web travel group

Appendix 4D

Preliminary half-year financial report.

Name of entity	ABN reference
WEB Travel Group Limited (formerly known as Webjet Limited) (**WEB**)	68 002 013 612

1. Reporting periods

	Current period	Previous corresponding period
Financial half-year ended	30 September 2024	30 September 2023

2. Results for announcement to the market

Key Information		% Change		30 September 2024 $m
Total revenue from ordinary activities	down	3%	to	170.4
Profit from ordinary activities after tax from continuing operations attributable to members	up	6%	to	37.5
Profit from ordinary activities after tax from discontinued operations attributable to members	up	2,788%	to	190.6
Net profit for the period attributable to members	up	443%	to	228.1

Refer to pages 5 to 7 of the half-year Financial Report for overview of performance.

3. Dividends

Dividend	Payment date	Cents per share	Franked amount per security at 30% tax
Interim – 30 September 2024	n/a	n/a	n/a
Final – 31 March 2024	n/a	n/a	n/a
Interim – 30 September 2023	n/a	n/a	n/a

4. NTA backing

	As at 30 September 2024 Cents	Restated(i) As at 31 March 2024 Cents
Net tangible asset backing per ordinary share(ii)	3.5	21.3

(i) The Consolidated Statement of financial position as at 31 March 2024 has been restated as a result of the payment errors, disputes, other write-offs and revision of accounting for supplier payables. Refer to Note 6.2 for further details.

(ii) Inclusive of right of use assets. As a result of the Demerger, the 30 September 2024 balances include the WebBeds B2B business only whereas the 31 March 2024 balances include both the B2B and B2C businesses (Webjet OTA and GoSee). Refer to Notes 1 and 6.1 for further details.

6. Entities over which control has been lost during the period

Earlybird (Shenzen) Limited
GoSee Limited
GoSee Travel Limited
GoSee Travel LLC
GoSee Travel Pty Ltd
Search Republic Limited
Trip Ninja Inc.
Webjet Group Limited
Webjet Marketing NZ Pty Limited
Webjet Marketing Pty Ltd

7. Details of associates

Locktrip UK Holdings Limited

web travel group

Half-Year
Financial Report.

For the six months ended 30 September 2024

WEB Travel Group Limited.

(formerly known as Webjet Limited)

ABN 68 002 013 612

Half-Year Financial Report.

For the six months ended 30 September 2024

Contents.

Directors' Report

The Directors of WEB Travel Group Limited (formerly known as Webjet Limited) (**WEB Travel, the Company**) present the financial report of the Company and its controlled entities (**the Group**) for the half-year ended 30 September 2024.

The Demerger

During the half-year, the Company undertook a restructure and demerger process, pursuant to which a new holding company (Webjet Group Limited) was formed, and the Group's two B2C businesses, Webjet Online Travel Agency (OTA) and GoSee were transferred to Webjet Group Limited (WJL). On 17 September 2024, shareholders approved the Demerger and the shares in WJL were transferred to the Company's shareholders by way of an in-specie distribution on 30 September 2024. The Demerger was completed on time and with strong support from shareholders. The performance of the B2C businesses that were transferred to WJL are reported as discontinued operations in this report.

The Directors believe that the Demerger will create long term value for shareholders, with each business now able to adopt more focussed operating structures and strategies, and allow shareholders to better value each business on a standalone value.

Directors

The Directors of the Company during or since the end of the half-year are:

- **Roger Sharp** (Independent Chair and Non-Executive Director)
- **John Guscic** (Managing Director)
- **Brad Holman** (Independent Non-Executive Director)
- **Denise McComish** (Independent Non-Executive Director)
- **Don Clarke** (Independent Deputy Chair and Non-Executive Director) – resigned on 30 September 2024
- **Katrina Barry** (Independent Non-Executive Director) – resigned on 24 June 2024

Principal activities.

The principal activity of the Group during the financial period is the online sale of travel products, predominantly hotel rooms. The Group's business consists of a B2B wholesale division – WebBeds.

Other than in respect of the Demerger, the Group's principal activities remain unchanged from the previous financial year.

Continuing operations

WebBeds

WebBeds, the Company's business to business (**B2B**) travel business, is a global marketplace for the travel trade, providing powerful hotel distribution solutions that make selling and buying accommodation and ground travel services easier. WebBeds sources hotel inventory from travel suppliers, connects, aggregates and merchandises that content in their platform, the WebBeds Marketplace, and distributes it to a global network of travel buyers (distribution partners), who sell to the travelling public. WebBeds is one of the few truly global B2B providers, offering extensive global reach for both its hotel supply partners (looking to sell their hotel rooms) and its customer network (looking to access hotel room inventory).

WebBeds offers rooms at more than 500,000 hotels around the world. Our hotel supply partners include over 31,000 directly contracted independent properties, over 62,000 directly contracted chain properties and 77 integrated third-party wholesalers. WebBeds also offers a wide range of ground and transfer services.

WebBeds provides its customers with fast, easy access to global hotel room inventory. WebBeds distributes its products to a global network of more than 50,000 travel buyers across retail, wholesale and emerging channels. Customers include retail and corporate travel agents, OTAs, wholesalers, tour operators and Super-Apps. WebBeds' multi supply aggregation strategy enables it to offer customers the greatest breadth and depth of hotel room inventory at highly competitive prices.

Discontinued operations

webjet.com.au

Based in Melbourne, Australia, **Webjet OTA** is the #1 OTA in Australia and New Zealand, with more than 50% of the entire OTA flights market in Australia and New Zealand.

Webjet OTA's focus has always been to offer the greatest convenience and choice by enabling customers to compare, combine and book the best domestic and international travel flight deals, hotel accommodation, holiday package deals, travel insurance and car hire worldwide. Since its inception in 1998, Webjet OTA has been at the forefront of online innovation, leading the way in online travel tools and technology. Webjet offers unparalleled travel choice, 24/7 customer support, a wide choice in payment options and award-winning customer service.

GoSee

Based in Auckland, New Zealand, **GoSee** is a global travel ecommerce group that specialises in car and motorhome rental through the Airport Rentals (a global car rental site providing access to 1,300+ car rental suppliers in 190+ countries) and Motorhome Republic (a global motorhome rental site offering access to 166 motorhome suppliers in 50+ countries) brands.

Financial Results.

	Statutory			Underlying		
	30 September 2024 $m	Restated(i) 30 September 2023 $m	Change %	30 September 2024 $m	Restated(i) 30 September 2023 $m	Change %
Continuing operations						
Total transaction value(ii)	2,590	2,078	25%	2,590	2,078	25%
Revenue(iii)	**170.4**	**175.1**	**(3%)**	**170.4**	**168.8**	**1%**
Revenue margin	6.6%	8.4%	(184.7bps)	6.6%	8.1%	(154.4bps)
Operating expenses(iv)	(100.4)	(89.7)	12%	(100.4)	(91.9)	9%
Share of net loss from associates	–	(0.9)	(100%)	–	(0.9)	(100%)
EBITDA before non-operating expenses and share based payments(v)	**70.0**	**84.5**	**(17%)**	**70.0**	**76.0**	**(8%)**
EBITDA margin	41.1%	48.3%	(717.8bps)	41.1%	45.0%	(394.4bps)
Share based payment expenses	(3.5)	(0.7)	400%	–	–	n/a
Non-operating expenses	(1.2)	(3.5)	(66%)	–	–	n/a
Depreciation and amortisation(vi)	(9.8)	(12.1)	(19%)	(9.8)	(8.4)	17%
Acquisition amortisation(vii)	(7.6)	(19.0)	(60%)	–	–	n/a
Net finance costs(viii)	(5.4)	(11.5)	(53%)	0.6	(5.1)	(112%)
Profit before tax	**42.5**	**37.7**	**13%**	**60.8**	**62.5**	**(3%)**
Income tax expense(ix)	(5.0)	(2.3)	117%	(8.3)	(6.5)	28%
Net profit after tax (NPAT) from continuing operations	**37.5**	**35.4**	**6%**	**52.5**	**56.0**	**(6%)**
NPAT A (before acquisition amortisation)(x)	45.1	54.4	(17%)	52.5	56.0	(6%)
Discontinued operations						
Net profit after tax from discontinued operations and net gain on demerger	190.6	6.6	2788%	–	–	n/a
Net profit after tax from continuing and discontinued operations	**228.1**	**42.0**	**443%**	**52.5**	**56.0**	**(6%)**

(i) The financial results for the period to 30 September 2023 have been restated to present the Demerger of WJL as a discontinued operation, restatements for disputed payment write-offs and revision of accounting for supplier payables totalling $5.9 million before tax. Refer to Notes 1 and 6.2 for further details.
(ii) Total transaction value (TTV) is the gross transaction price on a booking.
(iii) Excludes interest income. The underlying performance for the period to 30 September 2023 does not include $6.3 million of non-recurring amounts only applicable to the Group prior to the Demerger.
(iv) The underlying performance for the period to 30 September 2023 includes $2.2 million of non-recurring amounts only applicable to the Group prior to the Demerger.
(v) EBITDA = Earnings before interest, tax, depreciation and amortisation. It also excludes share based payments expenses to provide a better understanding of the financial performance and allow more representative comparison between financial periods.
(vi) The underlying performance for the period to 30 September 2023 excludes $3.7 million of non-recurring amounts only applicable to the Group prior to the Demerger.
(vii) Includes impairment expense of $nil (30 September 2023: $11 million), refer to Note 4.4 for further details.
(viii) Underlying performance does not include $6 million (30 September 2023: $6.4 million) of interest relating to the Convertible Notes. Refer to Note 4.5 for further details.
(ix) Underlying performance includes only the tax effects of the core financial performance of the Group, excluding the impacts of any one-off or non-recurring items.
(x) NPAT A, represents the NPAT before acquisition amortisation and provides an alternative view of the underlying profitability of the Group.

Underlying results (which is not the Statutory result) are non-IFRS measures and not subject to review procedures. It reflects the core financial performance of the Group adjusting for the impact of any one-off or non-recurring items, including non-cash items such as share based payments. These adjustments are made to give investors a clearer and more consistent view of the Group's ongoing financial performance.

Underlying results for the 6 months ended 30 September 2024 reflect the performance of the WebBeds business only, which continues to show significant transactional growth. Bookings were up 22% compared to 1H24 to 4.3 million and TTV was up 25% to $2.6 billion, driven by strong growth in all regions. Revenue increased 1% compared to 1H24 to $170.4 million after reducing the revenue in the comparative period by $3 million as a result of restatement (refer to Note 6.2). However underlying EBITDA was down 8% to $70 million reflecting lower TTV margins due to the impact of market conditions and management decisions.

A portion of Non-operating expenses, specifically those relating to the Demerger transaction costs ($6.7 million), have been recognised in the net gain on demerger reflected in Discontinued Operations (refer to Note 6). The residual non-operating expenses recognised in Profit before Tax totalling $1.2 million relate to the revaluation of the equity-linked financial instrument. Non-operating expenses in the prior period have been restated to include the impact of the Disputed Payments write-off ($2.9 million) (refer to Notes 4.3 and 6.2).

Depreciation and amortisation expenses decreased from the prior period as a result of the increase in fully depreciated assets in the current period, and the recognition of an impairment charge ($11 million) recognised on an investment in an associate in the comparative period.

Net Finance Costs decreased versus prior period due to increased interest income ($2.5 million) derived from higher cash at bank for the standalone B2B business; lower interest expense and finance costs totalling $3.3 million and lower bond interest expense of $0.4 million.

The Group's underlying tax expense increased compared to prior period as a result of the introduction of UAE corporate income tax of 9%, which took effect from 1 April 2024. Refer to Note 5 for further details on the current period's tax expense.

Additional commentary on performance is included in the ASX release and investor presentation lodged with the ASX on 27 November 2024.

Financial Position.

	Notes	30 September 2024 $m	Restated[(i)] 31 March 2024 $m	Change $m
Cash and cash equivalents	7.1	510.0	630.1	(120.1)
Trade and other receivables	8.1	341.0	280.0	61.0
Intangible assets		698.7	790.6	(91.9)
Other assets		94.5	100.0	(5.5)
Total assets		**1,644.2**	**1,800.7**	**(156.5)**
Trade and other payables	8.2	610.1	591.9	18.2
Other current liabilities		55.8	73.5	(17.7)
Borrowings	10.1	230.3	224.3	6.0
Other non-current liabilities		35.4	38.0	(2.6)
Total liabilities		**931.6**	**927.7**	**3.9**
Net assets		**712.6**	**873.0**	**(160.4)**
Issued capital		962.3	1,066.7	(104.4)
Accumulated losses and reserves		(249.7)	(193.7)	(56.0)
Total equity		**712.6**	**873.0**	**(160.4)**

(i) The financial position as at 31 March 2024 has been restated as a result of restatements for payment errors, disputes, other write-offs and revision of accounting for supplier payables. Refer to Note 6.2 for further details.

Directors' Report.

As a result of the Demerger, the 30 September 2024 balances include the WebBeds B2B business only whereas the 31 March 2024 balances include both the B2B and B2C businesses.

Cash and cash equivalents decreased from March 2024 by $120 million, mainly attributable to the Demerger related cash adjustments to effect the separation of the B2C businesses ($143 million) and changes in Working Capital resulted in cash inflows of $4 million for a total operating cash flow impact of operations of $85 million. This was partially offset by investments made of $19 million and a further $31 million spent on essential and strategic capital expenditure projects and initiatives, as well as $10 million as a result of foreign exchange movements.

Trade and other receivables increased $61 million during the year due to higher trading volumes (TTV) and continue to be managed in line with the enhanced credit policy.

Intangible assets decreased by $92 million primarily due to transfer of assets to the B2C businesses in preparation for the Demerger of $78 million. Residual movements related to current period capital expenditure of $30 million offset by amortisation charges of $15 million, impairment of $6 million and adverse foreign exchange impacts of $23 million.

Other assets decreased by $5 million primarily due to the decrease in the deferred tax asset ($17 million) and reduction in property, plant and equipment ($6 million) partially offset by an increase in the equity linked financial assets ($18 million), as part of the on-going capital management initiatives. Refer to Note 9 for further details.

Trade and other payables have increased largely in line with operating expense growth with payment terms consistent with previous periods, impacted by the restatement as disclosed in Note 6.2.

Other current liabilities decreased by $18 million primarily due to derecognition of $16 million in deferred revenues related to the B2C businesses. Residual movement is the release of the Group's deferred revenues on satisfaction of attached performance obligations of $6 million, offset by increases in employee provisions of $4 million predominantly relating to the modification of existing long term incentive plans to cash-settled. Refer to Note 12 for further details.

The movement in borrowings during the period is due to the amortisation expense related to the Convertible Notes, refer to Note 10 for further details.

The reduction in other non-current liabilities of $3 million during the period is primarily due to the movement in deferred tax liabilities.

The movement in issued capital is as a result of the capital reduction effected by the Demerger of $123 million, offset by exercise of rights and options held by Key Management Personnel and key staff of $19 million. Refer to Notes 11 and 12 for further details.

The movements in accumulated losses includes net gain on demerger of $184 million (refer to Note 6.1.5). Demerger distribution of $365 million was recorded as a reduction of capital by $123 million and a debit in Demerger reserves of $242 million. The residual significant movement in reserves is due to foreign exchange movements ($27 million) and share based payment exercises and modifications on Demerger ($11 million).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Rounding of amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest one hundred thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors

Roger Sharp
Chair
Melbourne, 27 November 2024

Deloitte.

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27 November 2024

The Board of Directors
WEB Travel Group Limited
Level 12, 440 Collins Street
Melbourne VIC 3000

Dear Board Members,

Auditor's independence declaration to WEB Travel Group 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 WEB Travel Group Limited.

As lead audit partner for the review of the financial statements of WEB Travel Group Limited for the half-year ended 30 September 2024, 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Biermann
Partner
Chartered Accountants

Deloitte.

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Independent Auditor's Review Report to the Members of WEB Travel Group Limited

Conclusion

We have reviewed the half-year financial report of WEB Travel Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 September 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cashflows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 11 to 34.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 September 2024 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and 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 annual 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 Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Biermann
Partner
Chartered Accountants
Melbourne, 27 November 2024

Consolidated statement of profit or loss and other comprehensive income.

For the half-year ended 30 September 2024

	Notes	6 months ended 30 September **2024** $m	Restated(i) 6 months ended 30 September **2023** $m
Continuing operations			
Revenue from customers	3.1	170.4	175.1
		170.4	**175.1**
Employee benefit expenses	4.1	(58.6)	(53.0)
Operating expenses	4.2	(45.3)	(37.4)
Other non-operating expenses	4.3	(1.2)	(3.5)
Impairment expense	4.4	–	(11.0)
Share of net loss of equity accounted investees		–	(0.9)
Profit before interest, tax, depreciation and amortisation		**65.3**	**69.3**
Interest income		7.9	5.5
Finance costs	4.5	(13.3)	(17.0)
Depreciation and amortisation		(17.4)	(20.1)
Profit before income tax from continuing operations		**42.5**	**37.7**
Income tax expense	5.1	(5.0)	(2.3)
Net profit after tax from continuing operations		**37.5**	**35.4**
Discontinued operations			
Net profit after tax from discontinued operations and net gain on demerger	6.1.2	190.6	6.6
Net profit after tax		**228.1**	**42.0**
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
– Exchange difference on translating foreign operations		(25.7)	6.7
		(25.7)	**6.7**
Items that have been subsequently reclassified to profit or loss			
– Cash flow hedges recycled to profit or loss		1.7	–
		1.7	**–**
Items that will not be subsequently reclassified to profit or loss			
– Income tax benefit relating to share based payments		0.8	10.8
		0.8	**10.8**
Other comprehensive (loss)/income for the period, net of income tax		**(23.2)**	**17.5**
Total comprehensive income for the period		**204.9**	**59.5**
Total comprehensive income for the period from continuing operations		**14.3**	**52.9**

	Cents per share	Cents per share
Earnings per share attributable to equity holders of the parent entity(ii)		
Basic (cents per share)	58.5	11.0
Diluted (cents per share)	52.7	10.9
Earnings per share attributable to equity holders of the parent entity from continuing operations		
Basic (cents per share)	9.6	9.2
Diluted (cents per share)	8.8	9.2

(i) The Consolidated Statement of profit or loss and other comprehensive income for the period to 30 September 2023 has been restated to present the Demerger of WJL as a discontinued operation, restatements for disputed payment write-offs and revision of accounting for supplier payables totalling $5.9 million before tax. Refer to Notes 1 and 6.2 for further details.

(ii) Includes impact of net gain on demerger.

The above Consolidated Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 15 to 33.

Consolidated statement of financial position.

As at 30 September 2024

	Notes	As at 30 September **2024** $m	Restated[(i)] As at 31 March **2024** $m
Current assets			
Cash and cash equivalents	7.1	510.0	630.1
Trade receivables and other assets	8.1	341.0	280.0
Investment in financial asset	9	61.3	43.3
Total current assets		**912.3**	**953.4**
Non-current assets			
Intangible assets		698.7	790.6
Property, plant and equipment		22.6	28.9
Deferred tax assets		10.6	27.5
Other non-current assets		–	0.3
Total non-current assets		**731.9**	**847.3**
Total assets		**1,644.2**	**1,800.7**
Current liabilities			
Trade payables and other liabilities	8.2	610.1	591.9
Other current liabilities		55.8	73.5
Total current liabilities		**665.9**	**665.4**
Non-current liabilities			
Borrowings	10.1	230.3	224.3
Deferred tax liabilities		19.1	20.9
Other non-current liabilities		16.3	17.1
Total non-current liabilities		**265.7**	**262.3**
Total liabilities		**931.6**	**927.7**
Net assets		**712.6**	**873.0**
Equity			
Issued capital		962.3	1,066.7
Reserves		(208.7)	75.4
Accumulated losses		(41.0)	(269.1)
Total equity		**712.6**	**873.0**

(i) The Consolidated Statement of financial position as at 31 March 2024 has been restated as a result of restatements for payment errors, disputes, other write-offs and revision of accounting for supplier payables. Refer to Note 6.2 for further details.

As a result of the Demerger, the 30 September 2024 balances include only the WebBeds (B2B business) whereas the 31 March 2024 balances include both the B2B and B2C businesses.

The above Consolidated Statement of financial position should be read in conjunction with the accompanying notes on pages 15 to 33.

Consolidated statement of cash flows.

For the half-year ended 30 September 2024

	Notes	6 months ended 30 September **2024** $m	Restated(i) 6 months ended 30 September **2023** $m
Net profit after tax		228.1	42.0
Add back:			
– Depreciation and amortisation		23.3	21.8
– Impairment		–	11.0
– Share of net loss from associate		–	0.9
– Finance cost, net of interest income		5.6	12.2
– Income tax expense		8.5	5.6
– Gain on demerger		(184.0)	–
Profit before interest, tax, depreciation, amortisation		**81.5**	**93.5**
Adjusted for changes in working capital:			
– Increase in trade debtors and other receivables		(73.1)	(53.7)
– Increase in trade payables and other liabilities		77.1	133.3
Non-cash items(ii)		7.5	3.2
Cash inflows from operating activities before interest and tax paid		**93.0**	**176.3**
Net finance cost paid		(3.6)	(5.4)
Income tax expense paid		(4.2)	(2.2)
Net cash inflows from operating activities	7.2	**85.2**	**168.7**
Purchase of property, plant and equipment		(1.3)	(3.9)
Purchase of intangible assets		(30.5)	(19.2)
Investment in financial assets	9	(19.0)	(27.0)
Settlement of deferred consideration		–	(2.2)
Dividends received		–	0.1
Net cash outflows from investing activities		**(50.8)**	**(52.2)**
Proceeds from issue of share capital, net of share issue costs		8.0	1.1
Cash outflows through demerger of entities(iii)		(143.4)	–
Payment of demerger transaction costs		(7.3)	–
Payment of lease liabilities		(2.0)	(1.7)
Net cash outflows from financing activities		**(144.7)**	**(0.6)**
Net (decrease)/increase in cash and cash equivalents		**(110.3)**	**115.9**
Cash and cash equivalents at the beginning of the period		630.1	513.9
Effects of foreign exchange translation on cash and cash equivalents		(9.8)	4.0
Cash and cash equivalents at the end of the period		**510.0**	**633.8**

(i) The Consolidated Statement of cash flows for the period to 30 September 2023 has been restated as a result of restatements for disputed payment write-offs and revision of accounting for supplier payables totalling $5.9 million before tax. Refer to Note 6.2 for further details.
(ii) Comprises share based payment expenses of $3.5 million and fair value impact on equity linked financial asset of $1.0 million. Refer to Notes 4.1 and 4.3.
(iii) Cash allocated to Webjet Group Limited as part of the demerger process as agreed between the parties.

The cash flow statement includes the cash flows of Webjet Group Limited for the period up to the Demerger date. Refer to Note 6.1.4 for further details.

The above Consolidated Statement of cash flows should be read in conjunction with the accompanying notes on pages 15 to 33.

Consolidated statement of changes in equity.

For the half-year ended 30 September 2024

	Issued capital $m	Share based payments reserve $m	Convertible notes reserve	Other reserves $m	Demerger reserve $m	Foreign currency translation reserve $m	Accumu-lated losses $m	Total equity $m
Balance at 1 April 2024 (Restated)[(i)]	**1,066.7**	**19.2**	**25.1**	**2.5**	**–**	**28.6**	**(269.1)**	**873.0**
Profit for the period from continuing operations	–	–	–	–	–	–	37.5	37.5
Profit for the period for discontinued operations and net gain on demerger	–	–	–	–	–	–	190.6	190.6
Other comprehensive (loss)/income for the period, net of income tax[(ii)]	–	0.8	–	1.7	–	(25.7)	–	(23.2)
Total comprehensive income for the period	**–**	**0.8**	**–**	**1.7**	**–**	**(25.7)**	**228.1**	**204.9**
Transactions with owners in their capacity as owners, net of tax								
Demerger distribution[(iii)]	(123.2)	–	–	–	(241.8)	–	–	(365.0)
Transaction cost related to the demerger, net of tax	–	–	–	–	(6.3)	–	–	(6.3)
Derecognition as part of the demerger	–	–	–	–	–	(2.2)	–	(2.2)
Issue of shares under share based payment	18.8	(11.4)	–	–	–	–	–	7.4
Share based payment expense recognised for the period	–	3.5	–	–	–	–	–	3.5
Share based payment expense settlement modification[(iv)]	–	(2.7)	–	–	–	–	–	(2.7)
Balance at 30 September 2024	**962.3**	**9.4**	**25.1**	**4.2**	**(248.1)**	**0.7**	**(41.0)**	**712.6**
Balance at 1 April 2023 (Restated)[(i)]	**1,050.1**	**14.7**	**25.1**	**(18.6)**	**–**	**18.4**	**(317.1)**	**772.6**
Profit for the period from continuing operations[(i)]	–	–	–	–	–	–	35.4	35.4
Profit for the period for discontinued operations	–	–	–	–	–	–	6.6	6.6
Other comprehensive income for the period, net of income tax[(ii)]	–	10.8	–	–	–	6.7	–	17.5
Total comprehensive income for the period	**–**	**10.8**	**–**	**–**	**–**	**6.7**	**42.0**	**59.5**
Transactions with owners in their capacity as owners, net of tax								
Issue of shares under share based payment	9.8	(7.5)	–	–	–	–	–	2.3
Share based payment expense recognised for the period	–	3.0	–	–	–	–	–	3.0
Transfer of business combination reserve to retained losses	–	–	–	20.6	–	–	(20.6)	–
Balance at 30 September 2023 (Restated)[(i)]	**1,059.9**	**21.0**	**25.1**	**2.0**	**–**	**25.1**	**(295.7)**	**837.4**

(i) Refer to Note 6.2 for details on restatement as a result of prior year payment errors, disputes, other write-offs and revision of accounting for supplier payables.

(ii) Income tax benefit of $0.8 million (1H24: $10.8 million) relates to share based payments where the estimated future tax deduction exceed the recognised cumulative share based payment expense.

(iii) Demerger reserve includes an in-specie dividend which was distributed to eligible shareholders on the Demerger of Webjet Group Limited (WJL) and related transaction cost, net of tax. Refer to Note 6 and Note 12 for further details.

(iv) As a result of the Demerger, the share based payments were modified with existing rights settled by cash via a reclassification to liability. Refer to Note 12 for details.

The above Consolidated Statement of changes in equity should be read in conjunction with the accompanying notes on pages 15 to 33.

Notes to the consolidated half-year financial statements.

1. Basis of preparation and changes to the Group's accounting policies

The Demerger

During the half-year, the Company undertook a restructure and demerger process, pursuant to which a new holding company (Webjet Group Limited) was formed, and then the Group's two B2C businesses, Webjet Online Travel Agency (OTA) and GoSee were transferred to Webjet Group Limited (WJL). On 17 September 2024, shareholders approved the Demerger and the shares in WJL were then transferred to the Company's shareholders by way of an in-specie distribution of $0.93 per share on 30 September 2024. WJL is reported in these financial statements for the half-year ended 30 September 2024 as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is reported in the financial statements and accompanying notes.

The fair value of the demerger distribution of $365 million consists of a capital reduction of $123.2 million and a Demerger reserve of $241.8 million.

Refer to Note 6 for further details.

Basis of preparation

On 19 September 2024, the Group's name was changed from Webjet Limited to WEB Travel Group Limited, following shareholder approval obtained on 17 September 2024.

This general purpose consolidated interim financial report for the half-year ended 30 September 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The historical cost basis has been used, except for financial instruments that are measured at fair values. The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. All amounts are presented in Australian dollars, unless otherwise noted

The consolidated interim financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the most recent annual financial report and any public announcements made by WEB Travel Group Limited (formerly known as Webjet Limited) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The key judgements and estimates have been consistently applied to all periods presented unless otherwise stated.

These consolidated financial statements are prepared on a going concern basis. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2024 annual financial report for the financial year ended 31 March 2024, except for the new accounting policy implemented for the derecognition of financial liabilities in respect of supplier payables following the identification of an error in its previous accounting for these liabilities, as set out below. The accounting policies are consistent with Australian Accounting Standards and with IFRS Accounting Standards.

On 17 September 2024, the Group obtained shareholder approval for the Demerger of WJL, which resulted in two of the Group's separate major business lines, Webjet OTA and GoSee, being classified as discontinued operations. In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the Group has:

- presented the profit or loss from WJL separately from its continuing operations in its Consolidated Statement of Profit or Loss and Consolidated Statement of Other Comprehensive Income in the current period and restated in the prior period. Refer to Note 6 for further details; and
- continued to present the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows including both continuing and discontinued operations.

New accounting policy

The Group operates a business to business (B2B) travel business, WebBeds, selling and buying accommodation and ground travel services. WebBeds sources hotel inventory from travel suppliers and connects, aggregates and merchandises that content on its platform, the WebBeds Marketplace, to a global network of travel buyers (distribution partners) who sell to the travelling public. The WebBeds Marketplace is an online intermediary platform through which WebBeds sources and offers hotel rooms. The Group considers that it acts as agent in the provision of the hotel accommodation as it does not at any point control the room inventory before it is made available to the end guest, nor does it have any latitude in the pricing provided by the distribution partners to the end guest. The Group earns booking commission revenue which is recognised when a successful booking is completed which is on check-in for hotel bookings. Depending on the specific arrangements in place the Group's revenue is either determined as a percentage of booking value or as the gross booking value less amounts payable to the supplier.

Notes to the consolidated half-year financial statements.

1. Basis of preparation and changes to the Group's accounting policies

(continued)

For transactions where we recognise revenue as the net amount of gross booking value less amounts payable to the supplier, we recognise accruals to the hotel suppliers on guest check-in as this is the point in time at which our obligation to pay the hotel suppliers arises in accordance with our standard terms and conditions and is the date at which we recognise our revenue on a point in time basis as set out in our accounting policy above. It is customary in the industry, and it is our past experience, that not all amounts that we have accrued on guest check-in are claimed by accommodation suppliers and/or amounts claimed are different to amounts that we have accrued.

In the current financial reporting period, we have reviewed the timing of derecognition of hotel supplier accruals and liabilities. We have determined that the terms of the contractual arrangements that we have in place with these suppliers are such that we should be accounting for such accruals and liabilities in accordance with AASB 9 Financial Instruments. We have concluded that in accordance with AASB 9 Financial Instruments that our obligation to these hotel suppliers does not expire until the earlier of contractual expiry date where the contract specifies such a date or such date that the relevant jurisdictional legislation proscribes. Contractual expiry dates are generally between three to twelve months with the majority of contracts specifying that all supplier claims must be made within six months of guest check-in date. We have therefore changed our accounting policy to recognise these supplier unclaimed amounts and differences only on derecognition of the supplier accrual and/or trade payable and we derecognise supplier accruals and/or trade payables on the earlier of contractual expiry date where the contract specifies such a date or in the absence of an enforceable contractual expiry date when the legislation in the relevant jurisdiction permits. Given the terms of our contractual arrangements, this means that generally we will derecognise hotel supplier liabilities on the earlier of payment, contractual expiry (which for the majority of contractual arrangements is six months) or legal expiry of the obligation.

Key judgement

In the Group's accounting for derecognition of supplier liabilities, the key judgment is the timing of derecognition of supplier liabilities in accordance with the contractual terms.

Refer also to Note 6.2 for details regarding the restatement of our previous accounting for supplier unclaimed amounts and differences.

Rounding of amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the half-year financial report are rounded off to the nearest one hundred thousand dollars, unless otherwise indicated.

Adoption of new accounting standards

The following minor amendments to standards became effective and applicable to the Group from 1 April 2024:

- AASB 2021-2 Amendments to Australian Accounting Standards: Disclosure of Accounting Policies and Definition of Accounting Estimates;
- AASB 2021-5 Amendments to Australian Accounting Standards: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- AASB 2021-7 Amendments to Australian Accounting Standards: Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections; and
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.

The application of the above standards and amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated interim financial report.

Notes to the consolidated half-year financial statements.

2. Segment information for continuing operations

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

The Managing Director considers that all members of the Group provide the same service, being Travel Bookings to the same class of customer (Business to Business (B2B) Travel). As such, it is considered that there is one reportable segment.

The segment information provided to the Managing Director for the periods ended 30 September 2024 and 30 September 2023 and reportable under AASB 8 *Segment Reporting* are set out in the tables below.

	6 months ended 30 September **2024** $m	Restated[1] 6 months ended 30 September **2023** $m
Total transaction value – unreviewed [(ii)]	2,590.4	2,077.7
Revenue[(iii)]	170.4	175.1
Operating costs	(100.4)	(89.7)
Share of net loss from associates	–	(0.9)
Share-based payments expense	(3.5)	(0.7)
Other non-operating expenses	(1.2)	(3.5)
Statutory EBITDA[(iv)]	**65.3**	**80.3**
Impairment expense	–	(11.0)
Depreciation, amortisation	(9.8)	(12.1)
Acquired amortisation[(v)]	(7.6)	(8.0)
Net interest	(5.4)	(11.5)
Profit before tax	**42.5**	**37.7**
Income tax expense	(5.0)	(2.3)
Net profit after tax from continuing operations	**37.5**	**35.4**

(i) The segment information for continuing operations for the period ended 30 September 2023 has been restated as a result of restatements for disputed payment write-offs and revision of accounting for supplier payables totalling $5.9 million before tax. Refer to Note 6.2 for further details.
(ii) Total transaction value (TTV) is the gross transaction price on a booking.
(iii) The Group is considered an agent in providing travel services and recognises revenue on a net basis upon check-in of the guest (end customers). This is either determined based on the amounts charged to travel agents less the amounts charged by suppliers or on a commission basis.
(iv) Statutory EBITDA excludes impairment expense charged against Investment in Associate for the prior period.
(v) Acquisition amortisation represents amortisation on the additional intangible values recognised under AASB 3 following a business combination.

Notes to the consolidated half-year financial statements.

3. Revenue

3.1 Disaggregation of revenue

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

	Revenue recognition	6 months ended 30 September **2024** $m	Restated(i) 6 months ended 30 September **2023** $m
Revenue – hotel bed intermediary(ii)	Point in time	150.0	157.4
Supplier rebates	Over time	1.7	0.8
Other ancillary revenue	Over time	18.6	16.6
Other ancillary revenue	Point in time	0.1	0.3
Total revenue		**170.4**	**175.1**

(i) Revenue from continuing operations for the period to 30 September 2023 has been restated to reflect the Demerger of WJL and restatement for revision of accounting for supplier payables. Refer to Notes 1 and 6 for further details.
(ii) Includes booking commission revenue and amounts charged to travel buyers less amounts invoiced from suppliers.

3.2 Contract assets and contract liabilities

These balances are included in trade and other receivables, and trade and other payables in the statement of financial position.

	As at 30 September **2024** $m	As at 31 March(i) **2024** $m
Contract assets	14.1	16.6
Contract liabilities	(19.3)	(36.8)

(i) Comparative period includes contract assets of $4.5 million and contract liabilities of $11.5 million relating to WJL.

4. Expenses

4.1 Included in employee benefit expenses are:

	6 months ended 30 September **2024** $m	Restated(i) 6 months ended 30 September **2023** $m
Salaries and related on-costs	55.1	52.3
Share based payments expenses	3.5	0.7
Total	**58.6**	**53.0**

(i) Comparatives have been restated to reflect expenses from continuing operations following the Demerger of WJL. Refer to Notes 1 and 6 for further details.

4.2 Included in operating expenses are:

	6 months ended 30 September **2024** $m	Restated(i) 6 months ended 30 September **2023** $m
Marketing expenses	1.2	1.0
Technology expenses	21.3	16.4
Administration expenses	4.3	4.1
Operating expenses	11.4	10.3
Other expenses	7.1	5.6
Total	**45.3**	**37.4**

(i) Comparatives have been restated to reflect expenses from continuing operations following the Demerger of WJL. Refer to Notes 1 and 6 for further details.

Notes to the consolidated half-year financial statements.

4. Expenses (continued)

4.3 Non-operating expenses comprise:

	6 months ended 30 September 2024 $m	Restated[i] 6 months ended 30 September 2023 $m
Equity linked financial assets revaluation[ii]	1.0	0.2
Disputed payment write-offs[iii]	–	2.9
Others	0.2	0.4
Total	**1.2**	**3.5**

(i) Comparatives have been restated to reflect expenses from continuing operations following the Demerger of WJL and the restatement of disputed payment write-offs. Refer to Notes 1 and 6 for further details.
(ii) Refer to Note 9 for further details of the equity linked financial assets held.
(iii) During the implementation of the new Enterprise Reporting Platform (ERP) system, management experienced a down time which resulted in disputed payments related to 1H24 that could not be identified and raised with the suppliers within the established timeframes and therefore resulted in a loss of amounts that would have otherwise been claimed. Refer to Note 6.2 which outlines the restatement made in respect of this prior period error.

4.4 Impairment expense

In the prior period, management revised its estimates of recoverable amounts, based on the future forecast cash flows from its associate ROOMDEX Inc. and concluded that the Group's investment in its associate was impaired. As such, an impairment charge of $11 million was recorded, reducing the carrying value to $nil. This remains the carrying value as at 30 September 2024.

4.5 Finance costs comprise:

	6 months ended 30 September 2024 $m	Restated[i] 6 months ended 30 September 2023 $m
Bank interest	–	3.0
Option premium expenses on hedging instruments	6.0	6.4
Convertible Notes Interest – Coupon[ii]	0.9	0.9
Lease interest	0.4	0.3
Finance costs excluding Convertible Notes interest	**7.3**	**10.6**
Convertible Notes Interest – amortisation from discount value to par using effective interest rate method	6.0	6.4
Total finance costs	**13.3**	**17.0**

(i) Comparatives have been restated to reflect expenses from continuing operations following the Demerger of WJL. Refer to Notes 1 and 6 for further details.
(ii) Balance represents coupon interest of 0.75% per annum on $250 million Convertible Notes, payable on a semi-annual basis.

5. Taxation

WEB Travel Group Limited and its wholly-owned Australian entities are part of a tax consolidated group (TCG). Following the implementation of the Demerger, Webjet Group Limited and its Australian subsidiaries exited from the TCG on 30 September 2024. Historic tax losses generated by the TCG will remain with the TCG and will not be transferred to Webjet Group Limited or any of its Australian wholly owned subsidiaries. Tax losses accumulated up until the implementation date were de-recognised as the TCG was no longer able to support recoverability of the losses against future Australian profits. The de-recognition of the tax losses has been recognised in Gain on demerger (refer to Note 6.1.5).

5.1 Income tax expense

	6 months ended 30 September 2024 $m
Continuing operations	
Current tax	
Current period tax expense	10.6
Adjustment for current tax of prior periods	(0.4)
Total current tax expense	**10.2**
Deferred tax	
Current period deferred tax benefit	(4.3)
Adjustments for deferred tax of prior periods	(0.9)
Total deferred tax benefit	**(5.2)**
Income tax expense	**5.0**

5.2 Numerical reconciliation of income tax expense to prima facie tax payable

	6 months ended 30 September 2024 $m
Profit from continuing operations before income tax expense	42.5
Tax at the Australian tax rate of 30%	**12.8**
Effect of income/expenses that are not assessable/deductible in determining taxable profit	(0.1)
Difference in overseas tax rates	(6.5)
Prior period adjustments	(1.3)
Others	0.1
Income tax expense	**5.0**

6. Restatement of comparatives

6.1 Discontinued operations

6.1.1 Background and demerger accounting

During the half-year, the Company undertook a restructure and demerger process, pursuant to which a new holding company (Webjet Group Limited) was formed, and then the Group's two B2C businesses, Webjet Online Travel Agency (OTA) and GoSee were transferred to Webjet Group Limited (WJL) in exchange for consideration in the form of shares in WJL. The net assets of these two businesses were transferred to WJL at their respective book values ($148.5 million). On 17 September 2024, shareholders approved the Demerger and the shares in WJL were then distributed to the Company's shareholders by way of an in-specie distribution of $0.93 per share on 30 September 2024. WJL is reported in these financial statements for the half-year ended 30 September 2024 as a discontinued operation.

The Demerger was effected via an in-specie distribution of $365 million to the Eligible shareholders. The distribution was measured at the fair value of the net assets to be distributed under the requirements of AASB Interpretation 17 Distributions of Non-cash Assets to Owners. The fair value of the net assets transferred was determined with reference to the Volume-Weighted Average Price of WJL shares traded on the ASX in their first five trading days ($0.93 per share). There is no guidance in Australian Accounting Standards as to which components of equity against which the distribution should be recognised. Management allocated the distribution between a reduction in Issued capital ($123.2 million) and a Demerger dividend ($241.8 million) charged to the Demerger reserve.

On 30 September 2024 the Group completed the Demerger of WJL when the distribution occurred, and recognised a gain within profit from discontinued operations of $184 million. The gain represents the difference between the fair value of the WJL shares and the carrying value of the net assets that were distributed to the Eligible shareholders.

Refer to Note 1 for further details of the demerger process and Note 12 for further details of the impacts on share based payments.

6.1.2 Financial performance

The financial performance and cash flow information presented below reflects the operations of WJL in the half-year to 30 September 2024.

	Notes	6 months ended 30 September 2024 $m	6 months ended 30 September 2023 $m
Revenue from customers		71.9	66.3
Other income		0.1	0.1
		72.0	**66.4**
Employee benefit expenses		(21.2)	(23.9)
Operating expenses		(34.4)	(30.2)
Other non-operating expenses		(0.2)	–
Profit before interest, tax, depreciation and amortisation		**16.2**	**12.3**
Interest income		1.5	1.7
Finance costs		(1.7)	(2.4)
Depreciation and amortisation		(5.9)	(1.7)
Profit before income tax		**10.1**	**9.9**
Income tax expense		(3.5)	(3.3)
Gain on demerger after income tax	6.1.5	184.0	–
Net profit after tax from discontinued operations and net gain on demerger		**190.6**	**6.6**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
– Exchange difference on translating foreign operations		0.5	–
		0.5	**–**
Items that will not be subsequently reclassified to profit or loss			
– Income tax benefit relating to share based payments		(0.3)	0.3
		(0.3)	**0.3**
Other comprehensive income/(loss) for the period from discontinued operations, net of income tax		**0.2**	**0.3**
Total comprehensive income for the period from discontinued operations		**190.8**	**6.9**

6. Restatement of comparatives (continued)

6.1.3 Earnings per share attributable to equity holders of the parent entity from discontinued operations[i]

	6 months ended 30 September **2024** Cents per Share	6 months ended 30 September **2023** Cents per Share
Basic (cents per share)	48.6	1.7
Diluted (cents per share)	48.6	1.7

(i) Includes net gain on demerger.

6.1.4 Cash flow information

	6 months ended 30 September **2024** $m	6 months ended 30 September **2023** $m
Net cash inflows from operating activities	7.2	16.1
Net cash outflows from investing activities	(6.6)	(5.3)
Net cash outflows from financing activities	42.5	31.4
Net increase in cash and cash equivalents	**43.1**	**42.2**
Effects of foreign exchange translation on cash and cash equivalents	–	(0.1)
Net cash flows for the period	**43.1**	**42.1**

6.1.5 Gain on demerger

	30 September **2024** $m
Fair value of demerger distribution[i]	365.0
Book value of net assets disposed[i]	(148.5)
Impairment[ii]	(6.1)
Transaction costs	(6.7)
Reclassification of foreign exchange on historical revaluations of intercompany loan	(3.3)
Gain on demerger before income tax	**200.4**
Income tax expense[iii]	(16.4)
Gain on demerger after tax	**184.0**

(i) There is no income tax expense in relation to the gain on demerger.
(ii) In the current period, management revised its estimates of recoverable amounts, based on the future forecast cash flows for its subsidiary, Trip Ninja Inc and concluded that the Group's intangible assets were impaired.
(iii) Includes a tax benefit of $1.4m on transaction costs and a tax expense of $17.8m relating to the de-recognition of tax losses in Australia, refer to Note 5 for further details.

6. Restatement of comparatives (continued)

6.2 Other restatements

6.2.1 Payment errors, disputes and other write-offs

The Group implemented a new Enterprise Reporting Platform (ERP) system in the B2B business commencing in FY21 with multiple iterations of implementation through FY24, replacing the business' legacy ERPs and enhancing a more automated control environment compared to the historical control environment which included predominantly manual controls. In 1H25, with the implementation of further automation in the supplier payment process, historical errors were identified within debit balances in trade payables and other balance sheet accounts:

a) during the implementation of the new ERP system in 1H24, management experienced a down time which resulted in disputed payments related to 1H24 that could not be identified and raised with the suppliers within the established timeframes and therefore resulted in a loss of amounts that would have otherwise been claimed. These claims were not able to be submitted during the required processing timelines and have been corrected by increasing other non-operating expenses by $2.9 million before tax, with a related tax benefit of $0.3 million.

b) there were debit balances migrated from legacy ERPs that related to payment errors (including overpayments) and ledger reconciliation errors from FY23 and prior periods. The total amount of payment and other errors recognised as debits on the balance sheet was $28.8 million at average historical exchange rates. The related impact was to increase total supplier costs before tax (which are recognised within revenue pursuant to the Group's accounting as agent) by $28.8 million and trade and other payables by $29.7 million, with a residual impact included within the foreign currency translation reserve. Due to low probability of being able to claim tax deductions for these prior period costs, no deferred tax asset has been recognised at 1 April 2023.

The impact of the restatement on the previously reported Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 30 September 2023 and the year ended 31 March 2024 was to increase other non-operating expenses by $2.9 million and reduce income tax expense by $0.3 million.

The impact of the restatement on the previously reported Statement of Financial Position as at 31 March 2023 was to increase trade payables and other liabilities by $29.7 million, increase accumulated losses by $28.8 million and reduce reserves (foreign currency translation reserve) by $0.9 million. The impact of the restatement on the previously reported Statement of Financial Position as at 31 March 2024 was to increase trade payables and other liabilities by $33.1 million, increase accumulated losses by $31.4 million, increase deferred tax asset by $0.3 million and reduce reserves (foreign currency translation reserve) by $1.4 million.

6.2.2 Revision of accounting for supplier payables

As part of the half-year reporting process, the Group has changed its accounting for amounts payable to hotel suppliers which has a consequential impact on the timing of revenue recognition. The Group operates a business to business (B2B) travel business, WebBeds, selling and buying accommodation and ground travel services. WebBeds sources hotel inventory from travel suppliers and connects, aggregates and merchandises that content on its platform, the WebBeds Marketplace, to a global network of travel buyers (distribution partners) who sell to the travelling public. The WebBeds Marketplace is an online intermediary platform through which WebBeds sources and offers hotel rooms. The Group considers that it acts as agent in the provision of the hotel accommodation as it does not at any point control the room inventory before it is made available to the end guest, nor does it have any latitude in the pricing provided by the distribution partners to the end guest. The Group earns booking commission revenue which is recognised when a successful booking is completed which is on check-in for hotel bookings. Depending on the specific arrangements in place the Group's revenue is either determined as a percentage of booking value or as the gross booking value less amounts payable to the supplier.

For transactions where we recognise revenue as the net amount of gross booking value less amounts payable to the supplier, we recognise accruals to the hotel suppliers on guest check-in as this is the point in time at which our obligation to pay the hotel suppliers arises in accordance with our standard terms and conditions and is the date at which we recognise our revenue on a point in time basis as set out in our accounting policy (refer to Note 1). It is customary in the industry, and it is our past experience, that not all amounts that we have accrued on guest check-in are claimed by accommodation suppliers and/or amounts claimed are different to amounts that we have accrued. Our historical practice has been to apply AASB 137 Provisions, Contingent Liabilities and Contingent Asset to the timing of the derecognition of amounts accrued to hotel room suppliers using an estimate driven model supported by historical data which has resulted in our derecognising amounts that we believe it is probable that we will not pay in advance of the contractual expiry date of these liabilities. We have recognised these unclaimed amounts and differences as a reduction to net revenue in the period in which it is recognised. Determining the rate of these unclaimed amounts and differences has required a significant amount of estimation and historically we have compared estimated rates to actual rates on a half-yearly basis.

6. Restatement of comparatives (continued)

In the current financial reporting period, we have reviewed the timing of derecognition of hotel supplier accruals and liabilities. We have determined that the terms of the contractual arrangements that we have in place with these suppliers are such that we should be accounting for such accruals and liabilities in accordance with AASB 9 Financial Instruments. We have concluded that in accordance with AASB 9 Financial Instruments that our obligation to these hotel suppliers does not expire until the earlier of contractual expiry date where the contract specifies such a date or such date that the relevant jurisdictional legislation proscribes. Contractual expiry dates are generally between three to twelve months with the majority of contracts specifying that all supplier claims must be made within six months of guest check-in date. We have therefore changed our accounting policy to recognise these supplier unclaimed amounts and differences only on derecognition of the supplier accrual and/or trade payable and we derecognise supplier accruals and/or trade payables on the earlier of contractual expiry date where the contract specifies such a date or in the absence of an enforceable contractual expiry date when the legislation in the relevant jurisdiction permits. Given the terms of our contractual arrangements, this means that generally we will derecognise hotel supplier liabilities on the earlier of payment, contractual expiry (which for the majority of contractual arrangements is six months) or legal expiry of the obligation.

Our accounting policy for revenue recognition is set out in Note 1. This accounting policy is effective for all financial reporting periods presented, being the half-year ended 30 September 2023, the half-year ended 30 September 2024 and the year ended 31 March 2024. The financial reports for the half-year ended 30 September 2023 and the year ended 31 March 2024 have been restated in Note 6.3 below to reflect the impact of this change in accounting policy. With the exception of the timing of the derecognition of supplier payables and accruals there has been no change in our accounting for revenue. As set out in Note 1, there is significant judgement in the determination of an appropriate accounting policy for these supplier unclaimed amounts and differences.

The impact of the restatement on the previously reported Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 30 September 2023 was to reduce revenue by $3 million and reduce income tax expense by $0.3 million. The impact of the restatement on the previously reported Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2024 was to reduce revenue by $1.8 million and reduce income tax expense by $0.2 million.

The impact of the restatement on the previously reported Statement of Financial Position as at 31 March 2023 was to increase trade payables and other liabilities by $32.8 million and increase accumulated losses by $32.8 million. The impact of the restatement on the previously reported Statement of Financial Position as at 31 March 2024 was to increase trade payables and other liabilities by $35.2 million, increase accumulated losses by $34.3 million, increase deferred tax assets by $0.1 million, reduce other current liabilities by $0.1 million and reduce reserves (foreign currency translation reserve by $0.7 million.

6.2.3 Summary of total impacts

The total impacts of the restatements at 6.2.1 and 6.2.2 on the previously reported Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 30 September 2023 was to reduce revenue by $3 million, increase other non-operating expenses by $2.9 million and reduce income tax expense by $0.6 million. The total impacts of the restatements on the previously reported Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2024 was to reduce revenue by $1.8 million, increase other non-operating expenses by $2.9 million and reduce income tax expense by $0.5 million.

The total impacts of the restatements on the Statement of Financial Position as at 31 March 2023 was to increase trade payables and other liabilities by $62.5 million, increase accumulated losses by $61.6 million and reduce reserves (foreign currency translation reserve) by $0.9 million. The total impacts of the restatements on the Statement of Financial Position as at 31 March 2024 was to increase trade payables and other liabilities by $68.3 million, increase accumulated losses by $65.7 million, increase deferred tax asset by $0.4 million, reduce other current liabilities by $0.1 million and reduce reserves (foreign currency translation reserve) by $2.1 million.

6. Restatement of comparatives (continued)

6.3 Restatement impacts

The impact of the restatements on the comparative information is set out on the following pages.

6.3.1 Consolidated Statement of profit or loss and other comprehensive income

	Previously reported	Prior period Restatement(i)	Prior period Restatement(ii)	Restated Total
	6 months ended 30 September **2023** $m	6 months ended 30 September **2023** $m	6 months ended 30 September **2023** $m	6 months ended 30 September **2023** $m
Revenue from customers	244.4	–	(3.0)	241.4
Other income	0.1	–	–	0.1
	244.5	**–**	**(3.0)**	**241.5**
Employee benefit expenses	(76.9)	–	–	(76.9)
Operating expenses	(67.6)	–	–	(67.6)
Other non-operating expenses	(0.6)	(2.9)	–	(3.5)
Impairment expense	(11.0)	–	–	(11.0)
Share of net loss of equity accounted investees	(0.9)	–	–	(0.9)
Profit before interest, tax, depreciation and amortisation	**87.5**	**(2.9)**	**(3.0)**	**81.6**
Interest income	7.2	–	–	7.2
Finance costs	(19.4)	–	–	(19.4)
Depreciation and amortisation	(21.8)	–	–	(21.8)
Profit before income tax	**53.5**	**(2.9)**	**(3.0)**	**47.6**
Income tax expense	(6.2)	0.3	0.3	(5.6)
Net profit after tax	**47.3**	**(2.6)**	**(2.7)**	**42.0**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
– Exchange difference on translating foreign operations	7.3	(0.3)	(0.3)	6.7
Items that will not be subsequently reclassified to profit or loss				
– Income tax benefit relating to share based payments	10.8	–	–	10.8
Other comprehensive income for the period, net of income tax	**18.1**	**(0.3)**	**(0.3)**	**17.5**
Total comprehensive income for the period	**65.4**	**(2.9)**	**(3.0)**	**59.5**

(i) Disputed payment write-offs.
(ii) Revision of accounting for supplier payables.

Notes to the consolidated half-year financial statements.

6. Restatement of comparatives (continued)

6.3.1 Consolidated Statement of profit or loss and other comprehensive income (continued)

	Restated Total	Discontinued Operations[i]	Restated Continuing Operations
	6 months ended 30 September **2023** $m	6 months ended 30 September **2023** $m	6 months ended 30 September **2023** $m
Continuing operations			
Revenue from customers	241.4	(66.3)	175.1
Other income	0.1	(0.1)	–
	241.5	**(66.4)**	**175.1**
Employee benefit expenses	(76.9)	23.9	(53.0)
Operating expenses	(67.6)	30.2	(37.4)
Other non-operating expenses	(3.5)	–	(3.5)
Impairment expense	(11.0)	–	(11.0)
Share of net loss of equity accounted investees	(0.9)	–	(0.9)
Profit before interest, tax, depreciation and amortisation	**81.6**	**(12.3)**	**69.3**
Interest income	7.2	(1.7)	5.5
Finance costs	(19.4)	2.4	(17.0)
Depreciation and amortisation	(21.8)	1.7	(20.1)
Profit before income tax	**47.6**	**(9.9)**	**37.7**
Income tax expense	(5.6)	3.3	(2.3)
Net profit after tax from discontinued operations and net gain on demerger	**42.0**	**(6.6)**	**35.4**
Discontinued operations			
Net profit after tax from discontinued operations	–	6.6	6.6
Net profit after tax	**42.0**	**–**	**42.0**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
– Exchange difference on translating foreign operations	6.7	–	6.7
Items that will not be subsequently reclassified to profit or loss			
– Income tax benefit relating to share based payments	10.8	–	10.8
Other comprehensive income for the period, net of income tax	**17.5**	**–**	**17.5**
Total comprehensive income for the period	**59.5**	**–**	**59.5**
Total comprehensive income for the period from continuing operations	**59.5**	**(6.6)**	**52.9**

(i) Demerger, refer to Note 6.1 for details.

Notes to the consolidated half-year financial statements.

6. Restatement of comparatives (continued)

6.3.1 Consolidated Statement of profit or loss and other comprehensive income (continued)

	Previously reported 6 months ended 30 September 2023 $m	Adjustments[i,ii,iii] 6 months ended 30 September 2023 $m	Restated 6 months ended 30 September 2023 $m
Earnings per share attributable to equity holders of the parent entity:			
Basic (cents per share)	12.3	(1.3)	11.0
Diluted (cents per share)	12.2	(1.3)	10.9
Earnings per share attributable to equity holders of the parent entity from continuing operations:			
Basic (cents per share)	12.3	(3.1)	9.2
Diluted (cents per share)	12.2	(3.0)	9.2

(i) Discontinued operations.
(ii) Disputed payment write-offs.
(iii) Revision of accounting for supplier payables.

	Previously reported Year ended 31 March 2024 $m	Prior period Restatement[i] Year ended 31 March 2024 $m	Prior period Restatement[ii] Year ended 31 March 2024 $m	Restated Year ended 31 March 2024 $m
Revenue from customers	471.3	–	(1.8)	469.5
Other income	0.2	–	–	0.2
	471.5	**–**	**(1.8)**	**469.7**
Employee benefit expenses	(158.4)	–	–	(158.4)
Operating expenses	(130.8)	–	–	(130.8)
Other non-operating expenses	9.5	(2.9)	–	6.6
Impairment expense	(38.8)	–	–	(38.8)
Share of net loss of equity accounted investees	(0.9)	–	–	(0.9)
Profit before interest, tax, depreciation and amortisation	**152.1**	**(2.9)**	**(1.8)**	**147.4**
Interest income	15.9	–	–	15.9
Finance costs	(39.1)	–	–	(39.1)
Gain on remeasurement of Convertible Notes	25.3	–	–	25.3
Depreciation and amortisation	(45.5)	–	–	(45.5)
Profit before income tax	**108.7**	**(2.9)**	**(1.8)**	**104.0**
Income tax expense	(36.0)	0.3	0.2	(35.5)
Net profit after tax	**72.7**	**(2.6)**	**(1.6)**	**68.5**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
– Exchange difference on translating foreign operations	12.3	(0.3)	(0.7)	11.3
Items that have been subsequently reclassified to profit or loss				
– Cash flow hedges recycled to profit or loss	0.5	–	–	0.5
Items that will not be subsequently reclassified to profit or loss				
– Income tax benefit relating to share based payments	7.4	–	–	7.4
Other comprehensive income for the period, net of income tax	**20.2**	**(0.3)**	**(0.7)**	**19.2**
Total comprehensive income for the period	**92.9**	**(2.9)**	**(2.3)**	**87.7**

(i) Payment errors, disputes and other write-offs.
(ii) Revision of accounting for supplier payables.

6. Restatement of comparatives (continued)

6.3.1 Consolidated Statement of profit or loss and other comprehensive income (continued)

	Previously reported Year ended 31 March 2024 $m	Adjustments[i,ii] Year ended 31 March 2024 $m	Restated Year ended 31 March 2024 $m
Earnings per share attributable to equity holders of the parent entity:			
Basic (cents per share)	18.9	(1.1)	17.8
Diluted (cents per share)	17.2	(1.0)	16.2

(i) Disputed payment write-offs.
(ii) Revision of accounting for supplier payables.

6.3.2 Consolidated Statement of financial position

	Previously reported As at 31 March 2023 $m	Prior period Restatement[i] As at 31 March 2023 $m	Prior period Restatement[ii] As at 31 March 2023 $m	Restated As at 31 March 2023 $m
Current liabilities				
Trade payables and other liabilities	433.7	29.7	32.8	496.2
Total current liabilities	**500.9**	**29.7**	**32.8**	**563.4**
Total liabilities	**754.0**	**29.7**	**32.8**	**816.5**
Net assets	**834.2**	**(29.7)**	**(32.8)**	**771.7**
Equity				
Issued capital	1,050.1	–	–	1,050.1
Reserves	39.6	(0.9)	–	38.7
Accumulated losses	(255.5)	(28.8)	(32.8)	(317.1)
Total equity	**834.2**	**(29.7)**	**(32.8)**	**771.7**

(i) Payment errors, disputes and other write-offs.
(ii) Revision of accounting for supplier payables.

	Previously reported As at 31 March 2024 $m	Prior period Restatement[i] As at 31 March 2024 $m	Prior period Restatement[ii] As at 31 March 2024 $m	Restated As at 31 March 2024 $m
Non-current assets				
Deferred tax asset	27.1	0.3	0.1	27.5
Total non-current assets	**846.9**	**0.3**	**0.1**	**847.3**
Total assets	**1,800.3**	**0.3**	**0.1**	**1,800.7**
Current liabilities				
Trade payables and other liabilities	523.6	33.1	35.2	591.9
Other current liabilities	73.6	–	(0.1)	73.5
Total current liabilities	**597.2**	**33.1**	**35.1**	**665.4**
Total liabilities	**859.5**	**33.1**	**35.1**	**927.7**
Net assets	**940.8**	**(32.8)**	**(35.0)**	**873.0**
Equity				
Issued capital	1,066.7	–	–	1,066.7
Reserves	77.5	(1.4)	(0.7)	75.4
Accumulated losses	(203.4)	(31.4)	(34.3)	(269.1)
Total equity	**940.8**	**(32.8)**	**(35.0)**	**873.0**

(i) Payment errors, disputes and other write-offs.
(ii) Revision of accounting for supplier payables.

6. Restatement of comparatives (continued)

6.3.3 Consolidated Statement of cash flows

	Previously reported 6 months ended 30 September 2023 $m	Prior period Restatement[(i)] 6 months ended 30 September 2023 $m	Prior period Restatement[(ii)] 6 months ended 30 September 2023 $m	Restated 6 months ended 30 September 2023 $m
Net profit after tax	47.3	(2.6)	(2.7)	42.0
Add back:				
– Depreciation and amortisation	21.8	–	–	21.8
– Impairment	11.0	–	–	11.0
– Share of net loss from associates	0.9	–	–	0.9
– Finance cost, net of interest income	12.2	–	–	12.2
– Income tax expense	6.2	(0.3)	(0.3)	5.6
Profit before interest, tax, depreciation, amortisation	**99.4**	**(2.9)**	**(3.0)**	**93.5**
Adjusted for changes in working capital:				
– Increase in trade debtors and other receivables	(53.7)	–	–	(53.7)
– Increase in trade payables and other liabilities	127.4	2.9	3.0	133.3
– Non-cash items	3.0	–	–	3.0
Cash flow from operating activities before interest and tax paid	**176.1**	**–**	**–**	**176.1**

(i) Payment errors, disputes and other write-offs.
(ii) Revision of accounting for supplier payables.

	Previously reported Year ended 31 March 2024 $m	Prior period Restatement[(i)] Year ended 31 March 2024 $m	Prior period Restatement[(ii)] Year ended 31 March 2024 $m	Restated Year ended 31 March 2024 $m
Net profit after tax	72.7	(2.6)	(1.6)	68.5
Add back:				
– Depreciation and amortisation	45.5	–	–	45.5
– Impairment	38.8	–	–	38.8
– Share of net loss from associates	0.9	–	–	0.9
– Finance cost, net of interest income	23.2	–	–	23.2
– Gain on remeasurement of Convertible Notes	(25.3)	–	–	(25.3)
– Income tax expense	36.0	(0.3)	(0.2)	35.5
Profit before interest, tax, depreciation, amortisation	**191.8**	**(2.9)**	**(1.8)**	**187.1**
Adjusted for changes in working capital:				
– Increase in trade debtors and other receivables	(59.8)	–	–	(59.8)
– Increase in trade payables and other liabilities	67.3	2.9	1.8	72.0
– Non-cash items	(3.3)	–	–	(3.3)
Cash flow from operating activities before interest and tax paid	**196.0**	**–**	**–**	**196.0**

(i) Payment errors, disputes and other write-offs.
(ii) Revision of accounting for supplier payables.

7. Cash and cash equivalents

7.1 Included in cash and cash equivalents are:

	As at 30 September 2024 $m	As at 31 March 2024 $m
Cash at bank and on hand	510.0	630.1
Cash and cash equivalents	**510.0**	**630.1**

As at 30 September 2024, $7.9 million of cash belonging to the Group was held by Webjet Group Limited as a result of the Demerger. This was presented within Trade receivables and other assets in the Consolidated Statement of financial position and was received post reporting date.

7.2 Operating cash flows reconciliation

WEB Travel Group considers the indirect method the more appropriate way to present cash flows 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 cash flows from operating activities using the direct method.

Operating cash flow per the direct method

	6 months ended 30 September 2024 $m	Restated(i) 6 months ended 30 September 2023 $m
Receipts from customers	2,666.4	2,826.2
Payments to suppliers and employees	(2,573.4)	(2,649.9)
Net finance cost paid	(3.6)	(5.4)
Income tax expense paid	(4.2)	(2.2)
Net cash inflows from operating activities	**85.2**	**168.7**

(i) Comparatives include the cash flows of Webjet Group Limited for the period up to the Demerger date. Refer to Note 6.1 for further details.

8. Working capital

8.1 Trade receivables and other assets

	As at 30 September 2024 $m	As at 31 March 2024 $m
Trade receivables	294.7	225.1
Contract assets	14.1	16.6
Credit loss allowance	(2.0)	(2.3)
Trade receivables	**306.8**	**239.4**
Prepayments	11.0	11.7
Other current assets(i)	23.2	27.7
Loans to related parties(ii)	–	1.2
Total trade receivables and other assets	**341.0**	**280.0**

(i) Comprises mainly supplier deposits and indirect tax balances.
(ii) During the prior period, the Board approved to provide the Chief Operating Officer with a loan of $1.1 million, at a commercial interest rate for a term of one year and was classified as Current in the consolidated statement of financial position. As part of the loan terms, the loan was used to exercise vested options and was unsecured. Interest was accrued up to repayment whereby $1.2 million was repaid in the current period.

Receivables ageing, contract assets and credit risk allowance

	As at 30 September 2024 $m	As at 31 March 2024 $m
Current	262.2	178.7
30 to 90 days	29.1	43.7
90 to 180 days	2.5	1.7
Over 180 days	0.9	1.0
	294.7	**225.1**
Contract assets	14.1	16.6
Gross trade and other receivables	**308.8**	**241.7**
Allowance based on expected credit losses	(0.7)	(0.8)
Adjustment for expected changes in credit risk	(1.3)	(1.5)
Total trade and other receivables	**306.8**	**239.4**

The movement in the credit loss allowance was as follows:

	6 months ended 30 September 2024 $m	6 months ended 30 September 2023 $m
Opening credit loss allowance	2.3	1.1
Increase/(utilisation) of provision	(0.2)	1.1
Impact of FX translation	(0.1)	0.1
Closing credit loss allowance	**2.0**	**2.3**

8.2 Trade payables and other liabilities

	As at 30 September 2024 $m	As at 31 March 2024 (Restated) $m
Trade payables(i)	570.4	546.5
Accrued expenses and other liabilities	39.7	45.4
Total trade payables and other liabilities	**610.1**	**591.9**

(i) The Trade payables balance as at 31 March 2024 has been restated as a result of the payment errors, disputes, other write-offs and revision of accounting for supplier payables. Refer to Note 6.2 for further details.

9. Investment in financial assets

	As at 30 September 2024 $m	As at 31 March 2024 $m
Equity linked financial assets(i)	61.3	43.3
Investment in financial assets	**61.3**	**43.3**

(i) In the prior period, the Group entered capital management initiatives with the intention to obtain economic exposure to the price and dividends of its Ordinary shares, up to a maximum of $150 million. The investment provides a partial hedge in relation to the economic cost of any future liability management of the Convertible Notes (refer to Note 10.2). During the current period, an additional investment of $19 million (2.5 million shares) was made.

In consideration of the Demerger of WJL, the third parties to the equity linked financial assets agreed to an adjustment to uplift the number of shares used in the calculation by 1 million. The outstanding exposure at 30 September 2024 was equivalent to 8.4 million shares (2023: 4.9 million) based on the share price at the respective reporting date. The movement in the fair value of the assets is recorded within Non-operating expenses, refer to Note 4.3 for further details.

10. Borrowings

10.1 Borrowing and related derivatives for the Group are as follows:

	Terms	Maturity	30 September 2024 Current $m	30 September 2024 Non-current $m	31 March 2024 Current $m	31 March 2024 Non-current $m
Unsecured Convertible Notes(i)	Interest Only	April 2026	–	230.3	–	224.3
Total borrowings			**–**	**230.3**	**–**	**224.3**

(i) Refer to Note 10.2 below.

10.2 Unsecured Convertible Notes

2021 Convertible Notes

As a result of the Demerger, the conversion price of the Convertible Notes has been adjusted from $6.35 to $5.55 and did not have an impact on either the liability or equity component values of the recognised Convertible Notes, as it was determined to not be a substantial modification.

10.3 Covenant compliance

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

WEB Travel Group Limited has complied with the financial covenants of its borrowing facilities during the current and comparative reporting periods.

11. Issued Capital

During the half-year, the Company issued 2,425,000 ordinary shares for $7.4 million on exercise of share options previously issued under its long term incentive plan. As a result, $3.3 million was transferred from the equity-settled employee benefits reserve to issued capital.

The Company also issued 2,628,203 ordinary shares on exercise of performance rights resulting in a further transfer of $8.1 million from the equity-settled share based payment reserve to issued capital.

As disclosed in Note 6.1.1, issued capital was reduced by $123.2 million as a result of the Demerger.

There were no other movements in the ordinary share capital of the Company during the current half-year. Refer to Note 12 for further details.

12. Share based payments

As a result of the Demerger disclosed in Note 6, the existing share based payment arrangements as disclosed in 2024 Annual Report were modified as follows:

	Senior management FY23 rights	Senior management FY24 rights	Other key staff FY23 rights	Other key staff FY24 rights
Original key assumptions				
Settlement basis	Equity	Equity	Equity	Equity
Fair value per share ($)	2.91	5.18	2.91	5.18
Vesting period	3 years started from 31 March 2022 to 31 March 2025	3 years started from 31 March 2023 to 31 March 2026	3 years started from 31 March 2022 to 31 March 2025	3 years started from 31 March 2023 to 31 March 2026
Modified key assumptions				
Settlement basis	Equity	Equity	Equity	Cash
Fair value per share ($)	3.76	5.18	3.76	7.78
Vesting period	2.5 years started from 31 March 2022 to 23 September 2024	1.5 years started from 31 March 2023 to 23 September 2024	2.5 years started from 31 March 2022 to 23 September 2024	2.5 years started from 31 March 2023 to 23 September 2025
Additional key assumptions				
Tenure	N/A	N/A	N/A	Quarterly cash instalments subject to continued tenure

On modification of the respective vesting dates, which occurred prior to the Demerger, the Group has remeasured the fair value of the share based payment arrangements and accelerated the recognition of the expense over the remaining vesting period.

During the period, at the AGM, rights were approved to be issued to the Managing Director for which the relating share based payment expense was recorded. At the EGM, a modification of these rights was approved with the rights yet to be issued at the reporting date.

13. Key management personnel

Remuneration arrangements of Key Management Personnel (KMP) are disclosed in the annual financial report.

During previous periods, the Board granted Rights to the executive team (including the Managing Director, KMP and Key staff) vesting upon certain conditions being met.

The performance Rights (i.e. zero exercise priced options) were subject to certain market, non-market and service conditions. Expected volatility has been formulated with reference to market observations for the Group and the comparator companies. 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. No new Rights were issued during the period.

During the half-year period, previously granted options of 1,870,000 and rights of 128,819 were converted to ordinary shares by KMP.

14. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the half-year period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Directors' Declaration.

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity for the half-year to 30 September 2024.

Signed in accordance with a resolution of the Directors made pursuant to section 303 (5) of the *Corporations Act 2001*.

On behalf of the Directors

Roger Sharp
Chair

27 November 2024

Corporate directory.

Directors

- **Roger Sharp**, Chair and
  Independent Non-Executive Director
- **John Guscic**
  Managing Director
- **Brad Holman**
  Independent Non-Executive Director
- **Denise McComish**
  Independent Non-Executive Director
- **Don Clarke**
  Deputy Chair and
  Independent Non-Executive Director
  – Resigned on 30 September 2024
- **Katrina Barry**
  Independent Non-Executive Director
  – Resigned on 24 June 2024

Company Secretaries

- **Tony Ristevski**
- **Ella Zhao**
- **Meaghan Simpson**
  – Resigned on 2 August 2024

Registered office

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