In recognition of the uncertainty generated by COVID-19, effective 20 April 2020 and for the foreseeable future, the Chair and the Non-executive Directors' fees have volunteered a 20% reduction to base fees are set out in the table below:

	FY'20	Fee from 1 Mar 2020	Fee from 20 Apr 2020
Basic fee			
Company Chair	£265,000[1]	£265,000	£212,000[2]
Non-executive Director	£60,000	£60,000	£48,000[2]
Additional fees			
Senior Independent Director	£10,000	£10,000	£10,000
Audit and Risk Committee Chair	£15,000	£15,000	£15,000
Remuneration Committee Chair	£15,000	£15,000	£15,000

1 Douglas McCallum was paid a Chair fee of £240,000 p.a. up to his stepping down from the Board on 5 November 2019. Brian McBride's annual fee as Chair in FY'20 was £265,000.

2 Fee reduction took effect from 20 April 2020, and will apply for the foreseeable future.

Relative importance of spend on pay

The table below shows the change in total employee pay, as detailed in Note 4 of the financial statements. No dividends or share buybacks have occurred since Listing.

	% change	FY'20 £m	FY'19 £m
Total gross employee pay	28%	£66	£52
Revenue	24%	£261	£210
Group Adjusted EBITDA	62%	£85	£53

Percentage change in CEO remuneration

This section is not applicable as the Company listed on 21 June 2019; as such, there is no prior year comparison that can be made.

Annual Report on Remuneration continued

CEO pay ratio

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'20	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

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 the period from Admission to 29 February 2020. 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.

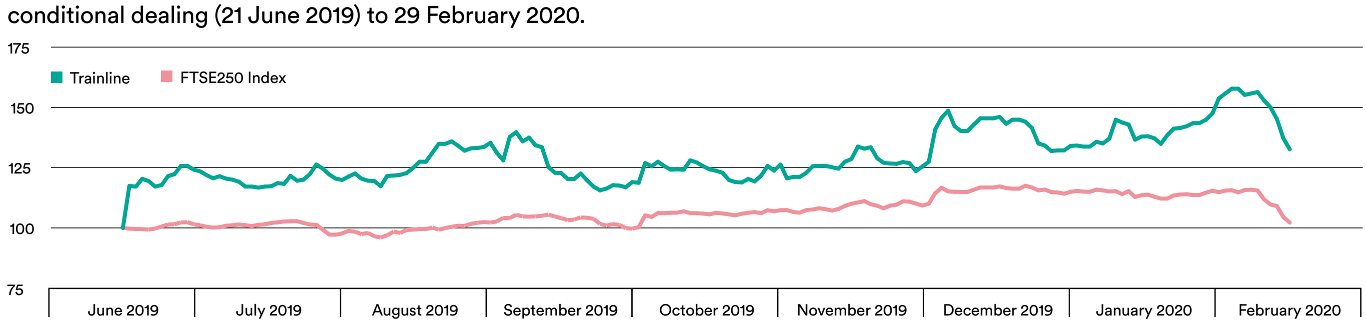
The Committee has considered the pay data for the three employees identified and believes that it fairly reflects pay at the relevant quartiles amongst our UK workforce. The three individuals identified were full-time employees during the year. None received an exceptional incentive award which would 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.

As this is the first year of reporting the CEO pay ratio using the above methodology, there is no comparative data against which to compare the pay ratios above. The Committee will consider future pay ratios in the context of historical ratios.

The CEO pay ratio is based on comparing the CEO's pay to that of Trainline's UK-based workforce, the largest proportion of whom work in our technology teams developing and maintaining our platform. The Committee expects that the ratios will be largely driven by the CEO's incentive pay outcomes, which will likely lead to greater variability in her 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.

Historical TSR performance and remuneration outcomes for the CEO

The graph below compares the Company's TSR against the FTSE250 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 29 February 2020.



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

	FY'20
Single figure (£000)	920
Annual bonus outcome (% of max)	57.6%
PSP vesting (% of max)	n/a

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 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 existing share awards in the Company's share schemes granted to the Directors following the Company's Listing, as at 29 February 2020, are set out in the table below.

Director	Award type	Date of grant	Number of shares granted	Share price on date of grant	Face value	Award as % of salary/fee	Vesting date
CEO	PSP	31 Jul 2019	268,691	£4.28	£1.15m	200%[1]	28 Feb 2022
CFO	PSP	31 Jul 2019	186,915	£4.28	£0.8m	200%[1]	28 Feb 2022
Chair	RSU	26 Jun 2019	28,571	£3.50	£0.1m	38%	26 Jun 2020[2]
	RSU	26 Jun 2019	28,571	£3.50	£0.1m	38%	26 Jun 2021[2]
	RSU	26 Jun 2019	28,572	£3.50	£0.1m	38%	26 Jun 2022[2]

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 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 29 February 2020 (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 21 Jun 2019	Ordinary Shares held at 29 Feb 2020	Subject to deferral/ holding period	Unvested and subject to performance conditions	Shareholding requirement as % of salary	Current Shareholding as % of salary	Shareholding requirement met?
Executive Directors							
Clare Gilmartin	8,513,397	8,513,397	8,513,397	268,691	200%	7,087%	Yes
Shaun McCabe	2,612,879	2,612,879	2,612,879	186,915	200%	3,248%	Yes
Non-executive Directors							
Brian McBride	0	28,571	85,714				
Duncan Tatton-Brown	0	28,571					
Kjersti Wiklund	0	2,142					

Approved by the Board on 7 May 2020

Kjersti Wiklund
Chair of the Remuneration Committee
7 May 2020

Directors' Report

The Directors present their report, together with the audited Financial Statements for the period ended 29 February 2020.

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'). The Company adopted the Code on 26 June 2019 on admission of its ordinary shares to the FCA's Official List and to listing on the Main Market of the London Stock Exchange. Prior to 26 June 2019 the Company was not required to comply with the principles and provisions of the Code. The Company applied the Main Principles and complied with the relevant provisions set out in the Governance Code other than:

- the implementation of the Board's workforce engagement mechanism which, due to the time of year of the IPO and the ongoing search for a Senior Independent Non-executive Director, will begin in FY'21 (Provision 5);
- Douglas S. McCallum, the former Chair of the Company, did not meet the independence criteria to be considered independent on his appointment as Chair of the Company (Provision 9);
- the period from Admission to 12 November 2019 during which the Independent Non-executive Directors, excluding the Chair, represented just under half of the Board (Provision 11);
- the period since the appointment of Brian McBride as Chair (5 November 2019 onwards) when the Company has not had a Senior Independent Non-executive Director. The search for the Senior Independent Non-executive Director is ongoing and the Board will introduce the appointee in due course (Provision 12); and
- Brian McBride received a grant of restricted stock units with a grant date value of £300,000 which will vest subject to his continued appointment to the Board in equal tranches over three years following Admission and that he will be required to hold so long as he remains a director of the Company (Provision 34).

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.

Political donations

The Group did not make any political donations (FY'19 £nil) or incur any political expenditure during the year (FY'19 £nil).

Subsidiaries and principal activities

The Company is the holding Company for a Group of subsidiaries whose principal activities are described in this Annual Report. The Group's subsidiaries and their locations are set out in Note 21 in the Financial Statements.

Branches

In accordance with the Companies Act 2006, the Board confirm that there were no branches of the Company or its subsidiaries during the financial year.

Share capital

Details of the Company's share capital, including changes during the period are given in Note 17 to the Financial Statements.

Other than the IPO Lock Up Agreements in place for senior management which expire 365 days after the IPO, 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 29 Feb 2020	% of total voting rights as at the date of this report
The Capital Group Companies, Inc.	10.04%	11.29%
Baillie Gifford & Co	8.99%	8.99%
Blackrock, Inc.	8.28%	6.20%
T. Rowe Price Associates, Inc	5.23%	5.23%
Merian Global Investors	below notification threshold	5.02%

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.

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 who 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

On 30 January 2020, the spread of the novel Coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation. Though the impact of COVID-19 did not materially impact the Group in the year ended 29 February 2020 it has not been considered a non-adjusting post balance sheet event, in line with IAS10 on the basis that it occurred during the financial year. As a result, the forecasts used for impairment analysis reflected the expected impact of COVID-19 on the Group at the balance sheet date together with further sensitivities reflecting the Directors' views at the date of approval of the financial statements of the impact of COVID-19. The going concern assessment and viability statement have been updated to reflect the Directors assessment of the impact of COVID-19 at the date of approval of the financial statements. This has been reflected in the respective disclosures. Subsequent to the year end, the Group drew down an additional £85 million of its Revolving Credit Facility and reduced the portion of the Facility utilised through bank guarantees. Following these changes, the remaining headroom on the Revolving Credit Facility was £90.2 million. On 29 April 2020, the Group announced that its loan syndicate had waived the financial covenant in respect of its £350 million revolving credit facility until August 2021 to support the business through the COVID-19 pandemic and the related impact on trading.

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 and the expected operational activities of the Group. All of these forecasts included the waiving of the financial covenant in respect of the Group's £350 million Revolving Credit Facility until August 2021 as announced by the Group on 29 April 2020 and the expected impact of COVID-19 on the Group's performance.

Though the scenario is considered to be very unlikely, as part of the going concern assessment the Group prepared a cash flow forecast which considered the Group's ongoing cash outflows and assumed no revenue inflows. The analysis confirmed the Group's current liquidity position would enable the Group to operate with no cash inflows for a period of at least 12 months from the date of signing these financial statements.

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 have therefore continued to adopt the going concern basis in preparing the consolidated Financial Statements.

Directors' Report continued

Significant agreements

There are no significant agreements to which the Company is a party that take effect, alter, or terminate on a change of control of the Company following a takeover bid.

Global GHG emissions and energy use data

	Current reporting year 2019-20	
	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	84.36	42.01
Emissions from purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, location based)/tCO_2e	238.65	6.21
Total gross Scope 1 & Scope 2 emissions/tCO_2e	323.01	48.22
Energy consumption used to calculate above emissions: /kWh	1,392,555	346,620
Intensity ratio: tCO_2e gross figure based from mandatory fields above/m^2 of office space	0.09	0.02
Intensity ratio: tCO_2e gross figure based from mandatory fields above/FTE	0.57	0.79
Emissions from purchased goods and services (Scope 3)/tCO_2e	5.72	0.54
Emissions from employee business travel (Scope 3)/tCO_2e	81.17	156.29
Emissions from disposal of waste generated in operations (Scope 3)/tCO_2e	1.22	0.13
Emissions from energy use in data centres (Scope 3)/tCO_2e	20.02	7.21

Methodology: The data detailed in this table represent emissions and energy use for which Trainline is responsible, including electricity use in our offices . 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 2019. Any estimates included in our totals are derived from actual data extrapolated to cover missing periods. 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. As this is Trainline's first year of reporting, there is no comparison year to disclose.

Energy efficiency actions: In the period covered by the report, Trainline has worked with the landlords of its offices to introduce more efficient LED lighting where practicable. In addition, heating and ventilation services in our offices are carefully aligned with our working hours in order to maximise their efficiency. We recognise that the supply of data centres in our supply chain has an environmental impact and whilst our current supplier sources more than 50% of energy from renewable sources and has committed to 100% renewable energy by 2030 we will continue to monitor their environmental sustainability credentials.

Additional Disclosures

The relationship agreement disclosed in the IPO prospectus between the Company and certain shareholders (the 'Principal Shareholder'), which was in place at admission, ended on 12 November 2019 following completion of a secondary placing of the Principal Shareholders shareholding in the Company.

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 30	s.172 and relationships with stakeholders	36 to 38
Research and development	16 to 17	Long-term incentive schemes	58 to 75
Group's Employees	31 to 35	Director's interests in shares	75
Directors of the Company	46 to 47	Statement of capitalised interest	105 to 109
Financial instruments and financial risk management	122 to 124		

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
7 May 2020

Statement of Directors' Responsibilities

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

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' 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 have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the Parent Company Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 their 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 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 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.

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 Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties.

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
7 May 2020

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 29 February 2020 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 29 February 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- 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.

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 Board of Directors on 31 May 2019 which was prior to the Parent Company's becoming a public interest entity. The period of total uninterrupted engagement is for the first financial year ended 29 February 2020. 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 19 financial years ended 29 February 2020. 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	£2.0 million 0.8% of Group Revenue
Coverage	91.5% of Group Revenue

Key Audit Matters

Group's specific risks	Disclosures relating to going concern
	Recoverable amount of goodwill (International business)
	Financial statement and annual report disclosures
	Commission revenue
Parent Company specific risk	Recoverability of Parent Company's investment in subsidiaries

KPMG

2. Key audit matters: including 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 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
Disclosures related to Going concern Refer to page 55 (Report of the Audit and Risk Committee), page 77 (Directors' report) and note 1 (e) on page 95 (financial disclosures)	**Disclosure quality** Note 1 (e) to the financial statements explains how the Directors have formed a judgement that use of the going concern basis is appropriate in preparing the financial statements of 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 a year from the date of approval of the financial statements. The risks most likely to adversely affect the Group's and the parent Company's available financial resources 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; • Uncertainty due to the UK exiting the European Union; and • 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. 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 have been disclosed.	Our procedures included: • **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. • **Sensitivity analysis:** We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively. • **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. • **Funding assessment:** We examined correspondence and supporting documentation with third party funding providers, assessing the Group's existing lending RCF arrangements, credit rating and existing loan and covenant terms (including covenant waiver). • **Assessing transparency:** We considered the appropriateness of relevant disclosures, including both the going concern disclosure in note 1 (e) of the financial statements and also the commentary elsewhere in the annual report on the impact of COVID-19. **Our results** We found the going concern disclosure without any material uncertainty to be acceptable.

Independent Auditor's Report continued

	The risk	Our response
Recoverable amount of goodwill (International business) Refer to page 55 (Report of the Audit and Risk Committee), note 1(h) on page 96 (accounting policy) and note 9 on pages 105 to 108 (financial disclosures).	**Forecast based valuation** The carrying value of goodwill for the international business is £92 million. It arose on the acquisitions of subsidiaries including Trainline.com and Trainline SAS (formerly CapitaineTrain SAS). The recoverability of goodwill is dependent on achieving future trading forecasts and the generation of cash flows. Due to the inherent uncertainty involved in forecasting future cash flows and selection of an appropriate discount rate, which are the basis of the assessment of recoverability, this is a significant area of audit focus. The effect of these matters is that, as part of our risk assessment, we determined that the recoverability of goodwill for the international business had 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. The financial statements (note 9) disclose the sensitivity estimated by the Directors.	Our procedures included: • **Benchmarking assumptions**: We challenged the appropriateness of key assumptions underlying the discounted cash flows (including growth rates and discount rates, and the impact of COVID-19 on these assumptions), by comparing to externally derived data in relation to key inputs and applying our sector knowledge and historical knowledge of the Group. • **Our valuation expertise:** Our own valuation specialists assisted us by providing external input to assess the appropriateness of the discount rates used. • **Sensitivity analysis:** We evaluated the sensitivity of the outcomes to reasonably possible changes to the key assumptions, primarily the impact of lower growth rates, and a higher discount rate. • **Challenge of management:** We challenged the Directors' forecasting accuracy by comparing the accuracy of previous estimates of revenue and cost to the actual results of the international operations. • **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 recoverable amount of goodwill for the international business. **Our results** We found the recoverable amount of goodwill for the international business to be acceptable.
Financial statement and annual report disclosures Refer to page 55 (Report of the Audit and Risk Committee).	As a result of listing on the UK Stock Exchange, the Group is subject to an increasing number of laws and regulations and new disclosure requirements, and enhanced oversight by the Financial Reporting Council. There is a risk that the financial statement disclosures and other disclosures to the market (including the front-half narrative) are not in line with these new requirements.	We have assessed the adequacy of the Group's disclosures with reference to the requirements of IFRS, the UK Companies Act 2006 and the Listing Rules and the Disclosure Guidance and Transparency Rules that now apply. Our procedures included: • **Fair, balanced and understandability:** We performed a detailed assessment of the Annual Report. Through this work we have challenged the Directors' understandability, fairness and balance of the financial statement disclosures. • **APMs:** For each APM we have assessed whether the requirements of the ESMA guidelines have been met by challenging the Directors and critically assessing disconfirming evidence (e.g. around these measures being balanced and presenting equally positive and negative results). • **IFRS 8 disclosures:** We have assessed whether the segments bifurcated and disclosed in the financial statements are in line with the information used by the Chief Operating Decision Maker to make strategic decisions, allocate resource and monitor performance. • **IFRS 7 disclosures:** We have assessed whether the Company's objectives, policies and risk management functions/processes for the management of credit, liquidity, market and operational risk provide sufficient information to the users of financial statements. • **Directors' remuneration report disclosures:** We have assessed whether the disclosures included in this report met all the detailed requirements of UK Companies Act 2006 considering the various aspects of their directors' remuneration including both their pre and post listing arrangements. **Our results** We found the Group's disclosures with reference to the requirements of IFRS, the UK Companies Act 2006 and the Listing Rules and the Disclosure Guidance and Transparency Rules to be acceptable.

	The risk	Our response
Commission revenue Refer note 1 (f) on page 96 (Accounting policy).	**Revenue recognition** The Group generated revenue of £261 million. Per the auditing standards there is a rebuttable presumed risk of fraud over revenue recognition. Given the significance of the commission revenue amount to the financial statements as a whole, we consider a specific risk of fraud in relation to commission revenue. We rebut the fraud risk for the other revenue streams.	Our procedures included: • **Test of operating effectiveness:** On a sample basis we have inspected the Group's cash reconciliations (reconciling third party revenue to cash received). • **Test of operating effectiveness:** We have obtained the ISAE 3402 report for the period January 2019 to December 2019 together with a bridging letter for the remaining period to 29 February 2020 issued on the control environment at Rail Delivery Group ('RDG'). We have examined the ISAE 3402 report and assessed the competency of the auditor issuing that report and the controls tested. • **Test of details:** – We have inspected the 12 monthly RDG reports and compared these reports to the Group's underlying accounting records; and – 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.
Parent Company risk: recoverability of parent Company's investment in subsidiaries Note 2 to parent Company financial statements on page 130 (financial disclosures).	**Low risk, high value** The Parent Company has significant investments in subsidiary companies totalling £1,759 million as at 29 February 2020. Whilst the risk is not considered significant, the carrying value of investments is a significant driver of the parent Company's total asset value. Incorrect valuations or impairments could have a material impact on the total assets of the Company. The effect of these matters is that, as part of our risk assessment, we determined that the recoverability of parent Company's investment in subsidiaries had 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.	Our procedures included: • **Benchmarking assumptions:** We challenged the appropriateness of key assumptions underlying the discounted cash flows (including growth rates and discount rates), by comparing to externally derived data in relation to key inputs and applying our sector knowledge and historical knowledge of the Group. • **Our valuation expertise:** Our own valuation specialists assisted us by providing external input to assess the appropriateness of the discount rates used. • **Sensitivity analysis:** We evaluated the sensitivity of the outcomes to reasonably possible changes to the key assumptions, primarily the impact of lower growth rates, and a higher discount rate. • **Challenge of management:** We challenged the Group's forecasting accuracy by comparing the accuracy of previous estimates of revenue and cost to the actual amounts realised. • **Market capitalisation:** We compared the investment balance to the market capitalisation value to allow us to consider the appropriateness of discount rates and impairment assessment. **Our results** We found the Group's assessment of the recoverability of the investment in subsidiaries to be acceptable.

Independent Auditor's Report continued

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 £2.0 million (2019: £1.9 million), determined with reference to a benchmark of Group revenue of £260.8 million (2019: £209.5 million), of which it represents 0.8% (2019: 0.9%). We consider Group revenue to be the most appropriate benchmark as it provides a more stable measure year on year than Group profit or loss before tax.

Materiality for the parent Company Financial Statements as a whole was set at £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 £1,808 million, and represents 0.7% of the parent Company's total assets.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.1 million (2019: £0.095 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 3 (2019: 3) reporting components, we subjected 2 (2019: 2) to full scope audits for group purposes and 1 (2019: 1) to specified analytical procedures.

The Group audit team performed work on all of the reporting components.

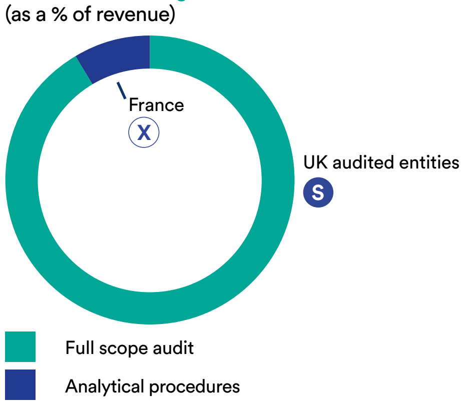
Coverage % of key metrics	Total Assets	Group's profits and losses	Revenue
Full scope audit	98.7%	89.6%	91.5%
Analytical procedures	1.1%	10.4%	8.5%
Total coverage	**99.8%**	**100%**	**100%**
Out of scope	0.2%	0%	0%

Component description

S	Financially significant
X	Not in scope – subject to analytical procedures only

All work performed by the same KPMG engagement team.

Total audit coverage
(as a % of revenue)



4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the parent Company or the Group or to cease their operations, and as they have concluded that the parent Company's and the Group'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 ('the going concern period').

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report.

However, as we cannot predict all future events or conditions and as subsequent events, including Brexit, may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the parent Company will continue in operation.

We identified the disclosures relating to going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, we are required to report to you if:

- we have anything 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's and the parent Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 78 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

5. 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 Principal Risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the strategic report (page 57) 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 disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Directors 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.

Independent Auditor's Report continued

Under the Listing Rules we are required to review the Directors' viability statement. We have nothing to report in this respect.

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 judgments 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 report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and 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; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. 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.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 79, 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 other irregularities (see below), 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, other irregularities 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.

Irregularities – ability to detect

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), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. 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 teams of relevant laws and regulations identified 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. 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. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of company legislation. 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. These limited procedures did not identify any actual or suspected non-compliance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. 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.

Sarah Styant
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London E14 5GL
7 May 2020

Consolidated Income Statement

Continuing operations	Notes	2020 £'000	2019 £'000
Net ticket sales[1]		**3,726,780**	3,194,168
Revenue	2	**260,753**	209,504
Cost of sales	2	**(59,602)**	(54,059)
Gross profit		**201,151**	155,445
Administrative expenses		**(198,890)**	(144,932)
Adjusted EBITDA[1]		**85,201**	52,628
Depreciation and amortisation	9, 10	**(50,907)**	(38,942)
Share-based payment charges	15	**(10,631)**	(3,309)
Exceptional items	5	**(21,402)**	136
Operating profit		**2,261**	10,513
Finance income	6	**692**	1,100
Finance costs	6	**(83,184)**	(25,275)
Net finance costs	6	**(82,492)**	(24,175)
Loss before tax		**(80,231)**	(13,662)
Income tax expense	7	**(707)**	(8)
Loss after tax		**(80,938)**	(13,670)
Earnings per share (pence)			
Basic	8	**(17.67)p**	(3.28)p
Diluted[2]	8	**(17.67)p**	(3.28)p

1 Non-GAAP measure - see alternative performance measures section on page 132.

2 As the Group has incurred a loss in FY'20 and FY'19 the impact of its potential dilutive ordinary shares have been excluded as they would be anti-dilutive.

Refer to note 1i for the application of new accounting policies.

The notes on pages 95 to 127 form part of the Financial Statements.

Consolidated Statement of Other Comprehensive Income

	Notes	2020 £'000	2019 £'000
Loss after tax		**(80,938)**	(13,670)
Other comprehensive income:			
Re-measurements of defined benefit liability	18	**18**	30
Foreign exchange movement[1]		**(214)**	506
Other comprehensive (loss)/income, net of tax		**(196)**	536
Total comprehensive loss		**(81,134)**	(13,134)

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

The notes on pages 95 to 127 form part of the Financial Statements.

Consolidated Statement of Financial Position

	Notes	2020 £'000	2019 £'000
Non-current assets			
Intangible assets	9	**93,555**	114,770
Goodwill	9	**443,357**	443,271
Property, plant and equipment	10	**20,184**	5,462
Derivative assets		**6**	460
		557,102	563,963
Current assets			
Inventories		**26**	25
Trade and other receivables	11	**52,078**	47,196
Cash and cash equivalents		**92,120**	94,477
		144,224	141,698
Current liabilities			
Trade and other payables	12	**(165,735)**	(161,684)
Current tax payable		**(552)**	(1,093)
Loan and borrowings	13	**(2,698)**	(2,815)
		(168,985)	(165,592)
Net current liabilities		**(24,761)**	(23,894)
Total assets less current liabilities		**532,341**	540,069
Non-current liabilities			
Loan and borrowings	13	**(154,402)**	(266,438)
Other non-current liabilities	14	**–**	(19,561)
Share-based payment liabilities	15	**–**	(8,033)
Provisions	16	**(681)**	(1,566)
Deferred tax liability	7	**(4,345)**	(7,882)
		(159,428)	(303,480)
Net assets		**372,913**	236,589
Equity			
Share capital	17	**4,807**	422,555
Share premium	17	**1,198,703**	1,055,683
Preference shares	17	**50**	50
Foreign exchange reserve	17	**1,972**	2,186
Other reserves	17	**(1,125,755)**	(1,144,010)
Retained earnings		**293,136**	(99,875)
Total equity		**372,913**	236,589

Refer to note 1i for the application of new accounting policies.

The notes on pages 95 to 127 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors of Trainline plc (registered number 11961132) on 7 May 2020 and were signed on its behalf by

Clare Gilmartin
Chief Executive Officer
7 May 2020

Shaun McCabe
Chief Financial Officer
7 May 2020

Consolidated Statement of Changes in Equity

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**

For the year ended 28 February 2019:

	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 1 March 2018[2]	422,555	1,055,683	50	(1,143,601)	1,680	(87,144)	249,223
Loss after tax	–	–	–	–	–	(13,670)	(13,670)
OCI[1]	–	–	–	–	506	30	536
Other movements	–	–	–	(409)	–	909	500
Balance as at 28 February 2019	422,555	1,055,683	50	(1,144,010)	2,186	(99,875)	236,589

1 Other comprehensive income.

2 The Group has restated the balance as at 1 March 2018 to reflect the Group restructure as described in note 1j.

The notes on pages 95 to 127 form part of the Financial Statements.

Consolidated Statement of Cash Flow

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Loss before tax		**(80,231)**	(13,662)
Adjustment for non-cash items:			
Depreciation and amortisation	9, 10	**50,907**	38,942
Net finance costs	6	**82,492**	24,175
Share-based payment charges	15	**10,631**	3,309
		63,799	52,764
Changes in working capital			
Inventories		**(1)**	19
Trade and other receivables		**(7,805)**	(13,604)
Trade and other payables		**9,372**	35,982
Cash generated from operating activities		**65,365**	75,161
Taxes paid		**(5,198)**	(2,986)
Net cash from operating activities		**60,167**	72,175
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		**(28,358)**	(32,562)
Net cash flow used in investing activities		**(28,358)**	(32,562)
Cash flows from financing activities			
Proceeds from IPO share issue		**107,343**	–
Sale of treasury shares at IPO		**10,514**	–
Issue of shares		**207**	–
Repayment of pre-IPO borrowings		**(276,763)**	–
Proceeds from Revolving Credit Facility		**206,941**	–
Repayment of Revolving Credit Facility and other borrowings		**(60,223)**	–
Issue costs relating to loans and borrowings		**(6,832)**	(925)
Payments of lease liabilities		**(2,247)**	–
Payment of interest on lease liabilities		**(828)**	–
Interest paid		**(9,711)**	(11,385)
Interest on CPEC repayment		**(3,166)**	–
Redemption of other non-current liabilities		**–**	(2,003)
Net cash flows used in financing activities		**(34,765)**	(14,313)
Net (decrease)/increase in cash and cash equivalents		**(2,956)**	25,300
Cash and cash equivalents at beginning of the year		**94,477**	69,678
Effect of foreign exchange on cash		**599**	(501)
Closing cash and cash equivalents		**92,120**	94,477

Refer to note 1i for the application of new accounting policies.

The notes on pages 95 to 127 form part of the Financial Statements.

Notes (forming part of the 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 public 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 29 February 2020 were approved by the directors on 7 May 2020.

The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The comparative figures for the financial year ended 28 February 2019 are not the Company's statutory accounts for that financial year. As disclosed in note 1(j), the Company is a newly formed entity. Accordingly, no statutory accounts for the Company have previously been delivered to the registrar and no previous audit report has been made in respect of the Company.

b) Basis of consolidation

The Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group').

The Financial Statements presented herein is for the year from 1 March 2019 to 29 February 2020.

Accounting policies have been applied to all periods presented except for the adoption of IFRS 16 Leases on 1 March 2019, the impact of which has been disclosed in note 1i.

(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.

(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 previous carrying amount and fair value less costs to sell
- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through the income statement are measured at fair value

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

d) Functional and presentation currency

This financial statements are presented in pound sterling. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

e) Going concern

Notwithstanding the Group's net current liabilities, 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 for at least 12 months from the date of signing these Financial Statements.

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 and the expected operational activities of the Group. All of these forecasts included the waiving of the financial covenant in respect of the Groups £350 million Revolving Credit Facility until August 2021 as announced by the Group on 29 April 2020 and the expected impact of COVID-19 on the Group's performance.

Notes (forming part of the Financial Statements) continued

1. General information continued

Though the scenario is considered to be very unlikely, as part of the going concern assessment the Group prepared a cash flow forecast which considered the Group's ongoing cash outflows and assumed no revenue inflows. The analysis confirmed the Group's current liquidity position would enable the Group to operate with no cash inflows for a period of at least 12 months from the date of signing these Financial Statements.

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 have therefore continued to adopt the going concern basis in preparing the consolidated Financial Statements, which assumes that the Group will be able to meet its liabilities as they fall due for at least 12 months from the date of signing these Financial Statements.

f) Revenue and cost of sales

(i) Revenue

Consumer
Commission revenue earned from carriers on net ticket sales and service charges billed to customers. Each sales 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.

T4B
Revenue earned from branded travel portal platforms is recognised in three key elements represented by bespoke feature builds, monthly maintenance and contribution earned per transaction processed, each of these elements represent a separate performance obligation. Revenue is recognised over time for maintenance and connections to existing features and point in time for bespoke builds and contributions earned per transaction.

(ii) Cost of Sales

Costs of sales include costs in relation to the provision of rail tickets, ancillary services, settlement and fulfilment costs and are recognised at the point of sale.

g) Foreign currency transactions

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

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

For the purpose of presenting the Consolidated Financial 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. Revision to estimates is recognised prospectively.

1. General information continued

The areas of judgement which have the most significant effect on the amounts recognised in the Financial Statements are:

- Note 15 – Share-based payments

  Judgement is required to assess whether share-based payment arrangements are cash or equity settled. IFRS 2 Share-Based Payments requires that the Group's share-based payment arrangements are initially measured and recorded as a liability or equity at the fair value of the equity instrument. For cash settled arrangements the fair value is remeasured at each balance sheet date with any changes recognised in finance costs. Equity settled arrangements are not revalued to fair value at each balance sheet date. When calculating the fair value of these arrangements a number of assumptions are applied in arriving at the fair value, including the expected financial results of the Group, the outcome of certain market-based performance measures and staff attrition rates.

Management do not consider any of the estimates made in these Financial Statements are likely to lead to a material adjustment in the next financial year, as such none are deemed significant estimates, however there are a number of other estimates which involve estimation uncertainty as described below:

- Note 9 – 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 29 February 2020 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.

- Note 9 – 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.

i) New standards and interpretations

IFRS 16 Leases

IFRS 16 Leases was adopted on 1 March 2019, and has an impact on the consolidated income statement and consolidated statement of financial position for the year ended 29 February 2020.

IFRS 16 Leases replaces the former standard IAS 17 Leases. IFRS 16 Leases requires lessees to recognise leases on the Group's statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. Under the new standard, leases held by the Group will be accounted for as 'right-of-use' assets and the distinction between operating and finance leases under IAS 17 no longer exists. In practice this results in a right-of-use asset and liability being recognised on the statement of financial position and a finance cost and depreciation charge are recognised through the consolidated income statement as the lease liability unwinds.

The Group has applied the modified retrospective approach to restatement. Under this approach former periods are not restated, and the revised treatment is applied in the current period. At 1 March 2019, a right-of-use asset and equal liability was recognised for all of the Group's leases. Going forward the asset will be depreciated evenly over the remaining asset life and the liability will be unwound in line with the Group's underlying borrowing rate at 1 March 2019. The Group has used a practical expedient for the use of a single discount rate for the portfolio of leases as they are deemed to be reasonably similar in nature.

Within administrative expenses there will be no property rental expense from 1 March 2019, and instead a depreciation charge will be recognised. A finance charge is recognised in finance costs to reflect the perceived cost of financing the asset. In FY'20 the rental expense is £nil (FY'19: £2.5 million), depreciation of leased assets is £2.7 million (FY'19: £nil) and the finance cost for leased assets is £0.8 million (FY'19: £nil).

At 1 March 2019, a right-of-use asset of £17.7 million was recognised, which represented the future lease payments discounted to present value at 1 March 2019. The relating lease liability was £17.7 million. At 29 February 2020, the right-of-use assets totalled £15.0 million and the lease liability equalled £15.3 million. Within the cash flow statements the actual lease payments made have been reclassified from 1 March 2019, from operating activities to financing activities.

Notes (forming part of the Financial Statements) continued

1. General information continued

Total operating lease commitments were £21.6 million at 28 February 2019. The impact of discounting was £3.9 million, resulting in the £17.7 million lease liability being recognised at 1 March 2019.

A number of other new standards are also effective from 1 March 2019 but they do not have a material effect on the Group's financial statements.

j) Summary of impact of Group restructure and initial public offering

On 26 June 2019, the Group listed its shares on the London Stock Exchange in an Initial Public Offering ('IPO'). The restructure has impacted a number of the current period balances. The Group restructure has been accounted for as a reverse acquisition under IFRS 3 Business Combinations. The steps to restructure the Group had the effect of the newly formed entity Trainline plc ('plc') legally acquiring the former parent company of the pre-IPO Group Victoria Investments S.C.A. ('SCA'). As part of this transaction the shareholders in SCA exchanged their SCA shares and CPECs for shares in plc.

By applying reverse acquisition accounting under IFRS 3 Business Combinations, the Group is presented as if plc has always owned the pre-IPO Group at the point of the share for share exchange. The year ended 28 February 2019, prior to the restructure, is presented with the previously reported SCA results.

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 T4B[1] (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.

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% 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.

1 UK Consumer and UK T4B are collectively referred to as the UK.

2. Operating segment 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 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)**

Segmental analysis for the year ended 28 February 2019:

	UK consumer £'000	UK T4B £'000	Total UK £'000	International £'000	Total Group £'000
Net ticket sales	1,647,648	1,198,006	2,845,654	348,514	3,194,168
Revenue	136,660	58,366	195,026	14,478	209,504
Cost of sales	(29,703)	(17,749)	(47,452)	(6,607)	(54,059)
Gross profit	106,957	40,617	147,574	7,871	155,445
Directly allocable administrative expenses			(35,678)	(25,884)	(61,562)
Contribution			111,896	(18,013)	93,883
Central administrative expenses					(41,255)
Adjusted EBITDA					52,628
Depreciation and amortisation					(38,942)
Share-based payment charges					(3,309)
Exceptional items					136
Operating profit					10,513
Net finance costs					(24,175)
Loss before tax					(13,662)
Tax					(8)
Loss after tax					(13,670)

Notes (forming part of the Financial Statements) continued

3. Auditor remuneration

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

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

	2020 £'000	2019 £'000
Audit of these Financial Statements	**240**	50
Audit of Financial Statements of subsidiaries pursuant to legislation	**57**	155
Audit related assurance services	**105**	
Corporate finance services	**1,607**	–
Total auditor remuneration	**2,009**	205

4. 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

	2020 Number of employees	2019 Number of employees
Sales and marketing	**115**	107
Operations	**120**	111
Technology and product	**279**	258
Management and administration	**116**	107
Total number of employees	**630**	583

Employee benefits expense

	2020 £'000	2019 £'000
Wages and salaries	**46,921**	41,221
Social security contributions	**6,667**	5,752
Contributions to defined contribution plans	**1,781**	1,381
Share-based payment expense	**10,631**	3,309
Total employee benefits	**66,000**	51,663

Details of Directors remuneration are disclosed in the Directors Remuneration Report for the period since Admission (i.e. 26 June 2019 to 29 February 2020) are on pages 58 to 75.

5. Exceptional items

Exceptional items are costs or credits that, by virtue of their nature and incidence, have been disclosed separately in order to improve a reader's understanding of the Financial 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.

Recoveries
One-off credits received or receivable for an indemnity claim and VAT on historic acquisition costs.

5. Exceptional items continued

	2020 £'000	2019 £'000
IPO transaction costs	**21,402**	–
Restructuring costs	**–**	1,532
Recoveries	**–**	(1,668)
Net exceptional costs/(credits)	**21,402**	(136)

6. 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.

	2020 £'000	2019 £'000
Bank interest income	**692**	290
Fair value movements on share-based payment liabilities	**–**	810
Finance income	**692**	1,100
Interest on bank loans	**(10,900)**	(22,050)
Interest on other long-term liabilities	**–**	(1,083)
Foreign exchange loss	**(558)**	(270)
Loss on interest rate swap	**(454)**	(1,081)
Fair value movements on put/call option liability	**–**	(791)
Interest on lease liability	**(828)**	–
Exceptional finance costs*		
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	**(83,184)**	(25,275)
Net finance costs recognised in the income statement	**(82,492)**	(24,175)

*Exceptional finance costs – these costs are one-offs which occurred at the date of the IPO relating to the final fair value movement on the pre-IPO share-based payment arrangements (note 15) 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'20 would be £12.0 million.

Notes (forming part of the Financial Statements) continued

7. Taxation

This note analyses the tax expense for this financial year, which includes both current and deferred tax. It also details tax accounting policies and presents a reconciliation between profit before tax in the income statement multiplied by the rate of corporation tax and the tax expense for the year.

The deferred tax section provides information on expected future tax charges and sets out the assets and liabilities held across the Group.

Accounting policy

Income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

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

(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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Amounts recognised in the income statement

	2020 £'000	2019 £'000
Current tax charge/(credit)		
Current year	**7,178**	4,509
Adjustment in respect of prior years	**(2,978)**	487
	4,200	4,996
Deferred tax (credit)/charge		
Current year	**(5,601)**	(4,526)
Adjustment in respect of prior years	**2,108**	(433)
Effect of change in tax rates	**–**	(29)
	(3,493)	(4,988)
Tax charge	**707**	8

7. Taxation continued

Corporation tax was calculated at 19% (FY'19: 26%) of the taxable profit for the year. Taxation for territories outside of the UK was calculated at the rates prevailing in the respective jurisdictions. The total tax charge of £0.7 million (FY'19: £8k) is made up of a current corporation tax charge of £4.2 million (FY'19: £5.0 million) arising in the UK, and a deferred tax credit of £3.5 million (FY'19: £5.0 million) resulting from the unwind of deferred tax liabilities arising on acquired intangibles. The release of deferred tax liabilities is primarily an accounting unwind and does not impact the corporation tax payable in cash by the Group.

	2020 £'000	2019 £'000
Loss before tax	**(80,231)**	(13,662)
Loss multiplied by standard rate of corporation tax of 19% (FY'19: 26%[1])	**(15,244)**	(3,553)
Non-taxable expenses/(income)	**15,460**	(2,510)
Amounts not recognised[2]	**1,627**	3,102
Rate difference on deferred tax	**–**	(29)
Adjustment in respect of prior years	**(870)**	53
Other	**(266)**	155
Difference in overseas tax rates	**–**	2,790
Total tax charge	**707**	8
Effective tax rate	**(1)%**	(0.1)%

1 The FY'19 tax reconciliation is reconciled to the Victoria Investments SCA tax rate of 26.01%. Following the IPO, Trainline plc became the Group's parent Company preparing the consolidated tax reconciliation at the UK tax rate of 19% for FY'20.

2 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% due to the Group making an accounting loss but a tax adjusted profit. The effective tax rate in FY'20 reflects the significant adjustments transitioning from a private company to a UK listed plc, including the IPO exceptional costs and the costs associated with the Group's share-based incentive plans which were not fully deductible. From FY'22 we expect our tax rate on our profits before specific items to be around the UK rate of corporation tax (19%), as the majority of our business occurs in the UK.

On 17 March 2020 the UK Government substantively enacted the corporation tax rate of 19% from 1 April 2020 which replaces the previously substantively enacted tax rate of 17%. As the enactment is after the financial year end our deferred tax for FY'20 is calculated at 17%. Had the rate been substantively enacted before the year end, the impact of the rate change to 19% is £0.5 million.

Deferred tax liability as at 29 February 2020:

	Acquired intangible assets £'000	Tangible assets and other £'000	Share-based payments £'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**

Deferred tax liability as at 28 February 2019:

	Acquired intangible assets £'000	Tangible assets and other £'000	Share-based payments £'000	Total £'000
At 1 March 2018	14,515	(1,645)	–	12,870
Adjustment in respect of prior years	1	(434)	–	(433)
Adjustments posted through equity	–	–	–	–
Current year (credit)/charge to consolidated income statement	(4,804)	249	–	(4,555)
At 28 February 2019	9,712	(1,830)	–	7,882

Notes (forming part of the Financial Statements) continued

8. Earnings per share

This note sets out the accounting policy that applies to the calculation of earnings per share, and how the Group has calculated the shares to be included in basic and diluted earnings per share ('EPS') calculations.

Accounting policy

The Group calculates earnings per share in accordance with the requirements of IAS 33 Earnings Per Share.

Four types of earnings per share are reported:

(i) Basic earnings per share

Earnings attributable to ordinary equity holders of the Group for the period, divided by the weighted average number of ordinary shares outstanding during the period.

(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'.

	2020 No. shares	2019 No. shares
Weighted average number of ordinary shares:		
Ordinary shares	**462,099,526**	422,555,384
Treasury shares	**(4,108,486)**	(6,226,286)
Weighted number of ordinary shares[1]	**457,991,040**	416,329,098

	2020 £'000	2019 £'000
Loss after tax	**(80,938)**	(13,670)
Earnings attributable to equity holders	**(80,938)**	(13,670)
Adjusted earnings[2]	**36,887**	10,078

	2020 pence	2019 pence
(Loss)/earnings per share		
Basic	**(17.67)p**	(3.28)p
Diluted[1]	**(17.67)p**	(3.28)p
Adjusted earnings per share		
Basic	**8.05p**	2.42p
Diluted[1]	**8.05p**	2.42p

1 As the Group has incurred a loss in FY'20 and FY'19 the impact of its potential dilutive ordinary shares have been excluded as they would be anti-dilutive.

2 Refer to alternative performance measures for the calculation of adjusted earnings on page 132.

9. 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 re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the 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/T4B contracts	5–7 years

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

Notes (forming part of the Financial Statements) continued

9. Intangible assets and goodwill continued

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**
Effects of foreign exchange rate changes	**–**	**–**	**–**	**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 include £1.0 million in relation to trade and asset acquisitions.

Intangible assets and goodwill as at 28 February 2019:

	Software development £'000	Brand valuation £'000	Customer valuation £'000	Goodwill £'000	Total £'000
Cost:					
At 1 March 2018	50,852	51,738	92,690	443,271	638,551
Additions	32,410	–	–	–	32,410
At 28 February 2019	83,262	51,738	92,690	443,271	670,961
Accumulated amortisation:					
At 1 March 2018	(8,118)	(15,285)	(52,214)	–	(75,617)
Amortisation	(14,427)	(5,167)	(17,709)	–	(37,303)
At 28 February 2019	(22,545)	(20,452)	(69,923)	–	(112,920)
Carrying amounts:					
At 28 February 2019	60,717	31,286	22,767	443,271	558,041

Additions in the year includes £nil (FY'19 £nil) of directly attributable borrowing costs.

Of the amortisation charge for the year £22.9 million (FY'19: £24.3 million) related to the amortisation of intangible assets which were recognised on the Group's acquisition of Trainline.com Limited and Trainline SAS, while £23.7 million (FY'19: £13.0 million) related to internally developed and purchased intangible assets recognised at historical cost.

9. Intangible assets and goodwill continued

Goodwill Impairment

The Group tests goodwill annually for impairment by reviewing the carrying amount against the recoverable amount of the investment. The recoverable amount is the higher of fair value less costs to dispose and value in use. However, in line with IAS 36 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 CGUs that are expected to benefit from that business combination.

The Group has goodwill balances totalling £443.4 million which comprise:

i. £336.4 million from the FY'16 acquisition of Trainline.com

ii. £107.0 million from the FY'17 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	2020 £'000	2019 £'000
UK Consumer	**351,271**	351,271
UK T4B	**–**	–
International	**92,086**	92,000
Total goodwill	**443,357**	443,271

For the year ended 29 February 2020 no impairment charge has arisen. For all CGUs the recoverable amount was determined by measuring their value in use ('VIU').

Assumptions

The key value in use assumptions were:

	2020 UK Consumer	2019 UK Consumer	2020 UK T4B	2019 UK T4B	2020 International	2019 International
Pre-tax discount rate	**10.7%[2]**	14.5%	**N/A**	N/A	**16.7%**	18.5%
Terminal growth rate[1]	**2%**	2%	**N/A**	N/A	**2%**	2%
No. years before terminal growth rate applied	**5**	5	**N/A**	N/A	**5**	5

1 Terminal growth rate is based on long-term inflationary rates in the region of operation.

2 The UK Consumer pre-tax discount rate has decreased year on year due to a reduction in risk associated with the CGU.

There were no impairments in the years ended 29 February 2020 or 28 February 2019.

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. After this, a long-term growth rate is applied. The forecasts reflect management's expectations and best estimates for each CGU.

For the impairment review for the year ended 29 February 2020, cash flow forecasts have been updated to include an estimate of the impact of the COVID-19 pandemic, most notably this included forecasting significantly lower sales during FY'21. Sensitivities have been applied to the calculation after this update.

As the international CGU is currently loss making, the impairment calculation is more sensitive to a change in cashflow in the initial 5-year forecast period than the UK Consumer CGU. To reflect the higher level of uncertainty in the International forecasts a premium has been applied to the discount rate.

Notes (forming part of the Financial Statements) continued

9. Intangible assets and goodwill continued

Sensitivity analysis

The Group has conducted sensitivity analysis on each CGU's value in use. This included either increasing the discount rates, reducing the terminal growth rate, or reducing the anticipated future cash flows through changes to revenue or costs in each of the years through to the terminal year. The sensitivity assumptions applied to the VIU calculations are set out in the table below. These are considered to be reasonably possible, but not likely.

	2020 UK Consumer	2019 UK Consumer	**2020 UK T4B**	2019 UK T4B	**2020 International**	2019 International
Increase in discount rate	**1pts**	1pts	**N/A**	N/A	**1pts**	1pts
Reduction in long-term growth rate applied in terminal year	**0.5pts**	0.5pts	**N/A**	N/A	**0.5pts**	0.5pts
Decrease in forecast Adjusted EBITDA forecast in each year	**10%**	10%	**N/A**	N/A	**20%**	20%

None of the individual reasonably possible scenarios listed above resulted in an impairment in any of the CGU's.

10. Property plant and equipment

This note details the physical assets used by the Group in running its business.

Accounting policy

Items of property, plant and equipment 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 asset	Lease length

The Group tests the carrying value of assets including right-of-use assets for impairment if there is an indicator of impairment. There were no indicators of impairment for any of the Group's assets during the year (FY'19 no indicators).

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**

10. Property, plant and equipment continued

Property, plant and equipment as at 28 February 2019

	Plant and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
Cost:				
At 1 March 2018	5,969	4,389	–	10,358
Additions	998	59	–	1,057
At 28 February 2019	6,967	4,448	–	11,415
Accumulated depreciation and impairment:				
At 1 March 2018	(3,757)	(557)	–	(4,314)
Depreciation	(1,195)	(444)	–	(1,639)
At 28 February 2019	(4,952)	(1,001)	–	(5,953)
Carrying amounts:				
At 28 February 2019	2,015	3,447	–	5,462

Additions in the year included £nil (FY'19 £nil) of directly attributable borrowing costs.

11. Trade and other receivables

Trade and other receivables include amounts due from credit card companies for consumer ticket sales and amounts due from business customers and Train Operating Companies on account.

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.

	2020 £'000	2019 £'000
Trade receivables	**43,154**	30,048
Other receivables	**3,453**	5,675
Prepayments and accrued income	**5,471**	11,473
Total trade and other receivables	**52,078**	47,196

There is no material difference between the carrying value and fair value of trade and other receivables. See note 20 for more detail on the trade and other receivables accounting policy.

12. Trade and other payables

Trade and other payables include liabilities for ticket sale monies to be passed on to carriers, as well as accounts payable and accruals for general business expenditure and deferred revenue.

	2020 £'000	2019 £'000
Trade payables	**136,355**	132,703
Accruals and deferred revenue	**29,380**	28,981
Total trade and other payables	**165,735**	161,684

There is no material difference between the carrying value and fair value of trade and other payables presented. See note 20 for more detail on the trade and other payables accounting policy.

Notes (forming part of the Financial Statements) continued

13. Loans and borrowings

This note details a breakdown of the various loans and borrowings of the Group. It also provides the terms and repayment dates of each of these. At the date of the Initial Public Offering ('IPO') the Group re-paid its existing debt and became party to a new Revolving Credit Facility, part drawn in cash and part drawn in bank guarantees.

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.

	2020 £'000	2019 £'000
Non-current liabilities		
Secured bank loan[1]	–	198,954
Revolving Credit Facility[2]	141,057	–
Unsecured PIK loan and accrued interest[3]	–	66,874
Other term debt	388	610
Lease liabilities	12,957	–
Total non-current liabilities	**154,402**	**266,438**
Current liabilities		
Accrued interest	309	2,815
Lease liabilities	2,389	–
Total current liabilities	**2,698**	**2,815**

1 Included within the secured bank loan is the principal amount of £nil (FY'19: £205 million) and directly attributable transaction costs of £nil (2018: £6.1 million).

2 Included within the Revolving Credit Facility is the principal amount of £146.9 million (FY'19: £nil) and directly attributable transaction costs of £5.8 million (FY'19: £nil).

3 The unsecured PIK loan was fully repaid during FY'20.

Terms and repayment schedule

Agreement	Interest rate	Year of maturity	Face value £'000	Carrying amount £'000
Revolving Credit Facility	1.64%	2024	146,941	141,057
Lease liabilities	5.01%	Various	17,798	15,346
Other term debt	0.0%	2022	388	388
Total borrowings			**165,127**	**156,791**

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	146,941	–	–	146,941	–
Other term debt	388	180	180	28	–
Lease liabilities	17,798	3,135	2,922	8,767	2,974
Total cash flows	**165,127**	**3,315**	**3,102**	**155,736**	**2,974**

13. Loans and borrowings continued

Revolving Credit Facility

The new 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 29 February 2020 the cash drawn amount is £146.9 million, the non-cash bank guarantee drawn amount is £113.8 million and the undrawn amount on the facility is £89.3 million.

The Group's new 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, all of which have been met during the year.

14. 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 15). 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 has been 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 have been recognised in in the income statement in relation to these schemes:

	2020 £'000	2019 £'000
Finance costs	12,273	1,083
Total income statement impact	**12,273**	1,083

The carrying value of each instrument on the statement of financial position was:

	2020 £'000	2019 £'000
Put/call option over CPECs	–	13,497
Put/call option over tracker shares	–	6,064
Total statement of financial position	–	19,561

Notes (forming part of the Financial Statements) continued

15. Share-based payments

During the year, the Group has operated a number of cash and 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. Following the IPO, the Group established seven new equity settled schemes.

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 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 tracker A, B and E in one of its subsidiaries shares 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.

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.

15. Share-based payments continued

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 have been recognised in relation to the pre IPO schemes:

	2020 £'000	2019 £'000
Income statement		
Employee costs	**3,524**	3,309
Finance costs	**49,705**	(810)
Total income statement impact	**53,229**	2,499
Statement of financial position		
JSOP	**–**	3,961
Tracker shares	**–**	4,072
Total statement of financial position	**–**	8,033

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 do 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 2018	45,214	36,009
Granted	35,537	–
Forfeited	(22,643)	(1,691)
At 28 February 2019	58,108	34,318
Granted	**–**	**–**
Forfeited	**–**	**–**
Exercised	**(58,108)**	**(34,318)**
At 29 February 2020	**–**	**–**

Post IPO schemes

Following the IPO the Group operates seven 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 is 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 will vest on 31 July 2020, all employees that have not opted out or left the business between 26 June 2019 and 31 July 2020 will be 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) is 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.

Notes (forming part of the Financial Statements) continued

15. Share-based payments continued

International share incentive plan

The share incentive plan (SIP) is 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 will vest on 26 June 2020, all participants that have not left the business at this date will be entitled to RSUs which each represent 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 29 February 2020, 40% on 28 February 2021, and 40% on 28 February 2022, 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.

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. 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.

Specific RSU award

In addition to the above schemes and as detailed in the prospectus, one member of the board will receive 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.

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	28 Feb 2022	28 Feb 2022	26 June 2020[1]
Attrition rate	24%	24%	24%	25%	14%	10%	18%
Weighted average fair value	£4.28	£4.20	£4.20	£3.50	£4.28	£4.01	£3.50

1 Exit date for first tranche and then annually for following 2 years' awards.

Carrying value and fair value of share-based payment liabilities

The carrying value and fair value of the Group's equity-settled share-based payment arrangements were determined using option pricing models. The expense recognised in the year for post-IPO scheme share-based payments is £7.1 million (FY'19: £nil), including the relevant employer's social security contributions.

	2020 £'000	2019 £'000
1,000 RSU IPO award	1,268	–
Share incentive plan	281	–
International share incentive plan	31	–
12-month RSU IPO award	3,839	–
Annual RSU award	816	–
Annual PSP award	756	–
Specific RSU award	116	–
Total income statement impact	**7,107**	–

15. Share-based payments continued

The movements in share awards are summarised as follows:

Outstanding	1,000 RSU IPO award number	Share incentive plan number	International share incentive plan	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 29 February 2020	525,000	407,932	43,707	1,500,755	422,493	1,541,925	85,714
Exercisable at 29 February 2020	–	–	–	–	84,498	–	–

16. Provisions

The Group holds provisions in relation to dilapidations and historically held provisions 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.

Provisions at 29 February 2020:

	Dilapidation £'000	VAT £'000	Total £'000
As at 1 March 2019	655	911	1,566
Created	26	–	26
Released	–	(253)	(253)
Utilised	–	(658)	(658)
As at 29 February 2020	681	–	681

Provisions at 28 February 2019:

	Dilapidation £'000	VAT £'000	Total £'000
As at 1 March 2018	602	891	1,493
Created	53	20	73
Utilised	–	–	–
As at 28 February 2019	655	911	1,566

Notes (forming part of the Financial Statements) continued

17. Capital and reserves

Share capital

Share capital represents the number of shares in issue at their nominal value. In the current year, the share capital of the former Group has been replaced with the newly issued listed shares following the IPO.

Ordinary shares in the Group post IPO 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.

Following a reduction in capital during FY'20 the nominal value of ordinary shares was reduced from £1.00 to £0.01 each. The reduction in capital had no effect on the net asset position of the Group.

Shareholding at 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 represents 50,000 redeemable preference shares of £1.00 each, redeemable at the option of the Group.

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 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 2018	–	(2,486)	–	(2,486)
Group restructure	(1,121,809)	(19,306)	–	(1,141,115)
Other movements	(409)	–	–	(409)
At 28 February 2019	(1,122,218)	(21,792)	–	(1,144,010)
Disposal of treasury shares	**–**	**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)**

1 SBP – Share-based payment.

17. Capital and reserves continued

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 and their relating rights did not change as part of this transaction, this was treated as a common control transaction under IFRS (note 1j). 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 Trust ('EBT'). At 29 February 2020 the Group's EBT held 3.1 million shares which have a historical cost of £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.

18. 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 4.

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.

Notes (forming part of the Financial Statements) continued

18. Other employee benefits continued

The scheme is subject to an asset ceiling, meaning when the scheme is remeasured and shows a net asset position an 'asset ceiling' is applied equal to this amount, meaning the Group recognises no asset on its statement of financial position. This is because the Group does not have an irrevocable right to the surplus of the scheme. If the scheme is in a net deficit the Group would recognise the liability.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Defined benefit pension plan

(a) The Scheme

Qjump Limited, a subsidiary of the Group, operates a defined benefit pension scheme which is closed to new entrants. The Qjump Shared Cost Section of the Railways Pension Scheme ('the Scheme') is a funded scheme and provides benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the Company and are managed by RPMI. As the scheme is currently in an asset position no contributions are expected from the Group in the coming year, apart from to cover the scheme administration costs.

Triennial valuation
The most recent published actuarial valuation was carried out by the Scheme Actuary as at 31 December 2016.
The 31 December 2019 actuarial valuation in respect of the Section is in progress and negotiations and agreement between the Company and Trustee is expected to follow later in the year but are not yet available.

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 29 February 2020, 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).

	2020 % pa	2019 % pa
Discount rate	**1.9**	2.7
Price inflation (RPI measure)	**2.8**	3.2
Increases to deferred pensions (CPI measure)	**2.1**	2.2
Pension increase (CPI measure)	**2.1**	2.2
Salary increase	**n/a**	n/a

18. Other employee benefits continued

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:

	2020 Years	2019 Years
Longevity at age 65 for current pensioners		
Males	**20.2**	20.7
Females	**22.8**	23.2
Longevity at age 65 for current members aged 45		
Males	**21.9**	22.7
Females	**24.7**	25.1

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.

	2020 £'000	2019 £'000
Liability		
Deferred members	**(4,061)**	(3,468)
Pensioner members (Including dependants)	**(572)**	(610)
Total	**(4,633)**	(4,078)
Value of assets at end of year	**4,689**	4,491
Funded Status at end of year	**56**	413
Adj. for the members share of surplus	**(22)**	(165)
Effect of asset ceiling	**(34)**	(248)
Net defined benefit (liability)/asset at end of year	**–**	**–**

	2020 £'000	2019 £'000
Employer's share of administration cost	**24**	23
Past service cost adjustment	**–**	7
Total employer's share of service cost	**24**	30
Employer's share of net interest on net defined benefit	**(6)**	–
Employer's share of pension expense	**18**	30

(ii) Other comprehensive income (OCI)

	2020 £'000	2019 £'000
Loss due to the liability expense	**7**	34
Loss/(gain) due to the liability assumption changes	**532**	(143)
Adjustment for the members' share	**(124)**	37
Return on plan assets (greater)/less than discount rate	**(212)**	20
Change in effect of the asset ceiling	**(221)**	22
Total gain recognised in OCI	**(18)**	(30)

Notes (forming part of the Financial Statements) continued

18. Other employee benefits continued

(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.

	2020 £'000	2019 £'000
Defined benefit obligation		
Opening balance	**4,078**	4,239
Interest cost	**107**	104
Defined benefit obligation	**4,185**	4,343
Actuarial gain arising from:		
Financial assumptions	**626**	(143)
Experience adjustment	**7**	34
Demographic adjustment	**(94)**	–
	4,724	4,234
Other		
Benefits paid	**(91)**	(168)
Section amendment	**–**	12
Closing balance	**4,633**	4,078

Reconciliation of value of assets:

	2020 £'000	2019 £'000
Opening value of scheme assets	**4,491**	4,605
Interest income on assets	**117**	113
Return on plan assets greater than discount rate	**212**	(20)
Employer and employee contributions	**–**	–
Actual benefit payments	**(91)**	(168)
Administration costs	**(40)**	(39)
Closing value of scheme assets	**4,689**	4,491

(c) Plan assets

Plan assets comprise:

	2020 £'000	2019 £'000
Growth assets	**2,872**	2,703
Government bonds	**1,311**	1,383
Non-Government bonds	**500**	398
Other assets	**6**	7
Closing value of scheme assets	**4,689**	4,491

All equity securities and government bonds have quoted prices in active markets.

19. 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 2019	**269,253**	**19,561**	**17,692**	**306,506**
Changes from cash flows				
Interest paid	**(9,711)**	**–**	**–**	**(9,711)**
Issue costs relating to loans and borrowings	**(6,832)**	**–**	**–**	**(6,832)**
Settlement of other non-current liabilities	**–**	**(19,561)**	**–**	**(19,561)**
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	**(146,588)**	**(19,561)**	**(3,075)**	**(169,224)**
Changes in fair value	**–**	**–**	**–**	**–**
Other changes				
Capitalised borrowing costs	**9,318**	**–**	**–**	**9,318**
Interest expense	**9,771**	**–**	**828**	**10,599**
Foreign exchange revaluation	**–**	**–**	**(99)**	**(99)**
Balance at 29 February 2020	**141,754**	**–**	**15,346**	**157,100**

	Loans & borrowings (current & non-current) £'000	Other non current liabilities £'000	Lease liabilities £'000	Total £'000
Balance at 1 March 2018	259,044	18,641	–	277,685
Changes from cash flows				
Interest paid	(11,385)	–	–	(11,385)
Issue costs relating to loans and borrowings	(925)	–	–	(925)
Redemption of other non-current liabilities	–	(2,003)	–	(2,003)
Total changes from financing cash flows	(12,310)	(2,003)	–	(14,313)
Changes in fair value	–	2,923	–	2,923
Other changes				
Capitalised borrowing costs	1,355	–	–	1,355
Interest expense	21,164	–	–	21,164
Balance at 28 February 2019	269,253	19,561	–	288,814

Notes (forming part of the Financial Statements) continued

20. 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	2020 £'000	2019 £'000
Cash and cash equivalents	1	**92,120**	94,477
Trade and other receivables	1	**46,607**	35,723
Derivative assets	2	**6**	460
Total financial assets		**138,733**	130,660
Trade and other payables	1	**(136,355)**	(132,703)
Loans and borrowings	2	**(141,754)**	(266,438)
Other non-current liabilities	3	**–**	(19,561)
Lease liabilities	2	**(15,346)**	–
Total financial liabilities		**(293,455)**	(418,702)

All financial assets and financial liabilities shown above, except for derivative assets, loans and borrowings and lease liabilities are valued at carrying amount or at fair value using Level 1 measurements. The fair value of the derivative asset interest rate cap and loans and borrowings was determined using Level 2 inputs. There have been no transfers between levels in any of the years. Other non-current liabilities are valued using market established valuation techniques. For other non-current liabilities fair value assumptions please see note 14.

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.

20. 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 and accruals.

(ii) Loans and borrowings
The financial liabilities recognised in this category include secured loan facilities and preference shares held by the Group and are presented in borrowings in both current and non-current liabilities in the statement of financial position.

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

(iii) Other non-current liabilities
The Company had issued tracker entitlements as disclosed in note 14.

(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.

Notes (forming part of the Financial Statements) continued

20. Financial Instruments continued

(ii) Market risk
The Group is exposed to movements in LIBOR on its variable rate Revolving Credit Facility (see note 13) and the Group has transactional foreign currency exposures, which arise from sales and purchases by the relevant segment in currencies other than the Group's functional currency.

To manage the risk of LIBOR rate increases, the Group holds an interest rate cap which has the effect of limiting the Group's exposure on £190 million of its borrowings to a maximum LIBOR of 1.0%. This cap expires January 2021. As a result, the Group does not anticipate any material movements that would impact the Group's results in the next 12 months.

(iii) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Trade receivables are assessed for risk of default by customers on a periodic basis and terms of trade are adjusted accordingly. Trade receivables are insured on risk and cost grounds.

Under the terms of Group's retail licenses, carriers require certain security arrangements with the Group in order to mitigate its credit risk under the payment and settlement procedures outlined in the licences. The Group satisfies these security arrangements through letters of credit from the Group's lenders. The letters of credit are provided under the Group's £350 million Revolving Credit Facility, details of which are included in Note 13.

(iv) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a daily rolling cash forecast in order to ensure that it has sufficient liquidity to cover all expected cash flows including scheduled repayment of debt.

In addition, a Revolving Credit Facility under which the Group is able to draw down cash of up to £350 million is in place. Of the £350 million, £97.5 million was utilised by a guarantee provided to the Rail Settlement Plan Limited. A further £15.2 million was utilised by guarantees provided to European Train Operating Companies and £0.7 million for other guarantees. The remaining headroom on the Revolving Credit Facility at 29 February 2020 was £105.6 million.

Capital Management

The Group defines capital as equity, borrowings (note 13) and cash and cash equivalents. The Group's policy is to maintain a strong capital base that ensures financial stability and provides a solid foundation for ongoing development of business operations and maintains investor and creditor confidence. The Group's objectives when managing capital are to ensure the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Group currently has sufficient capital for its needs.

The Group has externally imposed requirements for managing capital under the terms of its Revolving Credit Facility. These requirements limit the use of cash for items such as capital expenditure, investing activities and loans and credit.

21. List of subsidiaries

The Group holds, directly or indirectly, share capital in the following companies:

Name of Company	Country of Incorporation	Ownership	Registered Address
Victoria Intermediate Topco Limited	Jersey	100%	b
Victoria Investments Finco Limited	United Kingdom	100%	a
Victoria Investments Intermediate Holdco Limited	United Kingdom	100%	a
Victoria Investments PIKCO Limited	United Kingdom	100%	a
Victoria Investments Midco Limited	United Kingdom	100%	a
Victoria Investments Bidco Limited	United Kingdom	100%	a
Victoria Investments Newco Limited[1]	Jersey	100%	b
Trainline Investments Holdings Limited	United Kingdom	100%	a
Trainline International Limited	United Kingdom	100%	a
Trainline France SAS	France	100%	c
Trainline SAS	France	100%	c
Trainline Group Investments Limited	United Kingdom	100%	a
Trainline Junior Mezz Limited	United Kingdom	100%	a
Trainline Holdings Limited	United Kingdom	100%	a
Trainline.com Limited	United Kingdom	100%	a
Qjump Limited	United Kingdom	100%	a
Trainline Rail Enquiry Services Limited	United Kingdom	100%	a
Trainline Short Breaks Limited	United Kingdom	100%	a
Trainline Italia S.R.L	Italy	100%	d
Railguard Limited	United Kingdom	100%	a
Trainline Holdco Limited	United Kingdom	100%	a
Victoria Investments S.C.A.	Luxembourg	100%	e
Victoria Manager S.a.r.l	Luxembourg	100%	e

1 Victoria Investments Newco Limited and Victoria Intermediate Topco Limited are incorporated in Jersey but tax domiciled in UK.

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

Notes (forming part of the Financial Statements) continued

21. List of subsidiaries continued

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

Victoria Investments Intermediate Holdco Limited registered no. 09451259

Victoria Investments PIKCO Limited registered no. 09976070

Victoria Investment Midco Limited registered no. 09395061

Victoria Investments Bidco Limited registered no. 09395162

Trainline Investment Holdings Limited registered no. 05776685

Trainline International Limited registered no. 06881309

Trainline Junior Mezz Limited registered no. 05820853

Trainline Group Investments Limited registered no. 05822219

Trainline Holdings Limited registered no. 03886253

Qjump Limited registered no. 04124436

Trainline Rail Enquiry Services registered no. 04547908

Railguard Limited registered no. 09621101

Trainline Holdco Limited registered no. 12098773

22. Related parties

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

Transactions with the controlling shareholder

During the year fees of £5.4 million were paid to KKR and Co. Inc and its subsidiaries (FY'19 £1.5 million). None of these fees are expected to reoccur going forward.

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 £5,192,600 (FY'19: £2,050,335), post employment benefits £127,160 (FY'19: £32,550) and ongoing share-based payment schemes £311,811 (FY'19: £732,199). No other long-term benefits or termination benefits were paid (FY'19: £Nil). The highest paid Director received: short term employee benefits £3,580,555 (FY'19: £596,131); post-employment benefits £37,438 (FY'19: £32,550); and ongoing share-based payment schemes £80,266 (FY'19 £732,199). There were two Directors to whom retirement benefits are accruing under defined contribution schemes (FY'19: 2).

The IPO triggered the crystallisation of previous share schemes with key management personnel. £12.9 million of the exceptional finance charge related to cash settled share-based payment schemes with key management personnel (note 15). £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 29 February 2020, key management personnel held 11,185,560 shares in Trainline plc.

23. Capital commitments

This note details any capital commitments in contracts that the Group has entered which have not been recognised as liabilities on the statement of financial position.

The Group's capital commitments at 29 February 2020 are £nil (FY'19: £nil).

24. Post balance sheet events

On 30 January 2020, the spread of the novel Coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation. Though the impact of COVID-19 did not materially impact the Group in the year ended 29 February 2020, it has not been considered a non-adjusting post balance sheet event, in line with IAS10 on the basis that it occurred during the financial year.

As a result, the forecasts used for impairment analysis reflected the expected impact of COVID-19 on the Group at the balance sheet date together with further sensitivities reflecting the Directors' views at the date of approval of the Financial Statements of the impact of COVID-19. The going concern assessment and viability statement have been updated to reflect the Directors assessment of the impact of COVID-19 at the date of approval of the Financial Statements. This has been reflected in the respective disclosures.

Subsequent to the year-end, the Group drew down an additional £85 million of its Revolving Credit Facility and reduced the portion of the Facility utilised through bank guarantees. Following these changes, the remaining headroom on the Revolving Credit Facility was £90.2 million.

On 29 April 2020, the Group announced that its loan syndicate had waived the financial covenant in respect of its £350 million Revolving Credit Facility until August 2021 to support the business through the COVID-19 pandemic and the related impact on trading.

Parent Company Statement of Financial Position

	Notes	2020 £'000
Non-current assets		
Investments	2	**1,759,306**
		1,759,306
Current assets		
Cash and cash equivalents		**935**
Trade and other receivables		**2,105**
Amounts owing from subsidiaries	3	**45,922**
		48,962
Current liabilities		
Trade and other payables		**(697)**
Loan and borrowings	4	**(270)**
		(967)
Net current assets		**47,995**
Total assets less current liabilities		**1,807,301**
Non-current liabilities		
Loan and borrowings	4	**(141,057)**
		(141,057)
Net assets		**1,666,244**
Equity		
Share capital	5	**4,807**
Share premium	5	**1,198,703**
Preference shares	5	**50**
Retained earnings	5	**462,684**
Total equity		**1,666,244**

The accompanying notes on page 130 to 131 form part of these Financial Statements.

These Financial Statements were approved by the board of directors of Trainline plc (registered number 11961132) on 7 May 2020 and were signed on its behalf by:

Clare Gilmartin
Chief Executive Officer

7 May 2020

Shaun McCabe
Chief Financial Officer

7 May 2020

Parent Company Statement of Changes in Equity

For the year ended 29 February 2020:

	Share capital £'000	Share premium £'000	Preference shares £'000	Retained earnings £'000	Total equity £'000
On incorporation at 24 April 2019	–	–	50	–	50
Shares issued on Group restructure[1]	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

1 See note 5 for additional detail.

The accompanying notes on page 130 to 131 form part of these Financial Statements.

Notes to the Parent Company Financial Statements

1. Basis of preparation

The Financial Statements are presented in pound sterling, rounded to the nearest thousand, unless otherwise stated. They are prepared under the historical cost basis, except that derivative financial instruments are stated at their fair value, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

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 Victoria Investments S.C.A ('S.C.A.'), Victoria Manager S.a.r.l and Victoria Investments Intermediate Holdco Limited.

	2020 £'000
Additions on Group restructure[1]	**1,571,833**
Capital contribution	**187,473**
At 29 February 2020	**1,759,306**

1 See note 5 for additional detail.

3. Amounts owing from subsidiaries

Amounts owing from 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.

4. Loans and borrowings

Loans and borrowings relate to the Revolving Credit Facility. Please refer to note 13 of the Group Financial Statements for details.

5. Capital and reserves

Share capital

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

Ordinary shares in the Company are issued, allotted and fully paid up. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On incorporation on 24 April 2019, the Company issued 50,000 preference shares for a total consideration of £50,000, with 1 ordinary share to be issued.

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 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 Company upon the sale of the ordinary shares. Upon the date of listing the nominal value of shares were £1.00 but the initial offering price was £3.50.

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

Preference shares

Preference shares represent 50,000 redeemable preference shares of £1.00 each, redeemable at the option of the Company.

Retained earnings

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

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

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.

As a result of the transition to IFRS 16 Leases as described in note 1i, the year ending 29 February 2020 no longer includes the operating lease charge, which has been replaced with right-of-use asset depreciation and lease liability interest, both of which are excluded from adjusted EBITDA.

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

A reconciliation of operating profit to adjusted EBITDA is as follows:

	Notes	2020 £'000	2019 £'000
Operating profit		**2,261**	10,513
Adjusting items:			
Depreciation and amortisation	9,10	**50,907**	38,942
Share-based payment charges	15	**10,631**	3,309
Exceptional items	5	**21,402**	(136)
Adjusted EBITDA		**85,201**	52,628

Adjusted earnings

Adjusted earnings is 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.

A reconciliation from the loss after tax to adjusted earnings is as follows:

	Notes	2020 £'000	2019 £'000
Loss after tax		**(80,938)**	(13,670)
Earnings attributable to equity holders		**(80,938)**	(13,670)
Adjusting items:			
Exceptional items	5	**21,402**	(136)
Exceptional finance costs	6	**70,444**	–
Amortisation of acquired intangibles	9	**23,634**	24,316
Share-based payment charges	15	**10,631**	3,309
Ongoing share related charges in finance costs	6	**–**	1,064
Tax impact of the above adjustments		**(8,286)**	(4,805)
Adjusted earnings		**36,887**	10,078

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	2020 £'000	2019 £'000
Loan and borrowings	13	**(162,900)**	(269,253)
Other non-current borrowings	14	**–**	(19,561)
Cash and cash equivalents		**92,120**	94,477
Net debt		**(70,780)**	(194,337)

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.

A calculation of operating free cash flow is as follows:

	2020 £'000	2019 £'000
Cash generated from operations	**65,365**	75,161
Exceptional items	**20,928**	(136)
Purchase of property, plant and equipment and intangible assets	**(27,405)**	(32,562)
Operating free cash flow	**58,888**	42,463

Notes

Notes

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