

## Appendix 4E Preliminary final report

Name of entity	ABN reference
Webjet Limited	68 002 013 612

### 1. Reporting periods

	Current period <sup>(1)</sup>	Previous corresponding period <sup>(2)</sup>
Financial year ended	31 March 2022	31 March 2021

(1) Current period represents the twelve month period from 1 April 2021 to 31 March 2022.

(2) Previous corresponding period covers the nine months period from 1 July 2020 to 31 March 2021.

### 2. Results for announcement to the market

	Current period (12 months) \$m	Previous corresponding period (9 months) \$m	Percentage change %	Amount increase/ (decrease) \$m
Revenues from ordinary activities	138.0	38.5	260%	100.2
Loss from ordinary activities before tax, attributable to members	(104.9)	(177.6)	(41)%	72.7
Income tax benefit	19.9	21.0	(5)%	(1.1)
Loss from ordinary activities after tax, attributable to members	(85.0)	(156.6)	(46)%	71.6

### 3. Dividends

	Period	Payment date	Amount per share cents	Franked amount per security at 30% tax
Final	31 March 2022	n/a	n/a	n/a
Interim	30 September 2021	n/a	n/a	n/a
Final	30 June 2021	n/a	n/a	n/a

### 4. NTA backing

	Current period Cents	Previous corresponding period Cents
Net tangible assets backing per ordinary share	(5.4)	(57.4)

### 5. Financial statements

For additional Appendix 4E disclosures, refer to the Directors' report, audited Financial Report for the year ended 31 March 2022 and the Media Release lodged with the Australia Securities Exchange on 19 May 2022.

Webjet Limited

# 2022 Annual Report.

[www.webjetlimited.com](http://www.webjetlimited.com)

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## Contents.

02	Chair's Message	20	Our People
04	Managing Director's Review	22	Sustainability
06	Operating Review	24	Directors' Report
08	Our Business	33	Auditor's Independence Declaration
10	Reimagining Travel	34	Remuneration Report
12	Our Strategies	48	Financial Report
14	WebBeds	92	Shareholder Information
16	Webjet Online Travel Agent	93	Corporate Directory
18	GoSee (Online Republic)	93	Glossary

**Webjet Limited**  
ABN 68 002 013 612

# Reimagining travel.

**Accelerating growth opportunities  
in all our businesses.**

**Webjet Limited**

**WebBeds**



**GoSee** tripninja **farezchain.**

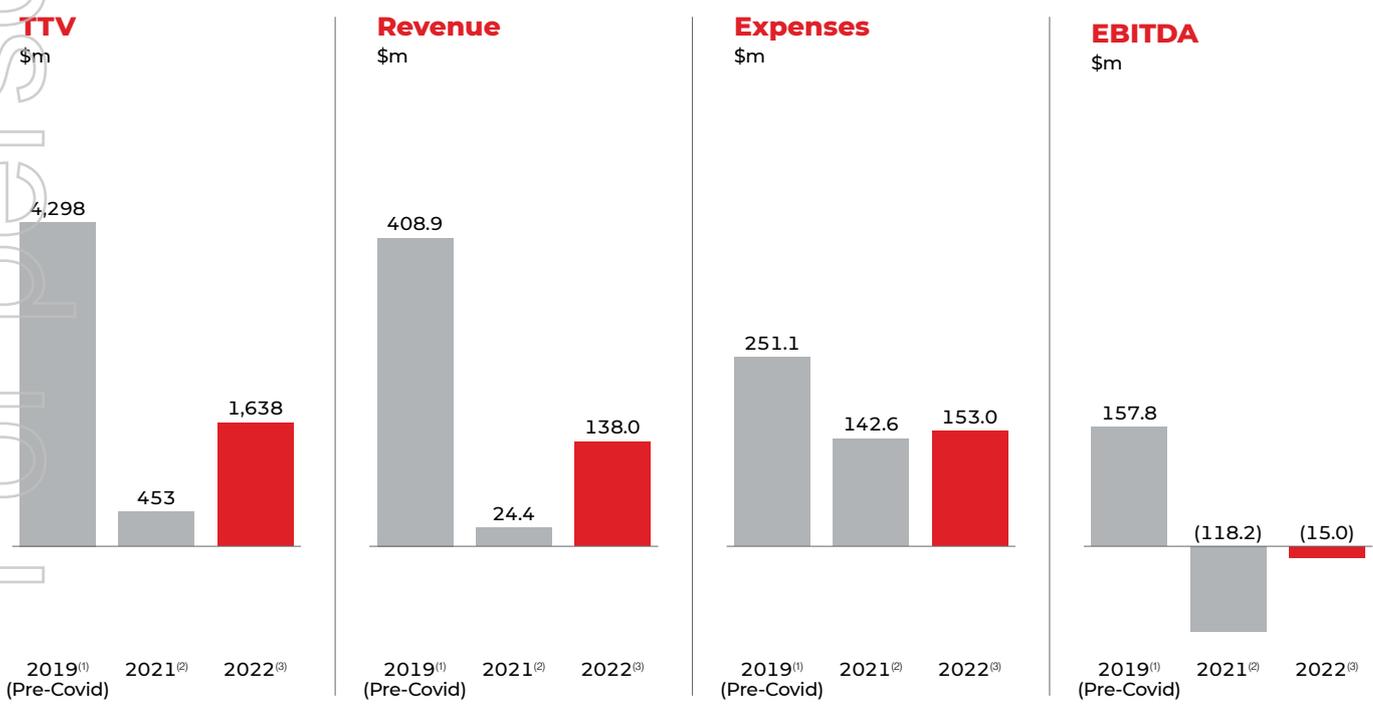
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Webjet Limited is a **global travel business**  
that enables travel the world over  
through our **market leading travel brands**  
supported by **travel technology**.



# Chair's Message

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All financial results are for Underlying Operations.  
 (1) 2019 (Pre-Covid) – 12 months ending 31 December 2019.  
 (2) 2021 – 12 months ending 31 March 2021 (comparative unaudited period).  
 (3) 2022 – 12 months ending 31 March 2022.

## Dear Shareholder

After the pandemic's enormous impact in FY21, Webjet's financial performance started to turn around in FY22. Total Transactional Value (TTV) for the 12 months to 31 March 2022 was \$1,638 million, a 262% increase compared to the 12 months to 31 March 2021 and Revenue was \$138 million, an increase of 466%. Underlying operations reported an EBITDA loss of \$15.0 million reflecting a significant improvement from the \$118.2 million EBITDA loss for the 12 months to 31 March 2021. The full year FY22 result, a statutory loss of \$85.0 million after tax, hides the enormous amount of heavy lifting our team has done in reinventing Webjet.

Our two largest businesses, WebBeds and Webjet OTA, returned to profitability during the year. Webjet OTA was profitable for the full year despite extended lockdowns in the first half and the Omicron outbreak in the second half. WebBeds returned to profitability in the second half, driven largely by the North American and European markets, with momentum picking up again as the Omicron outbreak subsides. We took the opportunity during the year to reposition Online Republic with a more focused, growth-oriented strategy, rebranding the business as GoSee. We are already seeing clear signs of improved performance.

While the pandemic has wreaked havoc on travel companies around the world, we believe this is the time to be brave, and have focused steadfastly on our strategy to emerge stronger than ever. We raised capital early in the pandemic to give ourselves the best opportunity to reimagine our businesses, coming out the other side with higher market shares, improved customer value propositions and healthy profit margins. As travel markets start to return, we are starting to see this strategy deliver.

During the year, opportunities arose to buy and partner with innovative technology stacks that are adjacent or integral to our core businesses and which offered the ability to produce significant value. Buying these businesses at this time of the cycle feels like a once in a 20-year opportunity – so we acted quickly.

### Capital management

While your Company has significant cash reserves, we continue to watch cash, cash flow and debtor risk very closely. We are starting to see strong cash inflows as major travel markets open again, and the Company is now cash flow positive. We paid the deferred FY20 interim dividend during the year however given the uncertain environment, we will determine our future approach to dividends once the recovery pattern is firmly established.

### Governance

We acknowledge the significant shareholder interest in all matters ESG and continue to expand our initiatives and reporting in this important area.

We are proud of our diversity – Webjet is a member of the 30% Club and has committed to having 40% female senior managers by 2030. We continue to expand our Sustainability and Modern Slavery reporting and are working to develop a pathway to carbon neutrality.

We are necessarily balancing our ESG obligations with our primary mission, which is to return to sustainable profitability after a devastating pandemic. Shareholders can expect to see more ESG initiatives and improved reporting once we are sustainably back in the black, but until then, we are doing what we can within our current resources.

### Thanks

I commend our senior management team, the Board and the wider Webjet team for staying the course during an incredibly difficult couple of years. It is a privilege to work with such a talented and committed team.

Finally, on behalf of the Board of Directors I would like to acknowledge our shareholders and thank you for your support. It has been a tough period but we are firmly of the belief that out of adversity comes opportunity. Our best years lie ahead.

Yours sincerely



**Roger Sharp**  
Chair, Webjet Limited





# Managing Director's Review.

## **FY22 was a year of recovery**

After a difficult FY21, FY22 saw the Company returning to profit in the second half of the financial year. Our two largest businesses, WebBeds and Webjet OTA, are now profitable and all the work we've done driving efficiencies across the business are helping costs stay significantly below pre-pandemic levels even as the businesses return to scale.

With limited travel possible since the pandemic began in March 2020, borders began to reopen around the world during the year, although the path to recovery has not been smooth. While the WebBeds business benefited as European and North American markets opened for the northern hemisphere summer, the Webjet OTA and GoSee were hampered by extended lockdowns in Australia and New Zealand for much of 1H22. We saw Webjet OTA and GoSee bookings return when lockdowns lifted and borders opened, however the arrival of the Omicron variant in November 2021 led many countries to impose new travel restrictions, subduing travel once again in all our businesses.

Fortunately many countries are now reducing entry requirements and we have seen strong bookings growth in all our businesses since February 2022.

## **The opportunity for WebBeds has grown**

WebBeds saw strong recovery on a global basis during the year. The wholesale B2B market has changed considerably since the pandemic and our opportunity has grown as a result. The WebBeds team is intent on becoming the #1 global B2B provider and we have structured the business to maximise its potential. WebBeds now has a dedicated CEO focused on driving growth and efficiencies across the business and we have dramatically enhanced our North American business, which is now more than twice as large as it was pre-pandemic. We also made substantial progress simplifying our multi-platform technology offering and streamlining processes across the business. By the time we get back to pre-pandemic volumes, WebBeds is on track to be 20% more cost efficient. This all gives us confidence we will exceed our pre-pandemic EBITDA in the medium term.

## **Webjet OTA extended its lead as the #1 OTA in the market**

FY22 saw Webjet OTA return to profitability. With more airlines servicing domestic routes and ever-changing flight schedules, our ability to allow customers to “mix and match” airlines has never been more important, and the market share gains made by the Webjet OTA since the pandemic underscores its strength in servicing the domestic leisure market. We are excited by the significant growth opportunities we see in international flights and believe Trip Ninja technology will play a key role in helping increase our share of the international flights market. The pandemic has made rebooking cancelled or changed travel plans more complex. There are new processes, supplier staff shortages and an increasing prevalence of travel credits – with a greater need to be able to change plans quickly when border changes dictate travel plans. We constantly strive to deliver exceptional customer service and are investing significantly in adapting our processes to enhance the customer experience particularly when changing, cancelling or refunding bookings.

## **GoSee – delivering both cars and motorhomes in one easy-to-use website**

GoSee saw bookings return in some markets during the year, however its largest markets of New Zealand and Australia continued to be impacted by the lack of inbound tourism. Previously known as Online Republic, we took the opportunity during the year to rebrand and transform the business to put it in the best position to deliver growth once international travel returns. Now known as GoSee, all cars and motorhome offerings are now available in the one easy-to-use website. Not only is GoSee delivering a better customer experience, there are considerable opportunities to improve efficiencies.

## **Investing in smart technology**

Great ideas are often forged from adversity, and innovations and initiatives in the travel industry are as vibrant, if not more so, than ever before. We have taken advantage of attractive market conditions to acquire 100% of Trip Ninja and 49% of ROOMDEX. Trip Ninja will allow the Webjet OTA to offer highly competitive, complex flight itineraries, while ROOMDEX will be offered through our WebBeds business to further differentiate our offering for our global hotel partners. We believe strategic investments in complementary adjacent businesses that help build out our core capabilities will be an important part of our strategy going forward. Not only can they help increase user satisfaction, they can also help make us even more relevant with our customers and partners.

## **Investing in our People**

Our people truly are our greatest asset. They are what define our brand and drive our success. They have continued to demonstrate immense effort, commitment and dedication and I am hugely grateful for their contributions during these challenging times. The past two years have been incredibly difficult for the travel industry. Mental resilience is at the forefront of our minds and we have implemented a number of mental health programs to support our people across all our businesses. As a digital technology company, we acknowledge the increasingly competitive market for talent and have spent considerable time enhancing benefits for our staff. By offering opportunities to work across a global portfolio of assets, we are intent on being able to attract and retain the best talent in the industry.

## **An exciting future**

There may still be bumps along the road to recovery but our largest businesses are now profitable and our balance sheet remains healthy. We believe there are significant growth opportunities in all our businesses and are excited for what the future holds. I would like to thank our customers and supply partners who have steadfastly stood with us as we navigated our way through the unprecedented events of the last two years. We are grateful for their patience and their partnership and look forward to delivering enhanced experiences as we enter a new year.

Like many people, I'm excited to be able to travel again and it's been wonderful to have seen many of our team in person in recent months. I look forward to seeing many more of the Webjet team, business partners and shareholders in the coming year.



**John Guscic**  
Managing Director, Webjet Limited



# Operating Review.

The Statutory Result includes various non-operating expenses. Underlying Operations exclude these expenses in order to demonstrate the performance of the underlying business.

	Statutory Result		Underlying Operations <sup>(1)</sup>	
	FY22 12 months to March 2022	FY21 9 months to March 2021	FY22 12 months to March 2022	FY21 (9 months to March 2021)
<b>TTV</b>	<b>\$1,638m</b>	<b>\$453m</b>	<b>\$1,638m</b>	<b>\$453m</b>
<b>Revenue<sup>(2)</sup></b>	<b>\$138.0m</b>	<b>\$38.5m</b>	<b>\$138.0m</b>	<b>\$38.5m</b>
<b>Operating expenses</b>	<b>(\$153.0m)</b>	<b>(\$94.8m)</b>	<b>(\$153.0m)</b>	<b>(\$94.8m)</b>
Non-operating expenses	(\$18.2m)	(\$69.0m)	–	–
Share based payment expenses	(\$9.6m)	(\$4.1m)	–	–
<b>EBITDA</b>	<b>(\$42.8m)</b>	<b>(\$129.4m)</b>	<b>(\$15.0m)</b>	<b>(\$56.3m)</b>
Depreciation and amortisation	(\$25.4m)	(\$18.2m)	(\$25.4m)	(\$18.2m)
Acquisition amortisation (AA) <sup>(3)</sup>	(\$18.0m)	(\$15.1m)	–	–
Net interest costs	(\$18.7m)	(\$14.9m)	(\$7.1m)	(\$9.3m)
Income tax benefit	\$19.9m	\$21.0m	\$9.1m	\$16.3m
<b>NPAT (before AA)</b>	<b>(\$67.0m)</b>	<b>(\$141.5m)</b>	n/a	n/a
<b>NPAT</b>	<b>(\$85.0m)</b>	<b>(\$156.6m)</b>	<b>(\$38.4m)</b>	<b>(\$67.5m)</b>
EPS (before AA)	(17.7 cents)	(41.8 cents)	n/a	n/a
EPS	(22.4 cents)	(46.2 cents)	(10.1 cents)	(19.9 cents)
Effective Tax Rate (excluding AA)	22.9%	12.9%	n/a	n/a
Effective Tax Rate	19.0%	11.8%	19.2%	19.5%

## FY22 results reflect the impact of COVID-19 and comparatives

The Group's FY22 results reflect the 12-month period ending 31 March 2022 whilst the FY21 results represent the 9-month period to 31 March 2021 (reflecting the move to a new March year end in the period). It is therefore not useful to provide a comparative discussion of overall Group performance between the two periods.

FY22 TTV and Revenue have increased significantly, reflecting recovery in the global travel industry following the COVID-19 pandemic. Underlying FY22 Operating Expenses include resumption of full salaries for Executives and the Board from October 2020 and the Managing Director from January 2021. During FY21, salaries were reduced to reflect the challenging operating environment. (Company-wide four-day working weeks, 20% reduction in salaries for the Executive and Board, and 60% reduction for the Managing Director).

Statutory FY22 Expenses include various non-operating expenses totaling \$18.2 million of which \$14.0 million relates to the write-off of the Online Republic brand, and \$8.8 million for ERP implementation costs.

## Strong capital position

Throughout FY22, Webjet maintained a strong focus on cash conservation and liquidity. Average monthly cash surplus for the 12 months ended 31 March 2022 was approximately \$4 million compared to the average monthly cash burn rate of approximately \$5.5 million per month for the nine months to 31 March 2021. The Company's key focus on cash and liquidity continues to be the active management of debtor risks across the organisation throughout the year.

The Company remains committed to maintaining a prudent capital structure that maximises financial flexibility. As at 31 March 2022, the Company's cash balance was \$434 million, which includes the impact of the \$250 million Convertible Notes (Notes) offering in April 2021 and fully drawn Revolving Credit Facility of \$86 million. Proceeds of the Notes offering were used to repay existing term debt (\$133 million) and the incentive fee to convert the €100 million Convertible Note into equity (\$33 million), with the balance being available to fund potential acquisitions, as well as for capital management and general corporate purposes.

## Dividend

Webjet did not declare a dividend for FY22. The Company deferred payment of the FY20 interim dividend (\$12.2 million) that was due to be paid in April 2021, to 23 December 2021.

Unless otherwise stated all financial results are for Underlying Operations.

(1) Underlying Operations – excludes non-operating expenses, Share Based Payment expenses, Acquisition Amortisation and Convertible Note interest. FY21 comparative restated to exclude the same.

(2) Excludes interest income.

(3) Acquisition Amortisation – includes charges relating to amortisation of intangibles acquired through acquisition.

<b>WebBeds</b>	12 months ending 31 March			12 months ending	
	1H22	2H22	FY22	31 Mar 21 (FY21)	31 Dec 19 (CY19)
<b>Bookings ('000s)</b>	1,086	1,464	2,551	749	4,274
<b>TTV</b>	\$436m	\$665m	\$1,101m	\$207m	\$2,588m
<b>Revenue</b>	\$32.6m	\$53.0m	\$85.6m	\$6.0m	\$226.9m
<b>Expenses</b>	\$43.0m	\$47.2m	\$90.2m	\$96.0m	\$130.6m
<b>EBITDA</b>	(\$10.4m)	\$5.8m	(\$4.6m)	(\$90.0m)	\$96.3m
<b>TTV/Revenue Margin</b>	7.5%	8.0%	7.8%	2.9%	8.8%
<b>EBITDA Margin</b>	n/a	11.0%	n/a	n/a	42.4%

Bookings, TTV and Revenue are increasing as more markets open. 2H22 Bookings were up 35% compared to 1H22, while TTV was up 53% and Revenue was up 63%. FY22 Booking volumes were 60% of pre-Covid levels. FY22 Expenses were down 31% compared to pre-Covid levels and down 6% compared to the previous comparable period despite higher staff costs in FY22. TTV margins continue to improve driven by the increasing contribution from Europe during 2H22. All regions were profitable for 2H22 except Asia-Pacific as several large markets remained closed to international tourism.

<b>Webjet OTA</b>	12 months ending 31 March			12 months ending	
	1H22	2H22	FY22	31 Mar 21 (FY21)	31 Dec 19 (CY19)
<b>Bookings ('000s)</b>	296	366	662	370	1,575
<b>TTV</b>	\$184m	\$245m	\$428m	\$230m	\$1,402m
<b>Revenue</b>	\$18.2m	\$23.7m	\$41.9m	\$15.5m	\$151.1m
<b>Expenses</b>	\$14.5m	\$17.9m	\$32.5m	\$21.9m	\$89.7m
<b>EBITDA</b>	\$3.6m	\$5.8m	\$9.4m	(\$6.3m)	\$61.5m
<b>TTV/Revenue Margin</b>	9.9%	9.7%	9.8%	6.8%	10.8%
<b>EBITDA Margin</b>	20.1%	24.4%	22.5%	n/a	40.7%

FY22 Bookings were up 79% and TTV was up 86% compared to the previous comparable period. FY22 Bookings were 42% of pre-Covid levels – 1H22 was impacted by lockdowns and border closures and 2H22 by the impact of the Omicron outbreak. FY22 TTV margins compared to pre-Covid levels reflect the loss of overrides and commissions payable on international travel. FY22 Expenses were down 64% compared to pre-Covid levels reflecting the highly scalable cost base – approximately 80% of Expenses are variable and able to be scaled in line with demand.

<b>GoSee</b>	12 months ending 31 March			12 months ending	
	1H22	2H22	FY22	31 Mar 21 (FY21)	31 Dec 19 (CY19)
<b>Bookings ('000s)</b>	66	142	208	94	508
<b>TTV</b>	\$43m	\$65m	\$108m	\$16m	\$309m
<b>Revenue</b>	\$4.6m	\$6.0m	\$10.5m	\$2.9m	\$30.8m
<b>Expenses</b>	\$6.2m	\$7.4m	\$13.6m	\$11.4m	\$18.2m
<b>EBITDA</b>	(\$1.6m)	(\$1.4m)	(\$3.0m)	(\$8.4m)	\$12.7m
<b>TTV/Revenue Margin</b>	10.6%	9.1%	9.7%	17.8%	10.0%
<b>EBITDA Margin</b>	n/a	n/a	n/a	n/a	41.1%

FY22 Bookings and TTV were up 121% and 575% respectively compared to the previous comparable period. FY22 Bookings were 41% of pre-Covid levels as State and international border closures were in place for most of the year. Cars saw demand increase as borders opened although Motorhomes continued to be impacted by lack of inbound tourism into its largest markets of Australia and New Zealand. FY22 Expenses were down 25% compared to pre-Covid levels. FY22 costs compared to the previous comparable period reflect higher staff costs including staff returning to full salaries and investing to transform the business.

<b>Corporate</b>	12 months ending 31 March			12 months ending	
	1H22	2H22	FY22	31 Mar 21 (FY21)	31 Dec 19 (CY19)
<b>B2B EBITDA</b>	(\$10.4m)	\$5.8m	(\$4.6m)	(\$90.0m)	\$96.3m
<b>B2C EBITDA<sup>(1)</sup></b>	\$2.0m	\$4.4m	\$6.4m	(\$14.8m)	\$74.1m
<b>Technology investments<sup>(2)</sup></b>	n/a	(\$1.2m)	(\$1.2m)	n/a	n/a
<b>Corporate costs<sup>(3)</sup></b>	(\$7.5m)	(\$8.1m)	(\$15.6m)	(\$13.4m)	(\$12.7m)
<b>Total EBITDA</b>	(\$15.9m)	\$0.9m	(\$15.0m)	(\$118.2m)	\$157.8m

Corporate costs include Key Management Personnel (KMP), Board costs, group functions and overheads (such as Directors and Officers insurance, audit, tax, ASX, share registry etc.). FY22 reflects return to full salaries and increase in Directors & Officers (D&O) insurance premiums. FY21 included 20% salary reduction for Board and KMP/Corporate team and 60% reduction for the Managing Director. Board and KMP /Corporate team returned to 100% salaries in October 2020 and Managing Director in January 2021.

(1) B2C is Webjet OTA and GoSee.

(2) Technology includes Trip Ninja and ROOMDEX.

(3) Comparable periods restated to exclude Share Based Payment expenses.

# Our business.

**Our digital travel businesses, spanning both wholesale and retail markets, sell travel all over the world.**

## WebBeds

The **2nd largest B2B travel wholesaler** in the world.<sup>(1)</sup>

WebBeds is a global digital travel wholesaler specialising in hotel room distribution. WebBeds connects travel sellers to hotels, and their room inventory, through innovative market leading technology.

Visit: [www.webbeds.com](http://www.webbeds.com)



[webjet.com.au](http://webjet.com.au)

The **#1 online travel agent** (OTA) in Australia and New Zealand.<sup>(2)</sup>

Webjet OTA leads the way in delivering innovative retail travel solutions allowing customers to compare, combine and book the best domestic and international travel flight deals, hotel accommodation, packages, travel insurance and car hire worldwide.

Visit: [www.webjet.com.au](http://www.webjet.com.au)



A leading **online global motorhome and car rental** website.

GoSee is an online travel retailer specialising in global bookings of rental cars and motorhomes, providing choice and expertise that makes it easier for travellers to compare and save on one easy-to-use website.

Visit: [www.goseetravel.com](http://www.goseetravel.com)

(1) Based on TTV.  
(2) Based on percentage share of OTA flights market.

## Supported by smart technology that differentiates our offerings and makes booking and transacting travel better.

### tripninja

Provides **complex travel itinerary automation** technology to digital travel businesses. Trip Ninja technology automates the highly manual process of selling complex multi-stop travel itineraries.

Trip Ninja was acquired in FY22 to enhance the Webjet OTA offering by allowing us to offer unique, highly competitive content to our customers.

Visit: [www.tripninja.io](http://www.tripninja.io)

### rezchain.

Booking Verification Technology

Provides blockchain-based **hotel booking verification technology**. Built in partnership with Microsoft since 2016, Rezchain is the hotel distribution industry's first blockchain-based booking verification solution allowing companies to share booking data to address mismatched information.

Rezchain is implemented across WebBeds and has played a key role in reducing operating costs. Plans are underway to offer Rezchain to the broader travel industry as a data reconciliation tool.

Visit: [www.rezchain.com](http://www.rezchain.com)

### Investments.

**LockTrip.com is a blockchain based B2C travel marketplace.** Locktrip is helping expand Webjet's blockchain expertise and being integrated into the Webjet OTA to enhance its B2C hotel offering. Webjet holds a 25% share, with an option to increase to 51%.

**ROOMDEX automates the process for hotels to provide upsell offers on room upgrades, stay extensions and guest services.** Webjet holds a 49% share with an option to acquire the remaining 51%. Webjet plans to offer ROOMDEX products through the WebBeds business to further differentiate its offering and provide added value to its hotel partners.

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# Reimagining travel.

Accelerating growth opportunities in all our businesses.

The Covid-19 pandemic changed the global travel industry. When travel stopped, it forced us to not only think how we survive while borders were closed, it provided the opportunity to think how we successfully compete and thrive when global travel can again restart. **As global travel markets reopen, we believe we can accelerate our growth opportunities** by enhancing our offering in each of our businesses.

**Post pandemic, WebBeds is now more relevant than ever.** Demand for WebBeds services is increasing as retail channels seek greater access to wholesale accommodation content, customers want single source access to significant content through seamless technology connections, and hotels need global reach more than ever in order to fill rooms. At the same time, financial pressures impacting the industry has meant competition is decreasing. As a result, the WebBeds market opportunity is now larger than it was pre-pandemic and **we are focused on taking advantage of opportunities to deliver significant revenue growth and emerge as the #1 global B2B provider.**

**Opportunities for the Webjet OTA are also increasing. Webjet OTA has been the #1 OTA in Australia and New Zealand since 2010 and we see opportunity to expand our domestic and international market share.** Our strength in servicing the domestic leisure market has seen our domestic market share significantly increase since the pandemic and exciting innovations like Trip Ninja will allow us to provide customers the best priced itineraries for complex, multi-stop international itineraries.

**As travel markets reopen, demand for rental cars and motorhomes is also expected to increase and we have taken the opportunity to transform and rebrand the Online Republic business.** Previously operating through two separate platforms, in October 2021 we launched one core **GoSee** brand delivering all cars and motorhomes content on one easy-to-use website. This offers significant potential to deliver efficiencies through increased scalability and centralised investment, improve the customer experience through greater choice and enhanced functionality, as well as target growth opportunities as travel markets reopen.

Webjet has always focused on offering customers the greatest convenience and choice in online travel and constantly seeks to differentiate through innovation. **During the year we continued to take advantage of market conditions to invest in complementary adjacent businesses to further build out our core capabilities.**

In November 2021 we acquired **Trip Ninja**, a company that has developed transformational technology to automate the highly manual process of selling complex multi-stop itineraries. We believe Trip Ninja technology will help increase Webjet OTA's share of the international flights market by allowing us to offer unique, highly competitive content to our customers.

We also made a strategic investment in **ROOMDEX**, a company that automates the process for hotels to provide upsell offers on room upgrades, stay extensions and guest services. Traditionally a highly manual process, ROOMDEX's technology relieves hoteliers of the labour time required from other upselling solutions while delivering high margin revenue and a substantial return on investment. We plan to offer ROOMDEX products through our WebBeds business to further differentiate our offering and provide added value to our hotel partners.

**Our post-pandemic strategies are focused on accelerating growth opportunities and delivering market leadership in all our businesses.**



# Our strategies.

Webjet is pursuing strategies to accelerate growth opportunities and deliver market leadership in all our businesses.

## WebBeds

Throughout the pandemic, WebBeds has focused on retaining its existing global footprint, hotel supply relationships and global customer network to ensure we are best placed to compete once international travel markets fully reopen. Severe financial pressure on smaller providers and the industry has seen competition decrease, providing significant opportunities for global B2B providers with strong balance sheets and superior technology. **WebBeds is taking advantage of the changing market dynamics to transform our business and emerge as the #1 global B2B provider.**

- **Targeting new market opportunities**  
Expanding into new markets and targeting new organic business – all while staying close to our existing customers and hotel partners.
- **Rethinking how we do business**  
Continuing to look for ways to differentiate our offering and add value to our hotel partners and global customer network.
- **Driving operational efficiencies**  
Looking for ways to further streamline and simplify processes across the business to deliver a step change in our cost structure.



[webjet.com.au](http://webjet.com.au)

**Webjet OTA continues to leverage its strong brand, scalability and superior technology to increase its market leadership as the #1 OTA in Australia and New Zealand**

and we see opportunity to expand both our domestic and international market shares.

- **Brand strength as the #1 OTA**

Continuing to improve our value proposition for our customers and increase organic traffic to our website.

- **Scalability**

Our highly variable cost base allows us to effectively manage costs through demand fluctuations and increased automation is further reducing costs while also enhancing the customer experience.

- **Superior technology**

Innovation and technology improvements are making it easier for our customers to book, change and cancel their bookings.



**GoSee operates a leading online global motorhome and car rental site.**

GoSee is targeting growth by improving underlying performance, enhancing the customer experience and building strong partner relationships.

- **Improving underlying performance**

Providing all car and motorhome content on the one website provides greater efficiencies and growth opportunities.

- **World class customer experience**

Underpinned by a “customer first” mission, GoSee is focused on delivering unparalleled customer choice and customer care.

- **Thriving partner relationships**

GoSee aims to be a business partner of choice and has strategies in place to deliver frictionless service and create value for its partners.

**We believe there are significant growth opportunities in all our businesses as markets reopen.**

**WebBeds.**



**WebBeds is targeting new market opportunities, rethinking how it does business and driving operational efficiencies to emerge as the #1 global B2B provider.**

### **Driving operational efficiencies.**

#### **Robotics program underway**

- 7 automation processes deployed
- Improving conversions
- Delivering cost savings
- Business wide automation capabilities

#### **ERP unification program launched**

- First stage of ERP implementation went live in 2H22; second stage scheduled for early 2023
- Efficiencies in core payables and receivables functions starting to come through as volumes increase

#### **Streamlined technology platform nearing completion**

- Transitioning to a single contracting platform
- Single modules to manage distribution restrictions and pricing
- 100% cloud enabled to support future growth

Our simplified technology offering will be dynamic and scalable to support the demands of the global marketplace.



**On track to be 20% more cost efficient at scale.**

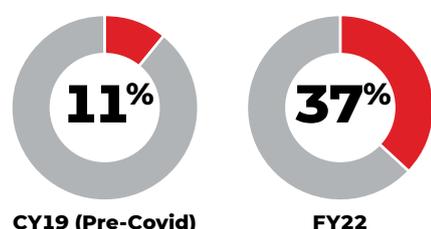
## Targeting new market opportunities.

### Expanded domestic offerings in all markets

- Recognising domestic markets would be first to open up, we **pivoted to domestic travel** while waiting for international markets to open
- Domestic sales as % of total sales have grown significantly – and as **international volume starts to return, domestic volumes continue to grow**

#### Domestic sales

As % of total WebBeds sales



### Targeting new organic business

- All regions have **targeted new business** including:
  - New clients
  - Existing clients booking to new destinations
  - New direct contracts for the domestic market
- The regions have also **increased their directly contracted hotel inventory**, reflecting the importance of WebBeds as a distribution channel supporting travel industry recovery

### Increased penetration of North American market

North American bookings and TTV are already higher than pre-pandemic levels and **we see significant growth potential from this large wholesale market.**

#### Key initiatives

- Dedicated President to drive expansion
- Expanded domestic market offering
- Optimisation of customer connectivity
- Developing strong new business pipeline
- New business payments system launched to expand addressable market

## Continuing to differentiate our offering.

### ROOMDEX<sup>1</sup>

In February 2022, Webjet Limited acquired a 49% stake in ROOMDEX, with an option to acquire the remaining 51%. ROOMDEX is a US based leader in automated hotel upselling solutions and automates the process for hotels to provide upsell offers on room upgrades, stay extensions and guest services. ROOMDEX's flagship product, Upgrade Optimizer, intelligently calculates True Availability<sup>SM</sup> (ensuring upgrade offers can be fulfilled) and the optimal price for hotels to provide upsell offers. By automating the often time-consuming upsell process, Upgrade Optimizer delivers hotels high margin revenue and substantial return on investment. Other technology currently under development by ROOMDEX will enable hotels to further increase revenue from bespoke upselling.

**WebBeds plans to offer ROOMDEX products to further differentiate its offering to hotel partners by providing them the opportunity to maximise revenue from every room sold.**

When international markets fully reopen, in addition to our existing global footprint, hotel supply relationships and customer networks; our transformation strategy is delivering:

- **new** domestic hotels,
- **new** domestic customers,
- **new** OTA customers,
- a significantly **expanded North American presence**,
- a **streamlined technology** offering
- a significantly **lower cost base**

**Webjet OTA.**

**Mix & Match  
airlines for the  
best value.**



**Webjet OTA.**

**Webjet OTA is leveraging its strong brand, scaleability and superior technology to increase its market share leadership.**

### **Award winning OTA.**

**2021 World Travel Awards  
Australia's Leading OTA**

**2021 World Travel Awards  
Oceania's Leading OTA**

### **2021 Australian Business Awards**

#### **Business Innovation Award**

For a new automated cancellation feature that allows customers to process flight cancellation and refunds themselves, providing an instant outcome for customers while also allowing Customer Service to focus on the more complex changes during peak contact periods.

#### **Business Sustainability Award**

For the **Webjet Sustainable Traveller program** – the first carbon offset program to be offered by an Australian OTA. Customers booking flights are able to take direct action on climate change by offsetting carbon emissions and 100% of customer contributions are used to source carbon offsets from premium projects around the world.



## Webjet OTA has extended its lead as the #1 OTA.

### Unique “mix and match” offering

Enabling customers to select the best airline for each flight sector has never been more important given the reduced number of airline services and constantly changing schedules.

### Broadest range of payment options for OTAs in Australia

Allows customers to choose the payment type that best suits their needs.

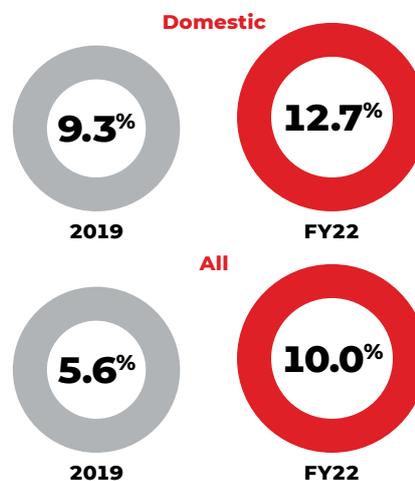
### Strong focus on servicing the leisure market

We offer the broadest range of airlines including regional, intra-state and interstate routes, as well as international.

### Superior technology offering

Ongoing innovations, increased use of robotics, faster processing times and improved self servicing capabilities all help deliver the greatest convenience and choice to our customers when booking travel.

Webjet average market share across GDS bookings – Australia Travel Agency Offline and Online<sup>(1)</sup>



**Webjet OTA market share has grown since the pandemic began**

(1) GDS bookings do not include low cost carriers.

## Investing in international opportunities.



We see significant growth opportunities as international travel starts to return and believe **Trip Ninja** technology will help drive additional international sales.

Trip Ninja has developed several key products to automate the highly manual process of selling complex international itineraries. Traditionally, in a multi-stop trip, we were only able to combine airfares from carriers with codeshare agreements. Trip Ninja technology now allows us to create complex itineraries combining non-aligned carriers in order to provide our customers the best price.

**Pricing comparisons using Trip Ninja technology have shown material price reductions compared to existing pricing and will provide genuine price advantage for customers.**

Acquired in November 2021, Trip Ninja technology is being integrated into the Webjet OTA and is expected to be available in the first half of FY23.

**Trip Ninja will be exclusively available in Australia and New Zealand through the Webjet OTA, and we intend to sell Trip Ninja products to other travel industry participants globally.**

### Trip Ninja Technology

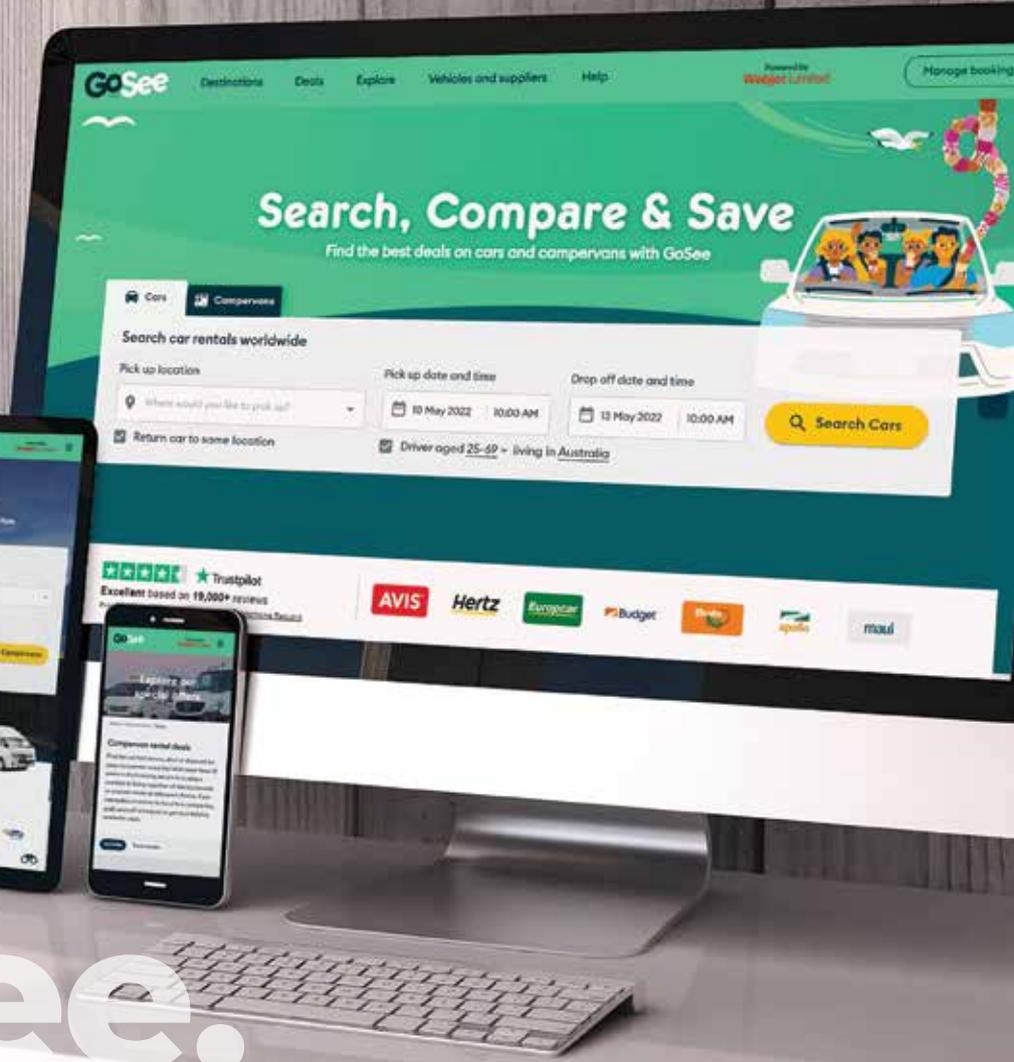
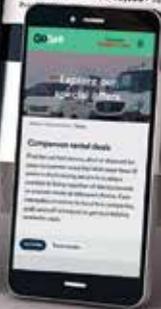
**FareStructure** automates the combining of fares from carriers that do not have a cooperation or codeshare agreement in order to give customers the best priced itinerary. Traditionally a highly manual process, Trip Ninja is able to produce results in seconds.

**FlexTrip** automatically re-orders a multi-stop itinerary to deliver a better price by changing the order of the destinations.

Used in combination, FareStructure and FlexTrip will allow us to show customers pricing options that could only ever be surfaced manually by a very experienced travel agent.

Other products under development further automate fare search tasks that are currently done manually – **Virtual Interlining** (combining non-aligned carriers in a point-to-point fare), and **Multi-stop dynamic packaging** (combining air and hotels for multi-destination holidays).

GoSee.



## GoSee is bringing a more focussed, growth oriented strategy.

As travel markets reopen, demand for hire cars and motorhomes is expected to increase. By bringing a modern user-friendly platform and building strong partner relationships, we believe there are significant growth opportunities in Australia and New Zealand, and well as in key international markets.

## Rebrand launched in October 2021.

Previously operating motorhomes and car rentals as two separate websites, in October 2021 we launched one core GoSee brand delivering all cars and motorhomes content on one easy-to-use website.

One core brand provides opportunity to improve underlying performance by enabling more scalable website investment, improve return on advertising spend by centralising marketing investment, and improve organic search rankings by reducing reliance on generic pay-per-click. Having all content available on one website also improves the customer experience by providing greater choice and functionality.

## Transforming the business to deliver on its strategic objectives.

GoSee is focused on improving organisational effectiveness, becoming more customer obsessed and continually looking for ways to create value.



### Improve underlying performance

- Targeted growth opportunities
- Scalable website development
- Centralised marketing investment
- Improved organic search rankings



### World class customer experience

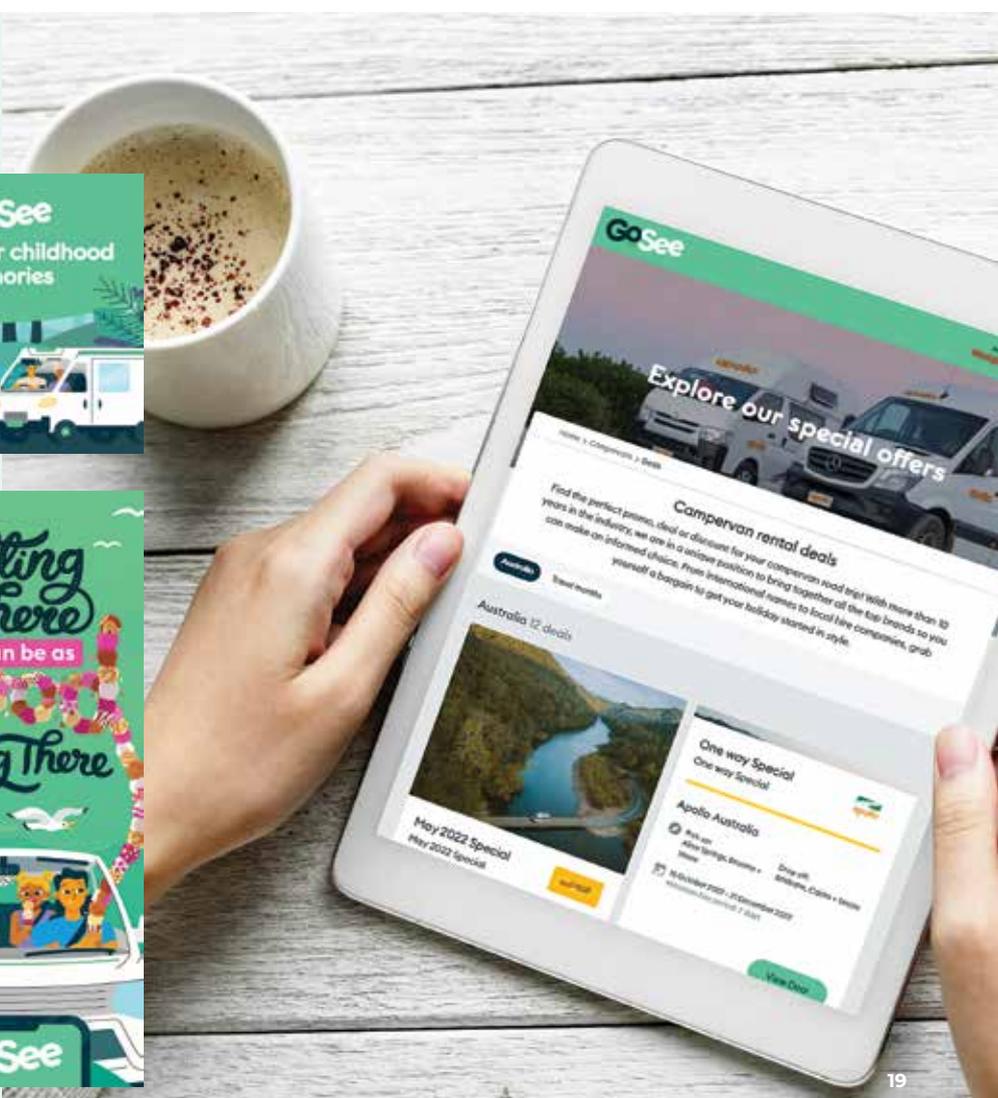
- Create intuitive user experiences
- Maximise customer value
- Provide exceptional customer care
- Deliver unrivalled customer choice



### Thriving partner relationships

- Provide frictionless service
- Create supplier value
- Enable affiliate performance
- Demonstrate commercial leadership

## Introducing the new GoSee brand.



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# Our people.



## Recognising our people.

Our people have always been our greatest asset. Their dedication and embodiment of our corporate values help ensure the ongoing sustainability of Webjet.

Webjet continued to face many challenges during the year with the pandemic's ongoing impact on global travel. Time and again our people displayed flexibility, resilience, passion and a commitment to our business, our customers and to each other.

## Customer service.

Our customer service teams managed an enormous volume of customer interactions during the year. Ongoing lockdowns, border closures and natural disasters significantly impacted travel during the year and our teams worked tirelessly to assist customers whose travel plans were impacted. Our teams displayed creativity to find solutions in an effort to provide outstanding customer experiences during times of great change.

- **Webjet OTA** – managed over 715,000 customer interactions, nearly 10 times pre-pandemic volumes; processed more than 378,000 involuntary flight schedule changes initiated by airlines; and processed refunds on behalf of customers for more than 93,000 flight tickets worth more than \$44 million.
- **GoSee** – managed over 670,000 customer interactions, including processing more than 65,000 supplier invoices and credits.
- **WebBeds** – managed over 1.5 million customer service tickets globally.

### Awards

- **Webjet OTA** – *Business Innovation Award* for a new automated cancellation feature (Australian Business Award, 2021)
- **GoSee** – *Industry Award for Online Support Services* (2021 Contact Centre CRM Awards)

## Investing in our people.

We are focused on attracting and retaining global talent and invested significantly in our people during the year.

### Improved benefits

- New **Parental Leave** Policies
- **Additional leave** including new Purchased Additional Annual Leave for Webjet OTA and GoSee and mental health day for WebBeds
- New Return-to-work Hybrid **flexible working policies** for Webjet OTA and GoSee

### A strong focus on wellbeing

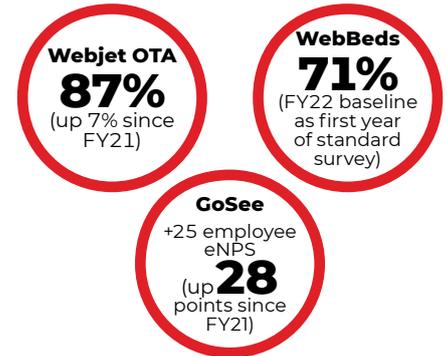
- **Employee Assistance Program**
- Workshops and sessions on **mental health and wellbeing**
- Virtual exercise classes and external wellbeing sessions covering topics such as advice on sleep, nutrition and how to set up an ergonomic desk at office and home

### A strong focus on attracting and retaining talent

- New **Senior People functions** appointed for WebBeds and Webjet OTA
- Increased our **Employee Referral Bonus** for Webjet OTA and GoSee
- Webjet OTA enrolled its first group into the **Women Rising Program** supported by Microsoft
- Following restructure of the WebBeds business to have a dedicated CEO and four regions, WebBeds made a number of **internal promotions to retain key talent within the Company**

### Maintaining a highly engaged workforce

Engagement surveys showed an increase in employee engagement.\*



\* Results show % employees who agree or strongly agree with the statement "would you recommend Webjet as a great place to work". Results show comparisons between May-21 and Apr-22. Note: WebBeds did not have a standard survey across all regions in FY21.

## Teams reuniting.

Most of our staff continued to work from home for the majority of the year. As restrictions start to ease around the world, many of our teams have had the opportunity to start meeting again in person.



# Sustainability.

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**Webjet is committed** to creating sustainable earnings and capital growth for our shareholders, and to support all our stakeholders, including employees, suppliers, customers, and the communities that we serve.

Webjet accepts that, as part of doing business in both Australia and internationally our customers, shareholders, employees and the community expect that we will operate our businesses in an environmentally responsible and socially sustainable manner.

We understand the importance of delivering environmental and social value to our stakeholders and conducting our business with good ethics and corporate governance principles.

**Our sustainability framework centres around three principles**



Further details of Webjet's approach to sustainability and our key initiatives during the year are set out in our FY22 **Sustainability Report**.

## FY22 Sustainability highlights.

### Social



- 25% **women in Senior Management**; committed to increasing this to 40% by 2030



- **New employment benefits** introduced in each business
- **Employee engagement improved** over FY21
- Strong **focus on wellbeing**, with particular emphasis on mental health



- **Customer Service awards**

### Environment



- Audit underway to measure carbon emissions with a **view to becoming carbon neutral**



- **Energy, water and waste efficiency initiatives** in place across the Company



- Webjet OTA's **Sustainable Traveller program** offsetting an average of 1,780 tonnes of carbon per month

### Governance



- Board comprises **33% women and 100% independent non-executive directors**



- Improved **modern slavery risk identification** and assessment processes to include our global supply chain



- **No reportable data privacy or data security breaches** under any relevant legislation
- Initiated work to achieve **ISO 27001 certification**

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# Directors' Report.

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Your Directors present their report on the Consolidated Entity consisting of Webjet Limited and the entities it controlled at the end of, or during, the twelve-month period ended 31 March 2022.

For the purposes of this Directors' Report, the terms "**Company**" and "**Webjet**" refer to Webjet Limited and "**Group**" and "**Consolidated Entity**" refer to Webjet Limited and its consolidated entities.

### Directors

The Directors of the Company are as follows:

- Roger Sharp, Chair
- John Guscic, Managing Director
- Don Clarke
- Brad Holman
- Denise McComish
- Shelley Roberts

The qualifications, experience and special responsibilities of the Directors are provided on pages 26 to 27.

### Company secretaries

- Tony Ristevski BCom (Hons), ACA, Executive MBA (appointed May 2018)
- Ella Zhao BCom/LLB (Hons) (appointed September 2021).

### Meetings of directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the twelve-month period ended 31 March 2022, and the number of meetings attended by each Director were:

Director	Board		Audit Committee		Remuneration and Nomination Committee		Risk Committee	
	A	B	A	B	A	B	A	B
Roger Sharp	9	9					4	4
John Guscic	9	9				3*		
Don Clarke	9	9			6	6	4	4
Brad Holman	9	9	4	4	6	6		1*
Denise McComish	9	9	4	4			4	4
Shelley Roberts	9	8	4	4	6	6		1*

A = Number of meetings held while the director was a member of the Board or relevant Committee.

B = Number of meetings attended.

\* Attended at the invitation of the Committee.

## Directors of the Company.



### Roger Sharp

- BA LLB
- Appointed 1 January 2013

- Independent Non-executive Chair
- Member of Risk Committee

Roger has global experience as an investor, advisor, and chair. After working for ABN AMRO Bank as CEO of Asia Pacific Securities and Global Head of Technology, he founded technology investment bank North Ridge Partners.

Roger is the Chair of ASX-listed Iress Limited and is a Non-executive Director of NZX-listed Geo Limited (after serving as its Chair until August 2021). He also chairs the government-owned New Zealand Lotteries Commission and served on the board of Tourism New Zealand from December 2018 to April 2022, including as its Deputy Chair from May 2019.



### John Guscic

- BEc, Executive MBA
- Appointed 25 January 2006

- Managing Director from February 2011

John was previously Managing Director, Asia Pacific for GTA and formerly Managing Director of the Travelport Business Group, Pacific region. Based in Tokyo, Japan, he was responsible for the Galileo and GTA brands in Australia, New Zealand, Japan, Korea, and Indonesia. Before that John was Managing Director, Galileo South Pacific, and Flairview Travel.



### Don Clarke

- LLB (Hons)
- Appointed 10 January 2008

- Deputy Chair
- Independent Non-executive Director
- Chair of Risk Committee
- Member of Remuneration & Nomination Committee

Don is a lawyer and company director. He has extensive commercial law and business experience from over 30 years advising both ASX listed and private companies. In addition to being a consultant to the law firm, Minter Ellison (having retired on 30 June 2015 after 27 years as a corporate partner of the firm), Don is a Non-executive Director of ASX-listed Zoono Group Limited and a director of several other unlisted public and private companies. Don recently served as a Non-executive Director of ASX-listed WCM Global Long Short Limited (formerly known as Contango Income Generator Limited) from August 2014 to October 2020.



**Brad Holman**

- BCom
- Appointed 19 March 2014

- Lead Independent Non-executive Director
- Chair of Remuneration & Nomination Committee
- Member of Audit Committee

Brad has over 20 years' experience working in and providing services to the travel industry, including President for Travelport's Asia Pacific, Europe, Middle East and African Operations. Brad more recently was the President for International Markets for Blackbaud, a NASDAQ listed software and services company specifically focused on serving the non-profit community. He was responsible for developing and leading the company's international business strategy and new market entry. Brad left Blackbaud in November 2015 after serving five years in the role.

Brad is also an Executive Director of ATI Business Group, a business process management and technology company providing services to the travel and aviation sector.



**Shelley Roberts**

- B.Bus Sci, FCA, GAICD
- Appointed 30 April 2016

- Independent Non-executive Director
- Member of Audit Committee
- Member of Remuneration & Nomination Committee

Shelley has extensive strategic, commercial, and operational experience in the travel sector. Shelley is the Group Chief Commercial Officer of LSE listed Compass Group, based in London, and previously served as its Australian Managing Director from February 2017 to January 2022. Shelley's other previous roles include the Executive Director of Aviation Services at Sydney Airport and Managing Director of Tiger Airways Australia. She also held leadership positions in organisations including Macquarie Airports, Macquarie Bank Limited and EasyJet Airline Company Limited. Shelley's appointment in April 2016 as a Non-executive Director has enhanced the diversity and finance, accounting, and operational management experience of the Board. Shelley is an active member of Chief Executive Women.



**Denise McComish**

- FCA, MAICD
- Appointed 1 March 2021

- Independent Non-executive Director
- Chair of Audit Committee
- Member of Risk Committee

Denise has extensive financial, corporate, ESG and board experience across multiple sectors. Denise was a partner with KPMG for 30 years, specialising in audit and advisory services, and a member of the Board of KPMG Australia for six years. Denise is skilled in the function, governance and performance of Audit and Risk Committees, and has chaired such committees in numerous organisations.

Denise is a Non-executive Director of ASX listed Macmahon Holdings, Gold Road Resources, and the not-for-profit organisation, Beyond Blue. She has been a member of the Australian Takeovers Panel since 2013 and is Chair of the Advisory Board for the School of Business and Law at Edith Cowan University. Denise is a member of Chief Executive Women and was a board member from 2017 to November 2021.

# Directors' Report.

## Principal activities

The principal activity of the Group is the online sale of travel products, including flights and hotel rooms. The Group's business consists of a B2B wholesale division – WebBeds – and two retail B2C businesses – Webjet OTA and GoSee.

## WebBeds

**WebBeds** is a global digital travel wholesaler specialising in hotel room distribution. WebBeds connects travel sellers to hotels, and their room inventory, through innovative market leading technology.



**Webjet OTA** is the #1 online travel agency (OTA) in Australia and New Zealand, with more than 50% of the entire OTA flights market in Australia and New Zealand.

Webjet OTA leads the way in delivering innovative retail travel solutions allowing customers to compare, combine and book the best domestic and international travel flight deals, hotel accommodation packages, travel insurance and car hire worldwide.



**GoSee** is an online travel retailer specialising in global bookings of rental cars and motorhomes, providing choice and expertise that makes it easier for travellers to compare and save on one easy-to-use website.

## Key events during the period

### (i) COVID-19 pandemic

The impact of the COVID-19 pandemic on the global travel industry continued to impact the Group during FY22 with all businesses reporting significantly lower Total Transaction Value (TTV), Revenue and EBITDA compared to pre-Covid levels (pre-Covid is defined as the 12-month period ending 31 December 2019 for comparative purposes). The focus continues to be on managing cash flow and cost reduction initiatives, as well as leveraging domestic leisure market opportunities. During the year the Group further strengthened its cash position with the issue of \$250 million Convertible Notes completed in April 2021.

### (ii) Launch and issue of A\$250 million Unsecured Convertible Notes, repayment of bank debt of A\$43.3 million, and Conversion of €100 million Unsecured Convertible Notes (refer to note 2.3)

During the period the Group settled the €100 million Unsecured Convertible Notes and issued A\$250 million Unsecured Convertible Notes (**New Notes**). In connection with the Offering of the New Notes, the Group extended a conversion invitation to the holders of the Existing Notes €100 million 2.50% Convertible Notes (**Existing Notes**) due in 2027, comprising the conversion of the Existing Notes into fully paid ordinary shares in the Company and a Cash Incentive Price of €21,626 per €100,000 of Existing Notes which was accepted by the Existing Note holders. \$43.3 million of the proceeds from the A\$250 million were used to repay bank debt.

### (iii) Investment in associates (refer to note 3.4)

During the period, the Group acquired an investment in LockTrip UK Holdings Ltd (**LockTrip**), a blockchain start-up. Webjet secured a 25% stake in LockTrip for US\$4.1 million (A\$5.4 million) which was paid in April 2021, with a further option to increase its shareholding to 51%.

The Group also made a US\$10 million (A\$13.9 million) investment in ROOMDEX which is a US based leader in automated hotel upselling solutions. Webjet secured a 49% stake in the business with a future option to acquire the remaining 51% after 36 months but before the end of the five-year window.

### (iv) Business Combination (refer to note 3.5)

During the period, the Group acquired 100% of the shareholdings of Trip Ninja Inc., a Canadian travel technology company that specialises in the automation of selling complex international itineraries through its proprietary technology. The Group paid A\$3.5 million with an additional A\$2.1 million of deferred consideration to acquire the business.

## Financial performance

### Financial result

The FY22 results represent the twelve-month period from 1 April 2021 to 31 March 2022. As a result of changing our year-end to 31 March in the previous period, the comparatives reflect the nine-month period from 1 June 2020 to 31 March 2021. It is therefore not useful to provide a comparative discussion of overall Group performance between the reporting periods.

	12 months ended 31 March 2022	9 months ended 31 March 2021	Change	Change
	\$m	\$m	\$m	%
Total transaction value	1,637.5	453.1	1,184.4	261.4%
<b>Revenue</b>	<b>138.0</b>	<b>38.5</b>	<b>99.5</b>	<b>258.4%</b>
Revenue margin	8.4%	8.5%		-7bps
Operating expenses, net of other income	(152.9)	(94.7)	(58.2)	61.5%
Share of net profit of equity accounted investees	(0.1)	-	(0.1)	(100.0)%
<b>EBITDA before non-operating expenses and share-based payments</b>	<b>(15.0)</b>	<b>(56.2)</b>	<b>41.2</b>	<b>(73.3)%</b>
EBITDA margin	negative	negative	n/a	n/a
Share based payments	(9.6)	(4.1)	(5.5)	134.1%
Non-operating expenses	(18.2)	(69.0)	50.8	(73.6)%
Depreciation and amortisation	(25.4)	(18.2)	(7.2)	39.6%
Acquisition amortisation	(18.0)	(15.2)	(2.8)	18.4%
Net finance costs	(18.7)	(14.9)	(3.8)	25.5%
<b>Loss before tax</b>	<b>(104.9)</b>	<b>(177.6)</b>	<b>72.7</b>	<b>(40.9)%</b>
Taxation benefit	19.9	21.0	(1.1)	(5.2)%
<b>Net loss after tax (NPAT)</b>	<b>(85.0)</b>	<b>(156.6)</b>	<b>71.6</b>	<b>(45.7)%</b>
NPAT A (before acquisition amortisation)	(67.0)	(141.4)	74.4	(52.6)%

The ongoing impact of widespread international and domestic travel restrictions imposed in response to the pandemic continued to negatively impact the business, however, the re-opening of borders and resumption of travel are beginning to show signs of recovery. Total Transaction Value (TTV), revenue, and earnings before share-based payments, interest, tax, depreciation, and amortisation (EBITDA) for the twelve months ending 31 March 2022 reflect recovery from the pandemic and resumption of travel.

### WebBeds

WebBeds continues to recover from lockdowns and travel restrictions. Bookings, TTV and Revenue have increased as more markets open. FY22 booking volumes are at 60% of pre-Covid levels. Average Booking Value (ABV) continues to reflect primarily domestic and short haul travel, however ABV is increasing as more international markets open. FY22 Costs are down 31% compared to pre-Covid and down 6% compared to the 12 months to 31 March 2021 despite higher staff costs in FY22. Costs are expected to increase as more markets open but at a significantly lower rate than Revenue, reflecting increased efficiencies across the business. TTV/revenue margins continue to improve primarily attributable to increased contribution from Europe during the 2nd half of FY22 (2H22).

All regions were profitable in 2H22 except for Asia Pacific (APAC) as several large destination and source markets remained closed to international tourism. WebBeds' global infrastructure remains in place to capitalise on growth as more travel markets re-open.

### Webjet OTA

Despite travel being widely impacted by border closures and Omicron throughout the period, Webjet OTA was profitable for the full year primarily driven by domestic travel, with FY22 Bookings up 79% and TTV up 86% versus pre-Covid levels. There was a significant reduction in costs compared to pre-Covid reflecting the highly scalable cost base and brand strength facilitating a reduction in marketing costs. A return to pre-Covid earnings will be driven by international travel which is expected to increase during FY23.

### GoSee

GoSee saw improved bookings as domestic borders started to reopen in Australia and New Zealand during the period with Bookings and TTV up 121% and 575% respectively versus pre-Covid levels. Demand for Cars is returning as borders re-open, however Motorhomes continued to be impacted by the loss of inbound tourism into New Zealand and Australia. FY22 Expenses are down 25% compared to pre-Covid levels.

# Directors' Report.

## Corporate

The Group continues to focus on mitigation measures, principally strengthening the Group's liquidity position through a reduction of operating losses and positive turnaround in working capital in the WebBeds' business which contributed to a positive operating cash result.

Non-operating expenses included:

- Software as a Service (SaaS) costs, which mainly relate to the current ERP implementation, of \$8.8 million.
- Corporate costs of \$2.5 million.
- Impairment of the Online Republic brand of \$14.0 million.
- Fair value impact on the embedded derivative relating to the €100 million Convertible Notes of \$0.2 million; partially offset by
- The fair value gain on put option relating to Umrah holidays International of \$4.9 million; and
- Government subsidies of \$2.4 million.

Net finance costs include bank interest of \$2.9 million, offset by the gain on the settlement of the cross-currency interest rate swaps of \$4.3 million, option premium expense of \$4.1 million, convertible note interest paid of \$1.0 million, borrowing costs of \$3.9 million, lease interest of \$0.2 million, effective interest on the convertible notes of \$11.6 million. This is partially offset by interest income of \$0.7 million.

Due to losses incurred for the period, the Company was in a tax benefit position for the period.

Additional commentary on performance is included in the Company's ASX release and investor presentation lodged with the ASX on 19 May 2022.

## Financial position

	31 March 2022	31 March 2021	Change
	\$m	\$m	\$m
Cash and cash equivalents	433.7	261.0	172.7
Trade and other receivables	120.3	43.4	76.9
Intangible assets	766.5	801.7	(35.2)
Other non-current assets	98.5	73.9	24.6
<b>Total assets</b>	<b>1,419.0</b>	<b>1,180.0</b>	<b>239.0</b>
Trade and other payables	276.8	109.4	167.4
Other current liabilities	58.5	161.6	(103.1)
Borrowings	308.2	254.0	54.2
Other non-current liabilities	29.5	47.9	(18.4)
<b>Total liabilities</b>	<b>673.0</b>	<b>572.9</b>	<b>100.1</b>
<b>Net assets</b>	<b>746.0</b>	<b>607.1</b>	<b>138.9</b>
Share capital	1,037.8	847.4	190.4
Retained earnings and reserves	(291.8)	(240.3)	(51.5)
<b>Total equity</b>	<b>746.0</b>	<b>607.1</b>	<b>138.9</b>

Cash and cash equivalents increased from March 2021, primarily attributable to the \$250 million proceeds from the April 2021 Convertible Notes issue (\$245.4 million proceeds, net of transaction costs), of which, \$43.3 million was used to repay existing borrowings. Cost management and cash preservation measures, coupled with resumption in travel has resulted in cash inflows from operations of \$71.5 million. This was partially offset by the investments in ROOMDEX and Locktrip of \$19.2 million, the acquisition of Trip Ninja of \$3.5 million, final consideration paid for Destinations of the World of \$4.4 million and payment of the deferred interim FY20 dividend of \$12.2 million.

Trade and other receivables have increased because of higher trading volumes in WebBeds and continues to be managed in-line with the enhanced credit policy, with debtor days materially lower than pre-COVID levels.

Trade and other payables have increased in line with TTV growth in WebBeds with payment terms consistent with pre-COVID levels.

Intangible assets decreased from March 2021 primarily due to the impairment of the Online Republic brand of \$14.0 million and amortisation and exchange differences of \$46.3 million. This was partially offset by additions of \$25.1 million. Additions for the year include \$5.9 million representing the provisionally allocated Goodwill related to the acquisition of Trip Ninja.

Other current liabilities decreased primarily due to the derecognition of the embedded conversion derivative instrument related to the settlement of the €100 million Convertible Notes (**Existing Notes**), reducing the balance by \$93.3 million.

The movement in borrowings during the period is due to the settlement of the Existing Notes and issuance of A\$250 million Convertible Notes (**New Notes**) in April 2021.

The decrease in other non-current liabilities is mainly due to the reversal of the put option liability in relation to Umrah Holidays (\$5.1 million) and the settlement of the derivative financial instruments relating to the Existing Notes (\$3.1 million).

## Dividend

No final dividend was declared for FY22. The FY20 deferred interim dividend of \$12.2 million was paid on 23 December 2021.

## Material business risks

Webjet is exposed to a range of economic, business, and social sustainability risks and seeks to mitigate any material exposures to its operations through a range of measures aligned with its risk management framework.

Key economic, business, and social sustainability risks include:

### Economic risks

- COVID-19 pandemic
- Economic conditions
- Changes within specific markets in which we operate
- Changes in consumer preferences
- Increased competition
- Financial risks
- Impact of war, terrorism, and other external events
- Changes to Government policies and regulations
- Technological disruption
- Technology/IT system failure

### Business and social sustainability risks

- Data security
- Retention of key personnel
- Reputation risks
- Supplier relationships
- Customer loyalty
- Intellectual property
- Strategy/M&A

There are various structures and procedures in place to manage the Company's key risks. The Risk Committee meets regularly, including with members of the senior management team, to review the material risks faced by the Webjet Group and the business practices and processes in place to minimise these risks or their impact (if a material adverse event or issue should occur). Every effort is made to identify and manage material risks, however, additional risks not currently known or listed above may also adversely affect future performance. Commentary as to how the Company manages material economic risks impacting the business are set out below:

## COVID-19 pandemic

The COVID-19 pandemic has materially adversely affected the Group's business and financial performance over the past couple of reporting periods. To mitigate the risks that are posed by the business disruption, the Group executed cost reduction measures which resulted in a significant decrease in operating expenses compared to pre-COVID levels. Since March 2020, the Company has strengthened its cash reserves by:

- Undertaking a \$346 million capital raise in April 2020.
- Issuing a €100 million (A\$163 million) Unsecured Convertible Notes in July 2020, which have now been converted to equity with the issuance of 39.7 million shares in April 2021 and a cash payment of the conversion incentive fee of \$33.2 million, and
- Issuing a \$250 million Unsecured Convertible Notes in April 2021

For the 12 months ended 31 March 2022, the Group generated positive operating cashflows of \$71.5 million and has an ending cash position is \$433.7 million. This is expected to sustain the Group through any further disruption caused by the pandemic as well as fund potential acquisitions and other capital management and/or general corporate purposes.

### Economic risks

Webjet understands that travel, like all businesses, is subject to key economic risks such as GDP growth, recession, consumer confidence, interest rate and currency movements. Notwithstanding these risks, the Company considers that the online travel industry is experiencing a positive, long term secular growth trend resulting from an ageing population, the product and price discovery available via the Internet, and the relatively low real pricing of travel products in today's environment. Webjet offers its customers a suite of global destinations and related products, which enables it to respond to changes in demand based on changing economic conditions. Further, diversification in its B2B and B2C businesses provides a hedge against economic, climatic, and related risks. The WebBeds business operates in numerous markets around the world, some of which are facing political and economic instability which could impact demand for the Company's products or people's willingness to travel in those markets. Webjet continues to diversify and grow its global source and distribution markets to minimise reliance on any singular market or product range.

Further details as to how the Company seeks to manage key environmental, social and governance risks impacting its business are set out in the Company's Sustainability Report which is available on our investor website ([www.webjetlimited.com/corporate-governance](http://www.webjetlimited.com/corporate-governance)).

# Directors' Report.

## Likely developments and expected results of operations

Other than as discussed elsewhere in this report, the Group will continue to focus on organically growing the B2C businesses while the B2B business strategy will be a combination of organic and inorganic growth.

## Environmental regulation

The Consolidated Entity is not affected by any significant environmental regulation in respect of its operations.

## Insurance of officers and indemnities

During the financial year, the Company paid a premium to insure the Directors and secretaries of the Company and its controlled entities. The contract of insurance prohibits disclosure of the insured sum and the amount of premium.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Consolidated Entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

## Indemnity of officers and auditors

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any of its controlled entities against a liability incurred as such an officer or auditor.

## Non-audit fees

Non-audit services that were provided during the current or prior year by the auditor are set out in note 1.5 of the Financial Report.

The Directors have considered the position and, in accordance with advice received from the Audit Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in note 1.5 of the Financial Report, did not compromise the auditor independence requirements of the *Corporations Act 2001 (Cth)* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out on page 33.

## Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest one hundred thousand dollars in accordance with that Legislative Instrument.

This report is made in accordance with a resolution of the Directors.

On behalf of the Directors



**Roger Sharp**

Chair

Melbourne, 19 May 2022

19 May 2022

The Board of Directors  
Webjet Limited  
Level 2  
509 St Kilda Road  
Melbourne VIC 3004

Dear Board Members

### Auditor's Independence Declaration to Webjet Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Webjet Limited.

As lead audit partner for the audit of the financial statements of Webjet Limited for the year ended 31 March 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Stephen Roche  
Partner  
Chartered Accountants

# Remuneration Report.

## Dear Shareholder,

On behalf of the Board of Directors, I present Webjet's Remuneration Report for the financial year ended 31 March 2022.

As a result of COVID-19, the travel sector continues to face uncertainty albeit we are starting to see confidence returning as vaccine programs across the globe progress. With the move online over this period, the exponential growth in demand for talent from the technology sector has placed pressure on Webjet to retain key talent whilst addressing the immediate challenges arising from COVID-19.

For the third consecutive year, given the financial impact of the COVID-19 pandemic on the Company, and to preserve cash, Executive KMPs of Webjet did not receive STI awards. In FY22, the Company awarded an approximate 10% increase provided to its Chief Financial Officer (CFO) and Chief Operating Officer (COO) following a thorough review undertaken by the Board to ensure our remuneration framework continues to attract, motivate, and retain key executives in a highly competitive talent market.

Given the hard work and sacrifices that the Webjet leadership have made, since the onset of COVID-19, temporary remuneration design changes were made in FY21, to act as a retention mechanism over a three-year period while also conserving cash. It is vital that Webjet retain its key talent who have worked hard in navigating us through the global pandemic and who will enable Webjet to take advantage of the significant growth opportunities we are beginning to see as travel restrictions ease. Whilst there was no retention-style award made in FY22, the first third of the FY21 retention award vested in FY22. We do not currently anticipate any further one-off remuneration arrangements going forward and will continue to review our remuneration arrangements to ensure they are appropriate and aligned with shareholder value creation.

The structure of the FY22 LTI grants for Executive KMP (excluding the Managing Director) is set out in section 4 of the report, reflecting a switch in FY22 to an LTI award provided as Performance Rights. The vesting of this award is dependent on performance compared against the ASX 200 listed entities (excluding banks, resource companies, listed property trusts, ETF/index-based companies).

We expect that as the Omicron variant wanes and international travel recovers, Webjet will be well positioned for growth.

We thank you for your continued support of the remuneration policies and structure adopted by Webjet.

Yours sincerely



**Brad Holman**

Chair, Remuneration and Nomination Committee

## Contents

1. Introduction
2. KMP for 2022
3. Executive KMP remuneration philosophy, principles and components
4. Executive KMP remuneration
5. Outcomes in FY22
6. NED fees
7. Role of Remuneration and Nomination Committee
8. Executive service agreement summary
9. Other disclosures

## 1. Introduction

We are pleased to present the Remuneration Report for the period ending 31 March 2022.

This Remuneration Report has been prepared in accordance with section 300A of the Corporations Act 2001 (Cth) (Act) and the applicable Corporations Regulations. The Report outlines the Company's overall remuneration strategy for the period 1 April 2021 to 31 March 2022 and provides detailed information on the remuneration arrangements for Key Management Personnel ("KMP"), being those people who have the authority and responsibility for planning, directing, and controlling the Company's activities, either directly or indirectly, including any Director.

For the purposes of this Remuneration Report, the terms "Company" and "Webjet" refer to Webjet Limited and "Group" refers to Webjet Limited and its controlled entities.

## 2. KMP for 2022

The tables below shows all the KMP covered by the FY22 Remuneration Report:

<b>Non-executive Directors</b>		<b>Term</b>
Roger Sharp	Chair Risk Committee – Member	Full term
Don Clarke	Deputy Chair Risk Committee – Chair Remuneration and Nomination Committee – Member	Full term
Brad Holman	Lead Independent Director Remuneration and Nomination Committee – Chair Audit Committee – Member	Full term
Shelley Roberts	Audit Committee – Member Remuneration and Nomination Committee – Member	Full term
Denise McComish	Audit Committee – Chair Risk Committee – Member	Full term
Toni Korsanos	Audit Committee – Chair Risk Committee – Member	Part time Resigned 24 March 2021
<b>Executive Director</b>		<b>Term</b>
John Guscic	Managing Director	Full term
<b>Executives</b>		<b>Term</b>
Shelley Beasley	Group Chief Operating Officer	Full term
Tony Ristevski	Chief Financial Officer & Company Secretary	Full term

# Remuneration Report.

## 3. Executive KMP remuneration philosophy, principles and components

### a. Philosophy

Remuneration has a key role to play in driving the culture at Webjet, supporting the implementation and achievement of Webjet's strategy for the growth of its business and aligning the interests of our employees with those of our shareholders.

The Executive KMP remuneration is designed to attract, retain, and motivate our experienced management team in achieving the Group's business objectives. Remuneration also needs to promote The Company's desired culture and business ethics, as well as aligning the activities of management with the interests of Webjet's shareholders.

The remuneration framework aims to encourage management to strive for superior performance by rewarding the achievement of targets that are challenging, clearly understood and yet within the control of individuals to achieve through their own efforts.

The remuneration mix is designed to reward the achievement of both short-term objectives and the creation of long-term sustainable value. It is the Committee's belief that a focus on longer-term business growth and success is more likely to create value for shareholders than the promotion and reward of short-term results. A considerable proportion of Executive KMP remuneration is 'at risk,' which drives performance and provides an alignment with the interests of shareholders.

### b. Principles

The following summarises the key principles which underpin the structure and quantum of Executive KMP remuneration arrangements across the Group



### c. Remuneration components

#### How was remuneration structured for FY22?

Webjet's FY22 remuneration structure was designed with four distinct purposes in mind

<p><b>1.</b></p> <p>First, it must support the implementation and achievement of the Company's overall strategy.</p>	<p><b>2.</b></p> <p>Second, the remuneration structure must attract, motivate, and retain the talent required to drive the long-term success of the Company's business.</p>	<p><b>3.</b></p> <p>Third, remuneration must be reasonable and align the interests of management and shareholders.</p>	<p><b>4.</b></p> <p>Fourth, the remuneration structure must promote the desired behaviours, culture, and ethics across the Company, particularly in the context of excellence and customer service.</p>
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Remuneration Component	Fixed Annual Remuneration (FAR)	Short Term Incentive (STI)	Long Term Incentive (LTI)
<b>Objective</b>	Attract and retain the best talent	Reward current year performance	Reward tied to achievement of longer-term strategic goals and out-performance
<b>Purpose</b>	<p>Base salary is broadly aligned with:</p> <ul style="list-style-type: none"> <li>The salaries for comparable roles in both Australian and global companies of similar global complexity, size, reach and industry; and</li> <li>Each Executive KMP's responsibilities, location, skills, performance, qualifications, and experience.</li> </ul>	The purpose of STI is to focus the efforts of the Executive KMP on those performance measures and outcomes that reflect the Group's strategy, and which deliver performance at, or above, stretch performance objectives in the relevant financial year.	The purpose of the LTI is to focus the efforts of the Executive KMP on the achievement of sustainable long-term value creation for the Group and the shareholders.
<b>Vehicle</b>	Cash	Cash	Options for MD only, Performance Rights for the CFO and COO
<b>Weighting</b> (as a % of the total remuneration package, at target)	<ul style="list-style-type: none"> <li>MD: 44%</li> <li>COO: 49%</li> <li>CFO &amp; CoSec: 49%</li> </ul>	<ul style="list-style-type: none"> <li>MD: 27%</li> <li>COO: 24%</li> <li>CFO &amp; CoSec: 24%</li> </ul>	<ul style="list-style-type: none"> <li>MD: 29%</li> <li>COO: 27%</li> <li>CFO &amp; CoSec: 27%</li> </ul>
<b>Weighting</b> (as a % of the total remuneration package, at stretch)	<ul style="list-style-type: none"> <li>MD: 43%</li> <li>COO: 48%</li> <li>CFO &amp; CoSec: 48%</li> </ul>	<ul style="list-style-type: none"> <li>MD: 29%</li> <li>COO: 26%</li> <li>CFO &amp; CoSec: 26%</li> </ul>	<ul style="list-style-type: none"> <li>MD: 28%</li> <li>COO: 26%</li> <li>CFO &amp; CoSec: 26%</li> </ul>

### d. Share ownership

Although the Company does not have a prescribed minimum shareholding requirement for Executive KMP, all Executive KMP are encouraged to have a meaningful shareholding in Webjet to ensure alignment with shareholders and encourage an 'ownership' mindset (noting that the Managing Director holds a significant number of shares in Webjet). This is supported by awards under our LTI plan being granted entirely in equity.

# Remuneration Report.

## 4. FY22 Executive KMP Remuneration Snapshot

### a. Remuneration Mix

#### Remuneration Mix at Target

MD



● **44%** Fixed Remuneration  
 ● **27%** STI  
 ● **29%** LTI

CFO



● **49%** Fixed Remuneration  
 ● **24%** STI  
 ● **27%** LTI

COO



● **49%** Fixed Remuneration  
 ● **24%** STI  
 ● **27%** LTI

#### Remuneration Mix at Stretch

MD



● **43%** Fixed Remuneration  
 ● **29%** STI  
 ● **28%** LTI

CFO



● **48%** Fixed Remuneration  
 ● **26%** STI  
 ● **26%** LTI

COO



● **48%** Fixed Remuneration  
 ● **26%** STI  
 ● **26%** LTI

### b. Summary

The remuneration details provided in this section reflect the arrangements that were agreed at the beginning of the period.

Consistent with FY21, no Executive KMP received an STI award in FY22. This decision was made at the start of the year to conserve cash and to align management remuneration to the shareholder experience. However, to retain staff and institutional knowledge during this period, arrangements were put in place in the form of awards of performance rights to KMP and Key Staff to encourage both retention and performance. Each recipient was allocated a fixed sum of Retention Rights to reward KMPs for a longer-term performance over a three-year period.

The LTI awards in FY22, and Retention Rights (legacy item) granted in FY21 (granted to executive KMP other than the Managing Director), were granted to retain key talent, in an environment where the demand for talent in the technology sector is higher than ever. The details of the Managing Director Option grant were included in the 2020 AGM and stipulate that this is the only LTI that will be provided to the Managing Director over the 3-year period following the grant. The 3-year term aligns with the fixed term of the Managing Director's updated employment contract.

The LTI awards and Retention Rights have been effective in achieving retention as, to date, all of Webjet's KMP have remained in the Company's employment. Webjet is confident that as international borders open and its operations return to normal, it is this team of KMPs that will enable Webjet to lead the way once again in online travel tools and technology and be the travel choice for our customers.

### c. Executive KMP remuneration components

#### Fixed Annual Remuneration ("FAR")

##### Base salaries

Base salaries are reviewed annually (with effect from 1 July each year). Reviews are informed, but not led, by benchmarking to comparable roles, changes in responsibility and general economic conditions.

Each of the CFO and COO received an approximate 10% increase to FAR in FY22 (a \$50,000 increase each). These increases resulted from a review of multiple factors including benchmarking against peers, the surrounding market conditions and sentiment, the trajectory of the Company's growth, strategic objectives, competency and skillset of the individuals, scarcity and competitiveness of talent, changes in role complexities and the geographical spread of the Company.

## Short-term Incentive (“STI”)

<b>Description</b>	<p><b>There were no STI awards granted for FY22.</b></p> <p>This reflected the impact of COVID-19 on Webjet and the impact that border closures had on international and interstate travel (and, hence, the overall financial performance of the Company). Given the financial impact of the COVID-19 pandemic on the Company, and to preserve cash, Webjet did not award any STIs during the period.</p> <p>FY22 was the third consecutive year in which the Company has not paid an STI to its KMPs.</p> <p>Typically, the STI grant to the Executive KMPs (other than the MD) would be up to a maximum value of 50% of FAR. For the MD, the STI would be up to a maximum of \$1.15 million, equating to 72% of FAR.</p>
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## Managing Director’s Long-term Incentive (“LTI”) – Options

<b>Description</b>	<p>With all equity incentives and STIs cancelled in FY20 due to the pandemic, Webjet introduced its new LTI plan to protect its talent over the medium to long term.</p> <p>Shareholder approval was sought on 22 October 2020 for the grant of 4,500,000 long-term incentive options to the Managing Director. The Options align with the 3-year term of his contract and were calculated as having a value of 66% (annualised) of the Managing Director’s FAR for each of the 3 years. No other LTI is intended to be granted to the Managing Director in that 3-year period. The Managing Director needs to fund the exercise price of any Options and hold the Shares for a further 12-month period following Vesting.</p>
<b>Exercise Price</b>	<p>\$3.08 (which was the VWAP of the Company’s shares traded on ASX in the 30 days up to the date of release of the Company’s 2020 financial report on 19 August 2020.</p> <p>The Options expire 3 years after vesting</p>
<b>Vesting Conditions</b>	<p>The Managing Director must remain a Webjet employee over the vesting period.</p> <p>Subject to satisfaction of the vesting conditions below, the Options granted to the Managing Director will vest in three equal tranches of 1,500,000 options each as detailed below:</p> <ul style="list-style-type: none"><li>• Tranche 1 – 1,500,000 Options vest on 19 August 2021 if the VWAP of the Company’s shares traded on ASX in the 30-day period prior to 19 August 2021 is greater than or equal to \$3.39 per share.</li><li>• Tranche 2 – 1,500,000 Options vest on 19 August 2022, if the VWAP of the Company’s shares traded on ASX in the 30-day period prior to 19 August 2022 is greater than or equal to \$3.73 per share: and</li><li>• Tranche 3 – 1,500,000 Options will vest on 19 August 2023, if the VWAP of the Company’s shares traded on ASX in the 30-day period prior to 18 August 2023 is greater than or equal to \$4.10 per share</li></ul>
<b>Board Discretion</b>	<p>The Company reserves the right to adjust the outcome where appropriate for acquisitions and/or disposals or other events/circumstances which may unreasonably skew the outcome.</p>
<b>Cessation of employment</b>	<p>If the Managing Director ceases to be employed by the Company prior to the Options vesting by reason of death, total and permanent disablement, retirement, or redundancy the Board may, in its discretion:</p> <ul style="list-style-type: none"><li>• waive the vesting conditions and determine that some or all of the Options have vested; or</li><li>• allow the Managing Director to continue to hold some of his unvested Options subject to the same vesting conditions (except for continuity of service).</li></ul> <p>Otherwise, if the Managing Director ceases to be employed by the Company for any other reason before the Options have vested, the Options will lapse.</p>
<b>Clawback</b>	<p>If, in the opinion of the Board, Options vest or may vest because of certain activities such as fraud, dishonesty or gross misconduct, or breach of duties or obligations, the Board may determine that the Options (or resulting shares) held by the Managing Director will lapse or be forfeited, and/or that the Managing Director must pay or repay as a debt the proceeds from the sale of shares allocated under the plan.</p> <p>This also applies to manifest error, where the Managing Director acts in a manner that adversely impacts the reputation and/or standing of Webjet, breaches his employment agreement or an event occurs which would otherwise entitle Webjet to immediately terminate the Managing Director’s employment.</p>
<b>Change of control</b>	<p>Subject to the Board’s overriding discretion, unvested Options granted to the Managing Director will, subject to the vesting conditions remaining capable of being satisfied at that time, vest in full on the occurrence of a change of control event (e.g., a takeover or scheme of arrangement) in respect of the shares of Webjet.</p>

# Remuneration Report.

## Executive KMP Long-term Incentive (“LTI”)

<b>Description</b>	<p>The Executive KMP qualified in FY22 for grants under the Company's LTI Plan which were designed to provide a long-term element to each participant's overall remuneration package.</p> <p>In FY22, the Executive KMP were granted performance rights (i.e., zero exercise priced options) (Rights). The number of Rights granted was determined by dividing 55% of the Executive KMP's FAR by \$5.05, being the VWAP of the Company's shares traded on ASX in the 30 trading days prior to the release of the Company's FY21 Results.</p> <p>This award aligns the executive management team with the long-term sustainable growth of the Company and with the creation of shareholder value.</p> <p>As noted above, the grant was calculated as having a value of 55% of the Executive KMP's FAR.</p>
<b>Performance period</b>	3 years (1 April 2021 to 31 March 2024)
<b>Vesting conditions</b>	<p>Vesting Condition – Recipients must remain Webjet employees over the measurement period. The vesting hurdle is based on the TSR of the Company compared to that of the ASX 200 listed entities (excluding banks, resource companies, listed property trusts, ETF/index-based companies) (Comparator Group). The scaled vesting for each year is as follows:</p> <ul style="list-style-type: none"> <li>• Below 50th percentile – No Rights vest</li> <li>• At the 50th percentile – 25% of the Rights vest</li> <li>• Between 50th and 75th percentiles – 25% of rights vest plus 3% of the Rights for each 1% above the 50th percentile</li> <li>• At or above the 75th percentile – 100% of Rights vest.</li> </ul>
<b>Board discretion, cessation of employment, change of control and clawback</b>	The same provisions apply to the Rights awarded to the Executive KMP (other than the MD) as those that have been outlined above in respect of the LTI Options granted to the Managing Director.

### d. Legacy item – Retention Rights

## Executive KMP Retention Rights (“Rights”)

<b>Description</b>	<p>In FY21, the Board granted Rights to the Executive KMP with an attaching service condition to act as a retention mechanism for those executives. The Board resolved to grant the Rights due to the uncertainty brought by the COVID-19 pandemic and in recognition of forgone FAR, cancelled LTI incentives, as well as no STI awards in FY20 and FY21.</p> <p>The Managing Director was not eligible to receive these Rights.</p> <p>No new or further grants of retention Rights were made in FY22.</p>
<b>Valuation</b>	<p>The Rights were allocated using a 30-day VWAP of the Company's shares traded on the ASX up to the date of release of the Company's FY20 financial report on 19 August 2020, being \$3.08 per Right.</p> <p>The grant was calculated as having a value of 118% and 100% FAR for the Global Chief Operating Officer and Chief Financial Officer &amp; Company Secretary respectively.</p>
<b>Vesting Conditions</b>	<p>Vesting Condition – Recipients must remain Webjet employees over the measurement period.</p> <p>The Rights vest in three equal tranches on an annual basis, 1/3 of the award vesting after each of Years 1, 2 &amp; 3. The Shares received by the KMP on conversion of the Rights to Shares are subject to a further escrow period of 12 months after vesting.</p>
<b>Board discretion, cessation of employment, change of control and clawback</b>	The same provisions apply to the Retention Rights awarded to the Executive KMP (other than the MD) as those that have been outlined above in respect of the LTI Options granted to the Managing Director.

## 5. Outcomes in FY22

### a. Company performance

The following table provides details of important performance metrics for the Company - TTV (which drives revenue), EBITDA (which captures operational earnings), asset growth and Total Shareholder Return (TSR) (which reflects how shareholders have fared) over the previous 5 financial years. These metrics (particularly EBITDA performance and relative TSR performance) are also linked to the incentive components of KMP remuneration, as the Company understands the importance of aligning the interests of the Executive KMPs with the interests of the shareholders.

During FY22, management has continued to take measures to ensure there have been cost savings to preserve shareholder value in an environment which has significantly affected the travel and tourism industry.

**Table 1: Company Performance FY18 – FY22**

The performance in FY22 and FY21 was impacted by COVID-19 pandemic.

	FY22	FY21 (9 months)	FY20	FY19	FY18	FY17
<b>Financial Metrics (\$m)</b>						
Total Transaction Value	1,637.5	453.1	3,021.0	3,831.0	3,012.0	2,043.0
EBITDA	(15.0)	(56.2)	277	125.8	88.3	71.7
NPAT	(85.0)	(156.6)	(143.5)	60.3	41.5	52.4
Assets	1,419	1,180	1,216.0	1,522.0	1,084.0	493.0
Market capitalisation	2,158	1,892	1,125.0	1,847.0	1,593.0	1,195.0
Share price (\$) – Unadjusted	5.60	5.58	3.32	13.62	13.45	12.18
Share price (\$) – Adjusted <sup>(1)</sup>	5.60	5.58	3.38	9.87	9.66	8.85
<b>Dividend per share (cents)</b>						
Interim	n.m	n.m	9.00	8.50	8.00	7.50
Final	n.m	n.m	0.00	14.00	12.00	10.00
TSR (%)	n.m	n.m	n.m	3%	12%	77%
Directors' Remuneration (\$m)	0.75	0.49	0.69	0.79	0.57	0.56
Executive KMP Remuneration (\$m)	6.26	3.94	3.87	4.63	4.26	4.19

(1) Historical share price information has been adjusted based on ASX Rules following the capital raising in April 2020.

### b. Remuneration outcomes

No STI awards were received by KMP in FY22.

One third of the retention rights granted in FY21 vested in FY22, aligned with the structure set out in section 4.c. above.

### c. Statutory Remuneration for FY22

The table has been prepared in accordance with relevant accounting standards. Where applicable, remuneration for Executive KMP has been pro-rated for the period they served as a member of the KMP. With the change in the Group's year-end to 31 March, the FY21 remuneration is for nine months. The FY22 remuneration is for 12 months.

**Table 2: Statutory Executive KMP remuneration – FY22 and FY21**

	Year	Salary and fees	Short Term Incentives	Share- based payments <sup>(3)</sup>	Post- employment benefits	Other <sup>(4)</sup>	Total
		\$	\$	\$	\$	\$	\$
John Guscic <sup>(1)</sup>	2022 (12 months)	1,600,000	–	2,489,967	–	(149,719)	3,940,248
	2021 (9 months)	719,800	–	1,618,253	–	107,057	2,445,110
Shelley Beasley <sup>(2)</sup>	2022 (12 months)	570,368	–	607,022	17,112	25,092	1,219,614
	2021 (9 months)	373,786	–	382,288	11,214	35,719	803,007
Tony Ristevski <sup>(2)</sup>	2022 (12 months)	510,625	–	519,249	26,875	29,597	1,086,347
	2021 (9 months)	333,415	–	314,839	18,750	30,545	697,549
Total	2022 (12 months)	2,681,013	–	3,616,238	43,987	(95,030)	6,246,209
	2021 (9 months)	1,427,001	–	2,315,380	29,964	173,321	3,945,666

(1) Due to the economic pressures resulting from the COVID-19 pandemic on the travel industry, Mr Guscic agreed to a 60% reduction in pay until December 2020. On 1 January 2021, Mr Guscic's fixed annual remuneration was reinstated to 100%.

(2) KMPs in the Company agreed to a 20% reduction in pay from 1 March 2020. On 1 October 2020, the annual remuneration reverted to 100%.

(3) SBP awards made to KMPs are accounted for under AASB2 which requires the recognition of accounting expense

(4) includes annual leave and long service leave expenses.

# Remuneration Report.

## 6. NED fees

### a. Remuneration policy and payment to Non-executive Directors

No changes were made to the Non-executive Directors fees for FY22.

Webjet continues to pride itself on the ability to attract Directors of the highest caliber. The Non-Executive Directors fees reflect the responsibilities inherent in the stewardship of the Group and the demands made of Directors in the discharge of their responsibilities (including their participation in relevant Board committees, currently being the Remuneration and Nominations Committee, the Audit Committee, and the Risk Committee).

Consistent with the above overriding philosophy, the overall fee cap for Non-executive Directors is capped at a maximum pool that is approved by the shareholders. The current fee pool cap remains at \$850,000.

The Non-executive Directors fees (prior to the COVID-19 reductions) are as follows:

Chair	A single fee of \$230,000 per annum (this fee is inclusive of all Board and Committee roles undertaken by the Chair)
Non-executive Directors	A base fee of \$100,000 per annum
Board Committees	Chair – \$20,000 per annum, Committee member – \$10,000 per annum

In FY22, the statutory figures for Non-Executive Directors represents the nine months to 31 March 2022.

All fees paid to the Non-executive Directors are reviewed annually, with any changes being effective from 1 April each year. It is not proposed there will be any change in Board fees in FY23 however, when the Company returns to sustainable profit, Board fees will be reviewed against market.

Although there is no prescribed minimum shareholding requirement for our Non-executive Directors, all Non-executive Directors are encouraged to have a meaningful shareholding in Webjet to ensure alignment with shareholders and encourage an 'ownership' mindset.

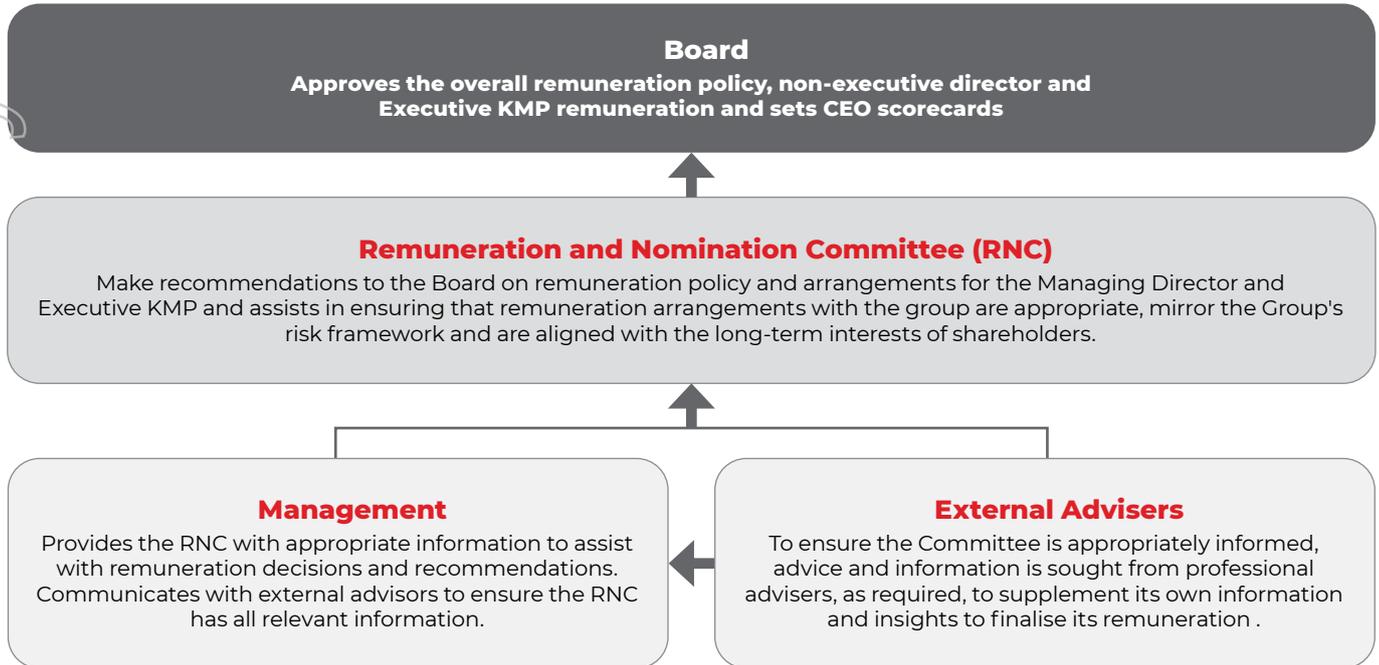
Table 3: Total Statutory Non-executive Director Remuneration

Non-executive Director	Year <sup>(2)</sup>	Salary and fees	Post-employment benefits	Total
		\$	\$	\$
Roger Sharp	2022 (12 months)	223,295	6,699	229,994
	2021 (9 months)	145,138	4,354	149,492
Don Clarke	2022 (12 months)	118,720	11,724	130,444
	2021 (9 months)	75,756	7,197	82,953
Denise McComish	2022 (12 months)	120,442	11,887	132,329
	2021 (9 months)	9,132	868	10,000
Brad Holman	2022 (12 months)	118,720	11,724	130,444
	2021 (9 months)	78,577	7,465	86,042
Shelley Roberts	2022 (12 months)	109,589	10,822	120,411
	2021 (9 months)	71,231	6,767	77,998
Toni Korsanos <sup>(1)</sup>	2022 (12 months)	-	-	-
	2021 (9 months)	75,016	7,127	82,143
<b>Total</b>	2022 (12 months)	<b>690,767</b>	<b>52,855</b>	<b>743,622</b>
	2021 (9 months)	<b>454,850</b>	<b>33,778</b>	<b>488,628</b>

(1) Resigned effective 24 March 2021.

(2) The Directors of the Company agreed to a 20% reduction in pay to align with the KMPs from 1 March 2020. On 1 October 2020, the annual remuneration reverted to 100%.

## 7. Remuneration governance



To safeguard the independence of remuneration-setting procedures, the Committee is comprised solely of Non-Executive Directors, all of whom are, in the Board's opinion, independent. Other Directors and/or members of the senior management team may attend meetings of the Committee (providing that person's remuneration is not being considered) to provide information, reports, and updates to the Committee (to ensure that it is fully informed).

Where appropriate the Board and Remuneration and Nomination Committee consult external remuneration advisors. When such external remuneration advisors are selected, the Board considers potential conflicts of interests. The requirement for external remuneration advisor services is assessed annually in the context of the matters that the Remuneration and Nomination Committee needs to address. External advisors are used as a guide, but do not serve as a substitute for thorough consideration of the relevant matters by the Remuneration and Nomination Committee and/or the Board.

# Remuneration Report.

## 8. Executive service agreement summary

Each Executive KMP has entered an employment contract with the Group. Details of the relevant contracts are set out in Table 4 below.

Table 4: Employment contracts

Name	Duration of service agreement	Notice period		Restraint period <sup>(1)</sup>
		By executive	By company	
<b>Executive KMP</b>				
John Guscic	Until 30 June 2023	6 months	12 months	12 months
Shelley Beasley	Ongoing	12 months	12 months	12 months
Tony Ristevski	Ongoing	12 months	12 months	12 months

(1) Restriction on Executive KMP's involvement in any business competitive with any Webjet Group business after termination of employment.

Table 5: Other relevant components of employment contracts

Clause	Description
<b>Termination without cause</b>	<p><b>By Webjet:</b></p> <ul style="list-style-type: none"> <li>the Board has discretion to make a payment in lieu of notice</li> <li>if Executive KMP work out their notice period, payment of FAR as determined (by reference to the performance of the Webjet Group in the notice period); or</li> <li>if Webjet elects to make a payment in lieu of notice, payment of FAR for the notice period plus, if applicable for that year (and depending on whether the Executive KMP's employment is terminated before or after 6 months from commencement of the financial year); and</li> <li>retention of all options/rights which have vested plus a pro-rata proportion (based on the portion of the relevant year which has elapsed) of the number of unvested options which, if the performance conditions were satisfied in that year, would vest at year end (all other unvested options will lapse).</li> </ul> <p><b>By Executive KMP:</b></p> <ul style="list-style-type: none"> <li>payment of FAR for the notice period; and</li> <li>retention of all options/rights which have vested prior to termination (all unvested options will lapse).</li> </ul>
<b>Termination with cause</b>	<ul style="list-style-type: none"> <li>Webjet may terminate an Executive KMP's contract with immediate effect in the following circumstances: breach of a material provision of the agreement, serious misconduct, and/or unsatisfactory performance.</li> <li>On termination by Webjet for cause, Executive KMP will be entitled to be paid the FAR up to and including the date of termination. All options/rights held, not then exercised, whether vested or unvested, will lapse.</li> <li>Only the Managing Director is entitled to terminate his employment contract (on 4 weeks' notice) in certain circumstances, including breach by Webjet of a material provision of the agreement and/or on Webjet making any change to the agreement, without the Managing Director's consent, which materially diminishes his status, duties, authority or terms and conditions of employment.</li> <li>If the Managing Director terminates his employment contract for cause, the Managing Director will be entitled to payment of an amount equal to the amount that he would have been entitled to be paid if the agreement had been terminated on that date without cause by Webjet.</li> <li>There is no contractual right of termination by an Executive KMP if Webjet makes a change to the employment agreement, without the Executive KMP's consent, which materially diminishes the Executive KMP's status, duties, authority or terms and conditions of employment.</li> <li>Where the Executive Director's employment contract terminates because of redundancy, death, serious illness or disability, the Webjet Board retains a residual discretion to permit retention and/or exercise of unvested equity incentives.</li> </ul>

## 9. Other disclosures

This section provides details of any additional statutory disclosures that have not been included in the previous sections of the Remuneration Report.

### a. LTI and other equity awards information

Table 6: Executive KMP LTI options in FY22

Grants		Opening Balance <sup>(1)</sup>	Granted	Exercised	Balance as at 31 March
John Guscic	2022 FY21 options – Tranche 1	1,500,000	–	(1,500,000)	–
	2022 FY21 options – Tranche 2	1,500,000	–	–	<b>1,500,000</b>
	2022 FY21 options – Tranche 3	1,500,000	–	–	<b>1,500,000</b>
	2021 FY21 options – Tranche 1	–	1,500,000	–	1,500,000
	2021 FY21 options – Tranche 2	–	1,500,000	–	1,500,000
	2021 FY21 options – Tranche 3	–	1,500,000	–	1,500,000
Shelley Beasley	2022 FY21 option grant	370,000	–	–	<b>370,000</b>
	2021 FY21 option grant	–	370,000	–	370,000
Tony Ristevski	2022 FY21 option grant	370,000	–	–	<b>370,000</b>
	2021 FY21 option grant	–	370,000	–	370,000

(1) The rights that vested during the period are one-third of the grant as provisioned by the grant documentation. These rights are subject to a holding lock commensurate with the terms of the grant.

Table 7: Executive KMP Rights

Grants		Balance as at 1 April	Granted	Vested	Balance as at 31 March
Shelley Beasley	2022 FY22 Performance Rights grant	–	67,210	–	<b>67,210</b>
	2022 FY21 Retention Rights grant	225,000	–	(75,000)	<b>150,000</b>
	2021 FY21 Retention Rights grant	225,000	–	–	225,000
Tony Ristevski	2022 FY22 Performance Rights grant	–	61,609	–	<b>61,609</b>
	2022 FY21 Retention Rights grant	175,000	–	(58,333)	<b>116,667</b>
	2021 FY21 Retention Rights grant	175,000	–	–	175,000

# Remuneration Report.

Table 8: LTI and other equity awards key assumptions

	MD – LTI Options			FY21 LTI Options	Executive KMP	
	Tranche 1 <sup>(1)</sup>	Tranche 2	Tranche 3		FY21 Retention Rights	FY22 LTI Rights
Vesting basis:						
– Tenure	Yes	Yes	Yes	Yes	Yes	Yes
– Performance	Yes	Yes	Yes	Yes	No	No
Performance hurdle	Share price > \$3.39	Share price > \$3.73	Share price > \$4.10	3-year share price target of \$4.10	n/a	Scaled TSR measured against performance of selected ASX 200 companies
Performance hurdle vesting assumption	Met/not met	Met/not met	Met/not met	Met/not met and vesting scale	n/a	Met/not met and vesting scale
Pricing model	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Black Scholes	Black Scholes
Exercise price (\$)	3.08	3.08	3.08	3.08	nil	nil
Dividend yield (%)	2.54	2.54	2.54	2.54	2.54	nil
Risk-free interest rate (%)	0.10	0.12	0.14	0.14	0.10 to 0.14	0.10
Expected volatility (%)	50	50	50	50	50	55
Expected life (years)	1.08	2.08	3.08	3.07	0.69 to 2.69	2.61
Fair value per share (\$)	1.08	1.24	1.34	1.37	3.87 to 3.68	2.31
Vesting dates	19 August 2021	19 August 2022	19 August 2023	19 August 2023	30 June 2021 to 30 June 2023	31 March 2021 to 31 March 2024
Expiry date	3 years after vesting date	3 years after vesting date	3 years after vesting date	2 years after vesting date	19 August 2024 to 19 August 2026	10 years after vesting date

(1) As referenced above, the Managing Director exercised the Tranche 1 Options on 22 September 2021.

## b. Shareholdings of KMP

The number of ordinary shares/options in Webjet held directly, indirectly, or beneficially by each individual (including shares held in the name of the spouse, superannuation fund, nominee and/or other controlled entities) on 31 March 2022 are shown in Table 9 below.

Table 9: Shares

	Year <sup>(1)</sup>	Balance as at 1 April 2021 No.	Received on exercise of LTI No.	Other movements No.	Balance at 31 March 2022 No.
Roger Sharp	2022	239,645	-	-	239,645
	2021	303,645	-	(64,000)	239,645
Don Clarke	2022	75,038	-	-	75,038
	2021	75,038	-	-	75,038
Denise McComish <sup>(2)</sup>	2022	-	-	10,000	10,000
	2021	-	-	-	-
Brad Holman	2022	126,240	-	(20,000)	106,240
	2021	125,128	-	1,112	126,240
Shelley Roberts	2022	33,884	-	-	33,884
	2021	33,884	-	-	33,884
Toni Korsanos <sup>(3)</sup>	2022	n/a	n/a	n/a	n/a
	2021	10,000	n/a	n/a	n/a
John Guscic	2022	4,853,767	1,500,000	-	6,353,767
	2021	10,375,235	-	(5,521,468)	4,853,767
Shelley Beasley	2022	13,351	75,000	-	88,351
	2021	187,107	-	(173,756)	13,351
Tony Ristevski	2022	1,687	58,333	-	60,020
	2021	101,687	-	(100,000)	1,687

(1) Due to the Company's change in financial year, the 2022 opening balance is as of 1 April 2021 and the 2021 opening balance is at 1 July 2020.

(2) Appointed effective 1 March 2021.

(3) Resigned effective 24 March 2021.

## c. Prohibition on hedging of Webjet shares and options

Executive KMP are not permitted to enter a margin facility, share lending facility, hedging or other arrangement that involves the use of the Company's securities as security, or collateral for the funding, or is to be used to acquire the Company's securities, or securities of another entity, without prior clearance in accordance with the Company's Share Trading and Conflicts Policy.

The restriction applies to unvested or restricted equity awards, and securities that have vested and are no longer subject to restrictions or performance conditions.

The Managing Director has derivative arrangements in place in respect of his shareholding. All such arrangements received clearance from the Chair in accordance with the Company's Share Trading and Conflicts Policy.

## d. KMP Transactions

Several Directors hold or have held positions in other companies where it is considered they control or influence the financial or operating policies. During the period, there have been no transactions with any of those entities and no amounts were owed by Webjet to entities associated with, or personally related to, the Directors.

As at 31 March 2022, the Managing Director has a loan owing to the Company of \$1,836,235. The loan is at commercial interest rates and is secured against the shares exercised under the option funded by the loan. Full repayment is not due until the Managing Director ceases employment.

This Remuneration Report was approved by the Board on 19 May 2022 and has been signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).

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# Financial Report.

# Financial Report.

For the year ended 31 March 2022

## Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income	50
Consolidated statement of financial position	51
Consolidated statement of cashflow	52
Consolidated statement of changes in equity	53

## Notes to the consolidated financial statements

<b>1 Performance</b>		<b>3 Non-current assets</b>	
1.1 Segment information	54	3.1 Intangible assets	67
1.2 Revenue from customers	55	3.2 Property, plant and equipment	70
1.3 Employee benefit expenses	56	3.3 Leases	71
1.4 Other expenses	58	3.4 Investment in associates	72
1.5 Remuneration of auditors	59	3.5 Business combination	73
1.6 Loss per share	59		
1.7 Dividends	60	<b>4 Other disclosures</b>	
1.8 Operating cashflows reconciliation	60	4.1 Issued capital	75
		4.2 Subsidiaries	76
<b>2 Working capital and borrowings</b>		4.3 Parent entity financial information	77
2.1 Trade receivables and other assets	61	4.4 Taxation	78
2.2 Trade payables and other liabilities	63	4.5 Financial risk management	80
2.3 Borrowings and finance costs	63	4.6 Summary of other key accounting policies	83
2.4 Other liabilities	66	4.7 Going concern	84
		4.8 Adoption of new accounting standards	85
		4.9 Contingent liabilities	85
		4.10 Subsequent events	85
<b>Directors' declaration</b>	86		
<b>Independent Auditor's Report</b>	87		

## Consolidated statement of profit or loss and other comprehensive income.

For the year ended 31 March 2022

		12 months ended 31 March 2022	9 months ended 31 March 2021
	Notes	\$m	\$m
Revenue from customers	1.2	138.0	38.5
Other income		0.7	0.2
		<b>138.7</b>	<b>38.7</b>
Employee benefit expenses	1.3	(98.5)	(63.4)
Operating expenses	1.4	(64.1)	(35.4)
Other non-operating expenses	1.4	(18.2)	(69.0)
Share of net loss of equity accounted investees		(0.1)	–
<b>Loss before interest, tax, depreciation and amortisation</b>		<b>(42.2)</b>	<b>(129.1)</b>
Finance costs	2.3	(19.4)	(15.1)
Depreciation and amortisation	3.1, 3.2	(43.3)	(33.4)
<b>Loss before income tax</b>		<b>(104.9)</b>	<b>(177.6)</b>
Income tax benefit	4.4	19.9	21.0
<b>Net loss after tax</b>		<b>(85.0)</b>	<b>(156.6)</b>
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
– Exchange difference on translating foreign operations		(13.7)	(50.8)
– Changes in the fair value of hedging instruments		(1.2)	2.3
		<b>(14.9)</b>	<b>(48.5)</b>
Items that have been subsequently reclassified to profit or loss			
– Cash flow hedges recycled to profit or loss		2.7	3.0
		<b>2.7</b>	<b>3.0</b>
<b>Other comprehensive loss for the period, net of income tax</b>		<b>(12.2)</b>	<b>(45.5)</b>
<b>Total comprehensive loss for the period</b>		<b>(97.2)</b>	<b>(202.1)</b>
		Cents per share	Cents per share
<b>Loss per share:</b>			
Basic		(22.4)	(46.2)
Diluted		(22.4)	(46.2)

Notes to the consolidated financial statements are included on pages 54 to 85.

## Consolidated statement of financial position.

As at 31 March 2022

	Notes	As at 31 March 2022 \$m	As at 31 March 2021 \$m
<b>Current assets</b>			
Cash and cash equivalents		433.7	261.0
Trade receivables and other assets	2.1	120.3	43.4
<b>Total current assets</b>		<b>554.0</b>	<b>304.4</b>
<b>Non-current assets</b>			
Intangible assets	3.1	766.5	801.7
Property, plant and equipment	3.2	21.0	23.2
Deferred tax assets	4.4	56.2	43.3
Investment in associate	3.4	19.2	5.4
Other non-current assets	2.1	2.1	2.0
<b>Total non-current assets</b>		<b>865.0</b>	<b>875.6</b>
<b>Total assets</b>		<b>1,419.0</b>	<b>1,180.0</b>
<b>Current liabilities</b>			
Trade payables and other liabilities	2.2	276.8	109.4
Borrowings	2.3	–	124.0
Derivative financial instruments	2.3	0.3	93.3
Other current liabilities	2.4	58.5	68.3
<b>Total current liabilities</b>		<b>335.6</b>	<b>395.0</b>
<b>Non-current liabilities</b>			
Borrowings	2.3	307.8	130.0
Derivative financial instruments	2.3	0.1	–
Deferred tax liabilities	4.4	24.1	32.2
Other non-current liabilities	2.4	5.4	15.7
<b>Total non-current liabilities</b>		<b>337.4</b>	<b>177.9</b>
<b>Total liabilities</b>		<b>673.0</b>	<b>572.9</b>
<b>Net assets</b>		<b>746.0</b>	<b>607.1</b>
<b>Equity</b>			
Issued capital	4.1	1,037.8	847.4
Reserves		(18.4)	(51.9)
Retained losses		(273.4)	(188.4)
<b>Total equity</b>		<b>746.0</b>	<b>607.1</b>

Notes to the consolidated financial statements are included on pages 54 to 85.

## Consolidated statement of cashflow.

For the year ended 31 March 2022

		12 months ended 31 March 2022	9 months ended 31 March 2021
	Notes	\$m	\$m
<b>Net loss after tax</b>		(85.0)	(156.6)
<i>Add back:</i>			
– Depreciation and amortisation	3.1, 3.2	43.3	33.4
– Share of net loss from associates		0.1	
– Finance cost, net of interest income		18.7	14.9
– Income tax benefit	4.4	(19.9)	(21.0)
<b>Earnings before interest, tax, depreciation, amortisation</b>		<b>(42.8)</b>	<b>(129.3)</b>
Adjusted for changes in working capital:			
– (Decrease)/increase in trade debtors and other receivables		(72.1)	24.2
– Increase in trade payables and other liabilities		175.6	5.6
Non-cash items <sup>(1)</sup>		18.9	73.5
<b>Cash flow from operating activities before interest and tax paid</b>		<b>79.6</b>	<b>(26.0)</b>
Net finance cost paid		(7.8)	(6.1)
Income tax expense paid		(0.3)	(0.2)
<b>Net cash flows from operating activities</b>	<b>1.8</b>	<b>71.5</b>	<b>(32.3)</b>
Purchase of property, plant and equipment		(2.2)	(1.2)
Payment in relation to a subsidiary's acquisition related earn-out	2.4	(4.4)	–
Purchase of subsidiary net of overdraft assumed/cash acquired	3.5(d)	(3.5)	–
investment in associates	3.4	(19.2)	–
Purchase of intangible assets		(19.2)	(13.2)
Dividends received		0.1	0.2
<b>Net cash outflows from investing activities</b>		<b>(48.4)</b>	<b>(14.2)</b>
Payment of dividends	1.7	(12.2)	–
Payment for conversion incentive in relation to settlement of Euro Notes	2.3(a)	(33.2)	–
Proceeds from issue of share capital, net of share issue costs	4.1	4.6	(1.9)
Proceeds from borrowings	2.3(a)	245.4	160.5
Repayments of borrowings		(47.4)	(53.4)
Payments of lease liabilities		(3.3)	(3.3)
Payment of share issue costs		–	–
<b>Net cash inflows from financing activities</b>		<b>153.9</b>	<b>101.9</b>
<b>Net increase in cash and cash equivalents</b>		<b>177.0</b>	<b>55.4</b>
Cash and cash equivalents at the beginning of period		261.0	209.6
Effects of foreign exchange translation on cash and cash equivalents		(4.3)	(4.0)
<b>Cash and cash equivalents at end of period</b>		<b>433.7</b>	<b>261.0</b>

(1) Comprised of share-based payment expense of \$9.6 million (2021: \$4.1 million) per note 1.3 and non-cash items expense of \$9.3 million (2021: \$69.4 million) per note 1.4(ii).

Notes to the consolidated financial statements are included on pages 54 to 85.

## Consolidated statement of changes in equity.

For the year ended 31 March 2022

	Issued capital	Share-based payments reserve	Convertible notes reserve	Other reserve <sup>(2)</sup>	Foreign currency translation reserve	Retained earnings	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Balance at 1 July 2020</b>	<b>847.4</b>	–	–	<b>(24.6)</b>	<b>14.1</b>	<b>(31.8)</b>	<b>805.1</b>
Loss for the period	–	–	–	–	–	(156.6)	(156.6)
Amounts in reserves recycled to the income statement	–	–	–	3.0	–	–	3.0
Other comprehensive loss for the period, net of income tax	–	–	–	2.3	(50.8)	–	(48.5)
<b>Total comprehensive (loss)/income for the period</b>	–	–	–	<b>5.3</b>	<b>(50.8)</b>	<b>(156.6)</b>	<b>(202.1)</b>
<b>Transactions with owners in their capacity as owners</b>							
Share-based payment expense recognised for the period	–	4.1	–	–	–	–	4.1
<b>Balance at 31 March 2021</b>	<b>847.4</b>	<b>4.1</b>	–	<b>(19.3)</b>	<b>(36.7)</b>	<b>(188.4)</b>	<b>607.1</b>
Loss for the year	–	–	–	–	–	(85.0)	(85.0)
Amounts in reserves recycled to the income statement	–	–	–	2.7	–	–	2.7
Other comprehensive loss for the period, net of income tax	–	–	–	(1.2)	(13.7)	–	(14.9)
<b>Total comprehensive (loss)/income for the period</b>	–	–	–	<b>1.5</b>	<b>(13.7)</b>	<b>(85.0)</b>	<b>(97.2)</b>
<b>Transactions with owners in their capacity as owners</b>							
Issue of shares under share based payment <sup>(1)</sup>	4.6	–	–	–	–	–	4.6
Increase in issued capital arising from conversion of €100 million Convertible Notes <sup>(3)</sup>	185.8	–	–	–	–	–	185.8
Equity component of \$250 million Convertible Notes <sup>(4)</sup>	–	–	36.1	–	–	–	36.1
Share based payment expense recognised for the period	–	9.6	–	–	–	–	9.6
<b>Balance at 31 March 2022</b>	<b>1,037.8</b>	<b>13.7</b>	<b>36.1</b>	<b>(17.8)</b>	<b>(50.4)</b>	<b>(273.4)</b>	<b>746.0</b>

(1) Refer to note 4.1 for details on issued capital movements.

(2) Made up of cashflow hedge reserve of (\$0.1) million (2021: (\$1.0) million), revaluation reserve of \$0.1 million (2021: \$0.1 million) and a business combination reserve of (\$17.8) million (2021: (\$20.4) million) relating to the acquisition of Umrah Holidays. As at 31 March 2022, the Group holds a 56% equity interest in Umrah Holidays.

(3) In April 2021, the €100 million Convertible Notes were fully settled by issuing 39.7 million shares and paying a conversion incentive fee of \$33.2 million. Refer note 2.3 for details.

(4) This represents the equity component of the new Convertible Notes of A\$250 million issued in April 2021. Refer note 2.3 for details.

# Notes to the consolidated financial statements.

## 1 Performance.

### 1.1 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM is responsible for allocating resources and assessing the performance of the operating segments, and has been identified as the Managing Director.

The Managing Director considers that all members of the group provide the same service, being Travel Bookings; however, there are two distinct classes of customer - consumers and businesses. The reportable segments of the Group are – Business to Consumer Travel (B2C Travel) and Business to Business Travel (B2B Travel).

The segment information provided to the Managing Director for the period ended 31 March 2022 is set out in the tables below.

	12 months ended 31 March 2022	9 months ended 31 March 2021	12 months ended 31 March 2022	9 months ended 31 March 2021	12 months ended 31 March 2022	9 months ended 31 March 2021	12 months ended 31 March 2022	9 months ended 31 March 2021
	B2C		B2B		Corporate		Total	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total transaction value <sup>(1)</sup>	536.9	255.4	1,100.6	197.7	–	–	1,637.5	453.1
Revenue <sup>(2)</sup>	52.4	25.7	85.6	12.8	–	–	138.0	38.5
Operating costs	(47.2)	(24.8)	(90.2)	(59.7)	(15.6)	(10.2)	(153.0)	(94.7)
Share of net loss from associates	(0.1)	–	–	–	–	–	(0.1)	–
<b>EBITDA<sup>(3)</sup></b>	<b>5.1</b>	<b>0.9</b>	<b>(4.6)</b>	<b>(46.9)</b>	<b>(15.6)</b>	<b>(10.2)</b>	<b>(15.1)</b>	<b>(56.2)</b>
Share-based payment expense							(9.6)	(4.1)
<b>EBITDA after share-based payment expense and before other non-operating expenses</b>							<b>(24.7)</b>	<b>(60.3)</b>
Other non-operating expenses							(18.2)	(69.0)
Depreciation and amortisation							(25.3)	(18.2)
Acquired amortisation							(18.0)	(15.2)
Net finance costs							(18.7)	(14.9)
<b>Loss before tax</b>							<b>(104.9)</b>	<b>(177.6)</b>
Income tax benefit							19.9	21.0
<b>Net loss after tax</b>							<b>(85.0)</b>	<b>(156.6)</b>

(1) Total transaction value (TTV) is the gross transaction price on a booking. This is used by management as a performance indicator for the segments.

(2) Excludes interest income. The Group is considered an agent in providing travel services and only recognises net commission receivable as revenue.

(3) Represents Earnings Before Interest, Tax, Depreciation and Amortisation, Share-based payment expenses and Non-operating expenses.

Split of segment revenue and non-current assets by geography based on domicile of legal entity and does not reflect actual destination or source market. Non-current assets excludes deferred taxes and investment in associates.

	Revenue		Non-current assets <sup>(1)</sup>	
	12 months ended 31 March 2022	9 months ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
	\$m	\$m	\$m	\$m
Australia	40.8	20.4	46.9	43.9
New Zealand	11.6	5.3	57.5	71.6
<b>Total B2C</b>	<b>52.4</b>	<b>25.7</b>	<b>104.4</b>	<b>115.5</b>
United Arab Emirates	27.8	7.5	447.0	460.2
United Kingdom	25.7	0.1	214.8	230.1
Others	32.1	5.2	23.4	21.1
<b>Total B2B</b>	<b>85.6</b>	<b>12.8</b>	<b>685.2</b>	<b>711.4</b>
<b>Total</b>	<b>138.0</b>	<b>38.5</b>	<b>789.6</b>	<b>826.9</b>

(1) Excludes deferred tax assets and investment in associates.

## 1.2 Revenue from customers

AASB 15 *Revenue from Customers*, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

### (a) Revenue streams

An overview of the Group's major revenue streams is shown below:

Primary revenue stream	Performance obligation	Transaction price calculated as	Timing of revenue recognition
Booking commission revenue	Successful booking completed	Gross booking value less payable to supplier or percentage of booking value	Point in time On booking for flights On check-in for hotel bookings
Supplier rebates <sup>(1)</sup>	Use of supplier services above an agreed threshold	Variable based on the contractual terms	Over time when it is reasonably certain the agreed threshold will be exceeded
Other ancillary revenue (marketing, advertising, merchant fees, insurance commissions)	Service provided	As per contract with customer, percentage of transaction value	Point in time and over time

(1) Relates to incentives or lump sum amounts that are received from suppliers from time-to-time. The recognition pattern is dependent on the specific terms of each contract. The revenue is only recognised upfront where there has been a service transferred upfront, otherwise it is recognised over the term of the contract in line with the delivery of the performance obligation. The revenue can be either fixed or variable and is constrained where contract terms require the supplier to be refunded in part or full upon termination of the contract.

### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled to, in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

### Significant financing component

The Group applies the practical expedient in that it does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

### Cancellations

Revenue is recognised when the booking is non-cancellable or to the extent that the amount received is nonrefundable under the cancellation policy related to the travel booking

### (b) Disaggregation of revenue

Revenue by segment, disaggregated by major revenue stream and timing of revenue recognition is as follow:

	Revenue recognition	B2C	B2B	Total
		\$m	\$m	\$m
<b>12 months ended 31 March 2022</b>				
Booking commission revenue	Point in time	39.7	77.7	117.4
Supplier rebates	Over time	6.3	0.5	6.8
Other ancillary revenue	Over time	3.9	7.3	11.2
Other ancillary revenue	Point in time	2.5	0.1	2.6
<b>Total revenue from contracts with customers<sup>(1)</sup></b>		<b>52.4</b>	<b>85.6</b>	<b>138.0</b>
<b>9 months ended 31 March 2021</b>				
Booking commission revenue	Point in time	18.4	11.7	30.1
Supplier rebates	Over time	3.8	0.2	4.0
Other ancillary revenue	Over time	2.5	0.9	3.4
Other ancillary revenue	Point in time	1.0	–	1.0
<b>Total revenue from contracts with customers<sup>(1)</sup></b>		<b>25.7</b>	<b>12.8</b>	<b>38.5</b>

(1) Excludes interest income.

## Notes to the consolidated financial statements.

### 1.2 Revenue from customers (continued)

#### (c) Contract assets and contract liabilities

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue'. The Group has adopted the terminology used in AASB 15 to describe such balances. These balances are included in trade receivables and other assets and other liabilities in the balance sheet.

	B2C	B2B	Total
As at 31 March 2022	\$m	\$m	\$m
Contract assets	1.2	2.4	3.6
Contract liabilities	(21.5)	(8.7)	(30.2)

	B2C	B2B	Total
As at 31 March 2021	\$m	\$m	\$m
Contract assets	1.5	2.1	3.6
Contract liabilities	(25.4)	(0.5)	(25.9)

Contract assets relate to revenue accrued but not invoiced and are typically realised within three to six months from initial recognition. Contract liabilities relate to cash received in advance of the booking or check in date and gift vouchers issued to customers.

Gift vouchers mainly include those issued to B2C customers for travel cancellations brought about by the decision to close the Exclusives business due to the COVID-19 pandemic in FY20. These gift vouchers have an expiry term of 3 years from issue date. As they can be utilised at any time all gift vouchers are classified as current liabilities.

#### (d) Significant judgements – the Group is acting as an agent

The Group has concluded that it acts as an agent in providing online travel booking services. Webjet's performance obligation is to arrange for the provision of flights, hotel rooms or other ancillary travel related products by another party (being the airline, hotel or car hire company). For this service, Webjet recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging a booking. Webjet's commission can either be based on a booking fee, or the residual amount received from the customer after paying the associated cost to the supplier of the travel service.

### 1.3 Employee benefit expenses

Employee benefits comprise salaries (basic pay and benefits), on costs (retirement contributions, payroll taxes), share-based payments, incentives and other employee-related expenses.

#### (a) Total employee benefit expenses for the year is as follows:

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
Salaries	77.5	50.9
Salary on costs (post-employment contribution and payroll taxes)	8.7	6.3
Share-based payment expense	9.6	4.1
Other employee benefits	2.7	2.1
<b>Total employee benefit expense</b>	<b>98.5</b>	<b>63.4</b>

#### (b) Key management personnel compensation

The KMPs of the Group comprise the Chair, Non-executive Directors, the Managing Director, Group Chief Operating Officer, and Group Chief Financial Officer.

Remuneration paid to the KMPs is shown below:

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
Short-term employee benefits	3.3	2.1
Post-employment benefits	0.1	0.1
Share-based payments	3.6	2.3
<b>Key management personnel compensation</b>	<b>7.0</b>	<b>4.5</b>

### 1.3 Employee benefit expenses (continued)

#### (c) Share based payment expense

Senior KMP, including the Managing Director of the Group and other key employees receive remuneration in the form of equity instruments as consideration for services rendered. Detailed remuneration disclosures for KMP and the Managing Director are provided in the Remuneration Report.

The following is a summary of the share-based payment arrangements for senior executives and key staff of the Group:

Executive and Key Staff Performance Rights	The Board granted Rights to the executive team (including the Executive KMP) with an attaching service condition in order to act as a retention mechanism for the executives and key staff. The Rights were determined as necessary due to the uncertainty brought by the COVID-19 pandemic and in recognition of foregone fixed remuneration, cancelled LTI incentives, as well as cancelled STIs in FY20 and FY21. It was also an incentive for those with technical skills which were in high demand (with the move to on-line) to remain with the Company. The Managing Director was not eligible to receive these Rights.
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The number of options and rights under the above plans during the period is as follows:

	Type	Grants	Balance at the start of the period	Granted	Exercised	Forfeited	Cancelled	Balance at the end of the period	Unvested at the end of the period
<b>Senior Executives</b>									
2022	Option	FY21 Grant	2,790,000	-	-	-	-	2,790,000	2,790,000
2021	Option	FY21 Grant	-	2,790,000	-	-	-	2,790,000	2,790,000
2022	Rights	FY22 Grant	-	273,432	-	-	-	273,432	273,432
2022	Rights	FY21 Grant	675,000	-	(191,665)	(66,667)	-	416,668	416,668
2021	Rights	FY21 Grant	-	675,000	-	-	-	675,000	675,000
<b>Key Staff</b>									
2022	Rights	FY22 Grant	-	1,070,500	-	(38,500)	-	1,032,000	1,032,000
2022	Rights	FY21 Grant	2,581,000	-	(40,000)	(251,000)	-	2,290,000	2,290,000
2021	Rights	FY21 Grant	-	2,581,000	-	-	-	2,581,000	2,581,000

The key terms of the share-based payment arrangements in existence during the year, as well as the key assumptions used to determine the fair value at grant date are summarised below:

	Senior Executives		Other key staff
	FY21 option	FY21 rights	FY22 rights
Vesting basis:			
- Tenure	Yes	Yes	Yes
- Performance	Yes	No	No
Performance hurdle	3 year share price target of \$4.10	3 year share price target of \$4.10	Scaled TSR measured against performance of selected ASX 200 companies
Performance hurdle vesting assumption	Met/not met and vesting scale	Met/not met and vesting scale	Met/not met and vesting scale
Pricing model	Monte Carlo	Monte Carlo	Black Scholes
Exercise price (\$)	3.08	nil	nil
Dividend yield (%)	2.54	2.54	nil
Risk-free interest rate (%)	0.14	0.10 to 0.14	0.10
Expected volatility (%)	50	50	55
Expected life (years)	3.07	3.07	2.61
Fair value per share (\$)	1.37	2.38	2.31
Vesting dates	19 August 2023	19 August 2023	31 March 2021 to 31 March 2004
Expiry date	2 years after vesting date	n/a	10 years after vesting date

## Notes to the consolidated financial statements.

### 1.3 Employee benefit expenses (continued)

Expected volatility has been formulated with reference to market observations for Webjet and the comparator companies. The volatility estimates are based on weekly observations for periods ranging for three years, consistent with the assumed life of the instruments. As required by AASB 2, market-based conditions such as share price and TSR hurdles are incorporated within the valuation of the option or right. Non-market conditions such as tenure and EBITDA performance are not incorporated in the fair valuation of the instruments. Instead they are taken into account in assessing the probability of vesting and therefore the amount of share-based payment expense for the year.

The cost of equity-settled transactions is determined by the fair value at grant date using an appropriate valuation model. That cost is recognised in share-based payment expense, together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and performance conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

### 1.4 Other expenses

(i) Operating expenses comprise:

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
Marketing expenses	9.3	3.9
Operating expenses	14.0	5.6
Technology expense	18.6	11.5
Administrative expenses	14.0	8.9
Other expenses	8.2	5.5
<b>Total operating expenses</b>	<b>64.1</b>	<b>35.4</b>

(ii) Other non-operating expenses comprise:

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
SaaS implementation cost expensed <sup>(1)</sup>	8.8	2.3
Corporate costs <sup>(2)</sup>	2.5	2.6
Government subsidies received <sup>(3)</sup>	(2.4)	(5.3)
<b>Cash</b>	<b>8.9</b>	<b>(0.4)</b>
Impairment of Online Republic brand <sup>(4)</sup>	14.0	-
Fair value changes of embedded derivatives <sup>(5)</sup>	0.2	55.5
Fair value gain on put option <sup>(6)</sup>	(4.9)	(3.7)
Other expenses and write-offs <sup>(7)</sup>	-	17.6
<b>Non-cash</b>	<b>9.3</b>	<b>69.4</b>
<b>Total</b>	<b>18.2</b>	<b>69.0</b>

(1) In March 2021, the IFRIC clarified the treatment for accounting for SaaS software arrangements and confirmed that certain configuration and customisation costs incurred to implement SaaS arrangements be expensed as incurred. Consequently, the Group has assessed its capitalised costs relating to SaaS arrangements for the current period and prior period, which mainly relate to the current ERP implementation, and concluded that all costs should be expensed. The Group has finalised its analysis of historical capitalised SaaS costs. The impact identified was not considered material and therefore no adjustment to the opening retained earnings position was recognised. The impact has been recorded through accelerated amortisation in the 2022 financial year to the value of \$2.1 million. Intangible assets and amortisation are disclosed in note 3.1.

(2) Corporate costs include restructuring costs incurred on the restructure of the global workforce necessitated by the adverse impacts of COVID-19 pandemic. Additionally, it includes acquisition costs including professional fees, tax advice and search fees incurred for Trip Ninja Inc. (a subsidiary).

(3) As a result of the economic impact on economies of the COVID-19 pandemic, several Governments provided relief packages to assist companies that had been severely impacted by the pandemic. The Group received subsidies from Australia, New Zealand, and the United Kingdom.

(4) During the current period, management has decided to relaunch Online Republic brands i.e. Motorhomes Republic and AirportRentals under a new brand name 'GoSee' in order to provide a single, easy-to-use website for all its cars and motorhome inventory. This resulted in discontinuing the old brands and therefore all such brand costs were impaired during the current period.

(5) This represents the residual fair value impact on the embedded derivative financial instrument relating to €100 million Convertible Notes which were fully settled during the current period.

(6) The Group holds options to acquire the remaining 44% held by outside shareholders in Umrah Holidays International. These options can be exercised between 2022 and 2024. Under accounting standards, the value of the put option liability is reassessed at each reporting period to reflect the estimated present value of outflows to acquire the minority share.

(7) Other expenses and write-offs were NIL during the current year. Previous year balance includes receivables write-off of \$9.5 million, loss arising from increase of Destinations of the World's acquisition related earn-out provision of \$6.8 million, write-off of SaaS implementation costs which were capitalised prior to FY21 of \$1.7 million and gain on disposal of office building of \$(0.4) million.

## 1.5 Remuneration of auditors

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$000	\$000
<b>Deloitte and related network firms</b>		
Audit or review of financial reports:		
– Group	416.2	408.0
– Subsidiaries	999.6	937.0
Other services:		
– Tax related services	421.2	397.0
– Other non-audit services	65.0	100.0
	<b>1,902.0</b>	<b>1,842.0</b>
<b>Other auditors and their related network firms</b>		
Audit or review of financial reports:		
– Subsidiaries	22.3	47.8
Other services:		
– Tax related services	111.4	74.7
– Other non-audit services	22.4	21.6
	<b>156.1</b>	<b>144.1</b>
<b>Total remuneration</b>	<b>2,058.1</b>	<b>1,986.1</b>

It is the Group's policy to engage Deloitte on assignments additional to their statutory audit duties where Deloitte's expertise and experience with the Group are important. These assignments are principally tax compliance services, due diligence on acquisitions, or where Deloitte is awarded assignments on a competitive basis which do not impair independence. It is the Group's policy to seek competitive tenders for major consulting projects.

## 1.6 Loss per share

Loss per share is calculated as net loss after tax divided by the weighted average number of ordinary shares in issue. Diluted loss per share is calculated as net loss after tax divided by the weighted average number of shares in issue adjusted for dilutive potential ordinary shares. Given the Group is in a loss per share, potential ordinary shares arising from employee share options and performance rights, or Convertible Notes are not included as they would be anti-dilutive.

The calculation of the basic and diluted earnings per share is based on the following data:

	12 months ended 31 March 2022	9 months ended 31 March 2021
	No of shares (m)	No of shares (m)
Earnings for the purposes of basic and diluted earnings per share being total comprehensive loss for the period	(85.0)	(156.6)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	378.7	345.8
	<b>Cents per share</b>	<b>Cents per share</b>
<b>Loss per share:</b>		
Basic	(22.4)	(46.2)
Diluted	(22.4)	(46.2)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

	12 months ended 31 March 2022	9 months ended 31 March 2021
	No of shares (m)	No of shares (m)
Options and rights granted to employees	6.5	7.0

## Notes to the consolidated financial statements.

### 1.7 Dividends

No dividends were declared during the period.

	12 months ended 31 March 2022	9 months ended 31 March 2021	12 months ended 31 March 2022	9 months ended 31 March 2021
	cps	cps	\$m	\$m
Final dividend for the prior period	–	–	–	–
Interim dividend to the current period	–	–	–	–

The 2020 interim dividend of \$12.2 million (9.0 cents per share fully franked for the six-month period ended 31 December 2019) was paid on 23 December 2021. Given the impact of COVID-19 on our operations and financial position, the franking percentage was revised from 100% to 80%.

#### Franking credit account

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
<b>Franking debit/(credit) available for subsequent reporting periods based on a tax rate of 30% (2021: 30%)<sup>(1)</sup></b>	<b>0.4</b>	<b>(0.7)</b>

(1) The balance of the adjusted franking account includes:

- (a) franking credits that will arise from the payment of the amount of the provision of income tax
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

### 1.8 Operating cashflows reconciliation

Webjet considers the indirect method the more appropriate way to present cashflows for its business due to WebBeds customers and suppliers who use the Annual Report being more accustomed to the indirect method. We have set out below cashflows from operating activities using the direct method.

#### Operating cashflow per the direct method

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
Receipts from customers	1,581.6	468.5
Payments to suppliers and employees	(1,502.0)	(494.5)
Net finance cost paid	(7.8)	(6.1)
Income tax expense paid	(0.3)	(0.2)
<b>Net cash flows used in operating activities</b>	<b>71.5</b>	<b>(32.3)</b>

## 2 Working capital and borrowings

### 2.1 Trade receivables and other assets

Trade receivables and other assets are recognised initially at fair value and subsequently at amortised cost, less provision for credit loss allowance.

	As at 31 March 2022	As at 31 March 2021
	\$m	\$m
Trade receivables	98.3	24.9
Contract assets	3.6	3.6
Credit loss allowance	(2.1)	(2.6)
<b>Trade receivables</b>	<b>99.8</b>	<b>25.9</b>
Prepayments	9.4	5.3
Term deposit	–	1.0
Other current assets <sup>(1)</sup>	11.1	11.2
<b>Total trade receivables and other assets</b>	<b>120.3</b>	<b>43.4</b>
<b>Other non-current assets</b>		
Loans to related parties <sup>(2)</sup>	1.8	1.8
Other financial assets	0.3	0.2
<b>Total other non-current assets</b>	<b>2.1</b>	<b>2.0</b>

(1) Other current assets predominantly include paid supplier deposits and indirect tax receivables.

(2) In 2016, the Board approved to provide John Guscic with a limited recourse loan of \$1.5 million, at a commercial interest rate. As part of the loan terms, the loan was used to exercise vested options, and secured against the resulting shares. The loan is classified as other non-current assets in the consolidated statement of financial position. During the year, no further amounts were advanced (2021: nil). Interest (charged at market interest rates) was \$0.1 million for the year (2021: \$0.1 million).

#### Receivables ageing, contract assets and credit risk allowance

	B2C	B2B	Total
<b>31 March 2022</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Current</b>	<b>3.3</b>	<b>84.2</b>	<b>87.5</b>
30 to 90 days	0.4	8.1	8.5
90 to 180 days	0.2	2.1	2.3
over 180 days	–	–	–
<b>Trade receivables</b>	<b>3.9</b>	<b>94.4</b>	<b>98.3</b>
Contract assets	1.2	2.4	3.6
<b>Gross trade and other receivables</b>			<b>101.9</b>
Allowance based on historic credit losses			(0.2)
Adjustment for respective changes in credit risk			(1.9)
<b>Total trade and other receivables</b>			<b>99.8</b>

In 2022, the company has not written off any receivables (2021: \$9.5 million) as noted in note 1.4(ii).

## Notes to the consolidated financial statements.

### 2.1 Trade receivables and other assets (continued)

	B2C	B2B	Total
31 March 2021	\$m	\$m	\$m
Current	2.2	16.5	18.7
30 to 90 days	0.1	4.5	4.6
90 to 180 days	0.1	1.5	1.6
over 180 days	-	-	-
<b>Trade receivables</b>	<b>2.4</b>	<b>22.5</b>	<b>24.9</b>
Contract assets	1.5	2.1	3.6
<b>Gross trade and other receivables</b>			<b>28.5</b>
Allowance based on historic credit losses			(0.1)
Adjustment for respective changes in credit risk			(2.5)
<b>Total trade and other receivables</b>			<b>25.9</b>

#### Impairment of trade receivables

The group applies the AASB 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Expected credit losses are based on the difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled income and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of total transaction value (TTV) over a period of 24 months before 31 March 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as GDP, and the unemployment rate of the regions in which the customer operates, and accordingly adjusts the historical loss rates if there are material deteriorations to these macroeconomic indicators identified.

The derived credit matrix does not include the impact of any one-off events that are deemed not to reflect the credit quality of the portfolio of customers on an ongoing basis (e.g. COVID-19 pandemic or unexpected liquidation of large customers) as these are specifically provided for on a case-by-case basis. The credit loss allowance is calculated by applying the Group credit matrix to the ageing of trade receivables as above.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, for instance when the customer has been declared bankrupt, cannot be located or is unable to meet the agreed periodic payments under a payment plan with the Group.

The movement in the credit loss allowance was as follows

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
Opening credit loss allowance	(2.6)	(8.1)
Increase in credit allowance recognised in profit or loss	-	-
Utilisation of provision	0.4	4.0
Impact of FX translation	0.1	1.5
<b>Closing credit loss allowance</b>	<b>(2.1)</b>	<b>(2.6)</b>

In 2022, the company has not written off any receivables (2021: \$9.5 million) as noted in note 1.4(ii).

## 2.1 Trade receivables and other assets (continued)

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. There have been no modifications to contractual cashflows during the current period.

The Group has adopted a policy of only dealing with parties considered to be creditworthy. The Group has in place strong credit management policies to minimise credit risk exposure. This includes strict credit approval process, delegation of authorities with respect to increases in limits requested, continuous monitoring of the financial health of customers, and use of cash deposits, bank guarantees and other credit enhancement measures. Due to the adverse impact of COVID-19 on customers, an assessment of the debtor book resulted in further write-offs of certain aged debtors, as the probability of recoverability was assessed as very low. Refer to note 1.4(ii) for details around debtor write-offs recognised.

The majority of trade receivables are with debtors that operate in the travel industry. Due to the low-value, high-volume transactional nature of the travel industry, the Group does not have material credit risk exposure to a single debtor.

The carrying amount of financial assets in the financial statements, net of any impairment losses and credit loss allowances, represents the Group's maximum exposure to credit risk.

## 2.2 Trade payables and other liabilities

	31 March 2022			31 March 2021		
	B2C	B2B	Total	B2C	B2B	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Trade payables	40.6	205.9	246.5	21.5	63.8	85.3
Accrued expenses	12.3	18.0	30.3	9.7	14.4	24.1
<b>Total trade and other payables</b>	<b>52.9</b>	<b>223.9</b>	<b>276.8</b>	<b>31.2</b>	<b>78.2</b>	<b>109.4</b>

## 2.3 Borrowings and finance costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### (a) Breakdown of borrowings

	Terms	Maturity	2022		2021	
			Current	Non-current	Current	Non-current
			\$m	\$m	\$m	\$m
Bank debt on acquisition of:						
– Thomas Cook <sup>(1)</sup>	Principal & Interest	Jun 21	–	–	3.2	–
– JacTravel <sup>(1)</sup>	Interest Only	Nov 23	–	–	–	80.0
– Destinations of the World <sup>(1)</sup>	Interest Only	Nov 23	–	–	–	50.0
Revolving credit facility	Interest Only	Nov 23	–	86.0	–	–
Bank debt			–	86.0	3.2	130.0
Unsecured Convertible Notes <sup>(2)</sup>	Interest Only	Apr 26	–	224.4	123.4	–
Capitalised debt costs	n.a.	n.a.	–	(2.6)	(2.6)	–
<b>Convertible bond</b>			–	<b>221.8</b>	<b>120.8</b>	–
<b>Borrowings</b>			–	<b>307.8</b>	<b>124.0</b>	<b>130.0</b>
– Interest rate swaps			0.3	0.1	–	–
– Cross currency interest rate swaps			–	–	–	3.1
– Convertible Note embedded derivative			–	–	93.3	–
<b>Related derivatives financial instruments</b>			<b>0.3</b>	<b>0.1</b>	<b>93.3</b>	<b>3.1</b>
<b>Total Borrowings</b>			<b>0.3</b>	<b>307.9</b>	<b>217.3</b>	<b>133.1</b>

(1) During April 2021, the bank debt related to the Thomas Cook acquisition was repaid. In addition to this, \$26.6m of Jac Travel and \$16.6m of Destinations of the World (DOTW) term debt were repaid from a portion of the proceeds received from the issue of \$250 million Convertible Notes. During the reporting period, bank debts relating to Jac Travel and DOTW were restructured from term debt to a Revolving Credit Facility.

(2) Refer next page for information on the Convertible Notes.

(3) Cross currency interest rate swaps have been closed out in March 2022 as a result of favorable foreign exchange movement.

# Notes to the consolidated financial statements.

## 2.3 Borrowings and finance costs (continued)

### (a) Breakdown of borrowings (continued)

#### 2021 Convertible Notes

The Group launched the issue of \$250 million AUD Convertible Notes due 2026 (the "New Notes") on 31 March 2021. These were successfully priced on 1 April 2021 and issued on 8 April 2021. The notes have a coupon of 0.75% per annum, payable on a semi-annual basis, mature on 12 April 2026, are unsubordinated and unsecured, and are listed on the Singapore Exchange. The New Notes have an investor put option with exercise date on or about 12 April 2024.

	31 March 2022
	\$m
Proceeds from issue of Convertible Notes	250.0
Transaction costs	(4.6)
<b>Net proceeds from issue of Convertible Notes</b>	<b>245.4</b>
Equity component	(36.8)
Transaction costs relating to equity component	0.7
<b>Amount classified under equity</b>	<b>(36.1)</b>
<b>Liability component at date of issue (net of transaction costs)</b>	<b>209.3</b>
Interest charged (using effective interest rate)	13.1
Amortisation of capitalised debt costs	1.3
Interest paid/payable (coupon payments)	(1.9)
<b>Carrying amount of liability component at 31 March 2022</b>	<b>221.8</b>

The net proceeds from the Convertible Notes were used to repay \$43.3 million of Webjet's existing term debt; and the remainder is expected to be used to fund potential acquisitions, and for capital management and/or general corporate purposes.

The equity component of \$36.1 million has been credited to the Convertible notes reserve.

The interest expensed for the year is calculated by applying an effective interest rate of 6.2 per cent to the liability component for the 12 month period since the loan notes were issued. The liability component is measured at amortised cost over the expected useful life of three years when the investors can exercise the put option. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the reporting at 31 March 2022 represents the effective interest rate less interest paid to that date.

#### 2020 Convertible Notes

In connection with the offering of the \$250 million 2021 Convertible Notes, the Group extended a conversion invitation (the Conversion Invitation) to the holders of its existing €100 million 2.50% Convertible Notes due 2027 (the Existing Notes), comprising the conversion of the Notes into fully paid ordinary shares in the company and a Cash Incentive Price of €21,626 per €100,000 of Existing Notes.

On 31 March 2021, the Existing Notes and associated embedded derivative were disclosed as current liabilities within Borrowings – Unsecured Convertible Notes (\$123.4 million) and Other Liabilities – Convertible Note embedded derivative (\$93.3 million). In April 2021, upon conversion of the Notes:

- the liabilities were extinguished on the acceptance of the Conversion Invitation by all Existing Note holders, resulting in decrease in current liabilities
- the Group issued 39.7 million ordinary shares, increasing the issued capital, and
- the Group paid the Cash Incentive Price amounting to \$33.2 million.

## 2.3 Borrowings and finance costs (continued)

### (b) Movement in borrowings

2022	Opening Balance	Drawdowns	Repayments	Conversion into shares (including conversion incentive fee)	Reclassification of equity component of A\$250m Notes	Non Cash (Fair value, FX and amortisation)	Closing Balance
	31 March 2021						31 March 2022
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Bank debt	133.2	86.0	(133.2)	-	-	-	86.0
Unsecured Convertible Notes (2021)	-	250.0	-	-	(36.8)	11.2	224.4
Unsecured Convertible Notes (2020)	123.4	-	-	(123.4)	-	-	-
Capitalised debt costs	(2.6)	(4.6)	-	2.6	0.7	1.3	(2.6)
<b>Related derivatives financial instruments:</b>							
- Interest rate swaps	-	-	-	-	-	0.4	0.4
- Cross-currency interest rate swaps	3.1	-	-	-	-	(3.1)	-
- Convertible Note embedded derivative	93.3	-	-	(93.3)	-	-	-
<b>Total borrowings</b>	<b>350.4</b>	<b>331.4</b>	<b>(133.2)</b>	<b>(214.1)</b>	<b>(36.1)</b>	<b>9.8</b>	<b>308.2</b>

2021	Opening Balance	Drawdowns	Repayments	Non Cash (Fair value, FX and amortisation)	Closing Balance
	1 July 2020				31 March 2021
	\$m	\$m	\$m	\$m	\$m
Bank debt	186.9	-	(53.4)	(0.3)	133.2
Unsecured Convertible Notes (2020)	-	125.9	-	(2.5)	123.4
Capitalised debt costs	-	(3.2)	-	0.6	(2.6)
<b>Related derivatives</b>					
- Cross-currency interest rate swaps	12.6	-	-	(9.5)	3.1
- Convertible Note embedded derivative	-	37.8	-	55.5	93.3
<b>Total borrowings</b>	<b>199.5</b>	<b>160.5</b>	<b>(53.4)</b>	<b>43.8</b>	<b>350.4</b>

### (c) Covenant compliance

The Group banking facilities are subject to the market standard covenants of net leverage ratio and interest cover ratios.

At 31 March 2021, the Group's lenders had consented to a waiver of certain financial covenants for the period 1 April 2021 to 31 March 2022. Covenants resume on a modified basis from 1 April 2022 with tests to be done at 30 June 2022, 30 September 2022 and 31 December 2022 but on the basis of annualising the EBITDA for the period commencing 1 April 2022 and then returning to an unmodified basis from 31 March 2023.

The waiver period is subject to compliance with a minimum liquidity requirement of \$100 million at all times until the financial covenants are again in compliance, based on an unmodified testing.

Webjet Limited has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods.

## Notes to the consolidated financial statements.

### 2.3 Borrowings and finance costs (continued)

#### (d) Finance costs

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
Bank interest	2.9	4.1
Reversal of hedge ineffectiveness loss upon settlement of CCIRS <sup>(1)</sup>	(4.3)	–
Option premium expenses on hedging instruments	4.1	0.5
Convertible Notes Interest – Coupon <sup>(2)</sup>	1.0	2.8
Borrowing costs	3.9	1.9
Lease interest	0.2	0.2
<b>Underlying finance costs</b>	<b>7.8</b>	<b>9.5</b>
Convertible Notes Interest – amortisation from discount value to par using effective interest rate method	11.6	5.6
<b>Total finance costs</b>	<b>19.4</b>	<b>15.1</b>

(1) Cross currency interest rate swaps were settled during the year and related hedge ineffectiveness of \$4.3 million recorded in the prior years was credited to the profit and loss.

(2) Current period balance represents coupon interest of 0.75% per annum on A\$250 million Convertible Notes, payable on a semi-annual basis. Prior period balance represents coupon interest of 2.5% per annum on Euro 100 million Convertible Notes, payable on a semi-annual basis.

#### 2.4 Other liabilities

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service and are measured as the present value of expected future payments to be made using the projected unit credit method.

Employee liabilities are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

	Notes	As at 31 March 2022	As at 31 March 2021
		\$m	\$m
<b>Current liabilities</b>			
Contract liabilities <sup>(1)</sup>	1.2	30.2	25.9
Deferred dividend	1.7	–	12.2
Current tax liabilities		1.5	2.1
Client deposits <sup>(2)</sup>		13.0	10.3
Provisions <sup>(3)</sup>		6.0	3.9
Derivative financial instruments		0.5	0.1
Earn-out provision <sup>(4)</sup>		–	6.8
Lease liabilities	3.3	4.2	1.6
Other current liabilities		3.1	5.4
<b>Total current liabilities</b>		<b>58.5</b>	<b>68.3</b>
<b>Non-current liabilities</b>			
Provisions <sup>(3)</sup>		1.4	1.2
Derivative financial instruments		–	3.1
Lease liabilities	3.3	4.0	6.3
Put option liability <sup>(5)</sup>		–	5.1
<b>Total non-current liabilities</b>		<b>5.4</b>	<b>15.7</b>

(1) Contract liabilities primarily consist of gift vouchers of \$21.0 million (2021: \$25.2 million) and deferred revenue of \$9.2 million (2021: \$0.7 million).

(2) Client deposits comprise deposits from customers based on Company's risk management policies and does not include contract liabilities.

(3) Mainly comprises employee entitlements such as annual leave, long service leave and end of contract gratuities payable.

(4) Relates to the earn-out on the DOTW acquisition which was paid in April 2021.

(5) Comprises the value of the put option contract on the establishment of Umrah Holidays. Webjet has the option to acquire the remaining 44% interest in Umrah Holidays held by external shareholders. As required by accounting standards, the option has been recognised in non-current liabilities. The liability is calculated as the present value of future payments to acquire the minority interest. Management estimates the put option liability to be NIL at 31 March 2022 based on the forecasted loss in Umrah Holidays.

### 3 Non-current assets

#### 3.1 Intangible assets

Intangible assets comprise goodwill, trademarks, capitalised development costs and other identifiable intangibles.

Category	Recognition and measurement	Amortisation
<b>Goodwill</b>	Goodwill for the Group arises on business acquisitions and represents the difference between the total consideration paid and the fair value of the net assets acquired.	Goodwill is not amortised but is assessed for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that it might be impaired.
<b>Trademarks</b>	Trademarks for the Group arise on business combinations. Trademarks can have indefinite useful lives where there is no expiry and no foreseeable limit on the period of time over which these assets are expected to contribute to the cashflows of the Group.	3 years
<b>Capitalised development – Booking platform</b>	Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets as capitalised development. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.  The capitalised development intangible assets represent the Group's travel booking system and licences as well as additional distribution systems that enable customers to access this booking platform. Capitalised development is amortised on a straight-line basis.	Hotel platforms – 10 years Flight platforms – 15 years
<b>Other identifiable intangibles</b>	Other identifiable intangible assets arise on business acquisitions and are comprised of supplier agreements and customer contracts/relationships.	Supplier agreements – 10 to 15 years Customer contracts – 15 years
<b>SaaS arrangements</b>	The Group expenses implementation, configuration and customisation costs incurred on Software as a Service (SaaS) arrangement where the Group has no ownership rights or control over the software code. Customisation costs where the Group has ownership rights and control over the software code continues to be capitalised and amortised over its useful life.	Expected life of contract

The value of the intangible assets of the group are as follows:

	Goodwill	Trademarks	Capitalised development	Other	Total
	\$m	\$m	\$m	\$m	\$m
<b>At 1 April 2021</b>					
Cost or fair value	519.7	35.3	178.4	202.5	935.9
Accumulated amortisation and impairment	–	(19.6)	(68.1)	(46.5)	(134.2)
<b>Net book amount</b>	<b>519.7</b>	<b>15.7</b>	<b>110.3</b>	<b>156.0</b>	<b>801.7</b>
Additions	5.9	–	15.3	3.9	25.1
Transfers	–	1.1	–	(1.1)	–
Write-off <sup>(1)</sup>	–	(14.0)	–	–	(14.0)
Amortisation charge	–	(2.5)	(16.9)	(15.7)	(35.1)
Exchange differences	(11.1)	0.4	(0.2)	(0.3)	(11.2)
<b>Closing net book amount</b>	<b>514.5</b>	<b>0.7</b>	<b>108.5</b>	<b>142.8</b>	<b>766.5</b>
<b>At 31 March 2022</b>					
Cost or fair value	514.5	22.6	189.1	199.3	925.5
Accumulated amortisation	–	(21.9)	(80.6)	(56.5)	(159.0)
<b>Net book amount</b>	<b>514.5</b>	<b>0.7</b>	<b>108.5</b>	<b>142.8</b>	<b>766.5</b>

(1) During the current period, Online Republic was rebranded as 'GoSee'. This resulted in discontinuing the old brands and therefore all such brand costs were impaired during the current period. Refer to note 1.4.

## Notes to the consolidated financial statements.

### 3.1 Intangible assets (continued)

	Goodwill	Trademarks	Capitalised development	Other	Total
	\$m	\$m	\$m	\$m	\$m
<b>At 1 July 2020</b>					
Cost or fair value	553.8	37.4	178.0	218.7	987.9
Accumulated amortisation and impairment	–	(17.3)	(60.9)	(39.2)	(117.4)
<b>Net book amount</b>	<b>553.8</b>	<b>20.1</b>	<b>117.1</b>	<b>179.5</b>	<b>870.5</b>
Additions	–	–	10.0	3.2	13.2
Write off	–	–	–	(1.7)	(1.7)
Amortisation charge	–	(3.3)	(11.2)	(12.0)	(26.5)
Exchange differences	(34.1)	(1.1)	(5.6)	(13.0)	(53.8)
<b>Closing net book amount</b>	<b>519.7</b>	<b>15.7</b>	<b>110.3</b>	<b>156.0</b>	<b>801.7</b>
<b>At 31 March 2021</b>					
Cost or fair value	519.7	35.3	178.4	202.5	935.9
Accumulated amortisation	–	(19.6)	(68.1)	(46.5)	(134.2)
<b>Net book amount</b>	<b>519.7</b>	<b>15.7</b>	<b>110.3</b>	<b>156.0</b>	<b>801.7</b>

#### Impairment tests for intangible assets

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arises, identified according to operating segments (refer to segment information note 1.1).

Goodwill is monitored by management at the operating segment level. The Group has identified the reportable segments to be Business to Consumer Travel (B2C Travel) and Business to Business Travel (B2B Travel)).

During the year, as a result of the disruption in the travel industry due to COVID-19, the Group has tested the intangible assets inclusive of goodwill for impairment. Other intangible assets, such as trademarks, customer contracts and supplier agreements have been tested for impairment at the CGU level as they do not generate separately identifiable independent cashflows.

The CGU level summary of the carrying amount of intangible assets subject to impairment testing is shown below:

	B2C Travel	B2B Travel	Total
	\$m	\$m	\$m
<b>31 March 2022</b>			
Carrying amount of goodwill	52.0	462.5	514.5
Carrying amount of other intangible assets	54.0	198.0	252.0
	<b>106.0</b>	<b>660.5</b>	<b>766.5</b>
<b>31 March 2021</b>			
Carrying amount of goodwill	45.6	474.1	519.7
Carrying amount of other intangible assets	61.2	220.8	282.0
	<b>106.8</b>	<b>694.9</b>	<b>801.7</b>

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Detailed monthly projections were performed for the next year-ending 31 March 2023 and are derived from board approved budgets. This takes into account the current government restrictions and assumptions on recovery trend in the travel market as a result of resumption of domestic and international travel as shown below. Years 2 to 5 are based on gradual increase in travel, with return to normality based on pre-COVID-19 levels by 2023 (year 2), and double digit growth in the later years supported by similar growth prior to the COVID-19 pandemic in FY18 and FY19 (adjusted for impact of acquisitions). Compound annual growth rates (CAGR) are based on pre-COVID-19 profitability (based on FY19 profitability adjusted for acquisitions) since use of the FY21 year as a base would not be meaningful in analysing CAGR over the forecast period.

### 3.1 Intangible assets (continued)

The following are the key assumptions applied in calculating the recoverable amount:

#### Key assumptions used for value-in-use calculations

	B2C Travel	B2B Travel
Resumption of domestic travel	Q4 2021	Q2 2022
Resumption of international travel <sup>(1)</sup>	Q4 2021	Q2 2022
Year expected to reach pre-COVID-19 profitability levels	2023	2023
5 year CAGR based on pre-COVID-19 profitability levels	6%	18%
Terminal growth rate	2%	2%
Tax rate	30%	12%
Post-tax discount rate	13%	12%

(1) The resumption of international travel in the B2B segment assumes when international travel in major B2B markets such as Europe, Middle East and Asia will resume. The contribution of Australia and New Zealand revenues and EBITDA to B2B is negligible.

Results show that the B2B and B2C recoverable amounts determined based on the assumptions above support the carrying value and no impairment has been identified.

#### B2B sensitivities

The recoverable amount is sensitive to changes in discount rates, assumptions on when recovery to pre-COVID-19 trading occurs and decrease in cashflows over the forecast period. The sensitivity from reasonably possible changes in discount rates of plus 100 bps and decrease in revenue/EBITDA forecast of minus 5% will not result in impairment as shown below.

B2B Travel	31 March 2022
<b>Base case</b> – headroom	\$673 million
<b>Sensitivity</b>	
– Headroom – Revenue and EBITDA forecasts reduced by 5%	\$599 million
– Headroom – Increase in discount rate by 100bps	\$557 million

#### B2C sensitivities

Changes in assumptions such as +/- 10% change in discount rate, or a permanent decrease in EBITDA of 20% over the forecast period, would not result in an impairment of the B2C carrying amount.

## Notes to the consolidated financial statements.

### 3.2 Property, plant and equipment

Property, plant and equipment (PPE) of the Group comprises land and buildings, office equipment, furniture & fittings, leasehold improvements, computer equipment and assets under construction.

Each class of property, plant and equipment is carried at historical cost less accumulated depreciation and impairment losses.

The depreciation rate used for each class of depreciable asset is:

Buildings	50 years
Office furniture and equipment	5 to 8 years
IT hardware and software	5 years
Right-of-use assets and leasehold improvements	Over term of lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

The Group's property, plant and equipment are as follows:

	Land & building	IT hardware	Right of Use Asset	Other PPE	Total
	\$m	\$m	\$m	\$m	\$m
<b>At 1 April 2021</b>					
Cost or fair value	7.4	23.1	13.4	14.8	58.7
Accumulated depreciation	(1.3)	(18.8)	(6.2)	(9.2)	(35.5)
<b>Net book amount</b>	<b>6.1</b>	<b>4.3</b>	<b>7.2</b>	<b>5.6</b>	<b>23.2</b>
Additions	–	2.1	3.8	0.1	6.0
Depreciation charge	(0.1)	(3.0)	(2.5)	(2.6)	(8.2)
Exchange differences	(0.2)	0.5	(0.8)	0.5	–
<b>Closing net book amount</b>	<b>5.8</b>	<b>3.9</b>	<b>7.7</b>	<b>3.6</b>	<b>21.0</b>
<b>At 31 March 2022</b>					
Cost or fair value	6.7	6.4	14.4	13.3	40.8
Accumulated depreciation	(0.9)	(2.5)	(6.7)	(9.7)	(19.8)
<b>Net book amount</b>	<b>5.8</b>	<b>3.9</b>	<b>7.7</b>	<b>3.6</b>	<b>21.0</b>

	Land & building	IT hardware	Right of Use Asset	Other PPE	Total
	\$m	\$m	\$m	\$m	\$m
<b>At 1 July 2020</b>					
Cost or fair value	9.8	22.7	14.3	13.5	60.3
Accumulated depreciation	(1.0)	(16.7)	(3.9)	(6.9)	(28.5)
<b>Net book amount</b>	<b>8.8</b>	<b>6.0</b>	<b>10.4</b>	<b>6.6</b>	<b>31.8</b>
Additions	–	1.2	–	–	1.2
Transfers	–	(0.4)	–	0.4	–
Depreciation charge	(0.2)	(2.7)	(2.3)	(1.7)	(6.9)
Disposals	(1.9)	–	–	(0.2)	(2.1)
Exchange differences	(0.6)	0.2	(0.9)	0.5	(0.8)
<b>Closing net book amount</b>	<b>6.1</b>	<b>4.3</b>	<b>7.2</b>	<b>5.6</b>	<b>23.2</b>
<b>At 31 March 2021</b>					
Cost or fair value	7.4	23.1	13.4	14.8	58.7
Accumulated depreciation	(1.3)	(18.8)	(6.2)	(9.2)	(35.5)
<b>Net book amount</b>	<b>6.1</b>	<b>4.3</b>	<b>7.2</b>	<b>5.6</b>	<b>23.2</b>

### 3.3 Leases

#### The Group's leasing activities and how these are accounted for

The Group leases various offices. Rental contracts are typically made for fixed periods of 3 to 8 years but may have extension options, with optionality used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use lease asset and a corresponding lease liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use lease asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use lease assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

	31 March 2022	31 March 2021
	\$m	\$m
Right-of-use lease assets	7.7	7.2
Lease liabilities		
– Current	4.2	1.6
– Non-current	4.0	6.3

#### (a) Reconciliation of financing cashflows

	Opening Balance	Interest	Payments	Additions	FX	Reclass to current	Closing Balance
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>31 March 2022</b>							
Current lease liabilities	1.6	0.2	(3.3)	–	–	5.7	4.2
Non-current lease liabilities	6.3	–	–	3.3	0.1	(5.7)	4.0
<b>Total lease liabilities</b>	<b>7.9</b>	<b>0.2</b>	<b>(3.3)</b>	<b>3.3</b>	<b>0.1</b>	<b>–</b>	<b>8.2</b>

	Opening Balance	Interest	Payments	Additions	FX	Reclass to current	Closing Balance
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>31 March 2021</b>							
Current lease liabilities	4.2	0.2	(3.3)	–	0.5	–	1.6
Non-current lease liabilities	7.1	–	–	–	(0.5)	(0.3)	6.3
<b>Total lease liabilities</b>	<b>11.3</b>	<b>0.2</b>	<b>(3.3)</b>	<b>–</b>	<b>–</b>	<b>(0.3)</b>	<b>7.9</b>

# Notes to the consolidated financial statements.

## 3.4 Investment in associates

Name of associate	Principal activity	Place of incorporation	Proportion of ownership interest and voting rights by the Group		Value of investment made by the Group	
			31 March 2022	31 March 2021	31 March 2022	31 March 2021
			%	%	\$m	\$m
Locktrip LLC	note (a)	Bulgaria	25%	25%	5.4	5.4
ROOMDEX, Inc	note (b)	USA	49%	–	13.8	–
					19.2	5.4

### (a) LockTrip investment

On 25 February 2021, the Group acquired an investment in LockTrip UK Holdings Ltd (LockTrip), a blockchain start-up. Webjet has secured a 25% stake in LockTrip for US\$4.1 million (A\$5.4 million) which was paid in April 2021, with a further option to increase its shareholding to 51%.

LockTrip provides a B2C hotels marketplace, underpinned by a blockchain platform which is powered by a utility token, the LOC. Consumers can pay for hotel stays in multiple currencies or in LOC. LockTrip also provides its own decentralised public blockchain, the Hydra chain, powered by the HYDRA coin.

At the date of acquisition, LockTrip had negligible identifiable net assets and therefore US\$4.0 million (A\$5.2 million) has been allocated to goodwill. This goodwill is not separated but is recognised as part of the carrying value of the investment in associate. The carrying value of investment, including goodwill, is tested for impairment. If the current disruption to the travel industry due to the COVID-19 pandemic continues for a protracted period, leading to LockTrip failing to execute on the business model and strategy or failing to realise the expected growth and market share, an impairment of the goodwill may result in the future.

The Company's share of net loss from LockTrip for the current year was A\$0.07 million.

### (b) ROOMDEX investment

During the current year, the Company made a US\$10 million (A\$13.9 million) strategic investment in ROOMDEX which is a US based leader in automated hotel upselling solutions. Webjet has secured a 49% stake in the business with a future option to acquire the remaining 51% after 36 months but before the end of the five-year window.

ROOMDEX's flagship product, Upgrade Optimizer, is a fully automated hotel upsell tool that intelligently calculates True Availability<sup>SM</sup> (ensuring upgrade offers can be fulfilled) and the optimal price for hotels to provide upsell offers on room upgrades, stay extensions and guest services. By automating the often time-consuming upsell process, Upgrade Optimizer delivers hotels high margin revenue and substantial return on investment. ROOMDEX's forthcoming ABS (Attribute Based Selling) technology will enable hotels to further increase revenue from bespoke upselling.

At 16 February 2022, ROOMDEX had net liabilities of US\$1.2 million (A\$1.8 million). Due to the proximity of the acquisition to reporting date, the purchase price allocation remains provisional, therefore A\$14.8 million has been provisionally allocated to goodwill. This notional goodwill is not separated but is recognised as part of the carrying value of the investment in associate. The carrying value of investment, including goodwill, is tested for impairment. If the current disruption to the travel industry due to the COVID-19 pandemic continues for a protracted period, leading to ROOMDEX failing to execute on the business model and strategy or failing to realise the expected growth and market share, an impairment of the goodwill may result in the future.

From acquisition date to 31 March 2022, the net loss for ROOMDEX was A\$0.8 million.

### 3.5 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Acquisition-related costs are expensed to profit or loss as incurred. Acquisition-related costs relating to raising debt are capitalised against the debt and amortised over the life of the facility. Acquisition-related costs relating to raising equity are recognised directly in equity.

#### Acquisitions during the year: Trip Ninja Inc.

##### (a) Summary of acquisition

In November 2021 the Group acquired 100% of the issued share capital of Trip Ninja Inc. ("Trip Ninja"). Trip Ninja has developed several key products for traditional and online travel agencies to automate the highly manual process of selling complex international itineraries. It achieves this by utilising two technologies; FareStructure and FlexTrip by which it searches non-aligned carriers for options that will work as an itinerary and, if the end user agrees, by re-ordering the stopovers to achieve the best price both for the consumer and better margins for the Company.

##### (b) Consideration paid

The fair value of the consideration paid or payable was A\$5.6 million (or US\$4 million) as follows:

	31 March 2022
	\$m
Consideration paid or payable comprises:	
Cash paid	3.5
Deferred consideration <sup>(1)</sup>	2.1
<b>Total consideration paid or payable</b>	<b>5.6</b>

(1) Deferred consideration is payable in 18 months from the date of acquisition. Deferred consideration is classified as Other liabilities in the consolidated balance sheet. The deferred consideration is re-assessed at each reporting period.

## Notes to the consolidated financial statements.

### 3.5 Business combination (continued)

#### (c) Identifiable assets and liabilities acquired

As required under AASB 3, Webjet is required to identify the fair value of the asset and liabilities of Trip Ninja at the acquisition date. The fair values of assets and liabilities acquired are provisional pending finalisation of the completion statement with the Seller.

	Reported at 24 November 2021	Adjustments <sup>(1)</sup>	Revised fair value on acquisition
	\$m	\$m	\$m
Receivables and other assets	0.1	–	0.1
Intangibles excluding goodwill	–	2.2	2.2
<b>Total assets</b>	<b>0.1</b>	<b>2.2</b>	<b>2.3</b>
Deferred tax liability	–	(0.3)	(0.3)
Borrowings	(0.1)	–	(0.1)
Shareholder loan	(1.1)	(1.1)	(2.2)
<b>Total liabilities</b>	<b>(1.2)</b>	<b>(1.4)</b>	<b>(2.6)</b>
<b>Net (liabilities assumed)/assets acquired</b>	<b>(1.1)</b>	<b>0.8</b>	<b>(0.3)</b>
<b>Consideration paid or payable</b>	<b>5.6</b>	<b>–</b>	<b>5.6</b>
<b>Goodwill recognised on acquisition</b>	<b>6.7</b>	<b>–</b>	<b>5.9</b>

(1) Adjustments arose from additional work to determine fair value of assets acquired and liabilities assumed at acquisition date.

#### (d) Cash outflow on acquisition

	31 March 2022
	\$m
Net cash outflow on acquisition	–
Cash paid	3.5
<b>Net cash paid</b>	<b>3.5</b>

#### (e) Revenue and profit contribution

	Since acquisition	If included from beginning of the period
	\$m	\$m
Total transaction value	–	–
Loss before tax	0.3	–

#### (f) Business acquisition costs

	31 March 2022
	\$m
Acquisition costs recognised in profit or loss	0.4
Integration costs recognised in profit or loss	0.2
<b>Total business acquisition costs</b>	<b>0.6</b>

## 4 Other disclosures

### 4.1 Issued Capital

	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	No of shares (m)	No of shares (m)	\$m	\$m
Ordinary shares – fully paid	380.5	339.0	1,037.8	847.4
<b>Total issued capital</b>	<b>380.5</b>	<b>339.0</b>	<b>1,037.8</b>	<b>847.4</b>

#### (a) Movements in issued capital

	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	No of shares (m)	No of shares (m)	\$m	\$m
<b>Opening balance</b>	<b>339.0</b>	<b>339.0</b>	<b>847.4</b>	<b>847.4</b>
Issue of shares from conversion of €100 million Convertible Notes <sup>(1)</sup>	39.7	–	185.8	–
Issue of shares under share based payment	1.8	–	4.6	–
<b>Closing Balance</b>	<b>380.5</b>	<b>339.0</b>	<b>1,037.8</b>	<b>847.4</b>

(1) In April 2021, the €100 million Convertible Notes were fully settled by issuing 39.7 million shares and paying a conversion incentive fee of \$33.2 million.

The total number of ordinary shares outstanding at the end of the period was 380,509,819 (2021: 339,002,523), inclusive of treasury shares of 167,882 (2021: 167,882).

# Notes to the consolidated financial statements.

## 4.2 Subsidiaries

The Group's subsidiaries as at 31 March 2022 are set out below. Unless otherwise stated, they are 100% owned, have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

### Australia

- Webjet Marketing Pty Ltd<sup>(1)</sup>
- Rez Group Pty Ltd<sup>(1)</sup>
- GoSee Travel Pty Ltd (formerly known as Online Republic Pty Ltd)<sup>(1)</sup>

### United Arab Emirates

- WebBeds FZ LLC
- Umrah Holidays International FZ-LLC<sup>(3)</sup>
- Destinations of the World DMCC
- DOTW KSA Ltd
- DOTW Kuwait Ltd
- Destinations of the World Travel and Tourism LLC

### United Kingdom

- CoSee Travel Limited (formerly known as Online Republic Group Limited (UK))
- Fyrkant Ltd
- Sunhotels Ltd
- Totalstay Limited
- WebBeds Limited
- JAC Group (Holdings) Limited
- JAC Travel Limited
- JAC Travel Group Acquisitions Limited
- JAC Travel Group Financing Limited
- JAC Travel Group (Holdings) Limited

### Other countries

- Webjet Marketing NZ PTY LTD
- WebBeds LLC
- Search Republic Limited<sup>(2)</sup>
- CoSee Limited (formerly known as Online Republic Group Limited)
- Trip Ninja Inc
- WebBeds Services SRL
- Busy Bee SL
- Sunhotels Mundo S.L.U
- Jac Travel Limited (UK) Filial
- JAC Travel Inc
- JAC Travel Limited
- Earlybird (Shenzen) Limited
- FIT Ruums Pte Ltd
- JAC Travel Information Consulting (Beijing) Company Limited
- Webjet International Limited
- WebBeds Holdings Co Limited
- WebBeds FZ LLC (Korea Branch)
- WebBeds Travel & Tourism
- Umrah Holidays Travel & Tourism
- DOTW Holdings Limited
- Destinations of the World (Thailand) Co., Limited
- Destinations of the World (Malaysia) Sdn. Bhd
- Destinations of the World Holding Establishment
- Destinations of the World (Subcontinent) Private Limited
- Travel Tech S. R. L.
- Destinations of the World Istanbul Sehayat Ve Turizm Anonim
- DOTW Shared Services Inc.
- Destinations of the World Saudi Arabia for Tourism LLC
- DoTW Kuwait for Hotels, Real Estate and Healthcare Centres
- Destinations of the World Travel and Tourism LLC
- Dominica de Turismo (Domitur) SRL
- Shanghai Mei. Gao Information and Technologies Co., LTD
- Bico T. S. Co Ltd (Japan)
- Bico Trip Co. Ltd
- Bico Trip Co. Ltd (Korea)

(1) Member of the Australian tax-consolidated group.

(2) 51% interest held. The value of non-controlling interest is not material.

(3) 56% interest held. The value of non-controlling interest is not material.

### 4.3 Parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements.

The individual financial statements for the parent entity show the following aggregate amounts:

	As at 31 March 2021	As at 31 March 2021
	\$m	\$m
<b>Balance sheet</b>		
Current assets	252.7	132.2
Non-current assets	1,030.5	1,017.3
<b>Total assets</b>	<b>1,283.2</b>	<b>1,149.5</b>
Current liabilities	3.1	108.6
Non-current liabilities	256.2	239.0
<b>Total liabilities</b>	<b>259.3</b>	<b>347.6</b>
<b>Net assets</b>	<b>1,023.9</b>	<b>801.9</b>
<b>Equity</b>		
Issued capital	1,037.8	847.5
Reserves	49.9	4.7
Retained earnings	(63.8)	(50.3)
<b>Total equity</b>	<b>1,023.9</b>	<b>801.9</b>
Loss for the period	13.5	67.9
<b>Total comprehensive loss</b>	<b>13.5</b>	<b>67.9</b>

#### Guarantees entered into by the parent entity

The parent entity, along with other associated subsidiaries, have collectively given financial guarantees for unsecured banking facilities granted to the Group as disclosed in note 4.9.

#### Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 March 2022 or 31 March 2021.

## Notes to the consolidated financial statements.

### 4.4 Taxation

The income tax expense or benefit for the period is the tax payable on the current period's taxable income using the applicable income tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge or credit is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to positions in which applicable tax regulations may be subject to interpretation. The group recognises provisions, where appropriate, on the basis of amounts expected to be paid to the relevant tax authorities.

Deferred income tax is provided in full using the liability method and based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities arising from temporary differences between the carrying amount and tax bases of investments in foreign operations are not recognised where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Webjet Limited and its wholly-owned Australian entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are offset against each other in the consolidated financial statements.

Current and deferred tax balances are recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Income tax benefit

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
<b>Current tax</b>		
Current year tax expense/(benefit)	2.3	(0.3)
Adjustment for current tax of prior periods	0.1	0.2
<b>Total current tax expense/(benefit)</b>	<b>2.4</b>	<b>(0.1)</b>
<b>Deferred tax</b>		
Current year deferred tax expense/(benefit)	(21.2)	(18.4)
Adjustments for deferred tax of prior periods	(1.1)	(2.5)
<b>Total deferred tax expense/(benefit)</b>	<b>(22.3)</b>	<b>(20.9)</b>
<b>Income tax expense/(benefit)</b>	<b>(19.9)</b>	<b>(21.0)</b>

#### (b) Numerical reconciliation of income tax benefit to prima facie tax payable

	12 months ended 31 March 2022	9 months ended 31 March 2021
	\$m	\$m
Profit/(loss) from continuing operations before income tax expense	(104.9)	(177.6)
<b>Tax at the Australian tax rate of 30.0% (2021: 30.0%)</b>	<b>(31.5)</b>	<b>(53.3)</b>
Effect of income/expenses that are not assessable/deductible in determining taxable profit	2.1	19.0
Difference in overseas tax rates	9.6	15.0
Prior periods adjustments	(0.9)	(2.3)
Other	0.8	0.6
<b>Income tax expense/(benefit)</b>	<b>(19.9)</b>	<b>(21.0)</b>

#### 4.4 Taxation (continued)

##### (c) Movements in deferred tax assets

	Tax losses	Derivatives	Employee benefits	Conversion incentive fee on Bond	Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>At 1 July 2020</b>	15.3	3.8	0.9	–	6.0	26.0
(Charged)/credited						
– to profit or loss	13.9	(0.4)	0.1	5.0	(1.5)	17.1
– directly to equity	–	(2.3)	–	–	–	(2.3)
– under/over provision	2.5	–	–	–	–	2.5
<b>At 31 March 2021</b>	<b>31.7</b>	<b>1.1</b>	<b>1.0</b>	<b>5.0</b>	<b>4.5</b>	<b>43.3</b>
(Charged)/credited						
– to profit or loss	11.7	(0.6)	–	3.0	(1.2)	12.9
– directly to equity	–	(0.4)	–	–	(0.7)	(1.1)
– under/over provision	1.1	–	–	–	–	1.1
<b>At 31 March 2022</b>	<b>44.5</b>	<b>0.1</b>	<b>1.0</b>	<b>8.0</b>	<b>2.6</b>	<b>56.2</b>

In applying judgement in recognising deferred tax assets, all available information has been assessed, including five-year future business profit projections. As at 31 March 2022, the group has recognised a deferred tax asset of \$44.5 million in relation to unused tax losses of which \$11.7 million relates to tax losses incurred during the current income year.

It is expected that these tax losses will be utilised by future taxable profits derived by the group, taking into account the reversal of existing taxable temporary differences and trading profits in the relevant jurisdictions to which the tax losses relate. There are no unrecognised deferred tax assets.

##### (d) Movements in deferred tax liabilities

	Intangible assets	Derivatives	Interest receivable	Other	Total
	\$m	\$m	\$m	\$m	\$m
<b>At 1 July 2020</b>	30.4	–	–	0.7	31.1
Charged/(credited)					
– to profit or loss	(1.7)	0.6	–	(0.2)	(1.3)
– directly to equity	–	–	–	2.4	2.4
<b>At 31 March 2021</b>	<b>28.7</b>	<b>0.6</b>	<b>–</b>	<b>2.9</b>	<b>32.2</b>
Charged/(credited)					
– to profit or loss	(5.6)	(0.6)	–	(1.9)	(8.1)
<b>At 31 March 2022</b>	<b>23.1</b>	<b>–</b>	<b>–</b>	<b>1.0</b>	<b>24.1</b>

##### (e) Relevance of tax consolidation to the Group

The company and its wholly-owned Australian resident entities formed an income tax consolidated group with effect from 1 July 2007 and are therefore taxed as a single entity from that date. The head entity of the income tax consolidated group is Webjet Limited. The members of the tax consolidated group are identified in Note 4.2.

The tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach.

Current tax liabilities and assets and deferred tax assets relating to carried forward tax losses and relevant tax credits of the members of the tax consolidated group are recognised by Webjet Limited (as the head entity of the tax consolidated group).

##### (f) Nature of tax funding arrangements and tax sharing agreements

Entities within the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity, Webjet Limited. Under the terms of the tax funding arrangement, Webjet Limited and each of the entities in the tax consolidated group have agreed to make a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group, is limited to the amount payable to the head entity under the tax funding arrangement.

## Notes to the consolidated financial statements.

### 4.5 Financial risk management

The Group's risk management is based on policies approved by the Board of Directors. Group finance identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The Board provides written principles for overall risk management, and review and approved policies covering specific areas, such as foreign exchange risk, interest rates and the use of derivative financial instruments.

#### (a) Capital risk management

The Group has a capital risk and investment policy to provide guidance for its capital requirements. The policy is reviewed annually to take into consideration the Group's changing risk and short- and long-term funding needs. The Group's debt and capital includes ordinary share capital, and financial liabilities supported by financial assets.

In April 2021, the Group took advantage of the market conditions to issue \$250 million Convertible Notes. The Convertible Notes were issued on 8 April 2021, and the net proceeds received were used to further repay \$43.3 million of bank debt. This also allowed the Group to extend the remaining debt maturity, reduce liquidity requirements and thereby maximise the Group's financial flexibility while maintaining a prudent capital structure. In April 2021, the €100 million Convertible Notes were settled by issue of ordinary shares and payment of a conversion incentive. Refer to note 4.9 for details.

As a result, the Group has significant cash reserves and is well placed to capture the significant B2B market opportunity and accelerate growth in our B2C businesses. The Group's investment policy ensures that the organisation maximises its return from funds invested while adopting a very conservative approach to risk and also ensuring sufficient working capital is maintained.

#### (b) Classification of financial instruments

	As at 31 March 2022	As at 31 March 2021
	\$m	\$m
<b>Financial assets</b>		
Loan and receivable	112.7	39.8
Cash and cash equivalents	433.7	261.0
<b>Financial liabilities</b>		
Debt at Amortised cost	307.8	254.0
Other financial liabilities <sup>(1)</sup>	8.2	13.3
<b>Financial liabilities – at fair value through profit and loss</b>		
Derivatives	0.9	96.5
Other financial liabilities <sup>(2)</sup>	–	5.1

(1) Comprises lease liabilities and earn-out provision.

(2) Comprises Put option liability.

#### (c) Derivatives

The Group enters into derivative financial instruments to manage its exposure to movement in interest rates and foreign exchange rates, including foreign exchange forward contracts and cross-currency interest rate swaps, in accordance with the Group's financial risk management policies. The Group has the following derivative financial instruments at reporting date:

	As at 31 March 2022	As at 31 March 2021
	\$m	\$m
<b>Current liabilities</b>		
Forward foreign exchange contracts – cash flow hedges	0.5	0.1
interest rate swaps	0.3	–
Convertible Note embedded derivative	–	93.3
<b>Non-current liabilities</b>		
Interest rate swaps	0.1	–
Cross-currency interest rate swap – part cashflow hedge, part net investment hedge	–	3.1

The Group does not enter into any derivative contracts for trading. Derivative instruments are used to hedge against cashflow and translation risk as described below. Derivatives are classified as Level 2 in the fair value hierarchy

## 4.5 Financial risk management (continued)

### (i) Cross-currency interest rate swap contract

Webjet Limited entered into various cross-currency interest rate swaps to hedge against variable floating borrowings in AUD as well as its net investment in foreign operations. The liability was extinguished upon closure in March 2022.

### (ii) Interest rate swap contract

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held.

### (iii) Forward exchange contracts

The Group enters into forward foreign exchange contracts to manage its foreign exchange rate risk on trading activities. These contracts are carried at fair value with changes in fair values recognised in equity through the cash flow hedge reserve, to the extent the hedge is effective. Any hedge ineffectiveness is recognised in profit and loss.

### (iv) Convertible Note embedded derivative

This is the conversion feature in the Convertible Notes which is separated and recognised separately as an embedded derivative, separate to the host debt contract. The conversion feature represents the Group's obligation to issue Webjet Limited shares at a fixed price should noteholders exercise their conversion option. In April 2021, upon conversion of the Notes the liabilities were extinguished.

## (d) Market risk

### (i) Foreign exchange risk

Foreign currency risk mainly arises from the Group's transactions with foreign customers and foreign suppliers in various foreign currencies. The B2B operations offer customers and suppliers a wide range of invoicing currencies, of which the euro, United States dollar, British pound, United Arab Emirates dirham are the most common. The Group's risk management policy is to hedge the net foreign currency risk arising from trading activities and uses forward exchange contracts for material currency pair exposures to hedge against currency fluctuation.

At the end of the period, the Group's exposure to foreign currency risk has been effectively mitigated as the Group uses FX forwards to mitigate any currency exposure that is not naturally hedged. 10% increase or decrease in any material currency, will have an immaterial impact on the Group's profit or loss or equity.

### (ii) Interest rate risk

The Group's interest rate risk arises mainly from its borrowings at floating interest rates and cash and cash equivalents. The Group manages interest rate risk from borrowings by entering interest rate swaps to mitigate the risk of rising interest rates.

As at 31 March 2022, the Group had cash and cash equivalents of \$433.7 million (2021: \$261.0 million). The average interest rate on all deposits was 0.18% (2021: 0.07%). Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. If interest rates were to increase or decrease by 0.18%, the impact to profit and loss would be an increase or decrease to interest revenue of \$0.8 million.

## (e) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and banking facilities continuously monitoring the forecast and actual cashflows and matching the maturity profile of financial assets and liabilities.

In April 2021, the Group issued \$250 million Unsecured Convertible Notes ("New Notes") and extended an offer to noteholders of the existing Notes an early conversion which included a cash conversion incentive payment of \$33.2 million. The net proceeds were used to repay \$43.3 million of bank debt, and successfully extend further a portion of the remaining debt to November 2023. The existing Notes were fully settled in April 2021 with the issue of 39.7 million ordinary shares and payment of the conversion incentive. Refer note 2.2.

### (i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March 2022	As at 31 March 2021
	\$m	\$m
Undrawn revolving credit facility	14.9	96.3

## Notes to the consolidated financial statements.

### 4.5 Financial risk management (continued)

#### (f) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for (a) all non-derivative financial liabilities, and (b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

	Less than 1 year	1 to 2 years	2 to 5 years	Total contractual cash flows	Carrying amount
	\$m	\$m	\$m	\$m	\$m
<b>31 March 2022</b>					
Trade payables	276.8	–	–	276.8	276.8
Client deposits	13.0	–	–	13.0	13.0
Lease liabilities	4.2	2.2	2.1	8.5	8.2
Borrowings <sup>(1)</sup>	1.9	87.9	–	89.8	307.8
<b>Total non-derivatives</b>	<b>295.9</b>	<b>90.1</b>	<b>2.1</b>	<b>388.1</b>	<b>605.8</b>
Trading derivatives	0.8	0.1	–	0.9	0.9
<b>Total financial liabilities</b>	<b>296.7</b>	<b>90.2</b>	<b>2.1</b>	<b>389.0</b>	<b>606.7</b>

(1) Includes the \$250 million Notes. Assumption is that the Notes would be converted into shares in 2024, therefore only the coupon payments are included as contractual cash outflows.

	Less than 1 year	1 to 2 years	2 to 5 years	Total contractual cash flows	Carrying amount
	\$m	\$m	\$m	\$m	\$m
<b>31 March 2021</b>					
Trade payables	109.4	–	–	109.4	109.4
Client deposits	10.3	–	–	10.3	10.3
Lease liabilities	3.7	3.0	1.2	7.9	7.9
Borrowings <sup>(1)</sup>	10.0	136.0	6.0	152.0	254.0
<b>Total non-derivatives</b>	<b>133.4</b>	<b>139.0</b>	<b>7.2</b>	<b>279.6</b>	<b>381.6</b>
Trading derivatives <sup>(2)</sup>	0.1	4.0	–	4.1	96.5
<b>Total financial liabilities</b>	<b>133.5</b>	<b>143.0</b>	<b>7.2</b>	<b>283.7</b>	<b>478.1</b>

(1) Includes the €100 million Notes. Assumption is that the Notes would be settled into shares as the share price is higher than the conversion price, therefore only the coupon payments are included as contractual cash outflows. The Notes were settled in April 2021 by the issue of shares and a cash conversion incentive payment of \$33.2 million.

(2) The carrying amount includes the Convertible Note embedded derivative which has no contractual cash outflows.

#### (g) Client funds held

As at 31 March 2022, Webjet had \$24.2 million of cash received from customers which is due to be paid to airlines in accordance with International Air Transport Association (IATA) requirements (2021: \$9.8 million).

## 4.6 Summary of other key accounting policies

This note provides a list of all other significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group consisting of Webjet Limited and its subsidiaries.

### Basis of preparation

This is a general purpose financial report which has been prepared in accordance with the requirements of applicable Australian Accounting Standards, interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001 (Cth). This financial report complies with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board. Webjet Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on a historical cost basis, except for derivative financial instruments, superannuation commitments and investments in financial assets which have been measured at fair value.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 dated 24 March 2016, relating to the rounding of amounts in the financial statements. Amounts in this financial report have been rounded to the nearest one hundred thousand dollars, or in certain cases, to the nearest dollar.

Webjet's Directors have included information in this report that they deem to be material and relevant to the understanding of the consolidated financial statements. Where appropriate, comparative information has been reclassified to conform to changes in presentation and to enhance comparability.

Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the current year results or any significant changes in the business operations.

Except where noted, the financial statements have been prepared using consistent accounting policies aligned to those in the prior financial period and corresponding interim reporting period.

### Significant accounting policies that apply to the financial statements

#### Functional and Presentation Currency

The Company's functional and presentation currency is Australian dollars. Each entity within the Group determines its own functional currency and the financial statements of each entity are measured using that functional currency.

#### Transactions and Balances

Transactions in currencies other than the functional currency of the entity are recorded using the exchange rate on the date of transaction. Monetary assets and liabilities that are denominated in foreign currencies at the balance date are translated at the closing exchange rate. Non-monetary assets are not subject to retranslation unless they are carried at fair value. Gains and losses arising on the retranslation of monetary assets and liabilities are included in the income statement, except where the application of hedge accounting requires inclusion in other comprehensive income.

#### Consolidation of Group Entities

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the closing rate at balance date. The results of foreign operations are translated into Australian dollars at average exchange rates for the period where these do not materially differ from rates applicable on the date of the transaction. Foreign exchange differences arising on the retranslation of foreign operations are recognised directly in equity.

The following exchange rates have been applied in translating foreign currency balances and transactions to the presentation currency:

	31 March 2022	31 March 2021	12 months ended 31 March 2022	9 months ended 31 March 2021
	Spot rates		Average rates	
Australian Dollar to United States Dollar	1.3319	1.3161	1.3500	1.3467
Australian Dollar to Euro	1.4863	1.5424	1.5784	1.6096
Australian Dollar to British Pound	1.7500	1.8084	1.8577	1.8021
Australian Dollar to United Arab Emirates Dirham	0.3626	0.3583	0.4181	0.3667

## Notes to the consolidated financial statements.

### 4.7 Going concern

The consolidated financial statements are prepared on a going concern basis. For the twelve month period ended 31 March 2022, the Group recorded a loss after tax of \$85.0 million and operating cash inflows of \$71.5 million, an improvement over the prior period due to the recovery of the domestic and international travel sectors across the business. The improved trading is primarily attributable to the widespread availability of COVID-19 vaccines and the relaxation of restrictions across source and destination countries.

The continued unpredictability of the COVID-19 pandemic on resumption of travel has the potential to impact the going concern basis of preparation. Latest management forecasts over the next five years anticipate a recovery to pre-COVID-19 EBITDA levels in 2024, and greater volumes of domestic and international travel as global border restrictions are lifted. Management is also monitoring short and medium term impacts resulting from the Russian-Ukrainian conflict. Any shift in timing on when these events occur may potentially impact the Group's ability to continue as a going concern.

Noting the detrimental impact of COVID-19 and the uncertainties it presents, the directors maintain their belief there are reasonable grounds to conclude that the Group will continue as a going concern based on the following:

- The Group has sufficient cash balances of \$433.7 million as at 31 March 2022 (including fully drawn Revolving Credit Facilities of \$86 million)
- New Convertible Notes issued in April 2021 for \$250 million due in 2026 with an investor put option on or about 12 April 2024
- Existing Convertible Notes of €100 million were settled in April 2021
- Based on Management's estimates, the Group will be able to hold sufficient liquidity to support its current obligations and will be able to comply with all the bank covenants.

As a result of the factors noted above, the directors believe the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the presentation of the consolidated financial report.

### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. As a result of COVID-19, the Group received government assistance in the form of wage subsidies across various jurisdictions including Australia, New Zealand and United Kingdom.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. In the current period, government subsidies are recognised as part of non-operating expenses. Refer to note 1.4.

#### 4.8 Adoption of new accounting standards

The following minor amendments to standards became effective 1 April 2021:

Effective for the first-time	Effective date on or after	Applicable effective date for the Group
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 January 2021	1 April 2021
AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent	1 June 2020	1 April 2021
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 January 2021	1 April 2021

The following standards are in issue but not yet effective:

New and revised pronouncements applicable to all entities	Effective date on or after	Applicable effective date for the Group
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,	1 January 2022	1 April 2022
AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128,		
AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections		
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and	1 January 2023	1 April 2023
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date		
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022	1 April 2022
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	1 April 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	1 April 2023

#### 4.9 Contingent liabilities

At 31 March 2022, the Group had drawn bank guarantee facilities amounting to \$63.6 million (31 March 2021: \$38.5 million). There are no other contingent assets or liabilities requiring disclosure as at the date of this report.

#### 4.10 Subsequent events

There are no matters or circumstances have arisen, from the end of the reporting period to the date of this report, which have significantly affected the operations of the Group, the results of the operations or the state of affairs of the Group.

## Directors' Declaration.

### In the Directors' opinion:

- (a) the financial statements and notes set out on pages 50 to 85 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Group's financial position as at 31 March 2022 and of its performance for the year-ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

Note 4.6 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Directors



**Roger Sharp**

Chair  
Melbourne, 19 May 2022

## Independent Auditor's Report to the Members of Webjet Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Webjet Limited (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 March 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
<p><b>Carrying value of goodwill and intangibles in relation to the B2B and B2C businesses</b></p> <p>As at 31 March 2022 the Group’s goodwill and other intangible assets balance totalled \$766.5 million which represents 54% of total assets as disclosed in Note 3.1.</p> <p>Goodwill and other intangible assets are required to be assessed for impairment annually or where there is an indicator of impairment.</p> <p>The recoverable amount of the B2B and B2C cash generating units (CGUs) have been determined using a value in use model (VIU), which incorporates significant judgement related to the estimation of future cash flows, short term growth rates, long term growth rates, terminal values, working capital levels, allocation of corporate costs and discount rates.</p> <p>Changes to these assumptions can impact the recoverable amount determined for each CGU.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the process that management undertook to perform their impairment assessment;</li> <li>• Assessing the design and implementation of relevant controls within management’s impairment assessment process, including the preparation, review and board approval of cash flow forecasts supporting this process; and</li> <li>• evaluating the level at which goodwill is monitored, including the identification of CGUs.</li> </ul> <p>In conjunction with our valuation specialists, we:</p> <ul style="list-style-type: none"> <li>• evaluated the VIU models prepared by management and validated the reasonableness of the assumptions used to calculate the discount rate, long-term growth rates, terminal values, working capital levels and allocation of corporate costs compared to historical performance and industry benchmarks to ensure compliance with the relevant accounting standards;</li> <li>• assessed the projected cash flows for both the B2B and B2C businesses, including the assumptions relating to EBITDA growth rates and the impact of COVID-19 by considering relevant economic and industry forecasts;</li> <li>• agreed the forecasted cashflows for FY23 to the latest Board approved budget;</li> <li>• assessed historical forecasting accuracy;</li> <li>• assessed the integrity and clerical accuracy of the impairment models prepared by management;</li> <li>• compared the market capitalisation of the Group to the Group’s net assets;</li> <li>• assessed management’s consideration of the sensitivity to a change in key assumptions that either individually or collectively would be required for goodwill and intangibles to be impaired; and</li> <li>• assessed the appropriateness of the disclosures included in Note 3.1 to the financial statements.</li> </ul>

## *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the annual report for year ended 31 March 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the Directors for the Financial Report*

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 34 to 47 of the Directors' Report for the year ended 31 March 2022.

In our opinion, the Remuneration Report of Webjet Limited for the year ended 31 March 2022, complies with section 300A of the *Corporations Act 2001*.

## *Responsibilities*

The directors of the Entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, handwritten-style font.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'S Roche'.

Stephen Roche

Partner

Chartered Accountants

Melbourne, 19 May 2022

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## Shareholder Information.

The shareholder information set out below was applicable as at 30 April 2022.

### A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Ordinary Shares	
	Shares	Options
1 – 1,000	41,717	–
1,001 – 5,000	17,526	–
5,001 – 10,000	3,262	–
10,001 – 100,000	2,295	–
100,001 and over	113	–
	<b>64,913</b>	<b>–</b>

### B. Voting rights

380,509,819 fully paid ordinary shares are held by 64,913 individual shareholders. All issued ordinary shares carry one vote per share.

### C. Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary Shares	
	Number held	Percentages of shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	52,673,217	13.84
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	48,383,971	12.72
CITICORP NOMINEES PTY LIMITED	36,674,289	9.64
NATIONAL NOMINEES LIMITED	21,164,397	5.56
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	9,384,290	2.47
BNP PARIBAS NOMS PTY LTD <DRP>	8,089,539	2.13
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	6,161,195	1.62
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	5,969,567	1.57
JAYELLE SUPER PTY LTD <JOHN LEMISH SUPER FUND A/C>	5,300,000	1.39
SANDHURST TRUSTEES LTD <HARPER BERNAYS LTD A/C>	3,471,893	0.91
MR STEVEN SCHEUER <NO 1 ACCOUNT>	3,358,105	0.88
CHESTERS NOMINEES PTY LTD	3,145,110	0.83
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	2,989,765	0.79
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,308,182	0.61
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	2,282,635	0.60
MR JOHN LEMISH	2,200,000	0.58
SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA>	1,874,157	0.49
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,794,025	0.47
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	1,543,159	0.41
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,266,632	0.33
	<b>220,034,128</b>	<b>57.83</b>

### D. Substantial holders

Substantial holders in the company are set out below:

Holding	Number held	Percentage
Ausbil Investment Mgt	27,056,374	7.11
L1 Capital	21,142,501	5.56
First Sentier Investors – Growth Australian Equities	19,391,801	5.10
First Sentier Investors – Australian Small Companies	13,904,130	3.65
Vanguard Group	11,794,153	3.10
Remaining	287,220,860	75.48

## Corporate directory.

### Directors

- Roger Sharp, Chair  
Independent Non-Executive Director
- John Guscic  
Managing Director
- Don Clarke, Deputy Chair  
Independent Non-Executive Director
- Brad Holman  
Independent Non-Executive Director
- Denise McComish  
Independent Non-Executive Director
- Shelley Roberts  
Independent Non-Executive Director

### Company Secretaries

- Tony Ristevski
- Ella Zhao

### Registered office

Level 2, 509 St Kilda Road  
Melbourne Victoria 3004 Australia  
Phone: +61 3 9828 9500  
Email: [webjet@webjet.com.au](mailto:webjet@webjet.com.au)  
Website: [www.webjetlimited.com](http://www.webjetlimited.com)

### Share Registry

Computershare Investor Services Pty Ltd  
GPO Box 2975  
Melbourne VIC 3001 Australia  
Telephone within Australia: 1300 556 161  
International Callers: +61 3 9415 4000

### Auditor

Deloitte Touche Tohmatsu  
477 Collins Street  
Melbourne Victoria 3000 Australia

### Stock Exchange Listings

Webjet Limited's shares are listed on the Australian Securities Exchange (ASX:WEB).

Webjet Limited's \$250 million unsecured convertible notes are listed on the Singapore Exchange.

## Glossary

- |                         |   |
|-------------------------|---|
| • APAC                  | Asia Pacific  |
| • B2B                   | Business to Business  |
| • B2C                   | Business to Consumer  |
| • CAGR                  | Compound Annual Growth Rates  |
| • Company               | Webjet Limited  |
| • EBITDA                | Earnings before interest depreciation and amortisation  |
| • ERP                   | Enterprise Resource Planning system   |
| • FAR                   | Fixed Annual Remuneration   |
| • GDS                   | Global Distribution System  |
| • Group                 | Webjet Limited and its consolidated entities  |
| • KMP                   | Key Management Personnel  |
| • LTI                   | Long-term Incentive   |
| • MEA                   | Middle East & Africa  |
| • NPAT                  | Net Profit After Tax  |
| • OTA                   | Online Travel Agent   |
| • STI                   | Short-term Incentive  |
| • TTV                   | Total Transaction Value   |
| • Underlying Operations | excludes non-operating expenses, share based payment expenses, Acquisition Amortisation and Convertible Note interest |
| • VWAP                  | Volume-weighted average price   |
| • Webjet                | Webjet Limited  |

All references in this Annual Report to \$ are for Australian dollars unless otherwise noted.

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**Webjet Limited**

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